



\*\*\*CORRECTED\*\*\*

July 21, 2014

**NOTICE TO THE TRADE:**

**USDA Pilot Project for the Procurement of Unprocessed Fruit and Vegetables**

The Agricultural Marketing Service (AMS) and the Food and Nutrition Service (FNS) have launched a pilot project which will provide participating States the ability to utilize USDA Foods entitlement dollars in their competitive procurement of unprocessed fruit and vegetable products. This pilot project is required under Section 4202 of the Agricultural Marketing Act of 2014. The attached Information Sheet provides the basic principals by which the pilot project will be conducted.

AMS will establish and maintain a list of eligible vendors from which participating States and schools may procure unprocessed fruit and vegetable (to include fresh cut products) under the pilot. To be included on the list, interested vendors must submit an application to AMS providing evidence that specific requirements have been met.

For more information on participating as an Eligible Vendor, please visit the AMS Commodity Purchasing website, [www.ams.usda.gov/commoditypurchasing](http://www.ams.usda.gov/commoditypurchasing) and click on the link for the "Pilot Project for the Procurement of Unprocessed Fruit and Vegetables." AMS will post additional documents and guidance to the website as they become available.

To receive email notification from AMS regarding pilot program developments, please subscribe to AMS CP News and select the "Unprocessed FV Pilot Project" distribution list. The subscription form is on the AMS website, [www.ams.usda.gov/commoditypurchasing](http://www.ams.usda.gov/commoditypurchasing).

AMS will host a conference call on August 21, 2014 to discuss the pilot project with interested vendors and provide additional information about the vendor eligibility requirements.

**Conference Call Details:**

Date/Time: Thursday, August 21, 2014, 1:00 PM (Eastern)  
Call-In Number: 1-888-844-9904  
Passcode: 1693356

Questions regarding this Notice can be directed to Nate Sudbeck, at **202-720-3052** or by email at [Nate.Sudbeck@ams.usda.gov](mailto:Nate.Sudbeck@ams.usda.gov).

David Tuckwiller  
Director

*Together We're Making a Difference: American Agriculture for the American People.*

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## July 2014 Information Sheet

# The Pilot Project for the Procurement of Unprocessed Fruit and Vegetables

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### Overview

As required by Section 4202 of the Agricultural Act of 2014 (the Farm Bill) the U.S. Department of Agriculture's (USDA's) Agricultural Marketing Service (AMS) and Food and Nutrition Service (FNS) are conducting a pilot project in up to eight States to provide selected States flexibility for using USDA Foods entitlement dollars for the procurement of unprocessed fruits and vegetables (includes products that are fresh cut such as sliced apples, baby carrots, and shredded lettuce) by permitting each State to (1) use multiple suppliers and products established and qualified by the Secretary and (2) allow geographic preference, if desired, in the procurement of the products under this pilot.

The Farm Bill requires that the selection of pilot States be based on demonstrated commitment and increased effort of the identified State's farm-to-school program, the quantity and variety of growers of local fruits and vegetables in the State, and the degree to which the State contains a sufficient quantity of local educational agencies of various population sizes and geographic locations. At least one pilot project must take place in each of the following regions: 1) the Pacific Northwest Region; 2) the Northeast Region; 3) the Western Region; 4) the Midwest Region; and 4) the Southern Region.

The goal of the Pilot Project for the Procurement of Unprocessed Fruit and Vegetables is to develop additional opportunities for schools to purchase fresh fruits and vegetables with entitlement funding, while using pre-existing commercial distribution channels and school relationships with growers, produce wholesalers, and distributors. The pilot supports the use of locally-grown foods in school meal programs using entitlement funds.

Please note that the DOD Fresh program, under which USDA partners with Department of Defense's Defense Logistics Agency (DOD-DLA) to purchase and deliver fresh fruit and vegetables to schools and other nutrition programs, remains available to eligible recipients.

The pilot project will begin in School Year 2014-2015.

### Vendor Qualifications

AMS will maintain a list of "eligible vendors" from which states and schools may procure products under the pilot project. To become eligible, interested vendors must provide evidence to AMS that minimum requirements have been met, including:

- All vendors must have a traceability system in place to ensure compliance with the 100% domestic origin requirement.
- Vendors who are producers/growers must have an integrated food safety program that reflects appropriate good agricultural practices/good handling practices (GAP/GHP) as

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evidenced by certification through audits conducted by the [USDA, AMS Specialty Crops Inspection Division](#) (SCID) or by a certification body accredited to perform audits benchmarked by the [Global Food Safety Initiative \(GFSI\)](#).

- Suppliers offering fresh cut products must source or produce products under a Hazard Analysis and Critical Control Point (HACCP) based food safety system.
- All vendors must have an integrated food defense plan in place. The plan must be verified through audits conducted by AMS- SCID or by a certification body accredited to perform audits benchmarked by the [Global Food Safety Initiative \(GFSI\)](#).

Once AMS determines the minimum requirements are met, the eligible vendors will be listed on the AMS website ([www.ams.usda.gov/commoditypurchasing](http://www.ams.usda.gov/commoditypurchasing)).

### **Procurement/Delivery**

States or schools participating in the pilot project may contract with one of the eligible vendors through their competitive procurement activities, and utilize entitlement funds for the value of the unprocessed fruits and vegetables received.

### **Reporting Requirements**

States selected for the pilot project will keep records of product deliveries from eligible vendors. States will reconcile deliveries with invoices received from each vendor, and submit a monthly report to USDA on the quantity and cost of each type of fruit and vegetable.

### **Payment Process**

The reports submitted by participating States will be processed for the purpose of making payment(s) to the vendor.

### **Statutory Authority**

Section 6 of the Richard B Russell National School Lunch Act (42 U.S.C. 1755) was amended to authorize the Pilot Project for the Procurement of Unprocessed Fruit and Vegetables.

AMS communicates information about its procurement activities on its website and through the *AMS CP News* email listserv. To subscribe to *AMS CP News*, visit [www.ams.usda.gov/commoditypurchasing](http://www.ams.usda.gov/commoditypurchasing).

### **For More Information**

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