

USDA FOODS



HEALTHY CHOICES
AMERICAN GROWN

**Peggy Cantfil, FNS
CA SNIC
2014**

USDA Foods PAST PRESENT & FUTURE



USDA FOODS



HEALTHY CHOICES
AMERICAN GROWN

USDA Foods Program Evolution



What are USDA Foods?

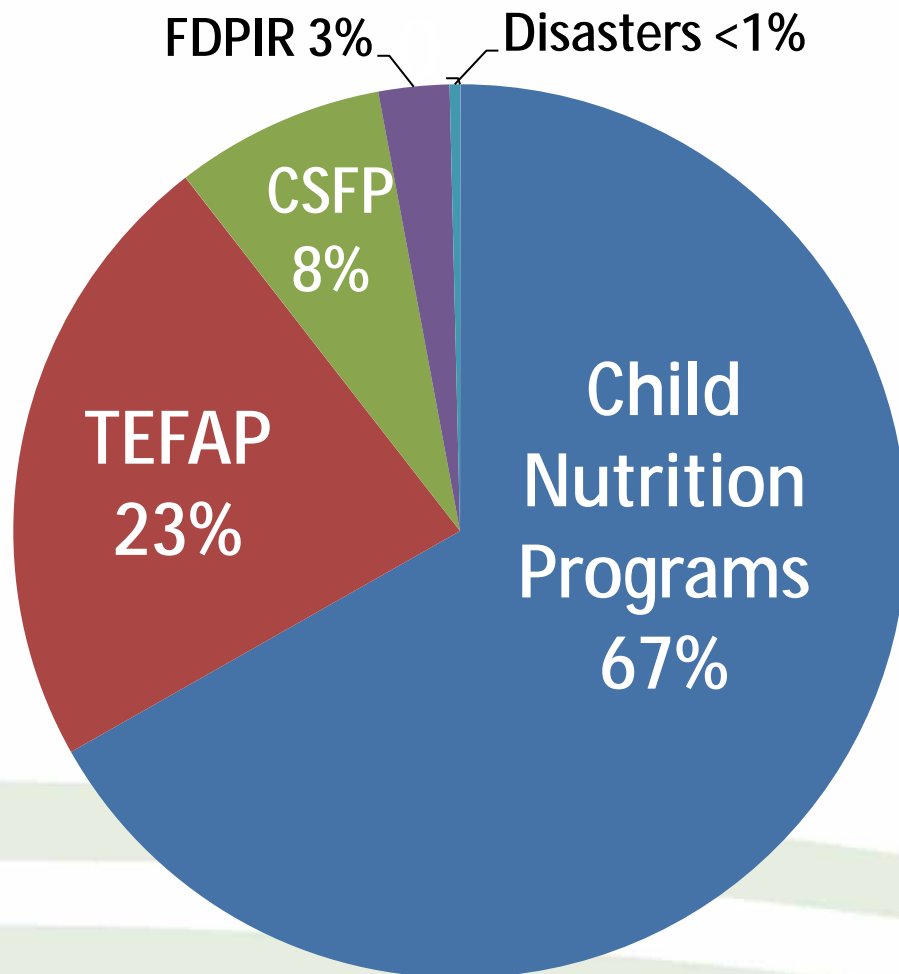
Foods that are purchased by USDA from American farmers, dairyman, ranchers, and fishermen to support American agriculture and American nutrition assistance programs.



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Who receives them now...?

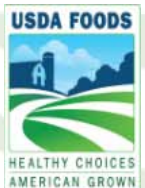


Estimated FY13 Total Purchases

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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In the early 1930's

- The Great Depression
- Unemployment and hunger
- Farms suffered from surpluses
- Crops and livestock destroyed



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Commodity Credit Corporation 1933

Farm loans and price support



- Storage of non perishable grains
- Loan payments in the form of crops
- Domestic and international donations



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Agricultural Act of 1935

- Funds were designated for school purchases
- Section 32 authorized funds for [USDA](#) to purchase surplus products to promote domestic consumption and stabilize markets
- Non-profit camps, charitable institutions and needy families also authorized



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School Meal Program Growth



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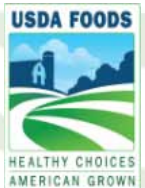


World War II: 1939 - 1945

Our Food is Fighting



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National School Lunch Act 1946

- To support agriculture – Section 32 purchases
- To improve the health and well-being of the nation's youth
- Safeguard national security
- Section 6 funds established to purchase food for school meals



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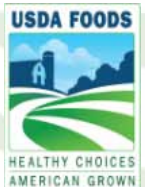
National School Lunch Act 1946

PREAMBLE

“as a matter of *national security*, and to safeguard the health and well being of the *nations children, and to expand the market with nutritious (domestic) agricultural commodities*, the school lunch program is established...”



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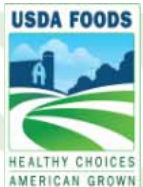
1961



- President Kennedy mandated increase in quantity and variety of foods for needy families
- Change in program focus from welfare & agriculture to nutritional
- Began establishing minimum levels of assistance to schools
- Food Stamp Pilot Program



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1970's

- Decrease in surplus products due to a agricultural policy changes.
- Funds were appropriated to buy food on the open market absent surpluses and inventories
- Commodity Supplemental Food Program ([CSFP](#)) for targeted populations:
 - Population at risk: women, infants, and children under 6
 - Predecessor to [WIC](#) – Pilot program
 - Became permanent in 1974



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1977 Food Stamp Act

- Food Stamp Program replaces the Commodities for Needy Families Program
- Food Distribution Program on Indian Reservations ([FDPIR](#)) created
- Commodities become available for disaster feeding ([DF](#))



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1981 TEFAP

Temporary Emergency Food Assistance Program

“FREE CHEESE PROGRAM”

- Weak economy and unemployment and homeless increase
- Increased inventories (cheese, butter, nonfat dry milk, grains...)
- Schools could not absorb the inventories
- Political pressure to distribute to needy people



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1981 – Cash/CLOC

Commodity Letter of Credit “Demo”

- Agricultural Appropriations Act of 1981
- 3 year demonstration pilot of two alternatives to direct commodity delivery
- Pilot began School Year 1983 with 96 districts
- 1986 USDA recommended to discontinue pilot
 - failed to adequately provide market support
- School districts appealed to Congress
- 96 districts remained in [Cash](#)/[CLOC](#)



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1981 – Donated Commodity List

about 20 foods sometimes & allocated

- Frozen ground beef
- Cut-up chicken pieces
- Turkey ROLL
- Canned peaches & pears
- Canned corn, peas, green beans & sweet potatoes
- Cheddar cheese 40 lb. block
- Etc....



