



# USDA Foods Update

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## Poultry Industry Conference March 9, 2011

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Food Distribution Division, USDA**

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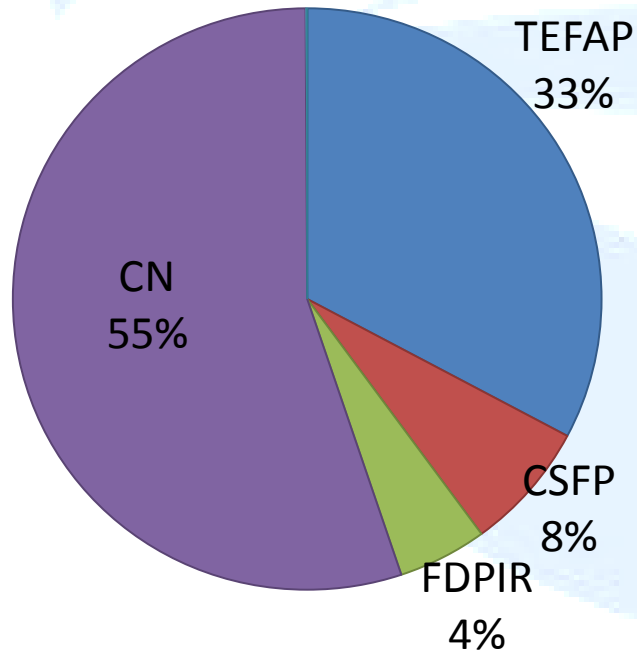
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# Today's Topics

- ✓ Program Stats - Purchases
  - ✓ Processing
  - ✓ Complaints
  - ✓ Timely Deliveries
  - ✓ Purchase Problems
  - ✓ Meal Pattern Rule
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# USDA Foods Program Funding In FY 2010

Total Food & Admin Funding = \$2.27 Billion



Prgm.	Food Funds
CN	\$1,249 Million
TEFAP	\$636 Million
CSFP	\$139 Million
FDPIR	\$51 Million
NSIP & Disasters	\$2.7 Million
TOTAL	\$2.08 Billion

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# FY 2010 Statistics for Child Nutrition Programs

(Total Federal Funding: \$15.78 billion)

- ❖ **NSLP** ~ 32m children served/day (~ 101,000 schools)
- ❖ **SBP** ~ 12m children served/day (~ 88,000 schools)

**Estimated SY 2012 USDA Foods Entitlement  
\$1.06 Billion**

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# Poultry/Egg Product Purchases

## All Programs (In Millions)

<b>FY</b>	<b>CHICKEN</b>	<b>TURKEY</b>	<b>EGGS</b>	<b>TOTAL</b>
2008	\$ 177.0	\$ 69.2	\$ 12.3	\$ 258.5
2009	\$ 230.2	\$ 139.7	\$ 16.1	\$ 386.0
2010	\$ 245.1	\$ 90.1	\$17.2	\$352.4

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# Poultry Processing

- Most USDA poultry provided to NSLP is diverted to processors, but direct finished product from USDA is also important to many school districts
  - In Fiscal Year 2010 almost 73% of USDA poultry was diverted for processing
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# COMPLAINTS

- ❖ **242** complaints about USDA Foods received from July 1, 2010 to February 28, 2011 vs. 231 last year
- ❖ **15%** (36 complaints) for poultry products vs. 9% (20) last year; 15 were for A492 chicken leg quarters in unfamiliar “export” or “processor pack



