



## USDA's TEFAP Supply Chain and Purchasing Process

### TEFAP Overview

The Emergency Food Assistance Program (TEFAP) is a Federal program that provides USDA-purchased agricultural products to low-income households through emergency food providers like food banks, food pantries, and soup kitchens. USDA apportions TEFAP funds to each state, solicits food orders from states, and then coordinates with the agricultural industry to order food and deliver it to participating food providers.

### Foods Available in TEFAP

Mandatory funding is provided in the farm bill for food banks to purchase foods from any source. These are called "entitlement foods". In addition, there is a minimum purchase amount of commodities, or "bonus" foods that are required to be purchased with Section 32 funding for TEFAP.<sup>1</sup> Recently, USDA has also purchased foods using funds from the Commodity Credit Corporation (CCC) to support farmers impacted by retaliatory tariffs.<sup>2</sup>

TEFAP commodities include a variety of products, such as meats, eggs, vegetables, soup, beans, nuts, peanut butter, cereal, pasta, milk, and juice. Most foods are nonperishable and ready for distribution, but TEFAP foods also include perishable meat, poultry, and dairy products. A list of all available TEFAP foods can be found [here](#).

### Purchasing Process

The Agricultural Marketing Service (AMS) and the Food and Nutrition Service (FNS) coordinate to purchase and distribute *USDA Foods*, which are the food products available to support schools and food assistance programs, including TEFAP. AMS's role includes managing the food procurement through solicitations, awards, and contract management. FNS manages orders for USDA Foods and coordinates with AMS on the planning and scheduling of food purchases.

**Step 1:** Working with the FNS Regional Offices, states and food banks order entitlement foods from the USDA Foods catalog. The USDA Foods catalog is a listing of all the available foods and their estimated costs. FNS Regional Offices submit orders to FNS Headquarters. (The process differs for bonus and trade support foods, which are purchased at USDA's discretion based on the needs of agricultural producers and economy. Food banks and states are not required to accept bonus and trade mitigation foods.)

**Step 2:** Based on FNS's orders, AMS publicly announces which USDA Foods it plans to buy and posts a notice on the AMS website.

**Step 3:** Approved USDA vendors are invited to submit bids for orders via the Web-Based Supply Chain Management System.

**Step 4:** AMS chooses the vendors and awards contracts based on the offers. Food deliveries are scheduled. Typically, vendors are responsible for shipping costs.

**Step 5:** FNS Headquarters shares order confirmations with FNS Regional Offices, who then share details with states and food banks.

**Step 6:** AMS oversees contract compliance and makes payments to the vendors. The entire process of ordering and procuring food can take 2-5 months. This process generally works well, as it is predictable, ensures good quality products from certified sellers, and allows for states and food banks to select the foods most suitable for the populations they serve, but the length of time involved is challenging in the current situation.

---

<sup>1</sup> *The Emergency Food Assistance Program (TEFAP): Background and Funding* (CRS Report R45408; Jan. 8, 2020), by Kara Clifford Billings. Retrieved from <https://www.crs.gov/reports/pdf/R45408>

<sup>2</sup> *The Commodity Credit Corporation: In Brief* (CRS Report R44606; Sept. 4, 2019), by Megan Stubbs. Retrieved from <https://www.crs.gov/reports/pdf/R44606>

## Disruptions to Food Bank Supply and Increased Demand

The fresh produce, meat, poultry, and dairy sectors were impacted by the quick shutdown of the food service industry. An estimated 40% of all produce, nearly 50% of cheese, 25% of fluid milk, and 60% of butter consumed in the U.S. are from sources other than grocery store retail purchases. Meat and poultry cuts sold in stores also often differ from those favored in restaurants. Farmers and companies are working to transition supply chains from food service to retail outlets, but this requires repacking produce into smaller packaging for individual use and shifting product mixes to better align with retail demand. This presents logistical challenges, including limited retail processing and general storage capabilities, a short shelf life, a high labor/harvest cost. Some farmers may not have a way to process livestock and poultry due to the slowdowns and closures of packing plants related to COVID-19 incidence rates. Because the closed packing capacity cannot easily be replaced, animals are not able to be held indefinitely due to animal welfare and supply chain concerns and because packing is required to get product to retail or donation, some animals are having to be depopulated.

Several news outlets and Feeding America, the nation's largest network of food banks and pantries, have reported a decline in private food donations, particularly from grocery stores, as consumer purchases increase.<sup>3</sup> Food banks are heavily reliant on private food donations. Normally, Federally purchased foods through TEFAP comprise roughly one-fifth of the foods distributed by food banks.<sup>4</sup>

At the same time, rising unemployment has contributed to increasing demand for the foods distributed by food pantries, food banks, and other emergency feeding organizations.<sup>5</sup> Compounding these issues, emergency feeding organizations are struggling to maintain their usual staff and volunteer force during this public health emergency.<sup>6</sup>

## Meeting the Need; COVID-19

The Families First Coronavirus Response Act and CARES Act provided an additional \$850 million for TEFAP food purchases and distribution costs.<sup>7</sup> USDA also has additional funding for TEFAP foods in FY2020 as a result of USDA's second trade aid package, which provided \$1.4 billion for purchases for domestic food assistance programs.<sup>8</sup> In addition, USDA has approved requests from certain states to operate Disaster Household Distribution programs, which provide an additional source of USDA Foods for food banks and other disaster feeding organizations in certain areas.<sup>9</sup>

## Current Status of TEFAP Food Deliveries\*

	April Deliveries	May Deliveries
TEFAP Entitlement	26 million pounds	17 million pounds
TEFAP Section 32	45 million pounds	29 million pounds
TEFAP Food Purchase and Distribution Program**	96 million pounds	84 million pounds

\*according to Feeding America

\*\*part of USDA's trade mitigation payments

<sup>3</sup> <https://abcnews.go.com/Politics/farmers-food-banks-grapple-broken-food-supply-chain/story?id=70137720>

<sup>4</sup> <https://crsreports.congress.gov/product/pdf/R/R45408>

<sup>5</sup> <https://www.washingtonpost.com/business/2020/03/16/food-banks-are-seeing-volunteers-disappear-food-supply-evaporate-coronavirus-fears-mount/>

<sup>6</sup> <https://thehill.com/changing-america/respect/poverty/491397-food-banks-hit-with-a-double-whammy-by-coronavirus>

<sup>7</sup> <https://crsreports.congress.gov/product/pdf/IN/IN11250>

<sup>8</sup> <https://www.usda.gov/media/press-releases/2019/05/23/usda-announces-support-farmers-impacted-unjustified-retaliation-and>

<sup>9</sup> <https://www.fns.usda.gov/usda-foods/covid-19-disaster-household-distribution>