# REVIEW OF USDA NUTRITION DISTRIBUTION PROGRAMS

# HEARING

BEFORE THE

SUBCOMMITTEE ON NUTRITION, OVERSIGHT, AND DEPARTMENT OPERATIONS

OF THE

# COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

DECEMBER 8, 2021

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# **REVIEW OF USDA NUTRITION DISTRIBUTION** PROGRAMS

# WEDNESDAY, DECEMBER 8, 2021

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON NUTRITION, OVERSIGHT, AND DEPARTMENT **OPERATIONS**, COMMITTEE ON AGRICULTURE, Washington, D.C.

The Subcommittee met, pursuant to call, at 10:01 a.m., in Room 1300 of the Longworth House Office Building, Hon. Jahana Hayes [Chairwoman of the Subcommittee] presiding.

Members present: Representatives Hayes, McGovern, Adams, Rush, Carbajal, Kuster, Panetta, Brown, Bacon, Crawford, Baird, Cloud, Letlow, Thompson (*ex officio*), and Mann. Staff present: Caitlin Balagula, Chu-Yuan Hwang, Katherine Stewart, Ricki Schroeder, Jennifer Tiller, Erin Wilson, and Dana

Sandman.

# **OPENING STATEMENT OF HON. JAHANA HAYES, A REPRESENTATIVE IN CONGRESS FROM CONNECTICUT**

The CHAIRWOMAN. Good morning. This hearing of the Sub-committee on Nutrition, Oversight, and Department Operations entitled, Review of USDA Nutrition Distribution Programs, will come

to order. Welcome, and thank you all for joining us here today. After brief opening remarks, Members will receive testimony from our witnesses today, and then the hearing will be open for questions. Members will be recognized in order of seniority, alternating between Majority and Minority Members and in order of arrival for those Members who have joined us after the hearing was called to order. When you are recognized, you will be asked to unmute your microphone and will have 5 minutes to ask your questions or make a comment. If you are not speaking, I ask that you remain muted in order to minimize background noise. In order to get as many questions as possible, the timer will stay consistently visible on your screen. In consultation with the Ranking Member and pursuant to Rule XI(e), I want to make Members of the Sub-committee aware that other Members of the full Committee may join us todav.

I now recognize myself for an opening statement.

Thank you to each of our witnesses for joining us today. I appreciate you taking the time out of your schedules to provide us with your expertise. I look forward to your testimony and to a productive conversation about USDA Food and Nutrition Service's nutrition distribution programs: The Emergency Food Assistance Program, "TEFAP," Commodity Supplemental Food Program, "CSFP," and Food Distribution Programs on Indian Reservations, "FDPIR." I would also like to offer a warm welcome to our newest Agriculture Committee Member, Representative Shontel Brown from Ohio's 11th District. We are excited to have you join us today for your first Committee hearing.

Today, we will explore the implementation of these important programs, the adjustments made during the COVID-19 pandemic, and the long-term need of these programs and the organizations that operate them.

TEFAP, CSFP, and FDPIR support millions of Americans in need each year. These programs purchase American-grown commodities for distribution to food banks, Tribal organizations, and other eligible community-based organizations supporting individuals experiencing food insecurity, serving both to combat hunger and support America's farmers.

Throughout the pandemic, as many of us saw firsthand in our communities, these programs have shown great resiliency. They have responded to unprecedented challenges and adjusted quickly to continue delivering food safely to those in need. USDA's Economic Research Service found that in 2020, 6.7 percent of U.S. households reported using a food pantry, an increase from 4.4 percent in 2019. Further, TEFAP supplied 2.2 billion pounds of USDA Foods to emergency food providers, many of which are faith-based organizations, up from the 1.7 billion pounds that were supplied in Fiscal Year 2019.

In October 2020, the Connecticut Food Bank reported seeing a 44 percent increase in demand for food and services, while at the same time facing complications from national supply chain issues and a reduction of corporate food donations by more than half. Despite the incredible challenges, in Fiscal Year 2020, they were able to distribute 47 million pounds and serve 147,000 people each month.

It is clear that, while the pandemic has created continuous challenges for our food banks and emergency food organizations, such as supply chain struggles and soaring demand, they have overcome these obstacles and shown great resiliency in the face of crisis. Similarly, CSFP, FDPIR, and organizations that operate them transitioned quickly to continue serving seniors and families living on reservations during the pandemic. Respectively, they served more than 69,000 and 75,000 Americans on average each month in Fiscal Year 2020.

From home delivery to mobile pantries to drive through services, feeding organizations have made critical adjustments to protect the safety of their volunteers, employees, and those they serve, while still fulfilling their commitment to provide food to those in need during challenging times, especially during the holiday season when so many are relying on food distribution programs to feed their families at times of celebration.

We thank each of you for your incredible service to your communities. I look forward to hearing more about your experiences over the past couple years and your recommendations for our Committee as we move forward.

[The prepared statement of Mrs. Hayes follows:]

#### PREPARED STATEMENT OF HON. JAHANA HAYES, A REPRESENTATIVE IN CONGRESS FROM CONNECTICUT

Thank you to each of our witnesses for joining us today. I appreciate you taking time out of your schedules to provide us with your expertise. I look forward to your testimony and to a productive conversation about USDA's Food and Nutrition Service's nutrition distribution programs: The Emergency Food Assistance Program (TEFAP), Commodity Supplemental Food Program (CSFP), and Food Distribution Program on Indian Reservations (FDPIR).

I would also like to offer a warm welcome to our newest Agriculture Committee Member, Representative Shontel Brown from Ohio's 11th District! We are so excited to have you join us, and I am overjoyed to be able to host you for your first Agriculture Committee activity.

Today we will explore the implementation of these important programs, the adjustments made during the COVID-19 pandemic, and the long-term needs of these programs and the organizations that operate them.

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From home delivery to mobile pantries, to drive-through service, feeding organizations have made critical adjustments to protect the safety of their volunteers, employees, and those they serve, while still fulfilling their commitment to provide food to those in need during challenging times.

Especially during the holiday season, when so many are relying on food distribution programs to feed their families at times of celebration, we thank each of you for your incredible service to your communities. I look forward to hearing more about your experiences over the past couple years and your recommendations for our Committee moving forward.

The CHAIRWOMAN. I now would like to welcome the distinguished Ranking Member, the gentleman from Nebraska, Mr. Bacon, for any opening remarks he would like to give.

# OPENING STATEMENT OF HON. DON BACON, A REPRESENTATIVE IN CONGRESS FROM NEBRASKA

Mr. BACON. Thank you, Madam Chairwoman. I appreciate your comments, and I also want to welcome Representative Shontel Brown. Welcome to Congress, and welcome to the Subcommittee. I want to thank each of our witnesses for your participation today as well.

I want to first reiterate how important it is for this Committee, and frankly, all the committees of Congress to bring forward to the Administration for conversations such as these. Whether it is the Agriculture Committee or any of the other committees, the Administration has largely been AWOL from these committees. We are failing at our obligation as policy makers and as stewards of taxpayer dollars when we neglect our oversight committees. And right now, as far as I can tell, the only Committee doing that is the Armed Services Committee. I think we can do better.

Now, on the topic at hand, the Department's nutrition distribution programs, namely TEFAP, CSFP, and FDPIR have long been complementary to SNAP and have aided families in need across the country, but we may be at a crossroads. The pandemic has shown us that there are so many different ways to do things, that massive spending does not necessarily lead to desired outcomes. So, I look forward to hearing what has worked and what has not worked, and where we can potentially step in and make changes that make sense to both operators and recipients.

I think CSFP is a great example. I recall Mr. Kubik's 2017 testimony regarding CSFP, and from that, necessary improvements were made to the program in the 2018 Farm Bill. So, this testimony does work. Simply put, I am not sure autopilot is the right way to continue.

With that, I look forward to continuing today's conversation, and again, I want to thank the witnesses for taking your valuable time to share your expertise.

With that, Madam Chairwoman, I yield back.

Madam Chairwoman, you may be on mute.

The CHAIRWOMAN. Thank you. I now recognize Chairman Scott for any opening statements he would like to make. I don't think Chairman Scott is here from the full Committee, so I recognize Ranking Member Thompson for any opening comments he would like to make.

# OPENING STATEMENT OF HON. GLENN THOMPSON, A REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA

Mr. THOMPSON. Thank you, Chairwoman Hayes. I appreciate that, and I want to add my welcome to the gentlelady from Ohio that is joining us. I am glad to have you on board. Thank you to our witnesses for your participation today.

We last discussed these nutrition distribution programs, TEFAP, CSFP, and FDPIR in 2017. Now, that hearing focused on the interaction between them and how they, in concert with SNAP, Americans in need found nutrition relief. Since 2017, a farm bill was signed into law and a pandemic ravished our nation and disrupted the way these programs were implemented. Today is an opportunity to hear about both, but also what the future looks like for each program.

The way I envision the future is through questions. Can we potentially reimagine how we distribute aid to families in need? If the pandemic taught us anything, it is that there is no one way to do anything, nutrition distribution programs included. Is there an opportunity to further work with organizations who are more deeply immersed in the communities? Does it make sense to expand these services to help families find independence simultaneously? How do we ensure these programs don't contribute to the growing instances of nutrition-related chronic disease? Is there an opportunity for a stronger relationship between distribution and nutrition education?

Again, I appreciate the witnesses taking the time to share their expertise and foresight, and look forward to the discussion.

Thank you, Madam Chairwoman, and I yield back the balance of my time.

The CHAIRWOMAN. Thank you, Ranking Member Thompson.

The chair would request that other Members submit their opening statements for the record so witnesses may begin their testimony, and to ensure that there is ample time for questions.

I am pleased to welcome such a distinguished panel of witnesses to our hearing today. Our witnesses bring to our hearing a wide range of experience and expertise, and I thank you for joining us.

range of experience and expertise, and I thank you for joining us. Our first witness today is Mr. Carlos Rodriguez, the President and CEO of Community FoodBank of New Jersey. The Community FoodBank of New Jersey has seen record growth in its food distribution and program development under his leadership. Mr. Rodriguez has more than 25 years of executive leadership experience focused on improving policies and delivering services to those in need.

Our next witness today is Ms. Mary Greene Trottier, who is the President of the National Association of Food Distribution Programs on Indian Reservations. Ms. Trottier brings a great wealth of knowledge to our hearing today, having served as Spirit Lake Tribes Director of Food Distribution Programs for 36 years, and director of their Commodity Supplemental Food Program for 4 years.

Our third witness today is Mr. Frank Kubik, the Commodity Supplemental Food Program Director at Focus: HOPE in Detroit, Michigan. Mr. Kubik is a current board member of the National Commodity Supplemental Food Program Association, and a fourtime president of the association. He has been with Focus: HOPE since 1981, and has served in his current role for 10 years. Each month, Focus: HOPE provides food assistance to over 41,000 senior citizens in Michigan.

Our fourth and final witness is Mr. Dave Donaldson, who is the Chairman and Chief Executive Officer of CityServe International in Bakersfield, California. In his role, Mr. Donaldson works to train and resource local churches and nonprofits to serve families in need. He has been with the organization since 2016.

I welcome all of our witnesses today for this hearing so that we can conduct our oversight responsibilities on the NODO (Nutrition, Oversight, and Department Operations) Subcommittee.

We will now proceed to hearing your testimony. You will each have 5 minutes. The timer should be visible to you on your screen and will count down to 0, at which point, your time has expired.

Mr. Rodriguez, if you are ready, please begin your testimony.

# STATEMENT OF CARLOS M. RODRIGUEZ, PRESIDENT AND CHIEF EXECUTIVE OFFICER, COMMUNITY FOODBANK OF NEW JERSEY, HILLSIDE, NJ

Mr. RODRIGUEZ. Thank you, Chairwoman Hayes and Ranking Member Bacon, as well as distinguished Committee Members, for the invitation to testify today. I am grateful to share my perspective on the levels of food insecurity in my community and how critically important nutrition distribution programs are to assist.

The Community FoodBank of New Jersey is a member of Feeding America, the largest hunger relief network in the country. A network of more than 200 food banks and over 60,000 local partner agencies. This network helped provide 6.6 billion meals to tens of millions of people in need last year. Like our sister food banks across the country, the Community FoodBank of New Jersey works to fight hunger by engaging, educating, and empowering our community. We provide food for immediate need, connect families with critical financial resources, and address root causes of hunger. We work across sectors to create food security for all, and work with a wide variety of private and Federal food sources to secure donated and purchased essential groceries. Through this large, decentralized grassroots network of more than 800 community-based feeding programs, in 2021, we distributed food to support more than 85 million meals in 15 of the 21 New Jersey counties, where 800,000 residents struggle with food insecurity, including 200,000 children.

In the circumstances we face today, there is more uncertainty in front of us than stability. I want to be clear that despite the significant actions that have been taken, our concerns about the charitable food supply keeping pace with need are serious. Any time there is a natural disaster or economic crisis, low-income families and individuals are the last to recover. Although the overall statistics of our national economy have rebounded with low unemployment, the families we serve are still on a longer road to recovery, particularly as the direct pandemic relief measures phase out.

During an early pandemic distribution, I met a mom of two and a caretaker for her own elderly mom. Marissa was in a miles-long line for emergency food assistance. Having been furloughed from her job at a daycare a few months before, her savings were enough to pay for 2 months' rent and expenses before she found herself running critically low on funds. She was unsure what the future would hold for her family when she turned to the food bank for help. She told us right now, we are just living day by day. The struggles of our neighbors and food bank challenges continue to be complicated, not just by current supply chain disruptions and temporary increases in food prices. These challenges are all felt across the food bank network.

Feeding America reports that costs to transport donated food has increased 20 percent since last year. Our own transport costs jumped 34 percent in a single year due to COVID. COVID has dramatically altered the mix of food that we source. A drop in donations necessitated a dramatic increase in food purchases, 58 percent nationally, and our own food purchases more than tripled in a single year. For these reasons, our national network of food banks has requested, and I encourage this Committee to support, an additional \$900 million for TEFAP in Fiscal Year 2022 spending legislation. With investment from the Federal Government, the United States has the potential not just to emerge from this crisis stronger and better positioned to meet the evolving needs of our communities, but towards ending hunger in America. We applaud the actions taken by Congress and USDA, and a special thank you to Secretary Vilsack for his heartfelt note last night, which have been critical to support communities and families since the start of the pandemic. Bipartisan Federal intervention and an unprecedented response from the charitable food system helped prevent food insecurity from increasing even higher in 2020.

We will overcome supply chain challenges, but to achieve the reality of people in America not facing hunger, we have to commit with increased fervor. There were tens of millions of people in America facing hunger before the pandemic, and that is still true today. Yet, as stated, an unprecedented response can achieve significant change. The most significant source of USDA Foods is The Emergency Food Assistance Program, or TEFAP. It smoothes out volatility that the pandemic-related supply chain challenges have caused. It provides stable source of food for the network. Today, TEFAP offers more than 120 foods. It is the backbone of charitable food system with an impact that is felt across every state in the country.

The food banks and Feeding America network are uniquely capable of working to reduce food insecurity. Through 40 years of growing our capacity, building public and private partnerships, responding to numerous crises, and driving innovation, we have certainly seen a lot. I hope my testimony and the questions I am open to answering have demonstrated the critical value of USDA food programs, TEFAP chief among them, to the work food banks do to address and prevent hunger among our neighbors. TEFAP's stabilizing effect on the food supply as a reliable source of nutritious food for families in need has never been more important.

Thank you.

# [The prepared statement of Mr. Rodriguez follows:]

#### PREPARED STATEMENT OF CARLOS M. RODRIGUEZ, PRESIDENT AND CHIEF EXECUTIVE OFFICER, COMMUNITY FOODBANK OF NEW JERSEY, HILLSIDE, NJ

Dear Chairwoman Hayes and Ranking Member Bacon,

## Who We Are

Thank you for the invitation to testify at today's hearing, a *Review of USDA Nutrition Distribution Programs.* My name is Carlos Rodriguez and I am President and CEO of the Community FoodBank of New Jersey. I am grateful for the opportunity to share my perspective on the levels of food insecurity in my community and how nutrition distribution programs assist in ensuring we have enough nutritious food to serve any one who walks through the doors of the food bank and our partner agencies.

The Community FoodBank of New Jersey is a member of Feeding America, the largest hunger-relief network in the country. Through a network of more than 200 food banks, 21 statewide food bank associations, and over 60,000 partner agencies, food pantries and meal programs, our food bank and the Feeding America network helped provide 6.6 billion meals to tens of millions of people in need last year. Like our sister food banks across the country, the Community FoodBank of New Jersey works to fight hunger by engaging, educating and empowering our community. We provide food for immediate need, connect families with critical financial resources, and address root causes of hunger, working across sectors to create food security for all. We work with a wide variety of retailers, farmers, manufacturers, distributors, and Federal programs to secure donated and purchased essential groceries. We distribute this food through a large, decentralized grassroots network of more than 800 community-based feeding programs. In 2020, we distribute food to support more than 85 million meals through our network of partners in New Jersey, where 800,000 residents struggle with food insecurity, including 200,000 children.

Our work depends on broad community support. Feeding America food banks are supported by millions of volunteers, who help us pack food boxes, organize and manage food distributions, and address other client needs. In addition to managing a food supply chain that moves 7.5 billion pounds of food in 2020, the national network of food banks also provides a variety of additional programs and services, ranging from food pharmacies and nutrition education to job training and assistance with applying for benefit programs. Collectively, we serve children, families and seniors in every county in the United States, including each of the 21 counties in New Jersey.

The food banks in the Feeding America network are uniquely capable of working to reduce food insecurity. Through forty years of growing our capacity, building public-private partnerships, responding to crises and driving innovation, we've seen it all.

#### **Demand We Are Seeing**

Between disruptions to the supply chain, increased need for help, and adoption of new safety protocols that shifted our distribution models, the pandemic presented a perfect storm for the charitable food system. We are still feeling those effects today. The COVID-19 pandemic continues both to significantly impact people facing hunger, and to challenge food banks to meet higher demand for emergency food assistance. Feeding America food banks have reported a 40 percent average increase in demand for food assistance, and nearly 40 percent of people served at food banks since the beginning of the pandemic are new to the charitable food system. Our experience in New Jersey matches these national trends.

There were tens of millions of people in America facing hunger before the pandemic and that is still true today. In 2020, 38 million people (one in eight individuals), including 12 million children (one in six children) were food-insecure, up from 35 million in 2019. In addition, households with children were 1.7 times more likely to face hunger compared to households with no children. Households headed by single women are 2.6 times more likely than average to face hunger. Bipartisan Federal intervention and an unprecedented response from the charitable food system helped prevent food insecurity from increasing even higher in 2020. According to data compiled by the Urban Institute, 60 million people accessed charitable food assistance in 2020, an increase of 50% over the prior year (Source, Charitable Food assistance report from FA: https://www.feedingamerica.org/research/charitablefood-access).

COVID-19 Recovery Legislation and investments in nutrition programs in the American Rescue Plan Act have helped support families and reduce some of the demand our food bank is seeing, but demand is continuing to exceed pre-pandemic levels. With the sustained demand for food assistance, people facing hunger and food banks across the nation will need additional investments in nutrition programs to put food on the table.

Our work to provide enough nutritious foods for households in New Jersey is complicated by current supply chain disruptions and temporary increases in food prices. These challenges are felt across the food bank network. Feeding America reports that the cost to transport donated food to food banks has increased 20% since last year. Our own transport costs jumped 34% in a single year due to COVID.

In addition, COVID has dramatically altered the mix of food sources that food banks are accessing in order to keep up with pandemic needs. A drop in donations has necessitated dramatic increases in food purchases—up 58% nationally for FY21 from the previous fiscal year (1,096M meals *vs.* 692M). The Community FoodBank of New Jersey's food purchases more than tripled in a single year.

At the same time, food from USDA commodities are also lower this year. USDA foods, some of the most nutritious foods our network distributes, are the backbone of our network's food supply. This vital food source is expected to decline by up to 30%.

**CFBNJ Food Sourcing Trends and Plans** 



The most significant source of USDA foods is The Emergency Food Assistance Program, or TEFAP, which helps smooth out the volatility that pandemic-related supply chain challenges have caused by providing a stable source of nutritious food for our network.

# What is The Emergency Food Assistance Program (TEFAP)

Since its inception in the early 1980s as a program to connect surplus commodity products with emergency feeding organizations, TEFAP has served a dual purpose of providing nutritious food to the nation's charitable community while supporting U.S. grown commodities. As the program proved its efficacy and efficiency, it expanded to become an essential part of how food banks and other local organizations provide food to people in need. Today, TEFAP offers more than 120 foods, including fruits and vegetables, eggs, meat, poultry, fish, nuts, milk and cheese, and wholegrain and enriched grain products, including rice, cereal, and pasta. It is the backbone of the charitable food system with an impact that is felt in every state across the country.

The Feeding America network is the largest TEFAP participant, with 193 of our 200 food banks receiving and distributing TEFAP foods. Feeding America food banks receive TEFAP foods through their respective states and then distribute the food directly to local organizations, including food pantries, soup kitchens, and shelters.

States and the Feeding America food bank network place food orders with USDA, which then works with the food industry to fulfill the orders. Each state is required to determine how TEFAP foods are distributed, and they oversee the agencies that distribute the food. The Federal statute requires states collect streamlined informa-

tion on who is in need of emergency food assistance, specifically name, address, number in household, and income. States have significant flexibility to structure TEFAP operations to meet the needs of local communities, something the state of New Jersey was a critical partner on throughout the pandemic.