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# Poultry Complaints



- ✓ 19 for Packaging (bags not sealed, dented cans, labeling): (15 for A492 chicken)
  - ✓ 6 for Quality (taste, smell, color)
  - ✓ 11 for Foreign objects (mostly bones)
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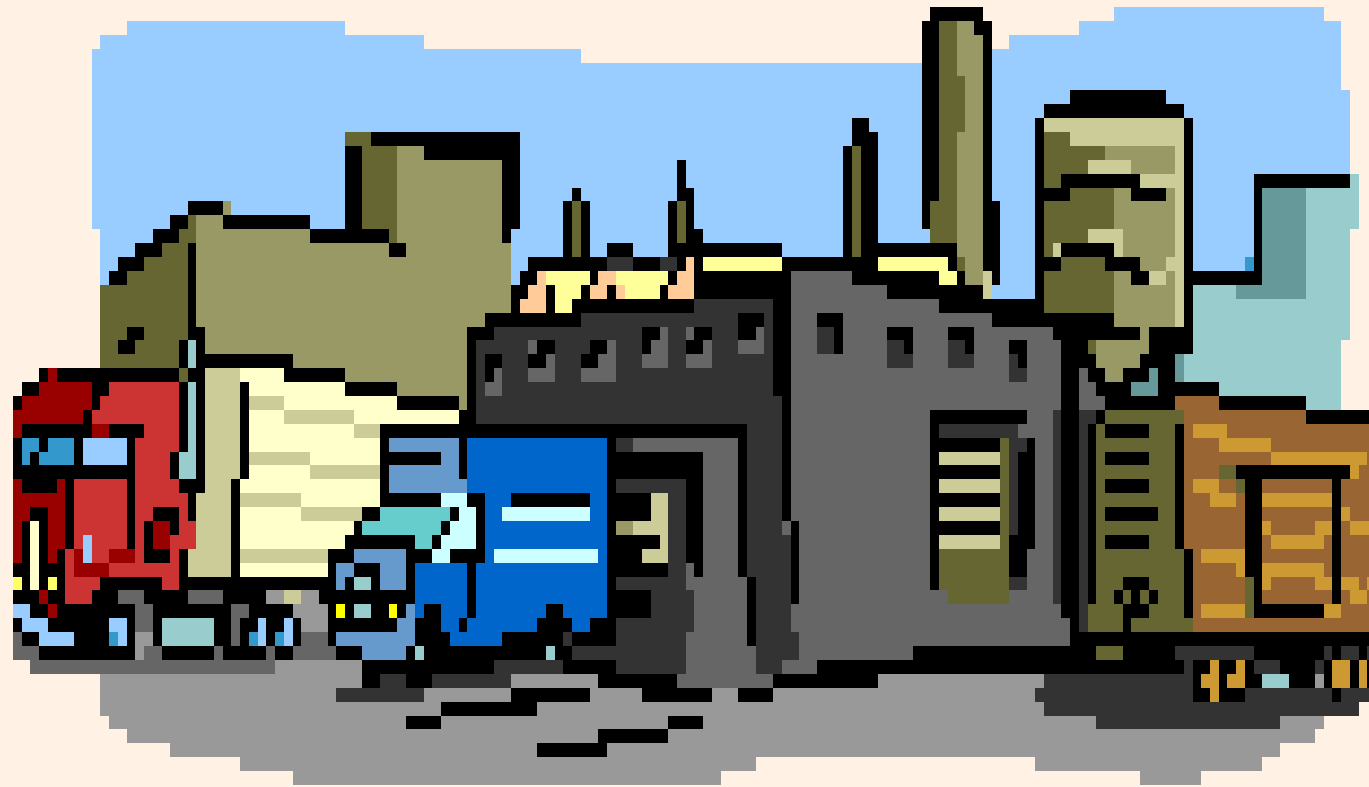
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# What Can *You* Do?

- Respond quickly to complaints
  - Be specific about the cause of problems—general responses frustrate our customers
  - Explain all necessary corrective actions
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# TIMELY DELIVERY



# ON TIME DELIVERIES

<b>Percent of Total Products Purchased Delivered Late</b>			
<b>Poultry</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Pounds Late</b>	<b>10,876,877</b>	<b>18,112,505</b>	<b>15,543,780</b>
<b>Total Pounds Purchased</b>	<b>286,206,000</b>	<b>309,947,305</b>	<b>370,554,596</b>
<b>Percent Pounds Delivered Late</b>	<b>3.8</b>	<b>5.9</b>	<b>4.2</b>
<b>Percent delivered On-Time</b>	<b>96.2</b>	<b>94.1</b>	<b>95.8</b>

# Poultry Purchases Falling Short

FYs 2009-2011		Requested		Purchased		% Short
Weight and Value in Millions		Lbs.	\$	Lbs.	\$	
<b>Diced Chicken</b>	<b>2009</b>	6.6	13.8	4.6	9.5	<b>30</b>
	<b>2010</b>	15.6	35.7	7.9	18.2	<b>49</b>
	<b>2011</b>	4.1	9.8	1.1	2.7	<b>73</b>
<b>Turkey Roasts</b>	<b>2009</b>	12.4	17.6	10.9	15.5	<b>22</b>
	<b>2010</b>	7.2	11.1	6.3	9.8	<b>12</b>
	<b>2011</b>	14.5	30.3	5.9	12.3	<b>59</b>
<b>Oven Roasted Chicken</b>	<b>2009</b>	N/A	N/A	N/A	N/A	<b>N/A</b>
	<b>2010</b>	1.0	1.8	1.0	1.8	<b>0</b>
	<b>2011</b>	4.8	11.9	4.5	11.2	<b>6</b>

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# How Can We Improve the Supply Situation?

- ✓ Long Term Contracts? Sooner?
  - ✓ Timing of solicitation and awards?
  - ✓ Fewer or different delivery periods requested?
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# Oven Roasted Chicken

- Offered in SY 2011 as an alternative to batter/breaded chicken
  - Reduced sodium and fat
  - Versatile item for menu planners
  - Need more vendors to bid on the requested volume, keep prices competitive, and keep States happy!
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# Chicken Offering for FDPIR

- Cut Up chicken is the most popular protein item among Indian Tribal Organizations
- Purchases have NOT been successful the past 2 years-- only half our need has been bought
- Purchases of whole bird chicken are planned for April-June 2011 delivery
- Going out for bid on individually frozen split chicken breasts for July-Dec 2011 delivery

**We need your participation!**

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# USDA Foods Image Improvements

**We need a predicable supply and  
predictable nutritional quality to  
support healthy meals!**





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# Proposed Meal Pattern Rule—Why Is It Important To You?

- Lower fat levels – poultry is a popular low fat protein item
  - Lower sodium levels – will need to reduce in some processed products
  - Reduced portion sizes
  - **We need to be creative in how we address the new requirements!**
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# USDA Foods Image Improvements

## Vision

**To increase participation in USDA nutrition assistance programs by improving public perception of USDA Foods.**