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1987

Commodity Distribution Reform Act

- Improved the manner in which commodities are distributed to Recipient Agencies (RAs) SCHOOLS
- Improved the quality of commodities distributed
- Improved how information to was given to RAs
- State warehouse and distribution systems evaluation was established – shift to commercial distributors
- State performance standards were established
- Uniformity across SDAs and Ros...a start
- Now bear minimum standards



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1992 Purchases for Schools

72 commodities

- Chicken - 7
- Turkey – 5
- Beef – 6
- Pork – 4
- Fish – 1
- Cheese – 4
- Vegetables – 20
- Fruits - 14



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Y2K – First decade

Business Process Re-engineering FD - 2000

- Centralization of NSLP ordering FNS HQT.
- National Processing Agreement
- Commodity Specification Improvements
- Commercial Labeling of commodities
- Electronic Commodity Ordering System



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Ordering System Changes

Push
Down
System

PCIMS

Processed Commodities
Inventory Management
System

BPR 2000

PARADIGM SHIFT


Request
Driven
System!



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Request-drive systems shifted focus



HEALTHY FOODS
More options for you. More choices for them.


With over 180 nutritious food options from USDA Foods, you can offer even more satisfying lunch choices. Whole-grain pasta, low-sodium beans and fresh pears are just some of the foods that will help you stretch your school lunch budget and meet nutrition goals. Log on to learn more: www.fns.usda.gov/USDAFoods.



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ACTUALLY there are more now ... but who is counting?



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More options for you. More choices for them.

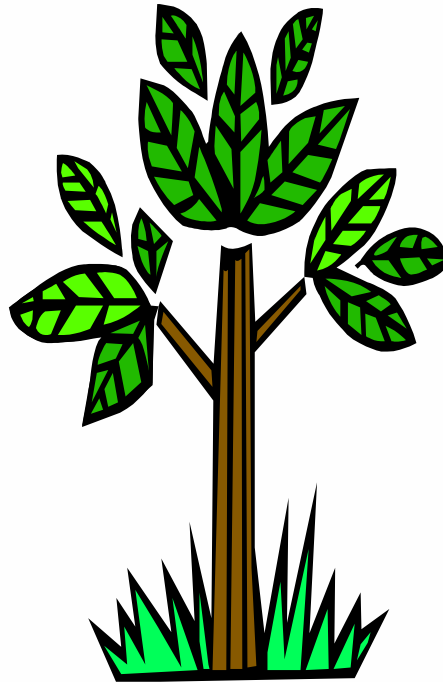
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Lets not forget our roots!



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BUY American is also required of schools
Distributors should plan, bid & source
appropriately
School districts should monitor



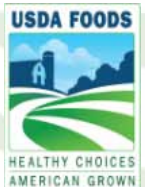
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AS A MATTER OF NATIONAL SECURITY

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

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



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What percent of American's income is spent on food?

- Americans spend only 10% of their income on food
 - French – 18%
 - British – 22%
 - Italians – 23%
 - Japanese – 26%
 - Indians – 51%



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USDA Foods Forgotten Mission

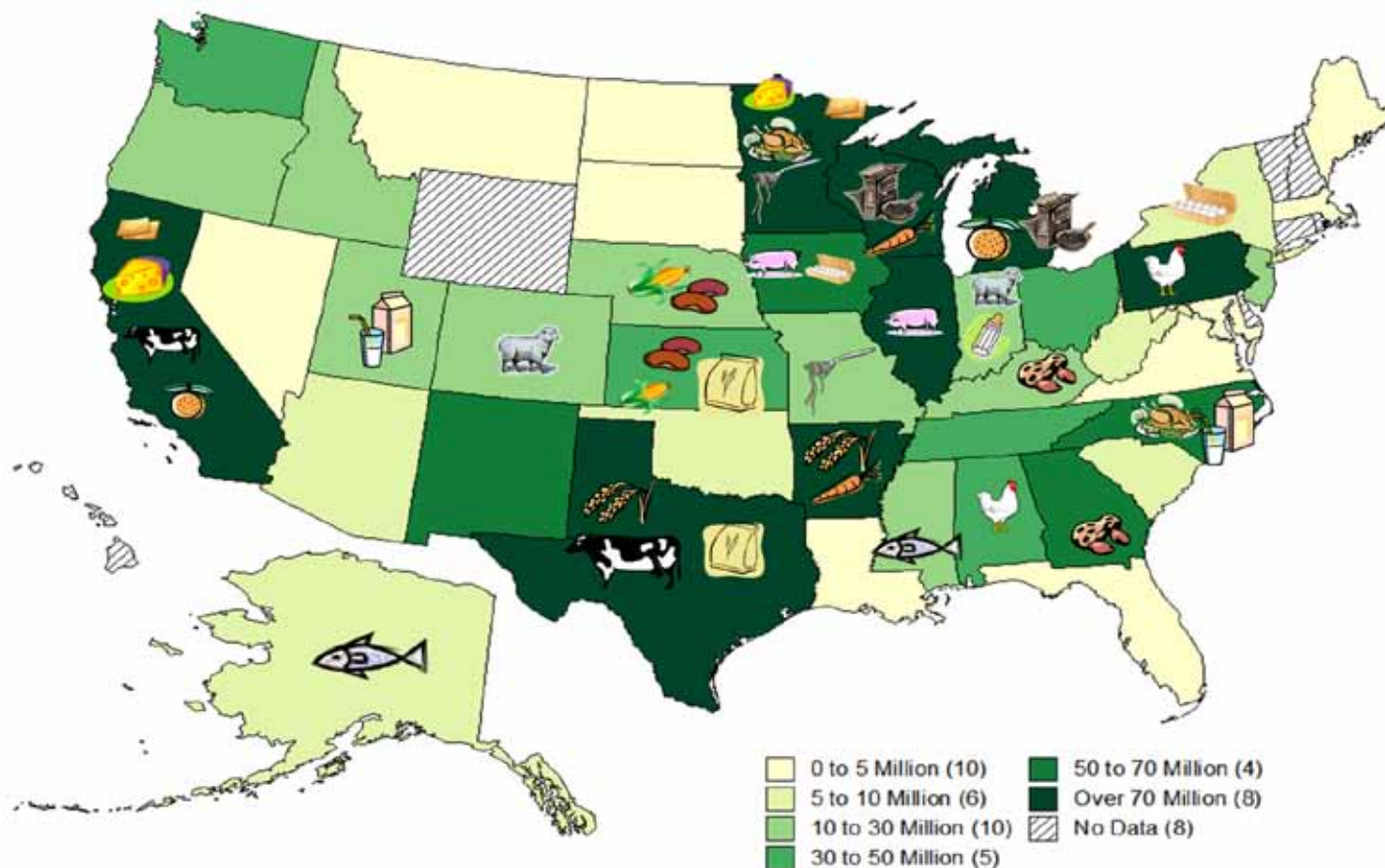
- The support of American Agriculture is the backbone of the USDA Foods program
 - Addresses economic challenges faced by farmers
 - Stabilizes supplies and farmer pricing
 - Provides a safety net while a commodity group is developing new markets
 - Keeps the “American” in agriculture



