

School Programs Commodity Update

What's New in the Food Distribution Program for Schools

ARTICLES IN THIS ISSUE	
Commodity Update	1
What's Happening with USDA and Irradiated Ground Beef?	2
Bonus Commodities Are Available for the Remainder of SY 2004	3
USDA's Commodity Specifications and Standards Review	3
Commodity Complaint Corner	3
Bulk Tomato/Potato Demonstration Pilot	4
Comments	4
Acronym List	4

COMMODITY UPDATE

It seems like the school year just started, but purchases for SY 2004 are almost completed. Purchases of meat and poultry products for delivery in March are under way, and almost all fruit and vegetable products have been bought.

Fruit and Vegetable Products were purchased as planned. In this category, remaining purchases include a second offering of entitlement apple products and a bonus offering of walnuts. The frozen concentrate orange juice inventory is at an all-time high due to record crops and high carry-over as well as a decrease in domestic

demand. Frozen concentrate demand is dropping at a rate of 15% per year, with fresh consumption increasing. Farm prices are low; therefore a bonus purchase of orange juice is under consideration.

Poultry – Canned chicken purchases, initially planned for this past November delivery, took place for delivery in February and March. The October test buys conducted in Georgia and Florida of bulk-light-fowl were successful. We will be surveying the participating recipient agencies and use their feedback as we consider expanding to national purchases next fall. Turkey ham purchases experienced some delay, which is unusual. Offers for some turkey ham orders had to be rejected due to price considerations.

Livestock – Beef prices were higher than anticipated this year by 25% and purchases of lean and 100% beef patties were delayed. Recently, beef prices have fallen, and all beef purchases are getting back on track. Pork product purchases have been completed.

There has been concern about the diagnosis of a single case of bovine spongiform encephalopathy (BSE) recently in a cow in Washington State. USDA has issued a statement that we are fully confident in the safety of the beef supplied to our schools and other recipient agencies through the commodity programs. USDA had not

purchased any of the implicated beef products for distribution through the National School Lunch Program, or other Federal food and nutrition feeding programs.

In addition, USDA has never had contracts with any of the involved plants, and they are not part of the supply chain for USDA purchases. Furthermore, USDA does not allow meat from downer animals or meat that is mechanically separated from bone with automatic deboning systems, advanced meat recovery (AMR) systems, or powered knives, for any commodity program.

The beef products where the BSE agent resides are the brain and spinal tissue, **none of which entered the food supply**. USDA issued a notice of recall of 10,410 pounds of raw beef from the slaughterhouse that handled the animal. This recall was announced out of an abundance of caution. Muscle cuts of meat have almost no risk of BSE.

Regular updates on this issue are available on the USDA website at: <http://www.USDA.gov>. The FDD website also has information and links to other important sources of information at: <http://www.fns.usda.gov/fdd/foodsafety/bsehome.htm>.

Group B purchases of grain, dairy, peanut, and oil products have proceeded relatively smoothly. Although this past November and December orders of nonfat dry milk, filled from inventory, experienced major delays, orders are up significantly from last year due to aggressive processing programs and export programs. Unfortunately, during the holidays, carriers are occupied with commercial deliveries, creating a major shortage of transportation, thus delaying deliveries. The situation should improve this month, and orders should be on track. //

WHAT'S HAPPENING WITH USDA AND IRRADIATED GROUND BEEF?

Irradiated commodity ground beef is now available for schools to order in addition to non-irradiated ground beef. As part of the 2002 Farm Bill, Congress directed USDA to permit the use of approved food safety technologies for commodities purchased for the Federal feeding programs. Irradiation is one of those approved technologies. FNS is strongly encouraging schools to conduct informational and educational activities to help their school communities make an informed choice on whether to order irradiated ground beef as part of a food safety program. Using a \$151,000 grant from USDA, a coalition of Minnesota State agencies recently developed and tested some irradiation educational campaign materials that are available at the Minnesota Department of Food and Nutrition website at: <https://FNS.state.mn.us/>.

The coalition initiative was an outcome of an identified food safety need in the State of Minnesota. The coalition recognized the need to provide science-based information to school communities to assist them in making informed choices on whether to use irradiated beef in school meals. Other school communities may find the materials useful in making the same decision. The FNS Commodity Food Network website (<http://www.commodityfoods.usda.gov/>), as well as the FDD website (<http://www.fns.usda.gov/fdd/>), also provide links to the Minnesota materials.

