

FOOD AND NUTRITION SERVICE

2014 Explanatory Notes

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PURPOSE STATEMENT

The Food and Nutrition Service (FNS) was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953.

FNS is the Federal agency responsible for managing the domestic nutrition assistance programs. Its mission is to increase food security and reduce hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence.

Over the past half-century – beginning with the National School Lunch Program in 1946 – the Nation has gradually built an array of nutrition assistance programs designed to help the most vulnerable populations meet their food needs. Taken together, the current programs form a nationwide safety net supporting low-income families and individuals in their efforts to escape food insecurity and hunger and achieve healthy, nutritious diets. Currently, the programs administered by FNS touch the lives of one in four Americans over the course of a year.

Descriptions of Programs:

The nutrition assistance programs described below works both individually and in concert with one another to improve the Nation's nutrition and health by improving the diets of children and low-income households.

- *Supplemental Nutrition Assistance Program (SNAP):* Authorized by the Food and Nutrition Act of 2008, SNAP serves as the primary source of nutrition assistance for over 47 million low-income people. It enables participants, about 49 percent of whom are children, to improve their diets by increasing food purchasing power using benefits that are redeemed at authorized retail grocery stores across the country. State agencies are responsible for the administration of the program according to national eligibility and benefit standards set by Federal law and regulations. Benefits are 100 percent Federally-financed, while administrative costs are shared between the Federal and State Governments.

SNAP provides the basic nutrition assistance benefit for low-income people in the United States; other FNS programs supplement this program with benefits targeted to special populations, dietary needs and delivery settings. (Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands receive grant funds with which to provide food and nutrition assistance in lieu of SNAP.)

- *Food Distribution Program on Indian Reservations (FDPIR):* FDPIR distributes USDA-purchased foods as an alternative to SNAP for Indian households on or near reservations. State agencies and Indian Tribal Organizations (ITOs) that operate the program are responsible for certifying recipient eligibility, nutrition education, local warehousing and transportation of food, distribution of food to recipient households, and program integrity. The Federal Government pays 100 percent of the cost of commodities distributed through the program, and cash payments for administrative expenses.
- *Child Nutrition Programs (CNP):* The Child Nutrition Programs - National School Lunch (NSLP), School Breakfast (SBP), Special Milk (SMP), Child and Adult Care Food (CACFP), and Summer Food Service (SFSP) - provide reimbursement to State and local governments for nutritious meals and snacks served to almost 32 million children in schools, child care institutions, and after school care programs. CACFP also supports meal service in adult day care centers. FNS provides cash and USDA-purchased foods on a per-meal basis to offset the cost of food service at the local level and a significant portion of State and local administrative expense, and provides training, technical assistance, and nutrition education. Payments are substantially higher for meals served free or at a reduced price to children from low-income families.

In addition, the Fresh Fruit and Vegetable Program (FFVP), provides access to fresh fruits and vegetables for students in low-income elementary schools across the nation. The Fresh Fruit and Vegetable Program, authorized and funded under Section 19 of the Richard B. Russell National School Lunch Act and expanded in recent years as a result of the 2008 Farm Bill, operates in selected low-income elementary schools in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. States select schools to participate

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based on criteria in the law, including the requirement that each student receives between \$50 and \$75 worth of fresh produce over the school year.

- *Special Supplemental Nutrition Program for Women, Infants and Children (WIC)*: WIC addresses the supplemental nutritional needs of at-risk, low-income pregnant, breastfeeding and postpartum women, infants and children up to five years of age. It provides participants monthly supplemental food packages targeted to their dietary needs, breastfeeding support to nursing mothers, nutrition education, and referrals to a range of health and social services – benefits that promote a healthy pregnancy for mothers and a healthy start for their children. Appropriated funds are provided to States for food packages and nutrition services and administration for the program; States operate the program pursuant to plans approved by FNS. WIC is augmented in some localities by the Farmers' Market Nutrition Program, funded within the Commodity Assistance Program account, and authorized by the WIC Farmers' Market Nutrition Act of 1992, which provides additional fresh produce to WIC participants.
- *The Emergency Food Assistance Program (TEFAP)*: This program supports the emergency food organization network by distributing USDA-purchased food for use by emergency feeding organizations including soup kitchens, food recovery organizations, and food banks. TEFAP also provides administrative funds to defray costs associated with processing, repackaging, storage, and distribution of Federal and privately donated food. The allocation of both Federal food and administrative grants to States is based on a formula that considers the States' unemployment levels and the number of persons with income below the poverty level.
- *The Commodity Supplemental Food Program (CSFP)*: This program provides foods purchased by USDA to low-income infants and children up to age six, low-income pregnant and postpartum women, and to low-income senior citizens. In recent years, there has been a shift towards low-income elderly in this program; in FY 2011, elderly participation comprised almost 97 percent of total participation. Foods are distributed through State agencies to supplement food acquired by recipients from other sources. The CSFP is operated as a Federal/State partnership under agreements between FNS and State health care, agricultural or education agencies. In FY 2011, 39 States, the District of Columbia, and two Indian reservations operated CSFP.
- *Senior Farmers' Market Nutrition Program (SFMNP)*: This program provides coupons to low-income seniors that can be exchanged for fresh, nutritious, unprepared, locally grown fruits, vegetables and herbs at farmers' markets, roadside stands, and community-supported agriculture programs.
- *Pacific Island and Disaster Assistance*: Pacific Island Assistance includes assistance to the nuclear-affected zones of the Republic of the Marshall Islands in the form of USDA purchased food, or cash-in-lieu of food, and administrative funds and is authorized under the Compact of Free Association Amendments Act of 2003, (P.L. 108-188). Disaster relief funds are provided for use in non-Presidentially declared disasters.

Federal nutrition assistance programs operate as partnerships between FNS and the State and local organizations that interact directly with program participants. States voluntarily enter into agreements with the Federal Government to operate programs according to Federal standards in exchange for program funds that cover all benefit costs, and a significant portion of administrative expenses.

Under these agreements, FNS is responsible for implementing statutory requirements that set national program standards for eligibility and benefits, providing Federal funding to State and local partners, and monitoring and evaluating to make sure that program structures and policies are properly implemented and effective in meeting program missions. State and local organizations are responsible for delivering benefits efficiently, effectively, and in a manner consistent with national requirements.

FNCS Staff:

The public servants of FNS are an important resource for advancing the key outcomes sought through the nutrition assistance programs. The agency staff serves to ensure and leverage the effective use of the other program appropriations.

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FNS staff is funded primarily out of the Nutrition Programs Administration account, which represents approximately one-third of one percent of the total FNS budget. The agency employment level represents less than two percent of the total employment within USDA and is similarly small in proportion to the total State-level staff needed to operate the programs. The agency employs people from a variety of disciplines, including policy and management analysts, nutritionists, computer and communication experts, accountants, investigators, and program evaluators. Because of the small size of the agency’s staff relative to the resources it manages, FNS has created clear and specific performance measures and must focus its management efforts in a limited number of high-priority areas.

Program operations are managed through FNS’ seven regional offices and 28 field offices. A regional administrator directs each regional office. These offices maintain direct contact with State agencies that administer the FNS programs. The agency’s regional offices also conduct on-site management reviews of State operations and monitor the 246,565 stores and other outlets authorized to redeem SNAP benefits.

As of September 2012, there were 1,321 full-time permanent employees in the agencies. There were 525 employees in the Washington headquarters office; and 796 elsewhere, including in seven regional offices; 28 field offices; two SNAP compliance offices in New Jersey and Tennessee; and a computer support center in Minneapolis, Minnesota. The chart below displays staff year utilization.

STAFF YEAR DISTRIBUTION (From All Sources of Funds)					
Project	2011 Actual	2012 Actual	2013 Estimate	Change	2014 Estimate
Supplemental Nutrition Assistance Program	125	154	164	75	239
Child Nutrition Programs	168	198	221	0	221
Commodity Assistance Program	2	3	3	5	8
Supplemental Nutrition Program for Women, Infants and Children	22	28	30	5	35
Nutrition Programs Administration	1,021	899	974	0	974
Center for Nutrition Policy and Promotion	32	32	32	0	32
Total Available	1,370	1,314	1,424	85	1,509

Audit Reports of National Significance Issued for Fiscal Year 2012

OIG Audits Issued

Area	Number	Date	Title	Status
Financial Management	27401-0001-21	11-2011	Food and Nutrition Service Financial Statements for Fiscal Years 2011 and 2010	Report contained an unqualified opinion with no recommendations.
CACFP	27601-0012-SF	11-2011	Review of Management Controls for the Child and Adult Care Food Program	Administrative action is complete. Audit closure pending State agency collection from sub-grantees.
SNAP	27002-0001-DA	11-2011	Analysis of Supplemental Nutrition Assistance Program Anti-Fraud Locator EBT Retailer Transactions (ALERT) Database	Audit is closed.

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Area	Number	Date	Title	Status
SNAP	27703-0002-HY	1-2012	State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program	Final action being requested.
CACFP	27099-0001-DA	1-2012	Identifying Areas of Risk in the Child and Adult Care Food Program (CACFP) Using Automated Data Analysis Tools	Final action being requested.
NSLP	27703-0001-HQ	2-2012	American Recovery and Reinvestment Act of 2009 National School Lunch program Equipment Assistance Grants	Audit is closed.
TEFAP	27703-0003-AT	6-2012	Review of the Food and Nutrition Service's Controls Over the Emergency Food Assistance Program – Phase II	Final action being requested.
SNAP	27703-0002-AT	6-2012	Recovery Act Impacts on the Supplemental Nutrition Assistance Program	Pending administrative action.
SNAP	27002-0011-13	9-2012	Analysis of FNS' Supplemental Nutrition Assistance Program Fraud Prevention and Detection Efforts	Pending administrative action.

GAO Audits Issued

Area	Number	Date	Title	Status
School Meal Programs	GAO-12-458R	2-2012	Nutrition Standards in the National School Lunch and School Breakfast Programs	Report contained no recommendations.
School Meal Programs	GAO-12-716R	5-2012	Certification of Compliance with Meal Requirements for the National School Lunch Program Under the Healthy, Hunger-Free Kids Act of 2010	Report contained no recommendations.
SNAP	GAO-12-670	6-2012	Improved Oversight of State Eligibility Expansions Needed	Pending administrative action.

THE CENTER FOR NUTRITION POLICY AND PROMOTION

As the lead Federal Department in human nutrition, the USDA is charged with developing national nutrition policy and designing and disseminating science-based nutrition promotion programs for all Americans, and populations receiving nutrition assistance. The Center for Nutrition Policy and Promotion (CNPP) is USDA's focal point for improving the health of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers.

Overview of Program Development

CNPP develops integrated nutrition research, education, and promotion programs and is a recognized authority for providing science-based dietary guidance for the American public (including consumers and professionals in health, education, industry, and the media). CNPP also helps devise better cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, socio-economic characteristics, behaviors, and lifestyles. To meet its mission, CNPP performs the following functions:

Advances and Promotes Food and Nutrition Guidance for All Americans

CNPP oversees improvements in and revisions to Departmental nutrition guidance, while ensuring the consistency of all guidance with the *Dietary Guidelines for Americans*, the cornerstone of Federal nutrition policy. The MyPlate Food Guidance System provides current Departmental nutrition guidance disseminated to nutrition educators, health professionals, and consumers in the form of millions of print documents; educator's toolkits; and via Web-based

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interactive and personalized tools at ChooseMyPlate.gov. The first Web site, MyPyramid.gov, has received more than 9 billion hits since its launch in April 2005 and has millions of registered users of the tools for dietary and physical activity assessment. ChooseMyPlate.gov updates the content to meet the nutrition-education needs of the general population, as well as the need of specific groups.

Uses Evidence-Based Methods as the Scientific Foundation for Nutrition Policy, Promotion and Education

CNPP established and maintains USDA's Evidence Analysis Library (EAL), including the Nutrition Evidence Library to monitor, assess, gather, analyze, and consult on the scientific evidence in support of nutrition, food, dietary guidance, nutrition education and nutrition research policies and outreach programs. The EAL designs and leads a wide range of scientific review projects that inform and support nutrition policy and guidance, and serve as the basis for nutrition promotion and education activities. The Nutrition Evidence Library, a major function of the EAL, supports the *Dietary Guidelines* 2010 process. The EAL was formed to provide a broader-based evidence library to support Federal and external organizations as a repository of the most up-to-date credible literature available in the areas relative to the *Dietary Guidelines for Americans*, obesity, food groups, weight management, physical activity, food safety, methods of consumer nutrition education program development, risk analysis and nutrients, and social marketing. The EAL serves as the USDA model upon which USDA agencies approach science review to support the policies for which they have responsibility.

Coordinates Nutrition Promotion and Education Policy within USDA

CNPP leads the USDA team for the joint USDA/Department of Health and Human Services (DHHS) development, review, and clearance of the *Dietary Guidelines* policy document and coordinates an interagency working group on developing a plan for the promotion and communication of the 2010 *Dietary Guidelines*. CNPP is the focal point for advancing and coordinating nutrition promotion and education policy within USDA. CNPP chairs the USDA Dietary Guidance Working Group. This working group reviews all of USDA's and DHHS' nutrition publications and materials to ensure consistency with the *Dietary Guidelines*. CNPP also represents USDA on the DHHS Healthy People 2010 initiative in the areas of food, nutrition, and obesity.

Promotes Consumer-Oriented Nutrition Messages

CNPP continues to develop and update science-based dietary guidance for healthy Americans two years of age and older. In addition, CNPP and the Department continue to work to promote good health through wise food choices and adequate physical activity to help prevent disease. CNPP uses the most recent food consumption survey data available to target its nutrition messages for the public. Translating nutrition guidance for consumers in a way that educates and motivates change in dietary behavior will ultimately lead to improved health status. In addition to its efforts to disseminate the print materials related to the *Dietary Guidelines for Americans*, CNPP is working diligently to reach a larger number of Americans with relevant and motivating nutrition promotion messages delivered through a wider array of communication channels.

Collaborates with Public/Private Groups to Promote Nutrition

CNPP will continue to lead USDA's efforts to communicate nutrition messages through a wide variety of mechanisms, including the MyPlate Food Guidance System, nutrition assistance programs, commodity and agricultural groups, food industry, trade associations, and public health organizations and the media. CNPP will continue to collaborate with public, private, and nonprofit groups to expand access to USDA's nutrition assistance programs. Collaboration with the public and private sectors is used to encourage widespread participation in nutrition education efforts based on the *Dietary Guidelines for Americans*. CNPP has established over a hundred public-private partnerships to magnify the reach of MyPlate tools and messages.

Uses Policy-Focused Analyses to Advance Nutrition and Consumer Economic Knowledge

CNPP's science-based research supports national policy, Departmental policy, and the promotion of healthful eating in America. CNPP staff members conduct policy analyses of socio-economic, food behavior, and food disappearance data. Some large-scale analyses are performed cooperatively with other Federal agencies and outside experts. This work supports policymaking for domestic nutrition assistance, setting a national agenda for nutrition

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security, and representing domestic nutrition policy to the international community, and contributes to activities related to nutrition monitoring of foods and nutrients available for consumption. CNPP develops USDA's Food Plans including the Thrifty Food Plan, on which SNAP benefits are based. The Food Plans represent a market basket of nutritious foods that could be purchased at various lower income levels. CNPP also produces the Expenditures on Children by Families ("The Cost of Raising a Child") report, which became an interactive Web-based tool in 2009, which provides families with the costs of household expenditures, including food. Further, CNPP measures diet quality as a gauge of the nutritional well-being of our population, which is used in health and nutrition policymaking. The Healthy Eating Index (HEI) is the measure of overall diet quality that the Department uses to determine the degree to which the population's eating habits are consistent with the *Dietary Guidelines for Americans*.

Eating patterns and their behavioral determinants are analyzed to gauge the effect of policy on consumers' food behavior and to help devise more efficient means of helping people improve their diet. Scientific research is made available to policymakers and published for the research community and the public. CNPP is reaching the public more effectively than ever before through a combination of print materials, news releases, interactive tools, its Web site, and presentations at professional conferences.

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**Available Funds and Staff Years
(Dollars in Thousands)**

Item	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program	\$65,831,151	125	\$72,668,669	154	\$75,768,120	164	\$73,456,477	239
SNAP ARRA.....	12,272,291		8,342,291		6,819,099		561,505	
Child Nutrition Program:								
Appropriation.....	12,436,884	144	11,613,707	163	12,207,585	181	12,592,308	181
Permanent Appropriation.....	192,280	24	205,708	35	471,998	40	63,250	40
Transfer from Section 32.....	5,277,574		6,749,898		7,697,031		7,965,000	
Total - Child Nutrition Program.....	17,906,738	168	18,569,313	198	20,376,614	221	20,620,558	221
Special Supplemental Nutrition Program for Women, Infants, and Children	7,299,650	22	7,167,986	28	7,104,531	30	7,248,790	35
Commodity Assistance Program.....	296,917	2	282,947	3	287,593	3	292,301	8
Nutrition Programs Administration.....	147,214	1,053	135,163	931	137,348	1,006	144,592	1,006
Congressional Hunger Center.....	1,274		2,000		2,000		2,000	
Total, Food and Nutrition Service Funds	103,755,235	1,370	107,168,369	1,314	110,495,305	1,424	102,326,223	1,509
<u>Obligations under other</u>								
<u>USDA Appropriations:</u>								
Office of the Chief Information Officer.....	115		281		0		0	
Departmental Management.....	2		30		0		0	
Foreign Agricultural Service.....	213		58		0		0	
Food Safety and Inspection Service.....	0		10		0		0	
Economic Research Service.....	0		10		0		0	
Office of the Inspector General.....	13		13		0		0	
National Appeals Division.....	33		52		0		0	
Natural Resources and Conservation Service.....	0		183		0		0	
Farm Service Agency.....	122		10		0		0	
Rural Development.....	36		36		0		0	
Total, Agriculture Appropriations.....	534		683		0		0	
<u>Other Federal Funds:</u>								
Army Audit.....	13		7		0		0	
Labor.....	51		51		0		0	
Federal Executive Board.....	217		222		0		0	
Total, Other Federal Funds.....	281		280		0		0	
Total, Food and Nutrition Service.....	103,756,050	1,370	107,169,332	1,314	110,495,305	1,424	102,326,223	1,509

Note: For additional explanation of specific program figures, please see the supporting project statements.

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Permanent Positions by Grade and Staff Year Summary

Grade	2011 Actual			2012 Actual			2013 Estimate			2014 Estimate		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service	8	7	15	9	8	17	9	8	17	9	8	17
GS-15.....	31	9	40	45	23	68	45	23	68	45	23	68
GS-14.....	63	54	117	87	33	120	92	35	127	99	37	136
GS-13.....	191	131	322	214	103	317	227	109	336	244	116	360
GS-12.....	110	231	341	90	284	374	96	299	395	103	320	423
GS-11.....	49	296	345	27	258	285	28	272	300	30	291	321
GS-9.....	29	25	54	20	37	57	21	39	60	22	41	63
GS-8.....	5	6	11	3	5	8	3	5	8	3	5	8
GS-7.....	20	29	49	19	25	44	19	25	44	19	25	44
GS-6.....	11	8	19	6	10	16	6	10	16	6	10	16
GS-5.....	11	13	24	4	9	13	4	9	13	4	9	13
GS-4.....	5	11	16	14	16	30	14	16	30	14	16	30
Other Graded Positions...	1	3	4	6	4	10	6	4	10	6	4	10
Total Permanent Positions.....	534	823	1,357	544	815	1,359	570	854	1,424	604	905	1,509
Unfilled Positions												
End-of Year.....	4	27	31	19	19	38						
Total, Permanent Full-Time Employment												
End-of Year.....	529	796	1,325	525	796	1,321	570	854	1,424	604	905	1,509
Staff Year Estimate	553	817	1,370	525	789	1,314	570	854	1,424	604	905	1,509

Note: FY2012 FNS realigned staff to be consistent by region, align with headquarters structure, and align with OPM requirements regarding number of direct reports for a supervisor.

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SIZE, COMPOSITION AND COST OF MOTOR VEHICLE FLEET

The FNS fleet consists largely of sedans. Retailer Investigations Branch officials employ the majority of these vehicles in field audits as part of the Supplemental Nutrition Assistance Program (SNAP). Additionally, and to a much lesser extent, vehicles are assigned to FNS regional offices and used for business travel among their field offices and remote worksites. Lastly, FNS uses three 10-passenger vans at Headquarters in Alexandria, Virginia for all-day shuttle service to the USDA agencies in downtown Washington, D.C.

Changes to the motor vehicle fleet. FNS total vehicle count was reduced by six during FY 2012. The fleet management staff was able to reduce the fleet size by efficiently consolidating functions. In addition, the fleet was reduced further due to FNS' closure of several field offices.

Replacement of passenger motor vehicles. Replacement of 10 GSA leased vehicles occurred in FY 2012. Vehicles replaced had a mileage of more than 60,000 and were more than six years of age. Replacement vehicles are GSA leased vehicles.

Impediments to managing the motor vehicle fleet. The only identified impediment to managing the motor vehicle fleet in the most cost-effective manner is the availability of FLEX fuel stations that are assessable in the area.

Size, Composition, and Annual Operating Costs of Vehicle Fleet

Fiscal Year	Number of Vehicles by Type*								Annual Operating Costs (\$ in 000)
	Sedans and Station Wagons	Light Trucks, SUVs and Vans		Medium Duty Vehicles	Ambulances	Buses	Heavy Duty Vehicles	Total Number of Vehicles	
		4X2	4X4						
2011	30	13	0	4	-	-	-	47	\$235
Change	-5	-9	+8	-	-	-	-	-6	-68
2012	25	4	8	4	-	-	-	41	167
Change	-	-	-	-	-	-	-	-	-
2013	25	4	8	4	-	-	-	41	167
Change	-	-	-	-	-	-	-	-	16
2014	25	4	8	4	-	-	-	41	183

NOTES:

* These numbers include vehicles that are owned by the agency and leased from commercial sources or GSA.

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These estimates include proposed changes in the language of this item as follows:

Child Nutrition Programs (including transfers of funds):

For necessary expenses to carry out the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; \$20,487,229,000, to remain available through September 30, 2015, of which such sums as are made available under section 14222(b)(1) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246), shall be merged with and available for the same time period as provided herein: Provided, That of the total amount available, \$17,004,000 shall be available to carry out section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.): Provided further, That of the total amount available, \$35,000,000 shall be available to provide competitive grants to state agencies for subgrants to local educational agencies and schools to purchase the equipment needed to serve healthier meals, improve food safety, and to help support the establishment, maintenance, or expansion of the school breakfast program.

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Lead-Off Tabular Statement

CHILD NUTRITION PROGRAMS

2013 Estimate	\$19,356,987,000
Budget Estimate, 2014.....	<u>20,487,229,000</u>
Change in Appropriation	<u>+1,130,242,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
Discretionary Appropriations:					
School Meals Equipment Grants	0	0	0	\$35,000	\$35,000
All Other Discretionary Activities	\$15,702	\$1,814	\$107	-619	17,004
Subtotal, Discretionary	15,702	1,814	107	34,381	52,004
Mandatory Appropriations:					
Meal Reimbursement Payments to States					
National School Lunch Program	9,981,094	188,521	649,957	827,933	11,647,505
School Breakfast Program	3,093,970	219,878	291,414	237,633	3,842,895
Child and Adult Care Food Program	2,686,344	145,199	105,844	114,789	3,052,176
Summer Food Service Program	392,680	9,318	33,895	32,039	467,932
Special Milk Program	12,512	728	-2,163	-299	10,778
State Administrative Expenses	206,943	72,073	10,668	-42,140	247,544
Commodity Reimbursement/Procurement	907,919	167,808	105,924	-78,407	1,103,244
Mandatory Other Program Costs	26,627	22,046	10,165	4,313	63,151
Subtotal, Mandatory	17,308,089	825,571	1,205,704	1,095,861	20,435,225
Total Appropriation or Change	17,323,791	827,385	1,205,811	1,130,242	20,487,229

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Project Statement
 Appropriations Detail and Staff Years (SY)
 (Dollars in thousands)

Project	2011 Actual	SY	2012 Actual	SY	2013 Estimate	SY	Inc. or Dec.		2014 Estimate	SY
Meal Reimbursement Payments to States										
National School Lunch Program	\$9,981,094		\$10,169,615		\$10,819,572		\$827,933		\$11,647,505	
School Breakfast Program	3,093,970		3,313,848		3,605,262		237,633		3,842,895	
Child and Adult Care Food Program	2,686,344		2,831,543		2,937,387		114,789		3,052,176	
Summer Food Service Program	392,680		401,998		435,893		32,039		467,932	
Special Milk Program	12,512		13,240		11,077		-299		10,778	
Subtotal, Meal Reimbursements	16,166,600		16,730,244		17,809,191		1,212,095	(1)	19,021,286	
State Administrative Expenses	206,943		279,016		289,684		-42,140	(2)	247,544	
Commodity Reimbursement/Procurement	907,919		1,075,727		1,181,651		-78,407	(3)	1,103,244	
Mandatory Other Program Costs:										
Food Safety Education	2,507		2,510		2,575		74		2,649	
Coordinated Review	5,745		9,763		10,000		0		10,000	
Computer Support	9,518		9,525		10,746		256		11,002	
Training and Tech. Assist.	3,530		3,537		7,675		341		8,016	
CN Studies	2,994		19,000		19,323		374		19,697	
CN Payment Accuracy	2,333		2,338		6,436		3,181		9,617	
Farm to School Team	0		2,000		2,083		87		2,170	
Subtotal, Mandatory Other Program Costs	26,627		48,673		58,838		4,313	(4)	63,151	
Subtotal, Mandatory	17,308,089		18,133,660		19,339,364		1,095,861		20,435,225	
Discretionary Activities:										
Team Nutrition/HUSSC	15,702		16,516		16,617		387		17,004	
School Meals Equipment Grants	0		0		0		35,000		35,000	
School Breakfast Expansion Grants	0		1,000		1,006		-1,006		0	
Subtotal, Discretionary Activities	15,702		17,516		17,623		34,381	(5)	52,004	
Total Adjusted Appropriation	17,323,791		18,151,176		19,356,987		1,130,242		20,487,229	
Rescission 1/	48		0		0		0		0	
Total Appropriation	17,323,839	144	18,151,176	163	19,356,987	181	1,130,242		20,487,229	181

Note: Staff year figures are associated with discretionary and mandatory activities.

1/ Appropriated funds are adjusted to reflect a rescission of \$48,000 in FY 2011 pursuant to Section 1119 (a) of P.L. 112-10.

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Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Project	2011 Actual	SY	2012 Actual	SY	2013 Estimate	SY	Inc. or Dec.	2014 Estimate	SY
Meal Reimbursement Payments to States									
National School Lunch Program	\$10,320,844		\$10,426,831		\$11,463,312		\$254,272	\$11,717,584	
School Breakfast Program	3,075,846		3,350,583		3,605,262		237,633	3,842,895	
Child and Adult Care Food Program	2,732,119		2,846,404		2,937,395		114,781	3,052,176	
Summer Food Service Program	376,829		399,860		435,893		32,039	467,932	
Special Milk Program	12,381		12,629		11,077		-299	10,778	
Subtotal, Meal Reimbursements	16,518,019		17,036,307		18,452,939		638,426	19,091,365	
State Administrative Expenses	208,646		275,954		290,446		-42,902	247,544	
Commodity Reimbursement/Procurement	936,604		998,619		1,058,987		44,257	1,103,244	
Mandatory Other Program Costs:									
Food Safety Education	3,458		2,158		3,758		-1,109	2,649	
Coordinated Review	5,932		8,562		11,624		-1,624	10,000	
Computer Support	9,432		9,259		10,746		256	11,002	
Training and Tech. Assist.	3,720		3,747		8,218		-202	8,016	
CN Studies	3,591		11,904		36,495		-16,798	19,697	
CN Payment Accuracy	2,597		2,201		6,645		2,972	9,617	
Farm to School Team	0		295		3,788		-1,618	2,170	
Subtotal, Mandatory Other Program Costs	28,730		38,126		81,274		-18,123	63,151	
Subtotal, Mandatory	17,691,999		18,349,006		19,883,646		621,658	20,505,304	
Discretionary Activities:									
Team Nutrition/HUSSC	16,481		14,599		18,964		-1,960	17,004	
School Meals Equipment Grants	0		0		0		35,000	35,000	
School Breakfast Expansion Grants	0		0		2,006		-2,006	0	
Hunger Free Community Grants	4,978		0		0		0	0	
School Garden Pilot	1,000		0		0		0	0	
Subtotal, Discretionary	22,459		14,599		20,970		31,034	52,004	
Total Obligations	17,714,458	144	18,363,605	163	19,904,616	181	652,692	20,557,308	181
Prior Year Recoveries/Collections	-354,097		-402,324		0		0	0	
Unobligated Balance Start-of-Year	-584,561		-493,690		-617,708		547,629	-70,079	
Unobligated Balance End-of-Year	493,691		617,708		70,079		-70,079	0	
Unobligated Balance Expiring	48,453		65,877		0		0	0	
Transfer to 12X3539 <u>1/</u>	5,847		0		0		0	0	
Total Adjusted Appropriation	17,323,791	144	18,151,176	163	19,356,987	181	1,130,242	20,487,229	181
Rescission <u>2/</u>	48		0		0		0	0	
Total Appropriation	17,323,839	144	18,151,176	163	19,356,987	181	1,130,242	20,487,229	181

Note: Staff year figures are associated with discretionary and mandatory activities.

1/ Transfer is made under the authority provided by P.L. 109-97, which permits CACFP audit funds that remain unused after the first year of availability to be recovered and reallocated. The reallocated funds are available until expended for the purpose of conducting CACFP institution audits.

2/ Appropriated funds are adjusted to reflect a rescission of \$48,000 in FY 2011 pursuant to Section 1119 (a) of P.L. 112-10.

FOOD AND NUTRITION SERVICE

Project Statement
Adjusted Appropriations Detail and Staff Years (SY)
(Dollars in thousands)

Direct Appropriation and Transfer Activities	2011		2012		2013		Inc. or Dec.	2014	
	Actual	SY	Actual	SY	Estimate	SY		Estimate	SY
Information Clearinghouse	\$250		\$250		\$250		0	\$250	
Food Service Management Institute	5,000		5,000		5,000		0	5,000	
Fresh Fruit and Vegetable Program (transfer) <u>1/</u>	109,000		137,000		289,000		-\$249,000	40,000	
Technical Assistance Program Integrity	4,000		4,000		4,000		0	4,000	
Grants to States (Administrative Review)	4,000		4,000		4,000		0	4,000	
Direct Certification Performance Bonuses	0		4,000		4,000		0	4,000	
Medicaid Direct Certification Evaluation	5,000		0		0		0	0	
Alternative Meal Claiming Evaluation	5,000		0		0		0	0	
CACFP Nutrition Technical Assistance	10,000		0		0		0	0	
CACFP Nutrition and Wellness Study	5,000		0		0		0	0	
Professional Standards - Foodservice	5,000		1,000		1,000		0	1,000	
Indirect Cost Study	2,000		0		0		0	0	
Farm to School Grants	0		0		5,000		0	5,000	
Child Hunger Research	0		0		10,000		-10,000	0	
Hunger Demonstration Projects	0		0		40,000		-40,000	0	
Total Direct Appropriations/Transfers	154,250	24	155,250	35	362,250	40	-299,000	63,250	40

1/ Section 19(i)(1) of the Richard B. Russell National School Lunch Act (NSLA) provides that each July 1 funds will be transferred from Section 32 funds at AMS to support the Fresh Fruit and Vegetable Program (FFVP).

The NSLA specified that:

- \$101 million would be transferred on July 1, 2010,
- \$150 million would be transferred on July 1, 2011,
- The amount transferred on July 1, 2012, and subsequent years would be calculated by inflating the preceding year's amount by changes in the CPI.

The following appropriations actions have altered the timing of the transfer:

- In FY 2010 the appropriations bill specified that \$76 million of the July 1, 2010, transfer would not be available until October 1, 2010,
- In FY 2011 the appropriations bill specified that \$117 million of the July 1, 2011, transfer would not be available until October 1, 2011,
- In FY 2012 the appropriations bill specified that \$133 million of the July 1, 2012, transfer would not be available until October 1, 2012,

The FY 2014 proposal would have \$119 million of the July 1, 2014, transfer not be made available until October 1, 2014.

The amounts displayed in the table above incorporate all delays in the transfer amount, including the proposed delay from the July 1, 2014, transfer.

FOOD AND NUTRITION SERVICE

Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Direct Appropriation and Transfer Activities	2011 Actual	SY	2012 Actual	SY	2013 Estimate	SY	Inc. or Dec.	2014 Estimate	SY
Information Clearinghouse	\$250		\$249		\$250		0	\$250	
Food Service Management Institute	5,000		5,000		5,000		0	5,000	
Fresh Fruit and Vegetable Program (transfer)	115,481		157,259		308,505		-\$268,505	40,000	
Technical Assistance Program Integrity	2,390		2,881		7,523		-3,523	4,000	
Grants to States (Administrative Review)	8,748		3,431		5,647		-1,647	4,000	
Summer Demonstration Projects	31,264		17,994		34,006		-34,006	0	
School Lunch Equipment Grants	10,575		0		670		-670	0	
CACFP Health and Nutrition Grants	7,719		0		281		-281	0	
Direct Certification Technical Assistance	3,015		9,781		11,846		-11,846	0	
Direct Certification Performance Bonuses	0		4,000		4,000		0	4,000	
Medicaid Direct Certification Evaluation	0		4,392		608		-608	0	
Alternative Meal Claiming Evaluation	4,744		47		210		-210	0	
CACFP Nutrition Technical Assistance	0		26		9,974		-9,974	0	
CACFP Nutrition and Wellness Study	0		0		5,000		-5,000	0	
Professional Standards - Foodservice	0		222		6,778		-5,778	1,000	
Indirect Cost Study	1,777		36		187		-187	0	
Farm to School Grants	0		0		5,000		0	5,000	
Child Hunger Research	0		0		10,000		-10,000	0	
Hunger Demonstration Projects	0		0		40,000		-40,000	0	
SFSP Rural Transportation Grants	0		0		1,082		-1,082	0	
Evaluation CACFP	0		0		8		-8	0	
Direct Certification and Verification	0		0		1,706		-1,706	0	
Evaluation of Effectiveness (Direct Cert.)	430		0		492		-492	0	
SFSP Evaluation	0		0		9		-9	0	
CACFP Audit Funds - X year	887		390		13,216		-13,216	0	
Total Obligations	192,280	24	205,708	35	471,998	40	-408,748	63,250	40
Transfer from 120/13539	-5,847		0		0		0	0	
Unobligated Balance Start of Year	-167,621		-149,054		-113,661		109,748	-3,913	
Collections/Recoveries	-13,616		-15,066		0		0	0	
Unobligated Balance Expiring	0		1		0		0	0	
Unobligated Balance End of Year	149,054		113,661		3,913		0	3,913	
Total Direct Appropriations/Transfers	154,250	24	155,250	35	362,250	40	-299,000	63,250	40

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The program lines above are not subject to appropriation. The following table details the authorities for each line in the table above:

Direct Appropriation and Transfer Activities	Authorization
Information Clearinghouse	NSLA Sect. 26(d)
Food Service Management Institute	NSLA Sect. 21(e)(1)(A)
Fresh Fruit and Vegetable Program (transfer)	NSLA Sect. 19(i)(1)
Technical Assistance Program Integrity	NSLA Sect. 21(g)(1)(A)
Grants to States (Administrative Review)	CNA Sect. 7(h)(1)
Summer Demonstration Projects	2010 Ag Approps Sect. 749(g)(1)
School Lunch Equipment Grants	2010 Ag Approps Sect. 749(j)(5)(A)
CACFP Health and Nutrition Grants	2010 Ag Approps Sect. 749(h)(1)(C)(i)
Direct Certification Technical Assistance	2010 Ag Approps Sect. 749(h)(2)(B)(i)
Direct Certification Performance Bonuses	NSLA Sect. 9(b)(4)(E)(iv)(I)
Medicaid Direct Certification Evaluation	NSLA Sect. 9(b)(15)(H)(i)
Alternative Meal Claiming Evaluation	NSLA Sect. 11(a)(1)(F)(xiii)(I)
CACFP Nutrition Technical Assistance	NSLA Sect. 17(u)(3)(H)(i)
CACFP Nutrition and Wellness Study	HHFKA Sect. 223(c)(1)
Professional Standards - Foodservice	CNA Sect. 7(g)(3)(A)
Indirect Cost Study	HHFKA Sect. 307(e)(1)
Farm to School Grants	NSLA Sect. 18(g)(8)(A)
Child Hunger Research	NSLA Sect. 23(a)(5)(A)
Hunger Demonstration Projects	NSLA Sect. 23(b)(7)(A)
SFSP Rural Transportation Grants	NSLA Sect. 13(a)(10)(E)
Evaluation CACFP	NSLA Sect. 17(p)(3)(D)
Direct Certification and Verification	2004 CN Reauth. Sect. 104(c)(1)
Evaluation of Effectiveness (Direct Cert.)	2004 CN Reauth. Sect. 105(c)(1)
SFSP Evaluation	NSLA Sect. 13(a)(9)(B)(iv)
CACFP Audit Funds - X year	2006 Ag Approps Sect. 769

Note: National School Lunch Act (NSLA); Child Nutrition Act (CNA); 2010 Ag Approps is the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010, P.L. 111-80; Healthy, Hunger-Free Kids Act of 2010 (HHFKA) is P.L. 111-296; 2004 CN Reauthorization is P.L. 108-256; 2006 Ag Approps is the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2006, P.L. 109-97.

Justification of Increases and Decreases

The FY 2014 request for the Child Nutrition Programs reflects a net increase of \$1,130,242,000.

- (1) An increase of \$1,212,095,000 for meal reimbursements (\$17,809,191,000 available in FY 2013).

School Lunch Program: Program costs are expected to increase from FY 2013 to FY 2014. The requested budget authority will increase by \$827,933,000 for an appropriation level of \$11,647,505,000 in FY 2014 (\$10,819,572,000 is available for FY 2013). This level of funding is 7.7 percent above the FY 2013 funding level and will be required to provide reimbursement for meal service currently projected for FY 2014. Meal reimbursement funds are available for two fiscal years and the majority of the increase in budget authority results from lower estimated carry-in resources in FY 2014 than carried into FY 2013. Program costs are projected to increase by \$254,272,000 from FY 2013 to FY 2014 as a result of increases in total meals and reimbursement rates. The total number of school lunches and snacks in FY 2014 is projected to be \$5.60 billion, an increase of \$41.3 million (or 0.7 percent) over the current estimate for FY 2013 of \$5.56 billion. Student participation in the NSLP is expected to continue at over 60 percent of enrollment in participating schools. Free lunches are estimated at 59.7 percent of all lunches served in FY 2014, which is slightly lower than the proportion of lunches estimated to be served free in FY 2013 (60.6 percent). This request also reflects the cost of the six-cent performance-based reimbursement rate increase authorized in Section 201 of the

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Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296), and of snacks served under the after school NSLP snack program created by the William F. Goodling Child Nutrition Reauthorization Act of 1998 (P.L. 105-336).

Other information: Income Eligibility

Eligibility for rates of payment in the Child Nutrition Programs is tied to family income with free meal eligibility set at 130 percent of the Federal poverty level and reduced price meals at 185 percent. The pertinent income levels for a family of four are shown below (rates are higher for Alaska and Hawaii):

Poverty Level	2011-2012 School Year	2012-2013 School Year
100 Percent	\$22,350	\$23,050
130 Percent	29,055	29,965
185 Percent	41,348	42,643

PROGRAM INDICATORS					
SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA	2011 ACTUAL	2012 ACTUAL	2013 ESTIMATE	2014 ESTIMATE	CHANGE
Lunches Served (millions):					
Above 185% of poverty	1,763.0	1,667.5	1,635.1	1,688.6	53.5
130% - 185% of poverty	445.3	451.2	461.0	469.4	8.4
Below 130% of poverty	3,066.1	3,112.4	3,223.5	3,196.3	-27.2
TOTAL, Lunches	5,274.4	5,231.1	5,319.6	5,354.3	34.7
Average Daily Participation (millions):	31.8	31.6	31.8	32.1	0.3
Lunch Rate per meal (blended) (cents):					
Above 185% of poverty	26.0	26.2	33.2	34.1	0.9
130% - 185% of poverty	233.0	238.5	253.2	260.1	6.9
Below 130% of poverty	273.1	278.7	293.4	300.3	6.9
Snacks Served (millions):					
Above 185% of poverty	8.6	8.7	7.9	9.1	1.2
130% - 185% of poverty	0.8	0.8	0.9	1.0	0.1
Below 130% of poverty	215.3	220.9	229.0	234.3	5.3
TOTAL, Snacks	224.6	230.4	237.8	244.4	6.6
Snack subsidy per meal (blended)(cents):					
Above 185% of poverty	6.2	7.0	7.0	7.0	0.0
130% - 185% of poverty	37.2	38.2	39.2	40.2	1.0
Below 130% of poverty	74.4	76.4	78.4	80.4	2.0
TOTAL, Lunches and Snacks	5,499.0	5,461.5	5,557.4	5,598.7	41.3
TOTAL, Meal Reimbursement (millions)	\$10,320.8	\$10,426.8	\$11,463.3	\$11,717.6	\$254.3

Note: The per meal lunch rates include the six cent increase for implementation of the new meal pattern included in Section 201 of the Healthy Hunger Free Kids Act of 2010.

School Breakfast Program: This program will require an increase of \$237,633,000 (about 6.6 percent) for an appropriation of \$3,842,895,000 in FY 2014 (\$3,605,262,000 is available for FY 2013). The current estimate projects an increase of 91.4 million breakfasts in FY 2014 (4.0 percent) above the current estimate for FY 2013. This includes a projected increase of about 65.4 million breakfasts in the free category as well as additional

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increases in the number of paid and reduced price breakfasts. The estimate of total meals projected to be served in FY 2014 is 2.38 billion.

Additionally, changes in the reimbursement rates, reflecting increases in the CPI for Food Away from Home, contributed to the need for increased funding.

PROGRAM INDICATORS					
SCHOOL BREAKFAST PROGRAM PROGRAM PERFORMANCE DATA	2011 ACTUAL	2012 ACTUAL	2013 ESTIMATE	2014 ESTIMATE	CHANGE
Meals Served (millions):					
Above 185% of poverty	333.6	338.2	350.4	369.1	18.8
Reduce Price, Regular	18.7	16.1	15.8	14.0	-1.7
Reduce Price, Severe Need	143.5	156.0	164.7	173.7	9.0
130%-185% of poverty, Total	162.2	172.1	180.5	187.7	7.2
Free, Regular	115.5	98.0	100.9	102.6	1.7
Free, Severe Need	1,436.8	1,537.1	1,652.9	1,716.6	63.7
Below 130% of poverty, Total	1,552.3	1,635.1	1,753.8	1,819.2	65.4
TOTAL, Meals	2,048.1	2,145.4	2,284.7	2,376.0	91.4
Average Daily participation (millions)	12.2	12.8	13.5	14.0	0.5
Average Subsidy Per Meal (cents):					
Paid	26.2	27.1	27.2	28.1	0.9
Reduced Price:					
Regular	118.6	121.8	125.8	129.7	3.9
Severe Need	146.8	150.9	155.9	160.8	4.9
Free:					
Regular	148.7	151.9	155.9	159.8	3.9
Severe Need	176.7	180.8	185.8	190.7	4.8
PROGRAM TOTAL (millions)	\$3,075.8	\$3,386.8	\$3,659.3	\$3,830.0	\$170.7

Child and Adult Care Food Program (CACFP): This program will require an increase of \$114,789,000 (about 3.9 percent) for an appropriation of \$3,052,176,000 in FY 2014 (\$2,937,387,000 is available for FY 2013). The current estimate projects 2.02 billion meals served in childcare centers, family day care homes and adult care centers in 2014. This represents an increase of 34.4 million meals (or 1.7 percent) above the FY 2013 estimate of 1.98 billion meals.