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USDA Foods Purchased in Dollars by State FY 2012



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Food Purchase Information website

State of Origin data

AMS vendor contact info

FSA vendor contact info

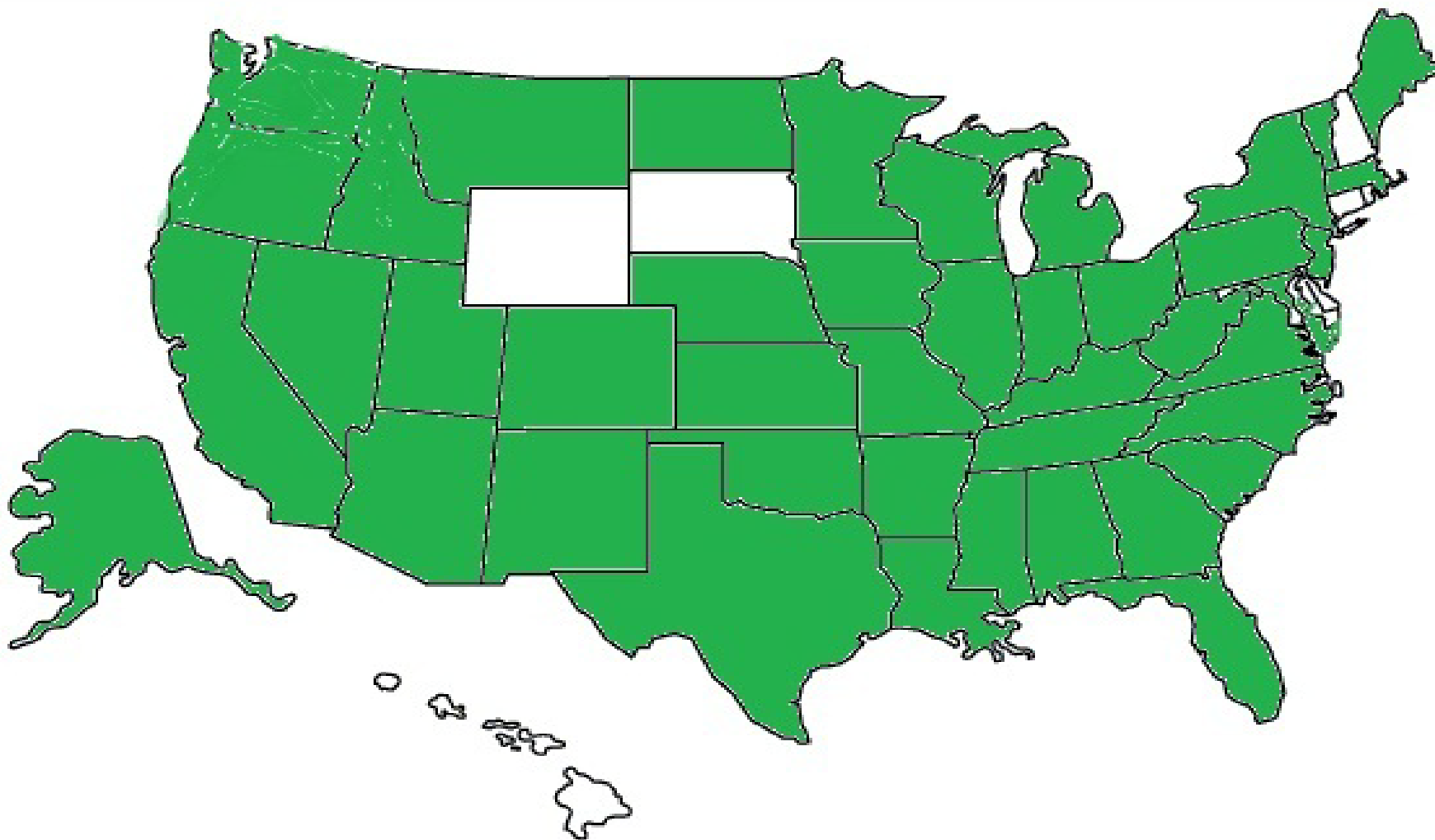
[http://www.fns.usda.gov/fdd/
food-purchase-resources](http://www.fns.usda.gov/fdd/food-purchase-resources)



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USDA Purchases from Most States



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USDA SUPPORTS LOCAL ECONOMIES

- Total vendors awarded contracts in FY 2013 was 232
- These vendors were located in 44 States and Puerto Rico
- These vendors were located in 348 different localities
- The majority of growers are small, family owned businesses
 - Less than 1 percent of America's farms and ranches are owned by non-family corporations



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USDA Supports Small Business

- Statutory goal for Federal Agencies is 23% to small businesses
- AMS awarded contracts to 105 small businesses in FY 2013
- The value of those contracts was \$653 m, 43% of total purchases