TEFAP Bonus commodity purchases are driven by the need for commodity support as prices for commodity foods fluctuate. When the price of an agricultural commodity falls so low that the market for it is in danger, the Department of Agriculture spends money to purchase enough of that commodity to stabilize the market. These purchased foods are then distributed through the TEFAP program to those who need a helping hand. This is a highly-efficient public private partnership, supporting agricultural markets, while allowing for the purchase of nutritious food when it is at a very low price point.

The farm bill also authorizes funds to support the storage and distribution of TEFAP commodities, although this is not mandatory funding and depends on an annual appropriation. These are dollars spent to help defray the cost of storing commodities and then moving them to the distribution point so they can be accessed by our clients. Unfortunately, the funds Congress has historically appropriated for the purposes of TEFAP storage and distribution are significantly less than the costs incurred by our food bank members. Food banks make up the shortfall for the storage and distribution costs to ensure equitable and efficient distribution of TEFAP foods into the community. If Congress were to appropriate the full authorized amount of storage and distribution funds, food charities would have additional resources to provide services in their communities.

#### How TEFAP Helps

The Emergency Food Assistance Program illustrates how a government program, nonprofits, and the private sector can work together to provide targeted, accessible, and cost efficient food assistance that is responsive to immediate need in local communities. TEFAP is a very responsive program, because it can be accessed by struggling families and individuals on an as needed basis. After a sudden emergency leaves a family without money, there is a place to turn. For many of the people we serve, the need for food assistance can be episodic and due to unexpected expenses, such as a car breaking down or a sudden layoff. TEFAP helps fill the gaps when this happens.

In addition to the food provided to food banks and other nonprofits by USDA, support for food assistance through other nutrition programs plays a critical role in feeding families and individuals in our communities and across the country. Our food-insecure neighbors rely heavily on an array of Federal programs such as SNAP, school lunches, WIC, and senior meals to meet their families needs. Millions of Americans would not have the food they need to survive without the continued support of strong Federal nutrition programs.

SNAP is the most important of these programs and stands as the nation's first line of defense against hunger. Feeding America food banks will distribute between six and seven billion meals this year. SNAP provides nine times that amount of food. Continuing to invest in SNAP will reduce food insecurity, improve health outcomes, reduce burden on food banks, and continue to stimulate local economies.

## What More is Needed

We applaud the actions taken by Congress and USDA, which have been critical to support communities and families since the start of the pandemic. These actions have led to innovative school meal delivery programs like Pandemic EBT, SNAP emergency allotments for the duration of the public health emergency, an additional \$1.2 billion in short-term TEFAP funding in 2020, and an estimated \$2 billion in USDA funding for emergency food assistance in 2022. In 2020, USDA foods provided 2.4 billion out of the 6.1 billion meals that the Feeding America network distributed.

2.4 billion out of the 6.1 billion meals that the Feeding America network distributed. We anticipate total food delivered from USDA to have dropped 30% in 2021 compared to 2020 due to the end of USDA's trade mitigation food purchases and other temporary programs. Although actions taken by USDA to support the emergency food network will help provide \$2 billion in support in Fiscal Year 2022, we are concerned it can't keep pace with the headwinds and continued demand we are seeing. Congress can help the families we serve by providing additional funding for TEFAP food purchases in FY2022 spending legislation, building on the strong foundation of TEFAP food USDA already expects to provide in 2022.

The Community FoodBank of New Jersey is grateful for the continued partnership between the USDA, farmers, and agriculture partners to provide healthy, nutritious U.S. grown commodities to community members in need. We also look forward to continuing to work with Congress to ensure continued investments in TEFAP and other Federal nutrition programs to serve families facing hunger. We also hope that Congress will pass additional essential support programs for the people we serve in The Build Back Better Act, which is a strong down payment on the investments that are needed to drastically reduce hunger and poverty for millions of children nationwide. These provisions are a critical step forward for millions in our country struggling to make ends meet—particularly for children facing hunger in this country.

#### Conclusion

I hope my testimony has demonstrated the critical value of USDA food programs, TEFAP chief among them, to the work food banks do to address and prevent hunger among our neighbors. TEFAP's stabilizing effect on the food supply as a reliable source of nutritious food for families in need has never been more important.

In the circumstances we face today, with more uncertainty in front of us than stability, I want to also be clear that despite the significant actions that have been taken, our concerns about the food supply keeping pace with need are serious. Any time there is a natural disaster or economic crisis, low-income families and individuals are the last to recover; this crisis has left no community untouched. Although the overall statistics of our national economy have rebounded, with low unemployment, the families I serve are still on a road to recovery.

For these reasons, our national network of food banks has requested—and I encourage this Committee to support—an additional \$900 million for TEFAP in FY 2022 spending legislation. With investment from the Federal Government, the United States has the potential to emerge from this crisis stronger and better-positioned to meet the evolving needs of our communities and to end hunger in America. Sincerely,

Carla Hordingen

CARLOS RODRIGUEZ, President & CEO, Community FoodBank of New Jersey.

The CHAIRWOMAN. Thank you, Mr. Rodriguez.

I now recognize Ms. Greene Trottier. If you are ready, please begin your testimony.

# STATEMENT OF MARY GREENE TROTTIER, PRESIDENT, NATIONAL ASSOCIATION OF FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS; DIRECTOR OF FOOD DISTRIBUTION PROGRAMS, SPIRIT LAKE TRIBE, FORT TOTTEN, ND

Ms. GREENE TROTTIER. Good morning, everyone. Chairwoman Hayes, Ranking Member Bacon, and Members of Congress, my name is Mary Greene Trottier, and I am member of the Spirit Lake Tribe in North Dakota. I serve as President of the National Association of Food Distribution Programs on Indian Reservations. I also serve as the Director for my program serving food distribution, commodity food, and also senior farmers' markets. These programs are a critical part of our food security safety net in our Tribal community, as well as other Tribal communities across the country. I would like to thank the Committee for asking me to testify today.

A little bit about food distribution. We provide food assistance and nutrition education to nearly 100,000 people across Indian Country each month. We also employ local and Tribal community members in over 100 Indian Tribal organizations who administer the programs locally for citizens of 276 different Tribes. Over half of our FDPIR participants are working men and women, many of whom have children at home, in addition to nearly half of the FDPIR household members who have a household member over the age of 60. FDPIR is a critical part of our food security safety net for rural and remote reservation communities where many of our people lack the access to a grocery store or convenience store that might serve as a SNAP vendor. It is also critical as a stop-gap for our Tribal citizens in places with no food, with no, or limited, access to storage or transportation. [inaudible] operations, we serve over 100 ITOs in Indian Country—

The CHAIRWOMAN. Excuse me. I am sorry. Ms. Greene Trottier, can you suspend for just a second? I must remind all members to please mute your lines so that we can hear the testimony of the witnesses. Thank you.

Ms. Greene Trottier, I am sorry about that. Please continue.

Ms. GREENE TROTTIER. One distribution practice is known as tailgating, and essentially consists of delivery out of the back of a truck to clients who are homebound or otherwise may be unable to pick up food for the month. Poor internet access makes the practice of tailgating very difficult. Tribal communities have some of the lowest access to broadband in the entire country, and where that access does exist, it comes with an average speed 66 percent slower than any other areas. This is especially problematic for FDPIR when we are transferring to a new inventory system that doesn't accommodate mobile usage, so that cripples our tailgating sites and finding it difficult, if not impossible, to use the new software developed on tailgating sites. Mobile markets would be another addition that would be beneficial for FDPIR sites.

Other inventory management software programs exist that could both meet Federal data and privacy standards and work better for ITOs, so there are other models out there that we are looking to use.

In the spirit of self-determination and to solve some of these problems, Tribes have recently requested that USDA look more broadly at allowable software systems that better suit our daily operations. While USDA has agreed they have the legal authority to authorize this, it has not yet utilized that authority to—and unable to present a timely time table for FDPIR. We will continue to work with our Tribal leadership to discuss this issue and the government-to-government consultation with USDA officials.

Some of the impacts that we have had for food distribution, the COVID pandemic has had a disastrous impact on supply chain issues and the U.S. overall food system, and FDPIR has significantly felt those impacts. When the pandemic began in March 2020, our program saw an immediate rise in participation, with half of ITOs reporting that they certified over 600 new households in 1 week during the first week in March.

The rise in participation put a strain on inventory initially. Fresh produce deliveries were significantly delayed and are even feeling the impacts of the supply chain crisis right now, especially with fresh produce, which is one of our important products that we offer for our participants.

One of the ways that we can address these issues would be through opening up more local sourcing opportunities for these products in a way that looks similar to what USDA accomplished in the early rounds of the Farmers to Families Food Boxes. ITOs would be willing to work directly with local vendors to source local fruits and vegetables. It would eliminate a whole host of fresh produce delivery problems. The food would be traveling shorter distances, and therefore far less likely to arrive spoiled or rotten. By prioritizing local purchasing, it would also provide that market opportunity for native producers.

Investing in agriculture through nutrition programs is a huge benefit for everyone. Tribal citizens will have more access to good food, and native producers will have a chance to grow their businesses, create jobs, and support the local Tribal economy.

The 2018 Farm Bill made several adjustments for FDPIR that ITO program managers and Tribal leaders have been seeking for a long time. One of the most exciting changes is the "638"\* demonstration project. This project acknowledges Tribal sovereignty and food system by authorizing Tribes to procure foods directly for the food package instead of going through USDA and having the Federal Government choose what food products are best for us. The 638 contracts started working a couple of months ago, and they are already ensuring that Tribally-grown nutritious foods are making their way to the tables of Native Americans.

Although 638 contracts were awarded at the end of September 2021 and Tribes were prepared immediately to purchase and provide these Native American produced foods to their own people, the system issues delayed them. At least two out of the 638 Tribes have had the decision to make to either wait up to 8 additional weeks to start delivering fresh produce to their participants, or undertake the process of manually recording inventory until the product codes can be pushed through the system. So, there are some glitches—

The CHAIRWOMAN. Ms. Greene Trottier—

Ms. GREENE TROTTIER.—with our inventory management system that we need to address, upgrade, and keep our inventories accurate.

[The prepared statement of Ms. Greene Trottier follows:]

PREPARED STATEMENT OF MARY GREENE TROTTIER, PRESIDENT, NATIONAL ASSOCIATION OF FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS; DIRECTOR OF FOOD DISTRIBUTION PROGRAMS, SPIRIT LAKE TRIBE, FORT TOTTEN, ND

#### Introduction

Chairwoman Hayes, Ranking Member Bacon, and Members of the Committee, my name is Mary Greene Trottier. I am a member of the Spirit Lake Sioux Nation and President of the National Association of Food Distribution Programs on Indian Reservations (NAFDPIR). I also serve as the manager for my food distribution program in Fort Totten, North Dakota, where we regularly serve approximately 850 people through FDPIR each month. This program is a critical part of our food security safety net in my community, and I would like to thank the Committee for asking me to testify today about this important program.

#### About FDPIR

The Food Distribution Program on Indian Reservations (FDPIR) provides both food assistance and nutrition education to nearly 100,000 people across Indian Country each month. The program employs Tribal and local community members in over 100 Indian Tribal Organizations (ITOs) who administer the program locally for citizens of 276 different Tribes. While over  $\frac{1}{2}$  of FDPIR participants are working men and women, many of whom have young children at home, FDPIR also serves a significant number of elders—nearly  $\frac{1}{2}$  of FDPIR households have members over the age of sixty.

 $<sup>\</sup>ast$  Editor's note: 638 refers to Pub. L. 93–638, the Indian Self-Determination and Education Assistance Act.

We employ Tribal members like myself at ITOs across the country, where we serve our communities as ITO managers, ITO staff, warehouse employees, and more. FDPIR has also provided a means for some of our Tribal food businesses and producers to access the USDA Commodity Foods market and sell food directly to USDA for use in our food packages. In this way, our participants gain access to traditional foods like wild rice, bison, blue cornmeal, salmon, and catfish, while Tribally owned food businesses see the benefits of economic development through agricultural production. Recent developments in the 2018 Farm Bill have further opened up that market opportunity for our Tribal producers, and I will discuss those impacts later in my testimony.

The products, and 1 will be products, and 1 will discuss those in pacts later in my testimony. FDPIR is a critical part of our food security safety net for our rural and remote reservation communities where many of our people lack meaningful access to a fullservice grocery store or convenience store that might serve as a Supplemental Nutrition Assistance Program (SNAP) vendor. As a commodities program providing food directly to our participants, FDPIR serves as a critical stopgap for Tribal citizens in places with no or limited access to stores or transportation. In addition to providing a food package that ranks incredibly high on the USDA's Healthy Eating Index, we also strive to provide nutrition education opportunities to our participants, to the extent that we are able with our limited nutrition education funding. The ITO program managers who administer this program across Indian Country have been working with their Tribal leadership for decades—some of us since the

The ITO program managers who administer this program across Indian Country have been working with their Tribal leadership for decades—some of us since the program began in the 1970s—to improve the quality and nutrition of the products offered in the food package. Today, because of that work and advocacy, we offer fresh fruits and vegetables in the food package year-round, as well as a small but growing variety of traditional and culturally appropriate foods, including wild rice, bison, salmon, blue cornmeal, lamb and mutton, catfish, and more. These foods are not only incredibly nutritious—high in omega 3 fatty acids that support heart health and cognition—but they are also more frequently being sourced from Tribal food producers, which supports Tribal economies across Indian Country.

#### **Current Operations**

Currently, FDPIR is serving approximately 75,000–80,000 people each month across Indian Country, administered on the ground by a little over 100 Indian Tribal Organizations (ITOs), the Indian Country equivalent of State Agencies. Although Federal regulations are in place that guide the overall structure of the program and available foods in the package, ITOs do have some flexibility with program setup and delivery. Some ITOs are set up as a warehouse model where participants come to pick up assembled food packages, while others are set up as a storefront concept where participants come and shop for their monthly food package like they would in a store, selecting allowable products as determined by USDA. One of the distribution practices in FDPIR that has received some criticism is the

One of the distribution practices in FDPIR that has received some criticism is the practice of tailgating, or what is essentially delivery of FDPIR food packages to participants who may be homebound or otherwise unable to come to the ITO for pickup. While I do not agree that tailgating should be ended, because in many cases those deliveries are the only ways Tribal elders receive their food packages, the criticisms of this practice that have come from some Tribal nutrition advocates are understandable. From their perspective, this practice is a direct callback to a time when the Federal Government "fulfilled" its trust responsibility to Tribal Nations by dumping rotting foodstuffs in Tribal communities. The impact of that historical trauma is still present in our communities today, and that drives a lot of the critiques of tailgating. Modern tailgating as offered by Tribas, for Tribal citizens, however, is not at all like that horrible practice of dumped food from a faceless and uncaring Federal Government. Instead, ITOs making food deliveries and tailgating today do it as part of a service to their community. Food is delivered safely in refrigerated vehicles where refrigeration is needed, and prior to COVID–19 and the need for social distancing, ITO staff would often be welcomed into our elders' homes to help unpackage heavy boxes of food and visit with them at the same time, providing a vital social lifeline for our homebound elders.

The main issue we are actually having with tailgating now is not bad service from the Federal Government, but bad internet service. Tribal communities have some of the lowest access to broadband in the entire country, and where that access does exist it comes with an average speed that is 66% slower than other areas. This is problematic for FDPIR for many reasons, but especially now as we are working to transition to a new inventory management software. This software, the Integrated Food Management System (IFMS) was developed by a Federal contractor using USDA specifications. Unfortunately, despite early feedback and concerns from ITOs, IFMS does not accommodate mobile usage, so sites that offer tailgating services are finding it difficult if not impossible to utilize this new software on tailgating runs because of the lack of mobile functionality and limited internet service. To be able to properly adjust inventory while on deliveries, the software needs to be able to function on a mobile phone using cellular data, or more ideally, a strong WiFi signal, neither of which is currently possible with the system as developed.

There are other inventory management software programs that could both meet Federal data and privacy standards and work better for ITOs. In the spirit of selfdetermination and to solve some of these problems ourselves, Tribes have recently requested that USDA look more broadly at allowable software systems and authorize FDPIR sites to use our administrative funds to support licensing our own software that suits our daily operations. While USDA has agreed that they do have the legal authority to authorize this, the Department has not yet decided whether or not they want to utilize that authority. We continue to work with our Tribal leadership to discuss this issue in government-to-government consultation with USDA officials, and just concluded a consultation yesterday on this issue.

# Pandemic Impacts on FDPIR

The ongoing COVID-19 pandemic has had disastrous impacts on supply chains and the overall U.S. food system, and FDPIR has certainly felt those impacts as well. When the pandemic began in March 2020, our program saw an immediate rise in participation as Tribal Governments closed borders and businesses to try and slow the spread of the coronavirus. Between March and April 2020, the program as a whole saw a 14% average rise in participation, with 50% of all ITOs reporting that they certified over 600 new households in 1 week in March 2020. That rise in participation put a strain on inventory initially, with 66% of ITOs reporting in March/ April 2020 that they were out of some inventory items and 43% of ITOs reporting that fresh fruits and vegetables were out of stock.

Fresh produce deliveries were very much impacted by the pandemic. Many of our sites are so rural and remote that fresh produce trucks servicing our sites are not only carrying produce for FDPIR on their delivery trucks, but also shipments for local schools, restaurants, and other businesses. As schools and restaurants closed down in response to the pandemic, those delivery companies could no longer fill trucks and justify the expense of sending a driver and paying for fuel to just one site—so in my region, Mountain Plains, we had deliveries of produce that were incredibly delayed. Delaying shipment of fresh produce of course means that there is a higher potential for produce to be spoiled when it does finally arrive, and waiting for USDA to work with the Department of Defense Fresh Program to replace that produce frequently took weeks. This reduced the fresh produce offerings we were able to provide to our participants. Those issues have not entirely stopped, either even now in late 2021, we are still experiencing supply chain issues around fresh produce.

One way to address the ongoing produce issues that some FDPIR sites experience would be opening up more local sourcing opportunities for those products, in a way that looks similar to what USDA accomplished with the early rounds of the Farmers to Families Food Box Program in 2020. When that program debuted, Tribal leaders and the NAFDPIR Board recognized the model AMS was using immediately, because it was exactly what we have been asking for in FDPIR for years. Moving to a system like Farmers to Families, where ITO's and Tribes are able to work directly with local vendors to source fresh fruits and vegetables would eliminate a whole host of fresh produce delivery problems and result in more regular offerings of nutritious food for our participants. Because the food would be traveling shorter distances, it would also be far less likely to arrive spoiled or rotten, and because we would be prioritizing local purchasing it would also provide that market opportunity for Native producers. Investing in agriculture through nutrition programs is a huge benefit for everyone: Tribal citizens have more access to good food, and Native producers have a chance to grow their businesses, create jobs, and support the local Tribal economy.

#### Farm Bill 2018 Implementation: "638" for FDPIR

The 2018 Farm Bill made several adjustments to FDPIR that ITO program managers and Tribal leaders had been seeking for a long time, but the most exciting one of those changes is likely the application for the first time of "638" authority to USDA. This demonstration project acknowledges Tribal sovereignty in food systems by authorizing Tribes to produce food products directly for the food package instead of going through USDA and having the Federal Government choose what food products are best for us.

The first 638 contracts started work just a couple of months ago, and are already ensuring that Tribally grown nutritious foods are making their way to their participants, like halibut in programs served by the Alaska Native Tribal Health Consortium; bison, whitefish, wild rice, apples and lake trout from Oneida and Menominee; walleye, shell eggs, and an entire package of fresh produce from Little Traverse Bay Bands of Odawa Indians; beef and roast beef from Chickasaw Nation; fresh produce from Mississippi Band of Choctaw Indians; salmon from Lummi Nation; and whitefish, wild rice, and fresh produce from Red Cliff Band of Superior Chippewa. These contracts and associated award costs totaled \$3.5 million in spending, leaving USDA with \$2 million remaining in current appropriations to continue the good work this program is doing for Tribal citizens and Native food producers. Aside from ensuring that the demonstration project continues to receive annual

Aside from ensuring that the demonstration project continues to receive annual appropriations of at least \$3 million, if not the full \$5 million authorized by the 2018 Farm Bill, one of the more significant hurdles to swiftly implementing this provision has actually been the computer systems issue that I raised earlier. Because the food products Tribes are sourcing have not previously been part of the food package, they must have product codes created for them so that they can be received into and processed out of site inventory. This is a best practice for inventory management that ITOs are happy to follow, however, the delays in addressing technical issues with IFMS have also delayed creation and deployment of these new product codes. The end result of this delay is that although 638 contracts were awarded at the end of September 2021 and Tribes were prepared to immediately purchase and provide Native produced foods to their people through these contracts, the system was not ready to receive them. At least two of the 638 Tribes have had to make the decision to either wait up to 8 additional weeks to start delivering fresh products to their participants, or undertake the process of manually recording inventory until product codes can be pushed out through system updates. All of these things may sound like a normal cost of doing business in a retail envi-

All of these things may sound like a normal cost of doing business in a retail environment—but it's important to remember that FDPIR is not a retail environment. Our program is a public service that provides food to our people, and in some cases, we are their sole source of nutritious food products or nutrition education, especially nutrition education done in a culturally relevant way. As Tribal Nations, we also come to the administration of this program from a different perspective than similar commodity programs run primarily for non-Native audiences. For Tribes, this is a matter of sovereignty and a means of renewing our food systems in a good way that seeks to heal from some of the past historical trauma associated with Federal food provisioning, like the example about food dumped on riverbanks. Those traumas are still associated with food in our communities, and that means when problems like these discussed here today continue to occur over decades in a program we see as an extension of the trust responsibility the Federal Government owes to Tribal Nations, we view those problems not just as frustrations, but as further disparate treatment from the Federal Government.

