

School Programs Commodity Update

What's New in USDA's Food Distribution Program for Schools

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COMMODITY PRICES RISE



You are probably fully aware that prices for USDA commodities continue to escalate. This causes your commodity entitlement dollars to support less of the costs of your school's lunch and breakfast programs.

Complicating this is the fact that FNS has had to operate under continuing resolutions from October 2007 to January 2008. A continuing resolution is a budget process where the Office of Management and Budget allots agencies like ours the same amount of money that we were given for last year. It parcels that money out in increments until Congress passes USDA's appropriation bill that provides funds to purchase commodities for the entire school year. The continuing resolution could be for a week or for a month, but FNS usually doesn't know until it is passed. We had 4 different resolutions from October 2007 through January 2008.

That created problems for our sister agencies, Agricultural Marketing Service and Farm Service Agency. They are the agencies that buy the commodities. Federal Acquisition Regulations require both agencies to have money in their accounts before they can award contracts, so if you were expecting deliveries of some commodities, and they failed to arrive as planned, the continuing resolution could have been the culprit.

To compound that problem, in some instances when USDA went out to bid for commodities, the commercial industry did not submit bids for all the demand. Product purchase programs for eggs, diced chicken, and fowl were cancelled due to lack of

commercial bids. We also did not get enough bids for pasta for January through March deliveries. We are offering other commodities for delivery in March through June to fill the void, such as chicken products, and bulk chicken and turkey for processing, but we anticipate higher prices.

The 2008 Omnibus Appropriations Bill that provides funds to purchase commodities was signed into law December 26, 2007. This will alleviate some of the problems going forward, but it will take a few weeks for the money to flow through the system. Just keep in mind that your commodity dollars probably won't go as far this year because commodity prices have escalated.

SY 2008 - 2009 ESTIMATED VALUE OF DONATED FOODS IS UP AGAIN

Preliminary entitlement information for SY 2008-2009 has already been used in planning orders for the 2008/2009 school year (July 1, 2008, through June 30, 2009).

The **estimated** commodity assistance rate for SY 2008-2009 has been calculated to be 19 cents per meal. Figures used to calculate this rate are from the Bureau of Labor Statistics and are based on the Producer Price Index. Information to calculate the **actual** rate is not available until July. We will alert you once the actual commodity assistance rate is approved and published in the Federal Register in July 2008.



LOW SODIUM CANNED VEGETABLES

In our continual efforts to offer nutritious foods to school children, USDA is ensuring that its

commodities closely follow the recommendations provided in the 2005 Dietary Guidelines for Americans. By offering healthier commodities, such as low sodium canned vegetables, we are able to support schools in meeting their local wellness policy that promotes student health, prevents childhood obesity, and combats problems associated with poor nutrition and physical inactivity.

We believe that schools are on board for this lifestyle change. Once foods lower in salt are offered for a period of time, taste for salt tends to decrease. Schools may use other seasonings and herbs to enhance the flavor of commodities and satisfy their students' appetites. Schools also continue to have the option to order salt-free frozen vegetable commodities.

We have been working with the vegetable industry to lower the sodium levels in our canned vegetables. By reducing the sodium level to 140 mg per serving, we will be able to offer a palatable food choice that also meets FDA's nutrient content claim for low sodium foods.

Over a two year period, starting in SY 2009, we plan to reduce the sodium level in all canned vegetable commodities.

- **SY 2009** – we are reducing the sodium levels to 140 mg per serving in our canned tomato products (tomato paste, tomato sauce, and salsa) and canned dried beans products. We are already using these in our household programs, and they are proving to be very popular.
- **SY 2010** – the sodium level for all other canned vegetables (carrots, corn, green beans, peas, etc.) will be reduced.

USDA COMMODITIES – GREAT TASTE AND HEALTHY, TOO

USDA commodities are healthy options and American-grown foods. Today, because of some aggressive improvements USDA has made, schools participating in the NSLP have the widest choice of healthy commodity foods to date. Check out the list below – a subset of USDA’s Foods Available List for schools - which highlights and summarizes some of USDA’s healthy commodity foods that can be menued to support the Dietary Guidelines and MyPyramid Food Guidance System. They taste great and are low in fat, saturated fat, trans fat, sugar, and sodium. Whole grain choices are included, too.

The full list of USDA’s available commodity foods to schools is available at: www.commodityfoods.usda.gov. Click on the *Foods Available* link on the left side of the page. Schools can select appropriate commodities from this list, send them to food processors along with their own specific nutrient criteria for re-processing, and end up with healthy, ready-to-use end products to menu.

