



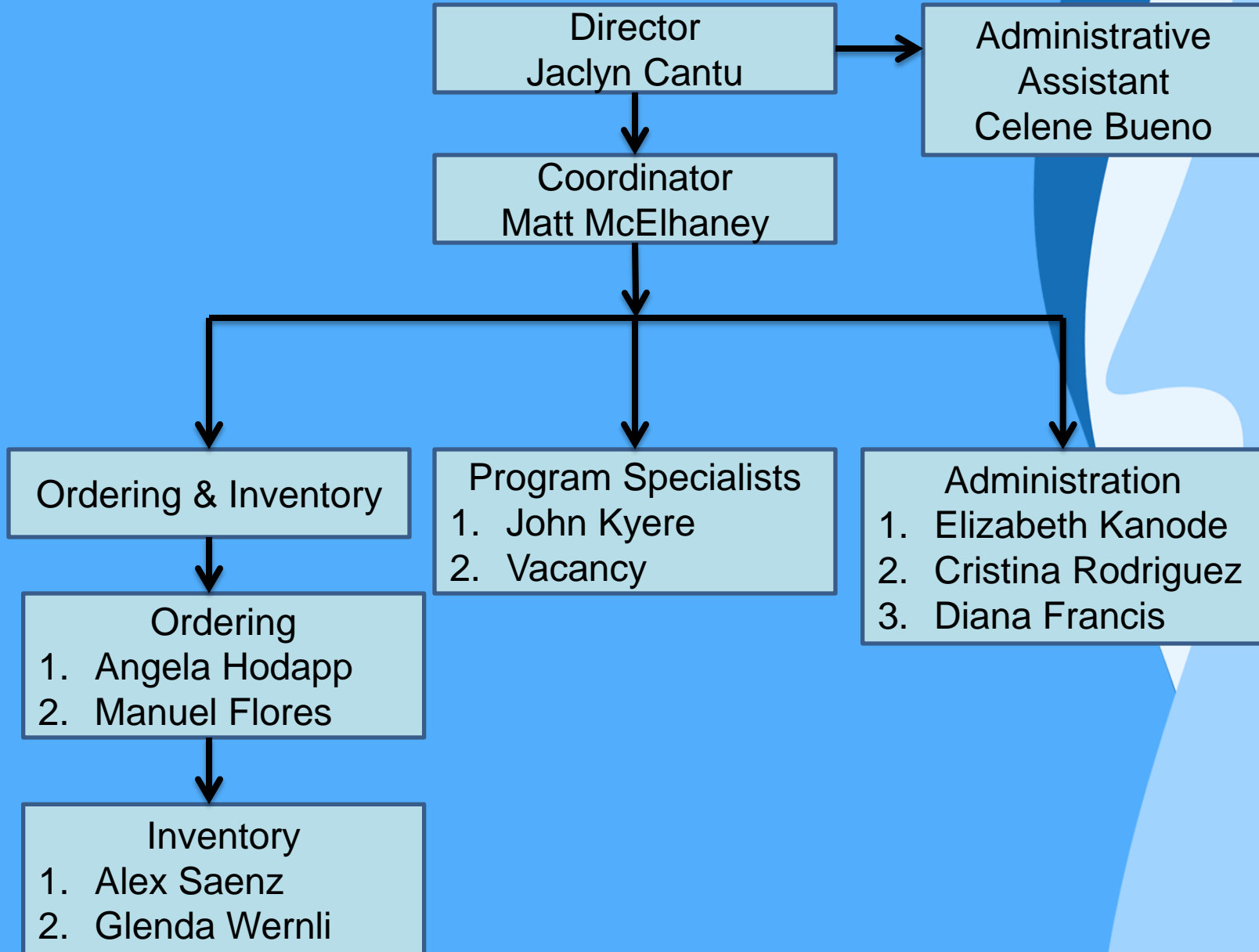
# **2017 Stakeholders Meeting**

**Jaclyn Cantu, RD**  
**Director for Commodity Operations**  
**Texas Department of Agriculture**

# **Agenda**

- **Staffing**
- **Procurement**
- **Agreements**
- **Regular USDA Foods**
- **DoD Programs**
- **Processing**
- **TX-UNPS**
- **Proposed Legislation**

