Texas Department of Agriculture
Food and Nutrition
Industry Task Force Minutes
November 4, 2020

1. CFAP Discussion
   a. Fourth round awards have been made for combination boxes in Texas
      i. Fresh Innovations California
      ii. RK Group
      iii. Tulsa Fruit Company
   b. Food Banks are hopeful that deliveries for the 4th round will begin the week of November 11, 2020.
   c. Have previous issues regarding freezer/fridge mixed items, quantity, etc. been addressed?
      i. Possible separation of items (especially milk) in round 4
   d. Do we have any idea how much product has been wasted due to these issues?
      i. Direct delivery helped address these problems
      ii. Awarded vendors resolved short shelf life by end of round 3

2. Procurement Waivers
   a. Initial COVID response: the Governor’s proclamation permitted emergency procurement. USDA also sent guidance on federal emergency procurement provisions.
      i. TDA received feedback that substitutions were made for items not on bid
         1. CE/Coops can use emergency procurement to address
         2. TDA school operations receives, reviews, and approves emergency procurement requests.
         3. Solicitations can be amended
      ii. This is not intended for temporary substitutions; this is short-term solution for items no longer in production
      iii. Distributors would like to get the names of customers to review contract language

3. Distributor Update
   a. Distributors provided an update on sales volume compared to a normal year.
      i. Metropolitan areas: 50-60% enrolled in-school
      ii. Rural areas, 70-100% enrolled in-school
      iii. No expected big enrollment changes between now and January
   b. Distributors reporting some supply issues, but getting back on track
   c. TDA imposed an October 31, 2020 deadline for schools to select whether to operate the NSLP or summer feeding options
   d. Districts have complained about price gouging and shortages with trays/gloves
      i. Run on saddle bags, now facing low supply with those as well
      ii. Prices for PPE still higher than bids outline

4. Order Update
   a. Cancellations
      i. 8.47% cancellations PY 20-21 compared to 9.5 in PY 19-20
      ii. TDA shared a list of canceled further processed trucks with co-ops last week -approximately 325 truckloads
      iii. TDA has had internal discussion about its process for canceling orders
1. Staff is utilizing conversations with processors prior to cancellation to determine if there are pending orders that may impact fair share reductions.

b. TDA sent out an email blast to CEs assigned to over-capacity regional warehouses
   i. Allocated inventory not moving well, reminder to districts to draw down

c. Funding Sources
   i. NSLP entitlement
      1. Cancellations have increased state balances, but TDA is hesitant to bring in more inventory with current usages.
   ii. CARES and FFCRA – entitlement funding is fully committed
      iii. TEFAP and CSFP – entitlement funding is fully committed, CSFP in ordering

5. Other Topics
   a. Question: Has there been any discussion about utilizing a single state bank for better utilization of state pounds (move out of CEs not utilizing them and into CEs who need them)?
      i. Currently utilizing state account and school to school transfer process, but can investigate other options for inventory management
      ii. Glenda assessing CE usage, working with co-ops to improve usage
      iii. TDA is not going to sweep pounds at this point
      iv. The group would like to discuss the single bank model further