



# Agricultural Marketing Service

## Service

Welcome to AMS Commodity Procurement!





# INTRODUCTIONS





# AMS MISSION

- Facilitate the strategic marketing of U.S. agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products.





# Commodity Procurement Mission

*AMS Commodity Procurement facilitates the marketing of American agricultural products through the purchase and delivery of 100% domestic foods to Federal food and nutrition program recipients.*





# Upcoming Process and Procedure

- Restructuring CPS – **“IN PROGRESS”**
- Consolidating CPS Policies and Procedures
  - New vendor approval process
  - Specification development
  - Plant/shipping point audits
  - Condition of Container Inspection/Grading requirements
  - Posting Awards
  - Contract Administration





# Upcoming Process and Procedure

- Consolidating Policies and Procedures
  - Impactful Topics in General Session Tomorrow !!
  - Master Solicitation
  - Vendor Qualifications & Approval Process





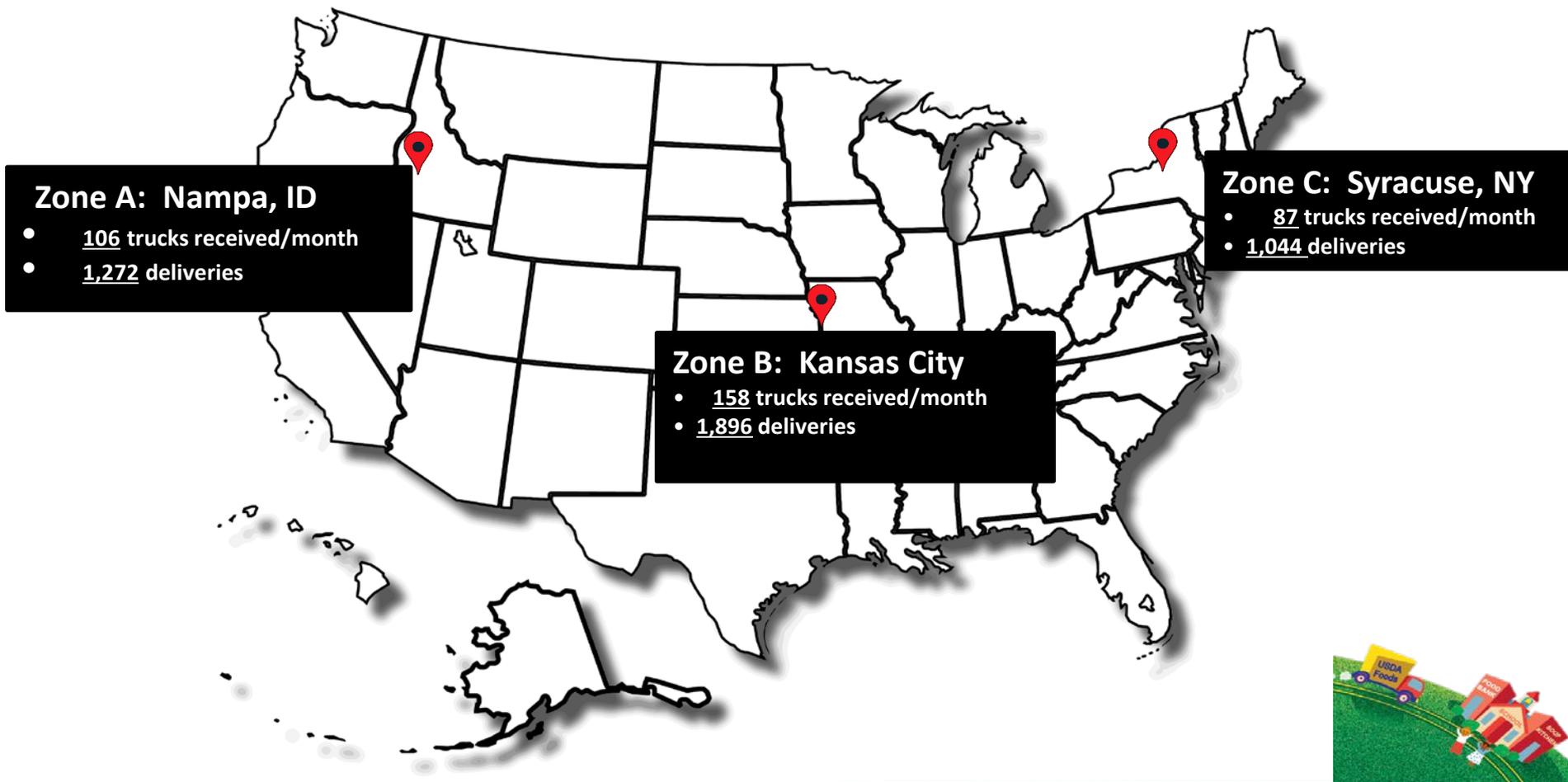
# USDA Foods and our Industry Partners

- Schools K-12 & Food Insecure Households
- Role & Importance of the National Multifood Service Contracts



# AMS Commodity Procurement

## Multifood Warehouses for FDPIR & CSFP







# Multifood Warehouse





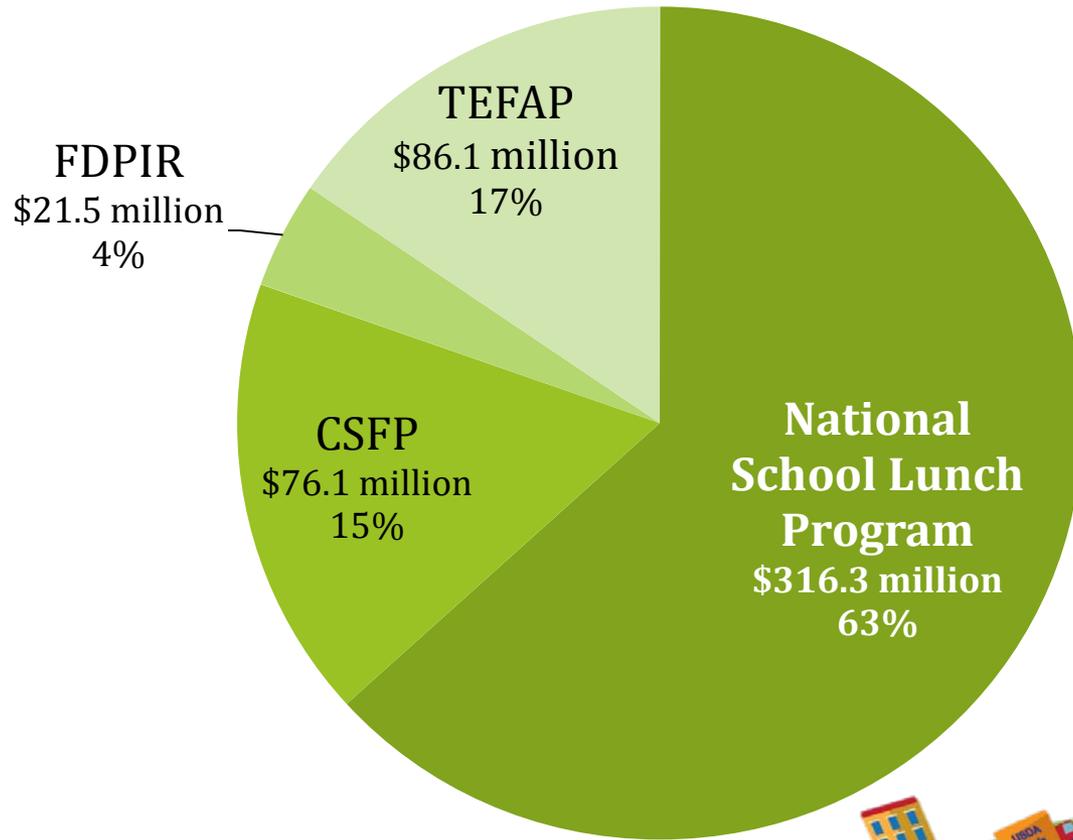
# FY 2016 Aggregate Procurement Results:

- Dairy FY2016
- Dairy FY2015 vs. FY2015
- Grain & Oilseed FY2016
- Grain & Oilseed FY2015 vs. FY2016



