Texas Department of Agriculture
Food and Nutrition
Industry Task Force Minutes
October 21, 2020

1. CFAP Updates
   a. USDA indicated that the initial solicitation was not intended to be accessible for big entities (not for food bank model of targeting low-income households)
      i. It was not until 3rd round solicitation that they tried to work directly with food banks, allowing more coordination of last mile costs for impacts to food banks overhead.
   b. It is currently unclear whether there will be another solicitation round.
   c. Three additional vendors were awarded in the latest solicitation.
   d. TDA has been receiving word that there are issues with quantity, packaging, and storage
      i. Food Bank Response:
         1. Every vendor has provided 25% or less of agreed upon quantity
         2. Mix of types of food in single box makes safe storage difficult
         3. Other food banks having same issues nationally

2. Distributor Update
   a. Between 30%-55% in-person enrollment in populated “metroplex” areas
      i. This is where highest volume of orders come from, so issue for manufacturers
      ii. Some ISDs are temporarily on two-week menu cycles, no new options available to students
   b. Upwards of 70% upward in-person enrollment in rural areas
   c. Distributors report no better or worse than previous

3. Ordering/Cancellation requests updates
   a. Low percentage of cancellations Qt. 4
      i. 5.5% of sales orders canceled
      ii. Majority of canceled ordered are due to excess inventory with processors.
          USDA is surveying other manufacturers with potential excess inventory.
      iii. TDA is getting feedback that regional warehouses are also over capacity and need additional storage space
          1. Largely due to allocated inventory that has not been drawn down
   b. How is Texas managing reduction in volume due to cancellations?
      i. Fair share reduction unless specific communication states otherwise
   c. Is TDA expecting processors to reach out to the end user?
      i. TDA staff is in discussion with processors and coop coordinators to ensure that information is communicated widely.
         1. Processors want to see communication before it goes out.
   d. TDA is reliant on processors to assess inventory at distributor level before any cancellations are recommended.
   e. Funding Sources
      i. Discussion of NSLP entitlement balances available
      ii. CARES and FFCRA
         1. TDA is trying to utilize 100% funding for both
            a. Where CARES funding is currently overcommitted, TDA can move funding sources around.
      iii. TEFAP
1. On target for full utilization.
   
   f. TDA released a survey to assess popular (high quantity) brown box items for the next ordering season. Survey results are due Friday 10/23/2020.

4. Other discussion
   
   a. Item Shortage/Excess
      
      i. Concerns voiced about perceived conflicting information: how USDA defines excess compared to distributor reports.
         
         1. Distributors clarify that only select products are in shortage
   
   b. Distributors indicate that at times it is necessary to substitute non-commodity product due to inventory shortages.
      
      i. Substitution handling should be in the contract with vendor/distributor
         
         1. Some contracts allow substitutions only if price comparable
         2. Many distributors attempt to replace products with an item that allows USDA Foods lbs to be used.