The increase is mainly the result of an anticipated 2.5 percent increase in meals provided in centers, with most of the growth in paid meals (16.4 million increase over FY 2013, or a 4.5 percent increase) plus reduced price meals (4.2 million increase, or 5.2 percent). Tier 1 (low-income) homes continue a modest increase, with a 0.5 percent growth in meals (2.5 million more than in FY 2013), while meals reimbursed at Tier 2 (upper income) homes continue to decline (down 3.5 million meals, a reduction of 5.0 percent from FY 2013). The need for additional funds is also due to changes in the reimbursement rates, which are adjusted by the CPI for Food Away from Home (for centers) and for Food at Home (for homes).

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PROGRAM INDICATORS					
CHILD AND ADULT CARE FOOD PROGRAM PROGRAM PERFORMANCE DATA	2011 ACTUAL	2012 ACTUAL	2013 ESTIMATE	2014 ESTIMATE	CHANGE
Meals Served (millions):					
Centers:					
Above 185% of poverty	352.8	357.1	365.4	381.8	16.4
130% - 185% of poverty	81.0	79.1	79.7	83.8	4.2
Below 130% of poverty	912.1	941.7	972.1	987.0	14.9
TOTAL, Centers	1,345.9	1,377.9	1,417.2	1,452.6	35.4
Family Day Care Homes:					
Tier 1 (Low Income)	498.7	494.3	495.5	498.0	2.5
Tier 2 (Upper Income)	84.4	76.0	70.3	66.8	-3.5
TOTAL, Family Day Care Homes:	583.1	570.3	565.9	564.8	-1.0
Total Child & Adult Care Program Meals:	1,929.0	1,948.2	1,983.0	2,017.4	34.4
Average Subsidy per meal (cents): 1/					
Centers:					
Above 185% of poverty	19.5	18.6	19.0	19.4	0.4
130% - 185% of poverty	129.7	130.3	134.9	138.7	3.8
Below 130% of poverty	165.4	173.8	178.8	183.2	4.4
Family Day Care Homes					
Tier 1 (Low Income)	137.2	147.9	151.5	154.6	3.1
Tier 2 (Upper Income)	66.0	68.8	70.4	71.8	1.4
Funding: (millions)					
Meal Reimbursement	\$2,569.6	\$2,592.9	\$2,719.2	\$2,820.9	\$101.7
Sponsor Admin	123.6	121.0	122.4	124.6	2.2
Audits	36.6	38.2	39.4	41.2	1.8
Training & Tech. Assistance	2.3	2.3	2.4	2.4	0.0
TOTAL (millions)	\$2,732.1	\$2,754.4	\$2,883.4	\$2,989.2	\$105.8

1/ Rates are a blend of all meals types.

Summer Food Service Program: This program will require an increase of \$32,039,000 (about 7.4 percent) for an appropriation of \$467,932,000 in FY 2013 (\$435,893,000 is available for FY 2013). The current estimate projects 159.6 million meals, which is an increase of approximately 7.6 million meals (or 5.0 percent) above the estimate for FY 2013. In addition, the reimbursement rates will increase because of projected changes in the CPI for Food Away from Home.

PROGRAM INDICATORS					
SUMMER FOOD SERVICE PROGRAM PROGRAM PERFORMANCE DATA	2011 ACTUAL	2012 ACTUAL	2013 ESTIMATE	2014 ESTIMATE	CHANGE
Meals Served (millions):					
Summer Food Program	137.2	144.7	152.0	159.6	7.6
Average Subsidy Per Meal (cents):					
Lunch	298.0	306.0	315.0	322.0	7.0
Breakfast	171.0	176.0	181.0	185.0	4.0
Supplements	69.0	71.0	73.0	75.0	2.0
PROGRAM TOTAL (millions)	\$376.8	\$403.7	\$434.7	\$456.0	\$21.3

Special Milk Program: This program will decrease by \$299,000 (2.7 percent) for an appropriation of \$10,778,000 in FY 2014 (\$11,077,000 is available for FY 2013). The total number of half pints is projected to decrease from FY 2013 to FY 2014 by 2.3 million (4.0 percent). While there is a projected increase in the reimbursement rates, this increase is not large enough to offset the projected decrease in half-pints served. The

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cash reimbursement rate for needy children is adjusted annually on July 1 to reflect changes in the Producer Price Index for fresh processed milk.

PROGRAM INDICATORS					
SPECIAL MILK PROGRAM PROGRAM PERFORMANCE DATA	2011 ACTUAL	2012 ACTUAL	2013 ESTIMATE	2014 ESTIMATE	CHANGE
Half Pints Served (millions):					
Paid (Above 130% of poverty)	61.2	55.8	52.4	50.4	-2.1
Free (130% of poverty or below)	5.3	5.0	4.7	4.5	-0.2
TOTAL, Half pints	66.5	60.8	57.2	54.9	-2.3
Reimbursement Rates (cents):					
Paid	18.4	20.2	19.3	19.6	0.3
Free	19.0	21.7	20.1	20.5	0.4
PROGRAM TOTAL (millions)	\$12.4	\$12.6	\$11.1	\$10.8	-\$0.3

- (2) A decrease of \$42,140,000 for State Administrative Expenses (\$289,684,000 available for FY 2013).

An appropriation of \$247,544,000 will be needed in FY 2014 for State Administrative Expenses. The base amount of State Administrative Expenses available for allocation to States is equal to at least 1.5 percent of Federal cash program payments for the National School Lunch (excluding snacks), School Breakfast, CACFP (including snacks) and Special Milk Programs in the second previous fiscal year (i.e., FY 2012 for FY 2014). The base request for funding increases by \$7,860,000 (from \$239,684,000 in FY 2013) due to a rise in program obligations for FY 2012, which is the base year for calculating the availability of funds for this program in FY 2014. However, there is an offsetting reduction of \$50,000,000 in the funding authorized by Section 201 of the Healthy, Hunger Free Kids Act of 2010, which provided \$50,000,000 in each of FYs 2012 and 2013. This funding is no longer available in FY 2014, and the net decrease in the request is \$42,140,000. State Administrative Expense funds are used for State employee salaries, benefits, support services and office equipment.

- (3) A decrease of \$78,407,000 for Commodity Reimbursement/Procurement (\$1,181,651,000 available for FY 2013).

An appropriation of \$1,103,244,000 will be needed to fund commodity reimbursement and procurement costs in FY 2014. The decrease from 2013 is primarily due to changes in the estimated cost of the program in FY 2013 which results in carryover into FY 2014. This estimate is based on FNS receiving \$465 million in support for entitlement commodities from Section 32 or Commodity Credit Corporation funds. The funding level for FY 2014 also reflects changes in the projected commodity reimbursement rates based on the Producer Price Index for commodities. The rate for SY 2012-13 is \$0.2275, and the rate is projected to be \$0.2325 for the SY 2013-14. This ensures that commodity support is adjusted for food cost inflation and maintains a stable base level of support for all meals. Funding is provided for commodity purchases used in the School Lunch, Child and Adult Care Food, and the Summer Food Service Programs, including the costs of procuring those commodities.

Section 6(e)(1) of the Richard B. Russell National School Lunch Act requires that not less than 12 percent of the total assistance provided under Sections 4, 6, and 11 of the Act be provided in commodities. The FY 2014 request includes \$189,495,000 to cover the 12 percent requirement and procurement costs. This estimate is based on approximately \$100 million in bonus USDA foods becoming available to schools as a result of USDA market support activities.

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COMMODITY COST DATA					
(\$ MILLIONS)					
COMMODITY PURCHASES:	2011	2012	2013	2014	CHANGE
	ACTUAL	ACTUAL	ESTIMATE	ESTIMATE	
CN Appropriation:					
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	\$465.0	0.0
Section 6 Commodities/Cash/Procurement Costs	703.3	698.5	739.3	786.3	\$47.0
12% Commodity Floor Requirement	131.6	184.4	198.0	189.5	-8.5
SCHOOL LUNCH TOTAL	1,299.9	1,347.9	1,402.3	1,440.8	38.5
Child & Adult Care Food Program:					
Commodities/Cash	100.4	114.4	120.3	126.0	5.7
Summer Food Service Program:					
Commodities	1.3	1.3	1.4	1.5	0.1
TOTAL COMMODITY COSTS	1,401.6	1,463.6	1,524.0	1,568.2	44.3
APPROPRIATION	\$907.9	\$1,075.7	\$1,181.7	\$1,103.2	-\$78.4

(4) An increase of \$4,313,000 in Mandatory Other Program Costs (\$58,838,000 available in FY 2013) as shown below.

Changes in Mandatory Other Program Costs (Thousands)

Project	2013 Estimate	Non-Pay Cost Change	Pay Cost Change	2014 Estimate
Mandatory Other Program Costs:				
Food Safety Education	\$2,575	\$67	\$7	\$2,649
Coordinated Review	10,000	0	0	10,000
Computer Support	10,746	239	17	11,002
Training and Tech. Assist.	7,675	211	130	8,016
CN Studies	19,323	372	2	19,697
CN Payment Accuracy	6,436	3,165	16	9,617
Farm to School Team	2,083	86	1	2,170
Total Mandatory Other Program Costs	58,838	4,140	173	63,151

The overall change consists of the following:

- a. An increase of \$74,000 for Food Safety Education (\$2,575,000 available for FY 2013).

Food safety education funds are used to reinforce and expand FNS' efforts to provide Child Nutrition Programs operators with continuous, effective training and technical assistance in food safety and food defense. FNS develops materials, ensures their delivery at all appropriate levels, makes training available at all possible levels, and facilitates the implementation of food safety requirements into the operators' food service operations. This increase provides additional resources to help ensure the safety of foods served to school children, including increasing training for State and local staff. The change also includes \$7,000 for pay costs.

- b. No change for for the Coordinated Review Program (\$10,000,000 available in FY 2013).

These funds are used to provide training and technical assistance for State agencies responsible for reviewing local school food authorities that participate in the school meal programs. The Coordinated Review Effort (CRE) helps ensure that school children are offered meals that meet regulatory standards and that the financial claims associated with those meals are appropriate. CRE reviews have the following goals: (1) determine if free and reduced-price meal benefits are provided in accordance with the regulations; (2) determine if proper meal counts are being taken at the point of service, and (3) determine if complete reimbursable meals are being offered.

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- c. An increase of \$256,000 for Computer Support (\$10,746,000 available in FY 2013).

This line supports the essential systems needed to administer the Child Nutrition Programs, including the federal staff required to operate and maintain those systems. These systems include the Web-Based Supply Chain Management System (WBSCM), which is used by State agencies and school food authorities to order commodities for the NSLP, and computer systems that support the activities of federal staff. This increase would provide continued maintenance for these vital systems. The change also includes \$17,000 for pay costs.

- d. An increase of \$341,000 for Training and Technical Assistance (\$7,675,000 available in FY 2013).

Effective and continual training and technical assistance are necessary to help States properly administer the Child Nutrition programs, including, but not limited to, the National School Lunch, School Breakfast, Child and Adult Care Food Programs, and to ensure States are equipped to identify and prevent fraud and abuse. This is especially critical because of the changes made to these vital programs by the Healthy, Hunger-Free Kids Act of 2010, which reauthorized these programs and instituted new requirements on State agencies. This increase reflects an increase in federal activity associated with this project, including implementation of the new requirements. The change also includes \$130,000 for pay costs.

- e. An increase of \$374,000 for CN Studies (\$19,323,000 available in FY 2013).

FNS conducts a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that nutrition assistance programs achieve their goals effectively. This line supports the critical evaluations needed for the Child Nutrition Programs, including the federal staff needed to oversee this vital work. The increase ensures adequate support for these activities. The change also includes \$2,000 for pay costs.

- f. An increase of \$3,181,000 for CN Payment Accuracy (\$6,436,000 available in FY 2013).

Robust Federal oversight, monitoring and technical assistance are essential to the identification, prevention and resolution of erroneous payments. This increase also supports FNS' efforts to reduce erroneous payments through training, technical assistance and oversight. This request provides \$3,000,000 to support and promote State's Child Nutrition Program (CNP) integrity efforts by establishing an FNS administrative review CNP Integrity Response Team to further promote program integrity efforts, and by supporting technology solutions to State and local program management and monitoring challenges. The change also includes \$181,000 for pay costs.

- g. An increase of \$87,000 for the Farm to School Team (\$2,083,000 available in FY 2013).

The Farm to School initiative is an effort to connect schools (K - 12) with regional or local farms in order to serve healthy meals using locally produced foods. USDA recognizes the growing interest among school districts and communities to incorporate regionally and locally produced farm foods into the school nutrition programs. The Farm to School Team supports local and regional food systems by facilitating alliances between schools and their local food producers. Working with local and state authorities, school districts, farmers, and community partners, the Farm to School Team provides guidance to and develops mechanisms for assisting schools in accessing local markets, enabling food producers to effectively service their local schools, and facilitating communication between interested stakeholders. The change also includes \$1,000 for pay costs.

- (5) An increase of \$34,381,000 in Discretionary Other Program Costs (\$17,623,000 available in FY 2013).

- a. An increase of \$387,000 for Team Nutrition/HUSSC (\$16,617,000 available for FY 2013).

Explanation of Change: Team Nutrition supports the Child Nutrition Programs through training and technical assistance for foodservice, nutrition education for children and their caregivers, and school and community support for healthy eating and physical activity. Team Nutrition is an integrated, behavior

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based, comprehensive plan for promoting the nutritional health of the Nation's children. This plan involves schools, parents, and the community in efforts to continuously improve school meals, and to promote the health and education of school children nationwide. The funding supports FNS' efforts to establish policy, develop materials that meet needs identified by FNS and its state and local partners, disseminate materials in ways that meet state and local needs, develop partnerships with other Federal agencies and national organizations, and promote Team Nutrition's messages through the national media.

The Healthier US School Challenge (HUSSC) recognizes schools that have met rigorous standards for nutritious food and beverage choices, nutrition education, physical education and opportunities for physical activity for students. Each HUSSC school receives a monetary incentive award.

In addition, \$500,000 is provided to support the Chefs Move to Schools program.

- b. An increase of \$35,000,000 for School Meals Equipment Grants (\$0 available in FY 2013).

Explanation of Change: These competitive grants would provide funding for equipment purchases in school cafeterias to help ensure nutritious meals are prepared consistent with new nutrition standards for schools as required by the HHFKA. These equipment purchases would also support the establishment, maintenance or expansion of the School Breakfast Program. For more information see School Meals Equipment Grants proposal.

- c. A decrease of \$1,006,000 for School Breakfast Expansion Grants (\$1,006,000 available in FY 2013).

Explanation of Change: This decrease eliminates funding for this grant program. However, the funding requested for School Meals Equipment Grants will help support equipment purchases that will, in part, help support the expansion of the School Breakfast Program.

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**PRESIDENT'S BUDGET FISCAL YEAR 2014
CURRENT LAW**

Program: Child Nutrition Programs

Proposal: School Meals Equipment Grants

Rationale: In fiscal year (FY) 2009, the American Recovery and Reinvestment Act (ARRA) provided a one-time appropriation of \$100 million to carry out competitive grants at the local level for National School Lunch Program equipment assistance. Nearly 25,000 school districts applied for over \$640 million for equipment assistance grants; over 5,000 school districts received equipment assistance awards. Subsequently, the FY 2010 Agriculture Appropriation provided an additional \$25 million in funds to allow States to make additional equipment assistance grants, giving priority to school districts serving a high percentage of free and reduced price meals. The \$125 million in funding received to date has provided needed equipment to about 6,500 of the 25,000 school districts indicating need.

In addition to the existing need, the Healthy Hunger-Free Kids Act of 2010 (HHKFA) (P.L. 111-296) upgraded the required nutritional standards for school meals, which may result in additional demand for equipment. Additional funding of \$35 million would make a significant investment in meeting the unmet need, allowing school districts to purchase the equipment needed to serve healthier meals, improve food safety, expand access and/or improve energy efficiency. These funds would help up to 10,000 schools in 15 to 25 States. In addition, these equipment purchases would also help support the establishment, maintenance or expansion of the School Breakfast Program.

Goal: USDA Strategic Goal 4: Ensure that all of America's children have access to safe, nutritious and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2014
Budget Authority	\$35.0

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Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Child Nutrition Programs--Federal Salaries & Expenses								
	<u>2011 Actual</u>		<u>2012 Actual</u>		<u>2013 Estimated</u>		<u>2014 Estimated</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Arizona	0	0	\$113	1	\$113	1	\$113	1
California	\$1,521	13	1,649	15	1,651	17	1,652	17
Colorado	681	9	1,519	13	1,521	15	1,521	15
District of Columbia	0	0	1	0	1	0	1	0
Florida	0	0	250	2	250	2	250	2
Georgia	1,177	13	1,633	14	1,635	16	1,635	16
Illinois	761	17	1,493	18	1,495	20	1,495	20
Iowa	91	1	95	1	95	1	95	1
Massachusetts	1,293	13	1,794	17	1,796	19	1,797	19
Michigan	90	1	0	1	0	1	0	1
Missouri	71	1	75	1	75	1	75	1
New Jersey	869	10	488	17	489	19	489	19
New York	67	1	76	1	76	1	76	1
North Carolina	0	0	48	1	48	1	48	1
North Dakota	44	1	78	1	78	1	78	1
Ohio	70	1	0	0	0	0	0	0
Oregon	0	0	191	2	191	2	191	2
South Carolina	0	0	104	1	104	1	104	1
Texas	1,385	11	1,716	14	1,718	16	1,719	16
Utah	83	1	90	1	90	1	90	1
Virginia	39,974	71	70,436	77	70,518	86	70,544	86
Wisconsin	0	0	5	0	5	0	5	0
Wyoming	46	1	0	0	0	0	0	0
West Virginia	74	1	0	0	0	0	0	0
Puerto Rico	130	2	0	0	0	0	0	0
Virgin Islands	0	0	4	0	4	0	4	0
Undistributed	4,661	0	0	0	0	0	0	0
TOTAL	53,088	168	81,858	198	81,953	221	81,982	221

Note: Totals may not add due to rounding.

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Child Nutrition Programs - Appropriation
Classification by Objects
(Dollars in Thousands)

	2011	2012	2013	2014
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$5,304	\$6,874	\$6,902	\$6,971
Field.....	6,226	8,070	8,102	8,183
11.0 Total personnel compensation.....	11,530	14,944	15,004	15,154
12.0 Personnel benefits.....	3,017	4,719	4,738	4,785
Total personnel comp. and benefits.....	14,547	19,663	19,742	19,939
Other Objects:				
21.0 Travel and transportation of persons.....	893	973	990	1,009
22.0 Transportation of things.....	15	10	10	10
23.2 Rental payments to others.....	160	254	258	263
24.0 Printing and reproduction.....	1,704	117	119	121
25.0 Other Services.....	14,550	29,310	29,808	30,374
26.0 Supplies and materials.....	936,604	998,914	1,058,987	1,103,244
31.0 Equipment.....	204	171	174	177
32.0 Land and structures.....	86	0	0	0
41.0 Grants.....	16,745,695	17,314,193	18,794,528	19,402,171
Total, Other Objects.....	17,699,911	18,343,942	19,884,874	20,537,369
99.9 Total, new obligations.....	17,714,458	18,363,605	19,904,616	20,557,308

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Child Nutrition Programs - Permanent Appropriation

Classification by Objects

(Dollars in Thousands)

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimate</u>	2014 <u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$707	\$1,365	\$1,371	\$1,373
Field.....	829	1,603	1,609	1,611
11.0 Total personnel compensation.....	1,536	2,968	2,980	2,984
12.0 Personnel benefits.....	402	937	941	942
Total personnel comp. and benefits.....	1,938	3,905	3,921	3,926
Other Objects:				
21.0 Travel and transportation of persons.....	93	165	168	171
22.0 Transportation of things.....	1	0	0	0
23.2 Rental payments to others.....	2	15	15	15
24.0 Printing and reproduction.....	5	1	1	1
25.0 Other Services.....	229	7,354	7,479	7,621
26.0 Supplies and materials.....	7	28	28	29
31.0 Equipment.....	12	0	0	0
41.0 Grants.....	189,993	194,240	460,386	51,487
Total, Other Objects.....	190,342	201,803	468,077	59,324
99.9 Total, new obligations.....	192,280	205,708	471,998	63,250

CHILD NUTRITION PROGRAMS

STATUS OF PROGRAM

The Child Nutrition Programs account provides funding for the following meal programs: National School Lunch Program, School Breakfast Program, Special Milk Program, Child and Adult Care Food Program, Summer Food Service Program, and Fresh Fruit and Vegetable Program.

Program Mission

The Child Nutrition Programs improve the diets of children when they are away from home through nutritious meals and snacks based on the *Dietary Guidelines for Americans*. The National School Lunch and School Breakfast Programs (School Meal Programs) provide such benefits in public and private elementary, middle and secondary schools, and in residential child care institutions. The Special Milk Program provides fluid milk to any participating public or non-profit private school or child care institution that does not participate in other Federally subsidized meal programs. The Child and Adult Care Food Program provides food for the nutritional well-being of young children and adults in day care homes and non-residential centers, and for children and teenagers in at-risk afterschool care programs and in emergency shelters. The Summer Food Service Program provides nutritious meals to children in low-income areas and in residential camps during the summer months, and at other times when school is not in session. In participating elementary schools, the Fresh Fruit and Vegetable Program provides free fresh fruits and vegetables outside of the regular meal service to all students. These programs are administered in most States by the State education agency. Where State laws prohibit the State from disbursing funds to private schools and institutions, or in certain instances where States are unwilling to operate a program, FNS administers the program directly through its Regional Offices.

REAUTHORIZATION

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296) was enacted on December 13, 2010. The HHFKA amended the Richard B. Russell National School Lunch Act (NSLA) and the Child Nutrition Act of 1966 (CNA) in the areas of program access, improved school meals, healthy school nutrition environments, and integrity. The HHFKA:

- Dramatically improves the nutrition environment in schools by providing USDA with the authority to set nutritional standards for all foods sold in schools, including in vending machines, the “a la carte” lunch lines, and school stores. Students who eat lunch provided by their school are now seeing more fruits, vegetables, low-fat or fat-free milk varieties, and whole grains; less saturated fat, trans fat, and sodium; and proper portion size on their lunch trays.
- Upgrades the nutritional quality of school meals by increasing the federal reimbursement rate for school lunches by six cents for districts that comply with new federal nutrition standards. This is the first non-inflationary reimbursement rate increase in over 30 years.
- Requires schools to make information more readily available to parents regarding the nutritional quality of school meals, school meal program participation, food safety inspections, and local school wellness policies.
- Creates demonstration projects to increase the number of eligible children enrolled in the School Meal Programs by using Medicaid data to directly certify children who meet income requirements without requiring individual applications, connecting approximately 115,000 new students to the School Meal Programs.
- Enhances universal meal access for eligible children in high poverty communities by eliminating paper applications and using direct certification or census data to determine Federal reimbursement.
- Provides more meals for at-risk children nationwide by allowing Child and Adult Care Food Program (CACFP) providers in all 50 States and the District of Columbia to be reimbursed for providing a meal to at-risk children after school, paving the way for an additional 21 million meals to children annually.
- Strengthens local school wellness policies by emphasizing ongoing implementation and assessment by an expanded team of collaborators at the school and community levels, and requires notification to the community on wellness policy content and implementation.
- Requires the establishment of professional standards for school food service administrators, including educational qualifications, competencies, and training necessary to successfully execute the responsibilities of State and local program operation.

- Improves the quality of foods supplied to schools by building on and further advancing the work USDA has been doing to improve the nutritional quality of the foods that schools get from USDA and use in their lunch and breakfast programs.
- Establishes a Farm to School program in order to assist eligible entities, through grants and technical assistance, in implementing farm to school programs that improve access to local foods in eligible schools.

Since enactment of the HHFKA, the agency has followed a rigorous implementation timetable while working to engage and inform a wide variety of program stakeholders. The agency has also committed extensive resources to providing training and technical assistance to our State and local partners to help better familiarize them with these program changes and improvements. The following regulations have been published since enactment of HHFKA, in the order of their publication:

- Interim Rule: “National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010” (6/17/11)
- Final Rule: “Cooperation in USDA Studies and Evaluations, and Full Use of Federal Funds in Nutrition Assistance Programs Nondiscretionary Provisions of the Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296” (6/29/11)
- Final Rule: “Nutrition Standards in the National School Lunch and School Breakfast Programs” (1/26/12)
- Proposed Rule: “National School Lunch Program: Direct Certification Continuous Improvement Plans Required by the Healthy, Hunger-Free Kids Act of 2010” (1/31/2012)
- Proposed Rule: “Child and Adult care Food Program: Amendments Related to the Healthy, Hunger-Free Kids Act of 2010” (4/9/12)
- Interim Rule: “Certification of Compliance With Meal Requirements for the National School Lunch Program Under the Healthy, Hunger-Free Kids Act of 2010” (4/27/12)
- Proposed Rule: “Independent Review of Applications Required by the Healthy, Hunger-Free Kids Act of 2010” (9/13/12)

Additional information on implementation activities is also provided by program area below.

NATIONAL SCHOOL LUNCH PROGRAM

Program Mission

The National School Lunch Program (NSLP) provides funds to States for lunches served to students during lunch periods at school and for snacks served to children participating in after school care programs. The lunches must be consistent with statutory and regulatory nutrition standards, which are based on the principles of the *Dietary Guidelines for Americans*. States are generally reimbursed on the basis of the number of qualifying lunches and snacks served to children in participating schools at designated reimbursement rates. These reimbursement rates are adjusted annually, and vary according to the income of the households to which children belong. Reimbursement for snacks served by schools in needy areas is paid at the free snack rate.

Section 4 of the NSLA authorizes a base reimbursement for all eligible meals served, including lunches to children whose family income is above 185 percent of the Federal poverty guidelines. In addition, Section 11 of the NSLA authorizes additional reimbursement for meals served to children from families with incomes at or below 130 percent of the Federal poverty level (these children qualify for free meals), and for those from families with incomes between 130 and 185 percent (they qualify for reduced price meals). For the 2012-2013 school year, a child from a family of four with an annual income of \$29,965 or less is eligible for free meals, and a child from a family of four with a family income of no more than \$42,643 is eligible for reduced price meals. The reimbursement rates for meals are revised on July 1 of each year. The cash reimbursement for a free or reduced price lunch is the sum of Section 4 (base) and Section 11 (supplemental) reimbursement rates. School food authorities (SFAs) that served 60 percent or more free and reduced price lunches during the second preceding school year receive increased assistance at the rate of \$0.02 per meal served. In addition to the cash reimbursements, Section 6 of the NSLA also provides base funding for the purchase of USDA Foods to be used in the meal service, based on lunches served in the previous year.

Facts in Brief

- On an average school day in FY 2012, more than half of all school children in America were provided an NSLP lunch. At participating schools and Residential Child Care Institutions (RCCIs), approximately 61.6 percent of the enrolled students participated in the NSLP on a daily basis, down from 62.3 percent in FY 2011.
- In FY 2012, a total of 5.23 billion lunches were served in the NSLP, a 0.8 percent decrease from the 5.27 billion served in FY 2011. Average daily participation decreased from 31.82 million in FY 2011 to 31.64 million in FY 2012. The decrease in lunches served is primarily due to a decrease in paid lunches, which declined by 95.4 million meals, while paid lunches increased by 46.3 million.
- On average, approximately 29.3 million lunches were served daily, a 0.6 percent decrease from the FY 2011 daily average of 29.5 million lunches.
- In FY 2012, approximately 68.1 percent of total lunches served were provided free or at a reduced price, up from 66.6 percent in FY 2011.
- The number of schools participating in the NSLP decreased by 461 from FY 2011 to FY 2012, while the number of RCCIs decreased by 93. A total of 100,282 schools and RCCIs participated in the NSLP in FY 2012.

Improving School Meals

The HHFKA required USDA to publish a proposed rule to update the meal patterns and nutrition standards for the National School Lunch and School Breakfast Programs not later than 18 months after enactment, and a final rule within 18 months of the proposed rule. USDA met the first publication requirement by publishing a proposed rule on January 13, 2011, and met the publication requirement for the implementing regulation by publishing the final rule on January 26, 2012. The final rule became effective beginning in School Year (SY) 2012-2013.

The final rule, “Nutrition Standards in the National School Lunch and School Breakfast Programs”, updated the meal patterns and nutrition standards for the NSLP and SBP based on recommendations from the National Academies Institute of Medicine to align them with the *Dietary Guidelines for Americans*. The final rule requires schools to: 1) increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk in school meals; 2) reduce the levels of sodium, saturated fat and trans fat in meals; and 3) meet the nutrition needs of school children within their calorie requirements. These improvements to the school meals are expected to enhance the diet and health of millions of school children nationwide and help mitigate childhood obesity.

FNS received unprecedented levels of public feedback (more than 133,000 public comments) on the proposed rule, which contributed to the development of sound and feasible school meal requirements. As a result, the final rule provides additional time for implementation of key changes. Notably, new breakfast requirements are phased in gradually over a three-year period, and a second sodium reduction target has been delayed one year from the proposed rule’s timeframe, allowing the food industry more time to reformulate products and children more time to grow accustomed to foods with lower levels of sodium.

To assist with implementation of the new requirements, beginning October 1, 2012, schools serving meals that meet the updated nutrition requirements now receive an additional reimbursement of six cents per lunch, which will inflate with annual changes in the CPI. An interim rule detailing the certification process for SFAs to receive the six cent reimbursement rate increase authorized by the HHFKA was published in the *Federal Register* on April 27, 2012, and certified SFAs became eligible to receive the additional six cents reimbursement for lunches served beginning on October 1, 2012.

The HHFKA also authorized an additional \$50 million for each of two years for State administrative activities related to training, technical assistance, certification and oversight for implementation of the new meal pattern requirements and certification of SFAs to receive the six cent performance-based reimbursement. USDA provided the first allocation of these funds (\$47 million) to State agencies in February 2012. Per the HHFKA, FNS retained a total of \$3 million of the first year’s funding to support Federal implementation activities.

Since publication of the final rule in January 2012, and throughout the initial implementation period by SFAs, USDA has devoted considerable effort to provide training and technical assistance, and to respond appropriately to unforeseen implementation challenges faced by local SFAs. FNS staff has conducted numerous webinars, in-person trainings sessions, and presentations at national conferences in order to communicate the meal pattern changes while listening and responding to operator concerns. Policy memoranda and an extensive frequently updated Question and

Answer document clarify how the meal pattern can be implemented successfully. In May 2012, FNS released a 6 Cents Certification Tool for use by local SFAs to document compliance with the new meal patterns. FNS also approved several alternative certification tools developed by private software companies that may be used for certification. FNS is also updating numerous technical assistance resources for program operators, such as the Food Buying Guide and Team Nutrition fact sheets. Locally generated resources are available to States and menu planners through the Best Practices Sharing Center website hosted by USDA's National Agricultural Library. This site is a collection of resources designed and used by schools across the country to facilitate implementation of the meal pattern. It includes menus, recipes, and promotional materials, and the list of resources available continues to grow with newly added materials. The agency also organized a broad outreach initiative titled "The School Day Just Got Healthier" in an effort to help school administrators, parents, and community members better understand the recent changes to the School Meal Programs. The initiative featured an extensive toolkit that included brochures, fact sheets, FAQs, fliers, and educational materials.

Team Nutrition Training Grants are being used to assist State agencies in training food service staff on ways to improve the acceptability of new school meals. Furthermore, USDA has improved and expanded the USDA Foods available to schools to include a wide variety of fruits, vegetables, lean meats and poultry, reduced-fat cheeses, and whole grains.

USDA also published the interim rule entitled "National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010" on June 17, 2011. OMB issued its approval for information collection associated with this rule on April 2, 2012. This rule implements two provisions of the HHFKA that aim to ensure that schools have the resources they need to provide healthy meals including requirements for revenue generated by non-program foods and funds associated with paid meals (i.e., meals served to students not eligible for free or reduced price meals).

Improving Program Integrity

FNS and State agencies conduct reviews to assess school management of the NSLP, evaluate the accuracy of local meal service data, and provide training and technical support to schools to help ensure local program accountability. Funds allocated for these reviews support the identification of errors that result in improper claims and support the development of corrective action plans, which assist SFAs in identifying needed improvements to their certification and verification systems. Ultimately, the corrective action plans result in more efficient distribution of program benefits to eligible children.

The HHFKA requires USDA to develop a unified accountability system for State oversight of the School Meal Programs, to include the elements of the existing Coordinated Review Effort and the oversight of nutritional requirements conducted through the School Meal Initiative reviews. The HHFKA also narrows the review cycle upon which State agencies evaluate SFAs to three years from the long-standing 5-year schedule in an effort to strengthen program integrity over time. The regulatory framework for a unified accountability system and more frequent reviews of SFAs by State agencies was set forth in the regulations for updated nutrition standards for the School Meal Programs.

Over the past year, the agency launched a School Meals Administrative Review Reinvention Team that has engaged program stakeholders to assist in the development and testing of materials and tools to support implementation of a unified accountability system. Throughout 2013, FNS will provide extensive training and technical assistance to officials at the State and local levels to help familiarize them with the updated review format, which we anticipate will begin to be implemented in SY 2013-2014.

A proposed rule outlining requirements for a second, independent review of free and reduced price meal applications was published in the *Federal Register* on September 13, 2012, as mandated under Section 304 of the HHFKA. As proposed, the independent review would be mandatory for local educational agencies previously demonstrating high rates of administrative error in their free and reduced price application process. These reviews must be completed before households are notified of their eligibility for free or reduced price meals. The comment period for the proposed rule ended on November 13, 2012. FNS is currently in the process of reviewing and analyzing all public feedback received prior to the deadline. When implemented, the rule is expected to strengthen program integrity.

Professional Standards for School Food Service Administrators

Section 306 of the HHFKA requires the development of clear, consistent standards for the hiring, training, and/or certification of school food service workers, directors, and State agency directors. FNS has frequently engaged with stakeholders to obtain input on the creation of these professional standards in advance of drafting a proposed rule. Throughout the previous year, FNS has reached out to State and local food service administrators, professional associations, and other constituencies concerned with child nutrition through a series of conference appearances, listening sessions, and presentations. A follow-up series of conference calls focused on three topics: criteria and standards for hiring State agency directors, minimum education and training requirements for school nutrition directors, and training requirements for school nutrition managers and other staff. Feedback and recommendations elicited over the past year are currently being incorporated into a draft proposed rule.

Direct Certification

Since SY 2008-2009, all local educational agencies (LEAs) have been required to directly certify for free school meals children whose households receive benefits through the Supplemental Nutrition Assistance Program (SNAP). To support direct certification efforts, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) provided \$22 million for grants to State agencies that administer the NSLP and have the lowest rates of direct certification. Direct certification rates are measured annually by FNS and made public in a report to Congress released each October. On July 7, 2010, FNS released the Request for Applications (RFA) for the 2010 Direct Certification Grants to support States in improving Direct Certification rates. In this RFA, FNS offered two types of grants, planning grants and implementation grants. Planning grants were intended for State agencies that understood their need to improve their direct certification system but may have benefitted from undertaking additional research and planning activities to identify the most effective method of doing so. Implementation grants were intended for State agencies that had already determined which improvements were needed in order to increase the performance level of their direct certification system but lacked the resources to implement those changes. A State agency that applied for a planning grant was expected to follow up with an implementation grant application within 210 days of the planning grant award date.

With the enactment of the HHFKA in December 2010, State agencies are now required to reach direct certification rate benchmarks with SNAP of 95 percent by SY 2013-2014. For this reason, and because funds remain available, the agency amended direct certification grant eligibility in November 2011, to expand eligibility to States with direct certification rates under 95 percent, based on the October 2011 Report to Congress. The amendment also added additional quarterly opportunities to apply for the grants; the latest solicitation to States was released in December 2012.

Additionally, the HHFKA provides for Direct Certification Performance Awards for up to 15 States that show either outstanding performance or significant improvement in directly certifying eligible children with SNAP. Up to \$2 million is available in each category for each of three years, beginning with FY 2012. The first awards were made in September 2012 to 14 States. Alaska, Delaware, Nebraska, North Dakota, West Virginia, and Wyoming earned awards for Outstanding Performance, and Georgia, Idaho, Kentucky, Maryland, Michigan, New Jersey, Ohio, and Utah earned awards for significant improvement.

For those States that do not reach the direct certification benchmarks (80 percent for SY 2011-2012, 90 percent for SY 2012-2013, and 95 percent for SY 2013-2014 and thereafter), the HHFKA requires that they develop and implement Continuous Improvement Plans to help ensure that eligible children from SNAP households are directly certified for free meals. The "National School Lunch Program: Direct Certification Continuous Improvement Plans Required by the Healthy, Hunger-Free Kids Act of 2010" final rule was published on February 22, 2013.

The HHFKA also authorizes FNS to conduct demonstration projects in selected States and LEAs to evaluate the effectiveness of conducting direct certification with the Medicaid Program, and it provides for \$5 million in funds to study and evaluate the projects. During the demonstrations, eligible children will be directly certified for free school meals based on income and participation information received from Medicaid agencies through automated data matching processes, with no further action required of the household. The demonstrations are currently being phased in over a three year period in a limited number of LEAs and States across the country.

For SY 2012-2013 the project reached LEAs that serve 2.5 percent of free and reduced-price students nationwide. Six States were selected for participation this first year. Four of these States including Alaska, Florida, Illinois and

New York are participating as DC-M1 States, where select LEAs/districts will participate in either a control group or in a treatment group. Those LEAs/districts participating in a control group will not perform direct certification with Medicaid, while those participating in a treatment group will perform direct certification with Medicaid. The two remaining States, Kentucky and Pennsylvania, are participating as Statewide DC-M2 States, where they will perform direct certification with Medicaid statewide. All six participating States have agreed to participate in the demonstration project for two years, to secure shared data, and to provide the required data for FNS's selected evaluation contractor to determine the following: 1) the extent to which direct certification for each demonstration category reaches children who are eligible for free school meals but who are not already certified to receive the meals; 2) the extent to which the projects directly certify eligible children who are enrolled for free school meals based on a household application; and 3) the effect direct certification with the Medicaid program has on Federal and State costs and on participation in the school lunch and breakfast programs

FNS is currently preparing to invite additional State agencies to apply to participate in the second year of the demonstration project for SY 2013-2014, with the goal of operating in selected LEAs that collectively serve five percent of children in low-income families. By SY 2014-2015, the demonstration will operate in selected LEAs that collectively serve ten percent of children in low-income families.

Community Eligibility Option

In Kentucky, Illinois and Michigan beginning in SY 2011-2012, and in New York, Ohio, West Virginia, and the District of Columbia in SY 2012-2013, the Agency began implementation of the Community Eligibility Option which provides an alternative to household applications for free and reduced price meals in high poverty LEAs and schools. In order to be eligible for the Community Eligibility Option, LEAs and schools must meet a minimum level of identified students for free meals, agree to serve free lunches and breakfasts to all students, and agree to cover with non-Federal funds any costs of providing free meals to all students above amounts provided in Federal assistance. The level of Federal reimbursement is based on an identified student percentage for each school or group of schools. Identified students are those certified for free meals through means other than individual household applications, primarily students directly certified with SNAP. The identified student percentage is then multiplied by a factor of 1.6 to arrive at the percentage of meals served that will be reimbursed at the federal free rate, up to a maximum of 100 percent. Any meals not reimbursed at the free rate will be reimbursed at the federal paid rate. The agency will select four additional State agencies to participate in SY 2013-2014 prior to making the option available nationwide beginning July 1, 2014.

Team Nutrition

Team Nutrition's goal is to improve children's lifelong eating and physical activity habits by using the principles of the *Dietary Guidelines for Americans* and ChooseMyPlate. Team Nutrition activities strive to instill healthy behaviors in children to prevent nutrition-related health problems, including obesity, diabetes, and other nutrition related illnesses. Team Nutrition complements the President's efforts to confront the obesity epidemic and to improve the nutrition and health of all Americans.

USDA's Healthier US School Challenge (HUSSC) recognizes Team Nutrition schools that have met rigorous standards for nutritious food and beverage choices, nutrition and physical education, and opportunities for physical activity for students. HUSSC was adopted under the First Lady's *Let's Move!* initiative in February 2010, and at that time financial incentives were made available to HUSSC schools.

Schools also receive a banner, award plaque, and recognition on the Team Nutrition website for their efforts at <http://www.teamnutrition.usda.gov/HealthierUS/awardwinners.html>. The First Lady challenged schools to reach 1,000 additional schools each school year for the next two years. As of March 8, 2013, FNS has certified 5,524 new HUSSC schools, surpassing the third goal of 3,250 schools certified by June 2013. To highlight the achievement of reaching the first goal, the White House hosted a recognition event in October 2011 honoring recipients of HUSSC awards. FNS continues to work with partners in schools and the private sector to train and make resources available to encourage schools to apply. Since the inception of HUSSC in 2004, USDA has recognized schools in 50 States and territories at four award levels: Bronze, Silver, Gold and Gold of Distinction.

Training: FNS, in cooperation with the National Food Service Management Institute (NFSMI), provides training on the use of Team Nutrition materials to local program operators at State agency and Child Nutrition Programs association meetings. In addition, training is provided on menu planning, food procurement, financial management,

leadership, and culinary skills and through hands-on technical assistance to schools and State agency personnel. Current training efforts emphasize the implementation of the new meal pattern as well as recently updated standards for the HealthierUS School Challenge. Several online training programs are available on the NFSMI website at www.nfsmi.org, including procurement training for State agency personnel. Increased emphasis has been placed on providing tools to help schools improve their programs through technology, such as a Food Buying Guide calculator, webinars and online courses. In addition, NFSMI has a toll free help desk that provides technical assistance to school food service personnel with questions about menu planning, nutrient requirements, food purchasing, nutrient analysis and additional child nutrition topics. USDA Recipes for Schools and USDA Recipes for Child Care are available on the NFSMI website at www.nfsmi.org under School Nutrition Programs. NFSMI also hosts the Child Nutrition Archives, which contain collections of archived materials and oral histories.

Grants: Since 1995, Team Nutrition has provided more than \$77 million in training grants to State agencies. These grants are intended to establish and enhance statewide sustainable infrastructure and training systems to assist local agencies in implementing USDA's nutrition requirements, the *Dietary Guidelines for Americans*, MyPlate, and other nutrition and wellness-related goals.

Materials: Team Nutrition has developed more than 100 different materials of various types, providing nutrition education for children and their families, providing technical assistance for food service professionals, and encouraging community support for healthy children. All of these materials are available on the Team Nutrition website (www.teamnutrition.usda.gov) to download and order.

