

COMMODITY KEY USDA DIRECTOR'S ARTICLE JUNE 2009

The annual conference in Costa Mesa last month was great! I was thrilled that our new Deputy Undersecretary, Dr. Janey Thornton, stayed for the whole conference and was accessible to anyone who wanted to talk with her. She is a wonderful advocate for our programs, and we are pleased to have her on our new administration's leadership team. We were also pleased to show off our new "USDA Food" banners at the doors of main meeting rooms. We received lots of good feedback about them. One State agency has already borrowed a banner for one of its upcoming conferences.

I want to thank you for the feedback we received from the Mega Session. We take your ideas and suggestions seriously and are always interested in dialoging with our partners on ways to make improvements. I was impressed with the caliber of conference presentations. It is our primary forum for discussing national program issues and, as always, it was a quality conference.

We decided not to have a Food Distribution-101 (FD-101) training session this year. So many of our staff are engaged in developing the Web Based Supply Chain Management (WBSCM) system, and in preparing for its roll-out, that we do not have staff to hold FD-101 training this year. We are, however, in the process of converting some of our basic FD-101 presentations into web-based training modules that can be accessed from our USDA Food Distribution website. Once WBSCM has been rolled out, we will revisit the issue of holding FD-101 training session meetings in Alexandria, VA, as in past years.

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President's Message

by Gary Gay

I hope everyone is doing great and enjoying the summer. First, I would like to thank everyone who presented, participated or worked behind the scenes in making our Annual Conference a success. I look forward to another challenging year ahead. There are many things that we will be facing this year: the implementation of the Web Based Supply Chain Management (WBSCM) computer system; the handling and

documentation of ARRA funds; working to solve our fourth quarter ordering problems; and the volume of TEFAP commodities we are receiving. These are just a few of the challenges that lie ahead for us. But like always, ACDA will pull together and we will find ways to meet these challenges and make our programs better. Remember to mark your calendar for the ACDA Conference in Orlando on April 17-21, 2010.

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PRESIDENT ELECT'S MESSAGE

Although our very successful 2009 annual conference in Costa Mesa, California ended just over a couple of months ago, we are actively working on ensuring that our 2010 annual conference in Orlando will be well worth attending. The conference site, the "Caribe Royale" in Orlando, will indeed be a very scenic venue. Our 2010 conference label is "Teamwork in Action," a perfect theme for an organization with such a diverse membership that depend on each other to achieve success.

I have reviewed the 2009 conference evaluations, and will work diligently over the next nine months to create an agenda that will be beneficial for all ACDA members. If you did not have the opportunity to complete an evaluation, but would like to suggest a specific topic(s) to be addressed at the 2010 conference, please submit your ideas to your ACDA Board Representative.

Hope to see you there!

VICE PRESIDENT'S MESSAGE

As the newest member of the ACDA Executive Board, I am excited about the opportunities that the position offers, both personally and professionally. We will be facing many challenges in the future months, which by working as an organization, we will be able to overcome. Please feel free to contact me, or any ACDA Board member, to let us know how ACDA can serve your needs.



Deputy Undersecretary, Dr. Janey Thornton, and Cathie McCullough address the Annual Conference



Enjoying the DJ at the President's Dinner

RESULTS FROM ACDA MEGA DISCUSSION

For those of you who attended the ACDA Conference in Costa Mesa, you were able to attend our Mega Discussion. Below you will see the report that was compiled by Jean Harris and Barry Sackin from all of the Mega Breakouts. Our topic was how USDA-AMS currently purchases a variety of fully cooked value added items as an ordering option for states/schools. Is this good or bad overall for the commodity program? We received much feedback that this concept was a success. We sent a letter to the USDA informing them of the results we received from the breakouts. The consensus of this topic was that the value added commodities are a benefit to some schools.

MEGA DISCUSSION REPORT

Annual National Conference, Costa Mesa, CA, May 5, 2009

Question: USDA-AMS currently purchases a variety of fully cooked value added items as an ordering option for states/schools. Is this, overall, good or bad for the commodity program?