Continued Nation to Nation consultation with USDA has gone a long way to solving some of our longstanding programmatic issues, however. Over the past three Presidential Administrations our Tribal leaders have talked directly with USDA officials about FDPIR and the service it provides to our communities. We are hopeful that this continued dialogue will support further progress, not only for FDPIR, but for other commodity assistance programs, such as the Commodity Supplemental Food Program (CSFP). CSFP is one of the only other commodity programs that Tribes are legally eligible to administer—others, like The Emergency Food Assistance Program (TEFAP) currently do not include Tribal Nations as statutorily eligible to administer. I run my Tribe's CSFP program in addition to our FDPIR program, and can state unequivocally that there is significant work to be done in bringing CSFP food offerings up to the standard that we are able to offer in FDPIR. The inventory we are provided through CSFP is not of the same quality as FDPIR and often comes in truly bizarre packaging—one recent example from the past year were gallon Ziploc bags of spaghetti sauce intended to be handed out through CSFP to our Tribal elders. We have requested consultation with USDA on these and similar CSFP issues and hope to open up that conversation soon so that we can address some of these problems.

## Future Policy Pathways to Improved Nutrition Distribution Service in Indian Country

Expanding the FDPIR 638 demonstration project from the 2018 Farm Bill and making it permanent, with mandatory funding, would be a wonderful pathway to continue increasing Tribal citizens' access to nutritious, traditional and culturally appropriate foods, as well as fresh fruits and vegetables. The program could also use another influx of infrastructure dollars—the \$50 million in CARES Act funds that Congress appropriated last year for this was a significant help to program sites that have not been able to upgrade their warehouse facilities and vehicles in decades, but the cost increases in materials for those upgrades, especially construction, meant that not every FDPIR site was able to take advantage of that new funding to response to coronavirus pandemic impacts. Some FDPIR sites actually declined to apply for the funds because they knew their neighboring sites or other sites in their regions had deeper needs. Another influx of infrastructure dollars would help serve every site and make sure each ITO has their needs met.

We also need increased access to nutrition education dollars so that Tribes can provide nutrition education directly to Tribal citizens instead of forcing us to go through State Agencies to access those funds. The President's FY22 budget requested a small increase in nutrition education funds for FDPIR, which is a great start. But the largest pool of nutrition education dollars in USDA's programming is the SNAP-Ed program, and Tribal Nations and ITOs are not included as eligible applicants for these programs. That would require a statutory change in the 2023 Farm Bill. Having an increased opportunity to provide nutrition education right now would be well-timed, as our program is starting to see more traditional foods and fresh produce from the 638 contracting, and USDA is partnering with Indigenous chefs like Sean Sherman to do demo recipes using those traditional foods. That kind of Indigenous-led education about our foods reconnects Indigenous people to the nutritious foods that kept us healthy and thriving for thousands of years, but we currently lack the funding capacity within our program to provide that as a regular service. Instead, ITOs compete for a small amount of funding annually that cannot cover every FDPIR participant. This pits Tribes against each other when we could be working more cooperatively if we were all fully eligible for funding, but ultimately the people who are harmed by this lack of funding are our Tribal citizens.

of Indigenous-led education about our foods reconnects Indigenous people to the nutritious foods that kept us healthy and thriving for thousands of years, but we currently lack the funding capacity within our program to provide that as a regular service. Instead, ITOs compete for a small amount of funding annually that cannot cover every FDPIR participant. This pits Tribes against each other when we could be working more cooperatively if we were all fully eligible for funding, but ultimately the people who are harmed by this lack of funding are our Tribal citizens. It is always important to remember that not every Tribe is a self-governance Tribe, however, and we need to continue to see policies that support both self-governance and direct service Tribes in feeding their people the best possible food. Working with USDA to offer more localized purchasing of fresh fruits and vegetables through the Agricultural Marketing Service (AMS), for example, would be a way to support direct service Tribes; expanding 638 to source more foods and making that a permanent part of the program would support self-governance Tribes. Both policy pathways lead to a place where Tribal citizens are eating better food likely sourced from Native producers, and both are important to have in place at the same time, because there is no one size fits all solution when you are addressing the needs of 574 sovereign Tribal Nations.

The CHAIRWOMAN. Thank you. Ms. Greene Trottier, we are over the 5 minutes.

Ms. Greene Trottier. Okay.

The CHAIRWOMAN. I would ask you to stop there. I apologize for calling you by the wrong name earlier. I skipped ahead in my script. Thank you.

I now recognize Mr. Kubik for 5 minutes of testimony. Please begin when you are ready.

#### OF FRANK KUBIK, DIRECTOR STATEMENT OF THE COMMODITY SUPPLEMENTAL FOOD PROGRAM, FOCUS: HOPE; MEMBER, BOARD OF DIRECTORS. NATIONAL COMMODITY **SUPPLEMENTAL** FOOD PROGRAM ASSOCIATION, DETROIT, MI

Mr. KUBIK. Thank you. Good morning, Chairwoman Hayes and Ranking Member Bacon, Members of the Subcommittee. Thank you for this invitation to speak about the Commodity Supplemental Food Program today. I am grateful for this opportunity.

CSFP has a long history of supporting our at-risk senior population by providing regular access to food items to supplement a healthy diet for them. The monthly food boxes provide a variety of items that can be incorporated into meals throughout a given month, reducing out-of-pocket costs and allowing senior income to be used for other food, medicine, or personal household needs, helping the senior to remain healthy and independent.

I want to thank this Subcommittee for improvements to the certification process in the last farm bill, and for their long consistent support for our program. Extending the certification period from 1 year to 3 years results in easing the paperwork burden on program operators, and more importantly, it allows senior participants, whose financial situation is not likely to change significantly, it allows them to stay enrolled in this important program while they need it the most.

We are hopeful that the next farm bill will address the issue of allowing seniors at risk to receive the program services that they need but are currently ineligible for. Removing the Medicare deduction from the senior's income determination is one idea that we are looking at.

These past 2 years have been challenging, not only for participants, but for the staff and volunteers who run CSFP. Normal practices had to be quickly set aside in the face of the pandemic to protect those most susceptible. Stay-at-home orders, social distancing, and personal protection for essential workers combined to help keep us safe, but forced our agencies to revamp many of their distribution practices for the safety of all involved. Thank you to the Food Nutrition Service at USDA for their additional administrative action to help participants of programs and the workers and volunteers to stay safe while distributing and receiving the needed food package.

The practice of participants entering a building to stand and wait in line for food was replaced by drive-through distribution boxes at many sites. Agencies set up social distancing areas and used personal protection equipment and drive-through pickup to allow participants to stay safe in their cars. Some put up tents in their parking lots to help staff and volunteers all through the elements. Others added or expanded delivery programs. Michigan winters are challenging, but the dedicated staff and volunteers stepped up to ensure that program participants continued to receive the nutritious food that they needed. Local agencies continued and expanded the use of proxies for food pick up, allowing seniors to stay home. They used automated calling services to announce closures and reschedule distributions. They used phone apps and signage to keep the lines moving. Some agencies used a third party, such as Amazon, to help deliver boxes to seniors who are homebound. And while these efforts kept distributions going, there are areas beyond their control that limited program operations.

Stay-at-home orders kept participants away from distribution sites. New COVID variants, personal safety concerns, and lack of personal transportation continue to limit participation. Despite all of this, agencies combined to serve their senior participants and not one senior in our program at Focus: HOPE went without their food box, no matter what their situation was in regards to COVID. Thank you to the dedicated staff and volunteers who make this possible.

CSFP became available in all 50 states in 2019. National program caseload has remained the same since 2019, with caseload adjustments made between regions and states to support distribution trends. We are working to maintain distribution levels and expect higher participation rates as the pandemic subsides and participant levels rise as previous participants return and new participants join in the program. In addition, beyond the effects of the pandemic, the population of potentially eligible CSFP participants is expected to grow as baby boomers age into the required age bracket.

States and partner agencies have the benefit of maintaining CSFP caseload and funding last year, and will benefit from the same opportunity moving forward as the program and participation stabilize.

I would like to take this opportunity to thank the USDA Midwest Region Food Nutrition Service and the Michigan Department of Education, Office of Health and Nutrition Services for all of their support in the State of Michigan and the entire Midwest region. They are great partners in the fight to end hunger in this country.

Working for others is an honor and a privilege. Thank you, Madam Chairwoman and Members of the Subcommittee, for allowing us to do our part and for your support of the Commodity Supplemental Food Program. We are deeply appreciative of you, and I know that the seniors who are on the program that you have impacted share my appreciation for all that you have done and continue to do on their behalf. Thank you for your continued support of CSFP and the seniors across the country who need their basic services.

Thank you very much.

## [The prepared statement of Mr. Kubik follows:]

PREPARED STATEMENT OF FRANK KUBIK, DIRECTOR OF THE COMMODITY SUPPLEMENTAL FOOD PROGRAM, FOCUS: HOPE; MEMBER, BOARD OF DIRECTORS, NATIONAL COMMODITY SUPPLEMENTAL FOOD PROGRAM ASSOCIATION, DETROIT, MI

#### Chairwoman Hayes and Members of the Nutrition Subcommittee,

My name is Frank Kubik. I am the Commodity Supplemental Food Program (CSFP) Director at Focus: HOPE in Detroit, Michigan and I am also a board member of the National CSFP Association. Thank you for the invitation to speak about CSFP here today. I am grateful for the opportunity to share the efforts and effects of the CSFP over the past 2 years.

CSFP has a long history of supporting our senior population by providing regular access to food items that supplement a healthy diet for seniors. The monthly food boxes provide a variety of items that can be incorporated into meals throughout a given month, reducing out of pocket food costs, and allowing senior income to be used for other food, medicine, or personal and household needs.

I want to thank this Subcommittee for improvements to the certification process for CSFP in the last farm bill. Extending the certification period for our senior participants from 1 year to 3 years resulted in easing the paperwork burden on program operators. More importantly, it allows senior participants, whose financial situation is not likely to change significantly, to stay enrolled on this important program while they need it the most. We are hopeful that the next farm bill will address the issue of allowing seniors to receive the program services while they may currently be ineligible but still in need of CSFP. Removing the Medicare deduction from a senior's income determination is one idea that we are looking at.

CSFP provides more than just food. Our distributions provide information on healthy meal planning and lifestyle choices. Where possible, some offer health screenings, cooking demonstrations, tax assistance, utility assistance, and even access to other food programs such as The Emergency Food Assistance Program (TEFAP). CSFP distributions provide social interaction and connection for seniors 60 years of age or older, providing comfort in the face of need.

My comments today are mostly representative of the experiences and efforts in Michigan, with some additional awareness of national efforts from my role as a member of the National CSFP Association. These past 2 years have been challenging, not only for our participants, but for the staff and volunteers who run CSFP. Normal practices had to be quickly set aside in the face of the pandemic to protect those most susceptible. Stay at home orders, social distancing, and personal protection for essential workers combined to help keep us safe but forced our agencies to revamp many of their distribution practices for the safety of all involved. The practice of participants entering a building to stand and wait in line for food

was replaced by drive through distribution of boxes at many sites. Agencies set up social distancing areas and used personal protection equipment and drive through pick-up to allow participants to stay safe in their cars. Some put up tents in their parking lots to keep staff and volunteers out of the elements. Others added or expanded delivery programs. They continued and expanded the use of proxies for food box pick up, allowing seniors to stay home. They used automated calling services to announce closures and rescheduled distributions. They used phone apps and signage to keep the lines moving. Some agencies used a third party, such as Amazon, to help deliver boxes to seniors who were homebound. And while these efforts kept distributions going, there were areas beyond their control that limited program operations

At times, some agencies had to close down due to quarantine and outbreaks. Stay at home orders kept participants away from distribution sites. New [COVID] variants, personal safety concerns, and lack of personal transportation continue to limit participation. The availability of CSFP food items decreased. Canned fruit and vegetables due to packaging material shortages, and Ultra High Temperature (UHT) fluid milk due to increase prices in the commercial food market, resulted in reduced food packages for extended periods of time, continuing still today for canned fruits and vegetables as national inventories continue to be replaced and built up to previous levels.

CSFP became available in all 50 states in 2019, as well as in six federally recognized Tribes and Puerto Rico. National program caseload has remained the same since 2019, with caseload adjustments made between regions and states to support distribution trends. We are working to maintain distribution levels and expect higher participation rates as the pandemic subsides and participant levels and expect ingi-vious participants return and new participants join to become active participants. In addition, beyond the effects of the pandemic, the population of potentially eligible CSFP participants is projected to grow as baby boomers age into the required age bracket.

While additional food program support was much needed over the past 2 years, programs such as CARES, Families First, [COVID] Supplemental, Farmers to Families, and others provided alternatives to CSFP participants that may have been more accessible at times. Those programs provided temporary support and have ended or transitioned into other programs, and CSFP is working back to full pack-ages for distribution as participants both old and new seek food support moving forward. States and partner agencies had the benefit of maintaining CSFP caseload and funding last year and would benefit from the same opportunity moving forward as the program and participation stabilize. Thank you again for the chance to share with you today.

The CHAIRWOMAN. Thank you, Mr. Kubik. I really appreciate vour testimony.

I will now move to Mr. Donaldson. If you are ready, please begin your testimony.

# STATEMENT OF DAVE DONALDSON, CO-FOUNDER AND CHAIRMAN, CITYSERVE INTERNATIONAL, BAKERSFIELD, CA

Mr. DONALDSON. Good morning, Chairwoman Hayes, Ranking Member Bacon, Chairman Scott, and Ranking Member Thompson of the full Agriculture Committee, and the Members of the Subcommittee. CityServe International offers the following comments on USDA's nutrition distribution programs and the role that faithbased organizations can provide in the execution of these programs.

I am grateful for your service on the Committee for a couple of reasons. First, I married a farmer's daughter from North Dakota, and I managed our ranch there for several years while she taught school. And so, she ran from bell to bell as well, Chairwoman Haves. But I know the value of family farms and what they offer to our nation.

Second, I know what it is like to go to bed hungry. In 1969, my parents were hit head-on by a drunk driver, killing my dad and debilitating my mother for many years. It was a village comprised of government, food banks, churches that provided food, clothing, and hope that we can make it through the crisis. Subsequently, my mother got on her feet and became a lead buyer for Dow Chemical. Now, let me just add, it was a combination of the aid, but also the life coaching of a trusted friend.

CityServe International is a 501(c)(3) tax exempt faith-based organization that provides logistical and structural guidance to churches that feel ill-equipped to fully reach the needs of their communities. CityServe is aware of TEFAP, CSFP, FDPIR, and while we acknowledge the goals of these programs, gaps exist among them in both rural and urban communities. Moreover, access to them to further drive down community and regional hunger has not been made available yet to our organization. Our experience with government funding programs is linked to USDA's Agricultural Marketing Services, Farmers to Families Food Box Program. By all acknowledgment, the Food Box Program was a new and innovative program geared to respond to anyone in the U.S. facing food insecurity due to COVID-19. The Food Box Program, however, was catalytic in discovering other needs of families that CityServe and our partners were able to tangibly meet, such as beds, diapers, school supplies, home furnishings that we provided through our many warehouse hubs and points of distribution.

But during each distribution, CityServe cultivated trusted relationships with under-resourced families, and we were able to successfully link many of them to public and private programs geared towards helping them move from dependency to stability.

Under the program, CityServe and its 2,000+ affiliated organizations, that include National Baptist Convention, World Vision, Hispanic networks, together we came together to make sure that the neediest among us would receive food. The program has effectively responded to the persistent economic disruptive effects in urban and rural communities, and also with our Tribal nations. And it was also transformative, reaching those acutely affected by the recent joblessness and long-term unemployment, and many had even given up on seeking employment opportunities and traditional government social support systems.

On a personal note, I participated in many of the distributions as part of the means testing, and spoke with people about their need for the food boxes. Nearly every person I spoke to said they were running out of food and felt alone in their struggle. And I cannot adequately describe the importance of the social interaction that this program brought to people that were cut off from the support systems of their friends and churches. And so, this degree of interaction was important. It may not be available in some of the traditional USDA food distribution outlets.

Many valuable lessons were learned from the Food Box Program. With these, CityServe and others across the country are right now attempting to replicate the program with private funding. CityServe is currently conducting a Food Box Program distribution in several states. We actually have instructions and recipes on how to really live a good balanced life. Despite the resources of the Federal Government and redeploying the Food Box Program, and its inclusion of faith and community-based organizations could significantly bridge gaps in current USDA programs and could curb food insecurity among all ages, genders, ethnicities in both rural and urban communities. CityServe highly encourages Congress to restore the Food Box Program as a tool within USDA's nutrition distribution programs.

CityServe thanks the Subcommittee for inviting us to provide testimony, and is committed to the conversation and action towards improving the efficiency, reach, and value of Federal nutrition assistance and distribution programs.

Thank you.

## [The prepared statement of Mr. Donaldson follows:]

#### PREPARED STATEMENT OF DAVE DONALDSON, CO-FOUNDER AND CHAIRMAN, CITYSERVE INTERNATIONAL, BAKERSFIELD, CA

Chairwoman Hayes, Ranking Member Bacon, and Members of the Subcommittee, CityServe International (CityServe) offers the following comments on USDA's nutrition distribution programs and the role that faith-based organizations can provide in the execution of these programs.

My name is Dave Donaldson. I am the co-founder and Chairman of CityServe International. I am grateful to each of you for your service on the Agriculture Committee for a couple reasons: First, I married a farmer's daughter from North Dakota and helped to manage our ranch in North Dakota for several years, so I know the value family farms bring to our nation. Also, I know what it is like to go to bed hungry. In 1969 my parents were hit head-on by a drunk driver killing my dad and debilitating my mother for many years. A village comprised of government, food banks and churches provided food and clothing with the hope that we could make it through the crisis. Subsequently, my mother got on her feet and became a lead buyer for Dow Chemical.

#### Background

CityServe International is a [501(c)(3)] tax-exempt faith-based organization that provides logistical and structural guidance to churches that feel ill equipped to fully reach and meet the needs of their local communities. Local needs and community initiatives include addressing hunger as well as meeting the needs of the poor and disaffected, the addicted, and the exploited. Through capacity and partnership building, CityServe assists in empowering churches to make greater community engagement and impacts across the world. CityServe's collaborative network includes faithbased nonprofits, corporations, retail stores, farmers, and ranchers among other food supply partnerships.

Since 2016 the CityServe supply chain comprised of warehouse "HUB's" channeled millions worth of household goods, furniture, school supplies, toys, and food to local churches serving their communities. Local churches are the primary Point of Distribution (POD). Each POD has committed to be actively involved with their neighborhoods and community through compassion initiatives. In 2020, CityServe and its Regional Affiliates distributed over \$500 million of in-kind gifts through PODs to needy families across America. At the urging of my wife who taught school for 13 years we are even developing Teacher Resource Centers to furnish teachers with school supplies. It should be noted that instead of this product ending up in landfills it is meeting tangible needs.

#### **Current USDA Nutrition Distribution Programs**

Specific to USDA's currently operated nutrition distribution programs, CityServe is aware of The Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program (CSFP), and the Food Distribution Program on Indian Reservations (FDPIR). CityServe acknowledges the goals of these programs to meet the nutritional needs of vulnerable American citizens. We also recognize, however, that gaps exist within and among these programs in both rural and urban communities. It is well known that over 40 million Americans face hunger every day and that

It is well known that over 40 million Americans face hunger every day and that food insecurity affects all genders, ethnicities, ages, and backgrounds. Through-out the CityServe network we have established over 2,000 distribution sites that have been trained in proper food management and distribution. Despite working with varying ethic groups, seniors, and children, CityServe and its affiliate members have not participated in TEFAP, CSFP, or FDPIR. While we acknowledge the work of these programs, access to them to further drive down community and regional hunger has not been available to our organization.

#### Pandemic Response—Farmers to Families Food Box Program

In May 2020, USDA's Agricultural Marketing Service developed and executed the Farmers to Families Food Box Program. By all acknowledgement, this new and innovative program was geared to respond to anyone in the U.S. facing food insecurity due to Sars-CoV-2, also known as the novel coronavirus (COVID-19). The food box program, however, has been catalytic in discovering other needs of families that CityServe has been able to tangibly meet by providing beds, diapers, school supplies, and home furnishings, among other needs. During each distribution, which represented 17 million boxes from June 2020 through May 2021, CityServe cultivated the trust of under-resourced families and successfully linked them to both public and private programs geared towards helping them move from dependency to stability.

During the operation of the box program, CityServe and its 2,000+ affiliated organizations which included hundreds of African American led churches within the National Baptist Convention, Hispanic churches, and great organizations like World Vision, we worked to ensure the neediest among us had the opportunity to receive food who would otherwise go without sustenance due to no fault of their own. The program effectively responded to the significant and persistent economic disruptive effects on urban and rural communities across America. In addition, it would become transformative in not just reaching those acutely affected by recent joblessness, but also the long-term unemployed who had given up on both employment opportunities and traditional government social support systems.