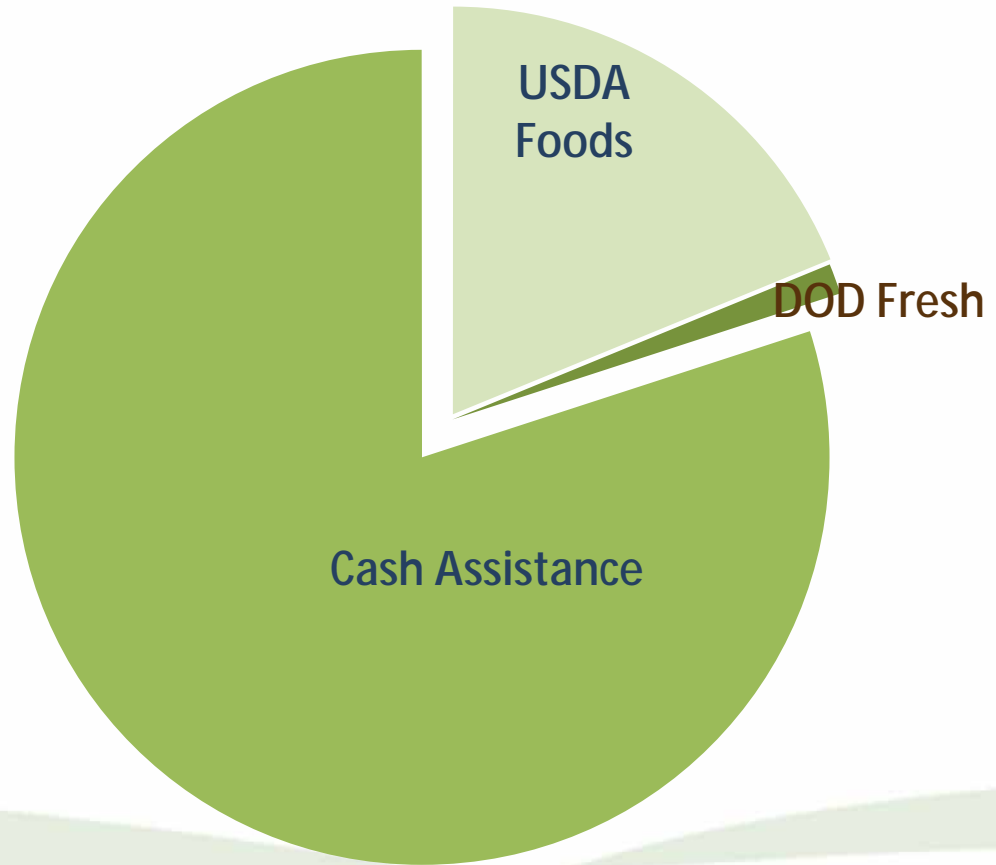


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DoD Fresh

DoD Fresh is a small, but growing portion of USDA Foods!



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DoD Fresh Basics

- DoD Fresh operates in 46 states, DC, Guam, Puerto Rico and the Virgin Islands!
- 112 Indian Tribal Organizations participate
- Over 45 DoD produce vendors across the country
 - Long term contracts – 18 month w/ 2 option periods
 - Over 80% small businesses

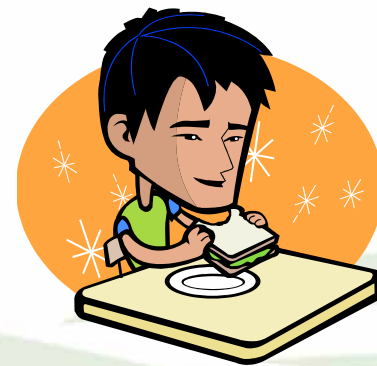


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DUAL MISSION - CRITICAL

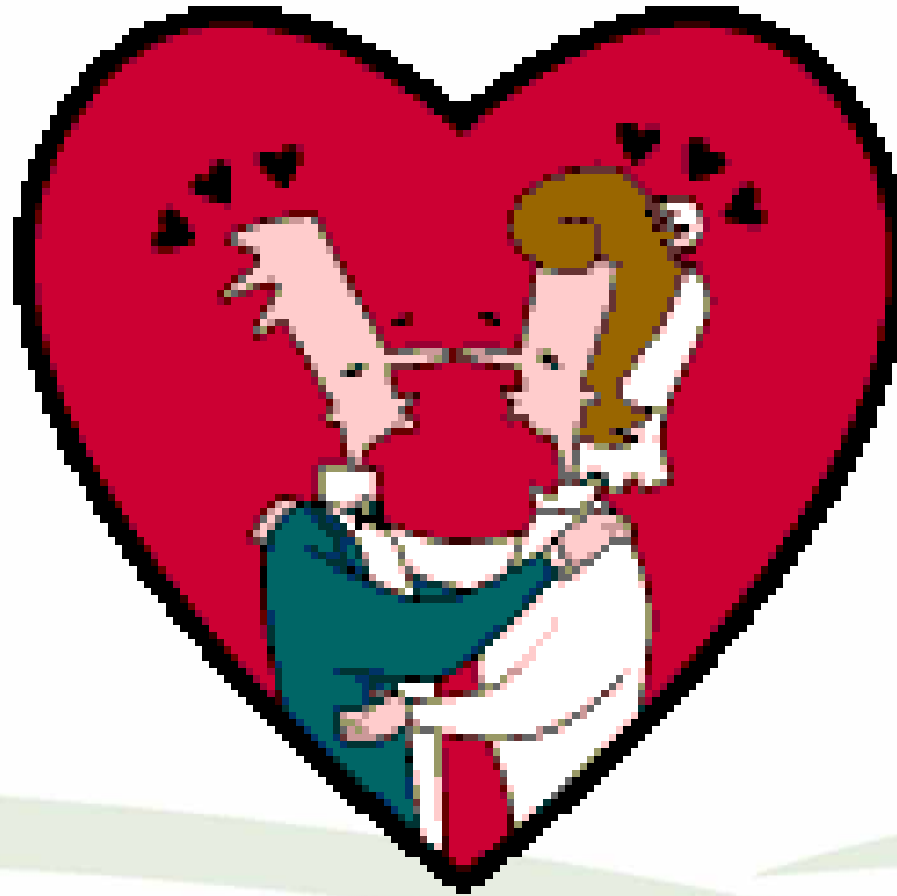
- Support domestic agriculture
 - 100% US grown and produced
- Provide food assistance



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They must remain together!



