



United States Department of Agriculture

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Office of the Secretary
Washington, D.C. 20250

SUBJECT: *Food Distribution 2000*

TO: State Distributing Agencies

It is with a great sense of accomplishment that we announce the completion of the *Food Distribution 2000* initiative, also known as the Food Distribution BPR (Business Process Re-engineering). Through our partnership with State Agencies and other commodity program customers, and the joint efforts of the Food and Nutrition Service, Agricultural Marketing Service, Farm Service Agency, and Food Safety and Inspection Service, we have made the most significant improvements to USDA's commodity nutrition programs since their inception. We would like to mention some of these improvements:

We launched the Electronic Commodity Ordering System (ECOS) which propelled commodity food ordering onto the Internet. Users can monitor entitlement, select available foods, and track orders through the procurement cycle. All States now use ECOS, and some are bringing recipient agencies onto the system as well.

We developed the Commodity Hold and Recall System which defines and streamlines procedures and reduces response time when food safety issues arise. As a follow-up, we have established a Food Safety Unit within the Food and Nutrition Service. This Unit serves as the "nerve center" for managing investigations of commodities posing a potential food safety risk, and expedites their removal, when appropriate, from the distribution network.

We adopted the use of commercial labels for most commodity food packaging. This reduces vendor costs, allows more of the commodity dollar to be spent on food, and eliminates the perception that USDA commodities are lower in quality than their commercial counterparts. In conjunction, we also updated Food Distribution Program regulations to allow commingling of commodity and commercially purchased inventory at the recipient agency level.

We are moving toward National Processing Agreements and national approval of end-product data schedules. The transition will reduce the paperwork burden and eliminate oversight redundancies for State agencies and food processors alike.

We also changed program regulations to expand substitution of products in commodity processing and implemented standard yield with poultry substitution. These changes expedite commodity processing and distribution of end products, which generate cost savings for program recipients and industry partners.

We changed our commodity specifications and standards to better meet our customer's needs while, at the same time, bringing them more into conformance with their commercial counterparts.

We designed a single "USDA Point of Contact" website to facilitate "one stop shopping" for our program partners and customers. This user friendly website contains information from the Food and Nutrition Service, Agricultural Marketing Service, Farm Service Agency, and Food Safety and Inspection Service, and quick links to our partner associations and other sites that provide access to a variety of critical commodity resources. If you've not yet done so, check out www.commodityfoods.usda.gov and bookmark it for future use.

The FDPIR Multi-Food Warehouse Pilot and FDPIR/CSFP Prime Vendor Pilot will continue to evaluate innovative ways to streamline commodity ordering and distribution in those programs.

We want to jointly thank all of our partners and customers for their diligence and perseverance in making these comprehensive improvements possible. Although this closes the *Food Distribution 2000* initiative, USDA remains committed to continued improvement and modernization of the commodity programs as we strive to meet the needs of both program recipients and the industry of American agriculture.



GEORGE A. BRALEY
Associate Administrator
Food and Nutrition Service



KENNETH C. CLAYTON
Associate Administrator
Agricultural Marketing Service



DR. KENNETH PETERSEN
Acting Deputy Assistant Administrator
Food Safety and Inspection Service



BERT FARRISH
Deputy Administrator
for Commodity Operations
Farm Service Agency