Healthy Commodities for Schools

Commodity Name and Code	Comments
Meats	
A627 Beef, Patty Lean	~90% lean meat
A532 Canned Chicken	94% lean meat; More discernable chunks
A528 Chicken Burger	92% lean meat
A563 Chicken Fajita Strips	94% fat-free or lean meat
A517 Chicken Diced	96% fat-free or lean meat
A693 Ham, Water Added	95% fat-free or lean meat
A727 Ham, Diced	97% fat-free or lean meat
A726 Ham, Thin Sliced	97% fat-free or lean meat
A549 Turkey, Breast, Deli	96% fat-free or lean meat
A548 Turkey Ham	96% fat-free or lean meat
A537 Turkey Roast	94% lean meat
A742 & A745 Tuna	99% fat-free
Most Further Processed Meat Items	~89% lean meat
All Ground Beef products (except A627)	~85% lean meat
Frozen Cuts of Meat: Beef, Chicken, Pork, Turkey	Lean meats, USDA requires vendors to remove excess fat from meats
Fruits & Vegetables	
A173 Potato Wedges, Fat-free	Water blanched - 0g fat
Frozen Potato Products	Trans fat-free (only unsaturated vegetable oils used)
Canned Vegetables	Sodium 140 mg/serving (canned dried beans and tomato products starting in SY 2009; all others in SY 2010)
DoD Fresh Fruit & Vegetable Program	Wide variety of fresh fruits and vegetables offered
All Canned Fruits	Packed in light syrup or fruit juice, no heavy syrup (apple slices and red tart pitted cherries are packed in water)
A350 Canned Applesauce	Unsweetened
Grains	
Whole Wheat Flour (B351 & B360)	A whole grain food
Whole Grain Rotini (B428) & Spaghetti (B836)	A whole grain food
Brown Rice (B545)	A whole grain food
B368 Bakery Mix, Low-fat	Over 60% less fat than regular bakery mix
B444, B445, & B450 Rolled oats	A whole grain food

For more information go to: <http://www.commodityfoods.usda.gov>

FOOD SAFETY CORNER

How States are Notified When Recalls Occur

How do you find out about food recalls as early as possible? Product recalls seem to have been in the news a lot this past year. If there is a suspected problem with a food item, you want to act quickly to make sure the food is located and set aside so that it does not get served to children or distributed to other program recipients. Where can you get timely and dependable information about recalls? The Food and Nutrition Service (FNS) has two ways to notify you of product recalls.

First, it's important to know that recalls can either be for USDA-purchased commodities, or for commercially available products that schools (or States) might have purchased directly from vendors or distributors.

Second, you should know that two regulatory agencies can announce a recall: the USDA Food Safety and Inspection Service (FSIS) regulates meat, poultry, and egg products; while the Food and Drug Administration (FDA) regulates all other foods.

USDA Commodity Recalls:

When USDA-purchased commodity product is recalled, FNS and AMS collaborate to gather the specific information to identify exactly who received the product (the tracking information). The tracking information is found in the ECOS system and broadcast to States through the Rapid Alert System. The broadcast also includes information to help the States locate the product and includes instructions on what to

do with the product once they find it. The FNS Regional Offices are directly involved in working with States to assure that the recall message was received and acted upon, including providing information to FNS about how much product is remaining and where it is located.

In summary, product recall information for either commodity or commercial food products are provided to States by FNS using ECOS and email. If there are ever questions about product recalls, States can contact their Regional Offices or the FNS Food Safety Staff at FoodSafety@fns.usda.gov.

CHECK OUT FDD'S "WHITE PAPER": USDA COMMODITIES IN THE NSLP

For a great synopsis of how the commodity programs work, you may want to check out FDD's new "White Paper," which is posted on our website:

<http://www.fns.usda.gov/fdd/ppt-slides/WhitePaper08-29-07.pdf>

Did You Know...

... **Commodities account for 15–20% of school nutrition program food purchases.** That makes commodities a small, but important component of school meals. The remaining 80–85% of food is purchased by local schools or agencies from commercial vendors.

DOD FRESH FRUIT AND VEGETABLE PROGRAM UPDATE



The Department of Defense (DoD) is continuing to implement the business model change for the way it procures products for the

DoD Fresh Program. Produce contracting functions are being centralized at the Defense Supply Center Philadelphia, through the award of long-term produce contracts in 45 areas of the country. Field buying offices will be closed, but customer representatives will remain, to support military and school customers in each contract area.

