



AUG 12 2004

United States
Department of
Agriculture

SUBJECT: Discontinuing Liquid Concentrate Infant Formula in the Commodity Supplemental Food Program (CSFP)

Food and
Nutrition
Service

TO: Regional Director
Special Nutrition Programs
All Regions

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The continually decreasing demand for infant formula in the CSFP renders it untenable for us to continue to provide the current variety of formula products. The downward demand trend has severely impacted replenishments of formula from Federal inventory for multi-food shipments and would inevitably affect direct shipments as well. As a result, and after carefully reviewing comments from FNS Regional Offices, CSFP State agencies, and the National CSFP Association, the decision has been made to offer powdered formula only for both the multi-food program and direct shipments on a permanent basis.

We believe that switching from liquid to powdered formula will have minimal impact on program participants. Both the liquid and powdered formulas require reconstituting, and the two types are, of course, nutritionally equivalent. In recent years, CSFP State agencies in at least two Regions have successfully transitioned from ordering liquid formula to powdered formula. In addition, FNS ceased maintaining liquid soy-based formula in Federal inventory without complaint. Among the benefits of offering powdered formula only are: (1) anticipated lower unit cost since we will be buying a larger quantity of a single product, (2) fresher product due to quicker inventory turns, and (3) less risk of product loss since powder has a longer shelf life than liquid concentrate.

As mentioned previously in the July 12, 2004 memorandum, we are currently maintaining only powdered formula in the Federal inventory, and this change becomes permanent immediately. The effective date for discontinuing liquid formula for direct shipments is November 1, 2004. CSFP State agencies should exhaust their current supply of liquid formula before distributing powdered formula for infants that are currently receiving liquid formula.

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