On a personal note, I participated in many of the distributions and as part of the "Means Testing" and spoke with people about their need for the food boxes. Nearly every person I spoke to said that they were running out of food and felt alone in their struggle. I cannot adequately convey the importance of the food but also the social interaction with people closed off from their support system of friends. This degree of interaction is typically not available at traditional USDA food distribution outlets.

As the pandemic persisted in 2020, CityServe shifted its focus towards incremental improvements to USDA's food box program and even coined the term "Last Mile" to describe its mission to assist the hardest to reach regions in the nation. USDA subsequently incorporated last mile organizations in the program which enabled CityServe, among many other nonprofit and faith-based organizations, to efficiently maximize the reach of the box program. By the end of the program, CityServe and its affiliates assisted in the delivery of 17 million food boxes to urban, rural, Tribal Nations and to those in the Rio Grande Valley. In addition, CityServe has formed enduring relationships with over 30,000 families and individuals who were given a food box but now have also found new purpose and commitments within their communities.

It should be noted that the majority of last mile food box distribution work was funded through direct donations and targeted fundraising. In addition, some USDA contractors voluntarily contributed to CityServe in the early rounds of the food box program. These monies offset the costs of the last mile deliveries for expenses such as personal protective equipment, refrigeration, storage, and transportation costs. When last mile was merged into USDA's solicitation process, awarded contractors in most cases committed resources to faith- and community-based organizations in advance of distributions. This action provided for reaching even farther into America's food-insecure populations.

The food box program was the first time CityServe was significantly incorporated in a USDA food distribution program. In addition, the program's structure provided for higher levels of nutrition with its inclusion of fresh fruits, fresh vegetables, and dairy products. While the program was discontinued on May 29, 2021, in an assessment of USDA's traditional programs in light of the food box program, CityServe projects that if an aggressive effort of faith- and community-based nonprofit organizations was incorporated within the current body of food assistance programs an additional 20 million people annually would be reached. This reach would translate in helping pull Americans out of poverty and deal with the conditions that contribute to food insecurity.

#### Post-Pandemic

Many valuable lessons were learned from the food box program. The most significant among them is that the distribution of highly perishable food and nutrition assistance generally can be performed in ways that were not previously contemplated and tested. Second, the food box has proven that the Federal Government can utilize the efficiencies and seasonality of food in the free market to purchase and deliver high quality, fresh and highly nutritious food at reasonable prices and place that food directly in the hands of the food-insecure population. Such a program, began and could continue to cure food deserts, assist in curbing health issues that are prevalent among low income and food-insecure populations, and further the goal of ending hunger in America.

Because of these lessons, CityServe, food pantries, and food producers and dis-tributors across the country are all attempting to replicate the program with private funding. CityServe is currently conducting food box program distributions in several states. That said, the resources of the Federal Government in redeploying the food box program and its inclusion of the faith- and community-based organization could significantly bridge gaps in current USDA programs and curb food insecurity among significantly bridge gaps in current OSDA programs and curb lood insecurity anong all genders, ages, and ethnicities in both rural and urban communities. CityServe highly encourages Congress restore the food box program as a tool within USDA's nutrition distribution programs. We also encourage the inclusion of faith- and com-munity-based organizations in existing USDA distribution programs.

#### Conclusion

CityServe has assisted in the delivery of 17 million USDA food boxes to the "hardest-to-reach" communities. Generally, CityServe's work represents a community of churches and nonprofit organizations that have proven that their assistance is needed and that we will continue to be a critical member of the nutrition assistance com-munity to respond to that need. The reach of our organization has found food-insecure populations in both urban and rural areas and among some in Tribal Nations. CityServe takes seriously the work of feeding the needy, but in addition it also works to investigate and solve the underlining conditions associated with Americans who are food-insecure. For this reason, we have developed a network and skill set to reach and maintain the connection with families and individuals who are often lost within Federal and state social programs. We will continue to perform this mission and request that the recommendations above be considered and incorporated in the Committee's ongoing work.

CityServe thanks the Subcommittee for inviting us to provide testimony and is committed to the conversation and action towards improving the efficiency and value of Federal nutrition assistance and distribution programs.

The CHAIRWOMAN. Thank you, Mr. Donaldson.

At this time, Members will be recognized for questions in order of seniority, alternating between Majority and Minority Members. You will be recognized for 5 minutes each in order to allow us time to get to as many questions as possible. I will stop questions after 5 minutes. Please keep your microphones muted until you are recognized in order to minimize background noise. I will recognize-I am not sure if Ranking Member Thompson is still here.

Mr. THOMPSON. I am, Madam Chairwoman. The CHAIRWOMAN. If you would like to be recognized first, I will recognize you out of order to ask your questions. Thank you for joining us.

Mr. THOMPSON. Thank you so much. Thanks for this great hearing. Thanks to all the witnesses for your insightful, both your written testimony and your oral, testimony.

Mr. Donaldson, your written testimony references CSFP, TEFAP, FDPIR, and acknowledges that gaps exist within and among these programs in both rural and urban communities. What are those gaps, and what has CityServe done to fill them?

Mr. DONALDSON. Well, thank you for asking that, Congressman.

CityServe has worked hard on building a collaboration of faithbased, community-based organizations, and as I mentioned, over really 2,300 different distribution sites, many of which are in rural areas. We call it the last mile of need, and in rural areas, it has been unprecedented to see the many sectors come together, government, churches, social services, emergency services that have come together to fill those gaps and to make sure that nobody is falling through.

And as I mentioned, I really feel like the key component to this network and engaging the churches is the relationship side. If you provide—if you wed the social services, which are wonderful, such as SNAP and others, and you combine that with the relational programs, for example, of churches, that is the key, I believe, to helping people move from really dependency to sustainability. Obviously, there are people that are suffering with mental, physical disabilities that we just need to continue to support, and also, we need to respond to victims of disasters. But overall, I believe that—like my mom, people want to be lifted out of dependency and into sustainability, and it has worked.

Mr. THOMPSON. Thank you, sir. I mean, really describing the amazing moving parts of America's nutritional support that we are—I know this Committee is proud to be a part of that.

In many cases—and I am going to open this up to whoever would like to respond. In many cases, food preparation is just as important as the types of food selected and distributed. Now, I am interested to hear from the panel about your current nutrition education efforts that you believe have proven to be effective, and can you share your views on practical and easy to understand nutritional education recommendations and their effects on our communities?

Any of the witnesses who would care to respond to that?

Ms. GREENE TROTTIER. This is Mary Greene Trottier. I would like to respond that food distribution, we do offer nutrition education. Our funding is very limited. We have competitive grants that are available to FDPIR participants that is less than \$1 million. There is additional money in the 2022 budget, so we are hoping that we can access some of those dollars.

The models that we have within our program are very sustainable, and they are working. Our clients see us every month to pick up food, sometimes two, three, four times a month to receive those benefits. So, they have that ability to provide that much needed nutrition education in Indian Country.

Mr. THOMPSON. Of all the programs that you offer, is there one in particular that just really rises to the top, you are very proud of and would like to see it replicated, just be a great example of a best practice?

Ms. GREENE TROTTIER. I would have to give a shout-out to my program. We offer CSFP, Senior Farmers' Market Program, and the nutrition education component along with the food distribution program services, and we are also co-located with our local SNAP agency. So, that model has been a really good use in our country to work together and we are able to provide education for both agencies by having them co-located. Mr. THOMPSON. Very good. I know my time is waning here, so

Mr. THOMPSON. Very good. I know my time is waning here, so I don't really have time to hear from the other witnesses. But I would ask if you do have best practices that you have identified, just great examples of effective nutrition education, if you could forward that and share that with the Committee, I think we would all benefit from your experiences and your successes.

So, Madam Chairwoman, thank you so much and I yield back. The CHAIRWOMAN. Thank you, Ranking Member Thompson. I now recognize myself for 5 minutes.

Mr. Rodriguez, you mentioned the need for continued storage and distribution funds for food banks. I have heard about this same issue back in Connecticut. I led a bipartisan letter with Representatives Schrier, Davis, and Young asking for \$100 million for storage and distribution under TEFAP in Fiscal Year 2022. Is the greater need for storage and distribution funding a reflection of a lack of sufficient storage space at food banks, more fresh and perishable food being available to your clientele, or something else, and how would more funding for these purposes help you better support your clients?

Mr. RODRIGUEZ. Thank you, Madam Chairwoman.

It is a combination of all three. It is the combination of wanting to provide more nutritious food, which tends to be more perishable, needing the capacity for food banks, in some cases, to store more of it. But more importantly, that last mile of distribution, which is the 60,000 local partners that Feeding America's network engages with, the faith-based organizations and the very diverse partners that we engage with, making sure that they have local or sufficient storage capacity to hold food, even if it is just temporarily, to get it out to folks in a food safe manner.

So, we need it in our efforts to continue to grow the nutritional density of the product that we distribute, and to couple it with nutrition education and the financial resources so families can shop on their own. This capacity that you reference is critical.

We focus on food first, but not food only, and I think that comprehensive approach is what has a profound impact on our neighbors.

The CHAIRWOMAN. Thank you. I was pleased to see that food banks consider the items received through USDA Foods to be highly nutritious and balanced, and include everything from fruits and vegetables to eggs, meat, poultry, fish, nuts, milk and more.

The UConn Rudd Center for Food Policy and Health has recently done research showing that when food banks provide simple nutrition information on the food they offer to pantries, food bank clients tend to choose healthier food options. In your experience, are the healthy foods provided through the USDA Foods in high demand, and do you think providing uniform nutrition information across food pantries would help clients? I would appreciate any help you can give us in dispelling harmful stereotypes about how low-income families are not willing to or care about nutritious foods.

Mr. RODRIGUEZ. In just a few years before the pandemic to this current year, our distribution of fresh produce has increased from about 15 million pounds to over 35 million pounds. If there was no demand by our neighbors that we are looking to serve, there would be no distribution.

What helps in accomplishing that is exactly what you mentioned, and what the Congressman asked earlier. Simple awareness is the best education. Many folks don't know what a rutabaga is, but once we create samples in our test kitchen and provide it to local pantries and they taste it with common ingredients, everyone knows what a rutabaga is and we can move them by the truckload. So, there is a lot of diversity in food-insecure Americans around the country, and introducing them to new products, especially produce, teaching them what the nutritional value is, and getting the children involved is something that has been a winning recipe for creating awareness and helping us to distribute more of that product throughout the country.

And we have great programs. The SNAP-Ed Program supports nutrition education throughout the country. Here in New Jersey, we partnered with the state and really bring the two programs together to be able to leverage not just the foods that we introduce, but proven interventions that can create nutritional awareness and healthy habits as well. And it starts with something simple: awareness.

The CHAIRWOMAN. Thank you.

Mr. Kubik, in your testimony, you mentioned that seniors with income just above eligibility levels often still need food assistance from CSFP. Can you elaborate on what you have seen on the ground that speaks to those needs, and how would reevaluating what is considered income for the purposes of eligibility for the program help that situation?

Mr. KUBIK. We have seen a lot of seniors who come in here and have real needs for food, but were slightly over the income guidelines based on the Medicare portion of their social security. That is considered income even though the money never hits the senior's account, and the senior never has access to that cash. So, they are missing the program because they just went over based on that. We don't have any deductions to income. We have a straight flat income requirement. We are not asking for a lot. We don't want to add a burden in terms of paperwork, administration to the program, but the Medicare portion, which is not money that the senior sees, seems to be something that we could look at, and not consider income. That is all we are saying. We are not looking at any other deductions or anything else. We just would like to see that Medicare portion not considered income, because we are missing seniors who have real needs, and seniors, in our experience, don't come for help unless they need help, and I think that is-

The CHAIRWOMAN. Thank you. Sorry, my time has expired. I yield back.

I now recognize the Ranking Member, the gentleman from Nebraska, Ranking Member Bacon.

Mr. BACON. Thank you, Madam Chairwoman, and I appreciate your line of questioning, too. I think nutrition and fresh foods is a very important topic here.

I work in a lot of different areas with our military and trying to get people in the military and recruitment, and what we find is over 70 percent of our 18 year olds to 21, 22 year olds don't qualify to get in the military largely because of physical fitness and nutrition. And so, this is a serious problem, and not just here with folks and food insecurity, but it is a national problem that merits our discussion.

My first question is to the whole panel. In many cases, food preparation is just as important as the types of food selected or distributed. I am interested to hear from the panel on current nutrition education efforts that you believe have proven to be effective. Can you share your views on practical, easy to understand nutrition education recommendations and their effect in our communities? And I will start with Mr. Rodriguez.

Mr. RODRIGUEZ. Thank you, Ranking Member Bacon.

Nutrition education and the simple awareness of what food is being provided and available has been very successful for us. Simple things like including recipes inside distribution boxes or bags, doing tastings as I referenced earlier, have gone a long way to introduce new product, mostly fresh product and fresh produce at that, to a diverse community, especially here in New Jersey, but throughout the country.

So, it is very simple. We have proven interventions. USDA has a wonderful list of SNAP-Ed curriculum that have been proven to have the impact of awareness and creating healthy habits. When we bring the two together and coordinate both programs, we found meaningful change. So much so that we are in a 3 year initiative where we have done exactly that-married nutritious food to nutrition education and some more health awareness-and we have seen an impact on diabetes and pre-diabetic populations in a pilot that we have been running. That pilot held strong, even throughout the pandemic, and we are now looking to see how this model, as have other food banks have done throughout the country, can be expanded and can be replicated in every community by every partner.

The most wonderful thing about this model is that we did not do this ourselves. We did this in partnership with our local network, faith-based pantries, local after school programs, schools in some cases, to be able to bring product, no matter who the partner could be, but more importantly, where the neighbor is that needs it. Mr. BACON. Thank you for your comments there.

I would like to ask Ms. Greene Trottier or Mr. Kubik or Mr. Donaldson if they have anything else to add?

Ms. GREENE TROTTIER. Yes, I would like to add that some of our nutrition best practices are handing out the recipes, nutrition education, incentives. We also hold classes with the high school students and the 5th and 6th grade students. They come to our facility and they do hands-on food preparation and learning how to actually prepare food.

One of the issues that I would also like to address is that Tribes do not have the access to these state SNAP-Ed dollars. So, we need to find a way that Tribes can have that direct access to those state SNAP-Ed funds where our communities are based that have some of the highest poverty levels.

Mr. BACON. Thank you for your input. I appreciate it.

Mr. Kubik or Mr. Donaldson?

Mr. DONALDSON. Yes, thank you for your question.

As I mentioned, we are distributing food boxes that are privately funded and inside, we have recipe cards that describe the boxes contents, what fresh fruit, vegetables, dairy are in the box along with recipes, cooking preparation methods for healthy eating, and as I mentioned earlier, we really believe that you combine that program with life coaches, people that care and that can hold you accountable in a really positive way. And that has really rendered the most success thus far.

Mr. KUBIK. I would like to add something also.

Mr. BACON. Thank you.

Mr. KUBIK. Nutrition education is part of the CSFP requirement each month, so that each food box does get a recipe, a newsletter. We do, in our sites, have food demonstration kitchens, so we can take some of the newer products that USDA provides and make recipes with them to help seniors utilize them the best way they can to maximize them. Many of the seniors will turn in recipes themselves. The National CSFP Association has a cookbook that is made up of recipes that were submitted by seniors to the different programs across the country. So, nutrition ed is really important, and the seniors love it as well. It gives them a chance to work with the foods and get the most out of them, and make new things that they never thought of before.

Mr. BACON. Thank you, sir.

And with that, Madam Chairwoman, I will yield back.

The CHAIRWOMAN. Thank you, Ranking Member Bacon, for your comments.

I just would like to add that in reference to the USDA Farmers to Families Food Box, although the program has been ended under the Biden Administration, it was replaced with targeted funding to support food banks and the emergency food systems, including \$400 million for purchases of fresh fruits and vegetables, \$100 million to expand the reach of emergency food systems into underserved areas, including rural, remote, Tribal, and low-income communities, and \$400 million for states and Tribes to directly purchase local foods for distribution and as an effort to combat or address some of the fraud that was reported in that [Farmers to Families Food Box] program.

So, although the program has been suspended, the investments remain, just in more targeted programs.

I now recognize the gentlelady from North Carolina, Representative Adams for 5 minutes of questioning. You may begin when you are ready.

Ms. ADAMS. Thank you, Madam Chairwoman and Ranking Member Bacon, for hosting today's hearing, and thank you to our witnesses for their testimony.

Food distribution programs have played a critical role in addressing food insecurity during the ongoing COVID-19 pandemic. According to Feeding America, at least 60 million people turned to charitable food assistance programs in 2020. That is an increase of 50 percent from the previous year. In my district in Mecklenburg County, The Emergency Food Assistance Program and the Commodity Supplemental Food Program collectively provided over 22.6 million pounds of food in our community. And, as the U.S. continues to grapple with the pandemic and associated supply chain disruptions, we must continue to provide the waivers and the flexibilities that have assisted Federal distributions programs to fight hunger.

Though, in previous hearings, my colleagues from across the aisle would have framed current supply chain disruptions and volatile food prices as being caused by the current Administration. These problems were brought on by the pandemic during the last Administration, problems that we continue to face today. Now, Madam Chairwoman, before I continue, I would like unanimous consent to insert two articles into the record, a May 11, 2020 *New York Times* article describing empty shelves at grocery stores in New York and across the country, with waiting lists and black markets for items such as flour and pasta, and a June 9, 2020 article from *Wall Street Journal* highlighting the fastest rising food prices in more than 40 years.

The CHAIRWOMAN. So ordered.

[The articles referred to are located on p. 41.]

Ms. ADAMS. Okay, thank you.

Ms. Greene Trottier, excuse me. You noted that supply chain issues caused by the pandemic began to be felt by the Food Distribution Program on Indian Reservations as early as March of 2020, with 66 percent of Indian Tribal organizations reporting in March and April of 2020 that they were out of some inventory items. I want to ask how have stocking levels recovered for most of the Indian Tribal organizations? Are you seeing any continued impacts that we should be aware of?

Ms. GREENE TROTTIER. We have struggled with maintaining adequate fresh produce choices through the pandemic. Supply chain issues were a big part of not receiving the full catalogue of items that we expected. We continue to have, oftentimes, poor quality of produce and vendor accountability for supplying fresh produce.

Ms. ADAMS. Okay, thank you.

Mr. Rodriguez, in addition to supply chain complications which have impacted food banks since the beginning of the pandemic, you mentioned that a drop in donations has contributed substantially to the dramatic increase in food purchases that food banks have had to make. So, how have the decreases in donations impacted the ability of your food bank to plan for and keep up with increased demand during the pandemic, and are there ways that Congress can better incentivize donations?

Mr. RODRIGUEZ. Thank you, Congresswoman.

You are absolutely right, first of all, that supply chain issues started as early as March of 2020, as soon as the pandemic hit ground. It started with donations not being as available as there was a run on products by those who can afford and did afford to be able to purchase. And it has evolved since then, and I just have to commend the team here at Community FoodBank of New Jersey that adapted to the many different supply chain challenges throughout the last 20+ months.

A stabilizing element in our ability to provide the record amount of food that we provided was the TEFAP program, as I testified earlier. It is this product that we can consistently work on bringing in, work with our local state Department of Agriculture, who have been amazing partners throughout this effort to be able to purchase food where we see gaps, make the buys that are available, and bringing in the quantities that make sense for our local partners to absorb. It is this juggling act and ability to leverage different food sources and supplies of food that make food banks an essential, boots-on-the-ground responder, and it is the way we have been able to adapt to the many challenges, and I am sure will continue to adapt to the challenges that are in front of us.

We commit to—

Ms. ADAMS. Thank you very much. Madam Chairwoman, thank you. Madam Chairwoman, I am out of time so I am going to yield back. Thank you.

The CHAIRWOMAN. Thank you, Representative Adams.

I now recognize the gentleman from Arkansas, Representative Crawford. If you are ready, please begin your 5 minutes of questioning.

Mr. CRAWFORD. Thank you, Madam Chairwoman. I appreciate the hearing today, and to the panelists, I appreciate your comments.

First, let me applaud CityServe's important work in your community and the work you do to include high quality food in your distribution efforts. I represent a rural district, as many on this Committee do, and many of my constituents don't have immediate access to fresh foods, especially produce, in their communities. And that is one of the ironies of rural America, one of the most productive agricultural parts of the world, and we suffer from food deserts in many cases for a lot of folks.

Mr. Donaldson, you are correct that the Farmers to Families Food Box Program did reveal opportunities to move excess fresh foods to people in need. How could CityServe's model be expanded in that role or utilized nationwide to help solve that last mile challenge that you addressed earlier?

Mr. DONALDSON. Well, thank you for your question, Congressman, and yes, we have put a lot of effort into the rural areas in Arkansas where the need is severe.

I just got to tell you, the [Farmers to Families] Food Box Program, for us, was highly successful. It was a huge welcome mat to faith-based, community-based organizations within our network that were previously not engaged in food insecurity issues. And so, as a result, it raised up an army of compassion across the country. We distributed over 17 million boxes and we were also able to train these volunteers. And then it ended, as you know, last May. And so, we really believe, as I described in my testimony, it was very effective. Obviously, there were some bad actors and there were some things that we can improve upon, but that is our hope that this could be reinstituted and we could build upon the success of it.