Following the release of the 2010 *Dietary Guidelines for Americans* and MyPlate icon, FNS started updating and developing curriculum and materials for school children, preschoolers and parents that focus on making healthful food choices and being physically active. These efforts included the development of nutrition curricula for grades one through eight that are linked to educational standards for math, science, English/language arts and health. These materials, *Serving Up MyPlate* and *Nutrition Voyages*, are available on the Team Nutrition website. A similar resource for kindergarten is in progress of development and testing. *Healthier Middle Schools: Everyone Can Help*, a series of communication tools designed to help engage teachers, principals, parents, food service managers and students in school wellness efforts and the new meal pattern was released in 2012. Over 2,400 of the kits have been distributed as well as over 4,500 of the principal, parent, and student handouts. Garden-themed curricula for K-8 is planned to be developed in 2013.

Team Nutrition also worked with the Center for Nutrition Policy and Promotion to update an interactive learning computer game featuring MyPlate and has distributed over 496,000 copies of other MyPlate educational materials (e.g., posters, brochures, etc.) to schools during FY 2012. Schools also requested and received over 54,000 copies of the new "Make Half Your Plate Fruits and Vegetables" poster, which illustrates amounts and types of foods to eat over the course of a day.

Several Team Nutrition resources are also available to introduce young children to new foods and encourage the formation of healthful eating habits. In June 2010, Team Nutrition released a garden-themed nutrition education kit for preschool and kindergarten age children entitled *Grow It, Try It, Like It! Preschool Fun with Fruits and Vegetables*. Over 23,000 copies of the kit were distributed to childcare centers during FY 2012 to help educators implement hands-on activities, planting activities, and nutrition education activities that introduce children to fruits, vegetables and how food is grown. This publication is currently being updated to reflect MyPlate.

Over 515,000 copies of Team Nutrition's Two Bite Club Storybook were distributed to caregivers of preschool age children. This publication encourages young children to taste new foods from each food group, and is also in the process of being updated with the MyPlate graphic.

Team Nutrition continues to support the Chefs Move to Schools Program, a component of the First Lady's *Let's Move!* initiative that is designed to help connect chefs interested in volunteering their time with local schools for the purposes of improving school meals and teaching children about food and health. This program is now administered by a consortium of chefs and schools.

Team Nutrition launched the *Recipes for Healthy Kids* competition on September 7, 2010, in partnership with the American Culinary Federation and School Nutrition Association, to draw on the talents of chefs, students, school nutrition professionals, and parents or other community members working together to develop tasty, nutritious, kid-approved foods that can be served at school, at child care centers, and at home. Over 340 recipes were submitted in

three categories: Whole Grains; Dark-Green and Orange Vegetables; and Beans and Peas. FNS has standardized these recipes to comply with the new meal pattern requirements of the NSLP, and has published them on the Team Nutrition website in the form of a *Recipes for Healthy Kids Cookbook*.

In addition, FNS provides support to school and childcare food service staff through the web-based Healthy Meals Resource System, which provides access to print and electronic training materials and the Education and Training Materials Database, a database of common foods, USDA Foods, and new recipes.

Farm to School

The Farm to School Grant Program was launched with a request for applications (RFA) in April 2012. The RFA solicited applications for two types of farm to school grants: 1) Planning grants for school districts or schools just starting to incorporate farm to school program elements into their operations; and 2) Implementation grants to further develop existing farm to school initiatives.

More than \$4.5 million in grants for 68 projects, spanning 37 States and the District of Columbia, were awarded to connect school cafeterias with local agricultural producers. These first ever USDA Farm to School grants will help schools respond to the growing demand for locally sourced foods and increase market opportunities for producers and food businesses, including food processors, manufacturers, distributors. Grants will also be used to support agriculture and nutrition education efforts such as school gardens, field trips to local farms, and cooking classes. The grants will serve more than 3,200 schools and 1.75 million students, nearly half of whom live in rural communities.

SCHOOL BREAKFAST PROGRAM

Program Mission

The School Breakfast Program (SBP) provides funds to States for qualifying breakfasts served to students at or close to the beginning of their day at school. The SBP is available to the same schools and institutions that are eligible to participate in the NSLP. For each eligible breakfast served schools are reimbursed at established rates for free, reduced price, and paid meals. Schools in which 40 percent of lunches served to students during the second preceding school year were served free or at a reduced price receive higher “severe need” reimbursements for breakfasts served free or at a reduced price.

Children from families that meet the income eligibility guidelines can qualify for free or reduced price breakfasts. The income eligibility guidelines for the SBP are the same as those for the NSLP. The meal reimbursement rates are revised on July 1 of each year.

Beginning in SY 2013-14, schools participating in the SBP will be required to offer breakfasts under a new meal pattern featuring updated nutritional requirements, as mandated under the HRFKA. The updated standards will increase the servings of fruits offered to students, and require all grains served as part of a reimbursable meal to be whole grain rich. At the present time, FNS is developing additional guidance materials for State and local educational agencies in advance of next year’s planned implementation of the new standards.

Facts in Brief

- In FY 2012, program availability rose to 91,500 institutions (an increase of 2.5 percent from FY 2011) with an enrollment of 47.2 million students (an increase of 1.7 percent from FY 2011). This is more than double the FY 1990 levels of 42,766 institutions with an enrollment of 20.7 million.
- The program was available to 92.0 percent of the students enrolled in schools participating in the lunch program in FY 2012, as compared to 50 percent in FY 1990. Average daily participation in FY 2012 was 12.8 million, an increase of approximately 5.5 percent from the prior year.
- The portion of total meals served free or at a reduced price was about 84.2 percent during FY 2012, up from 83.7 percent in FY 2011.
- Approximately 2.15 billion breakfasts were served in FY 2012, an increase of 4.7 percent over FY 2011. On average, 11.9 million breakfasts were served daily, compared to 11.3 million in FY 2011, or a 5.5 percent increase.

FNS continues to work with State agencies to improve participation by supporting creative approaches to breakfast service, such as classroom service of meals, kiosks, and increased use of alternative techniques to meal counting and claiming. To support awareness of the SBP, the HHFKA requires that school food authorities participating in the School Meal Programs provide materials to households of students in the school informing them of the availability of the SBP.

SPECIAL MILK PROGRAM

Program Mission

The Special Milk Program (SMP) has encouraged consumption of fluid milk since 1955. Any public or non-profit private school or child care institution may participate in the SMP, provided it does not participate in other Federal meal programs, such as NSLP, SBP or Child and Adult Care Food Program (CACFP). However, schools participating in the NSLP or SBP may also participate in the SMP to provide milk to children in half-day pre-kindergarten and kindergarten programs where these children would not otherwise have access to the School Meal Programs. Participating schools and child care institutions are reimbursed for part of the cost of milk served to children.

Facts in Brief

- The number of half pints served as part of the SMP decreased from 66.6 million in FY 2011 to 60.8 million in FY 2012, an 8.7 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 66.4 percent decrease.
- A total of 4,712 schools, non-residential child care institutions, and summer camps participated in the SMP in FY 2012, an 8.6 percent decrease from the FY 2011 level of 5,157. The number of participating schools and non-residential child care institutions decreased by 186 and 47, respectively. Summer camps decreased by 212.
- The portion of half pints served free during FY 2012 was about 8.3 percent, as compared to 8.0 percent in FY 2011.

CHILD AND ADULT CARE FOOD PROGRAM

Program Mission

The Child and Adult Care Food Program (CACFP) provides cash and USDA Foods, or cash in lieu of USDA Foods, for food service to: children in non-residential child care centers and family or group day care homes; children and teenagers in afterschool programs in low-income areas; children and teenagers who reside in emergency shelters; and chronically impaired adults and persons 60 years of age or older who are enrolled in adult day care centers.

In order to participate, child care centers must be either public or private non-profit or for-profit centers in which at least 25 percent of their enrollment or licensed capacity receive Title XX funds or are eligible for free or reduced price school meals. Adult day care centers that provide nonresidential adult day care must be either public or private non-profit or for-profit centers in which at least 25 percent of their participants are eligible for free or reduced price meals or are receiving Title XIX or Title XX funds. All participating providers must be licensed or approved according to Federal, State or local standards. Outside-school-hours care programs and at-risk afterschool centers in areas where Federal, State or local licensing or approval is not required may participate in CACFP by meeting State or local health and safety standards. Funds are made available to the States for audit expenses associated with the administration of the CACFP.

Centers receive reimbursements based on a free, reduced price, or paid meal rate for each eligible meal type they serve (CACFP facilities may serve breakfasts, lunches, snacks and/or suppers). Centers receive applications from parents or adult participants and make eligibility determinations based on family size and income, essentially following the same guidelines used in the NSLP. Family or group day care homes receive reimbursement under a two-tier system intended to target program funds to support low-income children, while requiring less paperwork than would be necessary if the NSLP guidelines were used. Under this system, a higher reimbursement rate is paid to daycare homes located in areas where at least 50 percent of the children are eligible for free or reduced price

meals or where the provider's household size and income meet the established income criteria for free or reduced price meals. The higher rate of reimbursement may also be paid to providers whose households receive SNAP benefits. All other homes receive reimbursement at a lower rate, except where individual children who are enrolled for care in the home are determined to be eligible for the higher meal rate.

Facts in Brief

- In FY 2012, the combined average daily attendance in CACFP was approximately 3.38 million children and adults, a slight decrease from the average daily attendance of 3.42 million in FY 2011.
- Of 3.26 million children in average daily attendance in FY 2012, approximately 2.44 million were in child care centers and approximately 823,000 were in family day care homes.
- On average, in FY 2012 a CACFP child care center had almost 47 children in attendance on an average day, and received almost \$32,500 a year in meal reimbursement (compared to 46 children and \$29,500 in FY 2011).
- By comparison, on average a family day care home cared for and fed almost seven children on an average day, and received slightly more than \$6,250 a year in meal reimbursement (compared to six children and slightly more than \$5,750 in FY 2011).
- Total meal service increased slightly (1.0 percent) from FY 2011 to FY 2012; a total of 1.95 billion meals were served in FY 2012.
- In FY 2012, approximately 81.7 percent of total meals served were provided free or at a reduced price, which is the same percentage as in FY 2011.

At-Risk Afterschool Meals

The at-risk afterschool meals component of CACFP offers Federal funding to programs that: operate in low-income areas afterschool or on weekends, holidays, or vacations during the regular school year; provide an organized regularly scheduled activity; and serve a free meal or snack to participating children and teens. Although reimbursement for at-risk afterschool snacks has been available since the 1990s, reimbursement for meals was previously available to only 13 States and the District of Columbia. The HHFKA expanded the availability for at-risk afterschool meals to all States and the District of Columbia participating in CACFP.

Improving Nutrition

USDA is working to improve the nutrition and health of CACFP participants through two key efforts. FNS contracted with the IOM to review the CACFP meal patterns and make recommendations for bringing the program's nutritional requirements in line with the current *Dietary Guidelines for Americans (DGA)* and other relevant scientific knowledge on the nutrition needs of the populations served by the program. On November 4, 2010, the IOM released a comprehensive report with recommendations for new food-based meal patterns for infants, children, and adults. The report also included recommendations for implementation of the new requirements and for evaluation and research activities to guide future program improvement.

The HHFKA required USDA to review the current CACFP meal patterns to ensure consistency with the DGAs and current science and to propose regulations to update the meal patterns. FNS has reviewed the IOM recommendations and plans to issue a proposed regulation updating the CACFP meal requirements in 2013. The HHFKA also required that milk served in CACFP meet the *Dietary Guidelines for Americans* and required that drinking water be made available to CACFP participants. FNS has issued guidance implementing these provisions and will include these requirements in the proposed regulations updating the meal patterns.

Finally, the HHFKA required FNS to develop guidance and provide technical assistance to child care institutions on complying with changes in CACFP nutritional requirements, as well as recommendations relating to physical activity and use of electronic media. FNS partnered with several key Federal agencies, including the Centers for Disease Control and Prevention and the Department of Health and Human Services Office of Child Care, to develop a handbook that will provide practical tips to help child care providers and parents improve the nutrition and wellness of children in care. The handbook was published online and is available at <http://www.teamnutrition.usda.gov/Resources/nutritionandwellness.html>. Paper copies will be available for order in Summer 2013. FNS will also conduct an assessment in 2013 to evaluate the technical assistance and resource needs of the CACFP community. FNS will continue to work with Federal partners and CACFP stakeholders to develop

additional resources and technical assistance plans based on the results of the needs assessment. A stakeholders meeting was held in January 2013 to kick-off the needs assessment process.

New Provisions to Address Program Integrity and Simplification

The HHFKA made a number of changes to CACFP that simplified participation while addressing program management weaknesses. The HHFKA removed cost comparison as a basis for administrative payments to family day care home sponsoring organizations. Sponsors are now reimbursed based on the number of sponsored homes multiplied by the applicable reimbursement rate, but are still required to correctly account for costs and maintain records and sufficient documentation to demonstrate that costs claimed have been incurred, are allocable to the Program, and comply with applicable program regulations and policies. Additionally, sponsors are now permitted to carry-over up to ten percent of the administrative reimbursement to be expended the following fiscal year. This will allow family day care home sponsors to better plan for and manage long term expenses. The HHFKA also requires State agencies and sponsors to conduct announced and unannounced reviews and to vary the timing of reviews to ensure they are an effective tool in ensuring program integrity.

Additional provisions simplify eligibility determinations, as well as program agreements and applications. FNS has issued guidance implementing these provisions. FNS also published a proposed rule, "Child and Adult Care Food Program: Amendments Related to the Healthy, Hunger-Free Kids Act of 2010" on April 9, 2012, which proposed revisions to the regulations to address these program changes. When a final rule is published it will codify these changes in the regulations.

The HHFKA also directs FNS to work with State agencies and institutions to examine administrative requirements, and submit a report to Congress on actions taken to reduce unnecessary or duplicative paperwork in CACFP in 2014. FNS has formed a work group of CACFP professionals, including representatives from FNS Regional Offices, State agencies, sponsoring organizations, and advocacy groups, to help better understand the needs and concerns of the CACFP community, develop recommendations for improvement, and produce this report.

SUMMER FOOD SERVICE PROGRAM

Program Mission

The Summer Food Service Program for Children (SFSP) provides funds for food service to low-income children during their summer break from school or during lengthy breaks for children in year-round schools. Institutions that sponsor SFSP generally serve children in areas where poor economic conditions exist. Sponsors must be public or private non-profit schools, government agencies, private non-profit organizations that meet certain criteria, residential camps, or National Youth Sports Programs. Meals are served free to children 18 and under and at most sites are limited to two meals (which cannot include both lunch and supper) or one meal and one snack. Summer camps and sites that primarily serve migrant children may be reimbursed for up to three meals or two meals and one snack served to each eligible child each day.

In addition to cash support, USDA Foods are distributed to SFSP sponsors that are schools, that prepare their own meals, or that obtain their meals from schools. Funds also are made available to conduct health inspections and to defray State and local administrative costs.

Facts in Brief

- During July 2012, the peak month of program operations, approximately 2.32 million children participated in the program on an average day, a slight increase from the 2.28 million children that participated in July 2011.
- During FY 2012, 38,521 feeding sites provided 144.7 million meals to needy children through the SFSP. This is a 5.5 percent increase from the 137.2 million meals provided in FY 2011. There were increases in all types of meals, but the largest increases were in lunches (4.0 million increase, or 5.0 percent), breakfasts (2.3 million, or 6.6 percent increase), and snacks (1.1 million increase, or 6.9 percent).
- In FY 2012, approximately 58.2 percent of the meals served were lunches (compared to 58.5 percent in FY 2011), 26.3 percent were breakfasts (26.0 percent in FY 2011), and the remaining 15.5 percent were suppers and supplements (15.5 percent in FY 2011).

Program Simplification

The HHFKA included several provisions relating to the SFSP. The provisions simplified eligibility determinations related to foster children, limited paperwork by making agreements permanent, and eliminated participation limits that had applied only to private nonprofit organizations. These provisions were implemented in Summer 2011.

Concurrently, based on stakeholder feedback, FNS made additional efforts to simplify the administrative requirements of the program. Simplifications included removing restrictions on the times meals may be served, allowing children to decline certain meal components they don't intend to eat, and giving sponsors more flexibility on where they locate sites and how they manage program oversight for experienced meal sites. FNS also expects to publish a proposed rule to codify simplified cost accounting and reporting procedures for SFSP sponsors in all States. By reducing reporting requirements, ensuring the maximum level of per meal reimbursement, and providing greater flexibility in the use of program funds for any allowable cost, more local organizations may choose to participate or expand current operations, and thereby reach more children.

Promotion of SFSP

Improving access to the SFSP has been a long standing priority for FNS. However, the Program is still reaching only a fraction of the children in need of nutrition assistance when school is out. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (P.L. 111-80) provided \$85 million to conduct demonstration projects aimed at reducing or eliminating food insecurity and hunger among children and improving their nutritional status. FNS has implemented several types of demonstration projects, the first of which began in 2010, to test alternative methods for feeding children over the summer.

The Enhanced SFSP Demonstrations began in Summer 2010 with two initial demonstrations. The Extending Length of Operation Incentive Project was awarded to Arkansas to provide incentives to extend the duration of SFSP operations for sites open more than 40 days. The Activity Incentive Project was awarded to Mississippi to enhance the program with funding for enrichment activities to attract children to feeding sites. These two projects concluded in 2011 and the results of the evaluation will be published in 2012.

In Summer 2011, three household based demonstration projects were implemented: Home Delivery, Food Backpacks and the Summer Electronic Benefits Transfer for Children (SEBTC) project. The Home Delivery Demonstration Project provides funds to test meal delivery in rural areas of Delaware, New York and Massachusetts. The Food Backpacks Demonstration Project provides funding for sponsors to give children food backpacks with meals to take home on the days that SFSP meals are not available. This project was implemented in Kansas, Ohio and Arizona. These demonstrations were continued through Summer 2012.

The Summer Electronic Benefits Transfer for Children (SEBTC) project operated in 2011 as a small-scale "proof-of-concept" demonstration to test the feasibility of delivering summer food benefits to school children via WIC and SNAP EBT technology. These initial projects were implemented using the WIC model in Texas and Michigan, and using the SNAP model in Oregon, Missouri and Connecticut.

In 2011 (a proof-of-concept test in 5 sites), the prevalence of very low food security among children (VLFS-C) was reduced from 7.0 percent to 5.6 percent. Thus, SEBTC eliminated VLFS-C for about one-fifth of the children who would otherwise have experienced it. Analyses of related measures of food security—general food insecurity among children plus measures of both severe and general food insecurity among adults and households as a whole—indicate similar proportional reductions. Preliminary analyses for 2012, with the demonstrations fully implemented at 14 sites, suggest an even stronger result: the elimination of VLFS-C for about one-third of the children who might otherwise have experienced it.

In Summer 2013, all ten States and Tribal Nations will continue their 2012 projects for another year by providing EBT benefits to the same children as last year. In addition, FNS will also be testing the difference between providing children with a \$30 benefit versus a \$60 benefit in Michigan, Oregon, Chickasaw, and Delaware. FNS will also be extending the Meal Delivery and Food Backpack projects in all six States to allow them to operate their projects for an additional year.

FRESH FRUIT AND VEGETABLE PROGRAM

Program Mission

The Fresh Fruit and Vegetable Program (FFVP) provides free fresh fruits and vegetables to all children in participating elementary schools throughout the school day (except designated meal times). FNS provides funding to States which then select schools to participate based on statutory criteria that give priority to schools with the highest percentage of children eligible for free and reduced price meals, and includes the requirement that each student receives between \$50 and \$75 worth of fresh produce over the school year.

Section 19 of the NSLA authorizes the Fresh Fruit and Vegetable Program (FFVP) and provides a steady source of funding through an annual transfer from the Agricultural Marketing Service's (AMS) Section 32 funds. Funding is allocated among States using a statutory formula that provides base funding equally to each of the 50 States and the District of Columbia, and provides additional funding to all States operating a school lunch program (including Guam, Puerto Rico, and the Virgin Islands) on the basis of population. Funding is allocated for each school year and the transfer is scheduled to occur on July 1 of each year. However, in FYs 2009 through 2012, the annual appropriations bills delayed approximately $\frac{3}{4}$ of the scheduled transfer from July 1 to the following October 1, so States received their funding in two increments within the school year. In total, funding allocated for SY 2010-2011, including recovered funds from the prior year, was \$110.3 million, for SY 2011-2012 was \$158.0 million, and for SY 2012-2013 is \$163.5 million. FNS has taken the following steps to implement the new FFVP nationwide:

- Issued implementation guidance and technical assistance materials;
- Presented workshops annually at the School Nutrition Association Annual National Conference;
- Updated the FFVP Handbook, which is available at <http://www.fns.usda.gov/cnd/FFVP/handbook.pdf>, to reflect new statutory authority and address questions provided by State agencies;
- Continued to work with our Regional Offices and State agencies to provide guidance and technical assistance;
- Continued development of a proposed regulation;
- Published a proposed rule on February 24, 2012, to establish the requirements for the operation of the program (a final rule is currently under development); and
- Developed an online toolkit, which is available at <http://www.fns.usda.gov/cnd/FFVP/toolkit.htm>, to encourage participation and aid in the understanding of the FFVP.

FOOD SAFETY

Food safety education funds are used to reinforce and expand FNS' efforts to provide Child Nutrition Programs operators with continuous, effective training and technical assistance in food safety and food defense. FNS develops materials, ensures their delivery at all appropriate levels, makes training available at all possible levels, and facilitates the implementation of food safety requirements into the operators' food service operations.

Produce Safety: FNS, over the last four years, has worked with the Agricultural Marketing Service (AMS) and the National Food Service Management Institute (NFSMI) to develop and offer Produce Safety University (PSU) to support the growing interest and participation in fresh produce programs in schools, such as the Fresh Fruit and Vegetable Program, farm-to-school initiatives, and school gardens. The project received two USDA awards in FY2012, including the Agricultural Marketing Service Administrator's Superior Service Award and the USDA Secretary's Honor Award. PSU is a week-long course in produce safety for State agency staff and local school district directors for the NSLP. Training addresses food safety risks associated with fresh produce; good agricultural, handling, and manufacturing practices of fresh produce; hands-on training for fresh whole and fresh cut produce in various states of wholesomeness; fresh produce purchasing, receiving, storage, preparation and service. Each week-long course includes a local field trip to a terminal market, a farm and/or a fresh-cut processing plant, which reinforces some of these principles. Five classes were conducted in FY 2012, one of which was held in Connecticut. Since FY 2010, PSU classes have reached over 525 participants in 50 States. FNS also collaborated with the School Nutrition Foundation to develop four produce safety webinars in FY 2012. In FY 2013, five PSU courses will be offered at AMS' training center in Fredericksburg, VA. FNS and NFSMI will also continue to develop new produce safety training resources on topics such as writing accurate produce specifications and

conducting a mock food recall to assure preparedness. In addition, a condensed version of PSU will be offered to 2013 Farm- to- School grant recipients.

Food Defense Awareness: FNS initiated a food defense project following four years of nationwide awareness training conducted by FNS. The awareness training encouraged State and local program operators to develop food defense plans and identified resource materials to assist in the development of the plans. In 2012 FNS released a model food defense plan template to assist school foodservice directors in creating a food defense plan for their district. The next step is to provide State and local program operators with a resource to test their plans, which will be in the form of a tabletop exercise resource kit. In FY 2011/2012, the resource kit was field tested at three sites. The draft resource kit is being reviewed and revised for ease of use and will be available to State agencies or school food authorities to use to conduct a school food defense tabletop exercise beginning in Spring of 2013.

Food Allergies: FNS and NFSMI are collaborating to develop a series of fact sheets on the eight major food allergens and related topics, such as roles and responsibilities of school food service staff and preventing cross-contamination. In FY 2011, a grant was awarded to the National Education Association Health Information Network to develop a booklet for school employees on managing food allergies throughout the school environment, which will be distributed to State agencies in FY 2013. FNS is also working with CDC on a voluntary guidance document addressing food allergies in schools.

Safe Food Cooling: FNS previously completed a cooling project with the Food and Drug Administration's Center for Food Safety and Applied Nutrition and the Institute for Food Safety and Health. The results of this project were published in a peer reviewed journal. In FY 2012, the Center of Excellence for Food Safety Research in Child Nutrition Programs (the Center) at Kansas State University expanded the study by testing cooling techniques in an institutional kitchen setting that simulated an actual school kitchen environment. FNS and the Center began working with NFSMI to develop educational materials based on the study results. FNS and the Center are also working with FDA to apply the results of the research to FDA's related work.

Food Safe Schools Action Guide: FNS collaborated with the CDC, as a member of the National Coalition for Food Safe Schools, to develop the *Food-Safe Schools Action Guide* (Action Guide) resource kit, which provided a practical process that highlighted a team approach to school food safety. The Action Guide was released in 2004. Since mid-FY 2010, FNS has worked with a contractor to assess and update the Action Guide. FNS has taken this opportunity to construct a foundation for food safety that will encourage addressing food safety in a comprehensive way by creating a food-safe school and developing a culture of food safety in the school. The Action Guide will also provide strategies and actions for directors to communicate with important school partners such as school administrators, parents, school nurses and others. Directors will work with these partners to build and support the food-safe school. The Action Guide will be released in FY 2013.

Hold and Recall Actions: In FY 2012, 50 truckloads of dried fruit mix were placed on hold due to a potential food safety concern at the processing plant producing one of the components of the mix. After further FDA investigation and laboratory testing, FDA determined that there was no indication there was a health hazard with the dried fruit mix, and the product was released for consumption. USDA recalled 12.3 million pounds of peanut butter delivered between March 2010 and September 2012 due to potential contamination with *Salmonella*.

Recall Communications: FNS focused on improving recall communications by reviewing and evaluating methods currently being used by State Distributing Agencies to communicate with schools and school districts regarding recalls. A contract to develop a rapid communications system that State Agencies can use to deliver USDA Foods recall information to local recipients was awarded in FY 2012, and a limited number of States joined the notification system as a pilot group. Additional States will be encouraged to join the system in FY 2013.

Center of Excellence for Food Safety in Child Nutrition Programs: FNS awarded a grant to Kansas State University in April 2011 to establish a Center of Excellence to conduct research related to food safety in Child Nutrition Programs. There is no research entity that focuses on food safety research in schools, child care, and other FNS programs, but there is a need for science-based research to provide the basis for food safety education programs. To date the Center has worked on several research projects. The Center conducted an expanded study of cooling foods in a school food service setting; two articles that will detail the findings have been submitted to professional journals. The Center is conducting research into the proper washing of fresh produce including testing several unique systems or materials that are being promoted to schools, such as washing compounds or special sinks. The Center has conducted a study of the implementation of food safety plans in schools and an assessment of the

USDA Guidance on creating those plans. The results of those studies will help FNS provide targeted guidance to State and local program operators. The Center has conducted a study of the health inspection results for schools and is writing the first article about the findings which should be released in 2013. Finally, the Center is working on developing a food safety course patterned after the model of Produce Safety University, which will immerse attendees in the basic science behind food safety and connect the science to the importance of motivating behaviors in program operators that will result in a culture of food safety.

Food Safety Complaints Involving USDA Foods: USDA's new Web-Based Supply Chain Management (WBSCM) system contains a complaint component that was deployed in 2011. The Electronic Commodity Ordering System (ECOS) complaint component will remain active in parallel with the WBSCM component until all complaints in ECOS are resolved, at which point the ECOS complaint component will be deactivated. The complaint component allows States to submit food quality and safety complaints in the following categories: 1) quality issues, such as Quality of Product, Foreign Material, Poor Packaging, and Cooking/Preparation; and 2) food safety issues, such as Foreign Object, Allergic Reaction, Illness, Injury, or other potential food safety issues.

National Food Service Management Institute (NFSMI) Food Safety Cooperative Agreement: In FY 2012, food safety education research, training, and other resources were developed by NFSMI using funds provided under food safety cooperative agreements with FNS. In FY 2012, NFSMI created employee health and hygiene educational materials for schools that will help minimize the likelihood of norovirus and other foodborne illness infections to be spread from ill food handlers. Similar materials will be produced for child care settings in FY 2013. FNS also worked with NFSMI to develop educational materials on inventory tracking and management for district and school level food service employees. These materials were published in 2012. NFSMI also posted a new resource on responding to a food recall and is working to create training materials to accompany it. NFSMI piloted a *Food Safety Basics* training course for school food service managers and employees. FNS worked with NFSMI to develop and train a cadre of facilitators who can work with school districts to use the food defense tabletop exercise toolkit to conduct exercises. FNS and NFSMI developed Produce Safety University (PSU) train-the-trainer materials designed to help course attendees train others in order to extend the reach of the PSU. FNS is also working with NFSMI to update educational materials that will help district and school level food service employees respond to recalls of USDA foods.

Food Safety Promotion, Coordination, and Support

Technical Assistance on food safety issues: FNS provided backgrounders, talking points, briefings, and assessments of technical food safety issues such as lean, finely-textured beef, arsenic in rice, and Bisphenol A (BPA).

Liaison Work with Other Federal Food Safety Partners: FNS reviewed the Centers for Disease Control and Prevention (CDC) draft 'Guidance for Managing Food Allergies in Schools and Early Childhood Education Programs.' FNS participated in the Government Coordinating Council/Sector Coordinating Council Food and Agriculture Sector (food defense) quarterly meetings. FNS was invited to serve as technical experts for The National Advisory Committee on Microbiological Criteria for Foods (NACMCF) subcommittee on Control Strategies for Reducing Foodborne Norovirus Infections and Questions Posed by the United States Department of Agriculture Agricultural Marketing Service to Support Ground Beef Purchase for the Federal Food and Nutrition Assistance Programs. FNS participated in the Interagency Risk Assessment Consortium (IRAC), including presenting at two IRAC workshops. FNS also participated in CDC's Environmental Health Specialists Network steering committee. FNS was a member of the Healthy People 2020 Food Safety Work Group. FNS collaborated closely with the Agricultural Marketing Service to conduct five week-long produce safety training classes (Produce Safety University). FNS is a member of the National Academies of Science's Institute of Medicine's Food Forum.

Liaison Work with Other Food Safety Partners: FNS worked with the National Education Association Health Information Network to start work on a food allergy management resource, in both English and Spanish, for schools. FNS coordinated with the School Nutrition Foundation to provide development of four webinars on produce safety for school meals programs operators. As part of an FNS grant the National Environmental Health Association helped coordinate food safety training to health inspectors that are responsible for schools and provided support for a database of peer-reviewed food safety education materials. FNS participated in the Partnership for Food Safety Education, a public-private collaboration.

ACQUISITION AND DISTRIBUTION OF USDA FOODS

Eight nutrition assistance programs incorporate USDA Foods as part of the overall assistance provided to recipient agencies. The Farm Service Agency (FSA), AMS and FNS work together to provide USDA Foods to these programs in the types, forms, and quantities needed to meet planned levels of assistance. In addition to providing food to people who need it, purchases of USDA Foods support domestic agricultural markets.

The USDA Foods subsidy for the NSLP and CACFP is authorized by the NSLA in Sections 6(c) and 17(h), respectively, and is based on a "rate per meal" concept which is adjusted each July 1 to reflect changes in the Producer Price Index for food used in schools and institutions. Similarly, Section 13(h) of the NSLA authorizes USDA Foods for the SFSP. Additionally, Section 6(e) of the NSLA requires that in each school year, not less than 12 percent of all Federal nutrition assistance in the NSLP be provided in the form of USDA Foods. When available, USDA also provides bonus foods acquired through the price support and surplus removal programs. The value of bonus food is counted towards the 12 percent requirement above.

The 2008 Farm Bill increased funding for the purchase of fruits, vegetables, and nuts for USDA's domestic nutrition assistance programs from \$390 million in FY 2008 to \$393 million in FY 2009, \$399 million in FY 2010, \$403 million in FY 2011, and \$406 million in FY 2012 and subsequent fiscal years. At least \$50 million of these funds, annually, must be used to purchase fresh fruits and vegetables for distribution to schools and service institutions.

FY 2012 USDA Foods Assistance Rate

For SY 2011-2012, schools, daycare centers and residential institutions were authorized to receive an average of 22.25 cents worth of USDA Foods per lunch/supper served. The rate for USDA Foods increased to 22.75 cents on July 1, 2012, for SY 2012-2013. USDA Foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA Foods) totaled \$1,322.0 million for FY 2012.

Cash in Lieu of USDA Foods

Section 6 of the NSLA authorizes funds to be used to provide cash in lieu of USDA Foods, in accordance with sections 16, 17(h), and 18(b) of the NSLA. The State of Kansas is permanently receiving cash payments in lieu of USDA Foods as a result of the NSLA and Child Nutrition Act Amendments of 1975. Cash is also being received by school districts that began participating during the 1980s and early 1990s in alternative demonstration projects that provided cash or Commodity Letters of Credit in lieu of USDA Foods. Some nonresidential child care institutions participating in CACFP have also elected to receive their USDA Foods entitlements in cash.

Fresh Fruits and Vegetables Order Receipt System (FFAVORS)

The Fresh Fruits and Vegetables Order Receipt System (FFAVORS) web application offers Schools and Native American Reservations throughout the United States of America the ability to order and receive shipments of fresh produce to their location. The FFAVORS system supports the partnership between FNS, and the Defense Logistics Agency (DLA) Troop Support branch. This partnership is beneficial to the nutrition programs as DLA Troop Support uses its large-scale buying power to help meet the demand for consistent, weekly deliveries of a wide variety of fresh produce to school cafeterias, central kitchens, and State and tribal organization distribution centers. The FFAVORS system was developed by DLA Information Operations. Philadelphia Troop Support business operations maintain their access to support the ordering activities. In FY 2012, FNS assumed ownership of the FFAVORS technical support including the hardware, software and issue resolution. The FFAVORS functional areas support a standardized USDA process for fresh produce availability, requisition, reporting and flow down of organizational process management. This enhances timely communications between organizations ordering produce and the supply side support for fulfilling demand driven orders. This system is also designed and developed to assist users in reducing the time required to perform day-to-day activities related to the USDA produce program.

Bonus Donations of USDA Foods

USDA supports domestic agriculture through the Surplus Removal Program administered by AMS and the Price Support Program of FSA. USDA Foods acquired through these programs are donated to FNS for distribution to nutrition assistance programs as "bonus" foods. Distributions are limited to the types and quantities of product FNS determines can be used without waste, based on market needs, and the needs of FNS outlets and programs. In

FY 2012, approximately \$5.8 million of bonus USDA Foods were delivered to schools and other eligible child nutrition outlets under the Section 32 Surplus Removal Program authority.

USDA Foods Administrative Expenses

WBSCM is fully implemented and has replaced both PCIMS and ECOS. PCIMS and ECOS are currently view-only used for reporting and analysis. PCIMS and ECOS will be assessed for complete decommissioning and archive over the next several years as their usage diminishes. FNS will continue to fund PCIMS and ECOS until their final shutdown. FNS will fund WBSCM operational costs as part of the tri-agency partnership (AMS, FNS, FSA).

Department of Defense Fresh Produce Project

FNS and the Department of Defense (DOD) work together to enable school districts to obtain fresh produce. Under this joint venture, schools can use their USDA foods entitlement to order fresh produce through DOD's contracting and distribution network. This project has grown steadily since its beginning in SY 1994-1995, and 46 States, Puerto Rico, the District of Columbia, Guam and the Virgin Islands spent a combined total of \$82.9 million in entitlement funds on produce through this program in SY 2011-2012. In addition to these Federal purchases, 26 States, Puerto Rico, Guam, and the District of Columbia used Section 4 and 11 funds to purchase over \$8.9 million in fresh produce directly from DOD.

STATE ADMINISTRATIVE EXPENSE FUNDS

Section 7 of the CNA authorizes funds to the States for program administration and for supervision and technical assistance in local school districts and child care institutions. In FY 2012, \$225 million was allocated for State Administrative Expenses (SAE), including \$124.9 million for administration of the school food programs, \$73.5 million for the administration of the CACFP, and \$22.6 million for the administration of the Food Distribution Program. In addition, \$3.5 million in SAE funds were reallocated to State agencies for approved projects. Funds appropriated for SAE are available to States for obligation over a two-year period. The State agency may carry over up to 20 percent of the initial allocation. Each fiscal year, carryover exceeding the 20 percent limit is recovered by FNS.

CHILD NUTRITION PROGRAMS STUDIES AND EVALUATIONS

The following studies and reports were released by FNS in FY 2012 and are available on the FNS website at <http://www.fns.usda.gov/ora>.

School Food Purchase Study-III: Nutritional Characteristics of School Food Acquisitions - August 2012:

This report, part of the School Food Purchase Study-III, presents findings about the calories, nutrients, and food groups available for use in school meals and other school food programs, including a la carte foods, and the extent to which school food acquisitions are consistent with the *Dietary Guidelines for Americans* and associated food guidance system.

Using American Community Survey Data to Expand Access to the School Meals Program - May 2012:

The Food and Nutrition Service commissioned the National Academies' Committee on National Statistics and the Institute of Medicine's Food and Nutrition Board to convene a panel of experts to investigate the technical and operational feasibility of using data from the continuous American Community Survey (ACS) to estimate students' eligibility for free and reduced price meals for schools and school districts. The ACS eligibility estimates would be used to develop "claiming percentages" that, if sufficiently accurate, would determine the USDA reimbursements to districts for schools that provided free meals to all students under a new special provision that eliminated the ongoing base-year meal application requirements of current provisions.

Modeling of High-Risk Indicators of Certification Error in the National School Lunch Program - April 2012:

This study builds on USDA's 2007 Access, Participation, Eligibility, and Certification study that found that one in five children certified for free or reduced price meals in school year 2005-2006 was erroneously certified or incorrectly denied benefits. The study develops an econometric model to identify indicators of local education authorities with high risk of certification error. It also identifies the key relationships between certification error and

local characteristics and provides a web-based monitoring tool that applies model parameters to annual Verification Summary Report data.

School Food Purchase Study-III Final Report – March 2012: This is the third study that provides national estimates of the type, quantity, dollar value and unit price of food acquisitions by public school districts participating in the National School Lunch Program (NSLP) and School Breakfast Program (SBP). The study examines the overall changes in the composition of the entire school food market basket including food purchases for a la carte sales and the relative importance of donated USDA Foods. It also provides insight into the relationship between district characteristics, purchasing practices, and food costs.

Addressing Child Hunger and Obesity in Indian Country: Report to Congress – January 2012: This report responds to the requirement in section 141 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) and summarizes hunger, obesity, and Type II diabetes among American Indian and Alaska Native children living on or near reservations or other tribal lands (often referred to as Indian Country). The report provides a summary of the most current available statistics on hunger, obesity, and Type II diabetes among children living in Indian Country and offers comparable statistics for the general population. This report also describes how USDA Federal nutrition assistance programs serve children in Indian Country and how provisions of the HHFKA and other recent initiatives may improve those services.

Nutrient and MyPyramid Analysis of USDA Foods in Five of Its Food and Nutrition Programs – January 2012: This report contains nutrient and food group analyses of the USDA Foods distributed through the NSLP, CACFP, CSFP, FDPIR, and TEFAP in FY 2009. The study was conducted at two levels. The first examines the nutrient and food group content of the USDA Foods *offered* to State and local administering agencies. The second examines the mix of USDA Foods selected by administering agencies and participants - foods *delivered* to those groups.

Direct Certification in the National School Lunch Program: State Implementation Progress Report to Congress – October 2011: This report responds to the requirement of Public Law 110-246 to assess the effectiveness of State and local efforts to directly certify SNAP participant children for free school meals. In SY 2010-2011, 85 percent of LEAs directly certified some children from SNAP recipient households. These LEAs enroll 97 percent of all students in NSLP schools. States and LEAs directly certified 1.9 million more children at the start of SY 2010-2011 than they did a year earlier. The share of SNAP participant children directly certified for free school meals increased to an estimated 78 percent in SY 2010-2011, up from 72 percent in SY 2009-2010.