Consensus: USDA further processing/value-added products are important for districts that are too small to have effective further processing, are in states that limit processing opportunities, or for states that are too small to leverage raw commodities into sufficient quantities or varieties of processed items. For all others, there are many cons and limitations to further processed USDA Foods.

Pros:

- USDA does the bidding
- Small districts have access to products they might not otherwise
- There is a perception that, because these are entitlement dollars, these items have no cost, assuming there is no state distribution costs
- When a state or district has remaining entitlement dollars at the end of the year, it is the best, fastest way to spend those dollars. Ditto USDA end of year dollars.
- District's option to order or not
- Opportunity to try new products
- Convenience
- Economies of scale in USDA purchasing improves pricing for many districts

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Dancing the night away

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Web Based Supply Chain Management (WBSCM)

WBSCM development is moving toward completion in July 2009. WBSCM is scheduled to go live December 31, 2009, with all USDA agencies, USAID, State agency and industry stakeholders migrating to the new system on that date. The major activities leading up to the go-live milestone are:

- State agency & industry interface testing – 8/2009 through 10/2009
- User acceptance testing – 09/2009 through 10/2009
- State agency training – 09/2009 through 10/2009

We are posting WBSCM presentations and project documents related to data conversions, training, and project schedules on our Food Distribution Division website at <http://www.fns.usda.gov/fdd/WBSCM/default.htm>.

Electronic Commodity Ordering System (ECOS)

ECOS application enhancements have been discontinued beginning June 2009 to free staff time for the WBSCM testing, training, and deployment phases of the project. We plan to make software fixes only when no other suitable work around solution exists. At this stage of the WBSCM project, it is critical to freeze the ECOS application so we can convert data to the new WBSCM system. Information on ECOS is posted on our Food Distribution Division web site at <http://www.fns.usda.gov/fdd/ECOS/default.htm>.

In November 2008, we added a new feature to ECOS that allows non-ECOS users to register via our website to receive e-mail notifications of food safety issues. This new capability provides a broader notification capability to all organizations and individuals who are interested in food safety issues affecting USDA Food programs. The service requires self-

registration which can be initiated by accessing the following web site address <http://www.fns.usda.gov/fdd/ECOS/default.htm>.

Department of Defense (DoD) Fresh Fruit and Vegetable Program

The 2008 Farm Bill provides for a substantial increase in the purchases of fruits and vegetables for schools and other outlets. To help fulfill this increase, FNS has allowed States to purchase as much DoD fresh produce for schools as they wish above the \$50 million annual level we have been providing since the previous Farm Bill. This has resulted in \$54 million in projected spending for school year 2008/2009, with \$61 million projected for School Year 2009/2010.

DoD has implemented its new system of prime vendor contracts in the majority of States, representing 92% of schools. It hopes to have the remaining contracts awarded in time for School Year 2009/2010. DoD Customer Representatives are positioned in the field to provide customer service on vendor performance, quality, delivery, and systems problems or concerns. For School Year 2009/2010 all schools will be using the new DoD "FFAVORS" web system except for South Carolina. South Carolina schools are temporarily using a military commissary system called the Subsistence Total Order Receipt Electronic System (STORES), while being temporarily supported by US Foodservice, a commercial distributor.

In several zones under the prime vendor contract system, DoD has distributed Customer Surveys to evaluate vendor performance under the new system. If you receive a survey email from the DSCP Customer Rep, please take the time to complete and return it. You can also access the electronic survey on DoD's website at <http://www.dscp.dla.mil/subs/produce/prolinks.asp>.

In December 2008, DoD informed us that all DoD Fresh system users would be required to purchase security clearance certificates in School Year 2009/2010 that would have cost between \$125 and \$175 per user per year. DoD also advised us that its FFAVORS ordering system was to be shut down, and users would be required to transition to the alternative ordering system STORES. We have been working with DoD to find solutions to these cumbersome and costly requirements. In late March, 2009, we received notice that DoD will be able to maintain FFAVORS for one more School Year (SY 2009/2010), and no security certificate will be required for this period, in order to allow time to develop a more suitable solution.

