

# Texas Department of Agriculture

## Food and Nutrition Industry Task Force Minutes March 16, 2021

1. Welcome: Lena Wilson
2. Status of 2023 Waivers: Lena Wilson
  - a. USDA has stated that current waivers will not extend beyond this school year.
3. Continuation of Workgroup: Lena Wilson
  - a. Task force meeting update: Meetings will not end, but frequency will change to every other month through the end of the 2022 calendar year.
  - b. Current updates from external parties:
    - 1) Rita:
      - i. There has been some relief on the manufacturing level to get product from manufacturers to fulfill school orders (80% last meeting up to 88% on February 28th)
      - ii. USDA ending waivers will help supply by decreasing demand due to fewer meals being served
      - iii. Having enough drivers to make deliveries is getting better
      - iv. Still struggling with getting enough people to work in the warehouse due to competition in the DFW area for warehouse workers
    - 2) Jodi:
      - i. Freight and Fuel are a huge challenge
        - I. \$1000 freight for a single truckload
      - ii. Impossible to lock in delivered pricing beyond 3 months
      - iii. Cost of tomato paste from California is up 24%
      - iv. Use your voice to let USDA know where you are experiencing/anticipating hardships and how you feel about regulations regarding sodium restrictions, milk & whole grains. Interest groups are submitting comments to move forward with tighter restrictions on sodium that are not feasible from an industry standpoint. These groups have submitted over 4000 comments and Child Nutrition stakeholders have only submitted about 100 comments. If USDA does not get more opposing comments, they may be forced to implement tighter restrictions that could negatively impact the programs.
        - I. There is a comment template on the SNA website to assist members with commenting
        - II. Co-ops should encourage members to contribute – numbers matter!

- 3) Jose:
  - i. Reminder that RAs will not be serving the same meals this summer as last summer largely because of cost, so make sure distributors don't send the same items as last summer (hot meals, supper, etc.) if schools don't plan on utilizing those due to cost and no longer having the waivers
- 4) Stephanie:
  - i. Experiencing issues across the board, same as everyone else
  - ii. It's imperative that schools are made aware of what we are experiencing so they can prepare. Schools should communicate with their distributors now on what is needed vs. available to increase their success in getting the food
- 5) Candy
  - i. From the school-side of things, our focus is on feeding kids nutritious meals. It is going to be a huge challenge to sell meals that are not free anymore after families were just getting used to free meals. The big question is: what menu can we afford that will still bring in our customers (the kids)?

4. USDA Foods Update: Jaclyn Cantu

- a. TDA awarded \$34 million CCC additional entitlement; because of the quick turnaround time, we offered this out to schools and received responses requesting close to \$50 million in additional entitlement – now TDA is working on fairly distributing the food we can order to best meet everyone's needs. Additionally, TDA is working on regular ordering for processing and brown box.
- b. TDA has been doing a lot of shuffling of inventory via transfers with processors to ensure pounds are utilized.
- c. TDA was awarded just under \$2 million for SFSP due to increased meals being served during the school year. TDA is looking to bring in more SFSP food in July – September. Whatever food is not used for SFSP will be transferred over to NLSP as surplus for schools to use.
- d. We received our first request for a fuel surcharge this week, which is in our contract and which we are reviewing for approval. TDA expects other warehouses will request this same type of price increase across the state with gas prices increasing.

5. Q&A: All

- a. Donna: Director at Thomasville ISD
  - i. Question about DoD: why can't we use some of this money when our entitlement runs out?
    - 1. Answer from Jackie: Our team will reach out to offer more when it is available; it will also be mentioned on the monthly school calls when we have more available – school calls occur at the end of the month; next school call is March 30<sup>th</sup>, 2022. It is a state decision

on how much DoD is used and states can currently request increases at any time.

b. Stephanie

i. Question about CCC: April/May?

1. Answer from Jackie: Texas is waiting until July. No solicitations from USDA have gone out, at least not that we have received – those orders aren't due until Friday, March 18, 2022, for us, but other states may have different deadlines.

c. Cheryl: ATM Food Group

i. Question about Processor Reports: When can Processors expect to receive them? And who can we contact about Processor-related questions?

1. Jackie: Once the last round of ordering is complete, around mid to late April. Please contact Glenda Wernli for processor information changes.

ii. Question about partial truckloads: How do we coordinate this?

1. Jackie: My team will reach out to the processor to request assistance to coordinate partial truckloads for processing with other states.

iii. Question about TX market distribution: Any updates?

1. Jackie: Some cancelations, but minimal. Mostly individual-packaged items (i.e. catfish and 4 oz. juices)

d. Keri

i. Questions/Comments:

1. Agree with Jodi's comment about the inability to hold pricing for 18 months; expecting force majeure.
2. Currently experiencing a processor refusing to include freight cost in bid price – want to warn people of this and see if others are experiencing something similar
  - a. Lena: co-op may not be able to award that processor based on what is in the RFP.