



March 31, 2021

Agricultural Marketing Service
U. S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Re: Development and implementation of a food purchase and distribution program

Dear Sir or Madam:

I appreciate the opportunity to provide comments regarding how USDA should develop and implement a food purchase and distribution program to provide additional aid to nonprofits serving Americans in need of nutritious food.

The International Dairy Foods Association (IDFA) represents the nation's dairy manufacturing and marketing industry, which supports more than 3 million jobs that generate \$159 billion in wages and \$620 billion in overall economic impact. IDFA's diverse membership ranges from multinational organizations to single-plant companies, from dairy companies and cooperatives to food retailers and suppliers, all on the cutting edge of innovation and sustainable business practices. Together, they represent 90 percent of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world. I should also note that IDFA members, both large and small, procure milk from small, medium and large dairy farms across the country, and our members are proud of the role they play in sustaining the rural economy.

The Farmers to Families Food Box Program played an important role during the pandemic by providing nutritious dairy, produce and meat products to our nation's most vulnerable people during a very challenging time in history. While we are fortunate that more and more Americans are receiving vaccinations, many areas of our country and segments of our economy remain closed. Demand from restaurants, bars and large event venues remain well below prior year levels, with food service sales down 16.7% year-over-year in January. Millions more Americans struggle with food insecurity than they did before the pandemic. While we are hopeful that coronavirus cases will trend lower over time in the U.S. and we will continue to see positive trends in terms of economic recovery, we strongly believe that USDA should continue to take steps to ensure that nutritious and wholesome dairy products are made available to those struggling with hunger in this time of great need.

Dairy products were a key part of the Farmers to Families Food Box Program and should remain a primary component of the new USDA food distribution program given the unparalleled nutrition and health benefits that dairy provides to consumers of all ages.

We strongly encourage USDA to fully utilize the inherent goodness of dairy products in its efforts to modernize our nutrition security and food security systems.

Dairy is one of the core elements of the healthy dietary patterns recommended by the 2020-2025 Dietary Guidelines for Americans (DGA).¹ Moreover, dairy is a unique and nutritionally dense food group that is under-consumed by 90% of Americans overall according to the DGA, and this underconsumption occurs in nearly all demographic groups. Dairy provides eleven essential nutrients, including protein, vitamin A, niacin, vitamin B12, riboflavin, and iodine and three of the four under-consumed nutrients of concern in the DGA: calcium, vitamin D, and potassium. Including dairy products in the new food purchase and distribution program will help Americans increase their intake of nutrient-rich dairy products consistent with the recommendations of the DGA.

Dairy products with lower lactose provide the same important package of nutrients as conventional dairy products. Some have an added lactase enzyme to lower or eliminate the naturally occurring lactose, and some dairy products are naturally lower in lactose due to the processing steps used to make the food. For example, natural cheese is inherently low in lactose. For people who choose to not regularly consume fluid milk products because of their lactose content, cheese is an excellent way of obtaining the nutrition of dairy foods. Natural cheeses such as cheddar, colby, Monterey Jack, mozzarella and Swiss contain minimal amounts of lactose because most of the lactose is removed during the cheesemaking process. In addition, yogurt is, for many people, a more easily digestible alternative to milk because, on average, it contains less lactose than milk. In addition, yogurt's live and active cultures are thought to have positive beneficial gut-health activity and may allow lactose intolerant individuals to enjoy dairy products with fewer associated symptoms. Accordingly, lactose-reduced and lactose-free dairy products such as milk, yogurt, cottage cheese and cheese, should be included in the program so that individuals who are lactose intolerant may still obtain the nutritional benefits of dairy.

Including dairy products in the new food distribution program would also be consistent with other federal nutrition programs, such as the National School Lunch Program, School Breakfast Program, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the Child and Adult Care Food Program, which all include nutrient-dense dairy in various forms.

USDA should include a wide variety of dairy products from among all four classes of milk in the new program.

