

# Texas Department of Agriculture

## Food and Nutrition Industry Task Force Minutes March 31, 2021

1. Waiver Updates
  - a. Meal pattern flexibilities have been extended through September 30, 2021.
  - b. Non-congregate feeding waivers extended.
    - i. Allows grab-and-go AND multiple-day distributions.
  - c. Summer programs will continue to operate with flexibilities until start of SY 21-22.
2. ACTA Conference
  - a. Virtual and held in June.
    - i. Includes a general session on pandemic task force. If you are interested in presenting, please contact TDA.
3. Redistribution Impact on Truck Orders
  - a. TDA will fulfill new allocations requests with carryover pounds whenever possible.
  - b. TDA has identified only a couple of processors that have more than a truck in state account that TDA has ordered against.
    - i. This will be analyzed again at redistribution.
  - c. TDA is seeking schools that can utilize product prior to redistribution.
  - d. USDA is likely finished facilitating cancellations.
    - i. Canceled some meat and cheese orders yesterday.
  - e. TDA will evaluate the scheduling of bringing in new trucks in based on the processor's current inventory.
    - i. USDA occasionally requests TDA calculate using current months-on-hand value instead of last monthly performance report.
4. 2021 Commercial Purchase
  - a. Some have recommended the strategy of taking excess pounds and crediting CEs that have diverted and are utilizing commercial purchasing. Are processors willing pay additional money to CEs to credit them for pounds?
    - i. Manufacturers, with the assistance of distributors and co-ops to acquire velocity reports, can possibly:
      1. Apply net off invoice discounts.
      2. Issue rebates.
    - ii. Some manufacturers have already put this into place and speak positively on their ability to offer CEs this money.
    - iii. Some think that it may be better to leave distributors out of the equation.
    - iv. Some think that it may add significant complexity to audits.
      1. Some CEs will want small amount by line item and some CEs will want larger lump sum.
    - v. Some are uncertain that this is financially feasible for smaller processors.
  - b. TDA will continue to have conversations about this topic internally.
5. Q & A
  - a. Q: Are there any distributor updates regarding ordering after spring break?
    - i. Distributors report seeing increases in ordering.
    - ii. They would like clarification regarding added bid items.
      1. Result of procurement reviews. Districts can (and always have been able to) issue supplemental procurements.

- a. There have been conversations about the desire to move into a market basket procurement method. This a is flexible procurement method useful only for cycle planned menus. TDA is developing procurement trainings to address.
  - b. Q: Can you speak to ISD concern regarding penalization for inability to draw down products?
    - i. A: TDA is not penalizing districts. The redistribution simply aims to increase utilization state-wide. Districts can retain access to products if they utilize poundage for ordering.
  - c. Q: Will TDA participate in the TASN live food show in June?
    - i. A: TDA is informed about the existence of this show. TDA has not spoken internally about logistics or involvement at this time.
  - d. Q: Will districts be participating?
    - i. A: Between COVID concerns and costs, many districts are uncertain.
  - e. Q: Is there any update on state-contract warehouses?
    - i. Q: Yes. Warehouses have been identified. TDA is currently in contract stage so they cannot disclose names. There is full state coverage at cost savings. TDA is hopeful to finalize contracts next week.
  - f. FYI: Joe indicated that disposables were experiencing significant price increases on raw materials.
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