

From: Albert K. Hoover  
To: Jeffrey Davis  
Subject: Responses to Questions from the August 13, 2015, Webinar on the Pilot Project for the Procurement of Unprocessed Fruits & Vegetables.  
Date: August 19, 2015

Note: See below for answers to questions from the Webinar Q&A Session for Pilot Project for the Procurement of Unprocessed Fruits & Vegetables.

Also included are five additional questions and answers that were prepared and addressed during the Q&A session.

#### Q&A Session for Pilot Project for the Procurement of Unprocessed Fruits & Vegetables

Session number: 669575562  
Date: Thursday, August 13, 2015  
Starting time: 1:34 PM

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Q: Does this new program include imported produce?

A: The purpose of the Pilot is to support U.S. agriculture. Imported produce would not be acceptable for the Pilot.

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Q: Are the State entitlement funds set aside for the pilot taking away from the State entitlement funds set aside for the DOD Fresh Program?

A: Each of the pilot-eligible states would budget a portion of their entitlement funds to be use for purchases of unprocessed fruits and vegetables under the Pilot. These are the same entitlement funds that can also be used for the DOD Fresh Program and other USDA Foods purchases.

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Q: How do we receive a recording of the entire session?

A: A recording will be sent to all registrants and will also be posted on the AMS Selling Food Website under the Pilot Project webpage.

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Q: What kind of produce and fruits are purchased?

A: Fresh, frozen, dried, and fresh-cut produce are acceptable for the pilot. All unprocessed produce is acceptable. The definition of unprocessed is: Produce that has been sliced, diced, chopped, washed, frozen or dried, but not heat-treated processing such as canning or pickling. Only 'unprocessed' foods are eligible in this pilot. Note: Frozen products that are blanched prior to freezing are still considered "unprocessed" under this definition.

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Q: What kind of packaging?

A: The types of packaging that can be used would be at the buyer's (school) discretion. There are no specific packaging requirements of the Pilot as long as it meets FDA regulations.

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Q: What are you anticipating as payment terms from time of delivery? Net 28?

A: The payment terms are "Net 10". Payment will be issued within 10 days of receiving a proper invoice report spreadsheet.

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Q: When will you add more states?

A: The Pilot was authorized by the 2014 Farm Bill which specified that it would be for "up to 8 States". Adding more states to the Pilot would require additional legislation authorizing expansion. At this time, there is no estimated timeframe for that discussion.

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Q: Is this program being shared with private and charter schools?

A: Any school that receives entitlement funds from the National School Lunch Program in the 8 identified States and meets their States' criteria could participate.  
The participating School Food Authorities are identified on the website at the following link: [Participating SFAs for School Year 2015-2016 \(PDF\)](#) – This document lists, by State, the SFAs participating in the pilot project for School Year 2015-2016. **Please note:** this list is subject to change throughout the pilot and will be updated accordingly.

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Q: Can product grown in NY be sold in Connecticut?

A: Produce from any state in the U.S., as long as it is from an eligible vendor, can be sold to and delivered to any participating State under the Pilot. It is at the State or SFA discretion whether to incorporate a geographic preference in their contracts.

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Q: Is this recorded? I have had no sound throughout the webinar. But slides were great to follow along.

A: Yes, the presentation was recorded and will be sent out to all registrants and posted on AMS' Pilot Project Webpage.

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Q: RE: running out of money. Is the seller/processor aware of dwindling bank account so they cannot rebill?

A: There is not currently a process for notifying potential vendors of "dwindling bank account". FNS and States track entitlement and would be advised of remaining funding based on invoice reports.

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Q: How would a farmer's co-op be categorized?

A: A farmer's co-op application would be evaluated similar to a distributor or wholesaler under the pilot.

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Q: How big is the pilot budget?

A: The size of the Pilot budget depends on the amount of the entitlement funds each of the eight eligible states' include in their planning for purchases of fruits and vegetables under the Pilot.

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Q: Is there a mechanism to let suppliers know when a State is running out of money

A: There is not currently a mechanism by which AMS would notify suppliers of the status of a State's entitlement. That would be incumbent on the State to notify participating SFAs because AMS is not privy to the SFA contracts.

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Q: For the purpose of this project frozen product is considered unprocessed? Correct? ...

A: Yes, frozen product is classified as unprocessed under the definition used for the Pilot. The definition used for unprocessed in this program is as follows: Produce that has been sliced, diced, chopped, washed, frozen, or dried, but not heat-treated processing such as canning or pickling. Note: Frozen products that are blanched prior to freezing are still considered "unprocessed" under this definition.

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Q: It was indicated the application was valid through March 2016, is there a renewal process for current eligible vendors?

A: The application for the Pilot has no due date or any expiration date. The food safety and food defense surveys do have an expiration date which is one year from the date on the audit certificate. Updated food safety and food defense surveys, as applicable, may be submitted at any time.

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Q: Will the "recording" include this PowerPoint?

A: Yes, the PowerPoint, including speakers' notes will be made available.

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Q: Is there a due date that the application must be submitted by?

A: There is no due date or expiration date for the pilot, however the food safety and food defense audit certificates expire after one year.

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Q: How will it be verified that suppliers have segregation plans and are providing only US Grown products?