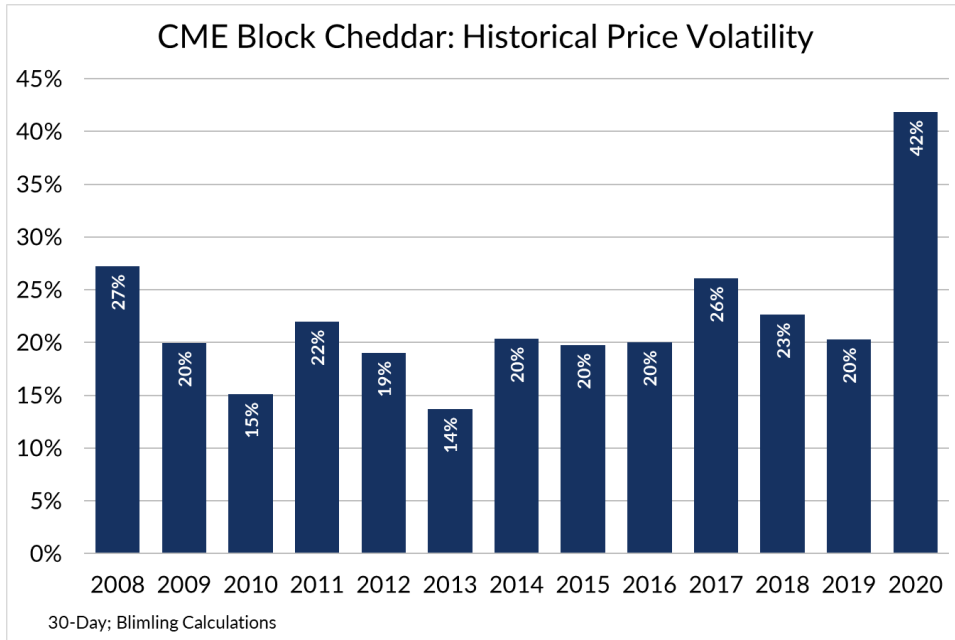
Including different types of dairy products, such as milk, yogurt, cottage cheese, cheese, and butter, in the new food purchase and distribution program will broaden the appeal of the program to more Americans with a variety of different tastes and palates. For example, including butter could increase the appeal of the program given the growth in home cooking that has occurred during the pandemic. We would also urge USDA to provide appropriate flexibility regarding package sizes to help ensure that families from all demographics benefit from the program (e.g., providing half gallons of fluid milk for anyone who might be challenged pouring from a full gallon container).

In addition, requiring diversity in dairy products would help manage market distortion going forward because a broader swath of products will be purchased instead of those in just one or two segments. In the cheese segment for example, USDA should continue to encourage vendors to include different styles