Mr. CRAWFORD. Thank you for the response.

Madam Chairwoman, thank you for holding this hearing, and I don't have anything further, so I will yield back.

The CHAIRWOMAN. Thank you, Representative Crawford, and thank you for your questions. That is a very important issue. One of the complaints that we heard about the program is that it didn't reach all communities. About 22 percent of U.S. counties did not have access to the program, so that is a very important question to ask. Thank you for asking that here.

I now recognize Representative Carbajal for 5 minutes for questioning. I am not sure if he is still on the platform.

Okay. I will go to our next Democratic Member. I recognize the gentlelady from New Hampshire, Representative Kuster.

Ms. KUSTER. Thank you, Madam Chairwoman. I just want to unmute and make sure you can hear me. During this holiday season, we are especially reminded of the needs of our fellow Americans who struggle with food insecurity and hunger, and so, this hearing is so important to highlight advocates and champions who work year-round to make sure that families have enough food to put on their table.

In New Hampshire, we have our food banks, our community action programs, and pantries across the state that provide millions of pounds of food and millions of meals to our fellow Granite Staters every year. So, I am pleased we have been able to work in a bipartisan way to strengthen Federal food purchasing and distribution programs that support these efforts, especially during the COVID pandemic. And I believe there is more that Congress can do to strengthen The Emergency Food Assistance Program, or TEFAP, and other USDA programs.

So, with that in mind, let me turn to Mr. Kubik. The Commodity Supplemental Food Program is imperative in New Hampshire, as we have one of the oldest median populations in the country. With the numbers of these over 60 and eligible for CSFP growing dramatically, how is your organization, Focus: HOPE, working to address the growing need and do you have recommendations for what we can do at the Federal level to ensure that this program will continue to serve all who need it?

Mr. KUBIK. Well thank you, first of all, for your support of the program. We are glad to see that New Hampshire came on 10, 15 years ago. The program is thriving there, but we don't want programs to thrive just to grow programs. We want programs to serve a need and fit a need. And so, we know with the aging population with seniors, we have to address the nutritional needs of those seniors, those who are homebound and isolated. I think what has worked for us is partnering with other agencies, other groups in our service area. Whether it is community agencies, whether it is apartment buildings, businesses, to make sure that seniors get the food delivered to them at their apartment building or where they are at. Transportation and having the ability to reach the food is critical, especially for seniors. You have to get the food to them, and CSFP with their volunteer network, with their community organizations can reach a lot of seniors who are isolated.

But the reality is, the numbers are growing and the challenge we have as operators is to reach those seniors. And I can say what has worked for us has been those relationships. And we have businesses—

Ms. KUSTER. Right, and the volunteer efforts. I know I have done some of that myself, delivering Meals on Wheels, and it does make such a difference. Often, that is the only contact that seniors and shut-ins have.

So, I have to move along here. My time is short.

Mr. Rodriguez, I would be curious to get your thoughts about administrative flexibilities that were put in place for TEFAP during the pandemic, including adjusting income eligibility and waiving signature requirements. Do you believe these flexibilities have been helpful, and do you think that any of these flexibilities should be made permanent?

Mr. RODRIGUEZ. I do. We are taking stock of the many waivers that New Jersey applied for and USDA granted. They gave us the
flexibility to adapt when we didn't even know what we were adapting to in those early days. And it is not just for the TEFAP program, but for CSFP as well, and all the distribution programs that we engage with.

It is important to maintain this level of flexibility because the need constantly changes. Whether it is the root causes because of a pandemic, a natural disaster, or other reasons, we are constantly and we are continuously learning from our neighbors, from our local partners to see how we can better meet the evolving need of our communities.

And so, yes, I do believe that we should take stock of the waivers and keep making the program as flexible with the right balance of maintaining integrity and supply chain opportunity.

Ms. KUSTER. Excellent. In my remaining seconds, in addition to the supply chain complications, you mentioned a drop in donations. How have the decreases in donations impacted your ability to plan for and keep up with increasing demand?

Mr. RODRIGUEZ. We had to replace the drop in donations and address the increase in demand with purchases. As I mentioned, over three times more purchases than we were doing before the pandemic. We project we will have to do that for at least another 2 years to meet the continuous need, absent any more variables introduced or economic shocks introduced into the system.

We do see donations coming up, but it is going to take a longer time to ramp up those relationships, at least here in New Jersey, and we are hearing the same across the country.

Ms. KUSTER. Wonderful. Well, I want to thank you all for the work that you do, and with that, I will yield back.

The CHAIRWOMAN. Thank you, Representative Kuster.

I now recognize the gentlelady from Louisiana, Representative Letlow. You have 5 minutes to begin your questioning.

Ms. LETLOW. Thank you, Chairwoman Hayes, and to all the witnesses, thank you for your time and participation in this hearing today to discuss the U.S. Department of Agriculture's nutrition distribution programs.

I represent the 5th District of Louisiana, and as many of you know, that region of the state is home to many rural communities that are stimulated by agriculture, small business, and local economies. When reviewing these nutrition programs, I believe it is essential to ensure they are adequately meeting the needs of families, especially in rural America where many lack access to fresh foods like fruits and vegetables.

Mr. Kubik, in your experience working with the Commodity Supplemental Food Program, what is the participation rate across rural areas?

Mr. KUBIK. I am not prepared to answer that question right now. I would have to take a look at that because each program, I am in an urban area, and even our association, our membership is varied so I don't have an answer to that today. I can definitely look into that for you and even speak to the program in Louisiana, Food for Families. Food for Seniors is a program there that administers it. We can find out and get back to you on that.

Ms. LETLOW. Okay, thank you for that.

And in your written and oral testimony, you complimented the Committee's work on the 2018 Farm Bill and extending certification periods for senior participants from at least 1 year to up to 3 years in some circumstances. Can you further expand upon the impact of these changes, and have you seen an increase in participation?

Mr. KUBIK. Well, our caseload definitely went up, national cases went up in 2019 to 736,000. So, the impact has been seniors who, the challenge for them sometimes is just identifying those documents that you have to certify once a year on. And so, to come in every 3 years is a big help. Their situations are going to change. Their eligibility, they go up, the cost of living and social security, which doesn't put them over. CSFP gets an adjustment to income once a year because of inflation. So, there are a lot of seniors that would have been 11th, 12th month and that 1 year certification, and couldn't find the records at home. I mean, that happens. I can't find things at home that I am looking for sometimes, so it definitely is a challenge. So, just spreading it out to 3 years made a big difference. But again, the situations are going to change for that senior, so we think 3 years makes sense. We do updates every year to make sure that they are still current and with us, but as far as to have to the full certification, proof of income, we all need that now and it has been a big help.

Ms. LETLOW. Okay. Thank you so much for your time, and

Madam Chairwoman, I yield back the remainder of my time. The CHAIRWOMAN. Thank you, Representative Letlow and Mr. Kubik. I can't find things on my desk sometimes, so I think it is completely appropriate that they can't find 3 years' worth of documents.

I now recognize the gentleman from California, Representative Panetta. You have 5 minutes when you are ready to begin your questioning.

Mr. PANETTA. Outstanding. Thank you, Madam Chairwoman, and thank you to Ranking Member Bacon. Thank you for holding this hearing which is on a topic that is obviously very important, not just to our nation, but also to my home on the Central Coast of California. And obviously, thank you to the witnesses who have taken time to prepare their testimony, but more importantly, all the work that you do to ensure food security for those who need it the most throughout our country. So, thank you very much.

I appreciate you being here today to discuss these important USDA nutrition programs, and obviously, how they support all Americans in need, particularly in light of what we have been through and are continuing to go through with the COVID-19 pandemic. Obviously, over the last 2 years, the fragility of our nation's food supply has been highlighted, but so were many opportunities. I have to say, at the Federal level, we bolstered nutrition assistance programs, and actually planned for the future to protect Americans experiencing food insecurity.

And I have to say, I am actually proud of the bipartisan work that we did here in the United States Congress. Look, starting back in December of 2018, in which we passed the farm bill in the 115th Congress, and then obviously, moving forward into 2020 and 2021, dealing with the pandemic, the increase in Federal funding

for food assistance that obviously led the way in which we could have a more food-secure future, and then even now with the Build Back Better Act (H.R. 5376), which invests nearly \$35 billion in funding for proven child nutrition programs that will help us combat childhood hunger and ensure children overcome the educational health and economic impacts of the pandemic.

But obviously, as you have talked about today and we know pretty well here on this Subcommittee, there is a lot more work to do. And so, I appreciate our witnesses being here today to provide these updates, and I do look forward to working with all of you and working with my colleagues in Congress on both sides of the aisle to strengthen the USDA nutrition programs.

Mr. Rodriguez, I am going to hit on you first, in regards to my questions. Recently, I sent a bipartisan letter with my friend, Adrian Smith, both of us on the Ways and Means Committee, requesting that there be enhanced tax deductions for food preparation and donations to food banks.

Now, I am also sure, and based on my discussions with our food bank people back in the district, in my district on the Central Coast of California, you are probably aware of the Harvard Food Policy Clinic's letter that they sent about basically asking for tax deductions for donations on food that will be resold, if you see the difference.

Now, I think we will understand that tax incentives for donations obviously help food banks, but I am concerned that including food that will be resold in these incentives will create a revenue stream for those who will sell food rather than assist food banks, and who will give it away.

So, Mr. Rodriguez, obviously your understanding, your knowledge of this area, talk to us if you can on how tax deductions for donations complement your work, but also how might tax deductions for resold food create larger challenges?

Mr. RODRIGUEZ. Thank you for the question, and you are absolutely right. Tax incentives do help motivate and help inspire donations by many of our food industry partners, many of whom participate in donation programs already.

I would be concerned if we expanded to food that is going to be sold at this moment, and the reason for that, as I testified earlier, we have seen a drop in donated product. We are reengaging with our local food industry partners, many of whom are retail stores, whether they are big brand names or local family-owned chains, and to be able to have to compete with a for-profit incentive may cloud and may distract from being able to bring the food that we need for our most vulnerable neighbors.

If our neighbors can go buy and purchase food, I guarantee you they would. The reason they turn to us is because they have no other choice, and we don't want to limit their choices by funneling food away into endeavors that may be worth it, but at this point, I would pause on that and look at what the implications are, especially as we are just trying to build back a response and a base that is sorely needed at the moment.

Mr. PANETTA. Outstanding. Thank you, Mr. Rodriguez. I am short on time.

And just let me also say, Mr. Donaldson, I too married a farmer's daughter from North Dakota, Rugby, North Dakota. So, we have that in common. So, I yield back.

Mr. DONALDSON. Congressman, we have more than that. I actually live in the Bay area and am a big fan of your dad, and Monterrey is my favorite getaway place.

Mr. PANETTA. It is my favorite place, too.

Mr. DONALDSON. I look forward to getting acquainted.

Mr. PANETTA. Thank you. I yield back, Madam Chairwoman.

The CHAIRWOMAN. Thank you, Representative Panetta. Happy to host an entire hearing to bring the two of you together.

I now recognize the gentleman from Indiana, Representative Baird. You have 5 minutes for questioning. Please begin when you are ready.

Mr. BAIRD. Madam Chairwoman, I appreciate the invitation, and I really appreciate you and the Ranking Member's efforts to bring this kind of discussion, and I appreciate the witnesses.

I have no additional questions. A lot of the ones I had have been answered already very well, and so, I yield back.

Thank you.

The CHAIRWOMAN. Well, thank you so much for joining us on today's hearing.

Seeing no further Members of the Subcommittee, I now welcome the gentlelady from Ohio, Representative Brown, who has waived onto this Committee to join us for questions. You have 5 minutes. Whenever you are ready, please begin.

Ms. BROWN. Thank you, Madam Chairwoman. Thank you, thank you, thank you for the kind introduction and thank you to the witnesses for joining us today.

Madam Chairwoman, I am proud to attend my first Agriculture Committee hearing, especially on the topic of the critical role of food distribution programs which have played a huge role in fighting hunger during the pandemic.

Congress made historic investments, including through the CARES Act (P.L. 116–136) and the American Rescue Plan (P.L. 117–2), aimed at strengthening and expanding the nutrition safety net. Boosts to SNAP and USDA nutrition distribution programs provided a critical lifeline to vulnerable children and families from Ohio and across America. Specifically, The Emergency Food Assistance Program supported Ohio's food banks, including the Greater Cleveland Food Bank and the Akron Canton Regional Food Bank in my district, as they did heroic work to feed hungry Ohioans in the darkest days of the pandemic. From July 1, 2020 to June 30, 2021, the Ohio Association of Food Banks, network of food banks, and hunger relief agencies provided 290 million pounds of food, or around 242 million meals to Ohio families. Of this, TEFAP provided over 72 million pounds of food, or nearly 1 out of every 4 pounds of food distributed statewide. So, there is no doubt that food distribution programs played a critical role in addressing hunger during the pandemic.

According to the USDA, food insecurity remained nearly unchanged from 2019 to 2020; however, hundreds of thousands of Ohio households continue to experience food insecurity and hunger actually increased among Black Americans nationwide. In the face of these continued challenges, I look forward to working with my colleagues on the Committee to further strengthen nutrition programs to ensure no American goes hungry.

So, I have a couple of questions for Mr. Carlos Rodriguez. In your written testimony, you say that SNAP is the most important of our Federal anti-hunger programs, and the nation's first line of defense against hunger. Can you please speak about the interactions between SNAP and TEFAP and how SNAP supports the work you do at the Community FoodBank of New Jersey?

Mr. RODRIGUEZ. Thank you, Congresswoman Brown, for that question, and welcome to the Committee I should say as well.

Ms. BROWN. Thank you.

Mr. RODRIGUEZ. A big shout-out to our friends in Cleveland. I had the privilege of visiting them a few years back. An amazing food bank indeed.

TEFAP and SNAP work hand in hand, and in fact, in many of the food distributions that we are part of, either directly or through our pantries, we want to ensure that anyone who finds they have a need for emergency food also has access and the opportunity to apply for the SNAP Program. And in fact, it is the first line of defense, you are correct in pointing out. It allows families to do what you and I probably take for granted: going to a local market and making the choices that are right for our families. That is what the SNAP Program does. It gets us closer and closest to doing what we all want to do, which is be able to sustain ourselves with our employment and our jobs and what our community provides. When that is not enough, the SNAP Program is that first line of defense, and when that is not enough, you have TEFAP and emergency food, or as folks transition to that program or become aware or navigate the application process, we have those programs.

So, you are right in pointing out that they work hand in hand, glove in glove, and hopefully the more folks on SNAP, at one point we hope, with an adequate and strong program, and it has been strengthening, it will mean less need for emergency food over the long run.

Ms. BROWN. Thank you.

Mr. Rodriguez, USDA this week announced \$400 million in funding through the American Rescue Plan to support local food purchases with an emphasis on purchasing from underserved farmers and ranchers, as well as another \$50 million available for TEFAP reach and resiliency grants. What kind of things could this funding help you do?

Mr. RODRIGUEZ. Well, we are excited to look into the details of that funding, work with our local farmers here in the Garden State of New Jersey, and see how we can continue to build on something we have been doing since the Farmers to Families boxes, which is bring in more produce, more garden, more Jersey fresh produce specifically into the hands of our neighbors that need it the most. So, we are eager to see how we can put that to work.

I just have to commend the focus on disadvantaged farmers to kind of give them a leg up. It is overall strengthening our supply chain and our ability to produce our own food in more than the ways that we are used to and were disrupted by the pandemic. So, it is a welcome addition, and we look forward to engaging with it as appropriate.

Ms. BROWN. Thank you, Mr. Rodriguez.

Madam Chairwoman, I see my time is expiring, so I yield back. Thank you so much.

The CHAIRWOMAN. Thank you, Representative Brown, for joining us and for your line of questioning. It is always very important to me to highlight the dignity that goes to low-income families having the ability to shop and choose their own foods, and I think that the SNAP Program and the benefits provided really help to do that.

Seeing no other Republican Members, I see that Mr. Carbajal has rejoined the hearing. Are there any Republicans on the platform who would like to ask questions?

Okay. I recognize Mr. Carbajal, the gentleman from California, for questions. You have 5 minutes. Please begin when you are ready.

Mr. CARBAJAL. Thank you, Madam Chairwoman.

Mr. Rodriguez, in September of this year I hosted a day-long hunger tour in my district to visit programs addressing food insecurity throughout the Central Coast. That day, I also hosted the "Hunger Holistically" roundtable to discuss equity and access needs in the food systems, and ways that local programs are helping fill the gaps. I appreciate all the efforts in my district that are addressing hunger holistically by providing quality nutritious food, stimulating our local economy by collaborating with farmers, helping address climate change, and supporting the health of children and their families. With over \$1.7 billion in COVID relief supplemental funding for The Emergency Food Assistance Program, TEFAP.

In your experience, how did the extra funds help address food insecurity on a holistic level?

Mr. RODRIGUEZ. First, thank you for your continued commitment and creating awareness in your local community, and I love the approach to be holistic. It is not an either/or, but it is how much can we bring together to make a family whole and to really nourish our neighbors into a post-pandemic success.

The TEFAP Program was absolutely critical at providing a stable source of food through 120 different products, many of them fresh produce and other like products that help us bring the nutrition that is needed into local communities.

The wonderful thing about our network of food banks, it is not just a one commodity type or one food source type. We leverage what we know is available through TEFAP, which at its core is critical, and we surround it with donations and purchases to make sure that in every community there is an opportunity to bring the food that is needed. We couple that with nutrition education. We invest in our local pantries here in New Jersey, last year alone \$3.2 million for capacity for hand warmers for those winter distribution months, and other things that are needed. And that is the investment and that is the holistic approach that we can learn from through this pandemic and build on as we move forward to a much stronger recovery.

Mr. CARBAJAL. Thank you. Mr. Rodriguez, to continue, with all the impacts that the COVID-19 pandemic has had and will continue to have on tackling hunger, and as we move forward, what specific aspects of TEFAP work and what elements of the program can improve, from your perspective as the president of an organization of your size?

Mr. ŘODRIGUEZ. Continuing the flexibility that we saw through waivers is something we can build on to be able to reach and give flexibility on signatures and documentation, on alternative use for distributions is something we want to explore.

As was mentioned already a number of times, this local purchasing opportunity will help strengthen this public-private partnership that TEFAP is, strengthen the abilities of new farmers to engage in the program and help more of the food that we see in high demand become available to the populations that need it most.

I think there is a lot to learn. There is a lot to seriously digest, pun intended here, as we move from this pandemic reality, continue through a recovery, but really deal with the aftermath of financial impact that this has had for so many Americans throughout the country.

Mr. CARBAJAL. Thank you.

Continuing on, with your ask for an additional \$900 million for the TEFAP Program in Fiscal Year 2022, can you highlight how that money would be used to tackle the crisis at hand?

Mr. RODRIGUEZ. So, there is a drop in TEFAP overall distribution product that we see happening or happening, about 30 percent of what was cumulative TEFAP product, whether it is the entitlement, the boxes, or even some trade mitigation product, that all became available, or intersected, during the pandemic. Most of that will drop, because some of them were, in fact, temporary. The \$900 million will help us address some of that drop, especially as I testified, when we see a lot of volatility and uncertainty in front of us, and donations still building up over the next 2 years, at least, that is what we predict here in New Jersey.

So, it is a stabilizing force, a further stabilizing force that will help us address problems that we know are coming, but don't really know exactly how they will manifest. And, it is that stability that we need and we owe for our neighbors that will continue to struggle and may struggle anew as the economic rebound continues to take shape.

Mr. CARBAJAL. Great.

As the farm bill gets ready to be reauthorized in 2023, how can we improve the TEFAP Program? And I am limited on time, so a short answer would be great.

Mr. RODRIGUEZ. More food, distribution capacity for us in our local pantries are the two things that I know happen most. We bring in new partners all the time. Those two things are core to expanding further into areas of high need.

Mr. CARBAJAL. Thank you very much.

Madam Chairwoman, I yield back.

The CHAIRWOMAN. Thank you so much, Representative Carbajal, for your questions.

Seeing no other Members on the platform, this concludes our questions from Members. Before we adjourn, I invite the Ranking Member to share any closing comments he may have. Mr. BACON. Thank you, Madam Chairwoman, and I appreciate the Chairwoman's mentioning the additional \$2 billion in the food bank center investments. The Office of Inspector General continues to review TEFAP. I look forward to seeing their findings. I request unanimous consent to submit the USDA's OIG's August 2021 Interim Report on TEFAP.

The CHAIRWOMAN. Without objection.

[The report referred to is located on p. 54.]

Mr. BACON. With that, I just want to thank all the panelists today for sharing their expertise. Nutrition distribution is important. We live in the wealthiest country in the world, I would say the greatest country in the world, and a great nation provides a safety net and also helps get people out of poverty.

Some of the key takeaways today are that we need multiple methods in getting nutrition to the most needy. We need to stress nutrition more as well. I heard that as well today clearly. And faith-based groups also provide a great alternative to serving those in need. Finally, it should always be our goal to give a hand up out of poverty, and not just a hand out.

And with that, Madam Chairwoman, I thank you for your time. I yield back.

The CHAIRWOMAN. Thank you, Ranking Member Bacon, and I echo your sentiment in the wealthiest nation in the world, people should not be hungry, full stop.