Most schools will use the FFAVORS (Fresh Fruit and Vegetable Ordering and Receipt System) web ordering system. They can order with a one week advance, \$50 minimum per delivery. Contractors are encouraged to provide locally grown produce when available.

THANKS FOR YOUR RESPONSES TO OUR WHOLE GRAIN PASTA ACCEPTABILITY SURVEYS

During the fall we solicited opinions from many schools on the acceptability of the commodity whole grain rotini (B428) and whole grain spaghetti (B836). We received a lot of very positive comments on these healthy commodities. This feedback is important to us as we work with the Farm Service Agency to ensure they purchase products that will meet your needs and be acceptable to the children you serve. Thank you all for your responses!

COMPLAINT CORNER

A Reminder: If you have a commodity quality and/or packaging complaint, please report it to your State Distributing Agency. The State is responsible for acting as the gatekeeper for complaints about USDA commodities. They will enter the complaint information into the Electronic Commodity Ordering System (ECOS).

When reporting a complaint, you need to include the most complete information available about the product:

- The delivery order number, notice to deliver number, or contract number
- Commodity description
- Specific problem with the product
- Any illness, injury, or allergic reaction
- Quantity of product affected
- Contact person and street address of remaining product

If you have asked for a replacement of a USDA donated product, you **must** retain the product until you have been notified otherwise by your State and/or USDA. Vendors must have the opportunity to inspect and/or pick up any product they have been asked to replace. Frequently, vendors need to inspect the product to determine what went wrong.

For more information about filing commodity complaints, please visit our website at: www.fns.usda.gov/fdd/complaints.

UPCOMING MEETINGS AND EVENTS



There are several meetings and events coming up that you may be interested in attending to increase your knowledge of the commodity programs:

- **School Nutrition Association (SNA) Legislative Action Conference**
March 2-5, 2008, in Washington, DC. The Food Distribution Division will present two Pre-Conference sessions on March 1, 2008: one on “Intricacies of USDA’s Commodity Program,” and another on “USDA Commodity Processing: How-to’s for Industry and Operators.” For more information, visit SNA’s website at:
<http://www.schoolnutrition.org/LAC3.aspx?id=2580>
- **American Commodity Distribution Association (ACDA) Annual National Conference**
April 5-8, 2008, in Kansas City, Missouri. This is the only national meeting of its kind that focuses solely on commodities. It offers many opportunities to learn more about the commodity programs and exchange ideas with others. For more information, visit ACDA’s website at:
<http://www.commodityfoods.org>.
- **School Nutrition Association (SNA) 2008 Annual National Conference**
July 20-23, 2008, in Philadelphia, Pennsylvania. FDD will again present a Commodity Track of workshops. We will provide more details in our next newsletter. You can also visit SNA’s conference website at:
<http://docs.schoolnutrition.org/meetingsandevents/anc2008>.

Did You Know...

... **USDA commodities are a healthy food choice.** USDA continually explores better ways to offer healthier food choices that help schools offer meals consistent with the *Dietary Guidelines for Americans* and the *MyPyramid* food guidance system. Commodities are available in a variety of convenient products that are safe, wholesome, and 100% American grown.

CND FACT SHEETS

Want to serve meals that more closely meet the 2005 Dietary Guidelines recommendations? Take the first steps and learn practical ways to make school meals even healthier! FNS’s Child Nutrition Division is developing a series of fact sheets with tips to guide menu planners through small changes that can make a big difference. Watch for the first fact sheets on the FNS website in March.

COMMENTS

Please let us know if there are any commodity-related issues that you would like us to address in future editions of the School Programs Commodity Update. If you have any questions or comments on our products or services, including ways to improve our commodity fact sheets, please e-mail them directly to our Program Support Branch at: fdd-psb@fns.usda.gov. You can also write to the Food Distribution Division, Food and Nutrition Service, USDA, 3101 Park Center Drive, Room 508, Alexandria, VA 22302. //

ACRONYM LIST

ACDA	American Commodity Distribution Association
AMS	Agricultural Marketing Service
CND	Child Nutrition Division
DoD	Department of Defense
ECOS	The Electronic Commodity Ordering System
FDA	Food and Drug Administration
FDD	Food Distribution Division
FNS	Food and Nutrition Service
FFAVORS	Fresh Fruit and Vegetable Ordering and Receipt System
FSIS	Food Safety and Inspection Service
SNA	School Nutrition Association
SY	School Year
USDA	United States Department of Agriculture

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