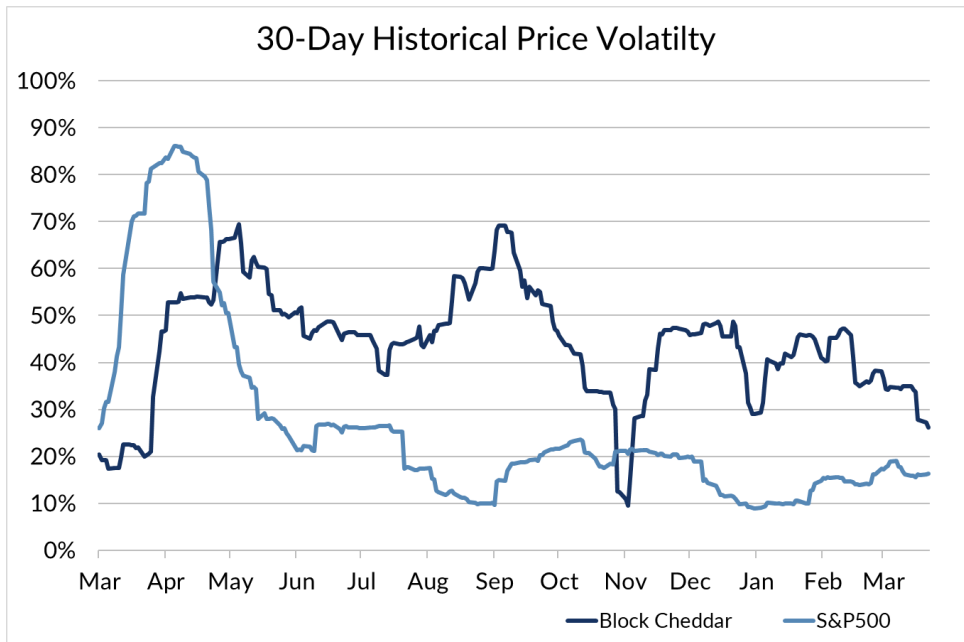
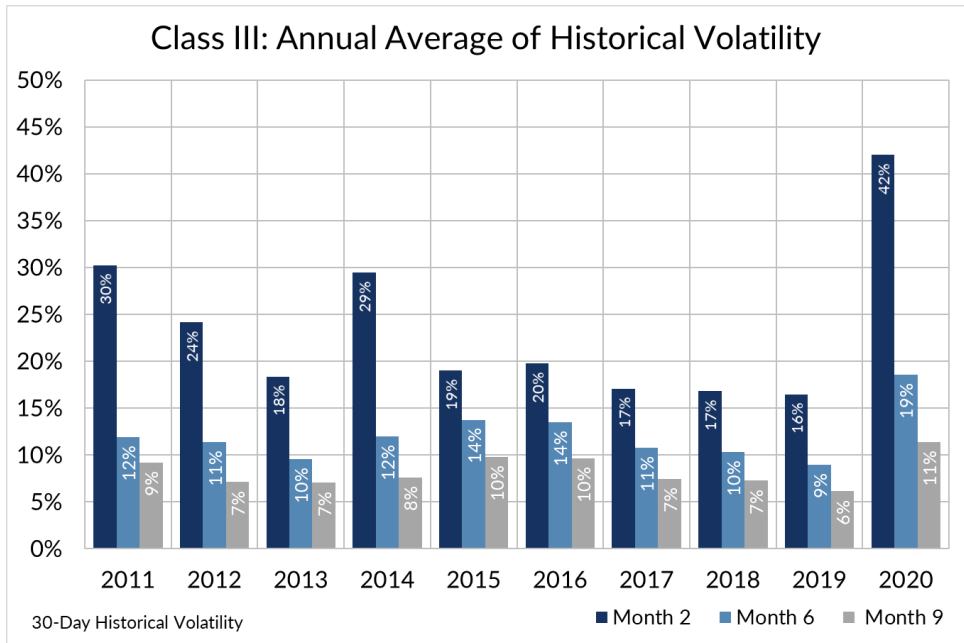
¹ U.S. Department of Health and Human Services and U.S. Department of Agriculture. 2020-2025 Guidelines for Americans. 9th Edition. December 2020. Available at <https://www.dietaryguidelines.gov/resources/2020-2025-dietary-guidelines-online-materials>.

of cheese beyond cheddar and mozzarella just as the Department did in the later rounds of the Farmers to Families Food Box Program.²

While several factors contributed to dairy price volatility in 2020, procurement activity related to the Farmers to Families Food Box program certainly contributed to this situation as illustrated in the three charts below. With that in mind, we ask that USDA be mindful of the reality that market participants – and by extension market pricing – will be extremely sensitive to timing, procurement pacing and transparency around any purchase activity associated with the new program.



² <https://www.ams.usda.gov/selling-food-to-usda/farmers-to-families-food-box>



Dairy products contained within the USDA food purchase program should be of high quality and provide good nutritional value.

In order to maintain the popularity and integrity of the program, USDA should take steps to ensure that all dairy products included in the program are of high quality and reflect the nutrient density of the dairy category. Dairy products included in the program should meet the appropriate FDA standards of

identity found in the Code of Federal Regulations (CFR) for cheese, milk, and cultured products³ or in the US Code for butter⁴. For dairy products that do not have a CFR standard of identity, those products should be nutritionally equivalent to their comparable category of dairy products that have a CFR standard of identity and are of a sufficiently high quality to satisfy consumer expectations.