I want to thank each of our witnesses for your time today. I think I speak for the whole Subcommittee when I say how much we value and respect the important work your organizations are doing each day to combat food insecurity in the United States. We value your expertise and appreciate your willingness to share your time with this Subcommittee.

As we begin to craft the next farm bill, we will reflect on what we have learned today to make policy that meets the current needs of our constituents, and again, ensures that no person goes hungry. Thank you again so much for joining us today.

Under the Rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional material and supplementary written responses from the witnesses to any questions posed by a Member. This hearing of the Subcommittee on Nutrition, Oversight, and Department Operations is adjourned.

[Whereupon, at 11:36 a.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

### SUBMITTED ARTICLES BY HON. ALMA S. ADAMS, A REPRESENTATIVE IN CONGRESS FROM NORTH CAROLINA

ARTICLE 1

# The New York Times

[https://www.nytimes.com/2020/05/11/nyregion/Coronavirus-supermarkets-itemsmissing.html]

#### Gone From Grocery Shelves, Now There's a Mad Dash to Find Them

Here's why some everyday staples have disappeared from shelves as the crisis changes how people shop and eat.



Allison Arevalo started making and selling pasta after she couldn't find any at local stores or online. Credit. Demetrius Freeman for *The New York Times*.

By WINNIE HU<sup>1</sup>

May 11, 2020

The fallout from the coronavirus hit Allison Arevalo when she could no longer find pasta at the supermarket.

She tried ordering online from Whole Foods. Out of stock. She ran over to Key Food. Too late: The pasta aisle was cleaned out except for two bags of whole wheat no one wanted.

So Ms. Arevalo, 41, a chef and cookbook author,<sup>2</sup> dusted off her fancy pasta maker and ordered a 50 pound bag of semolina flour from a restaurant supplier. Soon, her neighbors in Park Slope, Brooklyn, were turning to her for their pasta fix.

"I wanted to give people another way to get pasta," said Ms. Arevalo, who now sells 120 pounds of pasta a week.

<sup>&</sup>lt;sup>1</sup>https://www.nytimes.com/by/winnie-hu.

<sup>&</sup>lt;sup>2</sup> https://www.amazon.com/Pasta-Friday-Cookbook-Lets-Together/dp/1449497896.



"I wanted to give people another way to get pasta," said Ms. Arevalo, who now sells 120 pounds of pasta a week.

Credit. Demetrius Freeman for The New York Times.

As the pandemic has gripped New York, it has caused shortages of the grocery staples that have become essential for coping with home confinement. Pasta and bread have become scarce—available today but not tomorrow, in this store but not that one. Paper towel and snack aisles have been wiped out. Frozen vegetables, chicken nuggets and even oat milk are rationed.

The empty shelves have sent frustrated shoppers to online scavenger hunts and to store after store to wait outside in long lines. Baking supplies—yeast, flour, baking powder—have become particularly prized finds as people stuck at home have time to perfect their challah bread or knead out their anxieties.

"Everybody's becoming a mini-Martha Stewart," said Joseph Viscomi, a supervisor for Morton Williams, which now limits customers to one yeast package each and has waiting lists at many of its 15 New York City supermarkets.

Five-pound bags of King Arthur Flour have been so hard to score that they were selling this week on eBay for \$26.49,<sup>3</sup> five times the store price. "There's a black market for flour right now," said Cristen Kennedy, 38, a college

health educator who has scoured a dozen grocery and baking sites since flour disappeared from her grocery store in the Bronx.

The shortages began with panic buying and hoarding as the pandemic spread, and then continued as those staying at home consumed more meals, snacks, paper products and cleaning supplies.

"I never knew we ate so much," said Nelson Eusebio, the government relations director of the National Supermarket Association, who said he was spending between \$50 and \$75 more per week on his groceries than he used to.



A familiar scene at many grocery stores in New York and across the country

Credit. John Taggart for The New York Times.

Oat milk has become a hot commodity, in part as coffee shop regulars have be-come home baristas. It topped a list of fastest-moving grocery items nationwide, with sales up 353 percent over last year, according to Nielsen data of consumer packaged goods for an 8 week period ending April 18.

The slow movers? Sunscreen and vegetable party platters.

The tidal wave of grocery shopping has wiped out inventories at grocery stores and, in turn, the food distributors that send them goods.

Since most stores rely on specific distributors, what they have-or don't haveon the shelves depends on what their distributors have in stock, and that can vary from store to store.

The inventory shortages have spread to the part of the food supply chain that serves retail stores, while another part that serves now-closed restaurants, hotels and schools has been so overwhelmed by a surplus that farmers have destroyed fresh food <sup>4</sup> that cannot be sold, according to food industry analysts.

Some manufacturers have run up against limited production or packaging capac-ity, or cannot find enough trucks to move additional loads. *Many meat processing* plants have closed  $^5$  as their workers have been sickened by the coronavirus. "The problem is that the supply chain—which is everything from the farm to the

supermarket shelf-is fragile at certain points, and that's why we're seeing the

<sup>&</sup>lt;sup>3</sup> https://www.ebay.com/itm/5lb-Bag-King-Arthur-Unbleached-All-Purpose-Flour-FREE-Pri-ority-Shipping/1333974318999epid=4030642862&hash=item1f0f1b465b;g:VMQAAOSwlANeo JfM

<sup>&</sup>lt;sup>4</sup> https://www.nytimes.com/2020/05/02/business/coronavirus-food-waste-destroyed.html.
<sup>5</sup> https://www.nytimes.com/2020/05/05/business/coronavirus-meat-shortages.html.

shortages," said Phil Lempert, a food industry analyst and founder of *supermarketguru.com*.

So now Frank Zapata cannot get enough Nissin instant ramen noodles for the two CTown supermarkets he owns in Brooklyn and the Bronx. "When everything is normal, my supplier has a lot, whatever you want to get," he said. "Now it's hard to get, it's not available."



Some CTown stores have had a hard time keeping Nissin instant ramen noodles on their shelves.

Credit. Brittainy Newman/The New York Times.

Morton Williams is missing about 10 to 15 percent of its regular stock, which is better than a month ago, when it was down nearly 30 percent, Mr. Viscomi said. When he orders ten cases of 2 pound Gold Medal flour bags from a distributor, he said, "we're lucky if we get two cases, and that sells out in a day or two."

Gristedes and D'Agostino supermarkets have been cleaned out of Charmin toilet paper, Bounty paper towels, and Lysol and Clorox cleaners. "Six months ago, you had one bottle of Lysol for your home, now everybody wants to have one bottle for every room," said John Catsimatidis, the chief executive of Red Apple Group, which includes the supermarkets.

His supermarkets have turned to alternative brands and tried to tap new suppliers. A Canadian company was ready to send a truckload of Clorox wipes and sprays until its driver refused to deliver to New York.



Toilet paper has been in particularly high demand. Many stores have put a limit on how much each customer can buy.

Credit. Brittainy Newman/The New York Times.

Still, shopping for oat milk and Oreos may soon get easier as some manufacturers expand their production and distribution operations. In the past month, Mondelez International has increased snack production in the

In the past month, Mondelez International has increased snack production in the United States in response to double-digit sales growth of its brands, including Oreos and Ritz crackers.

It has also hired 1,000 more workers for "front-line teams" in manufacturing, sales and distribution to get snacks onto store shelves faster, said Glen Walter, president of the company's North America division.

The pandemic has accelerated the expansion of Oatly, a Swedish company that has grown steadily since introducing its oat milk to New York coffee shops in 2017. Oatly is now manufacturing an average of 500,000 cartons a week at its factory

Oatly is now manufacturing an average of 500,000 cartons a week at its factory in New Jersey, up more than 40 percent from the 350,000 cartons per week it was making in January.

"It still won't be enough to keep the shelves fully stocked," said Mike Messersmith, president of Oatly North America.



A delivery arriving at a Foodtown grocery store in the Bronx. Credit. Desiree Rios for The New York Times.

King Arthur Flour has more than doubled production to five million bags of flour a month, up from less than two million a year ago. Extra shifts were added at mills and manufacturing plants, and two assembly lines were repurposed to pack flour into plastic pouches that will be sold on the company website, said Bill Tine, King Arthur's vice president of marketing.

Robb MacKie, the president and chief executive of the American Bakers Association, an industry group, said that more flour was heading to store shelves, with yeast not far behind. "We're seeing daily improvements," he said. The shortages have changed the way that Ms. Arevalo, the chef-turned-pasta

maker, shops for groceries. She used to choose a recipe and stop for ingredients, now it is the other way around.

Her fresh-made pasta has become so popular that she takes orders,<sup>6</sup> selling out in an hour and a half. She charges \$6 per pound online, and leaves the pasta in white paper bags on the stoop of her brownstone. Only one bag has been stolen.

Even when the pandemic ends, she may keep offering pasta pickups. "It's been this very satisfying way to connect with the neighborhood," she said. "I can't imagine stopping it now."

<sup>&</sup>lt;sup>6</sup>https://www.pastalouise.com/.



A sign written in chalk outside Ms. Arevalo's home in Brooklyn where she leaves bags of pasta orders. Credit. Demetrius Freeman for *The New York Times*.

Winnie Hu is a reporter on the Metro desk, focusing on transportation and infrastructure stories. She has also covered education, politics in City Hall and Albany, and the Bronx and upstate New York since joining the *Times* in 1999. @WinnHu

A version of this article appears in print on May 13, 2020, Section A, Page 15 of the New York edition with the headline: *Getting Creative Amid Shortages*.

Article 2

## THE WALL STREET JUUKNAL.

[https://www.wsj.com/articles/high-food-prices-drive-consumers-to-hunt-for-value-11591700401]

## Fastest-Rising Food Prices in Decades Drive Consumers to Hunt for Value Food makers, retailers respond by restoring promotions, bundling products to help

offset biggest price jump since 1970s



Monthly price change of selected food items

Food makers are designing value packs, and supermarkets are restoring promotions, aiming to offset disruptions wrought by the coronavirus pandemic that have led to the fastest rise in food prices in more than 4 decades.

While food companies and supermarkets say they have reopened plants and resolved supply constraints 1 that contributed to higher prices, they also expect prices to remain elevated because of increased costs for labor and transportation. Companies are buying equipment<sup>2</sup> and reconfiguring factories<sup>3</sup> and stores to keep people safe from the new coronavirus. Some of those changes are adding costs that are trickling down to shoppers.

These are historical price changes we have never seen in a short window," said Jagtar Nijjar, director of import and commodities at Gordon Food Service Inc., one of the biggest food-service distributors in the U.S.

Prices for store-bought food rose a seasonally adjusted 2.6% in April from a month earlier, according to the Labor Department, the biggest monthly increase since 1974. The department is due to release figures for May on Wednesday, and many economic analysts expect it to be a sharper increase than April. Market-research firm Nielsen said food prices rose 5.8% in the 13 weeks from March 1 to May 30 compared with the year-ago period.

By Annie Gasparro and Jaewon Kang June 9, 2020 7:00 a.m. ET

 $<sup>{}^{1}</sup>https://www.wsj.com/articles/two-months-that-tore-apart-the-food-chain-11588174236.$ 

<sup>&</sup>lt;sup>2</sup> https://www.wsj.com/articles/makers-race-to-produce-supplies-for-coronavirus-economy-

plexiglass-sanitizer-masks-11590944400. <sup>3</sup> https://www.wsj.com/articles/she-polices-social-distancing-at-krafts-mac-and-cheese-factory-during-coronavirus-11587720602.



Transportation and logistical costs for food makers have climbed, contributing to the rise in food prices. Photo: Daniel Acker/Bloomberg News.

Mondelez International <sup>4</sup> Inc. said it is considering smaller packages of some products like its Oreos and other snacks that cost less overall. Campbell Soup <sup>5</sup> Co. said it might add more family-size packs <sup>6</sup> that will cost less per ounce.

<sup>&</sup>lt;sup>4</sup> https://www.wsj.com/market-data/quotes/MDLZ. <sup>5</sup> https://www.wsj.com/market-data/quotes/CPB. <sup>6</sup> https://www.wsj.com/articles/customers-come-back-to-campbells-soup-11591111836.

## U.S. spending on food as a share of disposable personal income



**Editor's note:** the chart is an interactive graphic. An animation of the chart is retained in Committee file.

"There is going to be strain, and I think value will play an important role for consumers going forward," Campbell's Chief Executive Mark Clouse said.

The job and earning outlook for many is more uncertain than it has been in years. Nicholas Fereday, executive director of food and consumer trends for agricultural lender Rabobank, said he expects spending on food as a percentage of disposable income to rise this year for the first time in decades.

Karen Stadnicki, a physician assistant in suburban Chicago, said her hours have been reduced because of the pandemic, lowering the income her family of five relies on. At the same time, she said, "my grocery bill is so much higher."

"Chicken and beef, if you can find it, is like double what I used to pay," she said. The jump in meat prices has propelled the overall increase in food prices. The pandemic has disrupted meatpacking plants, creating *shortages of meat*<sup>7</sup> and pushing up prices. While the meat supply is improving, promotions are still hard to find, and prices remain high, retailers said. Meat prices rose 15% in the week ended May 23 from the prior year, according to Nielsen.

Food at home Food away from home

<sup>&</sup>lt;sup>7</sup>https://www.wsj.com/articles/a-smart-guide-to-the-u-s-meat-shortage-11588768651.

Average transaction price at grocery stores



Editor's note: the chart is an interactive graphic. An animation of the chart is retained in Committee file.

Transportation and logistical costs for food makers are rising, too. With most air traffic canceled, Be Well Nutrition Inc., maker of protein-drink brand Iconic Protein, recently chartered a plane to pick up its main ingredient, grass-fed milk protein, from Ireland.

"The cost is astronomical," Chief Operating Officer Mariah Faulhaber said. She said Be Well hasn't yet raised prices.

Grocery costs also rose because food makers and supermarkets have pulled back on the discounts they typically apply to about  $\frac{1}{3}$  of the items they sell. Consumers are finding some 28% fewer discounts, according to Nielsen, because manufacturers are focused on their top sellers, grocers said.

SpartanNash<sup>8</sup> Co., which owns more than 150 grocery stores in the Midwest and distributes food to about 2,100 retailers, said it cut promotions during the pandemic by about 5%. California chain Bristol Farms' discount volume is down by half from before the pandemic in part because the food supply is still in flux, said Kevin Davis, special adviser to the grocer's board.

Some customers are migrating to cheaper foods, generic brands and discount stores, as prices rise. Nicole Reeder, a program coordinator in New Orleans, said she recently bought vegetables *instead of chicken thighs*<sup>9</sup> for \$5.99 a pound, \$2 a pound more than a few weeks earlier. "My last grocery haul, I didn't buy any meat," she said.

<sup>&</sup>lt;sup>8</sup> https://www.wsj.com/market-data/quotes/SPTN.

<sup>&</sup>lt;sup>9</sup> https://www.wsj.com/articles/supermarkets-adjust-meat-sections-as-coronavirus-cuts-supply-11587051995.

Share of grocery items sold on promotion



Editor's note: the chart is an interactive graphic. An animation of the chart is retained in Committee file.

In response, food makers and retailers are restarting promotions and adding more lower-priced products to avoid losing customers. Private-label products have taken sales from big food makers, such as *Kraft Heinz*<sup>10</sup> Co., in recent years, and main-stream grocers, including *Kroger*<sup>11</sup> Co., have lost market share to discount chains, such as Aldi Inc., and dollar stores.

SpartanNash said it has restarted promotions for cereal, coffee and other items but held back on discounts for faster-selling products such as pasta and frozen vegetables. Bristol Farms said it is promoting more fresh and prepared foods.

Yogurt-maker Danone SA CÉO Emmanuel Faber said shoppers are buying more bulk packs that cost less per ounce. "We see people moving to value," he said.

*PepsiCo*<sup>12</sup> Inc. has been planning what ranges of prices it should have for its snacks in different economic scenarios, depending on how severe a recession is.

"In any recession in recent history, our business has been pretty resilient. But we haven't seen anything like what people are forecasting," said Steven Williams, chief executive of PepsiCo Foods North America.

<sup>&</sup>lt;sup>10</sup> https://www.wsj.com/market-data/quotes/KHC.
<sup>11</sup> https://www.wsj.com/market-data/quotes/KR.
<sup>12</sup> https://www.wsj.com/market-data/quotes/PEP.

**Consumer Spending Slid in April; Here's Why That Matters** 



Consumer spending fell 7.5% in March, prompting further concerns about the impact of the coronavirus pandemic on the economy. Here's why consumer spending is so important and how it can signal if the country is heading toward a recession. Photo: Getty Images. **Editor's note:** the video is retained in Committee file.

SUBMITTED LETTER BY HON. JIMMY PANETTA, A REPRESENTATIVE IN CONGRESS FROM

CALIFORNIA

November 30, 2021

Hon. LILY BATCHELDER, Assistant Secretary, Office of Tax Policy, U.S. Department of the Treasury, Washington, D.C.; Hon. CHARLES RETTIG, Commissioner, Internal Revenue Service, U.S. Department of the Treasury, Washington, D.C.

Re: Pending Section 170(e)(3) Guidance Project

Dear Assistant Secretary Batchelder and Commissioner Rettig:

We are writing to you to raise our concerns with respect to the pending guidance project regarding the treatment of charitable contributions of inventory under section 170(e)(3) of the Internal Revenue Code. As the holiday season is upon us and pandemic-related food supply chain issues impact families in need, we ask why efforts that allow donors of prepared food to recover their basis and receive enhanced deductions are no longer being pursued.

This important guidance project would clarify an issue created by the current Treasury Regulations to ensure that Section 170(e)(3) works as intended for donors to make charitable contributions of prepared food. Clarification will help donors satisfy the increased demand on food banks and other hunger relief agencies in light of the continuing impact of the COVID-19 crisis.

Specifically, the guidance would provide certainty that donors would (i) be allowed to recover their basis in contributed inventory, and (ii) be able to compute the enhanced deduction. The enhanced deduction is intended by Congress to help compensate potential donors for the administrative costs associated in making inventory donations. These costs include the identification and selection of appropriate food banks and other hunger relief agencies as well as the preparation, packaging, and shipment of food in accordance with applicable food safety regulations.

This guidance project has been included in every Treasury Department/Internal Revenue Service (IRS) Priority Guidance Plan since 2015–2016 and has been designated in more recent plans as a high priority "burden reduction" project. In November of 2020, we cosponsored bipartisan legislation, H.R. 8817, the *Preserving*  *Charitable Incentives Act,* that included a provision encouraging the IRS to issue this guidance as soon as possible.

Despite the time and resources that the Treasury Department and the IRS has dedicated to this project and our significant interest in this guidance being issued in a timely manner, the guidance project was surprisingly dropped from the recently released 2021–2022 Priority Guidance Plan.

We believe that the need for this guidance should be given more priority given the current food insecurity in this country. Given supply chain shortages at retailers, food banks, and other hunger relief agencies are even more reliant on donations of prepared foods from retailers and restaurants, which are particularly impacted by the lack of guidance in this area.

We respectfully request a written response within thirty (30) days that explains (i) the reasons why this important project was dropped from the priority guidance plan, and (ii) what actions the Treasury Department and the IRS are taking to ensure that donors can recover their basis and compute the enhanced deduction with respect to donations of inventory such as currently purchased food.

We believe that providing such certainty is essential to ensure that charitable donations are encouraged during this critical time and would like answers as to why it is no longer being prioritized. Thank you for your prompt attention and consideration of this important matter.

Sincerely,

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Hon. JIMMY PANETTA, Member of Congress

Hon. ADRIAN SMITH, Member of Congress

SUBMITTED REPORT BY HON. DON BACON, A REPRESENTATIVE IN CONGRESS FROM NEBRASKA

[https://www.usda.gov/oig/audit-reports/covid-19-oversight-emergency-food-assistance-program-interim-report]







Inspection Report 27801–0001–21(1) August 2021

The objective of our ongoing inspection is to evaluate FNS' oversight of TEFAP this report provides interim results on whether FNS identified risks related to the safe and efficient distribution of USDA Food assistance to states during the COVID– 19 pandemic.

#### Objective

One of the four objectives of our ongoing inspection was to determine what risks FNS identified related to the safe and efficient distribution of USDA Food assistance provided to states during the COVID–19 pandemic. Specifically: (a) did FNS accept any risk related to the safe distribution of food assistance without implementing an offsetting internal control?; and (b) what controls did FNS establish to manage risks it did not accept?

#### Reviewed

We evaluated if FNS identified risks related to the safe and efficient distribution of USDA food assistance provided to the states between March 1, 2020, and October 31, 2020.

#### Recommends

We recommend that FNS develop and implement a formal process to periodically identify, assess, and document risks that could impact the integrity of TEFAP. FNS should also document its response to the risks identified during its assessment and document and implement mitigation strategies, as applicable.

#### What OIG Found

The Emergency Food Assistance Program (TEFAP) is a United States Department of Agriculture (USDA) program that provides supplemental food assistance to persons in need. TEFAP provides Federally purchased commodities (USDA Foods) to states and Territories (states) to distribute to recipient agencies serving low-income households and individuals. TEFAP also provides administrative funds to cover states' and recipient agencies' costs associated with the processing, storage, and distribution of USDA Foods and foods provided through private donations.

