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The USDA Commodity Procurement Branch

Buying fruit and vegetables from the industry
for the benefit of those in need

BY DAVID TUCKWILLER



The Commodity Procurement Branch (CPB) of the United States Department of Agriculture (USDA)'s Agricultural Marketing Service (AMS) is a one-stop convenience center that buys various commodities to support a wide range of American consumers, from farmers and manufacturers to school children.

Farmers and manufacturers are supported through bonus purchases, which are authorized under the Section 32 Act of Aug. 24, 1935. This gives the Secretary of Agriculture the authority to purchase fruit and vegetable products to directly support American farmers when their industry is in extreme financial distress. Fruit and vegetables procured under this authority are referred to as "bonus purchases," with the product donated to domestic nutrition assistance programs administered by the USDA's Food and Nutrition Service (FNS).

About the CPB

➤ Annually, the CPB procures more than \$477 million (almost 1 billion pounds) of fruit, vegetables, tree nuts, legumes, and other specialty crops for domestic nutrition assistance programs. The Branch collaborates with the FNS, which is responsible for distributing the commodities to a number of programs, including the Commodity Supplemental Food

The USDA Commodity Procurement Branch

Key Elements

The Commodity Procurement Branch supports both the farming industry and domestic food programs for the betterment of all involved. Here are some things to know about this department of the USDA:

— Annually, the CPB procures more than \$477 million (almost 1 billion pounds) of fruit, vegetables, tree nuts, legumes, and other specialty crops for domestic nutrition assistance programs.

— The CPB is always looking for innovative ways to help FNS officials provide more fruit and vegetables to school children.

— The AMS Web site contains a wealth of information of use to those who purchase and sell food for these programs.

To learn more about each key element, look for the — throughout the article.

Program, the National School Lunch Program, and the School Breakfast Program. Those kinds of purchases are called “entitlement,” which are applied against a state’s “checkbook,” presenting the FNS with a means of monitoring the overall benefit level. At the beginning of a school year, states receive a dollar amount from the FNS that represents their entitlement for the year, which they then use to order commodity products. Comparatively, bonus purchases vary considerably from year to year, but the entitlement purchase level is consistent.

Within the entitlement-purchase program, the CPB is attempting to assist small farmers and manufacturers through a Buy Local initiative. One Buy Local idea under consideration is that of purchasing a commodity grown in a certain state and then distributing the commodity to that state’s schools. Current Federal Acquisition Regulations prohibit the use of geographic preference in federal contracting, but the CPB is looking into whether a state statute can apply in this case.

The CPB in Action

— The CPB is always looking for innovative ways to help FNS officials provide more fruit and vegetables to school

children. Their primary goal is to find products that children will actually eat while ensuring that the resulting meals meet the appropriate American dietary guidelines.

Two years ago, the CPB started a dialogue with the FNS and industry experts to develop a fresh-cut apple product that everyone believed would be popular with children. The fresh-cut apple slice product is a two-ounce bag of fresh-cut apple slices, similar to the product found in children’s meals served at major fast-food restaurants.

In 2009, the CPB announced a sizable purchase of fresh-cut apple slices. For a pilot program the overall purchase was quite large, with contracts totaling \$4.1 million and 3.3 million pounds. In March, the CPB awarded contracts to five vendors for delivery to school systems in five states: California, Michigan, North Carolina, New York, and Pennsylvania.

The states were selected based on their experience with the product and their willingness to help launch the pilot program.

The development of this fresh-cut product had its fair share of issues to resolve. The vast majority of procurements are for shelf-stable products that ship well. The fresh-cut apple slice product has a shelf life of fifteen days from the date of manufacture, so assurances had to be made by the vendors that the product would be available when needed and delivered in a timely manner. Schools also had to agree to order and use the product promptly.

Prompt distribution of the product was another major hurdle to overcome. Most schools are not large enough to receive product directly from vendors, so they rely on periodic shipments from a distributor. The CPB needed assurances from each vendor that the servicing distributors

Providing for Those in Need

The United States has several federal programs designed to ensure that those in need have access to the nutrition everyone deserves. Here are just a few of those programs:

The Commodity Supplemental Food Program

Administered at the federal level by the Food and Nutrition Service, this program works to improve the health of low-income pregnant and breastfeeding women, other new mothers up to one year postpartum, infants, children up to age six, and elderly people at least sixty years of age by supplementing their diets with nutritious United States Department of Agriculture (USDA) commodity foods. The program is federally funded and provides food and administrative funds to states to supplement the diets of the above groups. State agencies (departments of health, social services, education, or agriculture) store the food and distribute it to public and non-profit local agencies, who then determine applicant eligibility, distribute the food, and provide nutrition education.

National School Lunch Program

This program makes it possible for all school children in the United States to receive a nutritious lunch each school day by providing them with meals that contain one-third or more of their Recommended Dietary Allowance for key nutrients. Participating schools receive per-meal cash reimbursements as an entitlement to provide the meals, in addition to receiving agricultural commodities in amounts based on the number of lunches they serve. All eligible schools may participate in this program, and all children attending those schools are eligible to participate. During the 2006–2007 school year, 30.5 million children participated in the National School Lunch Program through more than 99,800 schools and residential childcare institutions.

School Breakfast Program

About 86 percent of schools that serve lunch also serve breakfast, and the School Breakfast Program provides per-meal cash reimbursements to those public and non-profit schools and residential childcare institutions that provide free and reduced-price breakfasts to eligible children. Breakfasts served as part of this program provide one-fourth or more of the daily recommended levels for key nutrients that children need. During the 2007–2008 school year, 10.5 million children in more than 85,000 schools and institutions participated in the program.

Sources: Federal Research and Action Center, United States Department of Agriculture Food and Nutrition Service

to the school systems were willing to take on the fresh-cut product.

In spite of these challenges, the CPB and FNS could not be happier with the results. Preliminary reports from schools are positive, with many schools asking when the CPB will be making the next fresh-cut apple purchase for them. Plans are in the works to expand the fresh-cut apple pilot to more states and schools in the 2009–2010 school year. In addition, there are ongoing discussions with the FNS and industry experts to introduce fresh-cut baby carrots during the next school year.

Getting Involved

Food vendors nationwide are invited to participate in the CPB's commodity purchasing program by selling fruit, vegetables, and specialty crops to the USDA for delivery to participating food programs.

🔑 The AMS Web site contains a wealth of information of use to those who purchase and sell food for these programs. From www.ams.usda.gov, click on the "Commodity Purchasing" link. There you can find information on how to sell to the USDA, helpful information for small businesses, commodity announcements and

specifications, weekly purchase summaries, and more.



Dave Tuckwiller is the Commodity Procurement Branch chief of the United States Department of Agriculture's Agricultural Marketing Service, and is responsible for managing purchases of fruit and vegetable commodities for the National School Lunch and other domestic nutrition programs. Additionally, Tuckwiller is the program manager for the Web-based Supply Chain Management System (WBSCM).

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