**CHILD NUTRITION PROGRAMS
FINANCING FOR FISCAL YEAR 2012**

STATE OR TERRITORY	Special Milk (000)	School Lunch (000)	School Breakfast (000)	State Administrative Expenses (000)	Commodities and Cash In-Lieu of Commodities (000)	Child And Adult Care (000)	Summer Food Service (000)	Total Program Contribution (000)
Alabama-----	\$36	\$183,351	\$57,618	\$2,454	\$22,868	\$37,816	\$3,889	\$308,032
Alaska-----	4	30,183	8,249	715	2,190	8,439	1,350	51,130
Arizona-----	80	239,953	71,763	4,091	27,185	43,146	7,192	393,410
Arkansas-----	0	120,251	41,340	2,612	14,296	47,209	6,122	231,830
California-----	398	1,357,783	385,737	20,814	144,263	280,517	20,845	2,210,357
Colorado-----	144	121,566	34,753	1,942	11,661	22,954	3,769	196,789
Connecticut-----	295	82,493	23,354	1,437	10,370	14,972	1,233	134,154
Delaware-----	34	28,301	9,105	736	4,250	14,581	1,950	58,957
District of Columbia-----	14	19,608	8,452	570	2,146	7,889	3,232	41,911
Florida-----	28	630,089	184,870	9,994	60,813	173,839	25,662	1,085,295
Georgia-----	27	435,189	155,917	7,058	48,042	101,264	9,514	757,011
Hawaii-----	1	41,327	10,992	1,266	3,267	6,325	548	63,726
Idaho-----	176	49,653	16,971	831	5,657	6,300	4,512	84,100
Illinois-----	2,533	390,969	110,475	3,945	55,932	128,026	12,045	703,925
Indiana-----	209	226,654	64,639	2,897	37,454	46,829	8,606	387,288
Iowa-----	91	90,108	20,788	1,769	15,474	28,006	2,261	158,497
Kansas-----	88	93,903	25,043	1,668	14,376	33,354	2,591	171,023
Kentucky-----	53	168,123	64,683	2,866	21,293	32,875	5,174	295,067
Louisiana-----	41	191,580	65,720	3,683	25,851	71,991	11,173	370,039
Maine-----	30	31,552	10,459	1,198	5,105	9,813	1,417	59,574
Maryland-----	379	138,262	45,475	3,097	20,140	45,856	6,695	259,904
Massachusetts-----	374	146,793	39,881	3,200	26,365	57,319	7,627	281,559
Michigan-----	431	282,313	94,357	4,721	35,517	61,993	8,834	488,166
Minnesota-----	796	138,576	38,541	3,040	28,257	64,236	6,206	279,652
Mississippi-----	3	151,112	56,654	2,733	14,716	37,281	6,021	268,520
Missouri-----	561	186,373	62,231	3,260	26,860	48,909	9,719	337,913
Montana-----	15	24,123	6,709	821	3,519	10,397	1,338	46,922
Nebraska-----	59	60,688	13,987	895	10,548	31,921	2,650	120,748
Nevada-----	128	81,692	23,985	1,148	9,902	6,701	1,331	124,887
New Hampshire-----	202	21,995	4,755	684	4,373	4,170	892	37,071
New Jersey-----	581	217,342	57,625	4,169	32,379	64,407	6,696	383,199
New Mexico-----	0	85,807	37,085	1,885	8,910	32,886	5,762	172,335
New York-----	881	600,836	169,785	10,235	80,379	208,117	49,500	1,119,733
North Carolina-----	190	333,739	108,275	5,897	37,522	82,424	8,959	577,006
North Dakota-----	43	16,846	4,381	670	4,024	10,596	525	37,085
Ohio-----	518	325,715	100,787	4,499	41,451	88,894	10,876	572,740
Oklahoma-----	37	142,228	52,876	3,620	19,112	55,005	3,450	276,328
Oregon-----	125	99,426	33,238	1,923	13,354	31,162	5,990	185,218
Pennsylvania-----	547	302,360	82,177	5,427	53,198	92,879	13,483	550,071
Rhode Island-----	81	27,119	8,701	937	3,444	7,590	929	48,801
South Carolina-----	8	171,178	67,844	3,306	20,120	27,613	7,413	297,482
South Dakota-----	43	25,453	6,532	733	4,080	9,014	1,471	47,326
Tennessee-----	28	227,131	83,546	2,534	23,010	57,169	7,802	401,220
Texas-----	33	1,241,109	468,286	15,168	153,824	280,487	47,177	2,206,084
Utah-----	89	87,531	17,603	1,351	12,202	26,029	2,150	146,955
Vermont-----	44	13,638	5,032	561	2,437	4,959	953	27,624
Virginia-----	262	204,526	63,516	2,789	24,690	44,647	11,957	352,387
Washington-----	250	175,315	48,455	2,882	21,721	41,716	4,556	294,895
West Virginia-----	27	58,896	24,612	1,335	8,363	15,390	1,736	110,359
Wisconsin-----	1,281	154,345	40,702	2,734	24,328	40,276	6,704	270,370
Wyoming-----	34	13,198	3,329	410	2,003	5,455	610	25,039
Guam-----	0	6,844	2,338	289	25	366	0	9,862
Puerto Rico-----	0	124,364	32,367	1,703	11,858	27,083	13,412	210,787
Virgin Islands-----	4	5,851	1,341	294	973	977	712	10,152
DOD/AF/USMC/Navy-----	0	9,238	28	0	82,945	0	0	92,211
AMS/FSA/PCIMS-----	0	0	0	0	17,297	0	0	17,297
AAFES-----	0	0	0	0	1,431	0	0	1,431
Anticipated Adjustment-----	293	-7,767	72,619	104,458	45,849	106,335	2,639	324,426
TOTAL-----	\$12,629	\$10,426,831	\$3,350,583	\$275,954	\$1,463,619	\$2,846,404	\$399,860	\$18,775,880

NOTE: Data is based on obligations as reported September 30, 2012. Commodities are based on food orders for fiscal year 2012. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM

Value of Commodities to States

Entitlement and Bonus

Fiscal Year 2012

STATE OR TERRITORY	Entitlement	Bonus	Total
Alabama.....	\$21,153,586	\$328,000	\$21,481,586
Alaska.....	1,884,425	0	1,884,425
Arizona.....	24,907,768	328,000	25,235,768
Arkansas.....	12,158,168	164,000	12,322,168
California.....	130,797,334	495,200	131,292,534
Colorado.....	10,530,389	0	10,530,389
Connecticut.....	9,643,153	164,000	9,807,153
Delaware.....	3,639,512	0	3,639,512
District of Columbia.....	1,670,440	0	1,670,440
Florida.....	52,617,049	329,600	52,946,649
Georgia.....	42,958,836	165,600	43,124,436
Hawaii.....	2,879,713	0	2,879,713
Idaho.....	5,323,768	0	5,323,768
Illinois.....	49,458,085	164,000	49,622,085
Indiana.....	35,069,603	0	35,069,603
Iowa.....	13,732,327	0	13,732,327
Kansas.....	0	0	0
Kentucky.....	19,547,745	164,000	19,711,745
Louisiana.....	22,508,321	164,000	22,672,321
Maine.....	4,668,327	0	4,668,327
Maryland.....	17,712,554	165,600	17,878,154
Massachusetts.....	23,981,588	0	23,981,588
Michigan.....	32,356,893	0	32,356,893
Minnesota.....	24,908,865	0	24,908,865
Mississippi.....	13,136,523	164,000	13,300,523
Missouri.....	24,046,746	165,600	24,212,346
Montana.....	2,959,349	0	2,959,349
Nebraska.....	9,121,005	165,600	9,286,605
Nevada.....	9,574,461	0	9,574,461
New Hampshire.....	4,238,173	0	4,238,173
New Jersey.....	29,486,923	331,200	29,818,123
New Mexico.....	7,319,532	165,600	7,485,132
New York.....	70,036,590	328,000	70,364,590
North Carolina.....	33,277,414	345,230	33,622,644
North Dakota.....	3,443,817	0	3,443,817
Ohio.....	36,255,559	0	36,255,559
Oklahoma.....	16,680,798	0	16,680,798
Oregon.....	11,678,206	165,600	11,843,806
Pennsylvania.....	48,308,627	165,600	48,474,227
Rhode Island.....	3,072,050	0	3,072,050
South Carolina.....	18,826,218	0	18,826,218
South Dakota.....	3,499,341	0	3,499,341
Tennessee.....	20,420,350	164,000	20,584,350
Texas.....	139,224,607	659,200	139,883,807
Utah.....	10,614,892	0	10,614,892
Vermont.....	2,235,000	0	2,235,000
Virginia.....	22,231,291	164,000	22,395,291
Washington.....	19,522,007	0	19,522,007
West Virginia.....	7,563,890	0	7,563,890
Wisconsin.....	22,031,877	164,000	22,195,877
Wyoming.....	1,665,026	0	1,665,026
Puerto Rico.....	10,878,458	0	10,878,458
Virgin Islands.....	932,168	0	932,168
AAFES.....	1,430,861	0	1,430,861
DOD Fresh.....	82,945,165	0	82,945,165
AMS / FSA / WBCSM.....	17,297,457	0	17,297,457
Cash in Lieu of Commodities.....	149,709,418	0	149,709,418
Anticipated Adjustment.....	45,847,025	0	45,847,025
TOTAL.....	\$1,463,619,273	\$5,779,630	\$1,469,398,903

Source: WBCSM -- Sales Order and contract information.

Note: Figures include Farm Bill Procurements; Kansas receives all assistance as cash in lieu.

**FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM**

**Quantity and Value of Commodities
Fiscal Year 2012**

	Pounds	Dollars
ENTITLEMENT COMMODITIES		
SECTION 6/32 TYPE:		
APPLE SLICES, CANNED, UNSWEETENED	5,157,360	\$3,286,684
APPLE SLICES, FROZEN, UNSWEETENED	6,850,800	4,712,413
APPLES, FRESH	2,951,916	1,674,301
APPLES, FRESH SLICED	449,700	725,086
APPLESAUCE, CANNED, UNSWEETENED	27,960,552	16,442,092
APRICOTS, FROZEN	40,000	36,160
APRICOTS, CUPS, FROZEN	1,442,549	1,758,363
APRICOTS, CANNED, DICED, EX LT SYRUP	1,403,568	912,611
APRICOTS, CANNED, DICED, EX LT SUCROSE SYRUP	590,976	388,444
APRICOTS, CANNED, HALVES, EX LT SYRUP	2,733,264	1,934,618
APRICOTS, CANNED, HALVES, EX LT SUCROSE SYRUP	110,808	61,514
BEANS, CANNED, BABY LIMA, LOW-SODIUM	1,469,664	747,654
BEANS, CANNED, BLACK TURTLE, LOW-SODIUM	1,294,704	507,565
BEANS, CANNED, BLACK EYE PEA, LOW-SODIUM	1,609,632	673,410
BEANS, CANNED, GARBANZO, LOW-SODIUM	1,329,696	597,862
BEANS, CANNED, GREAT NORTHERN, LOW-SODIUM	419,904	162,829
BEANS, CANNED, GREEN, LOW-SODIUM	17,847,840	7,969,999
BEANS, CANNED, KIDNEY, LOW-SODIUM	1,796,783	796,329
BEANS, CANNED, PINK, LOW-SODIUM	1,049,760	504,481
BEANS, CANNED, PINTO, LOW-SODIUM	6,718,464	2,733,696
BEANS, CANNED, REFRIED, LOW-SODIUM	4,427,136	2,079,527
BEANS, CANNED, SMALL RED, LOW-SODIUM	2,239,488	967,153
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	6,123,600	2,458,987
BEANS, DRY, GREAT NORTHERN, W/O SALT	40,000	23,296
BEANS, DRY, PINTO, W/O SALT	128,064	79,393
BEANS, GREEN, FROZEN, NO ADDED SALT	5,187,600	3,107,284
BEEF, BULK, BONELESS, SPECIAL TRIM, FROZEN	882,000	2,854,891
BEEF, BULK, BONELESS, FRESH	20,560,000	49,543,316
BEEF, BULK, COARSE GROUND, FROZEN	51,156,000	118,437,333
BEEF, CANNED	540,000	1,925,021
BEEF, DICED, FROZEN	2,560,000	6,479,604
BEEF, CRUMBLES, COOKED	42,000	167,118
BEEF, FINE GROUND, FROZEN	24,640,000	56,688,396
BEEF, FINE GROUND, LFT OPT, FROZEN	640,000	1,481,332
BEEF, PATTIES	7,980,000	18,835,354
BEEF, PATTIES, LFT OPT	30,400	724,265
BLUEBERRIES, UNSWEETENED, FROZEN	1,188,000	1,685,759
CARROTS, FRESH BABY CUT	282,578	290,932
CARROTS, FROZEN, SLICED NO ADDED SALT	5,425,200	3,430,733
CARROTS, CANNED, LOW SODIUM	2,845,896	1,227,719
CATFISH, FILET STRIPS	1,560,000	6,279,200
CHERRIES, DRY	206,976	803,695
CHERRIES, FROZEN	422,400	318,464
CHERRIES, IQF	192,000	165,610
CHICKEN, BULK, CHILLED	183,441,518	137,905,901
CHICKEN, CANNED, BONED	525,000	1,197,000
CHICKEN, CUT UP FROZEN	6,880,000	6,364,264
CHICKEN, DICED, FROZEN	8,320,000	18,898,494
CHICKEN, LEG QUARTERS, FROZEN	1,560,000	1,019,992
CHICKEN, FAJITA STRIPS	11,038,680	23,065,603
CHICKEN, OVEN ROASTED, FROZEN	9,900,000	23,136,746
CORN, CANNED, WHOLE KERNEL, NO ADDED SALT	9,348,763	3,855,930
CORN, COBS, FROZEN, NO ADDED SALT	4,870,800	2,797,571
CORN, FROZEN, WHOLE KERNEL, NO ADDED SALT	8,593,200	5,641,217
CRANBERRY SAUCE, CANNED	622,080	278,027
DoD FRESH PRODUCE		82,945,162
EGGS, LIQUID, WHOLE, BULK	4,400,520	3,827,521
EGGS, FROZEN, WHOLE	13,601,280	9,223,948
FRUIT-NUT MIX, DRIED	145,600	321,919
FRUIT MIX, DRIED	72,800	153,540
HAM, COOKED, FROZEN, CUBED	1,720,000	3,242,428
HAM, COOKED, FROZEN, WATER-ADDED	3,360,000	4,842,300
HAM, COOKED, FROZEN, THIN SLICED	4,440,000	7,784,968
FRUIT MIX, CANNED, EX LT SYRUP	22,693,752	13,517,933
FRUIT MIX, CANNED, EX LT SUCROSE SYRUP	4,712,760	2,800,451
ORANGE JUICE, SINGLES, FROZEN UNSWEETENED	4,122,240	2,184,154
ORANGE JUICE, UNSWEETENED, TANKERS	124,947	324,862
PEACHES, CANNED, CLINGSTONE, DICED, EX LT SYRUP	14,174,532	8,338,993
PEACHES, CANNED, CLINGSTONE, DICED, EX LT SUCROSE	4,205,232	2,516,212
PEACHES, CANNED, CLINGSTONE, SLICED, EX LT SYRUP	13,558,248	7,883,423

Continued

**FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM**

**Quantity and Value of Commodities
Fiscal Year 2012**

	Pounds	Dollars
PEACHES, CANNED, CLINGSTONE, SLICED, EX LT SUCROSE	3,298,932	1,802,112
PEACHES, CUPS, FREESTONE, FROZEN	8,871,456	9,392,462
PEACHES, FREESTONE, SLICES, FROZEN	532,000	407,120
PEARS, CANNED, DICED, EX LT SYRUP	13,689,120	8,786,743
PEARS, CANNED, DICED, EX LT SUCROSE	3,638,424	2,454,099
PEARS, CANNED, HALVES, EX LT SYRUP	2,809,872	1,898,416
PEARS, CANNED, HALVES, EX LT SUCROSE	468,312	331,257
PEARS, CANNED, SLICED, EX LT SYRUP	10,987,320	7,226,125
PEARS, CANNED, SLICED, EX LT SUCROSE	1,729,152	1,188,521
PEARS, FRESH	2,227,500	988,056
PEAS, CANNED, LOW-SODIUM	3,530,352	1,947,256
PEAS, FROZEN, NO ADDED SALT	4,910,400	3,276,302
ALASKA POLLOCK, FROZEN	3,358,656	5,575,769
PORK, BULK, BONELESS LEG ROAST, FROZEN	546,000	753,362
PORK, BULK, BONELESS PICNIC, FROZEN	11,205,600	13,975,650
PORK, CANNED	612,000	1,524,366
PORK, CRUMBLES, COOKED	120,000	276,800
PORK, LEG ROAST, FROZEN	4,280,000	6,382,368
POTATO WEDGES, FROZEN	3,207,600	1,821,534
POTATO WEDGES, FAT FREE, FROZEN	4,197,600	2,347,924
POTATOES, BULK	43,800,000	4,366,104
POTATOES, BULK, DEHYDRATED	7,240,000	540,000
POTATOES, OVEN, FROZEN	7,484,400	3,769,102
POTATOES, ROUNDS, FROZEN	10,969,200	5,340,496
RAISINS, BOX 144/1.33 OZ	1,671,696	2,761,470
RAISINS, CTN 30	124,200	147,522
SALSA, CANNED, LOW-SODIUM	4,422,744	2,032,857
SALSA, POUCH, LOW-SODIUM	2,556,720	1,073,990
SPAGHETTI SAUCE (MEATLESS), CANNED, LOW-SODIUM	5,827,668	1,850,164
SPAGHETTI SAUCE (MEATLESS), POUCH, LOW-SODIUM	2,022,480	715,392
STRAWBERRIES, WHOLE, FROZEN, UNSWEETENED	2,574,000	2,553,778
STRAWBERRIES, SLICED, FROZEN	3,722,400	3,444,148
STRAWBERRIES, DICED, CUPS, FROZEN	9,791,010	11,897,088
SWEET POTATOES, BULK	5,280,000	1,259,560
SWEET POTATOES, CANNED, EX LT SYRUP, LOW-SODIUM	1,957,608	1,341,386
SWEET POTATOES, CANNED, MASHED, LOW-SODIUM	635,664	452,808
SWEET POTATOES, FROZEN, MASHED, NO ADDED SALT	158,400	107,844
SWEET POTATOES, FROZEN, RANDOM CUT, NO ADDED SALT	1,188,000	783,196
TOMATO PASTE, BULK	9,855,300	3,566,980
TOMATO PASTE, DRUM	924,480	407,305
TOMATO PASTE, CANNED, LOW-SODIUM	2,353,361	1,304,352
TOMATO PASTE, POUCH, LOW-SODIUM	199,800	116,102
TOMATO SAUCE, CANNED, LOW-SODIUM	3,190,176	1,014,281
TOMATO SAUCE, POUCH, LOW-SODIUM	1,373,760	436,502
TOMATOES, CANNED, DICED, NO ADDED SALT	4,046,544	1,652,228
TOMATOES, POUCH, DICED, NO ADDED SALT	367,200	177,226
TURKEY, BULK, CHILLED	33,230,880	36,302,363
TURKEY, BULK, THIGHS	5,689,800	7,689,910
TURKEY, DELI BREAST, FROZEN	5,698,171	12,838,907
TURKEY, DELI BREAST, SMOKED, FROZEN	1,884,800	4,377,345
TURKEY HAMS, FROZEN	3,693,600	5,550,155
TURKEY ROAST, FROZEN	9,271,737	16,723,247
TURKEY, TACO FILLING	1,950,000	3,505,429
TURKEY, WHOLE, FROZEN	228,000	258,765
SUBTOTAL, SECTION 6/32 TYPE	838,563,324	913,463,293
SECTION 416 TYPE:		
CHEESE, BULK, CHEDDER, WHT	39,950	83,376
CHEESE, BULK, CHEDDER, YEL	1,198,500	2,181,686
CHEESE, BULK, NATURAL AMERICAN, BARREL	33,440,171	66,036,799
CHEESE BLEND, AMER/SKIM MILK, REDUCED FAT, WHT	1,702,800	3,156,314
CHEESE BLEND, AMER/SKIM MILK, REDUCED FAT, YEL	10,256,400	18,404,396
CHEESE, CHEDDER, REDUCED FAT, SHREDDED, WHT	307,200	646,798
CHEESE, CHEDDER, REDUCED FAT, SHREDDED, YEL	8,064,000	16,347,915
CHEESE, CHEDDER, CUTS, REDUCED FAT, YEL	199,750	428,983
CHEESE, CHEDDER, SHREDDED, WHT	729,600	1,506,678
CHEESE, CHEDDER, SHREDDED, YEL	4,531,200	9,219,264
CHEESE, CHEDDER, CUTS, WHT	439,450	997,591
CHEESE, CHEDDER, CUTS, YEL	359,550	801,014
CHEESE, MOZZ, LITE, SHREDDED, FROZEN	5,166,660	10,200,362
CHEESE, MOZZ, LOW MOIST, PART SKIM, SHREDDED, FROZEN	8,628,480	16,972,843
CHEESE, MOZZ, LOW MOIST, PART SKIM, FROZEN	6,935,040	13,133,455
CHEESE, MOZZ, LOW MOIST, PART SKIM, UNFROZEN	56,125,710	100,996,864

Continued

**FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM**

**Quantity and Value of Commodities
Fiscal Year 2012**

	Pounds	Dollars
CHEESE, PROCESS, LOAVES	2,570,070	5,057,087
CHEESE, PROCESS, SLICES, WHT	2,851,200	5,672,225
CHEESE, PROCESS, SLICES, YEL	12,236,400	23,777,826
CORN, YELLOW, WHOLE DRY KERNELS, TOTE	826,200	148,537
CORNMEAL	85,680	19,385
FLOUR, BAKERY MIX, LOW FAT	38,880	32,543
FLOUR, BULK, BAKERS HARD WHEAT, BLEACHED	4,005,000	1,017,234
FLOUR, BULK, BAKERS HARD WHEAT, UNBLEACHED	9,247,500	1,951,501
FLOUR, BULK, BAKERS HARD WHEAT HEARTH, BLEACHED	1,485,000	412,313
FLOUR, BULK, BAKERS HARD WHEAT HEARTH, UNBLEACHED	2,565,000	734,922
FLOUR, BULK, BAKERS SOFT WHEAT, UNBLEACHED	540,000	113,409
FLOUR, BULK, BREAD	2,430,000	591,125
FLOUR, BULK, HIGH GLUTEN	2,655,000	708,116
FLOUR, ALL PURPOSE, ENRCH, BLEACHED	6,816,960	1,857,332
FLOUR, ALL PURPOSE, ENRCH, UNBLEACHED	429,120	127,166
FLOUR, BAKERS, HARD WHEAT, BLEACHED	950,400	222,147
FLOUR, BAKERS HARD WHEAT, UNBLEACHED	864,000	311,472
FLOUR, BAKERS HARD WHEAT HEARTH, BLEACHED	475,200	131,928
FLOUR, BREAD, ENRCH, BLEACHED	2,441,880	906,580
FLOUR, BREAD, ENRCH, UNBLEACHED	387,360	116,321
FLOUR, HIGH GLUTEN	129,600	38,694
FLOUR, WHOLE WHEAT	5,151,960	1,449,272
FLOUR, MASA	216,000	75,168
GRITS	128,520	43,311
MACARONI	440,000	211,320
MACARONI, WHOLE GRAIN	1,320,000	579,832
MILK, UHT, 1% LOW-FAT	190,714	103,878
OATS 25	200,000	74,256
OATS 3	640,512	263,439
OIL, SOYBEAN	665,280	572,278
OIL, VEGETABLE	4,102,560	2,925,340
OIL, VEGETABLE BTL 48 OZ	304,920	233,355
OIL, VEGETABLE BULK	2,448,180	1,561,716
PANCAKES, WHOLE GRAIN	1,564,920	1,152,838
PEANUT BUTTER	3,067,680	4,095,974
PEANUT BUTTER SMTH DRUM 500	8,080,000	9,855,436
PEANUTS, ROASTED	34,560	53,188
RICE	2,310,000	832,503
RICE BROWN	5,586,000	2,682,847
ROTINI	280,000	127,568
ROTINI, WHOLE GRAIN	1,988,000	927,139
SPAGHETTI	440,000	193,312
SPAGHETTI, WHOLE GRAIN	2,080,000	867,312
SUNFLOWER BUTTER	702,240	1,427,427
SUNFLOWER BUTTER, DRUMS	43,680	82,118
TORTILLAS, WHOLE GRAIN 8" 12/24 1.5 OZ	2,754,000	1,849,057
SUBTOTAL, SECTION 416 TYPE	236,894,637	337,302,080
Anticipated Adjustment		45,847,025
AMS / FSA / WBSCM Admin. Expenses		17,297,457
Cash-In-Lieu of Commodities		149,709,418
TOTAL, COMMODITY ENTITLEMENT	1,075,457,961	1,463,619,273
BONUS COMMODITIES		
SECTION 32 TYPE:		
CATFISH, FILET STRIPS	1,400,000	5,764,000
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	34,992	15,630
SUBTOTAL, SECTION 32 TYPE	1,434,992	5,779,630
SECTION 416 TYPE:		
NONE		
SUBTOTAL, SECTION 416 TYPE	0	0
TOTAL, BONUS COMMODITIES	1,434,992	5,779,630
GRAND TOTAL, CNP COMMODITIES	1,076,892,953	1,469,398,903

Source: WBSCM -- Sales Order and contract information.
Bonus figures include Farm Bill.

SCHOOL LUNCH PROGRAM
SCHOOLS, ENROLLMENT AND PARTICIPATION
 FISCAL YEAR 2012

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,513	756	582
Alaska-----	443	121	55
Arizona-----	1,746	1,047	679
Arkansas-----	1,180	496	362
California-----	10,252	6,145	3,370
Colorado-----	1,739	852	405
Connecticut-----	1,084	536	301
Delaware-----	239	137	96
District of Columbia-----	231	75	49
Florida-----	3,640	2,743	1,747
Georgia-----	2,348	1,644	1,316
Hawaii-----	298	183	121
Idaho-----	716	270	172
Illinois-----	4,391	1,942	1,197
Indiana-----	2,163	1,145	813
Iowa-----	1,445	524	405
Kansas-----	1,548	519	370
Kentucky-----	1,471	700	560
Louisiana-----	1,577	793	607
Maine-----	631	187	111
Maryland-----	1,583	871	439
Massachusetts-----	2,247	968	543
Michigan-----	3,582	1,637	923
Minnesota-----	2,018	868	635
Mississippi-----	933	508	411
Missouri-----	2,216	948	660
Montana-----	823	149	88
Nebraska-----	959	309	253
Nevada-----	597	450	220
New Hampshire-----	480	191	107
New Jersey-----	2,704	1,308	738
New Mexico-----	698	284	233
New York-----	5,857	2,971	1,818
North Carolina-----	2,512	1,478	968
North Dakota-----	413	105	85
Ohio-----	3,920	1,856	1,138
Oklahoma-----	1,872	667	461
Oregon-----	1,362	585	314
Pennsylvania-----	3,696	1,807	1,135
Rhode Island-----	399	153	80
South Carolina-----	1,185	734	506
South Dakota-----	705	139	110
Tennessee-----	1,748	1,503	706
Texas-----	8,184	5,050	3,461
Utah-----	902	620	356
Vermont-----	358	92	55
Virginia-----	2,004	1,244	761
Washington-----	2,117	1,054	541
West Virginia-----	766	297	206
Wisconsin-----	2,490	906	602
Wyoming-----	358	88	59
American Samoa-----	0	0	0
Guam-----	45	35	19
Puerto Rico-----	1,735	571	346
Virgin Islands-----	60	19	16
DOD/ Army/AF/USMC/Navy-----	99	53	29
TOTAL-----	100,282	51,333	32,341

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**SCHOOL LUNCH PROGRAM
LUNCHES SERVED**

FISCAL YEAR 2012

STATE OR TERRITORY	TOTAL LUNCHES SERVED			
	PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)
Alabama-----	27,920	6,741	56,556	91,217
Alaska-----	2,463	872	5,486	8,821
Arizona-----	26,835	8,940	73,957	109,733
Arkansas-----	15,887	6,208	35,652	57,748
California-----	108,388	63,276	401,541	573,205
Colorado-----	23,829	6,497	35,329	65,655
Connecticut-----	23,555	4,062	23,408	51,025
Delaware-----	6,095	912	8,722	15,729
District of Columbia-----	1,324	570	6,005	7,899
Florida-----	58,500	24,144	193,530	276,174
Georgia-----	61,531	16,457	133,131	211,119
Hawaii-----	7,427	2,305	9,586	19,318
Idaho-----	9,410	3,169	13,992	26,570
Illinois-----	57,445	13,831	120,940	192,216
Indiana-----	57,969	12,308	64,262	134,539
Iowa-----	36,015	5,150	24,189	65,353
Kansas-----	25,334	5,971	25,693	56,998
Kentucky-----	30,474	6,841	50,753	88,068
Louisiana-----	27,100	6,677	58,895	92,671
Maine-----	7,019	1,428	9,314	17,762
Maryland-----	24,249	6,298	41,435	71,982
Massachusetts-----	39,718	5,699	42,756	88,173
Michigan-----	45,004	9,511	87,866	142,381
Minnesota-----	55,447	8,897	36,274	100,619
Mississippi-----	12,712	5,379	47,554	65,644
Missouri-----	40,858	8,885	54,411	104,153
Montana-----	6,101	1,542	6,611	14,253
Nebraska-----	20,308	4,088	16,014	40,410
Nevada-----	7,538	3,932	24,899	36,369
New Hampshire-----	10,184	1,155	5,867	17,205
New Jersey-----	45,560	10,099	63,188	118,847
New Mexico-----	8,274	3,640	25,917	37,831
New York-----	93,514	25,930	177,868	297,312
North Carolina-----	44,171	12,384	103,236	159,791
North Dakota-----	8,789	914	4,340	14,042
Ohio-----	70,054	13,789	97,108	180,951
Oklahoma-----	20,505	7,059	42,056	69,620
Oregon-----	12,886	3,841	30,660	47,386
Pennsylvania-----	86,062	14,231	87,335	187,628
Rhode Island-----	4,213	1,055	8,238	13,506
South Carolina-----	20,643	5,699	53,140	79,481
South Dakota-----	8,997	1,576	6,814	17,387
Tennessee-----	32,327	8,746	69,739	110,813
Texas-----	140,226	46,465	382,752	569,442
Utah-----	27,257	6,240	23,189	56,687
Vermont-----	4,017	585	3,912	8,514
Virginia-----	54,667	11,089	58,245	124,001
Washington-----	28,128	8,786	51,913	88,828
West Virginia-----	13,193	2,790	17,199	33,183
Wisconsin-----	50,669	7,009	43,911	101,589
Wyoming-----	4,730	1,087	3,323	9,140
Guam-----	433	137	2,280	2,850
Puerto Rico-----	8,391	5,261	38,620	52,272
Virgin Islands-----	341	198	1,863	2,402
DOD Army/AF/USMC/Navy-----	2,856	896	957	4,709
TOTAL-----	1,667,540	451,250	3,112,431	5,231,221

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

SCHOOL BREAKFAST PROGRAM
SCHOOLS, ENROLLMENT, AND PARTICIPATION
FISCAL YEAR 2012

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,440	723	234
Alaska-----	358	99	21
Arizona-----	1,596	996	275
Arkansas-----	1,151	483	169
California-----	8,678	5,571	1,411
Colorado-----	1,563	758	143
Connecticut-----	700	346	85
Delaware-----	231	155	38
District of Columbia-----	227	75	34
Florida-----	3,529	2,702	756
Georgia-----	4,204	1,474	641
Hawaii-----	287	181	41
Idaho-----	677	268	79
Illinois-----	3,321	1,518	418
Indiana-----	1,918	1,051	260
Iowa-----	1,328	500	96
Kansas-----	1,398	467	110
Kentucky-----	1,377	685	272
Louisiana-----	1,490	753	284
Maine-----	595	181	45
Maryland-----	1,513	836	186
Massachusetts-----	1,647	688	153
Michigan-----	3,089	1,440	384
Minnesota-----	1,638	747	181
Mississippi-----	874	463	218
Missouri-----	2,006	897	262
Montana-----	734	135	29
Nebraska-----	1,177	398	67
Nevada-----	544	421	79
New Hampshire-----	422	169	24
New Jersey-----	1,920	900	212
New Mexico-----	666	278	155
New York-----	5,288	2,734	646
North Carolina-----	2,496	1,455	415
North Dakota-----	354	94	23
Ohio-----	3,207	1,517	428
Oklahoma-----	1,810	644	237
Oregon-----	1,285	553	146
Pennsylvania-----	3,133	1,583	340
Rhode Island-----	385	150	32
South Carolina-----	1,179	728	280
South Dakota-----	582	181	28
Tennessee-----	1,703	1,452	336
Texas-----	8,107	4,989	1,851
Utah-----	769	529	76
Vermont-----	342	88	24
Virginia-----	1,932	1,204	273
Washington-----	1,954	986	189
West Virginia-----	756	294	116
Wisconsin-----	1,784	715	176
Wyoming-----	295	77	16
Guam-----	45	35	9
Puerto Rico-----	1,735	570	130
Virgin Islands-----	60	19	5
TOTAL-----	91,500	46,956	13,136

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**SCHOOL BREAKFAST PROGRAM
BREAKFASTS SERVED
FISCAL YEAR 2012**

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					TOTAL (000)
	PAID (000)	REDUCED PRICE		FREE		
		REGULAR (000)	SEVERE NEED (000)	REGULAR (000)	SEVERE NEED (000)	
Alabama-----	4,451	219	2,082	1,438	28,113	36,302
Alaska-----	727	8	303	31	2,444	3,512
Arizona-----	6,938	183	3,169	1,256	34,786	46,331
Arkansas-----	3,720	70	2,519	565	19,683	26,557
California-----	26,393	843	23,397	5,236	184,976	240,845
Colorado-----	4,493	259	2,369	990	15,560	23,671
Connecticut-----	2,494	163	1,027	926	10,807	15,417
Delaware-----	1,386	43	316	437	4,174	6,355
District of Columbia-----	927	10	376	65	4,163	5,541
Florida-----	16,927	406	8,481	2,942	89,932	118,687
Georgia-----	15,854	545	7,042	3,275	74,788	101,504
Hawaii-----	1,458	136	568	435	4,043	6,640
Idaho-----	2,768	80	1,332	527	7,374	12,081
Illinois-----	7,516	376	3,505	3,018	54,290	68,705
Indiana-----	7,163	482	3,227	2,689	29,386	42,947
Iowa-----	3,908	474	819	2,498	7,816	15,516
Kansas-----	2,691	339	1,494	1,433	10,772	16,729
Kentucky-----	7,891	224	2,801	1,458	30,842	43,215
Louisiana-----	5,693	209	2,414	1,562	32,024	41,902
Maine-----	1,674	67	604	331	4,717	7,392
Maryland-----	6,120	207	2,481	1,404	20,871	31,081
Massachusetts-----	4,125	182	1,583	1,346	18,901	26,136
Michigan-----	9,158	230	2,899	2,603	46,141	61,031
Minnesota-----	7,526	986	2,312	3,523	14,669	29,017
Mississippi-----	2,953	17	2,180	116	28,928	34,195
Missouri-----	7,905	366	3,169	2,411	28,316	42,167
Montana-----	1,000	59	439	213	2,980	4,691
Nebraska-----	2,929	316	834	1,235	5,354	10,666
Nevada-----	1,497	67	1,343	257	11,666	14,831
New Hampshire-----	1,318	217	65	1,511	970	4,080
New Jersey-----	5,375	377	2,667	2,104	26,879	37,402
New Mexico-----	4,323	64	2,173	469	17,599	24,629
New York-----	19,524	1,021	8,300	5,059	79,268	113,173
North Carolina-----	8,762	239	4,872	1,899	52,791	68,562
North Dakota-----	1,462	141	142	826	1,299	3,871
Ohio-----	12,812	396	4,119	3,606	47,127	68,060
Oklahoma-----	6,207	242	3,126	1,330	24,431	35,336
Oregon-----	4,003	58	1,861	406	15,879	22,207
Pennsylvania-----	12,462	1,021	3,232	6,785	34,565	58,065
Rhode Island-----	884	22	343	212	4,209	5,670
South Carolina-----	6,552	129	2,649	1,007	33,424	43,762
South Dakota-----	960	155	247	566	2,683	4,611
Tennessee-----	7,986	220	3,773	1,647	40,279	53,905
Texas-----	44,998	2,134	20,291	14,052	222,161	303,636
Utah-----	2,203	277	1,029	1,397	7,197	12,103
Vermont-----	941	80	248	439	2,019	3,727
Virginia-----	9,344	696	3,425	4,251	26,893	44,609
Washington-----	3,990	227	3,135	0	22,593	29,945
West Virginia-----	5,686	101	1,464	546	11,009	18,806
Wisconsin-----	6,885	645	1,618	4,247	16,151	29,546
Wyoming-----	758	78	238	314	1,216	2,603
Guam-----	82	2	32	5	1,248	1,368
Puerto Rico-----	2,317	3	1,750	9	16,058	20,136
Virgin Islands-----	120	0	70	0	667	857
DOD Army/AF/USMC/Navy-----	1	3	0	9	0	13
TOTAL-----	338,243	16,116	155,950	97,968	1,537,130	2,145,407

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

**CHILD AND ADULT CARE FOOD PROGRAM
PARTICIPATION AND MEALS SERVED
FISCAL YEAR 2012**

STATE OR TERRITORY	NUMBER OF CENTERS/HOMES	PARTICIPATION PEAK MONTH (000)	TOTAL MEALS SERVED					
			CHILD CARE AND ADULT CENTERS				DAY CARE HOMES (000)	TOTAL (000)
			PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)		
Alabama	1,837	48	4,973	1,047	16,876	22,897	4,319	27,216
Alaska	594	14	1,799	286	1,400	3,485	1,144	4,629
Arizona	3,444	44	6,183	1,364	12,634	20,180	10,171	30,352
Arkansas	1,883	64	6,434	1,962	22,031	30,427	3,817	34,244
California	21,227	372	17,216	7,579	80,007	104,801	74,069	178,870
Colorado	2,370	33	5,070	684	8,077	13,831	4,748	18,579
Connecticut	1,233	22	1,689	656	5,181	7,526	2,930	10,456
Delaware	969	21	1,886	262	5,081	7,229	2,691	9,920
District of Columbia	280	17	815	175	3,317	4,307	152	4,460
Florida	6,027	227	22,641	8,589	84,609	115,839	9,816	125,655
Georgia	5,041	158	20,218	4,707	43,263	68,188	10,505	78,692
Utah	542	11	2,772	313	1,676	4,761	753	5,514
Idaho	493	10	1,273	235	1,963	3,471	1,479	4,950
Illinois	11,596	142	12,530	3,436	34,879	50,844	37,217	88,061
Indiana	3,026	85	6,718	881	13,033	20,632	15,314	35,946
Iowa	2,920	42	8,104	645	5,905	14,654	10,012	24,666
Kansas	4,231	54	5,471	891	5,009	11,372	15,028	26,400
Kentucky	1,556	52	7,232	1,477	15,146	23,856	2,348	26,204
Louisiana	7,896	66	4,074	1,137	15,296	20,507	22,848	43,355
Maine	1,228	12	795	133	1,313	2,241	4,916	7,156
Maryland	4,020	47	5,110	482	12,976	18,567	12,849	31,416
Massachusetts	5,585	67	4,589	1,398	16,940	22,927	17,136	40,063
Michigan	6,481	92	4,806	486	14,140	19,431	22,564	41,995
Minnesota	9,425	99	5,723	563	6,943	13,228	40,194	53,422
Mississippi	1,315	48	3,168	981	19,685	23,835	1,424	25,259
Missouri	2,801	78	9,374	970	18,691	29,035	8,116	37,151
Montana	956	15	1,519	191	2,137	3,847	3,832	7,679
Nebraska	3,336	48	5,756	512	6,968	13,236	12,319	25,555
Nevada	434	16	1,126	144	2,785	4,054	470	4,524
New Hampshire	310	9	1,540	183	1,615	3,338	648	3,986
New Jersey	2,032	81	5,694	2,403	31,435	39,532	1,592	41,124
New Mexico	4,063	40	3,063	638	8,180	11,880	8,876	20,757
New York	13,944	331	13,804	3,169	63,148	80,121	47,692	127,813
North Carolina	4,745	130	19,245	4,538	33,973	57,756	9,991	67,747
North Dakota	1,412	18	2,468	100	1,356	3,924	5,482	9,406
Ohio	5,685	138	15,023	1,935	33,192	50,150	15,254	65,404
Oklahoma	3,062	57	7,350	1,657	20,695	29,702	10,299	40,001
Oregon	3,122	56	1,679	170	6,417	8,266	10,160	18,426
Pennsylvania	5,035	156	14,758	3,262	39,504	57,524	9,034	66,558
Rhode Island	479	10	1,117	224	2,806	4,148	1,320	5,468
South Carolina	1,255	37	3,237	584	11,746	15,568	3,756	19,324
South Dakota	946	16	2,357	194	2,026	4,576	3,522	8,099
Tennessee	3,123	75	7,256	1,301	23,256	31,813	9,645	41,458
Texas	11,937	385	42,117	12,318	117,098	171,533	31,299	202,832
Utah	2,321	33	2,744	289	4,047	7,080	10,756	17,836
Vermont	697	8	616	88	1,073	1,776	1,904	3,680
Virginia	3,975	80	10,706	1,256	14,915	26,877	10,812	37,689
Washington	3,848	81	8,935	912	13,492	23,338	10,233	33,572
West Virginia	1,834	28	2,968	372	4,552	7,891	3,211	11,102
Wisconsin	3,538	65	9,501	795	12,255	22,551	9,400	31,951
Wyoming	558	10	1,316	285	1,230	2,831	1,932	4,763
Guam	28	1	174	10	144	328	13	341
Puerto Rico	1,510	32	301	205	15,060	15,566	318	15,883
Virgin Islands	36	1	59	35	543	636	0	636
TOTAL	192,241	3,881	357,090	79,107	941,716	1,377,913	570,330	1,948,243

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

SUMMER FOOD SERVICE PROGRAM
NUMBER OF SITES, PARTICIPATION AND MEALS SERVED
 FISCAL YEAR 2012

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	522	26	1,246
Alaska-----	135	5	257
Arizona-----	418	28	2,482
Arkansas-----	422	26	2,153
California-----	1,642	105	9,609
Colorado-----	332	17	1,304
Connecticut-----	168	8	431
Delaware-----	251	14	766
District of Columbia-----	338	36	1,161
Florida-----	3,018	138	10,015
Georgia-----	1,116	84	3,639
Hawaii-----	91	5	187
Idaho-----	284	21	1,398
Illinois-----	1,538	56	4,660
Indiana-----	1,260	54	3,077
Iowa-----	237	11	752
Kansas-----	214	20	875
Kentucky-----	904	33	1,792
Louisiana-----	462	32	3,956
Maine-----	243	9	476
Maryland-----	1,264	57	2,269
Massachusetts-----	832	49	2,770
Michigan-----	1,100	73	3,103
Minnesota-----	555	46	2,266
Mississippi-----	360	28	2,043
Missouri-----	594	27	3,429
Montana-----	194	7	433
Nebraska-----	148	10	887
Nevada-----	123	7	440
New Hampshire-----	136	5	284
New Jersey-----	1,076	40	2,361
New Mexico-----	631	38	1,813
New York-----	2,387	369	17,161
North Carolina-----	1,223	93	3,212
North Dakota-----	41	2	170
Ohio-----	1,554	64	3,757
Oklahoma-----	400	11	1,228
Oregon-----	733	41	2,048
Pennsylvania-----	1,925	102	5,385
Rhode Island-----	181	8	309
South Carolina-----	984	56	2,574
South Dakota-----	73	6	482
Tennessee-----	1,194	33	3,094
Texas-----	3,304	177	17,837
Utah-----	109	14	674
Vermont-----	173	5	328
Virginia-----	1,579	54	4,196
Washington-----	611	36	1,538
West Virginia-----	367	13	584
Wisconsin-----	625	88	2,351
Wyoming-----	39	3	225
Puerto Rico-----	265	26	4,946
Virgin Islands-----	146	8	288
TOTAL-----	38,521	2,325	144,723

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

SPECIAL MILK PROGRAM
HALF-PINTS OF MILK SERVED
 FISCAL YEAR 2012

STATE OR TERRITORY	AVERAGE SERVED DAILY			TOTAL SERVED		
	FREE (000)	PAID (000)	TOTAL (000)	FREE (000)	PAID (000)	TOTAL (000)
Alabama-----	0	1	1	4	174	178
Alaska-----	0	0	0	4	14	18
Arizona-----	1	2	2	81	310	390
Arkansas-----	0	0	0	0	0	0
California-----	0	8	8	80	1,890	1,970
Colorado-----	0	4	4	62	642	705
Connecticut-----	1	6	7	131	1,325	1,456
Delaware-----	0	1	1	0	169	169
District of Columbia-----	0	0	0	28	38	65
Florida-----	0	1	1	6	131	137
Georgia-----	0	0	0	0	131	131
Hawaii-----	0	0	0	0	6	6
Idaho-----	0	4	4	29	842	871
Illinois-----	9	64	73	1,668	10,715	12,383
Indiana-----	0	4	4	65	969	1,034
Iowa-----	0	1	1	9	440	449
Kansas-----	0	2	2	56	374	430
Kentucky-----	0	1	1	47	213	260
Louisiana-----	0	1	1	0	201	201
Maine-----	0	0	0	16	139	155
Maryland-----	0	11	11	13	1,851	1,863
Massachusetts-----	0	4	5	63	1,814	1,877
Michigan-----	1	9	10	120	2,017	2,138
Minnesota-----	0	15	15	29	3,913	3,942
Mississippi-----	0	0	0	0	15	15
Missouri-----	1	15	16	100	2,663	2,762
Montana-----	0	0	0	17	55	72
Nebraska-----	0	1	1	7	288	295
Nevada-----	0	1	1	3	629	632
New Hampshire-----	0	2	2	37	986	1,023
New Jersey-----	2	15	17	279	2,554	2,833
New Mexico-----	0	0	0	1	0	2
New York-----	1	17	18	1,400	2,894	4,294
North Carolina-----	0	4	4	5	939	945
North Dakota-----	0	0	0	3	212	215
Ohio-----	0	13	13	69	2,486	2,555
Oklahoma-----	0	1	1	0	182	182
Oregon-----	0	3	3	22	597	619
Pennsylvania-----	1	7	7	157	2,572	2,730
Rhode Island-----	0	1	1	31	373	403
South Carolina-----	0	0	0	36	0	36
South Dakota-----	0	1	1	8	203	211
Tennessee-----	0	0	0	134	0	134
Texas-----	0	1	1	0	162	163
Utah-----	0	2	2	7	434	441
Vermont-----	0	1	1	11	208	219
Virginia-----	0	7	7	0	1,291	1,291
Washington-----	0	5	5	10	1,233	1,244
West Virginia-----	0	1	1	15	119	134
Wisconsin-----	1	24	24	138	6,195	6,334
Wyoming-----	0	0	0	0	166	166
Virgin Islands-----	0	0	0	17	0	17
TOTAL-----	21	259	281	5,017	55,776	60,793

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received.
 Totals may not add due to rounding.

