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

July 2018 – December 2020

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.
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> 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 at FNS is the chair of the Task Force. While the 2014 Farm Bill specified that the Task Force should include representatives from FNS, AMS, FSA, and FSIS, the consolidation of the USDA Foods procurement functions under AMS has led to a shift in participation. The Work Group now includes representatives from FNS, AMS, and FSIS, as FSA no longer has a role in USDA Foods procurement.

This report covers the meetings held July 2018-December 2020. Due to the impact of the COVID-19 pandemic on federal agency priorities and operations, December 2020 was the only official Task Force meeting held in 2020. However, FNS and AMS leadership and staff continued to meet throughout 2020 to discuss issues related to USDA Foods programs. Task Force meetings included FNS Deputy Administrator for the Supplemental Nutrition and Safety Programs, Diane Kriviski, AMS Deputy Administrator for the Commodity Procurement Program, David Tuckwiller, Task Force Chair and Director of the FNS Food Distribution

Division, Laura Castro, and representatives from AMS, FNS, and FSIS. The Task Force continues to review a series of action items and address new hot topics, including:

- Improve USDA Foods program operation through the implementation of the USDA Foods Business Management Improvement Initiative;
- Review product availability and purchase plans for USDA Foods programs to provide healthy foods that support domestic agriculture;
- Improve access to nutrition, allergen, and ingredient information for USDA Foods products that are procured by USDA and provided to schools;
- Review stakeholder needs and prioritize product development and reformulation efforts for USDA Foods.

PROGRESS ON ACTION ITEMS

USDA Business Management Improvement (BMI) Initiative
Context: The purpose of the BMI initiative is to assist USDA in reviewing and updating processes used in ordering, procuring, and receiving USDA Foods in support of domestic and international food aid programs.

Progress: The project team continues to implement and expand pilot initiatives identified as part of the BMI business plan to improve USDA Foods processes and systems. Recent accomplishments include the expansion of the pilot project to exchange Purchase Order documents using Electronic Data Interchange (EDI) and expansion of the pilot project to eliminate the check-loading requirement for specific categories of USDA Foods. The project team also implemented a new pilot for demand forecasting, processing and long term contracting in support of a streamlined bulk purchase program. BMI efforts to date have led to improved program efficiencies and cost savings for USDA Foods program recipients and vendors.

Product availability and purchase plans for USDA Foods programs
Context: FNS and AMS work together to procure food for USDA Foods programs, including The Emergency Food Assistance Program (TEFAP), Commodity Supplemental Food Program (CSFP), Food Distribution Program on Indian Reservations (FDPIR), National School Lunch Program (NSLP), Child and Adult Care Food Program (CACFP), and Summer Food Service Program (SFSP). These purchases are typically supported by appropriated program funds and Section 32 funds. FNS and AMS collaborate to plan purchases that offer a variety of healthy options to meet the needs of program recipients, while also supporting domestic agricultural markets.

Progress: USDA purchased record volumes of food in FY19 and FY20 to support USDA Foods programs, primarily due to the addition of new funding sources. In both FY19 and FY20, USDA received more than $1 billion to support additional food purchases through the Food Purchase and Distribution Program (FPDP). In FY20, the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Families First Coronavirus Response Act (FFCRA) provided more than $680 million in additional food funds for food purchases to support TEFAP and

FDPIR. Section 32 bonus purchases also contributed significant financial resources to USDA Foods during this time period, providing more than $400 million in food resources in FY19 and more than $750 million in FY20. In response to the need for targeted market support through FPDP and Section 32 purchases, USDA developed a number of new product specifications and updated existing specifications to provide support to domestic agricultural markets, while also providing nutritious food to individuals and families in need of assistance.

In addition, in FY20 AMS launched the USDA Farmers to Families Food Box Program, an effort to respond to market disruptions and food insecurity caused by the pandemic. As part of the Coronavirus Food Assistance Program, USDA exercised its authority under the Families First Coronavirus Response Act to purchase and distribute agricultural products to those in need. AMS contracted with organizations to assemble boxes of produce, meat, and dairy items to deliver to non-profit entities serving individuals in need of food assistance. In FY20, AMS contractors delivered over 100 million boxes of food to people in need, valued at over $3 billion.

Nutrition, allergen, and ingredient information collection for USDA Foods in Schools
Context: In order to provide vendor-specific product information to USDA Foods in Schools stakeholders, USDA has been exploring ways to systematically collect nutrition, allergen, and ingredient information from USDA Foods vendors.

Progress: FNS entered into an Interagency Agreement (IAA) with the Agricultural Research Service (ARS) in 2019. ARS operates USDA FoodData Central, a public website providing nutrition and ingredient information for food products available in the retail market. The IAA allows FNS and AMS to utilize existing contracts and partnerships to collect vendor-specific information for USDA Foods products. USDA announced that vendors will be required to provide product information through GS1 in order to meet contract requirements for specific USDA Foods contracts with 2022 delivery dates. FNS will use the information uploaded by vendors to provide USDA Foods product information on the public website to inform school district ordering and menuing decisions.

Prioritize product development and reformulation efforts for USDA Foods
Context: As part of the BMI effort, USDA introduced a formal process to review and prioritize product development and reformulation efforts for USDA Foods on an annual basis. This effort allows stakeholders, such as vendors, State agencies, and recipients, to share feedback with USDA about changes they would like to see to USDA Foods specifications or product availability and for USDA to consider this feedback on a regular cycle.

Progress: FNS and AMS continue to discuss stakeholder feedback to determine which items should be prioritized each calendar year, considering available staff resources. This effort helps to ensure that all stakeholders have an opportunity to provide input for the USDA Foods product development and reformulation priorities and that USDA can make targeted improvements to USDA Foods quality, consistency, and alignment with stakeholder needs.

MOVING FORWARD

In addition to continuing work on the action items above, the Task Force will be involved with several new initiatives related to USDA's effort to transform our Nation's food system to include a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy, and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America.

The week of May 24, 2021, as part of this effort, USDA announced a $1 billion investment in three programs to expand access to nutrition assistance and improve food purchase and distribution channels. This investment includes $500 million for USDA to purchase additional foods for TEFAP, with a focus on small business set-asides during the solicitation process; up to $400 million for USDA to partner with states and tribal governments through cooperative agreements to purchase food from local, regional, and socially disadvantaged producers; and an additional $100 million for a new grant program aimed at helping food assistance organizations meet TEFAP requirements, build infrastructure, and expand their reach into rural, remote, and low-income communities. This grant program is the result of lessons learned from the Farmers to Families Food Box Program, and may help to integrate organizations that participated in the Food Box Program, into the FNS food assistance network.

This funding and assistance is in addition to a variety of actions taken recently by USDA to strengthen food security, drive down hunger, and put a greater emphasis on the importance of nutrition. Just recently, USDA announced $159.4 million in Section 32 purchases to address disruptions in the food system supply chain; launched the TEFAP Fresh Produce Box to support fresh produce purchases for the food bank network; and is investing $92.2 million in Local Agriculture Market Program grants to support local and regional producers and organizations.