If you have any questions about the FFAVORS Web system or access, please contact patricia.scott@dla.mil for assistance.

USDA Foods Communications Initiative

As I discussed in Costa Mesa, USDA has embarked on a new initiative to improve the perception of our foods and programs. This initiative is called USDA Foods Communication Initiative. Our USDA Foods Communications Initiative has now taken on a "life of its own." We have been able to accomplish a number of things in the past two years, and the list of accomplishments continues to grow. We recently awarded tasks to a public relations firm to conduct focus tests and surveys, test current and new messaging, taglines, and visuals, and to help develop a communications plan. The findings from the research will help us better address misperceptions about USDA Foods, identify program barriers, and raise awareness of the benefits and improvements that our



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foods and programs provide. When everything is said and done, we envision a wealth of resources made available to help you “spread the word” about the benefits of USDA Foods.

American Recovery and Reinvestment Act of 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) provided \$150 million for The Emergency Food Assistance Program (TEFAP). Of this, \$100 million was designated as TEFAP food entitlement. To use this entitlement, States have been offered a wide variety of foods, including cheese, deli-style turkey roasts, frozen pork, mixed fruit, and peaches. States have placed their orders, and the vast majority of these foods will be delivered by December 31, 2009. The remaining \$50 million from the ARRA has been designated as administrative funds. Of this, \$25 million is being made available in FY 2009, and an equal amount will be made available in FY 2010.

TEFAP administrative funds provided through ARRA may be used in the same manner as TEFAP administrative funds provided through the normal appropriations process. ARRA imposes additional reporting requirements on TEFAP State Agencies. Food Distribution Division issued a memorandum on May 20, 2009, summarizing the Office of Management and Budget’s guidance on the ARRA. You may view the Food Distribution Division memorandum at <http://www.fns.usda.gov/fdd/programs/tefap/TEFAP-ARRAreportingGuidance.pdf>.

Policy Memos on Food Service Management Companies

This year, Food Distribution Division has issued two policy memoranda that address food service management company issues. The first memorandum is FD-080, dated March 10, 2009. It contains Q&As that clarify the regulatory provisions in the August

8, 2008 final food service management rule. The Q&As address areas including crediting for the value of donated foods, transitioning from one contractor to another, and distinguishing between a processor and a food service management company.

The second Food Distribution Division policy memorandum is FD-089, dated May 21, 2009. It clarifies State agency review requirements for donated foods in the child nutrition programs, including those related to food service management contracts. The memorandum primarily addresses instances where the State agency administering the National School Lunch Program and the State distributing agency for USDA Foods are two separate agencies.

Both policy memoranda may be accessed on our FNS/Food Distribution web site at http://www.fns.usda.gov/fdd/Policy/schcnp_policies.htm.

Processing Web-based Training Module

We have worked closely with the Connecticut State Distributing Agency, and the Food and Nutrition Service’s Northeast Regional Office, to create a web-based training module. It teaches State agencies how to reconcile the monthly performance reports required when USDA foods are processed into more usable end products for schools. The training module was previewed at the conference in Costa Mesa last month. It can be accessed on our Food Distribution Division website at <http://www.fns.usda.gov/fdd/ppt-slides/ProcessingTraining/ProcandReconTraining.htm>.

Nonfat Dry Milk Exchange

On March 26, 2009, USDA Secretary Vilsack announced that about 200 million pounds of nonfat dry milk would be transferred from the Commodity Credit Corporation to the Food and Nutrition Service for use in domestic

nutrition assistance programs. Most of the nonfat dry milk is being further processed or bartered for value-added foods such as ultra-high temperature (UHT) milk, cheese, and soups that will be going to the National School Lunch Program and The Emergency Food Assistance Program. Orders have been received from State agencies for approximately 10 million pounds of UHT milk for the National School Lunch Program, and 20 million pounds of UHT milk for The Emergency Food Assistance Program. The Farm Service Agency recently awarded contracts under the barter for reduced-fat shredded cheddar cheese, light shredded mozzarella, and reduced-fat sliced American cheese for schools. Deliveries are scheduled July 2009 through January 2010.