SPECIAL MILK PROGRAM
NUMBER OF PARTICIPATING OUTLETS AND OBLIGATIONS BY STATE
FISCAL YEAR 2012

STATE OR TERRITORY	OUTLETS				OBLIGATIONS (000)
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS	TOTAL	
Alabama-----	3	0	2	5	\$36
Alaska-----	3	0	0	3	4
Arizona-----	34	0	0	34	80
Arkansas-----	0	0	0	0	0
California-----	105	4	25	134	398
Colorado-----	38	0	1	39	144
Connecticut-----	131	0	12	143	295
Delaware-----	5	0	0	5	34
District of Columbia-----	160	0	0	160	14
Florida-----	3	0	2	5	28
Georgia-----	2	1	4	7	27
Hawaii-----	1	0	0	1	1
Idaho-----	124	0	13	137	176
Illinois-----	593	1	15	609	2,533
Indiana-----	49	0	23	72	209
Iowa-----	52	0	14	66	91
Kansas-----	90	0	4	94	88
Kentucky-----	11	0	0	11	53
Louisiana-----	7	0	0	7	41
Maine-----	21	0	10	31	30
Maryland-----	5	0	4	9	379
Massachusetts-----	78	32	40	150	374
Michigan-----	114	0	2	116	431
Minnesota-----	302	80	68	450	796
Mississippi-----	130	0	0	130	3
Missouri-----	149	0	0	149	561
Montana-----	17	0	4	21	15
Nebraska-----	46	0	3	49	59
Nevada-----	8	11	0	19	128
New Hampshire-----	52	5	27	84	202
New Jersey-----	114	0	5	119	581
New Mexico-----	2	0	0	2	0
New York-----	215	27	83	325	881
North Carolina-----	1	0	12	13	190
North Dakota-----	16	0	13	29	43
Ohio-----	134	0	22	156	518
Oklahoma-----	17	0	0	17	37
Oregon-----	34	4	17	55	125
Pennsylvania-----	149	23	29	201	547
Rhode Island-----	45	10	6	61	81
South Carolina-----	4	0	0	4	8
South Dakota-----	27	5	2	34	43
Tennessee-----	0	2	5	7	28
Texas-----	7	1	2	10	33
Utah-----	50	0	18	68	89
Vermont-----	14	4	14	32	44
Virginia-----	69	0	7	76	262
Washington-----	43	4	11	58	250
West Virginia-----	14	0	5	19	27
Wisconsin-----	372	254	44	670	1,281
Wyoming-----	0	12	2	14	34
Virgin Islands-----	2	0	0	2	2
Anticipated Adjustment-----	0	0	0	0	295
TOTAL-----	3,662	480	570	4,712	\$12,629

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

The estimates include proposed changes in the language of this item as follows:

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$7,141,625,000, to remain available through September 30, 2015, of which \$50,000,000 shall be placed in reserve, to remain available until expended, to be allocated as the Secretary deems necessary, notwithstanding section 17(i) of such Act, to support participation should cost or participation exceed budget estimates: Provided, That notwithstanding section 17(h)(10) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)), of the amounts made available under this heading, \$60,000,000 shall be used for breast-feeding peer counselors and other related activities, \$14,000,000 shall be used for infrastructure, and \$30,000,000 shall be used for management information systems: Provided further, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of such Act: Provided further, That none of the funds provided shall be available for activities that are not fully reimbursed by other Federal Government departments or agencies unless authorized by section 17 of such Act.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC) – Current Law

2013 Estimate	\$6,659,002,000
Budget Estimate, 2014	<u>7,141,625,000</u>
Change in Appropriation.....	<u>+482,623,000</u>

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC) – Proposed Legislation

Budget Request, Current Law, 2014.....	\$7,141,625,000
Change Due to Proposed Legislation.....	<u>(-75,000)</u>
Net Request, 2014 Request	<u>7,141,625,000</u>

Summary of Increases and Decreases – Current Law
(On basis of appropriation)
(Dollars in thousands)

Item of Change	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
Discretionary Appropriations:					
Grants to States (Suppl. Food and NSA costs)	\$6,580,485	-\$32,988	\$40,505	\$383,599	\$6,971,601
Federal Admin. Oversight & Infrastructure	9,830	-3,830	0	5,024	11,024
WIC Contingency Funds	0	0	0	50,000	50,000
All Other Discretionary Appropriations	143,712	-78,712	0	44,000	109,000
Subtotal, Discretionary	6,734,027	-115,530	40,505	482,623	7,141,625
Mandatory Appropriations:					
UPC Database (Direct Appropriation)	1,000	0	0	0	1,000
Appropriations or Change	6,735,027	-115,530	40,505	482,623	7,142,625
Less Direct Appropriation	-1,000	0	0	0	-1,000
Total Appropriation or Change	6,734,027	-115,530	40,505	482,623	7,141,625

FOOD AND NUTRITION SERVICE

PROJECT STATEMENT – Current Law
 Appropriations Detail and Staff Years (SY)
 (Dollars in thousands)

Project	2011 Actual	SY	2012 Actual	SY	2013 Estimate	SY	Inc. or Dec.		2014 Estimate	SY
Grants to States (Suppl. Food & NSA)	\$6,580,485		\$6,547,497		\$6,588,002		\$383,599	(1)	\$6,971,601	
Infrastructure Grants	13,573		0		0		13,600	(2)	13,600	
Technical Assistance	399		0		0		400	(3)	400	
Breastfeeding Peer Counselors	79,840		60,000		60,000		0	(4)	60,000	
Management Information Systems	34,930		0		0		30,000	(5)	30,000	
Program Evaluation & Monitoring	14,970		5,000		5,000		0	(6)	5,000	
Federal Admin. Oversight	9,830		6,000		6,000		5,024	(7)	11,024	
WIC Contingency Funds	0		0		0		50,000	(8)	50,000	
UPC Database (Direct Appropriation)	1,000		1,000		1,000		0	(9)	1,000	
Total Adjusted Appropriation	6,735,027	22	6,619,497	28	6,660,002	30	482,623		7,142,625	35
Rescission	13,495		0		0		0		0	
UPC Database (Direct Appropriation)	-1,000		-1,000		-1,000		0		-1,000	
Total Appropriation	6,747,522	22	6,618,497	28	6,659,002	30	482,623		7,141,625	35

FOOD AND NUTRITION SERVICE

PROJECT STATEMENT – Current Law
 Obligations Detail and Staff Years (SY)
 (Dollars in thousands)

Project	2011 Actual	SY	2012 Actual	SY	2013 Estimate	SY	Inc. or Dec.	2014 Estimate	SY
Grants to States:									
Supplemental Food	\$5,121,485		\$4,780,274		\$5,061,994		\$44,157	\$5,106,151	
Nutrition Services and Admin. Costs	2,001,973		1,925,893		1,961,753		59,862	2,021,615	
Subtotal, Grants to States	7,123,458		6,706,167		7,023,747		104,019	7,127,766	
Infrastructure Grants	10,253		3,253		0		13,600	13,600	
Technical Assistance	424		0		0		400	400	
Breastfeeding Peer Counselors	79,972		60,000		60,000		0	60,000	
Management Information Systems	59,761		10,233		0		30,000	30,000	
Program Evaluation & Monitoring	16,317		10,002		9,790		-4,790	5,000	
Federal Admin. Oversight	9,280		8,469		9,786		1,238	11,024	
WIC Contingency Funds	0		368,255		0		0	0	
UPC Database (Direct Appropriation)	185		1,607		1,208		-208	1,000	
Total Obligations	7,299,650		7,167,986		7,104,531		144,259	7,248,790	
Recovery of Prior Year Obligations:									
WIC Program	-542,897		-164,255		-320,000		163,835	-156,165	
Unobligated Balances:									
Available Start of Year									
WIC Program	-610,046		-25,512		-40,529		40,529	0	
Unobligated Balances Rescinded	562,000		0		0		0	0	
WIC Contingency	-125,000		-125,000		-125,000		41,000	-41,000	
Available End of Year									
WIC Program	25,512		40,529		0		0	0	
WIC Contingency	125,000		125,000		41,000		50,000	91,000	
Transfer from SNAP account (12-3505) ^{1/}	0		-400,000		0		0	0	
Transfer to Working Capital Fund	0		75		0		0	0	
Lapse	808		674		0		0	0	
Total Adjusted Appropriation	6,735,027	22	6,619,497	28	6,660,002	30	482,623	7,142,625	35
Rescission	13,495		0		0		0	0	
UPC Database (Direct Appropriation)	-1,000		-1,000		-1,000		0	-1,000	
Total Appropriation	6,747,522	22	6,618,497	28	6,659,002	30	482,623	7,141,625	35

^{1/} FNS transferred \$400 million from the SNAP account to WIC contingency in order to support anticipated participation in FY 2012. The transferred funds were used for Grants to States for supplemental food and NSA costs.

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

The FY 2014 request for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) reflects an appropriation increase of \$482,623,000.

- (1) An increase of \$383,599,000 for WIC Grants to States for supplemental food, nutrition services and administrative costs (\$6,588,002,000 available in FY 2013).

The funding increase will support benefits for the 8.90 million individuals expected to participate in the program each month. The Administration expects the Budget request to provide sufficient resources to serve all eligible women, infants, and children, who seek WIC benefits. The average monthly food cost per person is estimated to increase from \$46.08 in FY 2013 to \$46.98 in FY 2014 (anticipated changes in the Thrifty Food Plan are used to estimate food package inflation from the current year to the budget year). The average nutrition services and administrative (NSA) cost per person is estimated to increase from \$18.17 in FY 2013 to \$18.72 in FY 2014. NSA funds are used by State agencies to provide non-food benefits to participants, including nutrition education, health screenings and referrals, breastfeeding support; managing the infant formula rebate system, monitor and manage relationships with retail vendors, screen applicants for nutritional risk and income eligibility; as well as a small portion for other administrative work.

- (2) An increase of \$13,600,000 for Infrastructure Grants (\$0 available in FY 2013).

These funds are used for infrastructure for the program, for special projects to promote breastfeeding, including projects to assess the effectiveness of particular breastfeeding promotion strategies; and for special State projects of regional or national significance to improve the services of the program. This request restores funding to the authorized level for these activities.

- (3) An increase of \$400,000 for Technical Assistance (\$0 available in FY 2013).

These funds are used to provide technical assistance to State agencies which allows the on-site sharing of best practices in program integrity, technology and caseload/food funds management. In addition, these funds support the development and printing of all nutrition-related training and technical assistance materials for State and local agencies. This request restores funding to the authorized level for these activities.

- (4) No change for Breastfeeding Peer Counselors (\$60,000,000 available in FY 2013).

These funds are used to support and expand breastfeeding peer counselor programs. For nearly all infants, breastfeeding is the best source of infant nutrition and immunologic protection, and it provides remarkable health benefits to mothers as well. The use of breastfeeding peer counselors has proven to be an effective method of increasing breastfeeding duration. The WIC Program promotes breastfeeding as the best form of nutrition for infants through the provision of support and encouragement to new mothers and through nutrition education during pregnancy. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC. In FY 2003, FNS began the development of "Using *Loving Support* to Implement Best Practices in Peer Counseling," a project designed to prepare staff within the WIC Program to implement and expand breastfeeding peer counseling programs. This project serves as a guide for local programs in designing, building and sustaining peer counseling programs. The goal of the project is to equip WIC Programs with the tools necessary to implement and manage a research-based peer counseling model that is effective and feasible.

- (5) An increase of \$30,000,000 for Management Information Systems (\$0 available in FY 2013).

Dedicated funding for Management Information Systems (MIS) and Electronic Benefit Transfer (EBT) activities is needed to meet the Healthy, Hunger-Free Kids Act of 2010 mandate of nationwide EBT by October 1, 2020. EBT systems have the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS is working with, and providing funds to, individual State agencies on initiatives to plan, develop, and implement WIC EBT systems. As of the end of FY 2011, at least 57 WIC State agencies, or well over half of all WIC State agencies, are involved in some phase of EBT—either planning, development, implementation or operational Statewide.

FOOD AND NUTRITION SERVICE

- (6) No change for Program Evaluation and Monitoring (\$5,000,000 available in FY 2013).

FNS conducts a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that nutrition assistance programs achieve their goals effectively. This line supports the critical evaluations needed for the WIC Program, including the federal staff needed to oversee this vital work.

- (7) An increase of \$5,024,000 for Federal Administrative Oversight (\$6,000,000 available in FY 2013).

The base funding in this line item is used to improve Federal oversight of the EBT implementation process and to provide other technical assistance or oversight at the State level. Section 352(d) of the Healthy, Hunger-Free Kids Act of 2010 imposed a requirement that all WIC State agencies must implement EBT systems throughout the State by October 1, 2020. This is an aggressive implementation schedule and requires dedicated resources to ensure that FNS is able to provide the technical support required to assist States in meeting this Congressionally-mandated deadline. FNS is working with individual State agencies on initiatives to plan, develop and implement WIC EBT systems. This also includes an increase of \$24,000 for pay cost for anticipated FY 2014 pay raise.

The TIP reports WIC certification errors were approximately 3 percent in 2009 and vendor charging errors were about 1.1 percent of food spending in 2010. While this report suggests that integrity problems are relatively limited, FNS staff must continuously seek ways to reduce and prevent errors and program abuse. In addition, recent GAO and OIG audits identify the need for greater oversight by FNS. In addition to implementing EBT which provides improved integrity in the retailer side of vendor management, FNS program integrity efforts would include providing direct technical assistance to individual WIC State agencies to ensure the effectiveness of participant certification and vendor management policies. These include competitive price criteria and maximum allowable reimbursement rates; sponsoring National, regional and State training and information conferences to facilitate the exchange of effective vendor authorization and investigation strategies, as well as strategies to identify and prevent participant abuse; performing in-depth targeted reviews of high risk program areas; development of model software to assist State agencies in preventing and identifying program abuse; and supporting approximately 5 staff years – .5 per region and 1.5 at Headquarters – to support State monitoring efforts and provide technical assistance.

- (8) An increase of \$50,000,000 for WIC Contingency Funds (\$0 available in FY 2013).

The request in contingency funds is essential to ensure a stable level of program services during highly uncertain times should participation of food costs exceed current estimates.

- (9) No change for UPC Database (\$1,000,000 available in FY 2013).

These funds will be used to create and maintain a database of UPC identifiers, which is necessary to support WIC EBT. This data is required so that items approved for the food packages can be correctly identified at the register.

FOOD AND NUTRITION SERVICE

Program Cost and Performance
Summary

Program Performance Data	2011 Actual	2012 Enacted	2013 Estimate	Inc. or Dec.	2014 Request
Program Expenditures (\$ in millions)					
Grants to States:					
Supplemental Food	\$4,980.9	\$4,575.7	\$4,949.5	\$81.4	\$5,030.9
Nutrition Services and Administration	1,986.1	1,810.5	1,918.1	73.8	1,991.9
Subtotal, Grants to States	6,967.0	6,386.2	6,867.6	155.2	7,022.8
Infrastructure Grants	10.3	3.3	0.0	13.6	13.6
Technical Assistance	0.4	0.0	0.0	0.4	0.4
Breastfeeding Peer Counselors	80.0	60.0	60.0	0.0	60.0
Management Information Systems	59.8	10.0	0.0	30.0	30.0
Program Evaluation and Monitoring	16.3	10.0	9.8	-4.8	5.0
Fed. Admin. Oversight	9.3	8.5	9.8	1.2	11.0
UPC Database (Direct Appropriation)	0.2	1.6	1.2	-0.2	1.0
WIC Contingency Funds	0.0	368.3	0.0	0.0	0.0
Total Program Expense <u>1/</u>	7,143.3	6,847.9	6,948.4	195.4	7,143.8
Structural Carryover	156.4	320.0	156.2	-64.6	105.1
Total Obligations	7,299.7	7,167.9	7,104.6	130.8	7,248.9
Average Participation Per Month (in millions)	8.958	8.944	8.907	0.000	8.907
Average Food Cost Per Person Per Month	\$46.70	\$45.47	\$46.08	\$0.90	\$46.98
Average Admin. Cost Per Person Per Month	18.63	17.94	18.17	0.55	18.72
Total Benefit Costs	\$65.33	\$63.41	\$64.25	\$1.45	\$65.70

1/ Based on projected program level. The amounts shown for Grants to States and NSA exclude the structural carryover, which is shown separately in the table. The obligations shown in the project statement on the basis of obligations include structural carryover.

FOOD AND NUTRITION SERVICE

Geographic Breakdown of Obligations and Staff Years (SY)

<u>Women, Infants, and Children--Federal Salaries & Expenses</u>								
(Dollars in thousands)								
	<u>2011 Actual</u>		<u>2012 Actual</u>		<u>2013</u>		<u>2014</u>	
	<u>Amount</u>	<u>SY</u>	<u>Amount</u>	<u>SY</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$0	0	\$0	0	\$0	0	\$0	0
California	156	1	188	1	188	1	194	1
Colorado	120	1	175	1	175	1	181	1
Georgia	251	2	181	1	181	1	187	1
Illinois	143	2	152	10	152	11	157	13
Massachusetts	161	1	188	1	188	1	194	1
New Jersey	132	1	203	1	203	1	210	1
Texas	210	1	200	1	200	1	207	1
Virginia	8,975	12	18,346	12	18,360	13	18,960	15
Undistributed	1,756	0	0	0	0	0	0	0
TOTAL	11,904	21	19,633	28	19,648	30	20,290	35

Note: Totals may not add due to rounding.

Summary of Proposed Legislation

- Program:** Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
- Proposal:** Eliminate the National Advisory Council on Maternal, Infant and Fetal Nutrition (Council).
- Rationale:** This proposal would eliminate the Council and save an estimated \$75,000 per year. The Council was established to study the operation of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and related programs such as the Commodity Supplemental Food Program (CSFP). The Federal Reports Elimination Act of 1998, Public Law (P.L.) 105-362, eliminated the function of the Council and the requirement that a report be submitted to Congress. The Council was established during the developmental stage of WIC and CSFP by P.L. 94-105, enacted October 1975. These Programs are now well established and the work of the Council has become obsolete. The Council’s work is duplicative due to ongoing Federal /State meetings which advise USDA, as well as the establishment of advisory councils by many States, and the National WIC Association. A plethora of research informs USDA about program issues and required State Agency program evaluations further update USDA about the programs. The cost of operation is excessive in relation to the benefits accruing to the Federal Government.

Goal: Improve program efficiency and lower costs.

Budget Impact: (\$ in thousands)

	2012	2013	2014	2015	2016
Discretionary Budget Authority	0	0	-75	-75	-75
Discretionary Outlays	0	0	-75	-75	-75

FOOD AND NUTRITION SERVICE

Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Program

Classification by Objects

(Dollars in Thousands)

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimate</u>	2014 <u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$910	\$1,280	\$1,285	\$1,509
Field.....	1,069	1,502	1,508	1,772
11.0 Total personnel compensation.....	1,979	2,782	2,793	3,282
12.0 Personnel benefits.....	569	878	882	1,035
Total personnel comp. & benefits....	2,548	3,660	3,675	4,317
Other Objects:				
21.0 Travel and transportation of persons..	126	335	341	346
22.0 Transportation of things.....	2	2	2	2
23.3 Communications, utilities, and misc...	0	523	0	0
24.0 Printing and reproduction.....	0	100	102	104
25.0 Other Services.....	2,065	15,942	16,213	16,472
26.0 Supplies and materials.....	565	583	593	602
41.0 Grants.....	7,294,344	7,146,541	7,083,300	7,226,637
Total, Other Objects.....	7,297,102	7,164,326	7,100,856	7,244,473
100 Total, new obligations.....	7,299,650	7,167,986	7,104,531	7,248,790

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

STATUS OF PROGRAM

Program Mission

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides nutritious supplemental foods, nutrition education, breastfeeding promotion and support, and health care referrals at no cost to low-income pregnant, postpartum, and breast-feeding women, to infants, and to children up to their fifth birthday, who are determined by health professionals to be at nutritional risk. “Low-income” is defined as at or below 185 percent of poverty. For the period of July 1, 2012, to June 30, 2013, this represented \$42,643 for a family of four. WIC also promotes breastfeeding as the feeding method of choice for infants, provides substance abuse education, and promotes immunization and other aspects of healthy living.

FNS makes funds available to participating State health agencies and Indian Tribal Organizations (ITOs) that, in turn, distribute the funds to participating local agencies. State and local agencies use WIC funds to pay the costs of specified supplemental foods provided to WIC participants, and to pay for specified nutrition services and administration (NSA) costs, including the cost of nutrition assessments, blood tests for anemia, nutrition education, breastfeeding promotion and health care referrals.

Facts in Brief

Selected Characteristics of WIC Participants
Proportion of WIC Participants (Percent)

WIC Participants	April	April	April	April	April	April
	2000	2002	2004	2006	2008	2010
Infants	26.3	25.7	25.7	25.9	25.5	23.6
Children	49.6	50.1	49.8	48.9	49.5	52.9
Women	24.1	24.1	24.5	25.1	25.0	23.5
Under 18 Years Old	8.0	6.8	6.3	6.2	6.1	5.2
Breastfeeding	5.3	5.7	6.0	6.7	6.9	6.6
Race*						
Black	21.9	20.2	20.0	19.6	19.6	19.3
White	37.4	35.9	34.8	55.3	60.3	60.9
Race Not Reported	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	3.2	1.5	1.4
All Other	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	21.9	18.6	18.4
Ethnicity*						
Hispanic	35.3	38.1	39.2	41.2	42.1	42.0
Non-Hispanic	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	55.9	57.1	57.0
Ethnicity Not Reported	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>	2.9	0.8	1.0
On SNAP (Food Stamps)	19.6	17.5	19.8	21.8	22.6	29.4
On Medicaid	49.5	54.3	61.1	63.2	62.0	65.6
On TANF	12.1	9.6	9.4	9.3	6.5	7.9

WIC Participants	April	April	April	April	April	April
	2000	2002	2004	2006	2008	2010
Poverty Status:						
0-50 Percent	26.5	26.5	28.6	29.3	29.6	31.7
51-100 Percent	29.1	27.4	28.6	30.5	31.2	32.1
101-130 Percent	13.7	13.4	13.1	13.4	13.4	12.6
131-150 Percent	7.1	6.7	6.2	6.4	6.1	5.6
151-185 Percent	8.4	8.2	7.7	7.6	7.4	6.8
Mean Income (whole \$)	\$13,819	\$14,550	\$14,758	\$15,577	\$16,535	\$16,449
Mean Household Size (persons)	4.0	4.0	4.0	4.0	4.1	4.1
One Person Households Percent	1.8	1.5	1.3	1.3	1.2	1.2
Enrollment in 1 st Trimester Percent	47.7	48.4	50.7	51.2	50.6	51.6
Enrollment in 2 nd Trimester Percent	39.0	39.8	38.4	37.9	37.4	35.4

Source: WIC Participant and Program Characteristics reports 2000-2010

* The 2006 WIC Participant and Program Characteristics Report was the first to contain data on race and ethnicity applying the new data collection procedures required by the Office of Management and Budget (OMB). Because the 2006 race/ethnicity categories differ significantly from previous reports, explicit comparison across years is not possible.

<http://www.fns.usda.gov/ora/menu/Published/WIC/WIC.htm>

Program Participation and Costs

Average Monthly Participation (In Thousands)	2007	2008	2009	2010	2011	2012
Women	2,093.3	2,153.2	2,182.4	2,137.9	2,096.9	2,093.1
Infants	2,165.6	2,222.5	2,224.2	2,173.1	2,102.8	2,067.1
Children <5	4,026.4	4,328.8	4,715.1	4,864.0	4,760.9	4,745.1
Total	8,285.2	8,704.5	9,121.7	9,175.0	8,960.6	8,905.3
Change from Prior Year	2.4%	5.1%	4.8%	0.6%	-2.3%	-0.6%
Food Cost Total (Million \$)	\$3,880	\$4,534	\$4,641	\$4,563	\$5,018	\$4,819
Avg./Person/Month	\$39.03	\$43.41	\$42.40	\$41.44	\$46.67	\$45.10
Change in Per Person Food Cost	5.3%	11.2%	-2.3%	-2.3%	12.6%	-3.4%
Per Person Per Month Total (Food/Admin.) Cost	\$53.91	\$58.81	\$58.73	\$58.77	\$64.91	\$63.27

Source: Program Information Report, September 30, 2012. Actual totals may be received in future reporting periods.
National Data Bank, KD21 US FY 2012.

Reauthorization of the WIC Program

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA, P.L. 111-296) reauthorized WIC through FY 2015. Major provisions of HHFKA affecting WIC include: 1) allowing States the option to certify children for a period up to one year, provided that participant children receive required health and nutrition assessments; 2) requiring annual collection and publication of breastfeeding data at the State and local levels; 3) establishing an exemplary breastfeeding recognition program at the local or clinic level; 4) authorizing up to \$10 million in funding for breastfeeding performance bonuses; 5) requiring food package reviews not less than every ten years; 6) establishing new bid requirements for infant formula and all foods for which rebates are solicited; 7) requiring all States to implement an Electronic Benefit Transfer (EBT) system for WIC benefits by 2020; and 8) establishing a Universal Product Code (UPC) database within two years that all States will be required to use. FNS implemented the non-EBT provisions through regulation in FY 2011 and will issue a proposed rule incorporating the WIC EBT-related provisions in FY 2013.

WIC Food Package

On December 6, 2007, the Department published an interim final rule revising the WIC food packages. The revisions align the WIC food packages with updated nutrition science and infant feeding practice guidelines of the American Academy of Pediatrics. State agencies were required to implement the provisions contained in the interim rule no later than October 1, 2009.

The interim rule allowed FNS to obtain feedback on the major changes recommended by the National Academy of Sciences' Institute of Medicine (IOM), while allowing implementation to move forward. When the interim rule comment period ended on February 1, 2010, FNS had received approximately 8,000 comments.

Nutrition Education: An Important Benefit

Nutrition education is integral to the success of the WIC Program and is an important part of the WIC benefit package. The statute requires that one-sixth of the amounts States spend for nutrition service and administration must go for nutrition education and breastfeeding promotion. Nutrition education is provided through individual or group counseling sessions. In addition, participants receive materials designed to achieve a positive change in dietary and physical activity habits and improve health status. Participants also are counseled on the importance of WIC foods in preventing and overcoming specific nutrition risk conditions identified during their nutrition risk assessment. For pregnant and postpartum mothers, special emphasis is given to appropriate infant feeding practices, prenatal nutrition, and breastfeeding support and promotion. Program regulations require States to offer at least two nutrition education contacts for each participant during each six-month certification period, or quarterly for participants certified for a period in excess of six months. Program regulations also require clinics to promote breastfeeding to all pregnant women, unless medically contraindicated.

Four participant nutrition education publications, *Healthy Tips for Active Play*, *Healthy Tips for Picky Eaters*, *Healthy Tips for Pregnancy*, and *Healthy Tips for Breastfeeding Moms* were revised to reflect the 2010 *Dietary Guidelines for Americans* and MyPlate icon. FNS also developed a new publication on feeding recommendations for 2-5 year olds entitled, "*Healthy Eating for Preschoolers*." In FY 2013, additional educational materials will be updated in collaboration with the Center for Nutrition Policy and Promotion.

A joint FNS/National WIC Association workgroup, with 32 members from Federal, State and local agencies, was established to collaborate on the update and revision to the 2001 WIC Nutrition Services Standards (NSS). The NSS identifies a level of quality standards of practice for WIC State and local agencies. The NSS provide a way for State and local agencies to self-assess how well they deliver a wide range of nutrition services and make quality program improvements in their processes for achieving the delivery of quality nutrition services in their WIC Programs. In September 2012, a revised draft of the standards and self-assessment tool were made available for comment to State and local agencies. The document will be finalized in Spring 2013.

WIC regulations require that WIC participants receive information about the dangers of alcohol, drug and other harmful substance abuse, and require, when appropriate, referrals to alcohol and drug abuse counseling. FNS awarded a contract to update and replace the existing educational materials developed as a result of a January 1990 FNS report, *A Study of Appropriate Methods of Drug Abuse Education for Use in the WIC Program*, and the resulting resource materials for local staff and participants including *Providing Drug Abuse Information and Referrals in the WIC Program: A Local Agency Resource Manual*. In FY 2012, the contractor visited three WIC clinics, held discussions with State and local agency WIC staff, consulted subject matter experts, and conducted reviews on the literature and participant and staff education materials in order to produce a final report. This final report documents the various approaches as well as their effectiveness and provides recommendations for updating WIC's current substance abuse education and referral program, and recommends appropriate methods to educate WIC staff. The final phase of the contract, to be completed in FY 2013, will be to produce the resource guide for use by local WIC agency staff.

FNS continues to work in cooperation with the Food and Nutrition Information Center to expand the number of nutrition services tools available to WIC State and local agency staff through the online WIC Works Resource System, <http://www.nal.usda.gov/wicworks>. Features of the WIC Works Resource System include: 1) WIC-Talk, an online discussion forum; 2) WIC Sharing Center, a portal to share State-developed materials; 3) WIC Infant

Formula Database, a searchable directory on the infant formula approved for use in the program; 4) Assessment tools to help staff facilitate the certification process; and 5) WIC Learning Online, a web-based course for staff development and continuing education. The WIC Works Resource System received over 9.0 million hits in FY 2012, and underwent a complete review and update, resulting in an enhanced design with improved functionality. As part of the review, FNS conducted a comprehensive evaluation of the 18 existing WIC Learning Online (LOL) modules and updated the content to reflect current FNS policy and evidence-based research. WIC LOL had over 41,300 registered users in FY 2012. Also in FY 2012, a new breastfeeding peer counseling section was added that includes training materials, webinars, videos and other materials for managers and trainers of WIC peer counselors. The first WIC mobile applications, the WIC Infant Formula and Whole Grain calculators, were developed and launched, making these tools available to WIC Staff via the Apple and Android markets. The biannual WIC Works mailings were distributed to State, local and regional WIC offices on WIC related topics of the current HIV and breastfeeding recommendations and the core nutrition messages, an FNS-developed initiative outlining key nutrition topics for the entire agency.

Breastfeeding Promotion Efforts

The WIC Program promotes breastfeeding as the best form of nutrition for infants. WIC program staff offer support and encouragement to new mothers and the benefits of breastfeeding are explained to participants in the nutrition education information provided during pregnancy. In addition, WIC mothers who decide to breastfeed receive a more substantial food package and are eligible to receive WIC for a longer period of time than non-breastfeeding postpartum women. The number of participating postpartum women determines the minimum amount of WIC NSA funding States are required to dedicate toward breastfeeding promotion and support. In FY 2012, FNS continued its “Using *Loving Support* to Implement Best Practices in Peer Counseling”, a project designed to prepare staff within the WIC Program to implement and expand breastfeeding peer counseling programs. This project serves as a guide for local programs in designing, building, and sustaining peer counseling programs. The goal of the project is to equip WIC Programs with the tools necessary to implement and manage a research-based peer counseling model that is effective and feasible. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC. In FYs 2011 and 2012, FNS updated the *Loving Support* Peer Counseling Curricula to reflect current science and Program guidance and conducted trainings for WIC State agencies in each of the seven FNS regions. FNS provided extensive follow-up and technical assistance for WIC State agencies, including conducting six webcasts on a variety of peer counseling management topics and two rounds of conference calls in each Region. A new peer counseling page with updated materials for WIC staff was added to the WIC Works Resource System. The Spanish translation of updated breastfeeding peer counseling materials was distributed to WIC State agencies. In FY 2012, FNS awarded \$60 million in grants for breastfeeding peer counseling.

In FY 2012, FNS continued work with IOM to update USDA’s national breastfeeding promotion and support campaign —*Loving Support Makes Breastfeeding Work*. This campaign was initially launched in 1997. Based on a social marketing approach, *Loving Support* is a national effort to promote breastfeeding to WIC participants and their families, by emphasizing that the support of family and friends, the health care system, and the community are all essential for a breastfeeding mother to be successful. IOM’s report, *Updating the USDA National Breastfeeding Campaign: Workshop Summary*, is now available at <http://iom.edu/Reports.aspx>. As a continuation of this project, an expert meeting was convened to address specific questions regarding the process necessary to successfully update the *Loving Support* campaign. Participants included individuals with expertise in social marketing, breastfeeding promotion and support strategies, and breastfeeding intervention programs. During this meeting, FNS also took the opportunity to solicit the expertise of WIC State agency staff regarding their breastfeeding support needs and expectations for the campaign. FNS will utilize the input to move forward with a plan to update the campaign in FY 2013.

All WIC local agencies are required to implement policies and procedures to provide breastfeeding support and assistance throughout the prenatal and postpartum period. In addition, Section 231 of HHFKA requires USDA to implement a program to recognize exemplary breastfeeding support practices at WIC local agencies and clinics. In response, FNS is developing the *Loving Support Award for Excellence in Breastfeeding*. The purpose of the program is to recognize exemplary breastfeeding support practices at local WIC agencies and provide models to motivate other local WIC agencies and clinics to strengthen their breastfeeding promotion and support activities. A Request For Information (RFI) soliciting public comments on the approach for selecting and awarding local agencies for the program was published in the Federal Register on June 29, 2011. FNS considered information from

existing recognition programs, key stakeholder input, and public comments gathered from the RFI to develop the award selection criteria and application procedures. Local WIC Agencies operating a peer counseling program for at least one year, and who meet all of the core components of the FNS *Loving Support*[®] peer counseling model, will be eligible to apply for recognition at three levels of performance: Gold, Gold Premiere, and Gold Elite. FNS plans to launch the award process in FY 2013.

FNS continues to collaborate with other Federal agencies and non-profit organizations to promote breastfeeding. FNS partners with other member organizations to sponsor the bi-annual meetings of the Breastfeeding Promotion Consortium (BPC). The mission of the BPC is to be a forum for the Federal Government and breastfeeding advocacy groups to promote, protect, and support breastfeeding. The BPC comprises over 30 organizations, including professional and public health associations, government agencies, and breastfeeding advocacy groups. Additionally, FNS participates in a Federal Breastfeeding Workgroup convened by the Department of Health and Human Services' Centers for Disease Control and Prevention which focuses on implementation activities surrounding the Surgeon General's Call to Action to Support Breastfeeding (Call to Action) as well as interagency coordination of breastfeeding support efforts. The workgroup includes staff from Federal agencies that have a substantive role in breastfeeding promotion and support activities. FNS is also a government liaison to the United States Breastfeeding Committee, a national breastfeeding committee composed of representatives from relevant government departments, non-governmental organizations, and health professional associations who strategically work to support breastfeeding efforts and initiatives across the country.

Cost Containment Initiatives

In an effort to use food grants more efficiently, all geographic WIC State agencies and most Indian Tribal Organizations (ITO) have implemented cost containment strategies, including competitive bidding, rebates, least cost brands, and use of economically-priced package sizes. Savings generated by such actions are used by State agencies and ITOs to provide benefits to more participants within the same total budget. Due to the success of cost saving measures, average per person WIC food costs have grown much more slowly than general food inflation over the last 22 years. The average monthly food cost has increased by approximately 49.3 percent from FY 1990 to FY 2012, while general food inflation, as measured by the Thrifty Food Plan (TFP), has increased by 84.5 percent.

The most successful strategy has been competitively bid infant formula rebate contracts between State agencies and infant formula manufacturers. In addition, 18 State agencies, including State agencies that are parties in three multi-State contracts, have rebate contracts for infant foods (cereal, vegetable, fruit, and meat). In FY 2012, States reported rebate savings of \$1.7 billion. Approximately 88 percent (42) of the geographic State agencies (excluding Mississippi and Vermont) received a 90 to 99 percent discount on the wholesale cost of a 13-ounce can of milk-based liquid concentrate infant formula. The remaining geographic State agencies (six) received discounts ranging from 84 to 89 percent.. Nine geographic State agencies implemented contracts for FY 2012 with discounts ranging from 92 to 94 percent, with a median discount of 93 percent. To date, 25 geographic State agencies awarded contracts for FY 2013 with discounts ranging from 88 to 99 percent, with a median discount of 97 percent. FNS continues to closely monitor infant formula rebates.

The Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265) required State agencies to establish cost containment systems to ensure that the WIC Program pays competitive prices for WIC foods. The law also contained provisions regarding vendors that derive more than 50 percent of their annual food sales from WIC redemptions, including requiring State agencies to ensure that the use of such vendors does not result in higher food costs than if participants used regular vendors (average payments to above-50-percent vendors cannot be higher than average payments to regular vendors). FNS published an interim final rule on November 29, 2005, implementing the new provisions. By law, State agencies were required to implement the rule provisions by December 30, 2005. FNS published a final rule to complete the implementation of these provisions of the law on October 8, 2009 (74 FR 51745). FNS continued to provide training and technical assistance to assist States in implementing their vendor cost containment systems throughout FY 2013. Each year States vendor management is monitored through The Integrity Profile (TIP) report. This approach will give a more complete assessment of WIC vendor management nationwide to inform additional improvements to FNS oversight efforts. In addition to training that is provided to State agency staff during individual FNS Regional meetings, FNS Headquarters provides periodic training to Regional and State agency staff. In FY 2012, there was a National EBT Users/Vendor Management Conference that was attended by Regional and State agency staff. The conference focused on State agency vendor management process and practices, as well as FNS expectations for oversight at the State agency level. Specific topics included

vendor selection and authorization, competitive pricing, identifying high-risk vendors, establishing maximum allowable reimbursement levels and effective monitoring systems.

Training is also planned for State and local agency WIC staff in FY 2013 as part of the National WIC Association (NWA) biennial Technology Conference. FNS will develop the program integrity sessions which will focus on development of effective competitive price, maximum allowable reimbursement and peer group criteria.

For 2013 FNS requires a management evaluation (ME) review of the vendor management area be conducted in every State over the 2013-2014 period. This approach will give a more complete assessment of WIC vendor management nationwide to include additional improvements to our oversight efforts. Information elicited from these vendor MEs will be summarized and analyzed to identify successful policies, practices, and procedures that have been developed and implemented by WIC State agencies. In November 2012, an FNS Program Integrity work group completed its report on recommendations and best practices for WIC program integrity that is the basis for FY 2013 training and future policy changes.

WIC Prescreening Tool

The WIC Prescreening Tool is a web-based tool that was developed to help potential WIC applicants determine if they are likely to be eligible for WIC benefits. The WIC Prescreening Tool asks users to complete a series of short questions regarding their eligibility for WIC benefits. Users who are likely to be eligible to receive WIC benefits are provided with State-specific contact information and are encouraged to make a certification appointment with their WIC local agencies. Additionally, users are provided with a printable summary of their responses and a list of examples of the documentation that is required at an initial certification appointment.

The WIC Prescreening Tool is accessible to all Internet users via “Am I Eligible?” links on the WIC homepage. The tool is accessed approximately 3,000 times per day by users across the country. The tool was initially launched in English, Spanish and Mandarin Chinese; due to its popularity, it has been translated into six additional languages (Arabic, Haitian-Creole, Korean, Russian, Somali and Vietnamese), which will be applied and launched in FY 2013.

State Agency Model (SAM) Project

The SAM Project is an initiative to develop model WIC management information systems (MIS) through multiple State agency consortia. It also includes the transfer of these models to other WIC State agencies in order to eliminate systems development duplication and streamline the MIS procurement process. The SAM Project is consistent with FNS’ technology goal to improve WIC system functionality through the replacement of automated legacy systems. For many states, this step is a necessary precursor to EBT implementation.

FY 2012 was the ninth year in which FNS awarded grant funds in support of the SAM Project. The three SAM consortia are: Successful Partners in Reaching Innovative Technology (SPIRIT), comprised of 13 ITOs in New Mexico and Oklahoma; the Mountain Plains State Consortium (MPSC), comprised of three State agencies (Colorado, Wyoming, and Utah); and Crossroads, comprised of four State agencies in the Mid-Atlantic and Southeast regions (Virginia, West Virginia, North Carolina, and Alabama).

Development of the first model system, SPIRIT, was completed in FY 2007 and enhanced in FY 2008 and FY 2009. With the completion of the SPIRIT model, FNS has provided funding and/or approval to eight State agencies to transfer the SPIRIT system (Arkansas, Missouri, Montana, Maine, Alaska, Minnesota, Mississippi and Potawatomi Indian Tribal Organization).

The MPSC system has been successfully implemented in Colorado, Utah and Wyoming. Wyoming enhanced the system to support offline EBT and implemented in the fall of 2012. The Crossroads system begins User Acceptance Testing in Spring 2013 with Pilot scheduled to begin in late Summer 2013.

Electronic Benefit Transfer (EBT)

FNS is promoting EBT in State agencies that can support it, with the goal of nationwide EBT implementation by October 2020, as required by Congress.

EBT systems have the potential to enhance benefit delivery and improve accountability of food benefits and vendor payment systems. FNS continues to work with individual State agencies to plan, develop, and implement WIC EBT systems. As of the end of FY 2012, at least 60 WIC State agencies, or two-thirds of all WIC State agencies, are involved in some phase of EBT, either planning, development, implementation or operational Statewide. In FY 2012, no new EBT projects were funded because additional funding was not provided in the appropriation. To date, ten WIC State agencies have successfully implemented EBT projects Statewide. Five State agencies (Cherokee, OK; Isleta, NM; New Mexico; Texas and Wyoming) are using smartcard technology and five (Chickasaw Nation, OK; Inter-Tribal Council of Nevada, NV; Kentucky; Michigan; and Nevada) have successfully implemented EBT using magnetic stripe cards, or online technology.

Thirty-eight WIC State agencies are currently in the planning phase for EBT. They include: Alabama, Alaska, Arizona (with Commonwealth of the Northern Mariana Islands, Navajo Nation, Guam and American Samoa), California, Delaware, District of Columbia, Illinois, Indiana, Louisiana, Maryland (with the Virgin Islands), Massachusetts, Missouri, Nebraska, New Jersey, the New Mexico Indian Tribal Organizations (5 Sandoval; 8 Northern Pueblo; Acoma, Canoncita, and Laguna; and Zuni), New York, North Dakota, Ohio, the Oklahoma Indian Tribal Organizations (Choctaw; Inter-Tribal Council Inc; Muskogee Creek; Osage; Otoe-Missouria; and the Wichita, Caddo, and Delaware Tribe), Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, and Washington.

Twelve WIC State agencies (Arkansas, Colorado, Connecticut, Florida, Iowa, Maine, Montana, Oklahoma, Oregon, Vermont, Virginia, and West Virginia) are currently implementing EBT. One State agency, Wisconsin, has completed all planning activities but has not yet implemented their EBT system.