We concluded that the Food and Nutrition Service (FNS) did not formally evaluate what impact the coronavirus disease 2019 (COVID-19) pandemic could have on the safe and efficient distribution of food assistance to states. This occurred because FNS had not established a formal enterprise risk management process to continuously identify and assess risks related to TEFAP program operations, including changing conditions that could impact the integrity of the program. Without a formal risk management process for TEFAP, there is no assurance that FNS periodically reviews and documents its response to the impact of changing conditions on the safe and effective distribution of food assistance to states. In Fiscal Year 2020, the Families First Coronavirus Response (FFCR) and Coronavirus Aid, Relief, and Economic Security (CARES) Acts increased TEFAP funding by \$850 million, with funding totaling more than \$1.2 billion, thus increasing the potential risk that food assistance may not go to those in need.

FNS agreed with our finding and recommendations, and we accepted management decision on both recommendations.



Date: August 24, 2021

**Inspection Number:** 27801–0001–21(1)

To: CINDY LONG, Acting Administrator, Food and Nutrition Service

Attn: MELISSA ROTHSTEIN, *Director*, Office of Internal Controls, Audits and Investigations

From: GIL H. HARDEN, Assistant Inspector General for Audit

60 H. Harden

Subject: COVID-19—Oversight of the Emergency Food Assistance Program

This report presents the results of the subject review. Your written response to the official draft is included in its entirety at the end of the report. We have incorporated excerpts from your response, and the Office of Inspector General's position, into the relevant sections of the report. Based on your written response, we are accepting management decision for both inspection recommendations in the report, and no further response to this office is necessary. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer (OCFO).

In accordance with Departmental Regulation 1720–1, final action needs to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. For agencies other than OCFO, please follow your internal agency procedures in forwarding final action correspondence to OCFO.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (*http://www.usda.gov/oig*) in the near future.

#### **Table of Contents**

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b. What controls did FNS establish to manage risks it did not accept? Recommendation 1 Recommendation 2

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#### **Background and Objectives**

Background

The Emergency Food Assistance Program (TEFAP) is a United States Department of Agriculture (USDA) program that provides supplemental food assistance to persons in need.<sup>1</sup> TEFAP provides federally purchased commodities<sup>2</sup> (USDA Foods)<sup>3</sup> to states and Territories (states)<sup>4</sup> to distribute to recipient agencies<sup>5</sup> serving lowincome households and individuals. TEFAP also provides administrative funds to cover states' and recipient agencies' costs associated with the processing, storage, and distribution of USDA Foods and foods provided through private donations.

The Food and Nutrition Service (FNS) administers TEFAP in collaboration with USDA's purchasing agencies: Agricultural Marketing Service, Farm Service Agency, and Commodity Credit Corporation. At the Federal level, FNS is responsible for allocating aid to states and for coordinating the ordering, processing, and distribution of USDA Foods. FNS allocates and distributes food and administrative funds<sup>6</sup> ac cording to a formula based on each state's population of low-income and unemployed persons. State agencies<sup>7</sup> administer TEFAP at the state level. State agencies are responsible for distributing USDA Foods and funds to recipient agencies and general oversight of the program at the local level. *Figure 1* depicts the general responsibilities of TEFAP and the flow of USDA Foods and funds through TEFAP.

<sup>&</sup>lt;sup>1</sup>In 1981, TEFAP was first authorized to distribute surplus commodities under the Temporary Emergency Food Assistance Program in order to help supplement the diets of low-income Americans, including seniors. The Emergency Food Assistance Act of 1983 authorized TEFAP to provide other types of surplus foods.

<sup>&</sup>lt;sup>2</sup>Commodities include fruits, vegetables, meats, and grains, among other foods.

<sup>&</sup>lt;sup>3</sup>The term "commodities" is no longer commonly used, as it has been replaced by "donated foods" or "USDA Foods."

 $<sup>^4\,\</sup>rm States$  are defined as all 50 states of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and Northern Mariana Islands.

<sup>&</sup>lt;sup>5</sup>Recipient agencies include emergency feeding organizations, such as food banks, food pantries, soup kitchens, and charitable institutions, which receive USDA Foods and/or administrative funds.

<sup>&</sup>lt;sup>6</sup>Funds are provided to the state and recipient agencies for the costs associated with processing, storage, and distribution of USDA Foods or food provided through private donations. <sup>7</sup>Examples of state agencies that administer TEFAP include entities such as the Department

<sup>&</sup>lt;sup>7</sup>Examples of state agencies that administer TEFAP include entities such as the Department of Health and Human Services, the Department of Social Services, the Department of Agriculture, or the Department of Education.

#### Figure 1. Flow of Food and Funds through TEFAP.



<sup>[1]</sup> States may distribute food to recipient agencies directly or task recipient agencies with food distribution to other recipient agencies. States often delegate this responsibility to food banks.

Section 27 of the Food and Nutrition Act authorizes mandatory funding for TEFAP.<sup>8</sup> In Fiscal Year (FY) 2020, Congress appropriated more than \$397 million to TEFAP: \$317.5 million for USDA Foods and \$79.63 million for food distribution costs.9

In January 2020, the Secretary of Health and Human Services declared the coronavirus disease 2019 (COVID-19) pandemic  $^{10}$  a public health emergency for the United States. The pandemic resulted in catastrophic loss of life and substantial damage to the global economy, societal stability, and global security. In response to this unprecedented global crisis, Congress and the Administration took a series of actions, including providing additional funding for programs serving low-income households. The Families First Coronavirus Response (FFCR) Act,<sup>11</sup> enacted on March 18, 2020, provided \$400 million for TEFAP under the Commodity Assistance Program (CAP). Furthermore, the Coronavirus Aid, Relief, and Economic Security (CARES) Act,<sup>12</sup> enacted on March 27, 2020, provided an additional \$450 million in supplemental funding to CAP for TEFAP. The CARES Act additionally required that funds be used to "prevent, prepare for, and respond to coronavirus." The FFCR and CARES Acts did not change TEFAP's regulatory requirements; however, these Acts increased FY 2020 funding by \$850 million. Figure 2 depicts the TEFAP funding from the FFCR and CARES Acts.

<sup>&</sup>lt;sup>8</sup>The Food and Nutrition Act of 2008, Pub. L. No. 88-525 (Aug. 1964), amended by Pub. L. No. 116-94 (Dec. 2019).

<sup>&</sup>lt;sup>9</sup>The Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94 (Dec. 2019).

<sup>&</sup>lt;sup>10</sup>COVID-19 is an infectious disease caused by a newly discovered coronavirus. On January 31, 2020, the Secretary of Health and Human Services declared a public health emergency for the United States, retroactive to January 27, 2020. On March 11, 2020, the World Health Orga-nization characterized COVID-19 as a pandemic.

 <sup>&</sup>lt;sup>11</sup>Families First Coronavirus Response Act, Pub. L. No. 116–127 (Mar. 2020).
 <sup>12</sup>Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116–136 (Mar. 2020).

Figure 2. FFCR and CARES Act Funding



[For the Families First Coronavirus Response Act, enacted March 18, 2020, \$400 million under the Commodity Assistance Program, FNS was to use the FFCR Act funds to provide food to people in need. FNS could distribute up to \$100 million of the \$400 million to U.S. states and Territories for costs associated with distributing USDA Foods. The remaining amount was to be made available for food costs. For the CARES Act, enacted on March 27, 2020, \$450 million under the Commodity Assistance Program, FNS was to use the CARES Act funds to provide food to people in need. FNS could distribute up to \$150 million of the \$450 million to U.S. states and Territories for costs associated with distributing USDA Foods. The remaining amount was to be made available for food costs.]

## **Objectives**

One of our inspection objectives<sup>13</sup> was to determine what risks FNS identified related to the safe and efficient distribution of USDA Food assistance provided to states during the pandemic. Specifically:

- a. Did FNS accept any risk related to the safe distribution of food assistance without implementing an offsetting internal control?
- b. What controls did FNS establish to manage risks it did not accept?

<sup>&</sup>lt;sup>13</sup> During the course of our inspection, we plan to issue additional interim reports as we complete the other three objectives. In this report, we are addressing objective 3.

#### Section 1: What risks has FNS identified related to the safe and efficient distribution of USDA Food assistance provided to states during the pandemic?

#### a. Did FNS accept any risk related to the safe distribution of food assistance without implementing an offsetting internal control?

## b. What controls did FNS establish to manage risks it did not accept?

FNS did not formally evaluate the impact the pandemic could have on the safe and efficient distribution of food assistance to states. This occurred because FNS and efficient distribution of food assistance to states. This occurred because This had not established a formal enterprise risk management (ERM) process to continu-ously identify and assess risks related to TEFAP program operations, including changing conditions that could impact the integrity of the program. Without a for-mal risk management process for TEFAP, there is no assurance that FNS periodi-cally reviews and documents its response to the impact of changing conditions on the safe and effective distribution of food assistance to states. In FY 2020, the FFCR<sup>14</sup> and CARES<sup>15</sup> Acts increased TEFAP funding by \$850 million, with funding ance may not go to those in need. The Office of Management and Budget (OMB) Circular No. A-123 states that

identifying risk is a continuous and ongoing process. Agencies must regularly review and monitor risk to identify whether risks still exist, whether new risks have arisen, and whether the likelihood and impact of risks have changed; report significant changes that adjust risk priorities; and deliver assurance on the effectiveness of con-trols.<sup>16</sup> Furthermore, changing conditions often create new risks or changes to existing risks that prompt management to perform a risk assessment to identify, analyze, and respond to risks caused by these changing conditions.<sup>17</sup>

OMB defines ERM as an effective, agency-wide approach to address the full spectrum of significant internal and external risks by understanding the combined impact of risks as an interrelated portfolio, rather than addressing risks only within silos. ERM is a part of overall organizational governance and accountability func-

tions and encompasses all areas where an organization is exposed to risk.<sup>18</sup> The FFCR and CARES Acts increased TEFAP funding by a total of \$850 million to purchase and distribute food to those in need. FNS modified or implemented oversight controls in response to the requirements of the CARES Act and the pandemic that:

- required separate reporting of pandemic funds in its financial reports;
- prioritized the use of CARES Act funds over other funding;<sup>19</sup>
- required that states provide a written justification for how they would use additional funds to ensure they would meet the intent of the CARES Act;
- revised its management evaluations (ME)<sup>20</sup> to include pandemic-specific questions to assess whether state agencies complied with FNS' pandemic guidance beginning in FY 2021; and
- modified the timing of MEs and state agency monitoring reviews.

However, FNS did not perform a formal program-wide risk assessment<sup>21</sup> to evaluate what impact the pandemic could have on TEFAP's operations and processes.<sup>22</sup> We concluded the pandemic created challenges for TEFAP, including difficulties in

 <sup>&</sup>lt;sup>14</sup> Families First Coronavirus Response Act, Pub. L. No. 116–127 (Mar. 2020).
 <sup>15</sup> Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116–136 (Mar. 2020).

<sup>&</sup>lt;sup>16</sup>OMB, Management's Responsibility for Enterprise Risk Management and Internal Control, Circular A-123 (July 2016).

<sup>&</sup>lt;sup>17</sup>Government Accountability Office (GAO), Standards for Internal Control in the Federal Gov-ernment, GAO-14-704G (Sep. 2014).

<sup>&</sup>lt;sup>18</sup>OMB, Management's Responsibility for Enterprise Risk Management and Internal Control,

Circular A-123 (July 2016). <sup>19</sup>The CARES Act required funds to be used to "prevent, prepare for, and respond to coronavirus." As a result, FNS prioritized using these funds over FFCR Act and regular TEFAP

<sup>&</sup>lt;sup>20</sup> FNS regional offices conduct MEs, which include a review of all of the state agency's program operations. This includes an assessment of financial management, as well as compliance with eligibility requirements, inventory controls, distribution procedures, records and reports for TEFAP foods, and the state agencies' compliance with its own monitoring requirements. FNS regional offices review the five TEFAP state agencies identified as the most at risk for fraud, waste, or abuse on an annual basis. <sup>21</sup>A program-wide risk assessment encompasses all areas where an organization is exposed

<sup>&</sup>lt;sup>22</sup> FNS did perform an annual risk assessment of TEFAP improper payments, as required by the Payment Integrity Information Act.

fulfilling TEFAP food orders and delays in conducting monitoring activities. Had FNS formally evaluated the impact of the pandemic on program operations, the agency could have further identified ways to mitigate risks to program integrity.

## Delivery of USDA Foods

In November 2020<sup>23</sup> and March 2021,<sup>24</sup> GAO reported that FNS faced several challenges implementing TEFAP during the pandemic. For example, GAO reported that FNS canceled multiple TEFAP orders during the pandemic—such as orders for canned meats, soups, and vegetables-that left food banks without the USDA Foods they were expecting to distribute to participants.<sup>25</sup> GAO's review of FNS data disclosed that food order cancellations were an ongoing challenge. In terms of both estimated value and total truckload, GAO reported the magnitude of canceled TEFAP orders was similar from March to September 2020, compared to the same months in 2019, and canceled orders were greater from October to December 2020, when compared to March to September 2020. We asked FNS officials if they identified canceled orders as a risk to the program and, if so, did they implement any changes to address this issue. FNS officials stated they had not assessed risks related to canceled orders. However, in the fall of 2020, they began working more closely with their procurement department to identify additional vendors, make modifications to the list of food offerings, and increase their involvement within the food industry to reduce the risk of canceled orders.

#### Oversight

Travel restrictions due to the pandemic prevented FNS regional offices from completing MEs for two state agencies FNS identified as high risk for waste, fraud, and abuse of program resources.<sup>26</sup> Although FNS rescheduled these two MEs from FY 2020 to FY 2021, the agency did not formally identify or assess potential risks caused by postponing the MEs. For example, FNS did not formally evaluate and document whether it should implement alternate mitigating controls-such as a desk review of state agencies' operations-to replace or supplement the monitoring reviews postponed due to the pandemic.

Travel restrictions also impacted state agencies' ability to complete on-site monitoring of their TEFAP operations and processes. State agencies are required to annually review recipient agencies that participate in TEFAP.<sup>27</sup> In light of the pandemic, FNS provided the state agencies the option to delay their oversight activities and encouraged virtual reviews to be conducted to the extent practicable.28 However, FNS modified these existing controls without performing a formal risk assessment to determine how these delays could impact the state's ability to monitor program operations effectively.

ERM has six essential elements that fit together to form a continual process for managing enterprise risks. The absence of any one of the elements would likely result in an agency incompletely identifying and managing risk. For example, if an agency did not monitor risks, it would have no way to ensure it successfully respond to risks. If FNS had performed formal risk assessments as part of a continuous risk management process (depicted in Figure 3), FNS could have more timely identified the challenges OIG and GAO reported and may have been able to develop and implement strategies to mitigate the risks these challenges presented to the safe and efficient distribution of USDA Foods to states.

<sup>26</sup> FNS conducts an annual risk-based assessment to determine state agencies that pose the highest risk for waste, fraud, and abuse of TEFAP resources. Based on the results of the assess-ment, FNS selects the top five states its assessment identified as presenting the highest risk for fraud, waste, and abuse and performs a ME of those states. In FY 2020, FNS completed three of the five MEs before the pandemic and rescheduled the remaining two MEs to be com-

pleted in FY 2021. <sup>27</sup>These on-site reviews evaluate how organizations conduct eligibility determinations, food or-dering procedures, storage and warehouse practices, inventory controls, and adherence to report-

<sup>28</sup>According to 7 CFR § 250, storage facility reviews and physical inventory counts must be conducted on-site.

<sup>&</sup>lt;sup>23</sup>GAO, COVID-19: Urgent Actions Needed to Better Ensure an Effective Federal Response,

GAO-21-191 (Nov. 2020). <sup>24</sup>GAO, COVID-19: Sustained Federal Action is Crucial as Pandemic Enters Its Second Year, GAO-21-387 (Mar. 2021).

<sup>&</sup>lt;sup>25</sup>According to GAO, FNS officials and representatives from organizations who distribute food stated several factors contributed to canceled TEFAP orders during the pandemic, including ven-dors not bidding on a given order, supply chain issues making food unavailable, and increasing transportation and raw materials costs.



Figure 3: Essential Elements of Federal Government Enterprise Risk Management

#### Source: GAO-17-63.29

While we acknowledge that FNS modified oversight controls in response to the pandemic, the agency did not conduct a comprehensive, formal risk assessment of all aspects of TEFAP, including an assessment of FNS's TEFAP operations and processes and an assessment of the impact that changing conditions caused by the pandemic and an increase in Federal funding could have on TEFAP operations. Although we noted FNS modified program operations in response to the pandemic, FNS officials shared they did not formally identify and document the risks of these modifications to the effective oversight of TEFAP. As a result, FNS cannot ensure that the oversight controls it modified did not create additional risks that FNS should have mitigated and that all risks to TEFAP operations are identified and assessed. FNS needs to conduct and document a formal risk assessment of TEFAP, including evaluating the impact of the pandemic on its operations. In addition, to ensure FNS appropriately uses current and future TEFAP funds, FNS needs to document any determinations regarding whether it is willing to accept risks to program integrity or identify and implement additional internal controls to mitigate risks.

#### Recommendation 1

Develop and implement a formal process to periodically identify, assess, and document risks, beyond improper payments, that could impact the integrity of TEFAP. This should include a comprehensive assessment of all aspects of TEFAP, including

<sup>&</sup>lt;sup>29</sup> GAO, Enterprise Risk Management, Selected Agencies' Experiences Illustrate Good Practices in Managing Risk, GAO-17-63 (Dec. 2016).

those that would arise as a result of changes in operations due to a significant event.

## Agency Response

In its August 13, 2021, response, FNS stated:

FNS concurs with this recommendation and will work to develop and implement a formal process to periodically identify, assess, and document risks that could affect the integrity of TEFAP, including those that would arise as a result of changes in operation due to a significant event such as the COVID-19 pandemic. Though risk assessment is built into routine program operations and did inform FNS' response to the pandemic, we recognize that we do not have a formal risk evaluation process in place in which known risks, responses to risks, and mitigation strategies are documented and formally evaluated. Moving forward, we will implement a formal ERM process using the Office of Management and Budget's *Management Responsibility for Enterprise Risk Management and Internal Control*, Circular A-123 as a guide. We recognize that such an assessment is a best practice in program administration and will help to ensure the effective and efficient administration of the program.

FNS provided an estimated completion date of May 1, 2022, for this action.

#### **OIG** Position

We accept management decision for this recommendation.

#### Recommendation 2

Document FNS' response to the risks identified during its assessment. Document and implement mitigation strategies, as applicable.

#### Agency Response

In its August 13, 2021, response, FNS stated:

FNS concurs with this recommendation. The ERM process that will be developed and implemented will include a process for documenting FNS' response to any risks identified during the risk assessment and any corresponding mitigation strategies that will need to be put into place. In many cases, the process to document risks and mitigation strategies will simply be an articulation of known risks and strategies that FNS already has in place; however, we recognize that a formal process may yield different solutions or strategies than what FNS has already implemented for TEFAP.

FNS provided an estimated completion date of August 1, 2022, for this action.

#### OIG Position

We accept management decision for this recommendation.

#### Scope and Methodology

Our inspection scope covered the period of March 1, 2020, through October 31, 2020. We conducted our fieldwork on Objective 3 from November 2020 through June 2021.

To accomplish Objective 3, we:

- Obtained and reviewed applicable laws, policies, procedures, and regulations relating to TEFAP, FFCR Act and CARES Act;
- Reviewed GAO Reports to Congressional Committees: "COVID-19: Urgent Actions Needed to Better Ensure an Effective Federal Response" (November 2020) and "COVID-19: Sustained Federal Action is Crucial as Pandemic Enters Its Second Year" (March 2021);
- Interviewed FNS officials and reviewed written responses to our questions;
- Reviewed and evaluated FNS' FY 2020 TEFAP improper payment risk assessment;
- Identified and reviewed controls implemented by FNS in response to the FFCR and CARES Acts; and
- Reviewed FNS' process for conducting MEs, including FNS' risk-based assessment for selecting states for ME reviews and the ME module.

We conducted this inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation.<sup>30</sup> Those standards require that we obtain sufficient, competent, and relevant evidence to provide a reasonable basis for our findings, conclusions, and recommendations based on our inspection objectives. We believe that the evidence obtained provides a reasonable basis for our finding, conclusions, and recommendations based on our inspection objective.

#### Abbreviations

CAP	Commodity Assistance Program
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CFR	Code of Federal Regulations
COVID–19	coronavirus disease 2019
ERM	Enterprise Risk Management
FFCR Act	Family First Coronavirus Response Act
FNS	Food and Nutrition Service
FY	fiscal year
GAO	Government Accountability Office
ME	management evaluation
OMB	Office of Management and Budget
TEFAP	The Emergency Food Assistance Program
USDA	United States Department of Agriculture

## Agency's Response

FNS' Response to Audit Report

USDA U.S. DEPARTMENT OF AGRICULTURE

Date: August 13, 2021

Inspection Number: 27801–0001–21(1)

**To:** GIL H. HARDEN, Assistant Inspector General for Audit **From:** CINDY LONG, Acting Administrator, Food and Nutrition Service

From: Cindy Long, Acting Administrator, Food and Nutrition Service

Subject: Interim Report, COVID-19: Oversight of The Emergency Food Assistance Program

This letter responds to the interim report official draft for inspection number 27801–0001–21(1), COVID–19: Oversight of The Emergency Food Assistance Program (TEFAP). Specifically, the Food and Nutrition Service (FNS) is responding to the two recommendations in the report.