Bonus Pork Purchases for The Emergency Food Assistance Program (TEFAP) and Child Nutrition Programs

On May 27-28, 2009, the Agricultural Marketing Service purchased over 14 million pounds of bonus pork products, valued at approximately \$25 million, to assist the pork industry. These purchases are being provided to TEFAP and schools. Items purchased include canned pork, pork patties, pork roast, boneless picnics, and a variety of hams (10-pounds, sliced, cubes). TEFAP deliveries are scheduled July through December 15, 2009. Deliveries to schools are scheduled July through November 15, 2009.

Sliced Apple Pilot Underway

We recently initiated a pilot project to purchase and deliver fresh cut sliced apples packaged in 2 ounce pouches to schools in five States. The apples have a minimum shelf life of 14 days, and are being delivered directly to schools from commercial distributors or State warehouse facilities. The five States participating in the pilot

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are California, New York, Michigan, North Carolina, and Pennsylvania. Deliveries began in late March 2009 and will continue through June 2009. A successful outcome for the pilot could result in USDA offering fresh cut apple slices to other States in the future.

Whole Grain Pilot for Schools

The 2008 Farm bill provides \$4 million to purchase and study additional whole grain products for school meals and school breakfasts. This effort is intended to encourage greater awareness and interest in whole grain products in schools. USDA has purchased whole grain pancakes and tortillas, which are being delivered to selected schools in 40 States, Puerto Rico, and the District of Columbia. Deliveries began in January 2009 and will continue through August 2009.

An evaluation of the acceptability of the whole grain products is being conducted by the Institute for Obesity Research and Program Evaluation which is located at Texas A&M University. It has developed an online acceptability survey for schools to complete. It is also collecting plate waste data from selected schools in Minnesota and Texas. The Farm Bill mandates that USDA provide a report to Congress on the results of the pilot by September 30, 2011.

For Information & Suggestions

Website: <http://www.commodityfoods.usda.gov> (then click on FNS/Food Distribution)

e-mail: fdd-pst@fns.usda.gov

e-mail: Cathie.McCullough@fns.usda.gov

fax: (703) 305-2420

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Cons:

- Need transparency in how products are selected, how specs are drafted, how awards are made
- No sampling, testing of products before order is made
- Lack of consistency shipment to shipment
- Lack of consistency against commercial products
- The spec is intentionally broad to increase competition, but this reduces consistency and, in many cases, quality. To be competitive, processors offer closest to the minimum spec.
- The spec does not reflect regional and local taste differences
- Nutrition requirements, national, state and local, are not reflected in USDA specs
- At least for commodity items, eliminates local competition (mom and pop)
- Timing of delivery is uncertain, not dependable. Impacts menuing
- Storage is an issue – costs and deterioration of quality (state warehouse holds)
- Cost/benefit - against commercial or direct diversion purchases, and dependent on state system costs/charges. NDM example of Consistent theme of state differences
- Because of generic spec, many processors don't want to brand USDA Foods items. Not equal to commercial items. Confusion over complaint process
- For distributors, margins are too small
- Requires additional SKU
- Loss of control over product quality at RA
- Interferes with bids and contracts
- Reduces the number of raw items USDA buys – impact on growers and ranchers
- Not CN labeled
- No returns

MID-ATLANTIC REPORT

*FD-089 has been a cause for concern for several of the states. Virginia and DOE are signing a memorandum of understanding regarding who is doing what and there will not be any real changes. Maryland has no issues as all responsibilities currently fall under the Department of Education.

*Regional training was held in Shepardstown, West Virginia from May 12-15. Some of the many topics covered were: Reauthorization, ARRA Funds, WBSCM, Food Recalls, Faith Based outreach, FD-089, Emergency Preparedness, and civil rights updates. The conference was webcasted for those members who could not travel. The conference was productive, informative, and MARO did an excellent job of covering all topics. Thank you to MARO's staff for a job well done.

