

Texas Department of Agriculture

Food and Nutrition Industry Task Force Call May 26, 2021

1. TDA Updates
 - a. TDA is prompting USDA to provide additional information about the standards for operating in 2021-22. TDA is frequently updating FAQs to clarify school programs' "gray areas" as information becomes available.
 - b. TDA believes that most school districts will operate SSO. Those who choose to operate NSLP indicated that it is because they are wanting comp funding and socio-economic data through free and reduced lunch application process.
 - c. TDA is putting a lot of effort into procurement.
 - i. TDA is putting together training resources addressing:
 1. procurement standards, available in July
 2. district preparation for procurement reviews, available TBD
 - ii. TDA will prepare a 2-hour session on procurement that will be presented at TASN on June 19, 2021, from 3-5 pm.
 - d. Guidance was released this past week regarding administrative review schedules.
2. Ordering/Inventory Updates
 - a. Ordering
 - i. Round two orders close at COB on Friday May 28, 2021. These orders need to be compiled and sent to USDA by COB June 17, 2021.
 - ii. TDA has moved forward with ordering the rest of product from round one.
 1. TDA has gotten feedback from processors, most requesting utilization of pounds from state account towards allocations at start of new SY.
 - b. Inventory
 - i. TDA will send the schedule for June excess pounds redistribution process to processors shortly.
 1. Entitlement will be credited back towards RA's account for allocations offset with state pounds. Can be used for round three ordering.
 2. TDA willing to entertain requests for additional pounds, but only with commitment: inventory calculators, quick utilization, etc. TDA will look at utilization history.
3. Distributor Updates
 - a. Distributors are equally confident and nervous. They report that they continue to see increased vendor fail rates and cuts. They are uncertain how long will this continue into the year. They are utilizing usage and forecast data to try to create projections to get ahead of stock and lead time issues.
 - i. RAs report concern over the unavailability of products leading to the need for scratch cooking. RAs indicate that they do not have the manpower for scratch cooking.
 1. Co-ops are trying to mitigate issues by working with processors and distributors to get broad perspective of production priorities/realities. Some coop coordinators provide a monthly report and work with RAs to get appropriate substitutions when needed. Ask questions regarding products marked "discontinued."

- b. Distributors are offering additional resources and support to RAs and Co-ops for procurement audits.
 - i. Distributors require vendor “customer letters” be provided to co-ops and schools in the event of temporary/permanent discontinuation so they have appropriate documentation (especially for non-bid sourcing).
 - 1. TDA also requires processors inform them of long-standing production issues.
- 4. Industry Topics
 - a. Next Sodium Tiers
 - i. Manufacturers report that sodium tier two is inevitable. SNA and ACDA are in discussion of timing and development.
 - ii. Industry needs to commiserate with RAs regarding their feelings and plans to meet this level.
 - 1. RAs report that tier one is beneficial, tier two will be difficult but do-able, tier three is unrealistic.
 - a. School nutritionists are concerned that tier three targets are more restrictive than a hospital diet. Kids may no longer eat these meals.
 - i. “It’s not nutrition until it gets eaten.”
 - b. Tier three will require schools go back to scratch cooking. Operationally unrealistic.
 - iii. Some manufacturers report some or all lines already manufacturing to meet tier two requirements. There is more concern regarding tier three.
 - iv. Will naturally occurring sodium vs. added sodium be taken into consideration?