



**REPORT TO CONGRESS:
MULTI-AGENCY TASK FORCE
TO PROVIDE COORDINATION AND
DIRECTION FOR USDA FOODS ADMINISTERED
BY THE FOOD AND NUTRITION SERVICE**

February 2017 – January 2018

**United States Department of Agriculture
Food and Nutrition Service
Food Distribution Division
Alexandria, Virginia**



ISSUE

The Agricultural Act of 2014 (P.L. 113-79, the Farm Bill) was signed into law on February 7, 2014. Section 4205 of that Act required the establishment of a Multi-Agency Task Force to provide coordination and direction for U.S. Department of Agriculture (USDA) foods administered by the Food and Nutrition Service (FNS) with the following requirements:

The Task Force must have at least four members: a representative from the Food Distribution Division of FNS, appointed by the Under Secretary for the Food, Nutrition, and Consumer Services to serve as the Chairperson of the Task Force. Additionally, the committee must include at least one representative from the Agricultural Marketing Service (AMS), appointed by the Under Secretary for Marketing and Regulatory Programs; at least one representative from the Farm Services Agency (FSA), appointed by the Under Secretary for Farm and Foreign Agricultural Services; and at least one representative from the Food Safety and Inspection Service (FSIS), appointed by the Under Secretary for Food Safety.

The Task Force is responsible for evaluating and monitoring USDA commodity programs to ensure that through the distribution of domestic agricultural products, the programs support the U.S. farm sector and contribute to the health and well-being of individuals in the United States. The Task Force is further required to review and make recommendations on: specifications used for the procurement of food commodities, the distribution of food commodities, and the degree to which the quantity, quality, and specifications of procured food commodities align with the needs of producers and the preferences of recipient agencies.

FNS submits this report to the Senate Committee on Agriculture, Nutrition, and Forestry and the House of Representatives Committee on Agriculture in fulfillment of this directive.

MULTI-AGENCY TASK FORCE MEMBERS

The Task Force was created in April 2014. Laura Castro, Director of the Food Distribution Division, FNS, is the chair of the Task Force. The 2017 Task Force members included:

- David Tuckwiller, Director, Commodity Procurement Staff, AMS (primary),
- Ron Ulibarri, Chief, Operations Branch, Commodity Procurement Staff, AMS (alternate),
- Sandra Wood, Assistant Deputy Administrator for Commodity Operations, FSA (primary),
- Jose Gonzalez, Director, Commodity Operations, FSA (alternate),
- Soumaya Tohamy, Deputy Assistant Administrator for the Office of Data Integration and Food Protection, FSIS, (primary), and
- Mary Frances Lowe, US Codex Manager, FSIS (alternate).

Four Task Force meetings were held on a quarterly basis over the past twelve months. These meetings included former FNCS Under Secretary Kevin Concannon (January 2017), FNS



Deputy Administrator for the Supplemental Nutrition and Safety Programs Diane Kriviski, AMS Deputy Administrator Bruce Summers, Task Force Chair Laura Castro, and Agency Representatives from AMS, FNS, FSA, and FSIS. The Task Force continues to review a series of action items for progress, including:

- Improving USDA Foods program operation through a thorough review of processes in the USDA Foods Business Management Improvement Initiative;
- Reviewing product availability and purchase plans, including for bonus foods, for USDA Foods programs to support healthy meals and domestic agriculture;
- Continuing to explore opportunities for procurement of traditional/cultural foods for the Food Distribution Program on Indian Reservations (FDPIR); and
- Determining how AMS and FNS could work together to effectively distribute peanuts available for exchange through the household feeding programs.

PROGRESS ON ACTION ITEMS

USDA Business Management Improvement Initiative (BMI)

Context: The purpose of the BMI initiative is to assist USDA in reviewing and updating processes used in ordering, procuring, and receiving commodities in support of domestic and international food aid programs. This project will help USDA identify processes that reflect best practices in food procurement, ordering, and delivery.

Progress: The BMI project kicked off in the fall of 2015 and project activities took place throughout 2016 and 2017. The BMI team has identified several “quick wins” and has developed timelines to implement and evaluate these pilot projects. While most of the pilot projects are still in the planning stage, some are already being implemented. FNS has also spearheaded a communications effort to inform stakeholders about the process and the proposed changes at conferences and via webinar.

Review product availability and purchase plans for USDA Foods programs to support healthy meals and domestic agriculture

Context: The Food Distribution Division worked with AMS to procure just under \$2 billion of food in FY17 to support child nutrition programs and household food assistance programs. FNS and AMS ensured the States were offered a variety of healthy foods to support programs in meeting the needs of their recipients, including both nutritional needs and operational needs, as well as providing support for domestic agricultural markets.

Progress: FNS collected and considered feedback from stakeholder groups to determine which new products to prioritize and worked with AMS and industry representatives to develop purchasing specifications. Some examples of products researched and introduced in 2017 include mixed berry cups, mixed vegetables, grilled chicken breast fillets, egg patties, single-serving applesauce cups, pre-sliced smoked turkey and turkey ham, and 100% white whole wheat flour.

FNS and AMS also started working together in 2017 to research package size changes for products offered in the Commodity Supplemental Food Program (CSFP) food package. As part



of an FNS strategic initiative in FY17, a CSFP food package review workgroup identified such changes as part of a broader update to the food package that will take place over the next couple of years.

Also, in FY17, approximately \$268.6 million were spent on the purchase of bonus food products to encourage and support the consumption of domestic agricultural products, using funds authorized by Section 32 of the Agricultural Act of 1935. Bonus products were offered through The Emergency Food Assistance Program and included catfish, Alaskan pollock, turkey, eggs, cheese, raisins, apples, applesauce, apple slices, cherries, plums, cranberry sauce, cranberry juice, cranberries, peaches, figs, blueberries, grape juice, pears, and beans.