*As with all other regions, WEBSCM is a major area of concern. Our training is scheduled for September 15-17 for schools and October 20-22 for TEFAP. All states are limited to two participants at each session and then will have to train the non-attending members.

ROBERT J. "BOB" FREILER

July 18, 2009

Robert J. "Bob" Freiler, 87, of Pottsville, passed away Saturday at West Reading Hospital.

Born in Pottsville, Oct. 10, 1921, he was a son of the late Joseph and Elsie Bierman Freiler.

Mr. Freiler was a 1939 graduate of Pottsville High School. He attended the University of Georgia, where he was a mathematics major until he was drafted by the Army during World War II.

He was a corporal in the Army, having served in the 10th Armored Tiger Division during World War II. He fought in the Battle of the Bulge and helped liberate concentration camps in Germany. He received three Purple Hearts and a Bronze Star.

Mr. Freiler's career with Child Nutrition Programs spans six decades. He served as director for the Pennsylvania Bureau of Government Donated Food for 12 years beginning in 1959. In September 1971, he joined USDA and served first as assistant to the Food Distribution Division Director in Washington, D.C., and then from 1972 to 2004 as Mid-Atlantic Regional Director for Special Nutrition Programs.

Under Mr. Freiler's leadership, Pennsylvania had the first state distributing agency to enter into a processing contract for the National School Lunch Program, earning him the unofficial title of "Father of the State Processing Program." Participation in this program has given schools access to a broader selection of nutritionally sound, well-accepted meal items while keeping labor costs to a minimum. Since Mr. Freiler's initial contract, the program has grown to approximately \$1 billion of USDA commodities made available to schools.

Mr. Freiler also played a key role in introducing the service of fresh, fluid milk in Puerto Rico's National School Lunch Program. He negotiated an agreement with the Puerto Rico Milk Industry to absorb the \$1.8 million cost of purchasing 1,500 milk coolers for donation to island schools, to invest in new packaging equipment, to purchase new refrigerated trucks and to arrange adequate delivery routes. As a result, fresh, fluid milk is now available to almost 80,000 children in 2,800 schools islandwide.

In 2004, the national School Nutrition Association honored Mr. Freiler for his lifetime career achievements by awarding him the highly prestigious Silver Friend of Child Nutrition Award for Foodservice Achievement Management Excellence.

Mr. Freiler was a member of the First United Methodist Church, Pottsville. He was a past exalted ruler for the former BPO Elks, Pottsville. He was a PIAA high school boys basketball official, having officiated in several state championship games at the Penn Pallestra.

He was preceded in death by his wife, Joan M. Eagan Freiler, who passed away April 14, 1994; two daughters, Patricia Freiler, who passed away in 1958, and Donna Freiler, who passed away in 2000; a sister, Arlene Goodman; a brother, Lester Freiler.

Bob is survived by two daughters, Debra J. Moran, wife of Edward, and Joann Hock, wife of Robert, both of Pottsville; a son, David J. Freiler, at home; seven grandchildren, Tommy Moran, Willy Hock, husband of Sara, Jacque Strohl, wife of Dave, Seth Thomas, Evan, Molly and Sam Freiler; a great-grandson, Nathan Hock; several nieces and nephews.

Funeral services will be held at 10 a.m. Thursday at Schlitzer-Allen-Pugh Funeral Home Inc., Sixth and West Market streets, Pottsville. Relatives and friends may call from 6 to 9 p.m. Wednesday evening and also from 9 a.m. until the time of service Thursday at the funeral home. Interment with military honors will be in Schuylkill Memorial Park, Schuylkill Haven. The family would prefer memorial donations made to the charity of your choice. Online condolences may be sent to bestlifetributes.com. Schlitzer-Allen-Pugh Funeral Home Inc., Pottsville, has charge.



