

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.