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There can be conflict and tension



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Remain together

- For the sake of the families and children
- To save the farms in the USA



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Ag Sector Support USDA foods programs for example

- American Farm Bureau
- Rice Council
- National Milk Producers Federation
- National Peanut Council
- American Meat Institute
- National Broiler Council
- National Turkey Federation
- United Egg Producers
- California Canning Peach Association
- Raisin Board
- Washington Oregon Pear Bureau
- Natl. Association of State Dept. of AG



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**Not just about Ag sector support for
our program – it is about sustainability**

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

WE ARE GOING TO HATE.....



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Where is the tension?

Domestic Agriculture Cycles

Why can we buy all kinds of food all year long commercially but there are supply issues with USDA foods?



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Year-round production vs. annual production

- Protein Items – largely year-round production
 - Can react to changes in demand
 - Times when supply is tight
- Harvested crops – annual production
 - Purchases and deliveries have to coincide with harvest
 - Quantities must be locked in during harvest
 - Difficult to react to changes in demand
 - Weather is the wildcard



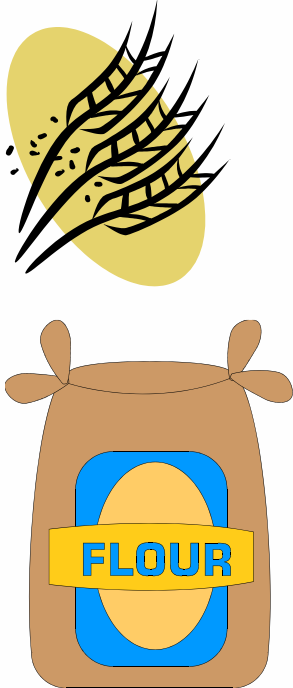
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Grain, Peanut and Oil

Available quarterly from inventory

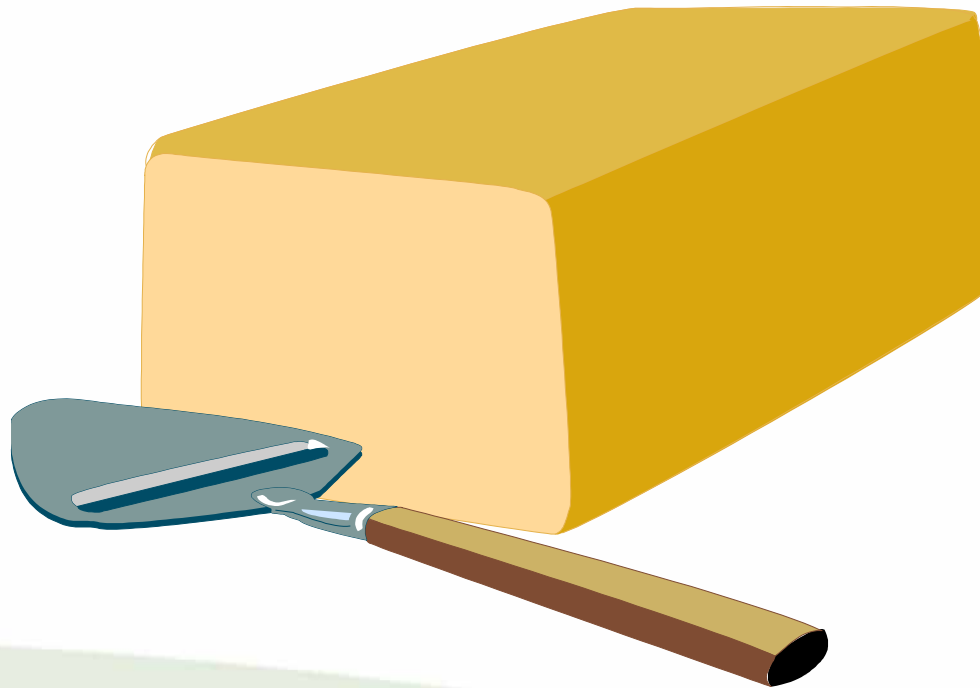
When are there issues?



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DAIRY!!



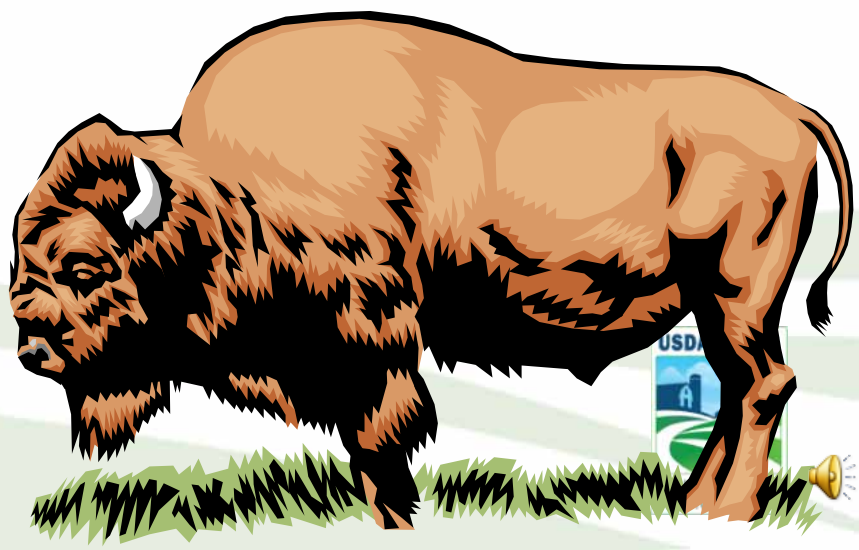
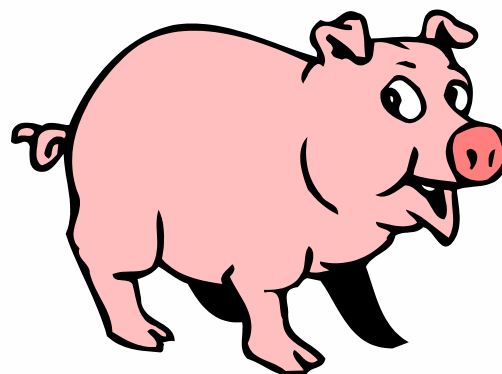
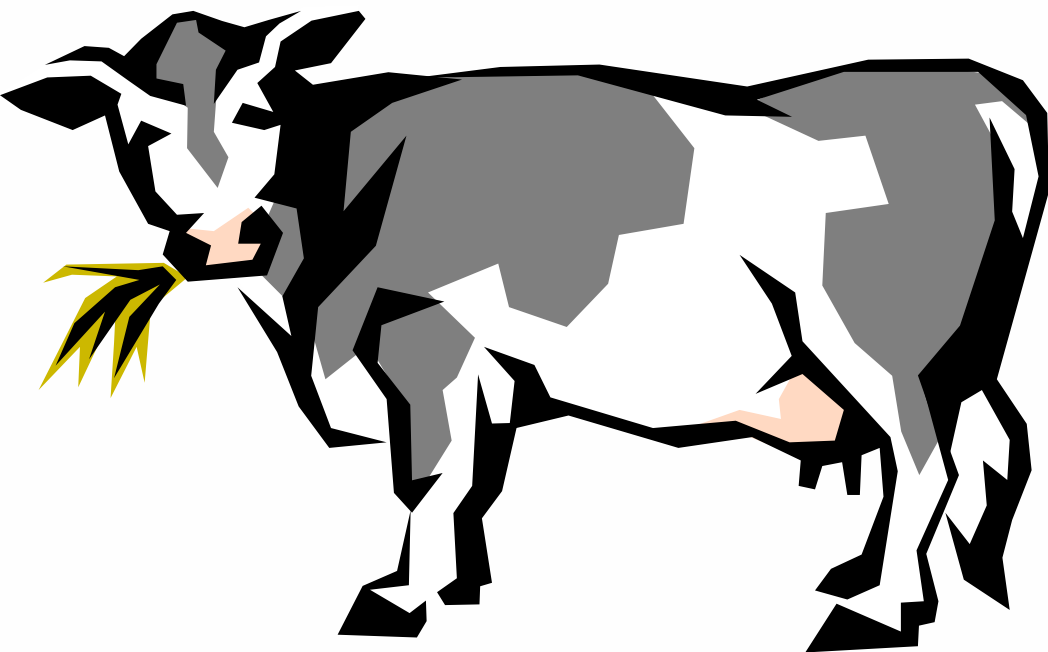
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When are COWS most productive?