# Staffing



# **Procurement**

## **Procurement Reviews**

- Sample of Processing Contracts are Reviewed
- Common Errors
  - Inadequate quotations obtained
  - Missing Code of Conduct
  - Missing Procurement Plan
  - Missing Cost Analysis
  - Missing steps to assure HUBs are utilized

## **Procurement Technical Assistance**

- Newly approved products on updated SEPDS must still be procured by CEs.
- Changing Cooperatives

# **Agreements**



## **State Participation Agreements (SPAs)**

- PY 2018 is the first renewal year of the agreement.
- Renewal documents must be received by 6/30/2017.
  - Those not received will be removed from the Approved Processors list.
- Signatures between parties must be within 30 days of each other.

## **USDA Foods Permanent Agreements**

- Contracting Entities (CEs) were required to submit a new Permanent Agreement for SY 2018.
- CEs that have not submitted their Permanent Agreement by 6/30/2017 will be inactivated in TX-UNPS and entitlement will be removed.

# **Regular USDA Foods**

## **Reminders for CEs**

- Update Contact Information in FDP TX-UNPS
- Entitlement Balances
- Allocations happen every Thursday
  - SY 2017 Final Allocation: May 9, 2017
  - SY 2018 First Allocation: August 17, 2017
- Free, Short and Long Term Storage
- Warehouse Delivery Fees

# Ordering:

## Trends:

Program Years	Grand Total Lbs	Grand Total Cases	Grand Total Entitlement
<b>SY2014</b>	<b>54,917,370.40</b>	<b>2,906,271</b>	<b>\$57,120,536.17</b>
<b>SY2015</b>	<b>42,676,989.70</b>	<b>1,291,431</b>	<b>\$47,506,609.63</b>
<b>SY2016</b>	<b>57,281,677.68</b>	<b>1,491,481</b>	<b>\$54,521,059.70</b>
<b>SY2017</b>	<b>52,733,888.69</b>	<b>1,605,601</b>	<b>\$53,867,325.39</b>
<b>SY2018 to date</b>	<b>27,027,528.76</b>	<b>1,632,296</b>	<b>\$53,707,884.17</b>

# **DoD Programs**

## **DoD Fresh**

- DoD Entitlement increases have been frontloaded for SY 2018.
  - Allow CEs to better plan for entitlement utilization
  - Funds available July 1<sup>st</sup> for orders
- Send Complaints to both:
  - [sylvia.munoz@dla.mil](mailto:sylvia.munoz@dla.mil)
  - [commodityoperations@texasagriculture.gov](mailto:commodityoperations@texasagriculture.gov)

## **DoD Farm to School**

- Over \$2.5 million in entitlement available state wide
- First come, first serve through Survey Requests
- Produce delivered automatically to CEs upon arrival to the TDA warehouse





