



## 2020 Legislative Issue Paper

The American Commodity Distribution Association (ACDA) is a non-profit professional association, whose members include state agencies that distribute USDA Foods; agricultural organizations; recipient agencies, such as schools; industry groups, such as food manufacturers and processors; and allied and agriculture organizations, such as nonprofit anti-hunger groups and growers' associations. In 2019, ACDA members assisted in the distribution of more than 2.2 billion pounds of domestically produced commodities valued at nearly \$2.3 billion to programs including 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. This volume is supplemented with the addition of commodities purchased as part of the trade mitigation program.

ACDA looks forward to continuing work in the balance of the 116<sup>th</sup> Congress to make responsible improvements in Child Nutrition Programs.

ACDA respectfully offers the following recommendations:

### *Child Nutrition Programs*

**Strengthen the important role of USDA Foods in the school meal programs.** USDA Foods have a dual role – supporting the domestic agricultural economy while at the same time providing nutritious food to school children and needy Americans. To strengthen the role of USDA Foods in the school meal programs and to improve the operation of USDA purchasing programs, Congress should:

- **Publish the per meal commodity rate for the upcoming SY by February 15** - ACDA continues to urge that the modification to earlier publishing of the commodity rate. State Agencies are routinely ordering USDA Foods in April and May, well in advance of the new school year. The per meal commodity support levels are often not finalized until the school year has begun, complicating the administration of the program. Providing the per meal commodity rate by February 15 will facilitate placing accurate orders and ensure full and proper use of available resources.
- **Provide 6¢ entitlement for USDA Foods for every breakfast served** – ACDA supports H.R. 4265, the *Healthy Breakfasts Help Kids Learn Act of 2019*, to provide an additional 6 cents in commodity support for the School Breakfast Program (SBP). The provision of breakfast commodity assistance is a top priority for ACDA, and has been for many years.
- **Ensure that 12% of school lunch support comes in the form of commodities** - ACDA appreciates and supports the strong repetition of this 12% requirement in prior Senate and House bills, and the requirement that the Secretary shall, to the extent necessary, use the authority provided under section 14(a) of the Richard B. Russell National School Lunch Act to meet the requirements for the school year.

- **Oppose Block Grants** - ACDA opposes the conversion of the National School Lunch and Breakfast Programs to a block grant. Block grants likely cap resources available to states for school meal programs. Under a block grant, States would no longer be able to receive additional resources should the need for free and reduced-price meals increase during a school year or in the future. States would no longer get additional resources resulting from annual increases in meal reimbursement rates. It is also unclear as to what access block granted states may have to both USDA Foods and the various bonus food items that USDA may provide from time to time. ACDA is concerned that block grants could result in the loss of access to healthy USDA Foods, have negative impacts on the ability to run school meal programs in a cost-effective manner, and could bring about even more students being cut from free and reduced meal service. Industry would also be adversely affected by the cost and difficulty of accommodating fifty different state standards.
- **Include distribution of USDA Foods in the State Administrative Formula (SAE), dedicating this resource specifically to support state distribution** - While USDA provides limited guidance to States for allocating some of their administrative funds to distributing USDA Foods, and has made meaningful modifications to 7 CFR 250, both the allocation and administration are inconsistent among the States. FNS established an information collection regarding the proposed study “Assessing the Child Nutrition State Administrative Expense Allocation Formula” (in the Federal Register on Wednesday, June 7, 2017). In response, ACDA surveyed its membership and offered recommendations for a similar survey of all states in addition to the FNS proposed specific case study of 12 states. ACDA did a further survey in response to the July 30, 2018 Federal Register notice, and responded on September 28, 2018.
- **Fruit and Vegetable Snack Program** - ACDA continues to support emphasizing the importance of fruits and vegetables in all forms – fresh, frozen, canned and dried – as noted in the *2015-2020 Dietary Guidelines for Americans*. Increasing flexibility to program sponsors in planning menus that meet high nutrition standards but still are within cost targets is of critical importance. ACDA believes that the Buy American requirements imposed on school meals should also apply to the Fruit and Vegetable Snack Program.
- **Summer Food Service Program Commodity Rate** - As a matter of policy, USDA provides 1.5 cents in commodities per Summer Food Service meal served. Summer Food Service Programs are striving to simulate the fruit and vegetable standards of the lunch and breakfast programs and need additional resources, affording increased opportunities for the purchase of US-grown produce. Given that this rate has not changed since its inception many years ago, ACDA continues to urge that this rate be reviewed and increased to a more reasonable level reflecting increased meal costs.

### Appropriations

**Strengthen and Expand The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP).** ACDA supports using household programs to help alleviate food insecurity.

- **Fully fund TEFAP operating expenses** - Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)), as amended, authorizes \$100 million each year for local TEFAP operations. ACDA appreciates the increase to \$79,630,000, provided for FY 2020, and supports maintaining at least this level as part of the FY 2021 Appropriations bill.
- **Trade Mitigation Commodities appreciated but additional oversight is warranted** – Many ACDA members appreciate the additional commodities provided by trade mitigation, particularly those that may have been too expensive for members to purchase

with their entitlement dollars. Some ongoing matters of concern include storage availability; notice of delivery; inspection requirements; coordination of orders with entitlement orders; allocation of products compared with demand for products; notification of financial awards; and issues associated with the handling and distribution of fresh products. Program operators have used these additional items effectively, ask how long this distribution will continue, and how they might maintain the level of commodity assistance, which has effectively become part of their base supply, in the future.

- **Funding for the Commodity Supplemental Food Program (CSFP), including program expansion** - ACDA appreciates the \$245 million provided in FY 2020 to maintain the current total CSFP caseload. Even though this is an increase over the FY 2019 appropriation, no additional caseload was awarded while existing caseload was somewhat reallocated among various states. States had requested a total of more than 50,000 additional slots, demonstrating the need and desire to further expand CSFP. We urge consideration of sufficient funding to allow program expansion in FY 2021.