USDA should spread out its dairy purchases over the expected life of the new program.

Balancing the timing of dairy product purchases over the duration of the program will minimize spikes in the dairy futures markets that inevitably lead to increased market volatility. This will ensure that all participants in the dairy markets are not unintentionally harmed due to large, concentrated government purchases of a particular product during a compressed time period.

USDA should make operational changes to the food purchase and distribution program to improve its performance going forward.

Over the course of the past year, USDA worked hard to improve the Farmers to Families Food Box program by listening to and acting on constructive feedback and suggestions from various stakeholders. In that same vein, IDFA would like to offer the following operational suggestions for USDA's consideration as it begins to implement a new food distribution and purchase program:

- **Continue to provide a combined-product offering including meat, dairy and produce.** A perishable combination offering is considered value-added, especially by food banks, and provides the nutritionally insecure with healthy food from critical food groups. Equally important, a combination offering is more efficient for food banks and requires fewer volunteers to distribute compared to individual commodities.
- **Provide food banks the opportunity to be the primary vehicle for final food distribution.** Food banks already have processes and structure in place to provide the greatest relief to those most in need, which helps overall program effectiveness.
- **Give preference to vendors that can deliver to multiple locations in awarded states.** Vendors need to have the infrastructure to partner with food bank facilities, and deliver directly to remote locations, including tribal areas or mobile feeding sites.
- **Continue to be prescriptive in outlining content requirements if pricing remains the primary criterion for awarding contracts.** This will allow boxes to be competitively priced and ensures an "apples-to-apples" comparison, making it easier for USDA to evaluate the relative value of competing offerings.
- **Ensure that any product categories that must be included are specified in the product requirements.** This will help reduce confusion and make sure all necessary items are included.

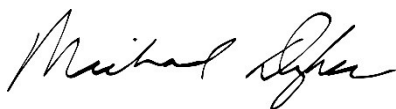
³ <https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfcfr/CFRSearch.cfm?CFRPart=133>

⁴ <https://www.law.cornell.edu/uscode/text/21/321a>

- **Include a weighting of vendor past performance in the decision-making criteria.** Give non-profit organizations the opportunity to provide direct feedback to USDA with respect to vendor performance and include this feedback as a factor in selecting future contract recipients.
- **In the bidding review process, give preference to vendors that successfully participated in the Food Box program.** This review should take into consideration prior contract performance including quality of product and level of service. Additionally, more auditing is needed to make sure that food aid meets all requirements and last mile delivery is being adhered to.
- **Provide vendors four to six weeks between the awarding of the contract and the start of the performance period.** Increased lead time, plus a longer contract period would help to ensure a more stable supply chain. With the state of today's global supply chain, an increased amount of lead time is needed to manufacture and ship goods. Typically, an award recipient will not place an order for goods until an award is received because they would not want to purchase goods that they might not later be able to sell. Once the order is placed, the manufacturer then needs time to produce, package and ship the item, which can be difficult to accomplish in a short time-period.
- **Ensure contract periods are at least twelve weeks to help provide a stable and consistent supply chain.** In addition, we recommend specifying weekly or monthly requirements to ensure that non-profits are receiving a consistent supply throughout the entire award period.
- **Allow contractors to enter capacity constraints by state, rather than only an aggregate constraint across regions.** While a distributor may have capabilities and/or distribution centers in more than one state, the capacity may vary across the relevant geography.
- **Make sure award recipients have access to appropriate supply chain partners and can demonstrate the ability to work with farmers and manufacturers of all sizes.**

Thank you for the opportunity to present IDFA's views on this important topic. Please let me know if you have any questions or would like additional information from our organization.

Sincerely,



Michael Dykes, D.V.M.
President and CEO
International Dairy Foods Association