Several State agencies have requested that FNS provide speakers at State meetings to discuss the process of irradiation and how to determine whether to use irradiated ground beef in school food service. To accommodate these requests, the National Food Service Management Institute (NFSMI) videotaped a panel discussion on irradiation

as a food safety tool at the Utah State Office of Education's Commodity Training Business Meeting on October 30,2003. Panel members included food safety experts Susan Borra of the International Food Information Council, Dr. George Pauli of the Food and Drug Administration, Dr. Marcia Smith of the Polk County, Florida schools, and Dr. Judy Harrison of the University of Georgia. The videotape will be made available to State and local cooperators through NFSMI at: <http://www.nfsmi.org>. //

BONUS COMMODITIES ARE AVAILABLE FOR THE REMAINDER OF SY 2004

The Department has purchased a number of bonus commodities which will be delivered through June 2004. Available commodities are:

<u>Commodity</u>	<u>Delivered through</u>
• Canned peaches	April, 2004
• Fresh pears	February, 2004
• Dried fruit & nut mix	March, 2004
• Raisins	June, 2004
• Walnuts	June, 2004

USDA's COMMODITY SPECIFICATIONS and STANDARDS REVIEW

USDA has completed its review of the specifications and standards for the Group B commodity products it offers to schools and needy households. Group B products are flours, grains, peanut and dairy products, oils, and shortenings. This is a part of our commodity improvement initiative to take a look at all of our specifications. These changes will bring commodities more into line with their commercial counterparts and with customers' needs. Senior managers from USDA approved the final

recommendations, and the final report is posted on the Food Distribution web site at: <http://www.fns.usda.gov/fdd/caps/groupbspechome.htm>. //

COMMODITY COMPLAINT CORNER

We are continually refining the complaint process in order to improve our service and provide responses to your complaints in a more timely manner. We have held internal meetings to discuss ways of facilitating our system, and we have initiated several procedures to speed up how quickly you receive a response.

We continue to work with the appropriate offices to make changes in our commodity specifications where necessary. In addition, when needed, we will test products to ensure that our cooking instructions are accurate and to see that the product being supplied is wholesome and a quality product.

You can help us resolve your complaint more quickly by providing us with the information we need when you call, email, or fax the complaint to us. Be sure to provide as much information as you can, particularly your delivery order and/or notice to deliver number. These are important numbers that allow us to determine not only the vendor, but when the product was produced.

**Commodity Complaint Hotline
1-800-446-6991**

Or email:
usda-fns-commoditycomplaints@fns.usda.gov

Or fax:
703-305-1410

**BULK TOMATO/POTATO
DEMONSTRATION PILOT**

Six states are approved to participate in this School Year 2004 project to support the direct purchase of products at the farm level and increase the quality and variety of finished products available to recipient agencies. The project is designed to test the purchase of bulk tomatoes and potatoes utilizing substitution and standard yield concepts. USDA is purchasing the bulk products and participating recipient agencies are ordering finished products through commercial distributors, like salsa or potato products, and paying a reduced cost based on the value of the bulk ingredient purchased by USDA.

Substitutions allow a processor to use his own raw product that has been produced in the U.S., and is of equal or better quality than the raw product that was provided by USDA, to manufacture the finished end product. Standard yield guarantees that a specified percentage of the bulk commodity will be applied as a credit to the final product.

The participating states are Pennsylvania, Illinois, Texas, Mississippi, Arizona, and California. Four additional states (Florida, New York, New Jersey, and Indiana) have been offered the opportunity to participate for School Year 2005. //

Comments

If you have any questions or comments on our products or services, please e-mail them directly to our Program Support Branch at: fdd-psb@fns.usda.gov, or you can write to the Food Distribution Division, Food and Nutrition Service, USDA, 3101 Park Center Drive, Room 520, Alexandria, VA 22302. //

Acronym List

BSE	Bovine spongiform encephalopathy
FDD	Food Distribution Division
FNS	Food and Nutrition Service
NFSMI	National Food Service Management Institute
SY	School Year
USDA	United States Department of Agriculture

*Prepared by: Program Support Branch, in
conjunction with Schools and Institutions
Branch, USDA, FNS, FDD*