FDD-PST

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Sent: Monday, April 03, 2000 2:20 PM
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Subject: USDA Proposal for Food Distribution

To: Food Distribution Office

I was able to attend the annual conference of the American Commodity Distribution Association in Columbus, Ohio and provide verbal comments about the proposed changes to the commodity program. I do, however, want to send my comments in writing to ensure that they are included in the analysis of the proposals.

I have been involved with the USDA Commodity program for almost 30 years. I have been a school food service director for a recipient agency during the early 70's when delivery was primarily "rail-side" and very few truck deliveries. I have also been a state distribution director during the late 80's and 90's when significant changes were made in the commodity program as a result of the Commodity Reform Act of 1987. During this time major changes in farm policy, moving to a market-driven philosophy, also impacted the commodity programs by eliminating large surplus of cheese, flour, corn meal and other price-support commodities.

At present I am a school food service director for a 15 school district with 11,000 students in south central Florida. Florida is best known for a tourist destination, but it is one of the leading agriculture states, with more than $53 Billion dollars in agriculture products yearly. We care about providing the best meals to students and continued, strong support to American agriculture.

My comments are as follows:

General Comments:

I am concerned about the basis of the CORE findings and the resulting proposal from USDA. It is my understanding that this process began as a result of a letter from 19 school districts in Colorado complaining about the commodity program. I also know that ACDA and state directors had been requesting specific changes for many years. I know this as I was one of those states. The National Advisory Council for Commodity Distribution that was authorized as a result of the Commodity Reform Act of 1987 also recommended changes during it's existence. I served on that Council for five years and chaired the group for three years.

However, the CORE findings and the proposal call for sweeping changes and

a radical departure from the current system. All of this is based on perceived problems. None of the discussion, findings or proposals are based on a quantitative or qualitative evaluation of the program. In fact, the report and proposal ignores the USDA 1992 study of the acceptance of the commodity program. Perhaps the team and staff involved did not want to know that 71% of the respondents rated the commodity program as very good or excellent.

I will be the first person to tell you that the commodity program can be more effective. The underlying problem I see is communication and lack of knowledge. When a state agency educates itself about the commodity program, what is possible and allowable, and when they effectively communicate that information to recipient agencies, the commodity program runs smoothly. Yes, we still may get offered bonus items that we are unsure of but the basic food supply is consistent and excellent.

If we do not establish effective communications between the various parties, the commodity program will continue to suffer, not because of the purchasing, ordering or distribution system, but because we failed to communicate.

The commodity program is also extremely complicated. One can not learn the ins and outs of this program in three easy lessons. I have seen the commodity program struggle, be ineffective and fail to respond to the needs of the recipient agencies because staff did not have a basic understanding of the program and the details that can make it work effectively. I have witnessed this first hand in more than one state. It isn't that the state does not want to do a good job but they do not have the knowledge to manage this program.

I think the greatest improvement in this program would be the development of an intensive training program to train state, regional and national staff in the details of the program to include on-site observations of excellent operations.

I do not think we need to develop new standards of performance for this program. We have them. In fact, the commodity program is the only program in the child nutrition arena that has specific standards of performance outlined in 7 CFR 250. Why do we not enforce them?

At the ACDA conference, USDA staff reported on pilot projects that had been submitted and approved. I have some concerns and questions about these pilots. Did USDA advertise or solicit proposals from states and schools? Was the submission competitive? Has USDA established specific baseline data to ensure an accurate comparison and measurement of improvement or change?

I am and will continue to be an advocate for change, innovation and improvement. I believe that everything can be improved. I just believe that change should be based on the best information available. These changes are not.

Other comments:

#3 - Update product specifications

I concur that there may be some cost benefit for converting specifications to those of industry. This should done with careful consideration to ensure that the industry specifications are equal to or better than the current specifications. We take pride in the quality of the foods available to us from the commodity program and would not welcome reduced standards.

#4 - Allow vendors to use commercial labels

I strongly oppose the implementation of this proposal. Current federal and state audit standards and regulations require full accountability for

commodity products. When the commodities lose their identity due to labeling, we will be unable to comply with these standards, statutes and regulations. I do not think USDA can waive the requirements of OMB Circular A-102 or the related Florida Statutes Section 216 and 229 governing the accounting and auditing standards for federal funds and programs.

This problem will not be solved by having someone at the local level mark each package as it comes in. That is an unnecessary, labor intensive burden that could be avoided. I am also concerned about this issue as it relates to disaster feeding. Currently we can provide foods to approved meal providers at the time of a disaster. If we can not distinguish between our purchased foods and our commodities, we lose our ability to provide these much needed foods.

#6 - Expand full substitutability of commodity product

This is one issue that is unacceptable, not because of the paperwork or difficulty of implementation, but for the safety of our food supply. The current level and standards for inspection and grading service ensures that we get what we pay for and that it is manufactured with the specified ingredients and under the safest procedures. We can not afford this provision. The risks to our food supply are too great to warrant the benefits of this proposal. Cutting processing costs is simply not worth the health and safety of our children.

#7 - Work with States to test the seamless commodity distribution concept

If the seamless commodity distribution concept is as was outlined in the CORE report and based on the brief narrative described in the proposal, the implementation also violates existing federal and state requirements as noted in #4 above. It also is in conflict with CFR3015 and procurement standards at the federal and state level. I do not believe USDA has the authority to waive these requirements.

When we move into this arena, the Food Distribution program quickly changes to a cash-in-lieu of commodity program. I am very concerned that the Department is supporting a cash out program. How we will continue to maintain our link to agriculture, the foundation of our program?

#8 - Facilitate the processing of commodities with limited demand

I encourage the department to seek ways to further process commodities that are difficult to use. At the same time, the acceptance of difficult to use products would be significantly enhanced, at a minimal cost, by providing "Commodity Fact Sheets" and Nutrition information at the time of purchase and requiring the industry to provide suggested preparation methods and recipes.

I also encourage the department to evaluate the distribution of some of these difficult to use items to TEFAP. Items such as prunes and figs have been well received by seniors participating in these programs in my experience.

I would also like to point out that part of my mission as a child nutrition professional is to expand the acceptance of and understanding of nutrition and nutritious foods to students. Sometimes the new and some what unusual commodities provide an opportunity to do just that. My district has found a balance between scratch cooking and using highly prepared foods that produces good participation in our schools. We rely on the commodities to assist us in providing these "homemade" items.

#12 - Provide computer connectivity to the school level

I think this is a very ambitious idea on the part of USDA. It is my

understanding that the department is yet to establish connectivity to the various states and territories. It has also been my experience that due to the nature of federal procurement, the system developed may be obsolete by the time it is available as was true of PCIMS system. I also question the effectiveness of USDA by-passing state and district level jurisdiction to communicate directly with the schools. Even if the proposal is more accurately described as district level connectivity, would USDA be supplanting state jurisdiction? This area needs additional study prior to implementation.

#15 - Other Improvements

One of the other improvements listed was to encourage cooperatives for procurement. This particular area is not a part of the Food Distribution program and any proposal for change in this area is more appropriately included in the School Nutrition Programs area.

I appreciate the opportunity to review and comment on these proposed changes. I would also like to have a copy of any tabulation of the comments that is produced as a result of this comment period.

Sincerely,

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