A: SCI Division Audit Branch auditors may perform verification audits for vendors on the list of eligible vendors. It is the responsibility of the Eligible Vendor to ensure their suppliers meet the requirements of the program.

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Q: How is this pilot different from farm to school?

A: This program uses different funding and is administered by AMS, whereas the Farm to School program is implemented by interested SFAs, schools, or States. Please see the FNS Farm to School website for more information about that program:  
<http://www.fns.usda.gov/farmtoschool/farm-school>

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Q: Are you going to publish the question and answers that are taking place today?

A: Yes, all questions and answers will be sent to registered participants and posted on the AMS website.

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Q: What is geographic preference?

A: “While a geographic preference may be used to encourage the purchase of locally grown and raised products by enabling an institution to grant an advantage to local growers, this preference does not eliminate the requirement for procurements to be conducted in a manner that allows for maximum free and open competition. While the final rule of the geographic preference option states, when procuring local, unprocessed agricultural products, the discretion to define the local area for any geographic preference is left to the institution responsible for procurement, “local” must not be defined in a manner that unnecessarily restricts competition.” More information can be found at:  
<http://www.fns.usda.gov/farmentoschool/geographic-preference-option>

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Q: Is there termination date in place for this pilot program?

A: A termination date was not established for the Pilot. The duration of the Pilot is the same as the duration of the Farm Bill, unless another piece of legislation extends or expands the program.

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Q: As the processor you indicated we would need to submit the growers names and certifications. If we have, as an example 300 growers, would we need to submit all of them if they possibly could be used in the program?

A: Yes, if all 300 growers were going to provide supply. If the list can be narrowed to only a few that will be used for this program, then only those would need to be submitted. All growers of product delivered to schools under the Pilot must meet the food safety requirements of the Pilot with current Good Agricultural Practices (GAP) audit certification from USDA or GFSI-recognized audits.

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Q: As a distributor, can you update your supplier list once submitted?

A: Yes, you may add or remove suppliers on the list of suppliers that were approved by updating and resubmitting the appropriate application documents to the Pilot email for review. The list will be updated as vendors are approved.

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Q: Are the shipments in truckload quantities?

A: The quantity of produce under the Pilot that would be delivered to the schools would depend on the terms of the contracts between the school and the eligible vendor supplying the product.

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Q: What is the approximate turnaround time for electronic payment from AMS?...Ten days???

A: Payment terms are “net 10” meaning payment would be received 10 days after submission of a complete invoice spreadsheet.

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Q: Casey you just mentioned the Project ends in four years. When was the start date?

A: The Pilot was announced on July 21, 2014.

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Q: Do schools participating in this pilot have to discontinue DOD?

A: Schools have the option of using their funds for DoD, or this pilot, or both.

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Q: Will schools have additional entitlement for this program?

A: Schools will have their same level of entitlement, they can choose to use it in this program, or with DoD, or with USDA Foods.

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Q: If I am a Fresh Cut facility and I have a Plant Survey Audit, is that sufficient for Food Safety Certification?

A: If the PSA is a USDA audit, yes, that is sufficient to meet the Food Safety requirement. GFSI also has schemes that are acceptable.

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Q: How does the State reconcile invoices/receipts if school customers do not provide copies of invoices to the State?

A: States can either request the necessary information from participating SFAs or ask the SFAs to verify the information themselves.

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## Additional Questions covered at the conclusion of the Webinar session.

### Questions on Pilot Project: August 13, 2015

1. **What types of Good Agricultural Practices (GAP) and Good Handling Practices (GHP) Audit certificates are acceptable? USDA or GFSI recognized schemes only.**  
**Certificates from USDA, or any Global Food Safety Initiative (GFSI) recognized audits are acceptable.** Do a web search by typing in GFSI and click on the “Recognised Schemes” choice in the GFSI site. This will give you a page with the list of the GFSI audits that are acceptable for the Pilot.
2. **How will I know if a Good Agricultural Practices (GAP) audit certificate is GFSI-recognized?** Search internet for GFSI and click on “Recognised Schemes” choice in the GFSI site. This will give you the list of the GFSI audits that are acceptable for the Pilot.
3. **What is the required frequency and other acceptance parameters for the microbiological tests for the pilot for fresh-cut produce?** Your Hazard Analysis Critical Control Points (HACCP) plan will include Micro testing of the finished packaged product for: total aerobic plate count, *E. coli*, *Salmonella*, and *Listeria*. If antioxidant solution is used you must show testing for TPC, *E. coli*, and *Listeria*.
4. **I am a supplier of vegetables to Michigan schools now and they do not require a certificate for a GAP audit from the growers, why should I have to provide a GAP certificate from every grower for the pilot?** The Pilot is a USDA program which has eligibility requirements that include food safety that provide uniform assurance of action by the vendor to minimize risk to the consuming (school) population.
5. **What is a Food Defense audit and is this a part of every Good Handling Practices (GHP) audit?** The food defense audit is a part of either USDA or GFSI-recognized audit schemes (USDA GHP parts 6 and 7, PrimusGFS (Food Safety Management System) module, and Safe Quality Food (SQF) GMP wholesale and distribution module 2 contains food defense.