In FY 2012, FNS contracted for services to facilitate the effort to expand the functionality and upgrade the current national UPC (NUPC) database to support the needs of WIC State agencies and FNS for EBT implementation. While the requirement to establish a NUPC database has been met - the current version of the NUPC database is available for use in both the test and production environments - FNS recognizes that the database is difficult to use, requires a significant time commitment to add products, and does not capture data in a consistent format. As a result, several WIC State agencies have developed UPC databases for individual State agency use. These individual UPC databases are not necessarily interconnected and do not serve as a central repository of information that can be freely shared between all WIC State agencies. Therefore, FNS is moving forward with several enhancements to the NUPC database that will 1) simplify the data input process; 2) expand the database to include nutrition information and ingredients for each product; and 3) provide for an independent third party to assume responsibility for populating the NUPC database while ensuring that the information housed in the database is accurate, complete, and consistent.

Nutrition Risk Assessment

Value Enhanced Nutrition Assessment (VENA): The VENA initiative is a response to the IOM Report, Dietary Risk Assessment in the WIC Program, published in 2002, which determined that all women and children (ages 2 to 5 years), who meet eligibility requirements of the Program, also meet the requirement of nutrition risk, based on failure to meet the Dietary Guidelines. VENA Policy and Guidance (developed with the assistance of a joint workgroup of FNS and National WIC Association representatives) was implemented in FY 2010. FNS continues to provide technical assistance to assist State agencies with VENA competencies and operation; including the WIC Works Resource System public website, which hosts a VENA village complete with three VENA competency online training modules, the VENA guidance document, and State developed training materials. In addition, in FY 2012 a VENA II initiative was launched to highlight VENA successes at the State and local level and to identify areas that may need additional support and effort. Initial plans include periodic webinars to showcase successful VENA activities and to promote such activities in other WIC Programs across the nation.

Revised WIC Nutrition Risk Criteria: In FY 2012, WIC implemented revised anthropometric risk criteria for children that incorporated the World Health Organization (WHO) growth standards. These revised risk criteria require the use of the new growth charts for Birth to 24 Months of Age, developed by the Centers for Disease Control and Prevention.

WIC Special Project Grants – Revitalizing Quality Nutrition Services in the WIC Program

In FY 2011, FNS provided grant awards to States as part of FNS’ Revitalizing Quality Nutrition Services (RQNS) in WIC initiative, whose goal is to improve and strengthen the effectiveness of WIC nutrition services. In FY 2011, FNS awarded a full grant to the Massachusetts State Agency, and concept paper development grants to the State agencies of Connecticut, Vermont, and Virginia. The \$286,190 grant awarded to Massachusetts focuses on evaluating the use of Family Support Coordinators in locations that do not have comprehensive social service programs. These part-time referral coordinators provide comprehensive service coordination for WIC families with more significant referral service needs. Connecticut, Virginia, and Vermont were awarded \$24,500 each for development of their concept papers. The Connecticut concept paper aims to provide a framework for how WIC, Head Start and Early Head Start can work together more effectively and to evaluate if the partnership can increase participation and/or participant retention. The Virginia concept paper also seeks to partner with Head Start and

Early Head Start to increase WIC participation and retention rates of children 2-4 years of age. It also plans to address areas of duplicative services between Head Start and WIC and to improve collaboration between Head Start and WIC. The Vermont concept paper aims to determine how to adapt a reference model for an online facilitated behavioral weight management program that will meet the needs of prenatal women enrolled in the Vermont WIC Program and facilitate program participation.

State	Award
Full Grants	
Massachusetts	\$286,190
Concept Paper	
Connecticut	24,500
Vermont	24,500
Virginia	24,500

WIC Studies and Evaluations

A number of WIC-related studies and reports were released by FNS in FY 2012 and may be found on the FNS website at <http://www.fns.usda.gov/ora>. Highlights include:

- **WIC Participant and Program Characteristics 2010:** Summarizes demographic characteristics of WIC participants nationwide in April 2010, along with information on participant income, nutrition risks, and breastfeeding initiation for WIC infants.
- **Evaluation of the Birth Month Breastfeeding Changes to the WIC Food Packages:** Examines the impact of changes in the WIC food package for partially-breastfeeding mothers on breastfeeding initiation, duration and intensity.
- **National Survey of WIC Participants:** Presents data on a nationally representative sample of program participants to identify key participant characteristics and update information on nutritional risks, sources of food assistance, family composition, health insurance coverage, and other policy-relevant topics.

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2012**

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	32,152	35,531	74,217	141,900	\$119,898
Alaska-----	5,930	5,952	13,087	24,969	23,328
Arizona 1/-----	44,920	47,048	101,128	193,096	148,516
Arkansas-----	23,474	24,491	46,273	94,238	72,623
California-----	328,181	289,604	854,563	1,472,347	1,261,722
Colorado 1/-----	24,571	23,293	55,905	103,769	79,305
Connecticut-----	12,094	14,126	30,366	56,585	48,026
Delaware-----	4,452	5,566	12,187	22,205	16,537
District of Columbia-----	4,222	4,782	7,453	16,457	14,919
Florida-----	120,980	118,427	255,674	495,081	376,083
Georgia-----	73,181	70,725	159,760	303,665	297,011
Hawaii-----	8,811	8,591	19,767	37,169	36,220
Idaho-----	10,312	9,925	23,514	43,751	30,480
Illinois-----	67,746	76,159	144,942	288,847	231,311
Indiana-----	39,442	40,639	84,030	164,111	113,887
Iowa-----	15,980	16,606	36,573	69,159	49,354
Kansas-----	16,993	18,146	39,622	74,761	52,694
Kentucky-----	30,572	35,191	66,852	132,614	106,755
Louisiana-----	35,102	38,643	71,601	145,346	126,363
Maine 1/-----	5,477	5,846	14,461	25,784	19,310
Maryland-----	35,216	35,357	75,611	146,184	112,025
Massachusetts-----	28,085	27,953	66,607	122,644	89,440
Michigan-----	58,657	63,707	133,590	255,954	198,697
Minnesota-----	29,241	27,807	71,340	128,388	103,325
Mississippi 1/-----	19,351	25,984	49,440	94,775	89,123
Missouri-----	36,124	37,514	71,781	145,419	104,594
Montana-----	4,630	4,677	11,148	20,455	16,714
Nebraska 1/-----	9,549	9,843	23,335	42,727	34,349
Nevada 1/-----	17,353	17,939	40,816	76,108	53,703
New Hampshire-----	3,733	4,124	8,442	16,299	11,362
New Jersey-----	40,060	38,519	93,733	172,313	150,002
New Mexico 1/-----	15,273	14,925	33,629	63,827	47,945
New York 1/-----	125,414	119,254	279,063	523,732	466,357
North Carolina 1/-----	61,326	64,554	143,381	269,261	205,710
North Dakota 1/-----	3,164	3,366	7,132	13,661	13,219
Ohio-----	63,102	68,833	143,291	275,226	189,028
Oklahoma 1/-----	29,750	29,667	63,678	123,095	96,643
Oregon-----	26,001	23,595	62,052	111,648	81,227
Pennsylvania-----	57,117	61,652	134,252	253,021	217,724
Rhode Island-----	5,276	5,560	13,417	24,253	20,253
South Carolina-----	33,586	34,826	62,113	130,525	101,387
South Dakota 1/-----	4,765	5,142	12,256	22,164	20,441
Tennessee-----	42,657	43,750	76,368	162,775	128,405
Texas-----	249,607	227,473	492,814	969,893	561,225
Utah-----	16,893	15,229	37,519	69,641	47,923
Vermont-----	3,266	2,868	9,338	15,471	13,622
Virginia-----	40,441	39,094	79,603	159,137	102,411
Washington-----	44,597	38,169	111,974	194,739	154,380
West Virginia-----	11,283	11,536	25,073	47,891	38,541
Wisconsin-----	26,882	27,561	64,082	118,525	93,033
Wyoming 1/-----	3,042	3,080	6,478	12,600	9,779
American Samoa-----	1,286	1,116	4,236	6,638	7,626
Guam-----	1,657	1,863	3,850	7,370	8,864
North Mariana Island-----	842	721	2,865	4,428	5,658
Puerto Rico-----	38,038	39,377	115,898	193,314	246,978
Virgin Islands-----	1,211	1,161	2,949	5,321	7,855
Anticipated adjustment-----					512
TOTAL-----	2,093,066	2,067,085	4,745,126	8,905,278	\$7,074,422

1/ Includes Indian Tribal Organizations

2/ Excludes obligations for WIC infrastructure grants, technical assistance, Breastfeeding Peer Counselors, EBT/MIS, and Federal Administrative Oversight. Totals may not add due to rounding.

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

The estimates include proposed changes in the language of this item as follows:

Supplemental Nutrition Assistance Program:

For necessary expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), \$78,389,610,000, of which \$5,000,000,000, to remain available through September 30, 2015, shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: Provided, That funds provided herein shall be expended in accordance with section 16 of the Food and Nutrition Act of 2008: Provided further, That, of the funds made available under this heading, \$998,000 may be used to provide nutrition education services to state agencies and Federally recognized tribes participating in the Food Distribution Program on Indian Reservations: Provided further, That, of the funds made available under this heading, \$1,498,000 may be available for the Center for Nutrition Policy and Promotion: Provided further, That, of the funds made available under this heading, \$5,000,000 may be used to fund a national food consumption survey: Provided further, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: Provided further, That funds made available for the purposes of section 16(h)(1) of the Food and Nutrition Act of 2008 under this heading shall remain available until expended, notwithstanding section 16(h)(1) of the Food and Nutrition Act of 2008: Provided further, That funds made available under this heading for section 28(d)(1) of the Food and Nutrition Act of 2008 shall remain available through September 30, 2015: Provided further, That funds made available under this heading may be used to enter into contracts and employ staff to conduct studies, evaluations, or to conduct activities related to program integrity provided that such activities are authorized by the Food and Nutrition Act of 2008.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – Current Law

2013 Estimate <u>a/</u>	\$78,685,328,000
Budget Estimate, 2014 <u>a/</u>	<u>78,389,610,000</u>
Change in Appropriation	<u>-295,718,000</u>

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – Proposed Legislation

Budget Request, Current Law, 2014 <u>a/</u>	\$78,389,610,000
Change Due to Proposed Legislation	<u>(2,256,132,000)</u>
Net Request, 2014 Request <u>a/</u>	<u>78,389,610,000</u>

a/ Excludes ARRA funding of \$5,376,457,000 in FY 2013 and \$561,505,000 in FY 2014.

Summary of Increases and Decreases – Current Law
(Dollars in thousands)

Item of Change	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
Benefit Costs	\$61,001,019	\$9,333,629	-\$1,626,393	-\$2,619,644	\$66,088,611
ARRA -- Benefits	12,015,300	-3,724,477	-1,599,894	-6,238,344	452,585
Contingency Reserve	3,000,000	-210,000	210,000	2,000,000	5,000,000
Administrative Costs:					
State Administrative Costs	3,618,000	124,000	124,512	132,512	3,999,024
Nutrition Ed. and Obesity Prevention	375,000	13,000	-103,000	116,000	401,000
Employment and Training	372,946	13,172	29,828	21,459	437,405
Mandatory Other Program Costs	110,687	9,290	20,146	21,621	161,744
Discretionary Other Program Costs	2,496	-1,496	6	6,490	7,496
Total Administrative Costs	4,479,129	157,966	71,492	298,082	5,006,669
Nutrition Assistance for Puerto Rico	1,744,605	90,859	37,446	19,173	1,892,083
ARRA -- NAP	255,963	-90,859	-37,446	-19,173	108,485
American Samoa	7,006	365	151	77	7,599
ARRA -- American Samoa Benefits	1,028	-365	-151	-77	435
Food Distribution Program on Indian	96,958	5,788	-2,590	3,844	104,000
TEFAP Commodities	247,500	12,750	5,500	2,750	268,500
Commonwealth of the Northern Mariana	12,148	1,000	-1,000	0	12,148
Community Food Project	5,000	0	0	0	5,000
Program Access	5,000	0	0	0	5,000
Total Adjusted Appropriation	82,870,656	5,576,656	-2,942,885	-6,553,312	78,951,115
ARRA Funding	-12,272,291	3,815,701	1,637,491	6,257,594	-561,505
Rescission	15,097	-4,097	-11,000	0	0
Total Appropriation or Change	70,613,462	9,388,260	-1,316,394	-295,718	78,389,610

FOOD AND NUTRITION SERVICE

Project Statement – Current Law
(Appropriations Detail and Staff Years)
(Dollars in thousands)

Project	2011		2012		2013		Inc. or Dec.	2014	
	Actual	SY	Enacted	SY	Estimate	SY		Estimate	SY
Participant Benefits:									
SNAP Benefits	\$61,001,019		\$70,334,648		\$68,708,255		-\$2,619,644	\$66,088,611	
ARRA Benefits	12,015,300		8,290,823		6,690,929		-6,238,344	452,585	
Subtotal, Participant Benefits	73,016,319		78,625,471		75,399,184		-8,857,988 (1)	66,541,196	
Contingency Reserve	3,000,000		2,790,000		3,000,000		2,000,000	5,000,000	
State Administrative Costs	3,618,000		3,742,000		3,866,512		132,512 (2)	3,999,024	
Nutrition Ed. & Obesity Prevention Grant Prog.	375,000		388,000		285,000		116,000 (3)	401,000	
Employment and Training:									
Federal Funds 100% 1/	95,000		99,000		99,000		11,000	110,000	
Federal Funds and Participant Costs 50%	277,946		287,118		316,946		10,459	327,405	
Subtotal, Employment and Training	372,946		386,118		415,946		21,459 (4)	437,405	
Subtotal, State Administrative Funding	4,365,946		4,516,118		4,567,458		269,971	4,837,429	
Mandatory Other Program Costs:									
Benefit & Retailer Redemption and Monitoring	28,951		29,327		32,738		6,435	39,173	
Certification of SSI Recipients for SNAP	20,375		20,772		21,208		541	21,749	
Payment Accuracy and Cooperative Services	8,150		8,225		10,996		6,651	17,647	
Web-Based Automation of Systems	0		7,500		7,500		0	7,500	
Retailer Integrity and Trafficking	8,116		8,151		12,364		4,324	16,688	
Computer Support	7,463		7,474		9,594		182	9,776	
Electronic Benefit Transfer Systems	5,579		9,641		12,422		2,871	15,293	
Nutrition Education and Program Information	10,011		11,887		14,117		332	14,449	
Program Evaluation and Modernization	11,482		11,500		13,684		285	13,969	
Increase Seniors Participation	10,560		0		0		0	0	
FMMI	0		3,500		3,500		0	3,500	
IT Modernization and Support	0		2,000		2,000		0	2,000	
Subtotal, Mandatory Other Program Costs	110,687		119,977		140,123		21,621	161,744	
Discretionary Other Program Costs:									
Center for Nutrition Policy and Promotion	1,498		0		0		1,498	1,498	
FDPIR Nutrition Education	998		1,000		1,006		-8	998	
National Health and Nutrition Examination	0		0		0		5,000	5,000	
Subtotal, Discretionary Other Program Costs	2,496		1,000		1,006		6,490	7,496	
Subtotal, Other Program Costs	113,183	125	120,977	154	141,129	164	28,111 (5)	169,240	239
Subtotal, Supplemental Nutrition Assistance	80,495,448	125	86,052,566	154	83,107,771	164	-6,559,906	76,547,865	239
Nutrition Assistance for Puerto Rico	1,744,605		1,835,464		1,872,910		19,173 (6)	1,892,083	
ARRA -- Benefits NAP	255,963		165,104		127,658		-19,173	108,485	
Subtotal, NAP	2,000,568		2,000,568		2,000,568		0	2,000,568	
American Samoa	7,006		7,371		7,522		77 (7)	7,599	
ARRA -- American Samoa Benefits	1,028		663		512		-77	435	
Subtotal, American Samoa	8,034		8,034		8,034		0	8,034	
Food Distribution Program on Indian									
USDA Foods in lieu of SNAP	59,818		64,938		61,327		2,484	63,811	
Distributing Agencies Expenses and Nut. Ed.	37,140		37,808		38,829		1,360	40,189	
Subtotal, FDPIR	96,958		102,746		100,156		3,844 (8)	104,000	
TEFAP Commodities	247,500		260,250		265,750		2,750 (9)	268,500	
Commonwealth of the Northern Mariana Islands	12,148		13,148		12,148		0	12,148	
Community Food Project	5,000		5,000		5,000		0	5,000	
Program Access	5,000		5,000		5,000		0	5,000	
Total Adjusted Appropriation	82,870,656	125	88,447,312	154	85,504,427	164	-6,553,312	78,951,115	239
ARRA Funding	-12,272,291		-8,456,590		-6,819,099		6,257,594	-561,505	
Transfer to WIC (12-3510)	0		400,000		0		0	0	
Rescission	15,097		11,000		0		0	0	
Total Appropriation	70,613,462	125	80,401,722	154	78,685,328	164	-295,718	78,389,610	239

1/ Appropriated Employment & Training funds are adjusted to reflect the following rescissions: FY 2011 \$15,000,000 (P.L. 112-10 Sec. 1282) and \$97,000 (P.L. 112-10 Sec. 1119); FY 2012 \$11,000,000 (P.L. 112-55 Sec.723); FY 2013 reduction in Budget Authority of \$11,000,000 (P.L. 112-240 Sec. 701) and change in mandatory program of -\$11,000,000 reflecting 2012 rescission (OMB Bulletin No. 12-02).

FOOD AND NUTRITION SERVICE

**Project Statement – Current Law
(Obligation Detail and Staff Years (SY))
(Dollars in thousands)**

Project	2011	SY	2012	SY	2013	SY	Inc. or	2014	SY
	Actual		Actual		Estimate		Dec.		
Participant Benefits:									
SNAP Benefits	\$59,869,591		\$66,370,589		\$68,773,255		-\$2,619,644	\$66,153,611	
ARRA Benefits	11,895,896		8,176,524		6,690,929		-6,238,344	452,585	
Subtotal, Participant Benefits	71,765,487		74,547,113		75,464,184		-8,857,988	66,606,196	
Contingency Reserve	0		0		0		0	0	
State Administrative Costs	2,940,169		3,235,814		3,866,512		132,512	3,999,024	
Nutrition Ed. & Obesity Prevention Grant Prog.	375,000		388,000		285,000		116,000	401,000	
Administrative Costs 100%	192,194		0		0		0	0	
Employment and Training:									
Federal Funds 100% <u>1</u>	110,378		111,403		113,664		-1,797	111,867	
Federal Funds and Participant Costs 50%	243,652		222,593		316,946		10,459	327,405	
Subtotal, Employment and Training	354,030		333,996		430,610		8,662	439,272	
Subtotal, State Administrative Funding	3,861,393		3,957,810		4,582,122		257,174	4,839,296	
Mandatory Other Program Costs:									
Benefit & Retailer Redemption and Monitoring	31,276		29,169		32,738		6,435	39,173	
Certification of SSI Recipients for SNAP	17,398		12,599		21,208		541	21,749	
Payment Accuracy and Cooperative Services	7,908		7,975		10,996		6,651	17,647	
Web-Based Automation of Systems	0		7,415		7,500		0	7,500	
Retailer Integrity and Trafficking	8,715		8,040		12,364		4,324	16,688	
Computer Support	7,459		7,408		9,594		182	9,776	
Electronic Benefit Transfer Systems	5,534		8,522		12,422		2,871	15,293	
Nutrition Education and Program Information	9,903		11,770		14,117		332	14,449	
Program Evaluation and Modernization	11,097		11,459		13,684		285	13,969	
Increase Seniors Participation	0		0		0		0	0	
FMMI	0		3,500		3,500		0	3,500	
IT Modernization and Support	0		2,000		2,000		0	2,000	
Subtotal, Mandatory Other Program Costs	99,290		109,857		140,123		21,621	161,744	
Discretionary Other Program Costs:									
Center for Nutrition Policy and Promotion	1,498		0		0		1,498	1,498	
FDPIR Nutrition Education	998		998		1,006		-8	998	
National Health and Nutrition Examination	0		0		0		5,000	5,000	
Subtotal, Discretionary Other Program Costs	2,496		998		1,006		6,490	7,496	
Subtotal, Other Program Costs	101,786	125	110,856	154	141,129	164	28,111	169,240	239
Subtotal, Supplemental Nutrition Assistance	75,728,666	125	78,615,779	154	80,187,435	164	-8,572,703	71,614,732	239
Nutrition Assistance for Puerto Rico	1,744,605		1,835,464		1,872,910		19,173	1,892,083	
ARRA -- Benefits NAP	255,963		165,104		127,658		-19,173	108,485	
Subtotal, NAP	2,000,568		2,000,568		2,000,568		0	2,000,568	
American Samoa	6,562		7,371		7,522		77	7,599	
ARRA -- American Samoa Benefits	1,028		663		512		-77	435	
Subtotal, American Samoa	7,590		8,034		8,034		0	8,034	
Food Distribution Program on Indian									
USDA Foods in lieu of SNAP	59,557		64,926		61,327		2,484	63,811	
Distributing Agencies Expenses and Nut. Ed.	37,365		37,760		38,829		1,360	40,189	
Subtotal, FDPIR	96,922		102,686		100,156		3,844	104,000	
TEFAP Commodities <u>2</u>	247,471		260,220		265,750		2,750	268,500	
Commonwealth of the Northern Mariana Islands	12,148		13,148		12,148		0	12,148	
Community Food Project	5,000		5,000		5,000		0	5,000	
Health and Nutrition Pilot Projects	77		524		3,128		-3,128	0	
Program Access	5,000		5,000		5,000		0	5,000	
Total Obligations	78,103,442	125	81,010,960	154	82,587,219	164	-8,569,237	74,017,982	239
Recoveries	-63,405		-8,298		0			0	
Unobligated Balance Start of Year	-1,608,646		-3,029,124		-2,814,494		-192,208	-3,006,702	
Unobligated Balance End of Year	3,029,124		2,814,494		3,006,702		1,998,133	5,004,835	
Balance Lapsing	3,465,803		7,544,981		2,790,000		210,000	3,000,000	
Transfer to WIC (12-3510) <u>3</u>	0		400,000		0		0	0	
Collections from Reimbursable Obligations	-55,662		-66,566		-65,000		0	-65,000	
Total Adjusted Appropriation	82,870,656	125	88,666,448	154	85,504,427	164	-6,553,312	78,951,115	239
ARRA Funds	-12,272,291		-8,342,291		-6,819,099		6,257,594	-561,505	
Rescission	15,097		11,000		0		0	0	
Total Appropriation	70,613,462	125	80,335,156	154	78,685,328	164	-295,718	78,389,610	239

FOOD AND NUTRITION SERVICE

- 1/ Appropriated Employment & Training funds are adjusted to reflect the following rescissions: FY 2011 \$15,000,000 (P.L. 112-10 Sec. 1282) and \$97,000 (P.L. 112-10 Sec. 1119); FY 2012 \$11,000,000 (P.L. 112-55 Sec.723); FY 2013 reduction in Budget Authority of \$11,000,000 (P.L. 112-240 Sec. 701) and change in mandatory program of -\$11,000,000 reflecting 2012 rescission.
- 2/ Up to 10 percent of the funding provided for The Emergency Food Assistance Program (TEFAP) for the procurement of commodities may be used for TEFAP administrative costs.
- 3/ FNS has transferred through reprogramming \$400 million from the SNAP account to WIC contingency in order to support anticipated participation in the WIC program in FY 2012.

Justification of Increases and Decreases

The FY 2014 request for SNAP reflects a decrease of \$295,718,000 (not including changes resulting from ARRA adjustments).

- (1) A decrease of \$2,619,644,000 for Benefit Costs (\$68,708,255,000 available in FY 2013).

In FY 2014, overall participation is estimated to decrease to an average level of 44.73 million participants per month due to changes in unemployment and general economic conditions. The amount requested for benefits is driven by three factors: participation, average benefit per person, and the portion of the benefits covered by ARRA funding.

ARRA funding for benefits is scheduled to end on October 31st, 2013. This provides one month of ARRA funding in FY 2014 for regular SNAP benefits. A proposed legislative change extending ARRA benefits to March 31st, 2014 is included in this document.

A comparison of key program performance and cost indicators for FYs 2011 through 2014 is presented below:

Program Performance Cost Indicators

	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Average participation per month (000)	44,712	46,609	47,105	44,734
Average unemployment rate (percent)	9.0	8.1	7.7	7.3
Thrifty Food Plan (TFP)	\$582.60	\$611.70	\$627.90	\$631.60
Maximum Allotment (4 person hh) based on the TFP	\$582.60	\$611.00	\$627.00	\$631.00
Maximum Allotment (4 person hh) - beginning April 1, 2009	\$668.00	\$668.00	\$668.00	\$631.00
Overall average benefit per person per month including 13.6 percent ARRA increase above the TFP	\$133.85	\$133.42	\$134.50	\$124.06

Note: The Maximum Allotment and Average Benefit per Person per Month shown above do not factor in the October 2013 ARRA benefits. The maximum benefits for October 2013 would be \$668.00, with an estimated average benefit per person of \$134.50.

Because the SNAP statutes and regulations require complex individual and household calculations to determine eligibility and benefit levels, erroneous or false information can result in the overpayment or underpayment of benefits. Some households may intentionally or inadvertently misreport circumstances that affect eligibility and benefits (e.g., income, resources, household composition); other households may fail to report changes in their circumstances. Eligibility workers may fail to act promptly on reported changes, may fail to correctly apply Federal policies, and may make arithmetic errors. FNS works with States to keep all of these errors to a minimum. FNS activities include sponsoring National, regional, and State conferences; providing direct technical assistance to individual States; and facilitating the exchange of effective payment accuracy strategies among States.

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Estimated Erroneous benefits through FY 2014 (Dollars in millions)

	2011 Actual	2012 Target	2013 Target	2014 Target
Amount of Overpayments	\$2,146	\$2,222	\$2,241	\$1,972
Overpayment Error Rate	2.99	2.98	2.97	2.96
Amount of Underpayments	\$581	\$604	\$611	\$540
Underpayment Error Rate	0.81	0.81	0.81	0.81
Total Benefits Over/Under Issued in	\$2,727	\$2,826	\$2,852	\$2,512
Combined Payment Error Rate	3.80	3.79	3.78	3.77
Amount of Combined Payment Errors	\$1,565	\$1,618	\$1,630	\$1,432

- (2) An increase of \$132,512,000 for State Administrative Expenses (SAE) (\$3,866,512,000 available in FY 2013).

The FY 2014 estimate of \$3,999,024,000 for SAE is based on requested State budgets for FY 2012, adjusted for program performance and inflation. SAE are federal matching funds for such expenses as: certification, quality control, IT systems, and fraud control.

- (3) An increase of \$116,000,000 for the Nutrition Education Grant Program (\$285,000,000 available in FY 2013).

These funds support the Nutrition Education and Obesity Prevention Grant Program, which was established by Section 241 of the Healthy, Hunger-Free Kids Act of 2010. The funding is allocated among States through a statutory formula, and provides 100 percent Federal funding through two-year grants, which give States more flexibility to target services where they can be most effective without the constraints of a State match. The amount authorized is set by the American Taxpayer Relief Act of 2012 in Section 701(d)(2) through FY 2015.

- (4) An increase of \$21,459,000 for Employment and Training (\$415,946,000 available in FY 2013).

This funding provides grants to States to provide employment and training (E&T) programs to assist SNAP participants to find work. States use E&T funding and the flexibility of E&T programs to serve low-skilled, vulnerable adults who often have little access to job training. SNAP E&T programs are designed to move recipients off of the SNAP program and other forms of welfare. In FY 2012, 13.5 million SNAP recipients were registered for work and about 760,000 SNAP recipients were subject to E&T participation.

The program fills a serious gap in workforce training access for this population. The E&T grants to states provide critical support for State education and training efforts for SNAP participants while giving States flexibility to determine what services best fit local needs. State agencies choose the components that make up their E&T programs, including: job search and job search training; workfare; basic education or vocational training; and job retention services

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- (5) An increase of \$28,111,000 for other program costs as shown below (\$141,129,000 available in FY 2013).

Changes in Other Program Costs (thousands)

	2013 Estimate	Non-Pay Cost Change	Pay Cost Change	2014 Estimate
Mandatory				
Benefit & Retailer Redemption and Monitoring	\$32,738	\$1,269	\$5,166	\$39,173
Certification of SSI Recipients for SNAP	21,208	541	0	21,749
Payment Accuracy and Cooperative Services	10,996	4,536	2,115	17,647
Web-Based Automation of Systems	7,500	0	0	7,500
Retailer Integrity and Trafficking	12,364	3,753	571	16,688
Computer Support	9,594	182	0	9,776
Electronic Benefit Transfer Systems	12,422	2,397	474	15,293
Nutrition Education and Program Information	14,117	314	18	14,449
Program Evaluation and Modernization	13,684	278	7	13,969
FMMI	3,500	0	0	3,500
IT Modernization and Support	2,000	0	0	2,000
Subtotal, Mandatory Other Program Costs	140,123	13,270	8,351	161,744
Discretionary				
Center for Nutrition Policy and Promotion	0	1,498	0	1,498
FDPIR Nutrition Education	1,006	-8	0	998
National Health and Nutrition Examination Survey	0	5,000	0	5,000
Subtotal, Discretionary Other Program Costs	1,006	6,490	0	7,496
Total	141,129	19,760	8,351	169,240

The overall change consists of the following:

Mandatory:

- (a) An increase of \$6,435,000 for Benefit & Retailer Redemption and Monitoring (\$32,738,000 available in FY 2013).

USDA is strengthening its program integrity efforts and to combat fraud, waste and abuse. Resources will support additional compliance specialists, investigators, quality assurance and data mining experts, and administrative reviewers. This investment will allow FNS to increase its investigation workload, including more field and undercover investigations. USDA will also explore other potential data sources and/or IT solutions not currently used by FNS. This line provides funding for contracts that support benefit redemption activity, as well as most of the systems development and maintenance associated with retailer management. The increase ensures further investments to strengthen these activities, including increased contract costs. Also includes \$5,166,000 for pay costs.

- (b) An increase of \$541,000 for Certification of Supplemental Security Income (SSI) Recipients for SNAP (\$21,208,000 available in FY 2013).

These funds are used for certifying SSI recipients for supplemental nutrition assistance and utilizing Social Security Administration (SSA) data to ensure accurate SNAP benefit determinations. The increase reflects an anticipated increase in the amount requested by SSA for this activity.

- (c) An increase of \$6,651,000 for Payment Accuracy and Cooperative Services (\$10,996,000 available in FY 2013).

This line supports a wide range of activities aimed at increasing payment accuracy and promotes integrity and efficiency in State administration of the program by promoting State exchange of ideas and information. As part of USDA's program integrity investments, USDA will increase its technical assistance to states and perform more management evaluations to help identify possible fraudulent activities. Also includes \$2,115,000 for pay costs.

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- (d) An increase of \$4,324,000 for Retailer Integrity and Trafficking (\$12,364,000 available in FY 2013).

This line provides additional funding for a “strikeforce” of retailer investigators, for retailer oversight, and for other activities that promote retailer integrity efforts. The requested increase will allow investigators to increase their workload and perform additional reviews during the authorization and reauthorization processes. Also includes \$571,000 for pay costs.

- (e) An increase of \$182,000 for Computer Support (\$9,594,000 available in FY 2013).

This line supports the essential systems needed to administer SNAP, including the federal staff required to operate and maintain those systems. These systems include SNAP-specific systems, and FNS’ internal computer systems that support the activities of federal staff. The requested increase maintains support for these vital systems.

- (f) An increase of \$2,871,000 for Electronic Benefit Transfer Systems (\$12,422,000 available in FY 2013).

This line supports efforts associated with nationwide EBT, including staff responsible for the oversight of EBT systems, and staff and systems associated with the collection and review of EBT data. Funds will strengthen current oversight efforts promoting integrity and efficiency in State administration of SNAP by enabling States to travel, interact, and exchange ideas and information. Funds are also available to support the participation of farmers’ markets in SNAP by providing equipment and support grants to new markets and those currently participating in the program. Also includes \$474,000 for pay costs.

- (g) An increase of \$332,000 for Nutrition Education and Program Information (\$14,117,000 available in FY 2013).

This line supports federal costs for SNAP nutrition education initiatives, and supports national projects, including outreach and educational efforts to promote the nutrition benefits of SNAP among potentially eligible non-participants. The requested increase maintains support for current activities. Also includes \$18,000 for pay costs.

- (h) An increase of \$285,000 for Program Evaluation and Modernization (\$13,684,000 available in FY 2013).

FNS conducts a variety of studies, evaluations, and related activities that respond to the needs of policy makers and managers and help ensure that nutrition assistance programs achieve their goals effectively. This line supports the critical evaluations needed for SNAP, including the federal staff needed to oversee this vital work. The requested increase maintains activities at current levels. Also includes \$7,000 for pay costs.

Discretionary:

- (i) An increase of \$1,498,000 for the Center for Nutrition Policy and Promotion (CNPP) (\$0 available in FY 2013).

This provides funding for CNPP services that directly benefit SNAP. CNPP maintains the Thrifty Food Plan which forms the basis for setting SNAP benefit levels. CNPP also provides the nutrition policy guidance for the My Plate initiative, which is vital to ensuring that SNAP benefits are used for healthy consumer choices. In many other areas, such as MyPlate.gov and numerous nutrition education materials targeted to SNAP clients, CNPP provides needed support for the nutrition focused aspects of SNAP. The \$1,498,000 increase reflects a restoration to the FY 2011 appropriated level.

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- (j) A decrease of \$8,000 for the FDPIR Nutrition Education (\$1,006,000 available in FY 2013).

This provides funding for grants to ITOs to provide culturally relevant nutrition education activities that promote healthy choices through USDA Foods, support the nutrition goals outlined in ChooseMyPlate, and encourage physical activity in FDPIR participants. The grants are an important resource to foster positive lifestyle changes in FDPIR communities. The \$8,000 reflects the 2011 appropriated level.

- (k) An increase of \$5,000,000 for the National Health and Nutrition Examination Survey (\$0 available in FY 2013).

This line would support a research study to provide the scientific evidence base for the USDA food assistance programs (jointly proposed and funded by ARS and FNS). For more information see the current law proposal included in this document.

- (6) An increase of \$19,173,000 for the Nutrition Assistance Program for Puerto Rico (\$1,872,910,000 available in FY 2013).

The Food and Nutrition Act of 2008 (as amended by P.L. 110-246), provides for an inflationary adjustment for Nutrition Assistance for Puerto Rico based on the percent change in the TFP. In addition to the appropriation above, additional funding is being provided to maintain a level of funding that is 13.6 percent above the June 2008 TFP as provided for in the ARRA.

- (7) An increase of \$77,000 for American Samoa (\$7,522,000 available in FY 2013).

The Food and Nutrition Act of 2008 (as amended by P.L. 110-246), provides for an inflationary adjustment for Nutrition Assistance for American Samoa based on the percent change in the TFP. In addition to the appropriation above, additional funding is being provided to maintain a level of funding that is 13.6 percent above the June 2008 TFP as provided for in the ARRA.

- (8) An increase of \$3,844,000 for the Food Distribution Program for Indian Reservations (FDPIR) (\$100,156,000 available in FY 2013).

Increases in food costs and administration due to inflation, as well as an increase in participation account for the increase. Participation is expected to increase by 2.0 percent (77,683 persons in FY 2013) and the cost of the monthly food package is expected to increase by \$1.14 (\$65.92 in FY 2013). Administrative costs will increase by \$1,284,000 (\$38,905,000 in FY 2013). Administrative funding is provided to the Indian Tribal Organizations (ITOs) that administer the program. For more information see table below.

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Food Distribution Program on Indian Reservations: Program Data

Program Performance Data	2011 Actual	2012 Actual	2013 Estimate	Inc. or Dec.	2014 Estimate
Resources: (\$000)					
Appropriation	\$96,958	\$102,746	\$100,156	\$3,844	\$104,000
Beginning Inventory (Federal and Local)	26,100	29,053	22,000	-898	21,102
Total Resources	123,058	131,799	122,156	2,946	125,102
Program Demand:					
Average Monthly Participation	78,000	76,535	77,683	1,554	79,237
Average Monthly Food Packages:					
FNS Purchased	\$60.75	\$64.73	\$65.92	\$1.14	\$67.06
Free Substitute	0.28	0.00	0.00	0.00	0.00
Total Monthly Food Package	61.03	64.73	65.92	1.14	67.06
Demand: (\$000)					
FDPIR USDA Food Costs	56,865	59,452	61,450	2,314	63,764
USDA Foods Purchases Admin.	0	687	699	14	713
Special Purchase of Bison	0	0	0	0	0
Demand, USDA Foods	56,865	60,139	62,149	2,328	64,477
State Administration	37,140	37,808	38,905	1,284	40,189
Total Demand	94,005	97,947	101,054	3,612	104,666
Use of Resources:					
Program Demand	94,005	97,947	101,054	3,612	104,666
Inventory Change	2,953	-7,053	-898	232	-666
Remaining Available for Upward Adjustments	0	11,852	0	0	0
Total Funds Available	96,958	102,746	100,156	3,844	104,000
Balance End of Year:					
Ending Inventory	29,053	22,000	21,102	-666	20,436
Commodity Obligations	59,818	53,086	61,251	2,560	63,811

Note: Inventory costs include additional storage and transportation costs for USDA foods moving from Federal inventories.

- (9) An increase of \$2,750,000 for The Emergency Food Assistance Program (TEFAP) (\$265,750,000 available in FY 2013).

Section 27(a) of the Food and Nutrition Act of 2008 requires the Secretary to purchase USDA Foods for distribution through The Emergency Food Assistance Program (TEFAP). Section 27(a)(2) established a baseline funding level of \$250,000,000 in FY 2009, and provides for annual changes in the amount of funding available based on the percent change in the TFP. The requested increase results from an anticipated increase in the TFP of 0.59 percent. Language in the Commodity Assistance Program (CAP) account provides that up to ten percent of the total available funding is permitted to be used for TEFAP administrative costs.

FOOD AND NUTRITION SERVICE

**JOINT ARS/FNCS PRESIDENT'S BUDGET FISCAL YEAR 2014
CURRENT LAW**

Program: Supplemental Nutrition Assistance Program – National Health and Nutrition Examination Survey

Proposal: Increase funding for national food consumption survey capacity, food composition data, and research base for Dietary Reference Intakes to provide the scientific evidence base for the USDA food assistance programs (jointly proposed and funded by ARS and FNS).

Rationale: ARS conducts the only nationally representative survey of food intake in the U.S. as part of the National Health and Nutrition Examination Survey (NHANES) in a long-standing partnership with the National Center for Health Statistics, DHHS. Physical examinations, biological sampling, and dietary interviews are combined to provide snapshots of the health of the nation. ARS is responsible for paying for the dietary interviews, improving methods for assessing dietary intake, and processing the voluminous data collected from those interviews.

The data for this study is particularly important to FNCS, whose clients are primarily low-income persons participating in SNAP, WIC, and child nutrition programs. Data collected by NHANES are essential to understanding food choices, and nutritional and health status of nutrition assistance program participants. The data are also used as part of the evidence base to set Dietary Reference Intakes (DRI) values and update the *Dietary Guidelines for Americans*. Population subgroups at high risk for obesity and other diet-related diseases such as low-income individuals or ethnic minorities are oversampled to provide better estimates for those groups.

Funding for the diet survey has not increased in over 20 years, reducing resources to the point where the survey's continued functioning is jeopardized. With an expected increase of as much as 30 percent when the contract for survey operations is rebid next year, current funding will be insufficient to sustain critical operations. In addition, the ARS food composition database critical to the analysis of these survey data has been unable to update its computer infrastructure or keep pace with the proliferation of new and reformulated foods available in the U.S. as a result of flat funding for many years.

Finally, there is considerable interest in expanding the *Dietary Guidelines for Americans* to include children 0-2 years of age. Because competitive grant programs do not fund such studies, there is a need to assess the DRI for these target groups by intramural scientists; ARS has nutrition centers with Congressionally-mandated missions of studying nutritional needs of children and the aging. NHANES is a powerful tool in these efforts.

Goals: USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals

Budget Impact:
(in millions)

	FY 2014
FNS - SNAP	\$5.0
ARS	<u>11.0</u>
Total Change	\$16.0

Note: FY 2013 President's Budget baseline for ARS includes \$8.7 million for monitoring food and nutrient intake, \$11.6 million to maintain food composition data, and \$19.1 million for research to establish nutrient requirements of children and elderly.

FOOD AND NUTRITION SERVICE

Summary of Proposed Legislation
(On basis of appropriation)
(Dollars in thousands)

Item of Change	Current Law	Change	President's Budget
Benefits:			
SNAP Benefits	\$66,088,611	(-\$8,000)	\$66,088,611
ARRA Benefits	(452,585)	(2,2264,132)	(2,716,717)
Contingency Reserve	5,000,000	0	5,000,000
Administrative Costs:			
State Administrative Costs	3,999,024	0	3,999,024
Nutrition Ed. And Obesity Prevention	401,000	0	401,000
Employment and Training	437,405	0	437,405
Mandatory Other Program Costs	161,744	0	161,744
Discretionary Other Program Costs	7,496	0	7,496
Total Administrative Costs	5,006,669	0	5,006,669
Nutrition Assistance for Puerto Rico	1,892,083	0	1,892,083
ARRA – NAP	(108,485)	(0)	(108,485)
American Samoa	7,599	0	7,599
ARRA – American Samoa Benefits	(435)	(0)	(435)
Food Distribution Program on Indian Res.	104,000	0	104,000
TEFAP Commodities	268,500	0	268,500
Commonwealth of the Northern Marianas	12,148	0	12,148
Community Food Project	5,000	0	5,000
Program Access	5,000	0	5,000
Total Appropriation	78,389,610	(2,256,132)	78,389,610

Explanation of Proposed Legislation:

- An increase of \$2,264,132,000 to extend the enhanced ARRA benefits to March 31, 2014, which was the sunset date prior the enactment of the Healthy Hunger Free Kids Act of 2010.
- A zero cost change to SNAP provisions to prohibit millionaires from receiving SNAP benefits.
- A decrease of \$8 million from an interaction effect with a proposal by the Social Security Administration (SSA) to extend Social Security Insurance time limits for qualified refugees. Please refer to the SSA budget request for additional information.

FOOD AND NUTRITION SERVICE

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2014
PROPOSED LEGISLATION**

Program: Supplemental Nutrition Assistance Program (SNAP)

Proposal: Extend the availability of enhanced SNAP benefits through March 31, 2014.

Rationale: This proposal would extend the current SNAP benefit enhancements through March 31, 2014. The Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) accelerated the sunset date of the SNAP benefit enhancements enacted in ARRA to October 31, 2013. This proposal would revert the sunset date back to March 31, 2014 – the date these benefits would have expired prior to enactment of The Healthy, Hunger-Free Kids Act of 2010.

For more information on SNAP Recovery Act benefits see the SNAP Recovery Act summary below.