May 19, 2009

Dr. Janey Thornton, Deputy Under Secretary
Food, Nutrition & Consumer Services
United States Department of Agriculture
240A Jamie L. Whitten Building
1400 Independence Avenue, S.W.
Washington, D.C. 20250

Dear Dr. Thornton,

The American Commodity Distribution Association represents a broad cross-section of stakeholders in the USDA Foods program. Our membership includes state agency staff, agriculture and industry representatives, and recipient agencies including schools and pantries. And, of course, USDA is active in our programs with representatives from FNS, AMS, FSIS and FSA participating in our meetings and conferences.

On behalf of ACDA, I would like to thank you for joining us at our annual national conference in Costa Mesa. We hope this will be only the first of many opportunities for us to work together.

This year at the conference, ACDA tried a new concept and put out a topic for discussion in small groups to help inform our position. Using a "mega-discussion" format for knowledge-based decision making is an approach we borrowed from the School Nutrition Association where it has been a successful tool for several years. For our first venture into this format, we chose a narrowly defined question that has implications for all stakeholders - *USDA-AMS currently purchases a variety of fully cooked value added items as an ordering option for states/schools. Is this, overall, good or bad for the commodity program?*

The result of our discussion is very interesting:

Consensus: USDA further processing/value-added products are important for districts that are too small to have effective further processing, are in states that limit processing opportunities, or for states that are too small to leverage raw commodities into sufficient quantities or varieties of processed items. For all others, there are many cons and limitations to further processed USDA Foods.

The consensus and comments are very instructive and we offer them to you so you will know what your customers are saying. Furthermore, we would be very happy to work with the Department in considering the comments and looking for ways to learn from them and make changes that address the concerns expressed in order to improve the program.

Thank you for your consideration.

Sincerely,

Gary Gay, President

NORTHEAST REPORT

There's a new web-based processing training tool on the USDA website! It was developed in collaboration between the Food Distribution Division, the Northeast Regional Office and the State of Connecticut. This training is not only designed to provide new staff with a comprehensive introduction to processing, but it is also an excellent resource for veteran staff to use as a reference to address the complex issues that we are confronted with when attempting to accurately monitor and reconcile commodities diverted for processing. The training is not only a resource to provide new staff with a comprehensive introduction to processing, but it is also valuable for veteran staff to use as a reference to address complexities they are confronted with when monitoring and reconciling commodities diverted for processing. The training consists of two components. The first component includes basic step-by-step instructions on how to reconcile the various types of monthly performance reports. The second component walks one through reconciliation examples of the different types of processing, e.g. beef, poultry, 100% yield, non-substitution, guaranteed minimum return (GMR), standard yield (SY), guaranteed return (GR), etc. The training tool is located on the USDA website at <http://www.fns.usda.gov/fdd/ppt-slides/ProcessingTraining/ProcandReconTraining.htm>

NYS OGS Food Distribution & Warehousing has provided school districts

across New York State with a new, on-line system that is utilized for the direct diversion of United States Department of Agriculture (USDA) foods to approved commercial processors beginning with the 2009-2010 School Year. This new technology, which was developed by the OGS, provides school lunch officials with a streamlined, more efficient approach compared to the "hard-copy" system that was used in the past.

The new system is not only a benefit to school districts and the OGS, but it also provides commercial processors with more timely, accurate reports, which in turn allows them to better serve school districts across New York State. The OGS held numerous training sessions with school districts to ensure that they have the ability to effectively utilize this new technology.

This initiative is yet another example of the OGS' commitment to provide customers with better service by achieving operational efficiencies through innovation and technology!

The NYS OGS Division of Food Distribution & Warehousing, which administers several United States Department of Agriculture (USDA) feeding programs in New York State, has implemented a new, main computer system. The former "Magic" system was 14 years old, and could no longer be effectively supported by the agency's information technology unit. The new system

was built by "Regional Networking Associates," a Rochester, New York based "Women Owned Business Enterprise." The system is mainly utilized for the administration of the "National School Lunch Program," which is the largest USDA feeding program that is administered by the Office of General Services (OGS). The NYS OGS distributes over \$65 million in USDA foods to schools each year. The new system, which allows for the more efficient administration of USDA programs, includes several major processes, including the monthly offering of USDA foods, the monthly distribution and tracking of these foods, monthly warehouse inventory reconciliations, as well as bi-annual assessment fee billings. The newly implemented system is expected to result in a significant time savings for the employees who are responsible for these tasks. Subsequently, these employees will have additional hours available to them, to address other program priorities. The new system is yet another example of improved governmental efficiencies, which is critical to all New Yorkers during the current fiscal environment.