FNS supports the Office of Inspector General's (OIG) objectives to assess the controls FNS has in place to monitor and evaluate risk in TEFAP. Such exercises only serve to bolster and improve the effective and efficient administration of the program. As the COVID-19 pandemic has demonstrated, TEFAP's vast network of food banks, food pantries, soup kitchens, and other local agencies are a lifeline for lowincome Americans in need of emergency food assistance. We appreciate OIG's due diligence in helping to ensure that TEFAP remains a stable and reliable source of food assistance for those in need under any circumstances that may arise.

## OIG Recommendation 1

Develop and implement a formal process to periodically identify, assess, and document risks, beyond improper payments, that could impact the integrity of TEFAP. This should include a comprehensive assessment of all aspects of TEFAP, including those that would arise as a result of changes in operations due to a significant event.

#### FNS Response

FNS concurs with this recommendation and will work to develop and implement a formal process to periodically identify, assess, and document risks that could affect the integrity of TEFAP, including those that would arise as a result of changes in operation due to a significant event such as the COVID-19 pandemic. Though risk assessment is built into routine program operations and did inform FNS' response to the pandemic, we recognize that we do not have a formal risk evaluation process in place in which known risks, responses to risks, and mitigation strategies are documented and formally evaluated. Moving forward, we will implement a formal enterprise risk management (ERM) process using the Office of Management and Budg-

<sup>&</sup>lt;sup>30</sup> Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation* (Dec. 2020).

et's Management Responsibility for Enterprise Risk Management and Internal Control, Circular A-123 as a guide. We recognize that such an assessment is a best practice in program administration and will help to ensure the effective and efficient administration of the program.

Estimated Completion Date

May 1, 2022

OIG Recommendation 2

Document FNS' response to the risks identified during its assessment. Document and implement mitigation strategies, as applicable.

FNS Response

FNS concurs with this recommendation. The ERM process that will be developed and implemented will include a process for documenting FNS' response to any risks identified during the risk assessment and any corresponding mitigation strategies that will need to be put into place. In many cases, the process to document risks and mitigation strategies will simply be an articulation of known risks and strategies that FNS already has in place; however, we recognize that a formal process may yield different solutions or strategies than what FNS has already implemented for TEFAP.

Estimated Completion Date

August 1, 2022.

#### Learn more about USDA OIG

Visit our website: <a href="http://www.usda.gov/oig/index.htm">www.usda.gov/oig/index.htm</a> Follow us on Twitter: @OIGUSDA

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Persons with disabilities who require alternative means of communication for program information (*e.g.*, Braille, large print, audiotape, American Sign Language, *etc.*) should contact the responsible Agency or USDA's TARGET Center at (202) 720–2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877–8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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## SUBMITTED STATEMENT BY HON. DON BACON, A REPRESENTATIVE IN CONGRESS FROM NEBRASKA; ON BEHALF OF METZ CULINARY MANAGEMENT, INC.

[Madam Chairwoman] and Members of this Committee, thank you for holding this critical hearing to receive comments and review the U.S. Department of Agriculture's (USDA) food distribution programs. Metz Culinary Management appreciates the opportunity to provide additional details on how our company offers nutritious, ready-to-eat, frozen, shelf-stable meals through USDA's food and nutrition programs. In addition, we are extremely interested in working with the Committee to examine how these meals can be leveraged and expanded within USDA's food and nutrition programs to address growing needs and gaps surrounding COVID-19, senior feeding, culturally diverse meals, and emergency feeding.

Metz Culinary Management, Inc. is a family-owned company established in 1994 to provide restaurant-inspired hospitality to public and independent schools, senior nutrition programs, higher education institutes, health care facilities, and corporate dining. Headquartered in Dallas, PA, and with significant culinary and catering centers throughout Florida and recently in Sarasota, FL. Metz Culinary Management employs 1,500 full-time employees directly involved in their food-service businesses and over 7,000 in related services.

Metz Culinary Management has been a leader in nutrition, establishing programs that enhance the well-being of students, school faculty, and staff, and has provided meals through USDA school lunch programs and the Older Americans Act since 1994. Menus designed to incentivize healthy eating habits and nutrition education have been a priority and early focus. In addition, our experience in government commodities programs and school nutrition compliance enables school districts to make the most of their budgets while addressing local needs and preferences.

In response to the COVID-19 pandemic, Metz has taken actions to address the challenges and dangers of COVID-19 to ensure the safety and nutrition of its meals provided through Federal food and nutrition programs. For example, Metz Culinary Management collaborated with local school districts to implement delivery of meals to pick-up locations and for curbside delivery. Also, special meals for delivery to residents and alternative dining settings have been established to address safety issues surrounding congregate settings. Finally, mobile kitchens have provided maximum flexibility and enabled meals to be delivered in remote areas not generally served to allow for more efficient meal distribution. Metz is extremely excited about the potential to expand upon these services and protocols for our ready-to-eat frozen meals to broaden and leverage assistance through appropriate USDA feeding programs.

The Commodity Food Assistance Program and the Food Distribution Program on Indian Reservations serve populations that would benefit significantly from nutritionally balanced and culturally appropriate ready-to-eat frozen meals. In addition, such meals can be designed to address unique nutrition needs and even medically tailored to address underlying medical conditions. Similarly, the Emergency Food Assistance Program also provides opportunities to leverage frozen ready-to-eat shelfstable meals to address gaps and provide targeted assistance to families and children throughout the school year. Metz has received input from local food banks interested in ready-to-eat meals.

Metz has received input from local food banks interested in ready-to-eat meals. If approved under USDA food and nutrition programs and added to Food Available Lists for purchase, such meals could address gaps that confront food banks in serving vulnerable nutritionally at-risk populations, including seniors, Native Americans, ethnic minorities, and children and families. In particular, food banks have commented on how ready-to-eat shelf-stable frozen meals could be leveraged and expanded to address unique feeding and nutrition needs for seniors, disabled individuals, culturally diverse populations, and homebound individuals.

As the Committee continues to examine how to tackle the many challenges surrounding food insecurity, we offer our assistance and support. We believe that expanding frozen shelf-stable ready-to-eat meal options designed to meet the specific nutrition and cultural needs of USDA's food and nutrition program recipients should be a priority.

Thank you so much for this opportunity to provide comments and stand ready to support the Committee in its essential role in feeding America and ensuring nutritious meals to those in need.

#### SUBMITTED QUESTIONS

## Questions Submitted by Hon. Kat Cammack, a Representative in Congress from Florida

#### Response from Carlos M. Rodriguez, President and Chief Executive Officer, Community FoodBank of New Jersey

Question 1. Mr. Rodriguez, SNAP is a program your organization has praised at length. In fact, your parent organization has testified before this Committee that "for every meal delivered through TEFAP, SNAP delivers nine to a family in need." If that is the case, why don't we simply zero out TEFAP and focus our efforts on SNAP, a program which by your own organization's admission, can deliver more to Americans in need?

Answer. Thank you for this question. SNAP and TEFAP both play important roles in providing food assistance to individuals and families in need, and work together to address different aspects of short-term and longer-term need for food assistance. As the program is designed, TEFAP is meant to provide emergency food assistance to provide food for families in need most immediately. Sometimes, one food distribution is enough to meet the short-term food assistance needs of individuals and families. Other times, more long-term assistance is needed. When families and individuals need more than episodic assistance from our food bank, we let them know about other programs they might be eligible for, such as SNAP, that can more effectively provide long term food assistance, and if requested provide information on eligibility and how to sign up for SNAP.

Unfortunately, there are some families that need help from SNAP as well as charitable food assistance to make sure their families don't go without food. This is not surprising, given that SNAP is meant to provide only supplemental nutrition assistance each month.

I also want to point out that 32% of food-insecure individuals earn incomes above 185% of the Federal poverty level, meaning they are likely income ineligible for SNAP, and in some states TEFAP as well. Food banks play a critical role for millions of working families and individuals that make too much for assistance from federal programs yet too little to assure food security for themselves and their families.

Question 2. Mr. Rodriguez, your organization also actively pushed for the Biden Administration to discontinue the Farmers to Families Food Box Program. It was in part due to your organization's efforts that the program was ended. Can you provide me with the reasons for why Feeding America opposed this program? Answer. The Farmers to Families Food Box Program provided a critical source of

Answer. The Farmers to Families Food Box Program provided a critical source of short-term food relief for our food bank and other food banks and food pantries across the country. It is my understanding that the program was ended in large part due to a combination of a lack of additional funds and the restaurant industry opening again and purchasing from growers and producers that had needed support in 2020.

The goal of the Farmers to Families Food Box Program was to provide much needed support to farmers, growers, and distributors who were impacted by the sudden shift in consumer eating habits and the shutdown of restaurants and other eating establishments at the start of the pandemic, and to connect this nutritious food with people in need.

The Feeding America food bank network distributed approximately 25% of the 132 million food baxes provided through the program from May–December 2020. However, this distribution was not equitable across communities in need and our food bank network due to a lack of a comprehensive distribution plan among contracted distributors. Were a program like this to be considered again, we propose the following recommendations:

- Provide increased accountability for any future Farmers to Families Food Box Program by requiring distributors to distribute the food in an equitable manner nationwide through USDA Food Distributions Programs like TEFAP to emergency feeding organizations.
- Provide support for emergency food organizations for distribution costs by providing storage and distribution grants directly to the organizations per truck-load of food received.
- Provide a steady supply of ready-to-load commodities to food banks to help meet demand. Both growers and food banks would benefit from knowing how long additional food purchase support from USDA could last so that they can plan accordingly and understand the impact of the program. This would allow food banks to plan with other partners to source additional food as needed.

• The Farmers to Families Food Box Program provided food quickly but was not as efficient or effective as it could be in distributing food to people in need. We recommend a program that provides food quickly during a supply chain crisis, but that operates through existing distribution channels to ensure equitable distribution across the country, predictable deliveries, and safe food handling

Question 3. Now Mr. Rodriguez, your Feeding America's CEO, last I checked, made close to \$1 million in 2019, well above the average salary of most nonprofit CEOs. Can you explain why the leadership of an organization that claims to be about relief for those in need, regularly makes close to and—in years past—over \$1 million a year?

Answer. Feeding America follows IRS recommendations that nonprofits follow a three step process to determine that executive compens[a]tion is reasonable and not excessive. Feeding America executive compensation is determined by the executive compensation committee of the board of directors, which also utilizes the advice of independent advisors. These independent advisors conduct a total compensation market review process each year that provides an opinion as to the reasonableness of Feeding America's compensation levels in relation to market norms. In addition, Feeding America scores a 97.87 out of 100 on Charity Navigator,<sup>1</sup> indicating that donors can give with confidence that the funds will be spent effectively. Feeding America spends 98.7% of total expenses on program operations and services.

ATTACHMENT



#### **Feeding America**

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Multipurpose Human Service Organizations |EIN: 36-3673599 |Chicago IL

Mission: Feeding America<sup>®</sup> is the largest hunger-relief organization in the United States. Through a network of more than 200 food banks, 21 statewide food bank associations, and over 60,000 partner agencies, food pantries and meal programs, we helped provide 6.6 billion meals to tens of millions of people in need last year. Feed-ing America also supports programs that prevent food waste and improve food security among the people we serve; brings attention to the social and systemic barriers that contribute to food insecurity in our nation; and advocates for legislation that protects people from going hungry.

Feeding America is a 501(c)(3) organization, with an IRS ruling year of 1990, and donations are tax-deductible.

Is this your nonprofit? Access your Star Rating Portal to submit data and edit your profile.<sup>2</sup>

**Contact Information** 

http://www.feedingamerica.org/

161 North Clark Street, Suite 700, Chicago IL 60601 800-771-2303

<sup>&</sup>lt;sup>1</sup>https://www.charitynavigator.org/ein/363673599.

<sup>&</sup>lt;sup>1</sup>https://www.charitynavigator.org/

index.cfm?bay=my.donations.makedonation&ein=363673599. <sup>2</sup> https://www.charitynavigator.org/index.cfm?bay=my.nonprofit.update&orgid=5271.



#### Important note on the timeliness of ratings

The IRS is significantly delayed in processing nonprofits' annual tax filings (Forms 990). As a result, the Financial and Accountability & Transparency score for Feeding America is outdated and the overall rating may not be representative of its current operations. Please check with the charity directly for any questions you may have.

## You are viewing this organization's new Charity Navigator profile page. To view the legacy version, click here.<sup>3</sup>

## Star Rating System by Charity Navigator

Charity Navigator evaluates a nonprofit organization's financial health including measures of stability, efficiency and sustainability. We also track accountability and transparency policies to ensure the good governance and integrity of the organization.



#### Exceptional

This charity's score is 97.87, earning it a 4-Star rating. Donors can **"Give with Confidence"** to this charity.

This score is calculated from two sub-scores:

- Finance: 100.00
- Accountability & Transparency: 97.00

This score represents Form 990 data from 2020, the latest year published by the IRS.

69

<sup>&</sup>lt;sup>3</sup> https://www.charitynavigator.org/index.cfm?bay=search.summary&orgid=5271&oldpage

View this organization's historical ratings.<sup>4</sup> Star Rated Report



The Program Expense Ratio is determined by Program Expenses divided by Total Expense (average of most recent three 990s). This measure reflects the percent of its total expenses a charity spends on the

This measure reflects the percent of its total expenses a charity spends on the programs and services it exists to deliver. Dividing a charity's average program expenses by its average total functional expenses yields this percentage. We calculate the charity's average expenses over its three most recent fiscal years.

Source: IRS Form 990.

<sup>&</sup>lt;sup>4</sup>https://www.charitynavigator.org/ein/363673599#historical-ratings.

Additional Information

Total Revenue and Expenses—Data Available<sup>5</sup> Salary of Key Persons—Data Available<sup>6</sup> IRS Published Data (Business Master File)—Data Available<sup>7</sup> Data Sources (IRS Forms 990)<sup>8</sup> Historical Ratings-Data Available<sup>9</sup>

Unscored

Total Revenue and Expenses

This chart displays the trend of revenue and expenses over the past several years for this organization, as reported on their IRS Form 990.



Editor's note: this is an interactive graphic.

#### Impact & Results

This score estimates the actual impact a nonprofit has on the lives of those it serves, and determines whether it is making good use of donor resources to achieve that impact.

Impact & Results Score

100 out of 100

Feeding America is, earning a passing score. This score has no effect on the organization's Star Rating.

Impact

\$2 provides a meal to a person in need.

Do you work at Feeding America? Join the waitlist for an updated Impact & Results score.<sup>10</sup>

Impact & Results Report

100 of 100 points

Rated Program 11

Program

<sup>6</sup> https://www.charitynavigator.org/ein/363673599#Salary-of-Key-Persons.

<sup>&</sup>lt;sup>5</sup> https://www.charitynavigator.org/ein/363673599#total-revenue.

<sup>&</sup>lt;sup>7</sup> https://www.charitynavigator.org/ein/363673599#bmf-data.

<sup>&</sup>lt;sup>8</sup> https://www.charitynavigator.org/ein/363673599#data-source

 <sup>&</sup>lt;sup>9</sup> https://www.charitynavigator.org/ein/363673599#historical-ratings.
 <sup>10</sup> https://www.charitynavigator.org/portal.
 <sup>11</sup> https://www.charitynavigator.org/ein/363673599#impact-rated-program.

Impact & Results Report

Outcomes and Cost 12 Impact and Determination <sup>13</sup> Analysis Details 14

100 of 100 points

Food Procurement Activities The nonprofit collects, warehouses and distributes food to front-line organizations like food pantries and soup kitchens. Program Type **Beneficiaries** Served Program Geography Time Period of Data Learn how we assess the impact of nonprofits. 15

Additional Information

Unscored

Largest Programs

Feeding America reported its three largest programs on its FY 2020 Form 990 as: \$3,148,701,711 Spent in most re-96% Percent of program expenses cent FY Food Procurement \$94,742,225 Spent in most recent 2% Percent of program expenses  $\mathbf{F}\mathbf{Y}$ Member Services \$12,811,564 Spent in most recent 0% Percent of program expenses FY

Research and Evaluation

Leadership & Adaptability

This score provides an assessment of the organization's leadership capacity, strategic thinking and planning, and ability to innovate or respond to changes in constituent demand/need or other relevant social and economic conditions to achieve the organization's mission

72

Leadership & Adaptability Score

Not Currently Scored

Feeding America is currently not eligible for a Leadership & Adaptability score because we have not received its L&A survey responses.

Note: The absence of a score does not indicate a positive or negative assessment, it only indicates that the organization has not yet submitted data for evaluation.

Additional Information

#### Unscored

Organization Leadership

Claire Babineaux-Fontenot, Chief Executive Officer Gary Rodkin, Board Chair

Culture & Community

This score provides an assessment of the organization's culture and connectedness to the community it serves. Learn more about how and why we rate Culture & Community.<sup>16</sup>

 $<sup>^{12}</sup> https://www.charitynavigator.org/ein/363673599 \# Outcomes Cost-content.$ 

<sup>&</sup>lt;sup>13</sup> https://www.charitynavigator.org/ein/363673599#determination-content.
<sup>14</sup> https://www.charitynavigator.org/ein/363673599#analysis-details-content.

<sup>&</sup>lt;sup>15</sup> https://www.charitynovigator.org/index.cfm?bay=content.view&cpid=8091.
<sup>16</sup> https://www.charitynovigator.org/index.cfm?bay=content.view&cpid=8563.

## Culture & Community Score

## 99 out of 100

Feeding America has earned a passing score. This score has no effect on the organization's Star Rating. The organization provided data about how it listens to con-stituents (Constituent Feedback) and its Diversity, Equity, & Inclusion (DEI) practices (see report below).

The Culture & Community Beacon is comprised of the following metrics:

• Constituent Feedback: 100/100 (30% of beacon score)

• Diversity, Equity, & Inclusion: 98/100 (70% of beacon score)

Culture & Community Report

99 of 100 points

Constituent Feedback—Data Available (100/100 Points)<sup>17</sup> Diversity, Equity, & Inclusion-Data Available (98/100 Points) 18 Analysis and Research 19

#### Constituent Feedback

### 100/100 points

#### 30% of beacon score

This organization reported that it is collecting feedback from the constituents and/ or communities it serves. Charity Navigator believes nonprofit organizations that engage in inclusive practices, such as collecting feedback from the people and communities they serve, may be more effective.

View this organization's Constituent Feedback Practices

Who are the people you serve with your mission? Describe briefly.

Our mission is to advance change in America by ensuring equitable access to nutritious food for all in partnership with food banks, policymakers, supporters, and the communities we serve. Millions of children and families living in America face hunger and food insecurity every day. Due to the effects of the coronavirus pandemic, more than 42 million people may experience food insecurity, including a potential 13 million children. The pandemic has most impacted families that were already facing hunger or one paycheck away from facing hunger. According to the USDA's latest Household Food Insecurity in the United States report, more than 35 million people in the United States experienced hunger in 2019. Households with children are more likely to experience food insecurity.

How is your organization collecting feedback from the people you serve?

SMS text surveys, Electronic surveys (by email, tablet, etc.), Focus groups or interviews (by phone or in person), Paper surveys, Case management notes, Community meetings or town halls, Constituent (client or resident, etc.) advisory committees, Suggestion box/email

How is your organization using feedback from the people you serve?

To identify and remedy poor client service experiences, To make fundamental changes to our programs and/or operations, To inform the development of new programs/projects, To strengthen relationships with the people we serve

With whom does your organization share the feedback you got from the people you serve?

Our staff, Our board, Our funders, Our community partners

How has asking for feedback from the people you serve changed your relationship with them or shifted power-over decisions, resources, rules or in other waysto them?

Future plans are still being developed but the first phase resulted in a portfolio of prioritized concepts that we will be further co-developing, testing and implementing in partnership with the network. One concept includes embedding benefit enrollment in existing digital neighbor touchpoints like OrderAhead to make seeking charitable food and enrolling in benefits seamless.

 $<sup>^{17}</sup> https://www.charitynavigator.org/ein/363673599 {\ensuremath{\texttt{\#}}} culture-constituent-voice.$ 

<sup>&</sup>lt;sup>18</sup> https://www.charitynavigator.org/ein/363673599#culture-dei.
<sup>19</sup> https://www.charitynavigator.org/ein/363673599#culture-coming-soon.

What challenges does your organization face in collecting feedback from the people you serve?

We don't have the right technology to collect and aggregate feedback effi-ciently, Staff find it hard to prioritize feedback collection and review due to lack of time

Briefly describe a recent change that your organization made in response to feedback from the people you serve.

Feeding America is committed to delivering an equitable and dignified experiof solutions to enhance the charitable food experience, in partnership with the people we serve, member food banks and agencies. We used a design-research approach, keeping neighbors' voices and experiences at the center of this work through in-depth interviews and diary studies, with a focus on communities of color. The research explored our neighbors' current journeys and experiences with food-both from charitable and other sources-to inspire and inform how the charitable food experience needs to evolve to meet their needs.

#### Methodology

We've partnered with Candid to survey organizations about their feedback prac-tices. Nonprofit organizations can fill out the **How We Listen** section of their *Can-did profile*<sup>20</sup> to receive a rating. Learn more about the *methodology*.<sup>21</sup>

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<sup>&</sup>lt;sup>20</sup> http://guidestar.candid.org/update-nonprofit-profile/.
<sup>21</sup> https://www.charitynavigator.org/index.cfm?bay=content.view&cpid=8563.