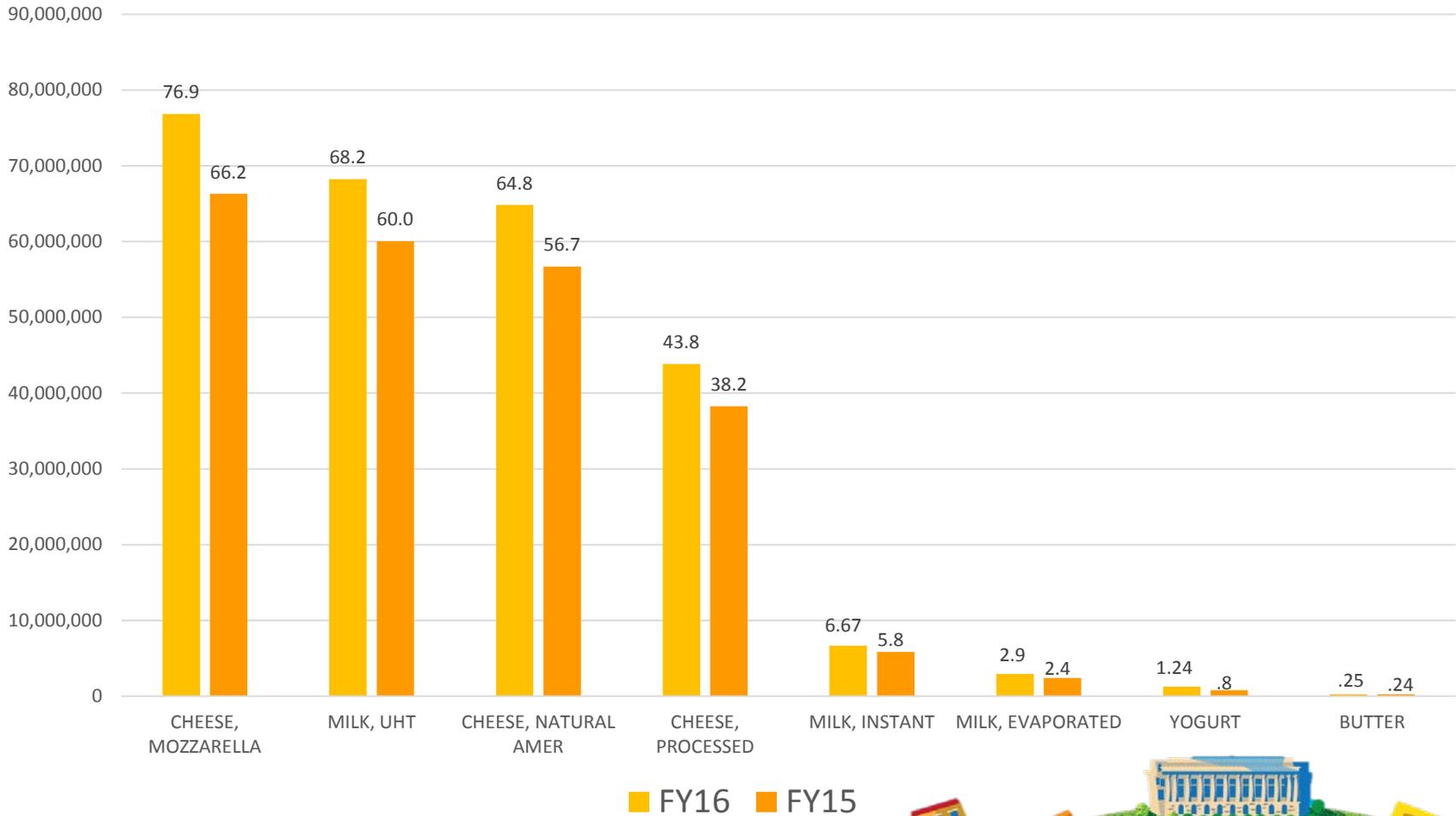


# Program Distribution FY2016 Dairy and Grain/Oilseed



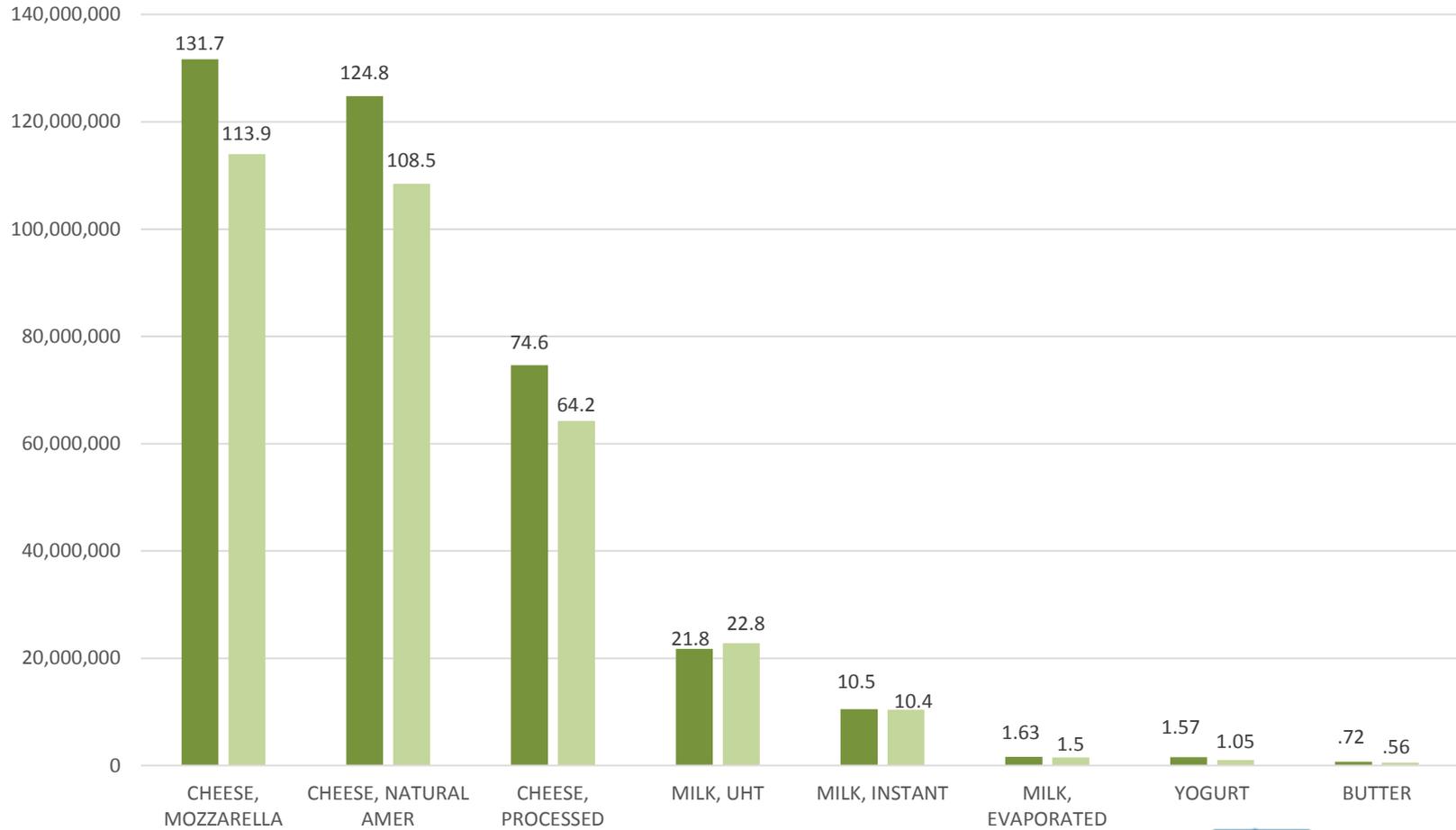


## Dairy Purchases FY15-16 comparison in Pounds





## Dairy Purchases FY15-16 comparison in Dollars



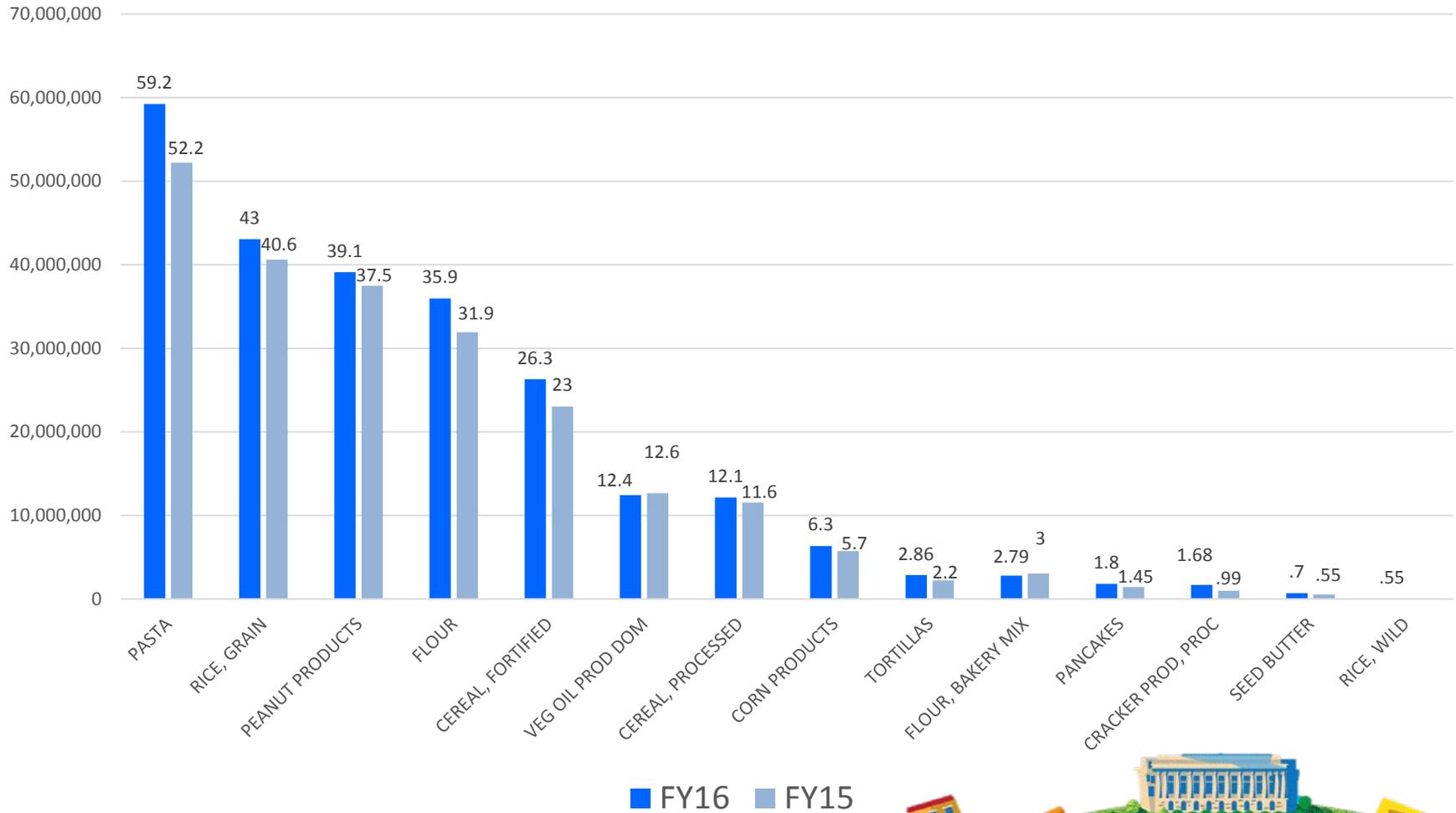
