

USDA Foods: Update

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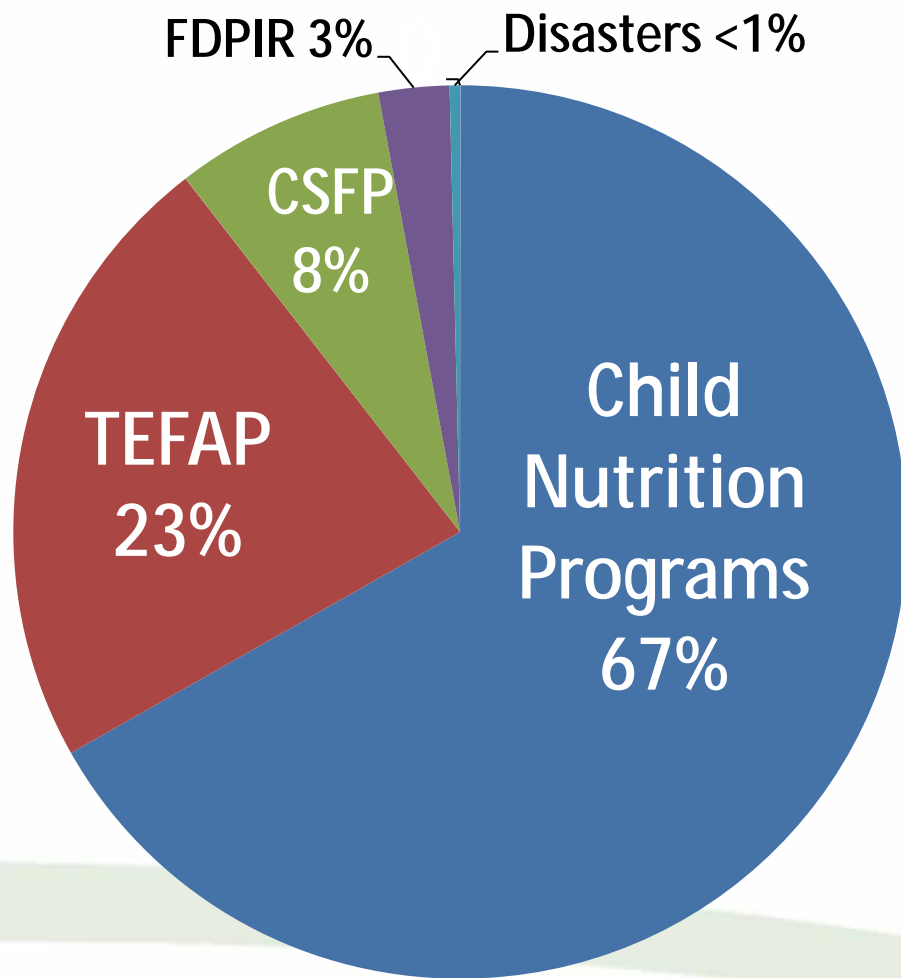
California
School Nutrition Association
Industry Conference
May 2014



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USDA Foods: Year in Review



Estimated FY13 Total Purchases

Program	USDA Foods \$
CNP	\$1,389,230,481
TEFAP	\$472,452,351
CSFP	\$157,564,209
FDPIR	\$53,216,785
Disasters	\$7,759,598
TOTAL	\$2,080,223,424



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USDA Foods: Year in Review

Hot Topics

- Domestic F&V shortages
- Whole grains
- Processor Inventories TOO HIGH
- State Administrative expenses TOO HIGH!



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Operations Update:

- SY14 Entitlement 99.9% ordered...
- SY15 Catalog opened February
- Orders due beginning May 1 for July-September delivery

Year in review: Challenge

Increasing Fruits & Vegetables:

- Securing Domestic Fruit
- Securing orange vegetables
- DoD Fresh Fruits & Vegetables
- AMS Farm Bill Pilot



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Year in review: Challenge

How can industry help?

Domestic fruit & leafy green & orange vegetable

- Shelf stable
- Kids like
- Does not require much water to grow or much labor to harvest or process
- That can be delivered in July 2014



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New Products – SY 2014

- Bulk Pinto Bean- **added**
- Shelf Stable Applesauce Cups - **added**
- Frozen Broccoli Florets – **added**
- Chopped Frozen Spinach – **added**
- IQF Mushrooms – **added**



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USDA Food – SY 15

- Reduced Sodium Ham – adding
- String Cheese - adding
- Dried Cranberries - adding
- White Whole Wheat Flour Blend – test buy
- High protein yogurt – test buy
- Unseasoned Chicken Strips – test buy
- Penne Pasta Whole Wheat blend- research
- Orange Vegetables – researching



Year in Review: High Processor Inventories

- Nationally monitor to ensure adequate bond coverage – NOT ENOUGH
- More State by State monitoring AND processor monitoring
- Options:
 - Cutting State orders where there are excesses
 - Transferring to other school districts or other States



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SAE Policy Update – Good News

- **Joint FDD & CND Policy Memorandum FD-131/SP 57-2013: *Q&A Regarding the Use of State Administrative Expense (SAE) Funds and SAE Reallocation Funds in the Food Distribution Program for Child Nutrition Programs***
- **Resource management guidance how to leverage funds to pay State Administrative Cost and distribution and delivery**



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USDA Foods: Year in Review

Engaging our partners

- Stakeholder Meeting
- USDA Foods Action Plan
- State Action Plans
- Child Nutrition Programs 2015 Reauth

USDA Foods: Action Plan

Operational Changes to Maximize Entitlement USE & equitable access across all districts

- Improve states'/schools' abilities to spend AND USE 100 percent of entitlement in the year it is earned
- Identify best practices in small district utilization & **Food Service Management Company** utilization
- Reduce time between ordering and delivery
- Allow bulk orders for LTL truck quantities
- Order & buy mixed loads of product for small states



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USDA Foods: Action Plan

Training

- State agency training initiative
- Enable all states and districts to have access to the same tools and information
- Encourage states to share best practices and to implement them!

USDA Foods Training Opportunities

- NFSMI USDA Foods Training
- ACDA ANC Sessions
- SNA ANC
- Coming in 2014: USDA Foods Webinars



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USDA Foods & CN Training

SNA State Agency Meeting - Dec

Procurement Oversight Session

Procuring FSMC services

Procuring commercial foods

Procuring Processing services

at the SFA level

- Administrative Review Process:



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Food Service Management Rule

New requirements applying to Food Service Management Companies to ensure:

- The value of USDA Foods was passed through to the school district they were operating
- Following procurement rules for purchasing product for the district.



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USDA Foods: Action Plan

BPR

WBSCM

Web supply chain management system



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USDA Foods: Action Plan

Communications

- Understanding of mission and operations of USDA Foods program – webinars, quarterly calls
- Provide a mechanism for more direct feedback between FNS and all stakeholders.
- PLEASE PROVIDE CONSTRUCTIVE CRITICISM
- IT IS IMPORTANT FOR USDA FOODS TO BE A GREAT AND SUCCESSFUL PROGRAM...

AS A MATTER OF NATIONAL SECURITY

**IF YOU DON'T LIKE DEPENDING ON
FOREIGN OIL...**

**YOU ARE GOING TO HATE DEPENDING ON
FOREIGN FOOD !!!**



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Questions/feedback:

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USDA Foods Mobile Code



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