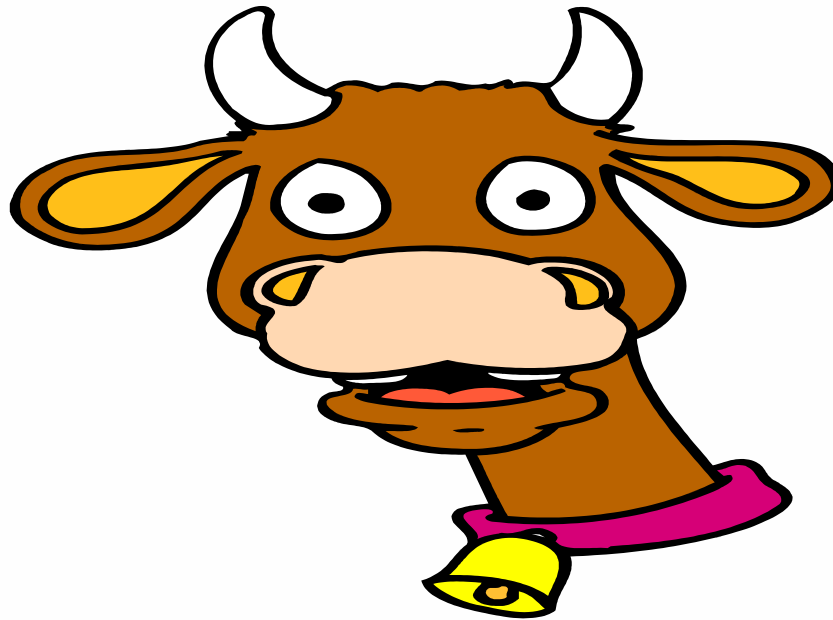


LIVESTOCK PROGRAMS



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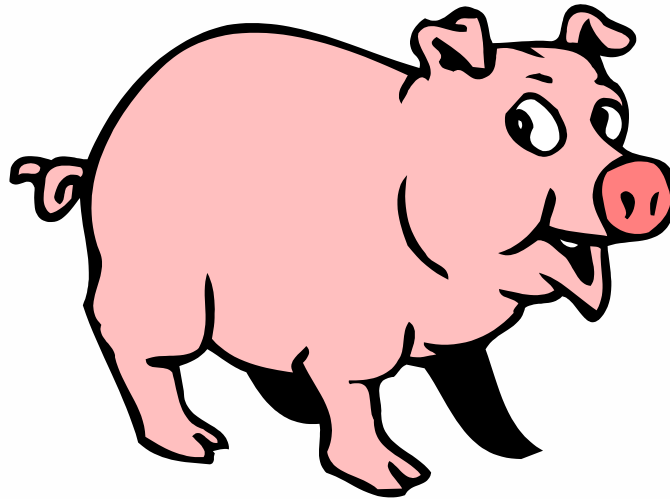
UNPRODUCTIVE COW



