USDA Foods:State of Affairs

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New Household Products

- Whole Wheat Squares- CSFP
- Catfish Fillets- TEFAP
- Potatoes, Fresh- TEFAP
- Kosher canned salmon- TEFAP
- American Cheese- TEFAP
- Apple Slices, Frozen- TEFAP





Labeling Changes for Households

Canned Fruits and Vegetables







New School Products for SY15

- Dried Cranberries
- Chopped Spinach, Frozen
- Diced Mushrooms- bulk
- Pinto Beans- bulk
- String Cheese
- White Whole Wheat Flour Blend
- Whole Grain-Rich Blend Pasta





Reformulated Products for SY15

- Catfish Strips
- Fajita Chicken Strips
- Ham Products
- Mozzarella Cheese

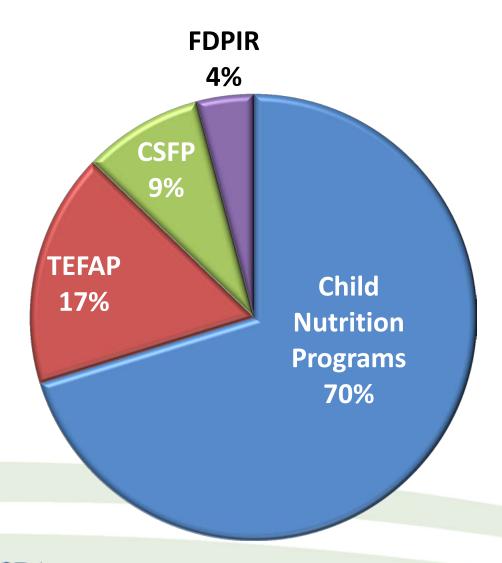


School Meal Pattern Changes

As Of July 1, 2014

- First Interim Sodium Target
- Increased Fruit Servings at Breakfast
- All grains must meet >50% whole grain requirement
- Smart Snacks Standards Introduced





Anticipated FY15 Food Purchases

Program	USDA Foods \$
CNP	\$1,341,000,000
TEFAP	\$324,000,000
CSFP	\$165,199,000
FDPIR	\$78,944,000
TOTAL	\$1,909,143,000





Operations Update:

- SY15 Entitlement Rate
- SY14-15 Spending
- Processing Regulation
- ASNs/Late Deliveries





Prioritize Customer Needs:

- New Product Research
- Lower Sodium Products for Schools
- Availability of Nutrition/Allergen/Ingredient
 Information for Schools
- Mixed Product Truckloads





USDA Foods: How to Get on the List

How USDA Determines Customer Needs/Demand:

- Feedback from stakeholder workgroups/meetings/conferences
- Formal surveys/outreach
- Informal feedback from State agencies/school districts
- Trends analysis of current product requests
- Industry distribution trends in similar market

United States Department of Agriculture Food and Nutrition Service

USDA FOODS: HOW TO GET YOUR PRODUCT CONSIDERED

The U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) strives to provide nutritious food to our nation's children and low income families while strengthening American agriculture by purchasing food to support schools, institutions, and food assistance programs. FNS works with Agricultural Marketing Service (AMS) and Farm Service Agency (FSA) to purchase a pre-determined list of USDA Foods products. If your product is not yet being purchased by USDA, please review the following criteria to determine if your product meets the minimum criteria for consideration by USDA.

In order to be considered as a USDA Food, the product must:

- . Be 100% grown and processed in the United States or its territories. USDA aims to support and strengthen American agriculture, so all food products and ingredients must be domestic, with limited
- Support the nutrition goals in the Dietary Guidelines for Americans¹. Products considered for distribution by USDA must align with the Dietary Guidelines for Americans and the nutrition guidelines for each program setting (e.g. Healthy-Hunger Free Kids Act of 20102). The guidelines encourage a variety of fruits and vegetables, whole grains, fat-free and low-fat dairy, and items that are low in sodium, saturated fat, trans fat, added sugar, and refined grains. For example:
 - Fruits (fresh, frozen, dried, or canned in 100% juice or extra light syrup)
 - · Vegetables (no salt added or low-sodium)
 - · Beans/legumes (no salt added or low-sodium)
 - · Grain products (whole grain or at least 50% whole grain content)
 - Milk and other dairy products (low-fat or nonfat)
 - Meats and meat alternates (low in fat, saturated fat, and sodium)
 - Nuts and seeds (unsalted)
- . Be versatile. USDA Foods provide products for school children, families, the elderly, emergency feeding programs, and persons residing on Indian Reservations. We seek to purchase foods that meet the needs of the diverse population served by these programs nationwide. Many USDA Foods are basic food items that can be used in a variety of recipes and meal patterns.
- . Be available from more than one vendor. USDA strives to purchase food products that are available from multiple vendors to encourage competitive pricing. It is unlikely that the product would be considered if it is patented and/or a "sole source" product (e.g. only one company can supply).
- . Have a documented demand in a commercial setting. USDA seeks to purchase foods that have been used successfully in a similar program setting. For example, vendors are encouraged to market their products to schools directly first to determine demand for the product in the National School Lunch Program. USDA product purchases are request driven, so the list of available foods must reflect items that are currently being used or are requested by schools or household programs.
- . Be produced by a responsible entity. Vendors must demonstrate their responsibility in areas such as experience and past performance through successful participation in a commercial/governmental setting. USDA will not be the first or the only customer for a product. Vendors must also demonstrate financial solvency and the capacity to meet contract requirements in terms of quality, timeliness, and quantity. Refer to the Federal Acquisition Regulation (FAR) 9.104-1 for additional information.