**Processing**

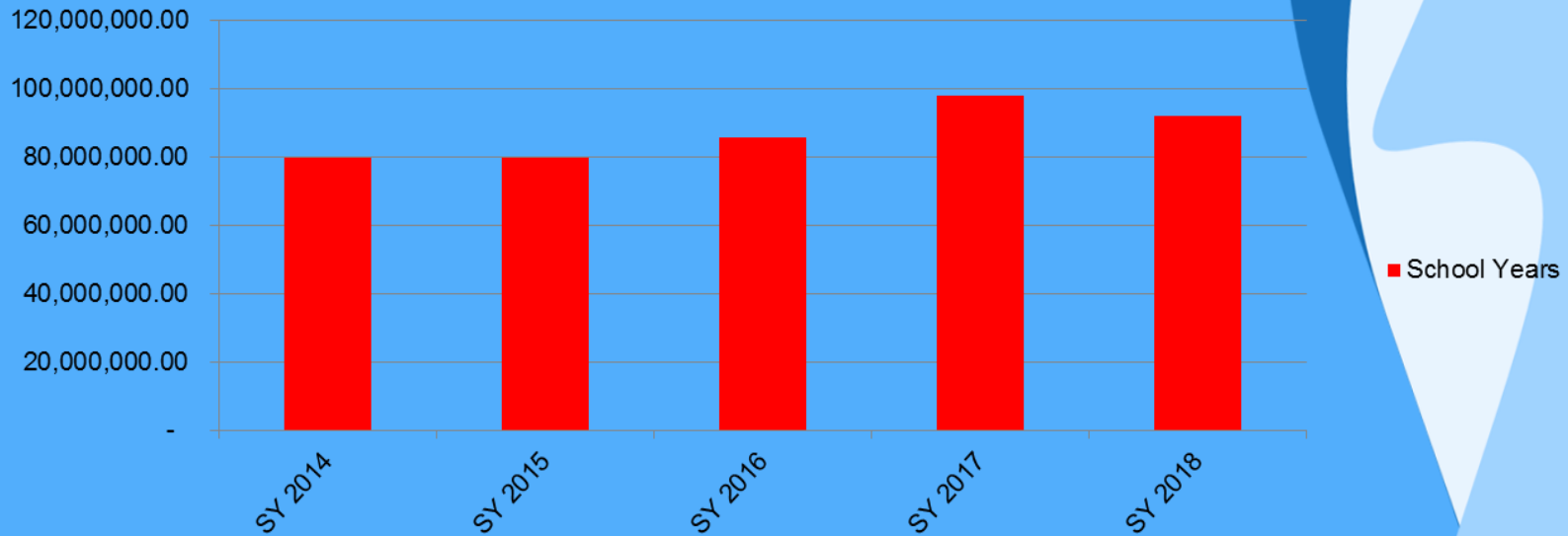
# Ordering:

## Trends:

Program Years	Grand Total Lbs	Grand Total Trks	Grand Total Entitlement
SY2014	79,782,922.25	2,052.93	\$ 84,195,582.49
SY2015	79,658,684.00	2,038.71	\$ 94,194,656.20
SY2016	85,674,754.42	2,198.12	\$ 89,705,796.88
SY2017	97,919,556.68	2,507.01	\$ 96,025,384.03
SY2018	91,890,854.75	2,352.35	\$ 83,557,352.64