Goal: USDA Strategic Goal: Ensure that all of America’s children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Mandatory Budget Authority	0	0	\$2,264	0	0
Mandatory Outlays	0	0	2,214	\$50	0

FOOD AND NUTRITION SERVICE

**FNCS PRESIDENT’S BUDGET FISCAL YEAR 2014
PROPOSED LEGISLATION**

Program: Supplemental Nutrition Assistance Program (SNAP)

Proposal: Prohibit millionaires from receiving Supplemental Nutrition Assistance Program (SNAP) benefits.

Rationale: This provision would enhance certification provisions to prevent those with income or assets of \$1 million or more from receiving SNAP benefits, in support of efforts to ensure that millionaires do not receive federal subsidies. The vast majority of participants have incomes at or well below the poverty level (some 97% of households), but there was a recent rare instance where a lottery winner received substantial winnings and continued to participate in SNAP. This proposal would reinforce FNS’ current program integrity efforts to ensure that this does not happen. Providing SNAP assistance to households that do not need assistance undermines the credibility of the program and distracts attention from the real needs of millions of low-income Americans who turn to SNAP to put food on the table.

Goal: USDA Strategic Goal 4: Ensure that all of America’s children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Mandatory Budget Authority	\$0	\$0	\$0	\$0	\$0

FOOD AND NUTRITION SERVICE

Geographic Breakdown of Obligations and Staff Years (SY)
(Dollars in thousands)

Supplemental Nutrition Assistance Program—Federal Salaries & Expenses								
	2011 Actual		2012 Actual		2013 Estimated		2014 Estimated	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$121	1	\$343	2	\$343	2	\$372	3
Alaska	0	0	8	0	8	0	9	0
Arizona	2	0	29	0	29	0	31	0
Arkansas	0	0	43	0	43	0	47	0
California	762	6	1,940	9	1,941	10	2,107	14
Colorado	1,351	12	703	10	704	11	763	16
Connecticut	0	0	161	1	161	1	175	2
Delaware	0	0	345	3	345	3	375	5
District of Columbia	0	0	1,506	5	1,507	5	1,636	8
Florida	196	2	955	5	956	5	1,037	8
Georgia	1,031	5	1,181	7	1,182	7	1,283	11
Hawaii	169	1	57	1	57	1	62	2
Idaho	0	0	45	0	45	0	49	0
Illinois	2,700	22	1,247	23	1,248	24	1,354	36
Indiana	75	2	118	0	118	0	128	0
Iowa	225	2	253	1	253	1	275	2
Kansas	81	1	139	1	139	1	151	2
Kentucky	0	0	213	1	213	1	231	2
Louisiana	606	1	165	1	165	1	179	2
Maine	782	1	220	1	220	1	239	2
Maryland	1,223	2	1,071	6	1,072	6	1,163	9
Massachusetts	740	5	4,316	6	4,319	6	4,687	9
Michigan	0	0	328	1	328	1	356	2
Minnesota	1,153	1	188	1	188	1	204	2
Mississippi	0	0	12	0	12	0	13	0
Missouri	1,080	1	259	2	259	2	281	3
Montana	0	0	30	0	30	0	33	0
Nebraska	86	1	152	1	152	1	165	2
Nevada	0	0	28	0	28	0	30	0
New Hampshire	24	0	54	0	54	0	59	0
New Jersey	657	7	801	11	802	12	870	17
New Mexico	0	0	34	0	34	0	37	0
New York	187	2	799	5	800	5	868	8
North Carolina	2,306	2	431	3	431	3	468	5
North Dakota	0	0	29	0	29	0	31	0
Ohio	1,153	1	290	1	290	1	315	2
Oklahoma	0	0	32	0	32	0	35	0
Oregon	120	1	213	1	213	1	231	2
Pennsylvania	103	1	304	3	304	3	330	5
Rhode Island	0	0	29	0	29	0	31	0
South Carolina	0	0	39	0	39	0	42	0
South Dakota	113	1	16	0	16	0	17	0
Tennessee	2,306	2	427	3	427	3	464	5
Texas	1,170	8	1,829	12	1,830	13	1,986	19
Utah	0	0	104	1	104	1	113	2
Vermont	0	0	49	0	49	0	53	0
Virginia	55,468	34	75,167	25	75,221	27	81,631	39
Washington	0	0	217	1	217	1	236	2
Wisconsin	0	0	171	0	171	0	186	0
Wyoming	0	0	30	0	30	0	33	0
West Virginia	0	0	46	0	46	0	50	0
Undistributed	1,373	0	1,982	0	1,983	0	2,152	0
Total obligations	\$77,363	125	\$99,148	154	\$99,219	164	\$107,674	239

Note: Figures include 75 Staff Years from proposed legislation to enhance SNAP integrity efforts.

FOOD AND NUTRITION SERVICE

Supplemental Nutrition Assistance Program
Classification by Objects
(Dollars in thousands)

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimate</u>	2014 <u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$5,313	\$6,460	\$6,264	\$9,245
Field.....	6,238	7,584	7,353	10,853
11.0 Total personnel compensation.....	11,551	14,044	13,617	20,098
12.0 Personnel benefits.....	3,981	3,801	4,300	6,273
Total personnel comp. and benefits.....	15,532	17,845	17,917	26,371
Other Objects:				
21.0 Travel and transportation of persons.....	2,221	1,507	1,533	1,562
22.0 Transportation of things.....	158	161	164	167
23.3 Communications, utilities, and misc. charges.....	2,251	228	232	236
24.0 Printing and reproduction.....	998	662	673	686
25.0 Other Services.....	43,211	79,978	81,338	82,883
26.0 Supplies and materials.....	307,029	325,482	327,419	349,459
31.0 Equipment.....	1,344	884	899	916
41.0 Grants.....	77,675,698	80,517,713	82,092,044	73,490,702
Total, Other Objects.....	78,032,910	80,926,615	82,504,302	73,926,611
Subtotal, Direct Obligations.....	78,048,442	80,944,460	82,522,219	73,952,982
Reimbursable Obligations.....	55,000	66,500	65,000	65,000
99.9 Total, new obligations.....	78,103,442	81,010,960	82,587,219	74,017,982

FOOD AND NUTRITION SERVICE

Supplemental Nutrition Assistance Program

SUMMARY OF RECOVERY ACT FUNDING

(Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
SNAP Benefits	\$12,015,300	-\$3,724,477	-\$1,599,894	-\$6,238,344	\$452,585
Puerto Rico NAP	255,963	-90,859	-37,446	-19,173	108,485
American Samoa Benefits	1,028	-365	-151	-77	435
Total Appropriation	12,272,291	-3,815,701	-1,637,491	-6,257,594	561,505

PROJECT STATEMENT

(On basis of available funds)
(Appropriations Detail and Staff Years)
(Dollars in thousands)

	2011 Actual	SY	2012 Actual	SY	2013 Estimate	SY	Inc. or Dec.		2014 Estimate	SY
SNAP Benefits	\$11,895,896	0	\$8,176,524	0	\$6,690,929	0	-\$6,238,344	0	\$452,585	0
Puerto Rico NAP	255,963	0	165,104	0	127,658	0	-19,173	0	108,485	0
American Samoa Benefits	1,028	0	663	0	512	0	-77	0	435	0
Total Obligations	12,152,887	0	8,342,291	0	6,819,099	0	-6,257,594	0	561,505	0
Balance Lapsing	119,404		0		0		0		0	
Total Adjusted Appropriation	12,272,291	0	8,342,291	0	6,819,099	0	-6,257,594	0	561,505	0

Program Implementation Activities:

Goals and Coordination Efforts:

- Utilize the economic multiplier effects of SNAP to stimulate the economy. Every \$5 in new SNAP benefits generates \$9 in total economic activity. SNAP recipients will likely spend the increased benefits quickly. Eighty percent of all benefits are redeemed within two weeks of receipt, and 97 percent are spent within a month.
- FNS worked closely with State partners to implement the provisions of the Recovery Act in a timely manner. All States issued increased benefits to recipients starting April 2009. FNS issued six sets of questions and answers to assist States with implementation of the law.
- FNS is monitoring and overseeing State partner program operations as they spend Recovery Act funds using an existing set of reporting and monitoring tools. This includes regular financial and program activity level reporting, management evaluations, program access reviews, and payment accuracy (quality control) reviews.

Objective:

Put Recovery Act benefit dollars into the wallets of needy people quickly and accurately.

FOOD AND NUTRITION SERVICE

Delivery Schedule:

- March 17, 2009 – Distributed FY 2009 SAE funding to States.
- April 1, 2009 – SNAP recipients began to receive increased benefits each month as a result of ARRA. For example, a household of four received an increase of \$80 per month. Time limits were lifted for able bodied adults without dependents, unless the State agency opted to offer a qualifying work opportunity.
- October 2010 – Distributed FY 2010 SAE funding to States. Time limits for able bodied adults without dependents were reinstated. The clock restarts for all affected households.
- FY 2011 and FY 2012 – ARRA benefits provided \$19.9 billion dollars to needy families

Performance Measures:

Every \$5 in new SNAP benefits generates \$9 in total economic activity. Using FNS estimates of new benefits issued, the total stimulative effect of new benefits is calculated.

	<u>Target</u>			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Increase in SNAP Benefits	\$11.9	\$8.2	\$6.7	\$0.5
Total Stimulative Effect	21.4	14.7	12.0	0.8

FY 2009/2010/2011 Accomplishments:

The ARRA funds provided by SNAP increased SNAP participants' household income during the recession to help boost the economy.

- During FY 2009, FNS quickly obligated \$4.7 billion, 91 percent, of the \$5.2 billion appropriated.
- During FY 2010, FNS obligated \$11.0 billion appropriated by ARRA.
- During FY 2011, FNS obligated \$11.9 billion appropriated by ARRA.
- During FY 2012, FNS obligated \$8.3 billion appropriated by ARRA.

The historical outlay rate for ARRA SNAP benefits is 97 percent, and because of the multiplier effect mentioned earlier SNAP with ARRA fulfilled its role in contributing to economic improvement in the past four fiscal years.

FY 2013/2014 Planned Activities:

FNS will continue to provide the supplemental ARRA benefits to SNAP participants. FNS plans to monitor the obligation and outlay of all ARRA funds in FY 2013 and FY 2014.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

STATUS OF PROGRAM

Program Mission

The Supplemental Nutrition Assistance Program (SNAP) works to raise nutrition levels of low-income households by ensuring access to a nutritious, healthful diet for households through nutrition assistance and nutrition education. SNAP provides the opportunity for low-income recipients to purchase and consume a diet consistent with the *Dietary Guidelines for Americans* by issuing monthly allotments of benefits redeemable for food at retail stores.

Eligibility and allotment amounts are based on household size, income, and expenses; eligibility is also based on assets, citizenship or legal immigration status, work requirements, and other factors. Benefits are adjusted annually to reflect changes in the June cost of the Thrifty Food Plan (a market basket of foods that meet the recommendations of the *Dietary Guidelines for Americans* for a low-cost diet for a four-person reference family). The Federal Government pays the full cost of benefits and funds approximately half of the expenses incurred by the States to administer the program.

The SNAP account also includes Nutrition Assistance for Puerto Rico (NAP), American Samoa and the Commonwealth of the Northern Mariana Islands, the Food Distribution Program on Indian Reservations (FDPIR), and the funding for USDA Foods used in the Emergency Food Assistance Program (TEFAP).

Facts in Brief

Program Participation

SNAP participation for FY 2012 averaged 46.6 million persons per month, representing a nearly 4.3 percent increase from the average monthly participation in FY 2011. The majority of the increase reflects the impact of changing economic conditions, and Federal and State efforts to improve program access through policy and practice.

The following table displays data on benefit costs and participation for FYs 2007 through 2012:

SNAP	2007	2008	2009	2010	2011	2012
Avg. Participation (Millions)	26.47	28.41	33.49	40.30	44.71	46.61
Benefit Costs (Billions)	\$30.4	\$34.6	\$50.4	\$64.7	\$71.8	\$74.6
Average/Person/Month	\$95.64	\$101.52	\$125.31	\$133.79	\$133.85	\$133.42
% Of Population Participating	8.8	9.4	11.1	13.0	14.3	14.8
Persons Unemployed (Millions)	6.9	8.8	13.0	14.8	13.8	12.5

Note: 2009 through 2012 include ARRA

Participation Rates among Eligible People – The most recent figures on the rate of participation show that in 2010, 75 percent of all those who were eligible for SNAP participated in the program while over 93 percent of all estimated benefits were issued by States. This indicates that the program is effectively serving those who need SNAP.

Characteristics of SNAP Recipients – The most recent survey of household characteristics, conducted during 2011, indicates that:

- 76 percent of households contained a child, an elderly (age 60 or older) person, or a disabled person;
- The gross income of 83 percent of households was below the Federal poverty level;
- 43 percent of households were at or below 50 percent of poverty;
- 20 percent of SNAP households had no income; and
- 41 percent of SNAP participants lived in households with earnings.

Program Integrity

Recent data demonstrates that the program integrity efforts of FNS and its State partners are yielding results and continue to trend in the right direction. Two excellent measures of program integrity, certification errors and trafficking remain at record low levels. A certification error occurs when a State eligibility worker authorizes benefits in the wrong amount to a household. Trafficking occurs when SNAP benefits are traded for cash. In spite of holding both of these integrity issues to a low amount, more work remains. In FY 2012, FNS redoubled efforts to prevent and identify fraud and hold bad actors accountable for misuse of the program. These efforts included:

- Releasing the next generation of the ALERT fraud detection system;
- Extensive training of compliance staff;
- Focusing attention on verification and analysis of the accuracy and comprehensiveness of ownership information for high-risk retailers including:
 - Increased documentation requirements for high-risk stores applying to redeem SNAP benefits to better verify their identity and assure their business integrity, and
 - New requirements for the annual reauthorization of these same stores.
- Reengineering FNS retailer management processes to increase efficiency and put FNS in a better position to combat fraud and abuse;
- Emphasizing efforts to enhance compliance related activities in regards to non-traditional retailers;
- Developing of rule to update the definition of trafficking;
- Developing of rule to hold funds of retailers suspected of egregious trafficking;
- Developing of rule to update retailer sanctions;
- Publishing final rule mandating computer matching requirements on State agencies to screen out individuals ineligible for benefits;
- Publishing proposed rule to provide States with additional tools to identify and act upon instances where an individual requests an excessive number of card replacements in order to facilitate trafficking schemes;
- Engaging social media companies to assist in FNS's effort to prevent the use of social media web sites, such as Facebook or Craig's List, as a means to facilitate trafficking activity;
- Providing State agencies technical assistance to improve monitoring of social media web sites;
- Issuing policy guidance to clarify that the intent to sell SNAP benefits, either online or in person, constitutes an Intentional Program Violation;
- Issuing new guidance to States underscoring their responsibility to use the results of FNS retailer actions to investigate and penalize recipients that may have been involved in trafficking with that retailer;
- Initiating data mining activities to further strengthen technical assistance provided to State agencies;
- Working with electronic benefit transfer (EBT) processors to strengthen fraud detection system reporting and training to improve overall effectiveness of State fraud operations;
- Engaging States in a dialogue about client integrity via conferences, one on one discussions, and other venues; and
- Receiving the award of a grant funded by the OMB Partnership Fund for Program Integrity which will develop and test the accuracy of an interstate database of program information to support identification of duplication participation in SNAP and disaster SNAP in up to six States.

Additional efforts are underway in FY 2013, including the identification, development, and issuance of additional policy tools to support States in their efforts to fight fraud; data mining activities designed to identify successful, predictive fraud indicators that can be provided to State agencies; and technical assistance to further strengthen State oversight of recipient fraud activities. Additionally, in FY 2013, FNS will begin using a management evaluation tool to assess State efforts related to client integrity that was developed in FY 2012.

To continue to strengthen the quality control system, FY 2013 will also be the first year after implementation of a new rule regarding negative errors (improper denial, suspension, or termination of benefits) to include procedural errors to provide baseline results that FNS can then use to target technical assistance to States that are most in need due to poor performance. In FY 2013, FNS will also continue a study of the impact of completion rates on quality control. Finally, we will continue to work with States on the timeliness of application processing at initial certification and recertification.

The following data describes SNAP recipients in terms of individuals and households:

Characteristics of SNAP Recipients	2004	2005	2006	2007	2008	2009	2010	2011
Individuals:								
Average Number (in Millions)	23.5	24.9	25.6	25.9	27.8	33.5	40.3	44.1
% Children	50.2	50.0	49.2	49.1	48.6	47.5	46.6	45.1
% Elderly	8.2	8.2	8.7	8.7	9.1	8.3	7.9	8.5
% Female	58.8	59.1	58.7	58.6	58.5	57.3	56.4	56.5
% Registered for Work	9	9	10	11	11	13	14	15
Average Household Size	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.1
Households:								
Average Number (in Millions)	10.1	10.9	11.3	11.6	12.5	15.0	18.4	20.8
% Receiving Maximum Benefit	31	31	31	32	33	37	40	41
% Certified 12 Months or More	53	55	58	58	58	57	59	62
% With Earned Income	29	29	30	30	29	29	30	31
% With AFDC/TANF	16	15	13	12	11	10	8	8
Average Gross Monthly Income	\$643	\$648	\$673	\$691	\$701	\$711	\$731	\$744
Average Net Monthly Income	\$321	\$319	\$328	\$330	\$335	\$329	\$336	\$338
% With Zero Gross Income	13	14	14	14	16	18	20	20
% With Zero Net Income	29	30	31	31	33	36	38	39
% With Gross Monthly Incomes Less than \$400	30	30	29	28	29	31	32	32
% Below Poverty Level	88	89	87	87	87	86	85	83
% Below 50% Poverty Level	40	40	39	39	41	42	43	43
Average Shelter Deduction	\$178	\$186	\$203	\$303	\$319	\$343	\$364	\$376
Average Shelter Expense	\$405	\$416	\$458	\$490	\$507	\$544	\$583	\$600
% at Shelter Cap (Maximum shelter deduction)	13	14	15	16	16	18	20	21

Source: Supplemental Nutrition Assistance Program Quality Control Sample – Data may not match FY data from other sources.

General Activities

Regulations Issued in FY 2012

During FY 2012, four SNAP rulemaking actions were published in the *Federal Register*:

- *Supplemental Nutrition Assistance Program: Disqualified Recipient Reporting and Computer Matching Requirements.* This final rule, published on August 13, 2012, codifies the provisions of a proposed rule, published on December 8, 2006, regarding prisoner verification and death matching procedures mandated by legislation and previously implemented through Agency directive. This rule also requires State agencies to use electronic disqualified recipient data to screen all program applicants prior to certification to assure they are not currently disqualified from program participation. Finally, this rule implemented a procedure concerning State agencies' participation in a computer matching program using a system of records required by the Computer Matching and Privacy Protection Act of 1988, as amended.

- *Supplemental Nutrition Assistance Program: Quality Control Error Tolerance Threshold.* This direct final rule was published on November 1, 2011, and raised the Quality Control (QC) error threshold from \$25 to \$50. The purpose for raising the QC error threshold is to make permanent the temporary threshold change that was required by the American Recovery and Reinvestment Act of 2008. This change does not have an impact on the public.
- *Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud Investigations.* This proposed rule was published on May 30, 2012, and proposes to allow State agencies to deny a request for a replacement electronic benefits transfer (EBT) card until contact is made by the household with the State agency, if the request for a replacement card is determined to be excessive, defined as no less than receiving a minimum of 4 replacement cards within a twelve month period. State agencies that elect to exercise this authority will be required to protect vulnerable persons, such as individuals with disabilities, homeless individuals, or the elderly, who may repeatedly lose EBT cards, but are not committing fraud. This rule also proposes to change the EBT card replacement timeframes to make replacement cards available for pick up or to place the card in the mail within one business day following notice by the household that their card has been lost or stolen. Finally, this rule also proposes to clarify the definition of trafficking to include the intent to sell SNAP benefits in cases where an individual makes the offer to sell their benefits online or in person, so that State agencies may pursue an Intentional Program Violation against the individual.
- *Supplemental Nutrition Assistance Program: Farm Bill of 2008 Retailer Sanctions Rule:* This proposed retailer integrity rule was published August 12, 2012. The primary focus of the rule is to increase the penalty for SNAP authorized stores that traffic Program benefits by assessing a monetary penalty in addition to permanently disqualifying the retailer. The rule would also add penalties to other specific non-trafficking violations and increase the amount of existing financial penalties.

Grants to Improve Program Access and Eligibility Determination

On September 21, 2012, FNS announced the awardees of the FY 2012 SNAP Process and Technology Improvement grants. These grants target projects that simplify SNAP application and eligibility systems, improve client services and save States time and money. This year's grants focused on projects that examine office process, identify and implement efficiencies, and use technology to achieve procedural changes such as electronic filing, document imaging, and web-based access to case status information. For FY 2012, FNS awarded eleven grants:

- **Illinois Department of Human Services** received \$1,254,276 to conduct business process reengineering in local offices to streamline and enhance service delivery systems. The State will develop an "Operations Guide" outlining goals and objectives for all local offices. Illinois will then hire and train five "Operational Specialists" to prepare for, implement and monitor the business process changes throughout the State.
- **San Francisco Human Services Agency** received \$950,818 to implement a lobby management system that includes client check-in, scanning stations to submit verification documentation, and client queuing to decrease wait times. In addition, San Francisco will implement a task management system with document imaging technology to support shared caseloads and improve business processes.
- **Chemung County Department of Social Services** received \$26,600 to purchase workstations and scanners for the lobby to allow clients to apply online and scan verification documentation.
- **The State of Maine, Department of Health and Human Services- Office for Family Independence** received \$461,484 to integrate a new document management system with their current eligibility system and purchase kiosks for their regional offices.
- **Texas Health and Human Services Commission** received \$76,440 to implement a survey, update notification forms and implement on-demand interviews. A pre-survey will identify reasons for client churning. Churning occurs when clients' certification period lapses for a short period of time, sometimes due to not finishing the recertification process, and the client must re-apply for SNAP. A post-survey will evaluate if the updated forms and on-demand interviews decreased client churning.

- **Rockland County Department of Social Services (NY)** received \$45,326 to purchase scanners for eligibility workers to utilize the agency's document imaging capabilities.
- **Connecticut Department of Social Services** received \$155,040 to install a client check-in system to decrease lobby wait times.
- **Alabama Department of Human Resources** received \$145,316 to hire consultants to conduct business process reengineering in county offices and develop streamlined and standardized application, case management, and recertification processes.
- **The Rhode Island Department of Human Services** received \$810,055 to create a document imaging and management system.
- **Arizona Department of Economic Security** received \$1,000,000 to upgrade their document imaging system and install application and scanning stations in local offices to allow clients to submit verification documents electronically.
- **State of Delaware, Department of Health and Social Services** received \$74,613 to hire consultants to conduct business process reengineering in Kent County and analyze the State's document imaging system.

State Performance Bonuses

The Farm Security and Rural Investment Act of 2002 (P.L. 107-171, the "2002 Farm Bill") established a performance system offering incentives for a broad array of achievements coupled with a reduced vulnerability to liabilities for excessive error rates. This performance system replaced the former Quality Control liabilities and Enhanced Funding system, which focused solely on error rates. This performance system awards \$48 million in bonuses each year to States with high or improved performance for actions taken to correct errors, reduce the rates of error, and improve eligibility determinations, or for other activities that demonstrate effective administration, as determined by FNS. Bonuses provided under this system link two of the program's performance measures: increases in the program payment accuracy rate and increases in access and participation as measured by the Program Access Index. The first bonuses for performance in 2003 were awarded in June and September 2004. The bonuses for performance in 2011 were awarded in June and September 2012. The following States received awards:

BEST PAYMENT ACCURACY		
State	Payment Error Rate (PER)	Bonus Amount
Alaska	0.76	\$289,997
Florida	0.87	\$9,087,687
South Dakota	1.59	336,114
Wisconsin	2.02	2,106,427
Idaho	2.52	622,079
Delaware	2.53	435,208
North Carolina	2.65	4,078,929
National Average	3.80	

MOST IMPROVED PAYMENT ACCURACY				
State	FY 2010 PER	FY 2011 PER	Change	Bonus Amount
Virginia	5.87	3.41	-2.46	\$2,303,828
South Carolina	5.14	3.14	-2.00	2,217,828
Massachusetts	5.90	4.40	-1.50	2,521,903
Total				24,000,000

BEST NEGATIVE ERROR RATE		
State	Rate	Bonus Amount
South Dakota	0.46	\$313,893
Alaska	1.07	272,116
Maine	1.69	719,248
Idaho	1.97	572,945
National Average	8.30	

MOST IMPROVED NEGATIVE ERROR RATE				
State	FY 2010	FY 2011	Change	Bonus Amount
Georgia	15.29	7.94	-7.35	\$3,975,869
Virgin Islands	14.65	9.86	-4.79	145,929
Total				6,000,000

BEST PROGRAM ACCESS INDEX		
State	Rate	Bonus Amount
District of Columbia	107.00	\$449,046
Maine	100.20	678,955
Delaware	98.90	383,903
Oregon	92.50	2,025,629
Michigan	88.90	4,539,371
National Average	72.00	

MOST IMPROVED PROGRAM ACCESS INDEX				
State	FY 2009	FY 2010	Change	Bonus Amount
District of Columbia	95.90	107.00	11.10	See best above
New Jersey	56.10	65.00	8.90	\$1,801,698
Minnesota	55.50	63.70	8.20	1,226,789
Iowa	69.30	76.60	7.30	894,609
Total				12,000,000

BEST APPLICATION PROCESSING TIMELINESS RATE		
State	Rate	Bonus Amount
Idaho	99.06	\$522,791
Kentucky	99.06	1,774,721
New Mexico	98.63	885,317
Maine	96.75	653,578
Oregon	96.47	1,941,224
North Dakota	96.53	222,369
National Average	86.11	

FNS continues its aggressive efforts to collect debts owed to SNAP, collecting delinquent recipient debts through the Treasury Offset Program (TOP), which is the collection mechanism by which Federal payments to individuals, such as tax refunds and Federal salary and benefit payments, are offset to pay outstanding debts. Almost \$122 million in delinquent debt were collected through TOP in calendar year 2012. Approximately \$1.53 billion has been collected through TOP (and its predecessor, the Federal Tax Refund Offset Program) since FNS began this effort as a pilot project in 1992. These claims may not have been collected without Federal collection programs being made available to the State agencies that manage these debts.

States Notified of Liability Status Under the Quality Control (QC) Provisions of the 2008 Farm Bill

On June 28, 2012, FNS notified eight States (Connecticut, Rhode Island, Vermont, Maryland, West Virginia, Arizona, Guam and Nevada) they were in liability status for having a poor QC error rate for at least two consecutive years. Missouri and Arkansas were not assessed a financial liability because their error rate was below six percent, which is the statutory standard for being assessed a liability. However, Missouri and Arkansas are still considered to be in liability status for the year, which will be used to determine whether the States are in liability status for two consecutive years when determining liability for FY 2012. Liability amounts were established against the following States:

State	Liability Amount
Connecticut	\$297,799
Rhode Island	519,251
Vermont	341,187
Maryland	62,111
West Virginia	154,191
Arizona	560,599
Guam	26,360
Nevada	144,091

In addition, two States (Tennessee and Wyoming) exceeded the FY 2011 threshold for the first year. Potential liabilities will be established if either of these States have a payment error rate in FY 2012 that has a 95 percent statistical probability that the State’s payment error rate exceeds 105 percent of the national performance measure for payment error rates.

Recertification Processing Timeliness

FNS developed a measure to assess State agencies’ timeliness in processing SNAP applications for recertifications. FNS created six different tools to help States train reviewers and understand the recertification timeliness measure. Fourteen States from all seven regions volunteered to participation in a four month pilot of the recertification timeliness measure. FNS refined the measure and the tools once the pilots were completed. States will be able to review for recertification timeliness beginning in FY 2013.

FNS Monitoring Efforts Related to Indiana Eligibility Modernization Project

During FY 2012, FNS continued to monitor the Indiana Eligibility Modernization Project, which allows SNAP applicants to apply for and manage benefits via a call center and online systems, in addition to the traditional local office setting.

In January 2010, Indiana began implementing a “hybrid” system that incorporates the best of the modernization initiative (such as call centers, document imaging, and online applications) with the original system. FNS has monitored the implementation and operation of the new “hybrid” system through its routine and ongoing reporting systems. Since the project began, FNS staff has also conducted over 50 visits to local Indiana offices to observe operations. As the project concludes, FNS will continue to conduct frequent on-site visits to monitor the performance of the new system.

State Options

In FY 2012, FNS used a new survey software package to modernize the way it surveys States about their policy options for the State Options Report – a report of State choices in policy areas where legislation and regulations allow States flexibility in how they implement certain requirements.

SNAP statutes, regulations, and waivers provide State agencies with numerous policy options. State agencies use this flexibility to improve how the program works to meet the nutrition needs of low-income people across the Nation. Choosing certain options can facilitate program design goals, such as removing or reducing barriers to access and sustaining participation for low-income families and individuals, providing better support for those working or looking for work, targeting benefits to those most in need, streamlining administration and field operations, and coordinating SNAP activities with those of other programs.

The State Options Report provides FNS, researchers, States and other agencies with information about the options being implemented in each of the 53 State agencies that administer SNAP. FNS intends to issue an updated version of the report in FY 2013.

SNAP Outreach

Working to increase the information about SNAP benefits available to the eligible population is a key part of achieving program nutrition objectives. FNS implements outreach activities to educate potentially eligible low-income people about the nutrition benefits of participating in SNAP. In addition, FNS supports the outreach efforts of States and community organizations by providing tools and resources that can be used “off-the-shelf” or customized by a State or community. All of these educational activities seek to dispel myths and misperceptions about the program and share accurate information to help potentially eligible people make informed participation decisions. Outreach supports FNS’ goal of increasing access and participation among eligible households.

- *Toll Free Information Line:* FNS continued to provide a toll free information line in English and Spanish as a service for low-income people to learn more about SNAP, including how to apply. Callers can listen to recorded information, obtain referrals to their States for more direct help and information, and request a packet of information by leaving a mailing address with an operator. During FY 2012, 38,311 packets of information in English and Spanish were distributed to toll-free number callers and 85,362 calls were answered.
- *National Anti-Hunger and Opportunity Corps:* Through a second year partnership with the Corporation for National and Community Service, USDA enabled 55 VISTA members serving with 26 organizations in 16 States to serve in the SNAP outreach project for FY 2012. To date, the VISTAs have raised \$3,553,176 in cash resources and another \$31,920 worth of in-kind resources or services. They have trained 4,634 volunteers and they established or enhanced approximately 150 community partnerships.
- *Promotores de Salud:* A three year interagency agreement was formed in late FY 2011 between USDA/FNS and the Department of Health and Human Services Office of Minority Health (OMH) to fund the implementation of a Promotores de Salud. The objectives of this project include the development, implementation, and evaluation of a training curriculum for community health workers, known as Promotores, in the Latino community. The curriculum includes information on nutrition education and on SNAP eligibility requirements. In FY 2012, the initiative completed an environmental scan of existing information; established and met with a National Project Advisory Committee for input and recommendations; developed content themes and designed the eLearning curriculum website; and drafted pilot lessons and evaluative criteria for the curriculum.
- *Pre-screening Tool:* The English and Spanish versions of the online pre-screening tool were maintained in FY 2012 and are available on the FNS Web site at <http://www.snap-step1.usda.gov/fns/>. This easy to use tool tells users if they might be eligible for benefits and estimates the amount of benefits they might receive. Where available, the site links the user to a State’s pre-screening tool.

- *Educational Materials:* FNS developed and disseminated outreach and technical assistance products for use by national, regional and community-based partners and government agencies, to increase nutrition program participation, targeted to low-income populations and the underserved. Bilingual publications such as *How to Get Food Help*, a guide to food nutrition for consumers and outreach toolkits, and the web-based *Community Partner Outreach Toolkit* were provided to State and local partners. These materials provide ideas and resource materials to help partners implement effective localized outreach campaigns that reinforce national messages. Materials in both English and Spanish are available to order or to download through the FNS website at <http://snap.ntis.gov/>. Approximately 3.3 million hard copy items were shipped in FY 2012.
- *Translated Materials:* FNS continued to make SNAP informational materials in 35 languages available through its Web site for easy downloading and duplication at the State and local level. The documents, which were focus-tested with native speakers to ensure cultural and linguistic appropriateness, are designed to provide basic information about the program and dispel myths and misunderstandings that may discourage eligible people from applying. An “I Speak” document is also available so that applicants can indicate their preferred language to the caseworker and accommodations can be made.
- *The Food and Nutrition Coalition:* In FY 2012 FNS helped transition the Coalition, formerly known as the Food Stamp Outreach Coalition, from an agency-led initiative to autonomous organization. The Coalition is a national group comprised of over 600 organizations and individuals who are working to fight hunger, improve nutrition, and create sustainable and just food systems. Members can access resources, share experiences, and network. In FY 2012, The Coalition conducted monthly webinars on topics such as strategies to combat hunger, tips on increasing food access for older adults, and nutrition education in Emergency Food Programs. As part of the transition, the Coalition selected a President and established committees. In addition, the Coalition supports the Hunger Champion Award and Golden Grocer Award programs, which honor local offices and retailers that provide exemplary outreach in their communities.
- *State Outreach Plans:* States have the option of providing outreach as part of their program operations, and FNS reimburses up to 50 percent of the allowable administrative costs for these activities. At the end of FY 2012, 42 States had approved outreach plans and an additional four States also performed outreach activities.
- *National Media Campaign:* In 2012, USDA aired radio and television spots for four months to educate potential applicants about the nutritional benefits of the program and how to apply. Since 2012, there have been no national media buys.

SNAP Administration Performance Improvement Initiatives

- *Business Process Reengineering Support for Local Offices:* FNS awarded a contract to provide Business Process Reengineering (BPR) support to low performing States in critical SNAP performance measures (application process timeliness, payment accuracy and negative errors) over the next three years. The selected contractor will lead an onsite State BPR team in a systematic review of a local office’s SNAP business processes and recommend both short term and long term improvements that improve efficiency in the SNAP application, recertification, and case management process.
- *Lean Six Sigma Performance Improvement Project:* FNS implemented a process improvement pilot within the SNAP Certification Policy Branch and in each of the seven FNS regional offices. The goal of the pilot is to reduce the time it takes for the FNS Regional and National Office to review and respond to a State’s request to waive certification regulations. FNS anticipates that the project will lead to a more efficient business process thus increasing FNS staff capacity and reducing costs.

SNAP Nutrition Education and Obesity Prevention Grants (SNAP-Ed) - Promoting Healthier Eating Habits and Active Lifestyles

The goal of SNAP-Ed is to improve the likelihood that persons eligible for SNAP will make healthy food choices within a limited budget and choose physically active lifestyles consistent with the current *Dietary Guidelines for Americans* and MyPlate. Under current regulations, State SNAP agencies have the option to provide, as part of their administrative operations, nutrition education for persons eligible for SNAP. States seeking Federal funding for SNAP-Ed must submit a State SNAP-Ed plan to FNS for approval each year that outlines SNAP-Ed activities and a corresponding budget.

Section 241 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) changed the funding for SNAP-Ed, which was previously included in the State SAE grants. Section 241 changed SNAP-Ed into a capped formula grant whereby USDA provides 100 percent Federal grant funds to States to provide SNAP-Ed activities. USDA previously reimbursed States for 50 percent of their SNAP-Ed expenditures, and there was no limit on the amounts that could be reimbursed within the approved budgets. Under the HHFKA, SNAP-Ed funding was set at \$375 million in FY 2010, and the amount inflates each subsequent year based on annual changes in the CPI. Due to the American Taxpayer Relief Act of 2012 (P.L. 11-240), the funding for FY 2013 through FY 2015 is set at amounts certain, but subsequent years reflect changes in the CPI. From FY 2010 through FY 2012, States receive funding under the statutory formula based on their relative shares of total SNAP-Ed expenditures during FY 2009, as reported as of February 2010. For FY 2014 through FY 2018, the funding formula gradually changes, incorporating each State's relative share of SNAP participation in the previous 12-month period ending the preceding January 31 to allocate a portion of the total funding, starting with a 90/10 weighting of expenditures to participation in FY 2014 and building to a 50/50 weighting of expenditures to participation in FY 2018 and beyond.

The HHFKA calls for SNAP-Ed activities to be evidence-based and provide nutrition education and obesity prevention activities through individual and group-based strategies, comprehensive multi-level interventions and/or community and public health approaches. The FY 2013 SNAP-Ed Guidance, released in March 2012, provided instructions to State agencies on implementing in FY 2013 new policy and environmental strategies defined for SNAP-Ed. FNS developed a rule that informs States of the new requirements for SNAP-Ed.

Education and Administrative Reporting System (EARS) is designed to provide uniform information about SNAP-Ed activities. Data collected under this reporting system include demographic characteristics of participants receiving nutrition education benefits, topics covered, educational delivery sites, education strategies and resource allocation. EARS was fully implemented as of December 31, 2010, by all State agencies. EARS is not an evaluation tool, but will provide FNS with national data that will inform management decisions, support policy initiatives, provide documentation for legislative, budget and other requests, and support planning within the agency. Over time, the EARS data will provide a picture of SNAP-Ed trends. An online EARS training module is now available for those involved in EARS reporting. The EARS form will continue to be used for the next three years, pending an OMB extension. In the interim, additional questions, reflecting changes to the program due to the HHFKA will be developed and tested for inclusion.

Other SNAP-Ed Activities

SNAP-Ed Connection: This Web site is a dynamic online resource center for State and local SNAP-Ed providers. It contains nutrition education resources and provides easy access to materials developed specifically for SNAP-Ed educators that target SNAP participants and other low-income individuals.

The SNAP-Ed Connection helps educators meet their professional development needs by supplying information on valuable training and continuing education resources. The Web site also houses a Community Corner that provides consumers with tips, information, and tools for making healthy lifestyle choices.

Models of SNAP-Ed and Evaluation: FNS conducted two rounds of independent and rigorous impact evaluations of SNAP-Ed projects to identify models of effective SNAP-Ed interventions and practical impact. Demonstrations were competitively selected based on their promise of success and potential to provide strong evidence of what is possible through SNAP nutrition education.

The evaluation results of the four projects in Wave I were released in January 2012. The four demonstration sites were: Chickasaw Nation Nutrition Services Eagle Adventure, The New York State's Department of Health Eat Well Play Hard in Child Care Settings, University of Nevada/Cooperative Extension's All for Kids, and Pennsylvania State University's About Eating. The first three focused on children and the last one focused on women. While none of the three child-focused demonstration programs resulted in a statistically significant impact on the key outcome of interest (average, daily, at-home fruit and vegetable consumption, combined), the evidence suggests that all three interventions influenced mediating factors such as in-home availability of fruits and vegetables and parental offerings of fruits and vegetables for snacks or at dinner. The project focusing on women did not have an impact on participants' daily consumption of fruits, vegetables, or fruits and vegetables, combined.

Wave II adds three additional demonstration sites, including a year-long intervention for rural Appalachian elementary school students (University of Kentucky), an evaluation of FNS's *Eat Smart. Live Strong* curriculum for older Americans (Michigan State University), and a combined direct education/social marketing campaign led by the Iowa Nutrition Network. Data collection is complete and analysis and preparation of the case study reports and final report are underway.

Combined Application Projects (CAP)

Combined Application Projects (CAPs) are a partnership between the Social Security Administration (SSA), the Food and Nutrition Service (FNS) and State and local agencies to streamline application procedures for individuals receiving disability benefits. The projects strengthen access to nutrition benefits for the elderly and disabled while improving the administration of SNAP. The combination of standardized benefits, reduced recertification requirements and eliminating the need for SSI recipients to visit the local SNAP office has significantly increased participation among the elderly and disabled.

To date, 18 States are operating CAP demonstrations: Arizona, Florida, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, South Carolina, South Dakota, Texas, Virginia and Washington.

FY 2011 Certification Payment Error Rates

The FY 2011 national average certification payment error rate, announced in June 2012, was 3.80 percent; 44 States had an error rate below 6.00 percent.

Regulations require State agencies to analyze data and develop corrective action plans to reduce or eliminate program deficiencies when their combined payment error rate is above the 6.00 percent threshold or their negative error rate exceeds one percent. Corrective action is also required when underpayments result from State agency rules, practices, or procedures. Most States have developed corrective actions to address deficiencies revealed in their FY 2011 quality control data.

FNS Regional Offices work directly with States to assist them in developing effective corrective action strategies to reduce payment errors. Regional Offices provide technical assistance to States through data analysis, policy interpretation, training, development and monitoring of corrective action strategies, facilitating the information exchange with and among States through annual payment accuracy conferences, State exchange funding, and special error reduction funds.

FNS utilizes a tier system for identifying States requiring the most focused intervention, based on high error rates or a Regional Office assessment, so that those States receive special attention. This ensures that technical assistance is available to States that are in first-year liability status or at risk for future liability status.

Disaster Supplemental Nutrition Assistance Program (D-SNAP)

FNS continues to work on a proposed D-SNAP regulation the agency expects to publish in FY 2013. Currently, D-SNAP is operated using interim regulations, but those regulations do not substantially expand upon the D-SNAP language in the Food and Nutrition Act of 2008. The proposed regulation will provide detailed guidance on disaster planning, requesting a D-SNAP, and reporting requirements.

FNS responded to fewer disasters in FY 2012 than in FY 2011; however, several of the operations were large scale. The FNS role in D-SNAP operations includes analyzing and responding to State agency requests to operate D-SNAP, waiving applicable certification and issuance policy for ongoing households to ease program administration, providing on-site monitoring of State operations to ensure timely and accurate delivery of benefits, and providing operational guidance to States when issues arise.

The following summarizes State reported disaster assistance provided in FY 2012:

State	Disaster	Total Households	Total Issuance
Indiana	Tornado	491	\$229,570
Kentucky	Tornado	3,773	1,122,184
Louisiana	Hurricane	385,176	122,504,317
Mississippi	Hurricane	28,258	11,707,751
New York	Flood	4,215	1,389,373
Pennsylvania	Flood	30,367	13,132,883
Tennessee	Tornado	82	29,318
Texas	Wildfire	348	131,364
West Virginia	Storms	11,068	2,032,244
TOTAL		463,998	\$152,279,004

Court Suit Activity in SNAP

During FY 2012, there were no SNAP-related court suits in which the Department was named as a defendant.

Employment and Training (E&T)

The Food Security Act of 1985 required States to establish an E&T Program to help able-bodied SNAP recipients find work or gain the skills, training, and experience that lead to employment. The 2002 and 2008 Farm Bills authorized \$90 million per year to operate the E&T Program, and an additional \$20 million per year for States that commit to serving all at-risk able-bodied adults without dependants (ABAWDs). An ABAWD is subject to the three month SNAP participation limit. States may receive 50 percent matching funds beyond these amounts to operate the program. About 30 percent of SNAP households had earned income in FY 2011.

States reported 6.8 million new work registrants in FY 2012. A total of 13.5 million SNAP recipients were subject to E&T participation in FY 2012. States reported that 759,893 of these work registrants, including 333,994 ABAWDs, actually participated in E&T components. States reported that 924,986 qualifying education, training, and workfare slots were filled by at-risk ABAWDs nationwide during FY 2012. This means they were able to maintain their SNAP eligibility while they gained the skills, training and experience that will lead to employment and reduced dependence on SNAP benefits. In addition, another 2,232,640 SNAP recipients participated in an E&T component in FY 2012.