The Northeast and Mid-Atlantic Regional Offices will be holding a Bi-Region State Agency Conference in Boston, MA August 11-13. The conference will cover, WIC, Special Nutrition Programs, SNAP and the American Recovery and Reinvestment Act.

WBSCM training for the Northeast Region is scheduled for September 8-11 2009.

ACDA INDUSTRY UPDATE

Over 150 ACDA industry members attended the annual conference May 2 through May 5, 2009 in Costa Mesa, CA. Aside from the great opportunity to network with other industry members, schools, USDA, brokers and State D.A.'s, the conference offered various general sessions on all facets of the commodity school lunch program.

A Mega Discussion was held on Monday the 4th with the purpose of small groups having an open and candid conversation about one specific topic. This format has been widely used at SNA's annual conference. The topic was "Should USDA continue to purchase value added Commodities or just purchase raw instead?" By all accounts, each individual group had a lively and open discussion where all parties were able to see different perspectives. Both positive and negative information on the topic will be shared with USDA with the point being for USDA to hear what its customers are saying. It is hoped that future conferences will continue this type of informative discussion.

Of great concern to industry is the recent change of administration of the CN labeling program. USDA has issued its final Quality Control Guidelines and industry members had the chance to ask questions of Rex Barnes and other members of USDA at a breakout session detailing the new oversight of the CN program.

Jack Crawford of Kings Delight was elected as industry representative for the next 2 years. I am excited about the opportunity and the offers of assistance of other industry members.

The next ACDA conference will be April 17- April 21, 2010 in Orlando FL. We hope that we will see everyone there.

If any industry member wishes to receive updates on ACDA business and is not currently receiving this information, please forward your email address and request to jack.crawford@colemannatural.com. If you have changed your email address due to company mergers, etc., please provide these changes to Carolyn or Ken Shifflett.

TEFAP/CFSP REPORT

Household Programs Update

This is Ron Hamilton, your Non-School Program Representative and TEFAP/CSFP Committee chair. Committee members are Sam Varela representing the Southwest Region, Kim Eads representing the Western Region, Kim Jones representing the Mountain Plains Region, Susan Wilder representing the Southeast Region, Dori Baldwin representing the Northeast Region, and Ty Morris representing the Midwest Region.

Each State TEFAP Administrator, Agent, Assistant, Chief, Consultant, Contact, Coordinator, Director, Manager, Specialist, and Supervisor has a unique situation to deal with in their state. We'll keep you informed on whatever this great bunch comes up with. We are looking forward to working with ACDA President Gary Gay.

The Committee plans to continue to hold quarterly conference calls, and will continue with each Committee Member, providing updates through their e-mail group of states within their USDA Region. I will also provide these updates to non-school lunch recipient agency members.

The TEFAP/CSFP Committee's first goal is to increase non-School Lunch Recipient agency membership. In addition, RA members will be contacted to get their input on how we can better serve them, including ANC conference sessions and any other issues. Non-School Lunch RA members are on the frontline dealing with the economic downturn.

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ALLIED AND AGRICULTURE REPORT

By Bill Ferriera

The Allied and Agriculture sector of ACDA was pleased to help host this year's Annual Conference in Costa Mesa. We had an opportunity to emphasize to our membership the importance of U.S. agriculture, and particularly California agriculture. For those of you who were not able to attend the conference, these are some of the most notable facts about California agriculture:

- California produces approximately 400 different agriculture commodities.
- The state produces 50% of the fruits, nuts and vegetables produced in the U.S.
- For many commodities, California produces 100% of the commodity- such as almonds and cling peaches.
- Dairy production is the #1 farm commodity in the state- with California producing 22% of the total U.S. dairy production- making it the #1 dairy state.
- All of this production takes place on only 4% of the nation's total farmland.
- California farm value represents 13% of the entire U.S. farm value.
- The top 20 crop and livestock commodities account for \$300 billion in value.

