



JUL 9 2008

United States
Department of
Agriculture

NOTICE TO THE TRADE

Marketing and
Regulatory
Programs

Procurements in Support of the Farm Bill

Agricultural
Marketing
Service

On June 18, 2008, the Farm Bill was approved by the Congress, which provided substantial amounts of additional funding for the procurement of fruits, vegetables and specialty crops for Federal nutrition programs. The Farm Bill increased the mandatory spending authority for fruits, vegetables and specialty crops using Agricultural Marketing Service (AMS) funding from \$200 million annually to \$390 million for fiscal year (FY) 2008. The additional \$190 million represents a 56 percent increase above FY 2007 spending, which includes funds appropriated to the Food and Nutrition Service (FNS).

Washington, DC
20250

Passage of the Farm Bill late in the fiscal year presents challenges, as these funds must be obligated by September 30, 2008. The purchases with these funds are above and beyond our usual purchases for schools, food banks, and other nutrition programs. Thus far, FNS has surveyed program recipients for the following products:

- Frozen Freestone Peaches, Strawberries, and Blackberry Puree
- Various Canned Dried, Vegetarian, and Refried Beans
- Various Bag Dry beans
- Canned Carrots, Green Beans, Peas, Sweet Potatoes, and Potatoes
- Dehydrated Potatoes
- Canned Tomatoes, Salsa, Spaghetti Sauce, Tomato Sauce, Diced Tomatoes, and Tomato Paste
- Canned Cranberry Apple, Apple, Cherry Apple, Grape, Tomato, and Orange Juice
- Dried Cranberries, Cherries, and Raisins
- Dried Fruit and Nut Mix (almonds/walnuts, dates, figs, cherries, raisins)
- Canned Apricots, Cherries, Apple Slices, Applesauce, and Plums

If there are other products readily available, please contact us at your earliest convenience for immediate consideration.

Additionally, the Farm Bill increases the mandatory spending authority for the purchase of fruits, vegetables and specialty crops over the next ten years, to \$393 million in FY 2009, \$399 million in FY 2010, \$403 million in FY 2011, and \$406 million in FY 2012 and beyond. Again, these amounts are substantially higher than customary purchase amounts for Schools and household programs. Since additional funding will be available for the next several years, we would appreciate your feedback on the best way of ensuring that adequate product is available for purchase. Some ideas we have include:

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- Improved communication with industry when fruit and vegetable products are available for purchase
- Earlier solicitation of bids
- Long-term contracts
- Purchases of new products

Please provide your feedback regarding availability of product immediately available for FY 2008 purchasing, as well as information regarding future purchases, to Michelle Warren via email at MichelleE.Warren@usda.gov. We are especially interested in information regarding the optimal timing of bid submission and contract awards for the various products we purchase.

If you have other concerns regarding this notice, please contact our office at 202-720-4517. Thank you for your attention to this matter.

Sincerely,



David Tuckwiller
Chief
Commodity Procurement Branch
Fruit and Vegetable Programs