■ FY16 ■ FY15



# Agricultural Marketing Service



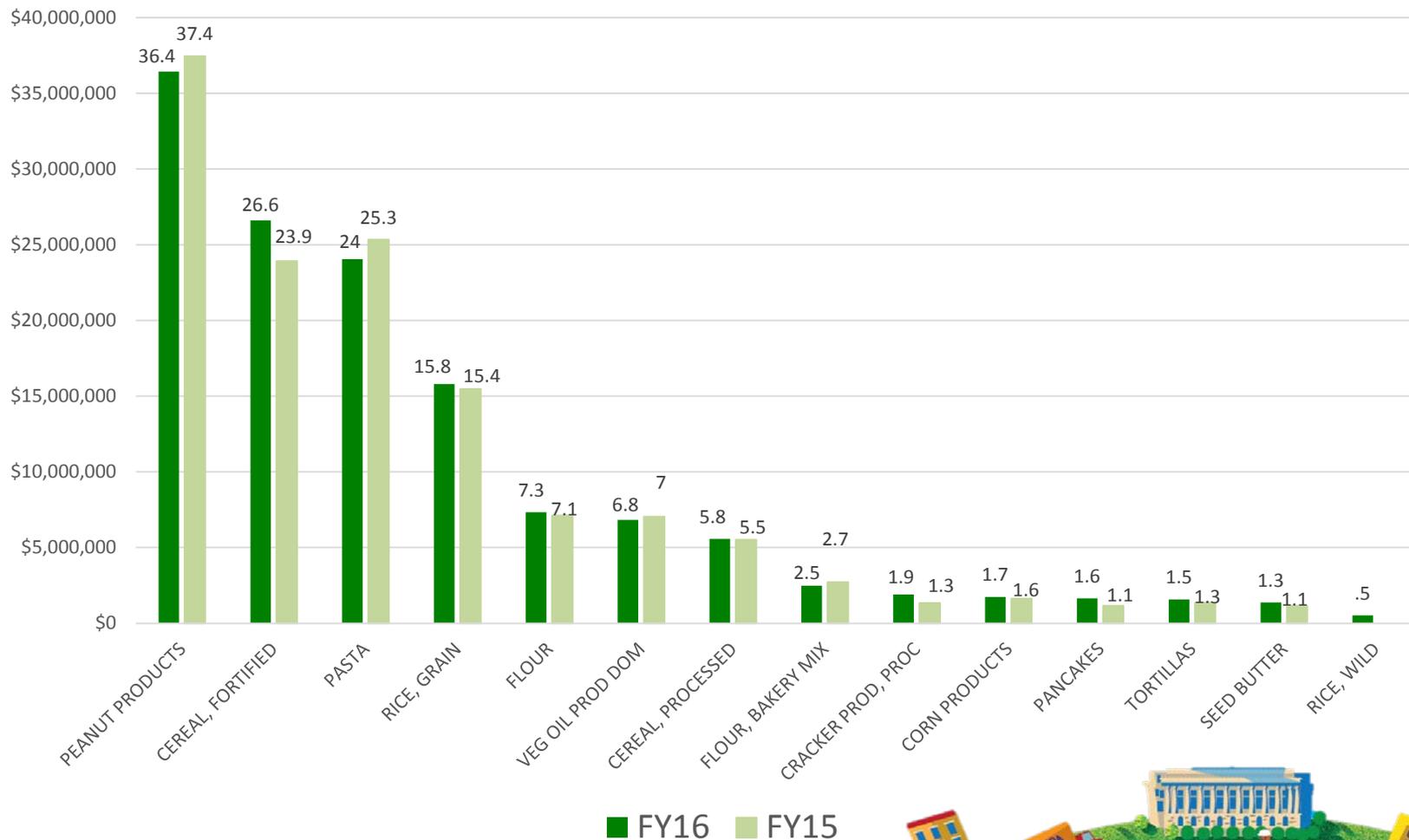
## Grain/Oilseed Purchases FY15-16 comparison in Pounds





# Agricultural Marketing Service

## Grain/Oilseed Purchases FY15-16 comparison in Dollars





# New Products Available 2016-2017

- Traditionally Harvested Wild Rice – Native American Households
- Blue Cornmeal – Native American Households
- Single serve peanut butter – Schools
- Frozen Whole Wheat Tortillas 24/1lb – Households
- Whole Wheat Penne & Rotini Pasta 12/1lb - Households





# Specification Changes

- Crackers pallet config change for full truckload
- Pasta packaging changed from clear film to cartons to mitigate damage
- Mozzarella Cheese – cook performance outcomes; storage & handling at schools