These facts help to explain not only the importance of California agriculture to our economy, but the entire U.S. agriculture production. Unfortunately, this agriculture production is not immune to the current economic crisis.

The total number of bonus buys made to date this year show the struggles that many agriculture sectors are experiencing. Today, the dairy industry nationwide is facing one of the most difficult periods in history. What makes this current dairy crisis even more severe is the fact that dairy is the #1 California agriculture commodity, and so important nationwide. When you see the various dairy commodities offered by USDA as bonus products, know these purchases are helping to save an industry.

With the current economic crisis facing agriculture along with the rest of the country, the importance and value of the USDA commodity program has never been more in the forefront. Without the commodity program, many agriculture commodities would be on the verge of disappearing!

However, our farmers will survive. They have been through difficult times before (is not all of farming difficult?), and they will do so again. By working with all of the various ACDA membership groups, we will see our agriculture economy recover and grow. The USDA commodity program will help to provide the assistance that agriculture needs to start this recovery. One only wonders where we would be today without USDA and commodity program!

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In addition, we plan to work with other national organizations, such as Feeding America, FRAC, the National CSFP Association, and Rock and Wrap It Up CEO on common goals. A link for Feeding America (formerly named America's Second Harvest) will be added to the ACDA web site.

States are dealing with increases in TEFAP food, and reporting requirements for Stimulus funding. Increased work with these increases and tight budgets reduced attendance at the Costa Mesa ANC.

Please encourage your Non-School Program Recipient Agencies to join the ACDA, and please don't hesitate to call if you have any suggestions or concerns. Our ACDA work is only relevant if we are serving you. Hope that the spring flooding and tornadoes typical of some states is minimal this year.

Sam Varela & Ty Morris Costa Mesa Household Programs Summary

This year's conference had a lot to offer for household programs. The sessions were very informative and the attendance was excellent. The First General Session was a welcome by the ACDA President Rick Betsworth and greetings from the FNS Deputy Under Secretary Janey Thornton and SNA's Nancy Rice, who were very supportive of all commodity programs.

The Second General Session was a detailed discussion of the new USDA system WBSCM or Web-Base Supply Chain Management system that will be replacing the outdated PICMS that USDA currently uses. The Third General Session involved a Mega Discussion regarding "Value Added commodities vs. Raw Commodities, in turn followed by "Mega Discussion" Breakout Sessions.

The first TEFAP Mini Session began on Monday and was titled Food Industry Donations Issues with Food Banks. Food industry representatives explained how food donation issues have changed over the recent years and also described their current food donation policies. A joint session on Disaster Feeding followed. This session involved a panel discussion on issues related to feeding during a disaster and a review of what went right or wrong during last summer's hurricane season in Texas. There was very good audience discussion of how states, USDA and other agencies work together in disaster situations. The final TEFAP session on Monday was a TEFAP Panel Presentation regarding Urban vs. Rural commodity distribution. The panel addressed the different needs and issues in urban and rural areas within the states and/or territories.

Tuesday began with another full day of household related sessions. The morning session was titled Household Programs Legislative Update and was a very informative update from ACDA's Washington Counsel Julian Baer. Later in the afternoon, the sessions continued with the USDA Household Programs Update. The presenter was Laura Castro, Policy Branch Chief for the USDA FNS Food Distribution Division. This was a great opportunity for session participants to hear the most current information and also have the opportunity to ask specific questions. Once again, like all the other household sessions, this session was very well attended.

The conference concluded with the Fourth General Session that included the results of the "Mega Discussion," an update from USDA, a Washington update and the Installation of ACDA Officers. The overall conference feedback was very positive. The same as in previous ACDA Conferences, this conference was a fantastic opportunity to network with other states, industry and representatives from USDA. Once again, the ACDA Conference Planning Committee did an outstanding job!

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