If your product meets all of the above criteria, you may submit product information to this mailbox for consideration: USDAFoods@fns.usda.gov. Please provide a complete description of the product, including packaging information, nutritional data, indications for use, cost per pound, and storage requirements. In addition, items that are used in Child Nutrition Programs require an ingredient statement, product formulation statement or CN Label, and allergen information if applicable. USDA will review all submissions that include the requested information to determine if the product could be considered for a limited purchase into future procurement cycles.

If your company supplies products that are already being purchased by USDA, please refer to the AMS and FSA websites3 for information on how to become a qualified vendor and to review upcoming solicitation schedules.

http://www.cnpp.usda.gov/DietaryGuidelines.htm http://www.fns.usda.gov/school-meals/healthy-hunger-free-kids-act

www.ams.usda.gov and www.fsa.usda.gov

New Product Pilots

- Unseasoned chicken strips
- High-protein (i.e. Greek) yogurt
- Reduced fat barrel cheese





New Product Research for Households

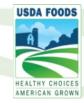
- Individual serving juice- TEFAP
- Family size fresh produce- TEFAP
- Kosher/Halal products- TEFAP
- Traditional Foods- FDPIR
- Shell Eggs- FDPIR



New Product Research for Schools

- Bulk carrots
- Frozen sweet potato products
- Frozen mixed vegetable blends
- Diced/sliced turkey products





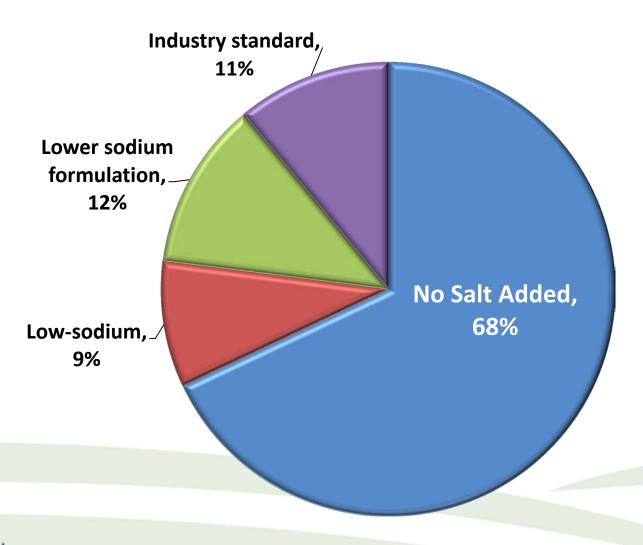
Lower Sodium Products for Schools

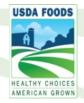
- First interim sodium target in place
- Next sodium target in effect in 2017 requires even further reductions
- USDA Foods products need to support schools in meeting standards
- Prioritize reductions where feasible in protein items





USDA Foods: Sodium Summary for NSLP





Availability of Nutrition/Allergen/Ingredient Information for Schools:

- Required by Section 242 of Healthy Hunger-Free Kids Act of 2010
- USDA exploring web solution to make vendorspecific information available to States and school districts to meet their needs for this information



Availability of Nutrition/Allergen/Ingredient Information for Schools

- Vendor support needed to ensure schools have access to the most up-to-date product information to:
 - Make informed decisions when selecting USDA Foods products
 - Appropriately analyze nutritional content of menus
 - Take precautions in the foodservice setting to avoid allergenrelated incidents
 - Identify allergens/ingredients of concern that are not required by the allergen statement





Mixed Truckloads Pilot

- Necessary to accommodate needs of smaller
 States
- Pilot project starting with pasta products
- Look to expand to other similar product categories in the future



Questions?





