



## 2004 ISSUE PAPER

The American Commodity Distribution Association (ACDA) is a non-profit professional trade association devoted to the improvement of the U.S. Department of Agriculture's (USDA) commodity distribution system. ACDA members include state agencies that distribute USDA commodities, agricultural organizations, recipient agencies such as schools, and allied organizations such as nonprofit anti-hunger groups. ACDA members are responsible for distributing over 1.5 billion pounds of USDA purchased commodities annually to programs such as the National School Lunch and Breakfast Programs, the Emergency Food Assistance Program, the Summer Food Service Program, the Commodity Supplemental Food Program, and the Child and Adult Care Food Program.

In the coming year, Congress will continue its review of programs authorized by the Richard B. Russell National School Lunch Act (NSLA) and the Child Nutrition Act of 1966. This process will provide the ideal opportunity for Congress to make a positive impact on the nutritional and educational well being of young people in this country. ACDA supports efforts to promote program access, improve nutritional benefits, combat childhood obesity, and ensure program integrity.

ACDA urges Congress and USDA to consider several issues as they review how to further improve these programs. The following recommendations will strengthen the commodity programs, ensure that they will continue to meet the needs of program recipients, and support our agricultural producers.

- ❑ **Restore the minimum level of commodity assistance for the School Lunch Program.** The NSLA requires that at least 12% of federal assistance provided through the School Lunch Program be in the form of commodities. Starting with Fiscal Year 2004, "bonus" commodities, those commodities purchased through USDA's price support programs, are being counted toward this requirement. This will decrease commodity assistance by at least \$55 million per year – a loss to the program of over 80 million pounds of commodities annually. ACDA urges Congress to amend the NSLA to reverse this budget cut.
- ❑ **Establish commodity assistance for the School Breakfast Program.** To encourage efforts to expand the availability of the School Breakfast Program to

all children, Congress should provide commodity assistance at a level of five cents per reimbursable breakfast served. This would provide an excellent avenue to assist the farm economy by removing surplus food, and would provide much needed assistance to this program.

- **Revise the formula for allocating State Administrative Expense (SAE) funds and increase resources.** In some states, school lunch SAE funds allocated to the commodity program are insufficient to meet regulatory requirements and satisfy the expectations of schools. As a result, schools often are required to pay delivery or handling fees to receive their USDA-purchased commodities. These fees vary significantly from state to state. For this reason, ACDA requests that Congress direct USDA to study and revise the SAE funding formula to ensure that States and recipient agencies are treated equitably by the system.
- **Improve nutrition integrity by encouraging the consumption of reimbursable meals.** The Surgeon General, among others, has recognized that the health implications of obese and overweight children are issues of national importance. The school meal programs are a healthy alternative to other options available to schoolchildren, and Congress should fund nutrition education efforts that encourage the consumption of balanced and nutritious program meals.
- **Strengthen the Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP).** In recent years, general economic conditions have created an increased demand for emergency food assistance. At the same time, private sector food donations in many areas continue to decrease. Both of these factors are straining the budgets of local community action agencies and food banks. To help alleviate this problem, Congress should appropriate the fully authorized amount of funding for TEFAP storage and distribution costs – \$60 million. CSFP should be funded at \$134 million. This funding level would enable seven additional states to initiate participation without compromising existing programs.