# Business Modernization Improvement (BMI)

- **On Agenda - General Session Tomorrow !!**

- BMI Goes Way Beyond WBSCM / IT

- Online Reference:

<http://www.fns.usda.gov/fdd/usda-business-management-improvement>





## CPS Nutritionist – Liaison – Laura Walter

- **Stay tuned – Tomorrow's General Session !!**
- Agency Nutrition Policies
- Dietary Guidelines Compliance
- New Product Development
- Coordinates Review of Product Specifications -  
- All USDA Foods including Dairy, Grain and Oilseeds





# Request for Information (RFI)

- An early step in the information gathering process
  - Market Research - info gathering; supplement more research, discussion, further refinement of requirement/program
  - Sources Sought- gauging interest and supply for an already-identified product or program
  - Follow up discussion/conference calls with industry stakeholders and subject matter experts
- Results may be:
  - Conclusive- Sufficient number of responses (at least two) with information pointing to a definite way forward- (Go or No-Go)
  - Inconclusive- insufficient or widely-varied responses (More Info Needed)





# Introducing New Products

Website for instructions:

[http://www.fns.usda.gov/sites/default/files/HOW\\_TO\\_GET\\_YOUR\\_PRODUCT\\_CONSIDERED\\_Final.pdf](http://www.fns.usda.gov/sites/default/files/HOW_TO_GET_YOUR_PRODUCT_CONSIDERED_Final.pdf)

In order to be considered as a USDA Food, the product must:

- Be available from more than one vendor
- Have a documented demand in a commercial setting
- Be 100% grown and processed in the United States or its territories
- Support the nutrition goals in the Dietary Guidelines for Americans





# Wrap Up

## Welcome to Your Conference!!

WDC Main Number  
202-720-4517

Presenter: Bill Lang 816-926-2527  
[William.lang@ams.usda.gov](mailto:William.lang@ams.usda.gov)





# Surplus Removal

- Authority derived from the Section 32 of the Agricultural Act of August 24, 1935
- Specifically, “The sums appropriated under this section shall be devoted principally to perishable non-basic agricultural commodities”
- Basic products are items such as wheat, rice and peanuts
- Support for these products come from *Farm Service Agency* programs
- All requests must be justified
- AMS economists provide analysis with a recommendation to purchase, or not purchase





# Responding to Evolving Needs Discussion

Small Group Discussions in a few minutes - we need your feedback

- Challenges in your industry
- Commercial best practices
- USDA contracting challenges
- Product specifications
- Timing of buys/purchase schedule
- Invoicing





## Action Items from the Fall 2015 Industry Meeting

QUESTION	ANSWER
Several warehouses are now charging a fee for rescheduling delivery appointments.	If rescheduling was due to a vendor change, the vendor is responsible for this charge. If it is the result of USDA or recipient change, the vendor is not responsible for this charge.
We have run into situations when our contracted carriers won't increase their volumes with us to cover USDA shipments. We are told it is because they do not want to deal with the extra steps required of Government loads.	This will be addressed through the Business Management Improvement (BMI) Initiative (i.e., purchasing more commercial-like).
We keep a list of our employees who are authorized to sign off the Domestic Origin Certificates. We send updates to USDA when there are personnel changes. Is this still needed?	This is no longer necessary.
ISSUE	STATUS
<b>Warehouse Education</b>	
Shipping/Deliveries – There have been situations where the warehouse diverts a truck to another location upon delivery. We know the warehouses are not supposed to be doing this and we contact USDA as soon as we are notified of the changes. This causes issues with invoicing as the BOL we have at the time of shipping does not match where the order is finally delivered. How are we supposed to handle this type of issue?	Vendors must schedule a delivery appointment and complete ASN's prior to delivery. Additionally, all diversions should be completed at least 30 days prior to delivery. In the event the warehouse diverts the truck upon delivery, notify the Contracting Officer immediately. If appropriate, USDA will issue an SF-30 to accommodate the change.
At times, the warehouse contact information is not correct on the PO. When the carrier tries to call with the provided information and schedule an appointment, they are not able to. The carrier then	USDA provided training at the American Commodities Distribution Association (ACDA) Annual Conference on shipping and receiving. It also included instructions on updating contact information.

