

Texas Department of Agriculture

Food and Nutrition Industry Task Force Minutes December 16, 2020

1. Single Bank Discussion - Lena invited Stephanie Ewing, the former State DA in California to discuss their experience with a transition to a single bank model.
 - a. How long did it take for CEs to understand concept?
 - i. Quick for most school districts
 - ii. Manufacturers took a little more work
 - b. What is involvement of coops in selling the model?
 - i. Heavy involvement, but not in “selling”
 1. Collective process, close work with the state and manufacturers
 2. Many schools drawn to co-ops due to the single bank model
 - c. How did this impact the inventory levels as processors?
 - i. CA did a hard sweep to eliminate any excess inventory
 1. Reallocated and utilized nearly half of its inventory within first year
 2. Provided clean slate – they were able to backfill from excess account when inventory running low
 - d. What were the lessons learned?
 - i. Balancing of white/dark meat chicken and turkey - worked with unbalanced districts directly to assist co-ops
 - ii. Up to 14 distributors bouncing up against single bank at a time
 - iii. Non-timely reporting issues
 - e. Procurement?
 - i. Co-op based
 - f. What does the district see when they are tracking entitlement utilization?
 - i. In California, tracked in a customized solution, not K12/processor link.
 - g. How do we keep those who haven’t put money in for processing from purchasing fee for service items?
 - i. Tracking of both entitlement and pounds, in order for transaction to occur, district must have BOTH
 - ii. Work closely with districts to move dollars for maximum utilization, the state has never had to cut off a single district during Stephanie’s tenure.
 - h. What role did state agency play?
 - i. Approving full truckloads and merging partial truckloads
 - ii. Responsible for sweeps
 - iii. Assessing coops as single entity
 - i. Does single bank allow districts to switch manufacturers?
 - i. Technically yes, but has not been an issue with forecasting
 - j. How were accommodations made for direct ship schools (processing)?
 - i. Coops handle diversions if district part of single bank, those who opt out of single bank will still be managed by the state
 2. USDA Foods Ordering/Cancellation Updates
 - a. CARES -More that 100% committed; 64 sales orders in procurement
 - b. FFCRA -101% committed; 330 sales orders in procurement
 - c. TEFAP - 171% committed, including carryover; 31% purchased with a 7% cancellation rate.
-

- d. CFSP - April – June orders placed last week; 32% purchased with a 4% cancellation rate.
 - i. Additional cancellations of UHT milk/rice/pastas received last Friday, so expected to rise
 - ii. TDA submitted a waiver request to address food box contents due to cancellations impacting inventory
 - e. NSLP
 - i. TDA is working with USDA to review further cancellations. There are a potential 802 additional loads being assessed by the USDA.
 - 1. Entitlement is returned with cancellations to districts where there are cancellations.
 - a. No additional ordering opportunities, but surplus is available
 - b. Districts may increase DOD allocations (request in January)
 - 2. Entitlement does not roll-over, USDA will tell TDA what we can keep, entitlement is re-allocated for the next SY
 - 3. Manufacturer Discussion on SKUs
 - a. Most are not limiting SKUs outside of the normal procedure but are not proceeding with new products.
 - b. Limited types of trays are available
 - c. Distributors may impact limitations more than manufacturers
 - 4. Other Topics
 - a. USDA Foods Trainings Upcoming
 - i. USDA Foods Ordering Kickoff 12/17/20
 - ii. Additional trainings 1/6/21, 1/25/21
-