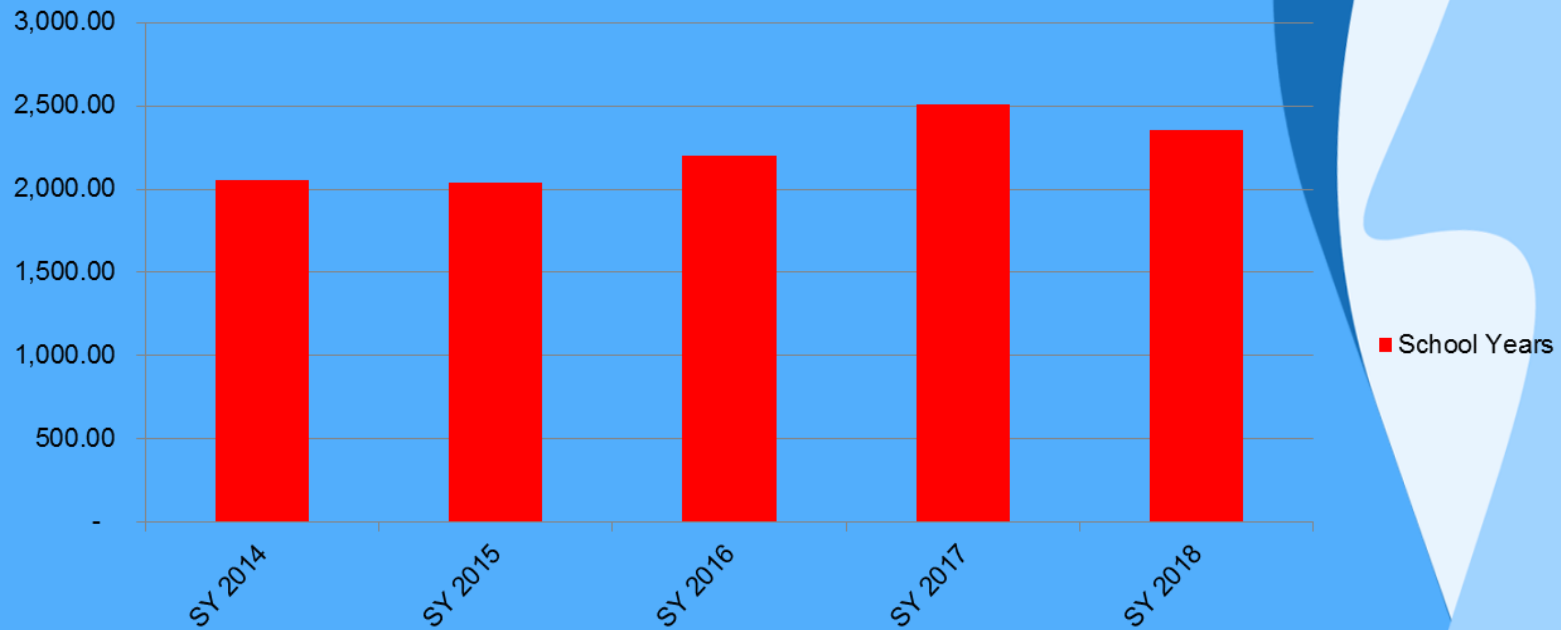
# Ordering:

## Grand Total Pounds



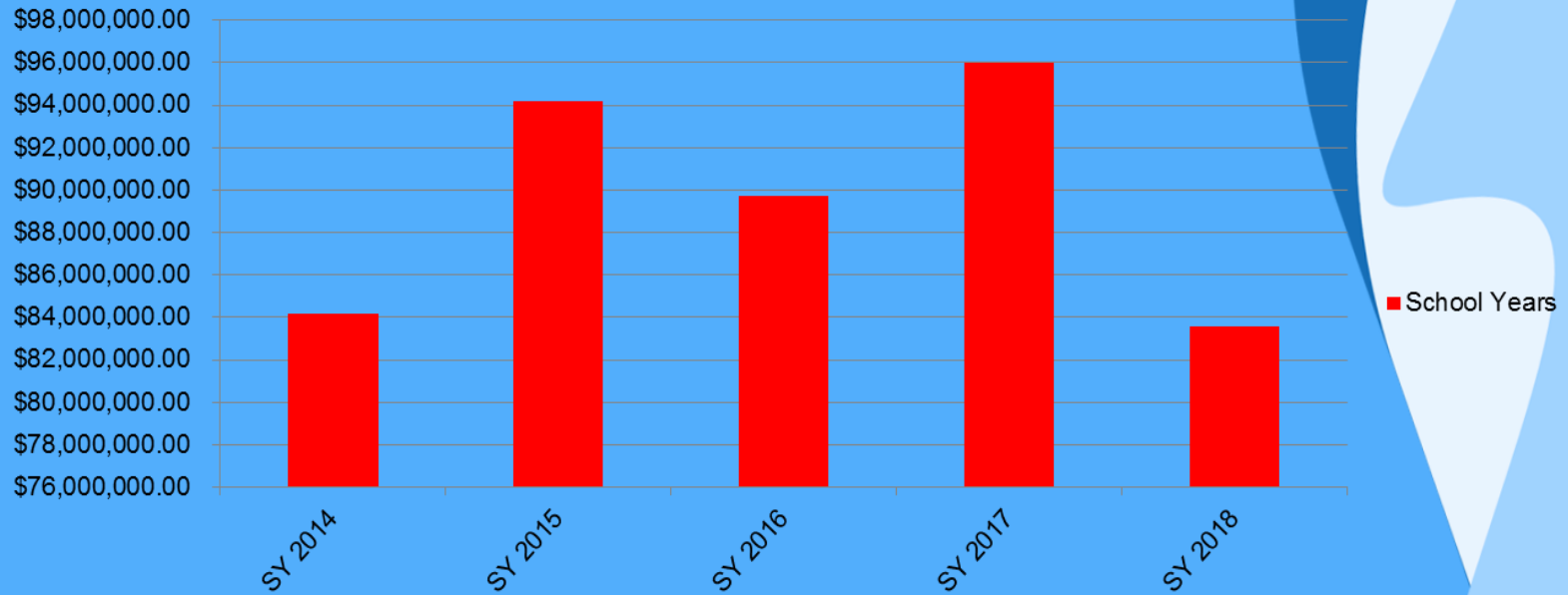
# Ordering:

## Grand Total Trucks



# Ordering:

## Grand Total Entitlement



# Inventory Control:

## USDA Guidance:

- Calculate Average Monthly Usage:
  - Year To Date Usage divided by current month (Program Year is July through June).
- Calculate Months of Inventory on Hand:
  - Year to Date Balance divided by Average Monthly Usage.

# Inventory Control:

## Denied Requests:

- On March 1st, CEs identified with zero usage and/or more than 12 months of inventory in K12 and ProcessorLink will be denied pound requests for the new PY.
- Denied requests can be re-submitted with later surveys once CE inventories have reduced to acceptable levels.

# Inventory Control:

- Poultry:
  - Dark & White meat End Products ordered & delivered out of proportion.
    - Request for system of Checks & Balances for EP orders to ensure proportionate inventory balances.



# Reminders:

## Sweeps Process:

- Processor “Justification” master list due Oct. 31st.
- Begins Dec. 1st each PY.
- Complete by Dec. 15th.

## Unused “Processing Reserved Remaining”:

- CEs must clear in TX-UNPS each Dec. 31st.
- CEs may commit unused over-all Entitlement towards Surplus.

## Reminders:

- Routinely monitor CE inventory levels in K12, ProcessorLink & In-House tracking systems to identify CEs with excess inventory early on during a PY.
- Encourage CEs to consider inventories on hand with a processor, per material number, when they forecast pounds for open processing surveys.

## **Monthly Performance Reports (MPRs)**

- **SY 2016-2017 MPR Facts**
  - 65 Processors
  - 82% On Time Submissions (average)
  - 18% Submissions Late (average)
- **26% increase for on time MPR submissions**

## **MPR Common Errors**

- Missing MPR Part B
- Missing documentation for transfers
- Adjustment explanations missing
- Correct beginning/ending inventory balance
- MPR shipments must match WBSCM
- SEPDS product approval (missing updated SEPDS)

**TX-UNPS**

## **TX-UNPS Functionality**

- TDA is looking to automate the MPR process utilizing TX-UNPS.
- FND 101's for Non CE users must be signed by an authorized rep from the entity for which the user is requesting access.
  - Automation of the FND 101 process forthcoming



# **Propose Regulation Changes**

# Proposed Rule for Processing

- Codified several existing FNS Policy Memos
- Title Transfer for Multi-State Processor occurs when the finished product is delivered to the CE or the designated agent (distributor), 250.11 e.
- Repackaging and use of Donated Foods in vended meals is considered processing, 250.3 (a).
- Adds language to allow for State sweeps process and includes language to give FNS authority for a National Sweep, 250.35 (d).



# Proposed Rule for Processing

- Adds language that requires state agencies to terminate agreements with under performing/non-compliant processors, 250.38 (C).
- Adds 2 CFR 200 references for procurement and outlines specific information that must be included in processing solicitations.
- Adds a requirement for an agreement between processors and distributors, 250.30 (i).

**Questions?**



# TEXAS DEPARTMENT OF AGRICULTURE

## COMMISSIONER SID MILLER

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

This institution is an equal opportunity provider.

Texas Department of Agriculture