Traditional Foods for the Food Distribution Program on Indian Reservations (FDPIR)

Context: Section 4211(b)(6) of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246, the 2008 Farm Bill) authorized a traditional and locally-grown food fund at \$5 million annually, subject to the availability of appropriations, for USDA to use in purchasing traditional and locally-grown foods for FDPIR participants. FNS received funding, for the first time, in FY15 to support the Traditional and Locally-Grown Food Fund. In FY16 and FY17, FNS received an additional \$5 million each year and utilized the expertise of the FDPIR food package review committee to determine how to spend the appropriated funds for traditional food purchases. The FDPIR food package review committee is comprised of stakeholders who provide expertise on Native American nutrition and health issues, participant food preferences, and the Federal procurement and delivery process for USDA Foods. The group selected bison and blue cornmeal as the foods to prioritize in FY15. Wild salmon and traditionally-harvested wild rice were selected as additional foods to prioritize in FY16. In FY17, with input from the review committee, FNS continued to prioritize bison, blue cornmeal, wild salmon, and wild rice.

Progress: During FY17, while food costs remained relatively stable, FDPIR participation was slightly lower than originally projected. This resulted in the availability of regular FDPIR food funds to support additional purchases of traditional foods. In addition to the \$5 million allocated under the Traditional and Locally-Grown Food Fund, FNS dedicated another \$5 million in regular FDPIR food funds towards the procurement of traditional foods in FY17. Awards were made for four traditional foods in FY17: bison, blue cornmeal, wild salmon, and traditionally-harvested wild rice. The procurement of traditionally-harvested wild rice was awarded to the Leech Lake Band of Ojibwe, which currently administers FDPIR on its reservation in Minnesota. In total, FNS purchased approximately 480,000 pounds of bison (\$4.8 million), 152,000 pounds of blue cornmeal (\$98,000), 432,000 pounds of wild salmon (\$5 million), and 15,000 pounds of traditionally-harvested wild rice (\$135,000) for the program in FY17.

Determine how AMS and FNS could work together to effectively distribute peanuts available for exchange through the household feeding programs

Context: Starting in 2016, FSA took on direct operation of the peanut exchange, rather than using a third party agent, in order to find outlets for the product acquired through its peanut price support program. FSA sought programs that could distribute the product quickly and efficiently, and the FNS household food distribution programs were an ideal match, with pre-established distribution mechanisms in place. AMS is now the agency responsible for such functions.



Progress: In 2017, over 54 million pounds of peanuts were exchanged to provide 8.7 million pounds of peanut butter to household food distribution programs. FNS and AMS worked together to distribute the peanut butter to household feeding programs, satisfying the goals of both agencies.

ADDITIONAL POLICIES IMPLEMENTED FOR THE IMPROVEMENT OF USDA FOODS PROGRAMS

In addition to the Task Force activities described above, following are some additional improvements to the USDA Foods programs during 2017:

1. FNS has increased its communication and technical assistance efforts to help stakeholders understand the value of USDA Foods and determine how to use them most effectively. In 2017, FNS conducted trainings with newer State distributing agency (SDA) and Regional Office staff. There were a total of 70 attendees at the trainings, which covered basic USDA Foods topics such as foods available, ordering, the Web-Based Supply Chain Management (WBSCM) system, the Processing Program, inventory management, and USDA Foods complaints. FNS was also able to offer an event where States could taste new or recently reformulated USDA Foods. In addition, FNS continued to publish its monthly e-letter, USDA Foods: From Farm to Plate, which increased to more than 40,000 total subscribers in 2017.
2. FNS has developed additional resources to assist States in effectively ordering and managing USDA Foods in Child Nutrition Programs. One of the latest resources is a standard operating procedures manual for SDAs, which is a comprehensive document which covers essential topics such as how to use the Web-Based Supply Chain Management system, as well as order and entitlement management. FNS also developed a perpetual calendar which offers an overview of SDA responsibilities each month. FNS also shared an ordering schedule that lists the order-by dates for States and school food authorities to reference when ordering USDA Foods for the upcoming school year.
3. FNS launched the release of New Product Preview Sheets and revamped its Foods Available Lists, based on stakeholder feedback. The New Product Preview Sheets provide interim information to States and school districts about new USDA Foods until the complete information can be made available through the Product Information Sheets. FNS has received positive feedback from program stakeholders on this new development. FNS also received feedback from its household programs that it would be helpful to have foods identified and categorized by their MyPlate food group on the Foods Available Lists to help encourage variety and support nutrition education efforts. FNS introduced more colorful versions of the Foods Available Lists that are categorized by food group and provide more descriptive product identifiers such as low-sodium, whole grain, and vegetable subgroups.
4. FNS and AMS worked together with stakeholders to troubleshoot issues with receipting for and verifying invoices in the Pilot Project for Procurement of Unprocessed Fruits and



Vegetables. The two agencies collaborated on implementing new procedures for State agencies in order to try to reduce errors and ensure timely and proper payments to vendors.

5. FNS implemented procedures and developed resources to improve information sharing with stakeholders regarding the USDA Foods National Processing Program. FNS holds regular conference calls with processors and has developed a collaborative website on PartnerWeb for States and processors. FNS also held a webinar on inventory management at processors to improve inventory management practices.
6. The FNS USDA Foods Complaint Team works collaboratively with AMS to quickly resolve USDA Foods complaints. The team has reduced the number of days it takes to provide resolution on a complaint from 48 to 18 days on average in the last two years. The team also analyzes USDA Foods feedback data and identifies trends to improve USDA Foods.