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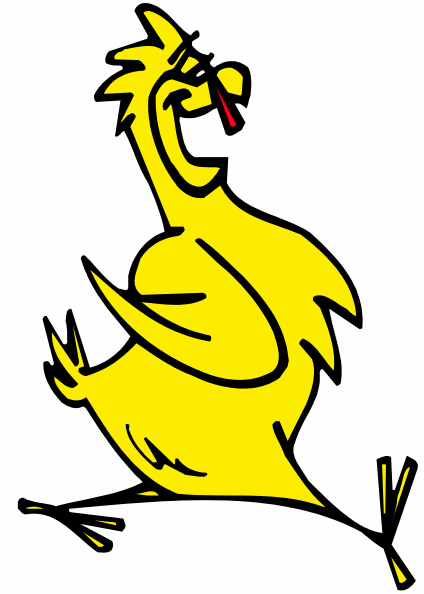
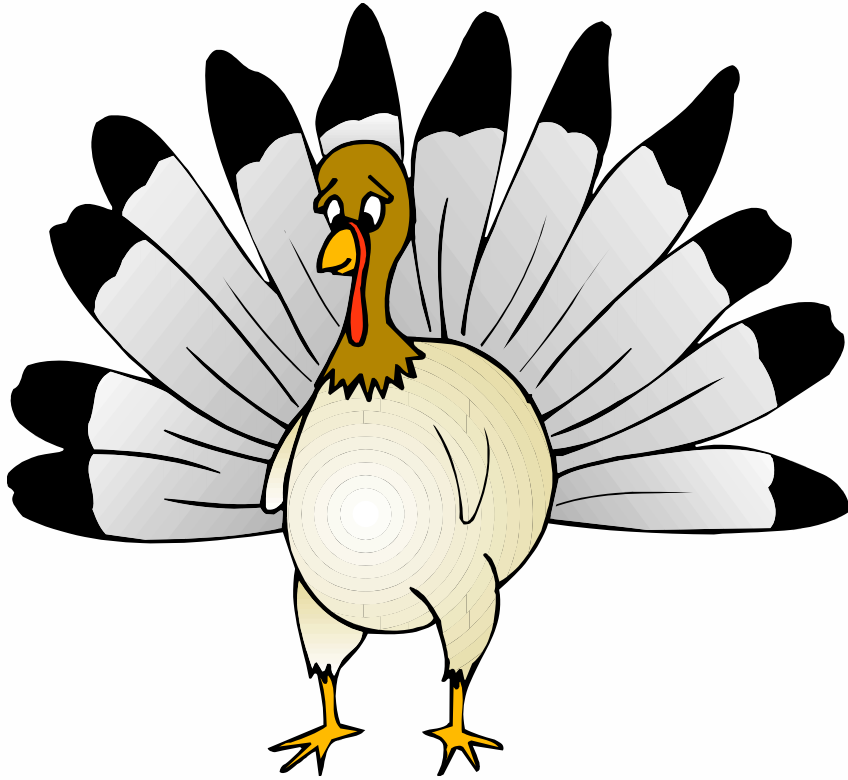
PORK – ham, leg roasts, crumbles, etc...



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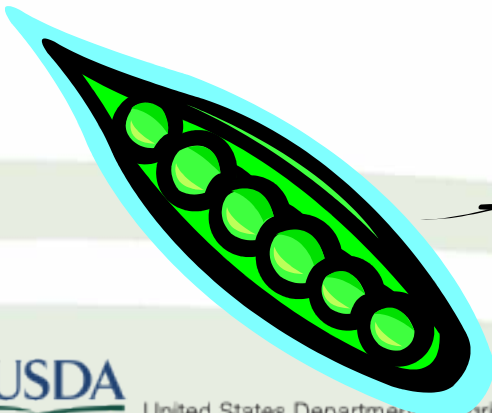
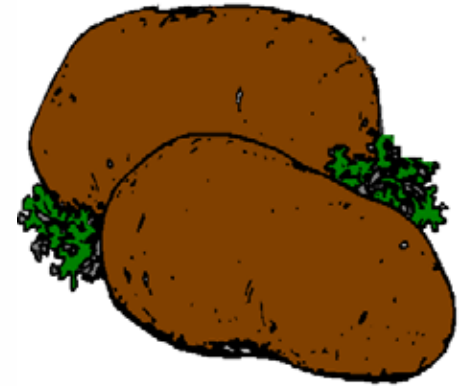
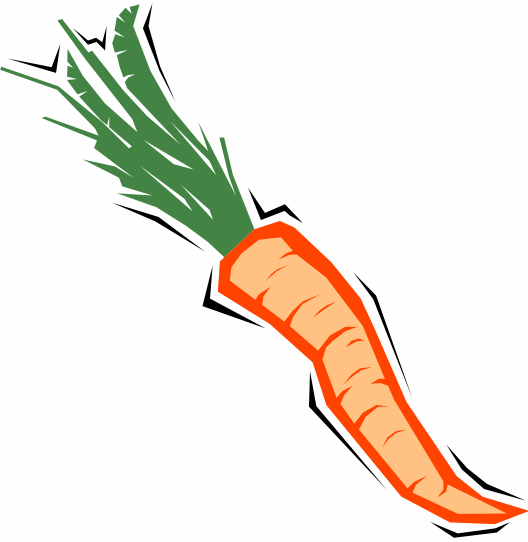
POULTRY PROGRAMS



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Vegetable Product Markets

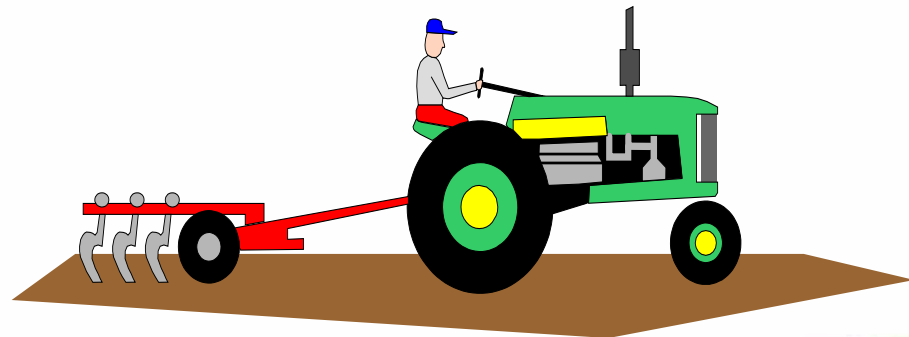


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A season for

- Sowing
- Reaping



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You reap what you sow...

- Sow bountifully and you will reap

bountifully! (II Cor. 9:6)



- Now you sow what is on contract



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Vegetables harvested - ONCE A YEAR Purchased Yearly IDIQ

Peas

Green Beans

Corn

Carrots

....broccoli & spinach still figuring out



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Vegetables & legumes harvested Once a year BUT Packed from **DOMESTIC** inventory

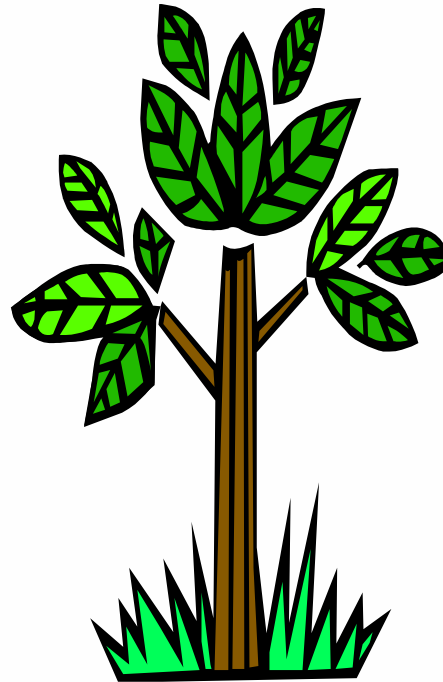
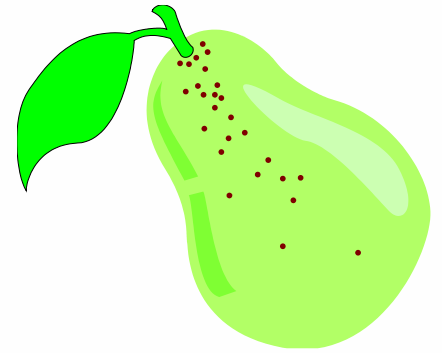
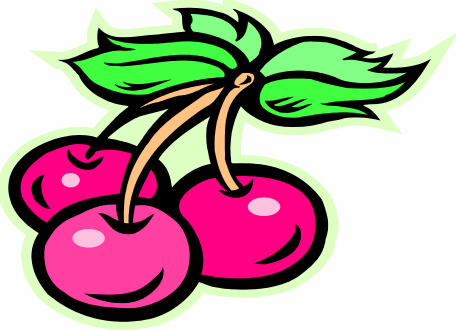
- Tomato paste products packed from bulk 2000 lb totes: paste, sauce, spaghetti sauce, salsa (NOT diced – why?)
- Potato frozen and dehy products: rounds, wedges from bulk fresh
- Beans dried products: canned and bagged dried beans
- SOME frozen vegetables in bulk bins for FROZEN not canned



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Fruit Products Markets



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What is not plentiful?

Tree fruit grown in California

Apricots canned and frozen

Canned Cling Peaches

Canned Pears

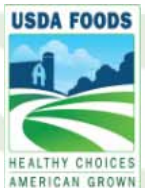
Canned Mixed Fruit (diced peaches & pears)

Frozen Freestone Peaches

DOMESTIC JUICE PACK CANNED FRUIT IS NOT PLENTIFUL!



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Why not plentiful?

Drought

Labor

Competition from foreign cheaper products

Shrinking demand for more costly AMERICAN processed

Tree nuts more profitable



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What fruit is harvested and inventoried, in what form and produced thru-out the year?

Apples – controled atmosphere storage for fresh, sauce, sliced NOT MUCH JUICE unless surplus year

Winter Pears - For fresh market d'anjou, bosc, comice, red NOT bartlet for canning

Fresh citrus – oranges and grapefruits, etc...

Juice concentrate orange & cranberries

Dried fruit: raisins, dates, figs, cranberries, cherries

Frozen blueberriess and cherries – some freestone peaches



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So where is the DOMESTIC fruit?

What was plentiful THIS year ?

Apples – big national inventories of fresh

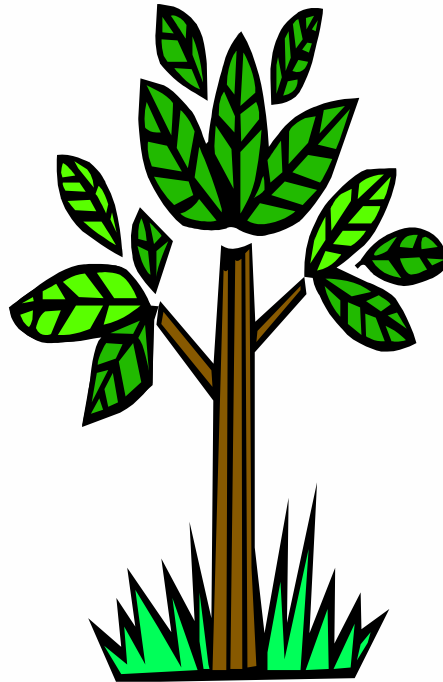
Cherries – stored frozen bulk and dried

Berries – strawberries, blueberries, raspberries

Dried fruit – raisins, dates, figs, & dried plums

Grapefruits and grapefruit juice

Lets not forget our roots!



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BUY American is also required of schools
Distributors should plan, bid & source
appropriately
School districts should monitor



Effect on American Agriculture

- *How Important is the Commodity Program to ALL of American Ag?*

- Ø Program has kept many fruits and vegetables in production
- Ø With increasing pressure from imports, impact becomes greater
- Ø Many farmers are facing greatest hardships in history; commodity program is key to their survival
- Ø Many producers are facing smallest profit margins in history
- Ø Agriculture employs more than 24 million American workers (17% of the total U.S. work force)

American Agriculture IS Worth the Investment.



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Sing that tune.

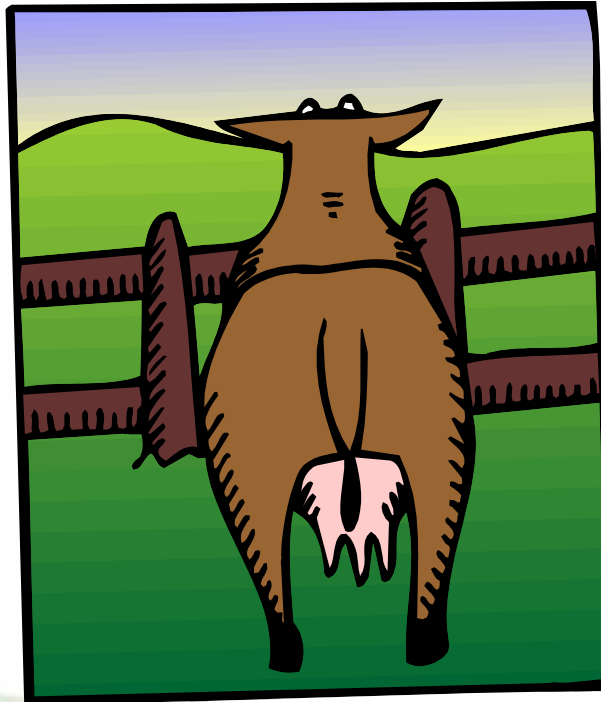
Don't it always seem to go....



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NOT the End



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