In FY 2012, FNS allocated \$121.9 million in non-matched 100 percent Federal E&T grants. This included the \$90 million regular allocation, \$20 million for States committed to serving all their at-risk ABAWDs, and an additional \$11.9 million in non-matched 100 percent Federal grants carried over from FY 2011 to supplement some State grants. Federal obligations totaled \$111.4 million, which is \$1.0 million more than in FY 2011. Additionally, the Federal Government matched \$155.5 million in State funds spent to administer the E&T Program in FY 2012. The Federal Government also matched \$67.1 million in State funds spent to reimburse E&T participants for dependent care, transportation, and other expenses incurred in complying with E&T Program requirements.

Electronic Benefit Transfer Systems

Electronic benefit transfer (EBT) systems, which replaced the coupon-based method for providing SNAP benefits, became effective nationwide in June 2004. Each recipient household is issued a plastic benefit card with a magnetic stripe to make food purchases. The cards are associated with benefit accounts, which are debited when food purchases are made. In about half the States, EBT cards are also used for TANF and other cash benefit programs.

In all States the EBT systems are online systems with cards that have magnetic stripes. These systems are interoperable, which means that recipients may shop in FNS-authorized food retailers in any State.

Integrity – STARS: FNS continued to re-engineer retailer administration functions to ensure effective use of staff and financial resources through automation. This included an improved authorization process that automates background checks on each applicant, evaluates applicant responses for accuracy, and flags any questionable responses for review by Agency staff.

Integrity – ALERT: FNS completed development of a next generation ALERT system to add new analytical capabilities, integrate a geographic information system solution, and incorporate data mining activities in order to significantly improve program integrity. The new system was delivered in FY 2012.

Studies and Evaluations

Work on two congressionally mandated or authorized studies continued in FY 2012:

- **Evaluation of the Healthy Incentives Pilot (HIP)** will test the impact of financial incentives at the point of sale on the consumption of fruits and vegetables. HIP implementation took place in late 2011 in Hampden County, Massachusetts. Over 6,500 SNAP households were eligible to earn the HIP incentive for a 12 month period. The HIP incentive amount was set at 30 percent for each target food purchase with a monthly cap of \$60. The Pilot used a staggered approach, with HIP households starting the benefit period in three waves. A total of 118 retailers in and around Hampden County participated in the pilot, including 12 farmers markets. The Mass Farmers' Market Association's e-HIP application, a handheld electronic replacement for the traditional farmers market tokens, was approved in June 2012. HIP includes a rigorous evaluation component that is based on three rounds of data collection with SNAP households and other stakeholders. An early implementation report is forthcoming and the interim report presenting early impacts of HIP on SNAP participants' diets will be released in the summer of 2013. A final, comprehensive evaluation report will be released in early 2014.
- **Evaluation of Combined Application for SNAP and Medicare Part D Low-Income Subsidy**, which was authorized by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010, will assess three approaches to increasing SNAP participation among the recipients of Medicare Part D. FNS continues to monitor the three States (New Mexico, Pennsylvania, and Washington) that were awarded these demonstration projects.

Community Food Projects

The Community Food Projects program is authorized under Section 25 of the Food and Nutrition Act of 2008. The Community Food Projects Competitive Grants Program supports the development of Community Food Projects with a one-time infusion of Federal dollars to make such projects self-sustaining. Funds have been authorized for this program in the amount of \$5 million per year. While funded through the SNAP account and the National Institute of Food and Agriculture manages the program.

FY 2012 Farmers' Market Point-of-Sale Equipment Grants

The FY 2012 SNAP appropriation included \$4 million to expand the availability of point-of-sale (POS) terminals in farmers' markets that are not currently participating in SNAP to assist in the redemption of SNAP benefits. FNS distributed the funds to SNAP State agencies using a formula that allocated funds based on an estimate of the proportion of the nation's farmers' markets that are not SNAP authorized within each State.

Allowable costs included purchasing or leasing POS equipment for farmers' markets not currently participating in SNAP and paying for SNAP wireless access for that equipment. The grant program limited participation to farmers' markets (i.e., precluded SNAP authorized individual farmers from receiving equipment), and precluded the use of funds for administrative purposes. Grant funds could be expended for wireless POS equipment that also accepts commercial credit and debit cards. States were not required to cost-allocate the equipment or its flat monthly service fees for non-SNAP use.

The grants were made available to States with a two-year period of performance. As of the end of FY 2012, States had expended \$1,928,864 of the \$4 million awarded. Twenty-three of the States expended all their funds, 20 States used a portion, and nine States did not use any of the funds prior to the end of FY 2012. States that are awarded grants have through the end of FY 2013 to expend the remainder of the funding.

FNS's goals for FY 2012 were to increase the number of farmers' markets participating in SNAP by 200, and to increase redemptions by \$750,000. As of August 31, 2012, 1,841 Farmers' Markets were SNAP-authorized, an increase of more than 400 markets from FY 2011. Similarly, SNAP redemptions at farmers' markets were \$10,456,015, an increase of just over \$2 million from FY 2011.

Mobile Technology and Farmers Markets

The Agency has approved alternative approaches for SNAP transaction processing at farmers' markets in two States. One application uses a smart phone app and a second replaces market tokens with an electronic market token system. Results of these pilots will be reported in 2013. FNS will continue to explore other approaches for expanding the availability of point of sale terminals in farmers' markets that do not currently participate in SNAP.

NUTRITION ASSISTANCE FOR PUERTO RICO (NAP)

Program Mission

The Omnibus Budget Reconciliation Act of 1981 added a new Section 19 to the Food Stamp Act of 1977, as amended, which replaced SNAP in Puerto Rico with a block grant, effective July 1, 1982. Section 19 of the Food and Nutrition Act of 2008, as amended, retains the authority for the Puerto Rico nutrition assistance block grant. The block grant requires that Puerto Rico submit and gain approval from the Secretary for a program plan each year. The plan must assess the food and nutrition needs of the island's most needy residents, describe the assistance needed, describe how it would be provided to the neediest residents, describe the amount of administrative expense needed, and meet such other requirements as the Secretary might prescribe by regulation. The Secretary is required to provide for the review of programs for assistance under Section 19 and is allowed to provide appropriate technical assistance for such programs.

Facts in Brief

- On average, 1.37 million people were served monthly during FY 2012.
- In FY 2012, total benefit costs were \$1.98 billion or about \$117 per person per month for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$49 million of Federal funds on administrative activities in FY 2012, which are matched by an equivalent amount of State funds.
- On September 1, 2001, Puerto Rico began targeting 75 percent of nutrition assistance benefits to the purchase of food while continuing to provide 25 percent of benefits in cash through the Commonwealth's EBT system.

Federal Responsibilities of the Block Grant

Puerto Rico proposes in July for the fiscal year beginning on the following October 1 its annual program plan that identifies the costs of benefits, administration and other projects. FNS must review and approve the Commonwealth's annual plan and monitor program operations to ensure program integrity. These monitoring activities include reviewing financial reports of obligations and expenditures and on-site management reviews of selected program operations. The cost of these components for FYs 2010 through 2012 is as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Funding (\$ in thousands)

	2010 Estimated	2011 Estimated	2012 Estimated
Benefit Costs	\$1,928,168	\$1,942,981	\$1,918,080
Administrative Costs	72,000	56,969	48,568
Nutrition Education Program	400	618	618
Total Federal Funds	2,000,568	2,000,568	2,000,568
State Administrative Costs	72,000	54,587	48,568
Total Program Costs	2,072,568	2,055,155	2,049,136

Participation

From its inception, the SNAP in Puerto Rico served a much higher proportion of the total population than was true of the United States as a whole, due to the significantly lower living standards in Puerto Rico. This continues to be the case under the block grant program: 1.37 million persons, or 36.7 percent of Puerto Rico's total estimated population of 3.7 million people, participated in the program in FY 2012. Monthly participation for FYs 2010 through 2012 is as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO

Summary of Participation

	2010 Actual	2011 Actual	2012 Estimated
Average Number of Persons (million)	1.3	1.35	1.37
Average Number of Households	611,170	644,76	662,635
Average Household Size (persons)	2.12	2.1	2.07
Average Benefit Per Household	\$259	\$247	\$241

NUTRITION ASSISTANCE FOR AMERICAN SAMOA

Program Mission

The American Samoa Nutrition Assistance Program began on July 1, 1994, and was authorized by Public Law 96-597 (December 24, 1980). The program is now authorized in Section 19 of the Food and Nutrition Act of 2008. In FY 2012, \$8.034 million in grant funds (which included \$663,000 in ARRA funds) were authorized to be expended under American Samoa's block grant.

Facts in Brief

- A monthly average of 4,047 persons, or about 7.3 percent of American Samoa's total estimated population of 55,519, was served during FY 2012.
- In FY 2012, average monthly benefit costs were \$553,429, or \$136.41 per person.
- American Samoa spent about \$1,058,108 for administrative activities for FY 2012. Block grant funding provides 100 percent of administrative and benefits costs.
- The program serves the low-income elderly, blind and disabled population.
- American Samoa prints its own food coupons.

Federal Responsibilities of the Block Grant

American Samoa submits a memorandum of understanding each fiscal year specifying how the program will be operated, including eligibility requirements to stay within the capped block grant amount. FNS must review and approve the annual memorandum of understanding and monitor program operations to ensure program integrity. These monitoring activities include reviewing financial reports of obligations and expenditures and on-site management reviews of selected program operations.

NUTRITION ASSISTANCE FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Program Mission

The Commonwealth of the Northern Mariana Islands' (CNMI) nutrition assistance program began on July 2, 1982. The program was authorized by Public Law 96-597 (December 24, 1980), which allowed USDA to extend programs administered by the Department to CNMI and other territories. In FY 2012, \$13.148 million in grant funds were provided to CNMI (which included a one-time increase of \$1 million to eliminate the backlog of applications and waiting list of eligible participants needing to be certified).

Facts in Brief

- On average each month 9,874 people, or 18.3 percent of CNMI's total estimated population of 53,883, were served during FY 2012.
- In FY 2012, average benefit costs were \$95.01 per person per month.
- The CNMI spent \$1,168,203 on administrative activities for FY 2012. Block grant funding provides 100 percent of administrative and benefit costs.
- CNMI is allowed to set its own eligibility standards to stay within the capped block grant.
- CNMI prints its own food coupons.

Federal Responsibilities of the Block Grant

The CNMI submits a memorandum of understanding each fiscal year, specifying how the program will be operated, including eligibility requirements to stay within the capped block grant amount. FNS must review and approve the annual memorandum of understanding and monitor program operations to ensure program integrity. These monitoring activities include reviewing financial reports of obligations and expenditures and on-site management reviews of selected program operations.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

Program Mission

FDPIR is an alternative to the SNAP for low-income households on Indian reservations and low-income Indian households in designated service areas near reservations or in Oklahoma. FDPIR is authorized by Section 4(b) of the Food and Nutrition Act of 2008, as amended, to allow Indian Tribal Organizations (ITOs) to operate a food distribution program for households who prefer USDA Foods to regular SNAP benefits. ITOs that are determined capable are permitted to administer FDPIR.

Facts in Brief

- In FY 2012, five States and 100 ITOs administered programs on 276 Indian reservations, pueblos, rancherias, and Alaska Native Villages. Nutrition assistance was provided to an average of 76.5 thousand persons per month at a cost to FNS of \$57.04 per food package in FY 2012, with an average monthly per person administrative cost of \$46.94.

FDPIR PARTICIPATION AND COST

	2006	2007	2008	2009	2010	2011	2012
Average Participation (in Thousands)	89.9	86.6	90.1	95.4	84.6	77.8	76.5
Per Person Per Month Food Cost (Entitlement)	\$38.93	\$44.40	\$54.52	\$54.54	\$47.45	\$50.71	\$57.04
Total FNS Food Cost (\$ in Millions)	41.32	46.94	55.32	62.90	\$48.17	47.36	52.38

Note: Total Per Person Food Costs differ from commodity procurement obligations due to inventory level changes.

Food Package Improvements

FNS and FDPIR program staff continuously reviews the FDPIR food package to improve its nutritional profile and acceptability. On a regular basis, a work group consisting of tribally appointed FDPIR staff, AMS and FSA procurement specialists, nutrition and health experts from the Indian Health Service (IHS) and the Centers for Disease Control and Prevention (CDC), and FNS nutritionists and program staff considers changes to the food package and makes recommendations to FNS. The work group focuses on ways to reduce saturated fat, sugar, and sodium, and also explores ways to improve the acceptability and convenience of products in the food package.

In FY 2012, FNS used FDPIR funds to purchase canned salmon, fruit and nut mix, frozen cooked turkey roast, frozen whole chickens, individually frozen split chicken breasts, reduced sodium lowfat bakery mix, reduced sodium cream of mushroom soup, and low sodium canned pinto and black beans.

Studies and Evaluations

In September FY 2011, FNS contracted with the Urban Institute in Washington, DC, to conduct a three-year national study of FDPIR and its participants. The study's objectives are to obtain an updated demographic profile of participants; explore reasons for changes in FDPIR participation; examine food package distribution approaches and other key aspects of FDPIR operations; learn about FDPIR's contribution to participants' food supply; and learn about participant satisfaction with the program.

Improved Access to Fresh Fruits and Vegetables and Expanded Offerings

In FDPIR, the Fresh Produce Program began as a pilot program in FY 1996 at two sites. This initiative, a joint venture with the Department of Defense, provides fresh fruits and vegetables that program participants may select in lieu of canned goods. In FY 2012, about 91 percent of the FDPIR programs were enrolled in the Fresh Produce Program, allowing most FDPIR participants to receive a variety of fresh fruits and vegetables that would otherwise be very difficult for them to obtain. A total of thirty-six fresh produce items were available in FY 2012. Many items are only available on a seasonal basis.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
SUMMARY OF BENEFIT COSTS, PARTICIPATION AND STATE ADMINISTRATIVE FUNDING

FISCAL YEAR 2012

STATE OR TERRITORY	AVERAGE PARTICIPATION IN THOUSANDS		TOTAL VALUE OF BENEFITS ISSUED (\$000)	AVERAGE MONTHLY BENEFIT PER PERSON	STATE ADMINISTRATIVE, NUTRITION EDUCATION, and EMPLOYMENT & TRAINING FUNDING (\$000)
	PERSONS	HOUSEHOLDS			
Alabama-----	910	412	\$1,390,012	\$127.26	\$41,390
Alaska-----	91	38	186,325	170.07	12,999
Arizona-----	1,124	485	1,706,601	126.53	56,933
Arkansas-----	502	220	733,397	121.72	30,177
California-----	3,964	1,779	7,090,201	149.05	771,730
Colorado-----	492	221	808,505	137.05	45,405
Connecticut-----	403	220	696,671	143.89	34,288
Delaware-----	148	70	226,577	127.36	12,654
District of Columbia-----	141	80	233,303	137.74	12,513
Florida-----	3,353	1,826	5,592,221	138.98	90,696
Georgia-----	1,913	879	3,119,436	135.90	80,134
Hawaii-----	177	88	453,331	213.65	13,839
Idaho-----	233	100	361,230	129.18	9,966
Illinois-----	1,870	914	3,128,689	139.45	109,653
Indiana-----	909	401	1,444,410	132.46	44,738
Iowa-----	408	191	593,444	121.20	23,801
Kansas-----	305	143	457,479	125.11	23,000
Kentucky-----	849	403	1,298,611	127.43	46,494
Louisiana-----	949	423	1,549,559	136.10	64,896
Maine-----	253	131	376,753	124.16	12,962
Maryland-----	716	361	1,104,338	128.46	52,017
Massachusetts-----	862	480	1,369,998	132.51	51,375
Michigan-----	1,828	925	2,980,302	135.84	152,213
Minnesota-----	539	265	749,991	115.98	57,022
Mississippi-----	660	297	980,028	123.76	25,937
Missouri-----	948	442	1,462,076	128.54	48,075
Montana-----	126	59	193,011	127.78	10,380
Nebraska-----	176	77	258,675	122.43	14,584
Nevada-----	355	169	525,319	123.35	18,584
New Hampshire-----	117	56	166,473	118.68	8,140
New Jersey-----	826	406	1,321,102	133.26	128,909
New Mexico-----	438	194	674,067	128.17	33,219
New York-----	3,077	1,650	5,444,102	147.45	376,324
North Carolina-----	1,669	785	2,430,133	121.37	83,174
North Dakota-----	59	27	90,678	128.52	8,180
Ohio-----	1,808	874	3,006,931	138.60	92,681
Oklahoma-----	615	280	947,200	128.36	47,635
Oregon-----	815	447	1,254,492	128.24	75,480
Pennsylvania-----	1,799	869	2,772,898	128.43	175,283
Rhode Island-----	173	95	289,246	139.45	9,428
South Carolina-----	870	410	1,371,335	131.38	20,527
South Dakota-----	104	45	165,489	132.80	5,970
Tennessee-----	1,317	641	2,089,053	132.20	53,006
Texas-----	4,038	1,666	6,006,735	123.95	224,281
Utah-----	277	113	404,542	121.75	24,015
Vermont-----	97	49	141,256	121.88	9,908
Virginia-----	914	440	1,403,721	128.00	93,540
Washington-----	1,108	580	1,684,648	126.69	74,440
West Virginia-----	347	164	500,403	120.23	16,711
Wisconsin-----	835	399	1,168,527	116.58	48,117
Wyoming-----	34	15	51,770	125.60	5,212
American Samoa 1/-----	0	0	4,795	0.00	0
CNMI 1/-----	0	0	9,852	0.00	0
Guam-----	44	14	113,328	215.98	1,295
Virgin Islands-----	25	11	52,786	177.18	5,131
Anticipated Adjustment-----	0	0	-88,937	0.00	368,749
TOTAL-----	46,609	22,330	\$74,547,113	\$133.42	\$3,957,810

NOTE: These data are based in part on preliminary data submitted by State and local agencies subject to change as revised reports are received. Totals may not add due to rounding.

1/ These entities receive a fixed grant and do not report participation.

**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
FIRMS AUTHORIZED TO RECEIVE AND REDEEM SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS
Fiscal Year 2012**

State or Territory	Retailers	Wholesalers	Drug/Alcohol Treatment Centers	Shelter for Battered Women and Children	Communal Dining Facility	Group Living Arrangement	Homeless Meal Provider	Meal Delivery Service	Private Restaurant /Meal Delivery	Senior Citizens Center/ Residential Building	Total
Alabama	4,812		24	1	1	27	1				4,866
Alaska	526		7	1			1				535
Arizona	3,795		7	1	1		4	2	65		3,875
Arkansas	2,475		16		19		2	24			2,536
California	23,613		213	6	3		26	5	1,297		25,163
Colorado	2,544		13		10	1	4	5			2,577
Connecticut	2,447		20	1	2						2,470
Delaware	781		3		1		5				790
District of Columbia	468		1				2				471
Florida	15,363		70		4	30	8	6	9		15,490
Georgia	9,710	1	5		5	2	3	1			9,727
Guam	262										262
Hawaii	979		11	8	2	2	1	2			1,005
Idaho	976										976
Illinois	9,114		19	1	50	15	9	23	1	107	9,339
Indiana	4,801		3	1	5		6	13		1	4,830
Iowa	2,621		13		18			13			2,665
Kansas	1,791		13		17	5	1	11			1,838
Kentucky	4,447		31		3	5					4,486
Louisiana	4,633		5		2	2	7				4,649
Maine	1,571		11		10	1	1	1		2	1,597
Maryland	3,693		19	3	5	22	10	3			3,755
Massachusetts	4,894		74	10	10	113	9	1		6	5,117
Michigan	9,763	2	27		36	38	7	29	157	1	10,060
Minnesota	3,127		4		8		2	9		2	3,152
Mississippi	3,437	1	1		2			2			3,443
Missouri	4,407		16	2	2		11	3			4,441
Montana	716		3		17	10	2	1		3	752
Nebraska	991		11				2				1,004
Nevada	1,684		5	1		1	4				1,695
New Hampshire	1,032		4		2	2	1	2		1	1,044
New Jersey	6,171		27		1	9	7			1	6,216
New Mexico	1,433	1	2								1,436
New York	18,794	1	110		30	215	15	31			19,196
North Carolina	8,505	1	6		24		2	9			8,547
North Dakota	442		3		19	4		7		1	476
Ohio	8,872		35		5	1	2	7	1		8,923
Oklahoma	3,316		13	1	17			17			3,364
Oregon	3,310		26	1	8	32	9	3		1	3,390
Pennsylvania	9,984	1	16		13	14	25	24			10,077
Rhode Island	975		11	1	9	4	2	1	5		1,008
South Carolina	4,967	1	4				2		2		4,976
South Dakota	672		2		10	17		5			706
Tennessee	6,446		20		3	30	3	4		2	6,508
Texas	17,708	1	27			1	2				17,739
Utah	1,285		9		1	2		1			1,298
Vermont	711		1		1	1					714
Virgin Islands	102	2	1				1				106
Virginia	6,080	1	15		2	3		1			6,102
Washington	4,867		23		4	6	4	5			4,909
West Virginia	2,220	2	1		8			2			2,233
Wisconsin	3,682		7	1	18	2	5	11			3,726
Wyoming	295		6		2		1	1			305
Total	242,310	15	1,014	40	410	617	209	285	1,537	128	246,565

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
PARTICIPATION AND FUNDING
FISCAL YEAR 2012

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS <u>1/</u>	ADMINISTRATIVE FUNDING <u>2/</u>	TOTAL FOOD AND ADMIN.
Alaska-----	145	\$98,220	\$506,077	\$604,443
Arizona-----	11,031	7,749,219	4,434,804	12,195,053
California-----	5,930	3,774,283	2,541,639	6,321,852
Colorado-----	473	297,312	215,755	513,540
Idaho-----	1,518	1,012,401	655,987	1,669,906
Kansas-----	434	305,583	249,578	555,595
Michigan-----	1,237	871,353	1,114,507	1,987,097
Minnesota-----	2,150	1,524,601	1,512,041	3,038,792
Mississippi-----	694	425,343	356,387	782,423
Montana-----	2,358	1,705,168	1,908,632	3,616,158
Nebraska-----	1,024	683,518	455,479	1,140,020
Nevada-----	1,313	843,259	623,287	1,467,859
New Mexico-----	2,507	1,693,592	1,495,208	3,191,307
New York-----	353	199,852	352,016	552,221
North Carolina-----	558	391,143	245,761	637,462
North Dakota-----	3,836	2,718,398	1,850,075	4,572,309
Oklahoma-----	25,804	18,527,056	8,864,274	27,417,134
Oregon-----	653	433,875	678,650	1,113,178
South Dakota-----	7,687	5,592,979	3,373,152	8,973,818
Texas-----	110	69,294	168,114	237,517
Utah-----	129	82,558	54,121	136,808
Washington-----	3,225	2,140,503	2,101,901	4,245,630
Wisconsin-----	2,790	1,799,658	1,830,626	3,633,074
Wyoming-----	573	407,466	221,311	629,351
Anticipated Adjustment-----	5	11,579,694	1,950,494	13,453,659
TOTAL-----	76,535	\$64,926,327	\$37,759,876	\$102,686,203

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2012.

1/ Total value of entitlement foods. Costs do not include bonus commodities, food losses, storage and transportation for certain items (Group A fruits and vegetables, all Group B commodities), the value of food used for nutrition education, or the Department of Defense Regional Pilot.

2/ Administrative funding represents the total of Federal outlays and unliquidated obligations.

NOTE: These data are based in part on preliminary reports submitted by State and local agencies and are subject to change as revisions are received. Totals reflect Federal obligations and differ from State reported data.

FOOD AND NUTRITION SERVICE
FOOD DISTRIBUTION ON INDIAN RESERVATIONS (FDPIR)

Quantity and Value of Commodities

Fiscal Year 2012

	Pounds	Dollars
ENTITLEMENT COMMODITIES		
SECTION 6/32 TYPE:		
APPLESAUCE, CANNED, UNSWEETENED	412,200	\$271,196
APRICOTS, CANNED, HALVES, EX LT SYRUP	218,700	151,583
BEANS, CANNED, GREEN, LOW-SODIUM	485,895	222,733
BEANS, CANNED, LIGHT RED KIDNEY, LOW SODIUM	320,153	155,876
BEANS, CANNED, PINTO, LOW-SODIUM	391,298	180,770
BEANS, CANNED, REFRIED, LOW-SODIUM	330,480	163,037
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	274,560	130,821
BEANS, DRY, GREAT NORTHERN W/O SALT	322,560	190,925
BEANS, DRY, PINTO W/O SALT	1,035,840	678,734
BEEF, CANNED	324,000	1,104,235
BEEF, FINE GROUND, FROZEN	1,774,000	4,310,935
BEEF, ROUND ROAST, FROZEN	1,120,000	4,249,760
BEEF STEW, CANNED	1,245,600	1,243,548
CARROTS, CANNED, LOW-SODIUM	145,800	71,798
CHICKEN CONSUMER SPLIT BRST PKG	1,365,000	1,899,242
CHICKEN, WHOLE, BAGGED	635,976	540,968
CHICKEN, CANNED	151,800	328,625
CORN, CANNED, LOW-SODIUM	397,890	173,734
CRANBERRY SAUCE, CANNED	110,160	64,015
DoD FRESH PRODUCE		5,508,428
EGG MIX, DRIED	432,000	1,388,351
FRUIT-NUT MIX, DRY	838,656	2,225,150
HAM, WATER ADDED, FROZEN	468,000	674,856
HOMINY, CANNED	35,955	19,997
JUICE, BOTTLED, APPLE, UNSWEETENED	1,813,080	907,106
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	1,704,330	1,060,925
JUICE, BOTTLED, GRAPE, UNSWEETENED	1,025,730	727,125
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	392,370	142,711
JUICE, BOTTLED, ORANGE, UNSWEETENED	2,549,100	1,221,468
JUICE, BOTTLED, TOMATO, UNSWEETENED	570,720	162,975
MIXED FRUIT, CANNED, EX LT SYRUP	448,650	281,363
MIXED VEGETABLES, CANNED, LOW-SODIUM	109,350	60,361
PEACHES, CANNED, CLING, EX LT SYRUP	788,850	475,660
PEARS, CANNED, EX LT SYRUP	159,750	121,868
PEAS, CANNED, LOW-SODIUM	194,850	103,911
PLUMS, DRIED	144,000	186,555
POTATOES, DEHYDRATED	450,000	745,800
POTATOES, CANNED, SLICED	146,880	65,790
PUMPKIN, CANNED, LOW-SODIUM	145,800	135,286
RAISINS	311,040	425,866
SALMON, CANNED	354,000	857,568
SOUP, CANNED, TOMATO, CONDENSED, LOW-SODIUM	425,700	283,162
SOUP, VEGETABLE, LOW-SODIUM, CANNED	425,700	348,216
SOUP, CREAM OF CHICKEN, REDUCED SODIUM	727,650	740,040
SOUP, CREAM OF MUSHROOM, REDUCED SODIUM	727,650	710,640
SPAGHETTI SAUCE, CANNED, LOW-SODIUM	619,650	234,430
SPINACH, CANNED, LOW-SODIUM	101,745	58,156
SWEET POTATOTES, CANNED, LOW-SODIUM	137,700	108,293
TOMATO SAUCE, CANNED, LOW-SODIUM	481,950	175,751
TOMATOES, CANNED, DICED, LOW-SODIUM	103,530	45,479
TURKEY BREAST, COOKED	960,336	2,324,397
SUBTOTAL, SECTION 6/32 TYPE	28,856,633	38,389,023

FOOD AND NUTRITION SERVICE
FOOD DISTRIBUTION ON INDIAN RESERVATIONS (FDPIR)

Continued from Previous Page

Quantity and Value of Commodities

Fiscal Year 2012

	Pounds	Dollars
ENTITLEMENT COMMODITIES		
SECTION 416 TYPE:		
BUTTERY SPREAD, LIGHT, ZERO TRANS FAT	335,340	\$326,390
CEREAL, BRAN FLAKES, READY-TO-EAT	119,574	149,740
CEREAL, CORN AND RICE, READY-TO-EAT	114,996	172,734
CEREAL, CORN FLAKES, READY-TO-EAT	167,198	170,014
CEREAL, CORN SQUARES, READY-TO-EAT	131,712	211,068
CEREAL, OAT CIRCLES, READY-TO-EAT	132,258	177,551
CEREAL, RICE CRISPS, READY-TO-EAT	38,532	52,063
CEREAL, RICE, READY-TO-EAT	64,500	87,041
CHEESE, BLEND, AMER/SKIM MILK, SLICED	594,000	968,418
CHEESE, PROCESS, LOAVES	1,821,600	3,359,799
CORNMEAL	1,071,000	243,044
CRACKERS, UNSALTED	548,892	786,242
EGG NOODLES	657,120	450,426
FARINA, QUICK COOKING	271,656	175,474
FLOUR MIX, LOWFAT	1,049,760	877,716
FLOUR, ALL PURPOSE	5,612,040	1,383,136
FLOUR, WHOLE WHEAT	428,400	95,469
MAC N CHEESE MIX, DRY	488,592	545,366
MACARONI	895,200	434,844
MILK, EVAPORATED CANNED	1,970,487	1,215,426
MILK, INSTANT NDM	199,680	416,641
MILK, UHT, 1% LOW-FAT	4,592,400	1,595,199
OATS, NO ADDED SALT, WHOLE GRAIN	1,113,840	636,504
OIL, VEGETABLE	1,036,728	772,387
PEANUT BUTTER, SMOOTH	572,670	924,328
PEANUTS, ROASTED	285,120	552,516
RICE, WHITE	984,000	326,306
ROTINI, WHOLE GRAIN	102,000	57,307
SPAGHETTI	914,400	385,646
SUBTOTAL, SECTION 416 TYPE	26,313,694	17,222,405
Anticipated Adjustment		8,036,722
AMS / FSA / WBSCM Admin. Expenses		680,591
TOTAL, COMMODITY ENTITLEMENT	55,170,327	64,599,937
BONUS COMMODITIES		
SECTION 32 TYPE:		
NONE		
SUBTOTAL, SECTION 32 TYPE	0	0
SECTION 416 TYPE:		
NONE		
SUBTOTAL, SECTION 416 TYPE	0	0
TOTAL, BONUS COMMODITIES	0	0
GRAND TOTAL, FDPIR COMMODITIES	55,170,327	64,599,937

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

The estimates include appropriation language for this item as follows:

Commodity Assistance Program:

For necessary expenses to carry out disaster assistance and the Commodity Supplemental Food Program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); the Emergency Food Assistance Act of 1983; special assistance for the nuclear affected islands, as authorized by section 103(f)(2) of the Compact of Free Association Amendments Act of 2003 (Public Law 108-188); and the Farmers' Market Nutrition Program, as authorized by section 17(m) of the Child Nutrition Act of 1966, \$271,701,000, to remain available through September 30, 2015: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: Provided further, That notwithstanding any other provision of law, effective with funds made available in fiscal year 2014 to support the Seniors Farmers' Market Nutrition Program, as authorized by section 4402 of the Farm Security and Rural Investment Act of 2002, such funds shall remain available through September 30, 2015: Provided further, That of the funds made available under section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)), the Secretary may use up to 10 percent for costs associated with the distribution of commodities: Provided further, That of the total amount available, \$2,000,000 shall be available for program integrity activities associated with the Emergency Food Assistance Program, including, but not limited to, grants to States, and section 204(a) of the Emergency Food Assistance Act of 1983, as amended, shall not apply to such grants.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

COMMODITY ASSISTANCE PROGRAM (CAP)

2013 Estimate	\$253,952,000
Budget Estimate, 2014.....	<u>271,701,000</u>
Change in Appropriation	+ <u>17,749,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
Discretionary Appropriations:					
Commodity Supplemental Food Program	\$175,697	\$1,091	\$10,147	\$15,747	\$202,682
TEFAP Program Integrity	0	0	0	2,000	2,000
All Other Discretionary Activities	70,429	-4,881	7,469	2	67,019
Total Appropriation or Change	246,126	-3,790	17,616	17,749	271,701

FOOD AND NUTRITION SERVICE

Project Statement
(Appropriations Detail and Staff Years)
(Dollars in thousands)

Project	2011 Actual	SY	2012 Actual	SY	2013 Budget	SY	Inc. or Dec.		2014 Request	SY
Commodity Supplemental Food Program	\$175,697		\$176,788		\$186,935		\$15,747	(1)	\$202,682	
Farmers' Market Programs										
Farmers' Market Nutrition Program	19,960		16,548		16,548		0		16,548	
Senior Farmers' Market Nutrition Program (transfer) <u>1/</u>	20,600		20,600		20,600		0		20,600	
Total Adjusted FMP	40,560		37,148		37,148		0		37,148	
Emergency Food Assistance Program										
Administrative Costs	49,401		48,000		49,401		0	(2)	49,401	
Other Programs										
Nutrition Services Incentive Program <u>2/</u>	1,994		2,025		2,542		-2,542		0	
Nuclear Affected Islands	574		537		574		0	(3)	574	
Disaster Assistance	494		463		494		2	(4)	496	
TEFAP Program Integrity	0		0		0		2,000	(5)	2,000	
TEFAP Disaster Assistance Supplemental	0		0		6,000		-6,000	(6)	0	
Total Adjusted Appropriation	268,720	2	264,961	3	283,094	3	9,207		292,301	8
TEFAP Disaster Assistance	0		0		-6,000		6,000		0	
Rescission	493		0		0		0		0	
Transfers (SFMNP and NSIP)	-22,594		-22,625		-23,142		2,542		-20,600	
Total Appropriation	246,619	2	242,336	3	253,952	3	17,749		271,701	8

1/ Section 4406(c)(1) of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246) authorizes the transfer of \$20,600,000 from the Commodity Credit Corporation (CCC) for the SFMNP.

2/ Section 311(d)(3) of the Older Americans Act (42 U.S.C. 3030a) authorizes the transfer of NSIP funds from HHS for the purchase of USDA Foods and related expenses. The NSIP amount for FY 2014 will be determined at a later date.

FOOD AND NUTRITION SERVICE

Project Statement
(On basis of obligations)
(Dollars in thousands)

Project	2011 Actual	SY	2012 Actual	SY	2013 Budget	SY	Inc. or Dec.	2014 Request	SY
Commodity Supplemental Food Program									
USDA Food Purchases	\$155,139		\$146,534		\$147,872		\$10,401	\$158,273	
Administrative Costs	41,305		42,138		43,069		1,340	44,409	
Subtotal, CSFP Obligations	196,444		188,672		190,941		11,741	202,682	
Recovery of Prior Year Obligations	-13,742		-15,890		0		0	0	
Unobligated Balances:									
Available Start of Year	-8,025		0		-4,006		4,006	0	
Available End of Year	1,020		4,006		0		0	0	
Balance Lapsing	0		0		0		0	0	
Subtotal, CSFP Appropriation	175,697		176,788		186,935		15,747	202,682	
Farmers' Market Programs									
Seniors Farmers' Market Nutrition	22,227		22,241		20,628		-28	20,600	
Farmers' Market Nutrition Program	23,283		20,517		16,549		-1	16,548	
Subtotal, FMP Obligations	45,510		42,758		37,177		-29	37,148	
Transfer from CCC	-20,600		-20,600		-20,600		0	-20,600	
Recovery of Prior Year Obligations	-4,959		-5,623		0		0	0	
Unobligated Balances:									
Available Start of Year	-8		-17		-29		29	0	
Available End of Year	17		29		0		0	0	
Balance Lapsing	0		1		0		0	0	
Subtotal, FMP Appropriation	19,960		16,548		16,548		0	16,548	
Emergency Food Assistance Program <u>1/</u>									
Administrative Costs	51,224		48,551		49,401		0	49,401	
SNAP/TEFAP Admin. (non add)	(19,068)		0		0		0	0	
SNAP/TEFAP USDA Foods (non add)	(228,432)		(260,260)		(269,500)		0	(269,500)	
Subtotal, TEFAP Obligations	51,224		48,551		49,401		0	49,401	
Recovery of Prior Year Obligations	-1,846		-529		0		0	0	
Unobligated Balances:									
Available Start of Year	0		-23		0		0	0	
Available End of Year	23		0		0		0	0	
Balance Lapsing	0		1		0		0	0	
Subtotal, TEFAP Appropriation	49,401		48,000		49,401		0	49,401	
Other Programs:									
Nutrition Services Incentive Program <u>2/</u>	2,784		2,024		2,543		-2,543	0	
Nuclear Affected Islands	574		537		574		0	574	
Disaster Assistance	379		405		957		-461	496	
TEFAP Infrastructure Grants	2		0		0		0	0	
TEFAP Disaster Assistance	0		0		6,000		-6,000	0	
TEFAP Program Integrity	0		0		0		0	2,000	
Subtotal, Other Program Obligations	3,739		2,966		10,074		-7,004	3,070	
Transfer from DHHS	-1,994		-2,025		-2,542		2,542	0	
Recovery of Prior Year Obligations	-770		0		0		0	0	
Unobligated Balances:									
Available Start of Year	-388		-439		-464		464	0	
Available End of Year	439		464		0		0	0	
Balance Lapsing	42		34		0		0	0	
Subtotal, Other Program Appropriation	1,068		1,000		7,068		-3,998	3,070	
Total, CAP Obligations	296,917	2	282,947	3	287,593	3	4,708	292,301	8
Rescission	493		0		0		0	0	
Total Adjusted Appropriation	246,619	2	242,336	3	259,952	3	11,749	271,701	8
TEFAP Disaster Assistance	0		0		-6,000		6,000	0	
Total Appropriation	246,619	2	242,336	3	253,952	3	17,749	271,701	8

FOOD AND NUTRITION SERVICE

1/ Section 27(a)(2) of the Food and Nutrition Act of 2008 provides funding for TEFAP commodities in the SNAP account. The level of funding is adjusted annually based on changes in the Thrifty Food Plan. Beginning in FY 2009, up to 10 percent of the funding is permitted to be used for TEFAP administrative costs.

2/ Section 311(d)(3) of the Older Americans Act (42 U.S.C. 3030a) authorizes the transfer of NSIP funds from HHS for the purchase of USDA Foods and related expenses. The NSIP amount for FY 2014 will be determined at a later date.

Justification of Increases and Decreases

The FY 2014 request for the Commodity Assistance Program reflects an increase of \$17,749,000.

- (1) An increase of \$15,747,000 for the Commodity Supplemental Food Program (\$186,935,000 available in FY 2013).

This increase is due to inflation in food costs and administrative expenses. The amount requested will support the current base caseload and participation levels by maintaining the current level of USDA Foods provided through the purchase authority in Section 4404 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246).

The average monthly food cost per person will increase from an estimated \$30.10 for women, infants and children in FY 2013 to \$30.62 in FY 2014, and from \$23.98 to \$24.40 for the elderly. In FY 2014, the free portion of the food package costs will remain relatively steady.

The administrative grant per caseload slot is increased annually using the State and Local Expenditure Index. The FY 2014 grant is anticipated to be \$74.62 per year per caseload slot, an increase of \$2.38 from the FY 2013 level.

- (2) No change in The Emergency Food Assistance Program (\$49,401,000 available in FY 2013).

This funding is used for grants to States to support the storage and distribution of USDA Foods distributed through the TEFAP network of emergency feeding organizations (EFOs): food banks, food pantries and soup kitchens. The funding is allocated among States using a statutory formula that takes into account poverty and unemployment. States are required to pass through at least 40 percent of the funding provided to EFOs, and must match any funding retained for State administrative expenses.

- (3) No change in Nuclear Affected Islands program (\$574,000 available in FY 2013).

This funding provides nutrition assistance to the former residents of the four atolls that were rendered uninhabitable because of the nuclear weapons testing program at Bikini atoll in the Pacific Ocean. Funding is provided under authority of Section 103(f)(2) of the Compact of Free Association Amendments Act of 2003 (Public Law 108-188).

- (4) An increase of \$2,000 in Disaster Assistance program (\$494,000 available in FY 2013).

An increase of \$2,000 for pay cost for anticipated FY 2014 pay raise. This funding provides nutrition assistance in situations of distress, which are natural catastrophes or other situations have not been declared a disaster or emergency by the President.

- (5) An increase of \$2,000,000 and 5 staff years in TEFAP Program Integrity (\$0 available in FY 2013).

This funding provides resources dedicated to FNS' TEFAP oversight activities that would support additional staff and/or contractors to perform management evaluation reviews, provide technical assistance to state and local TEFAP operations and help ensure that program funds are being spent in accordance with the law and regulation.

FOOD AND NUTRITION SERVICE

In addition, this proposal would create a dedicated source of funding for State oversight efforts, including reviews of participating emergency feeding organizations. A recently released Office of Inspector General report found that eight out of nine states reviewed did not perform the necessary oversight of local emergency feeding organizations' administrative spending, and the report also identified issues with program monitoring at the state level. A small pool of resources dedicated to States' TEFAP oversight activities would help States carry out these activities and help ensure that program funds are being spent in accordance with law and regulation. For more information see the proposal below.

FOOD AND NUTRITION SERVICE

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2014
CURRENT LAW**

Program(s): The Emergency Food Assistance Program (TEFAP)

Proposal: Establish a TEFAP Integrity Fund

Rationale: In a recent audit report, the Office of Inspector General (OIG) recommended that FNS conduct more oversight of TEFAP State agencies due to the potential risks of mismanagement of Federal resources involved in this very decentralized program. Additionally, OIG identified issues with program monitoring at the State level, finding that eight out of nine States reviewed did not perform the necessary oversight of local emergency feeding organizations' administrative spending.

Currently, FNS lacks a dedicated source of funding to perform management evaluation reviews of State TEFAP agencies or provide technical assistance to State TEFAP operations. Similarly, States lack dedicated funding for program oversight activities as most provide the majority of TEFAP administrative funds to local recipient agencies to ensure sufficient funds are available to operate TEFAP at the local level. Dedicating a small pool of resources to promote TEFAP program integrity would help ensure that program resources are used in accordance with applicable law and regulation.

These targeted funds would be utilized at both the Federal and State levels. Funds would support Federal staff and/or contractor resources to increase the number and/or rigor of reviews performed, and offer additional technical assistance and training to States. State agencies would use TEFAP integrity funds to conduct thorough program oversight activities in compliance with current regulations, and provide technical assistance to TEFAP operators at the local level.

Under this legislative proposal, the Secretary would determine the allocation of funding between Federal and State expenses, including how funds would be allocated among State agencies. In the first year of implementation, it is anticipated that funding would be divided equally between FNS and TEFAP State agencies. FNS anticipates that five staff years at the Federal level would be allocated throughout the country to both provide program monitoring and technical assistance to States. FNS will consider risk factors in making allocations among the TEFAP States. FNS will assess first-year progress before determining an allocation method for future years.

FNS is also proposing legislation to waive current requirements regarding matching and pass-through of TEFAP administrative funds for these program integrity funds only. Without such legislation, States would have to provide at least 40 percent of these funds to local emergency feeding organizations, and may have difficulty finding additional State resources to meet the current 100 percent match requirement on funds used at the State level.

Budget Impact: (in millions)

	2014	2015	2016	2017	2018	Total
Budget Authority	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$10.0

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM		
CALENDAR YEAR AUTHORIZED CASELOAD LEVELS		
FOR WIC AND ELDERLY		
STATE/ TRIBAL ORG.	2012	2013
Alaska	2,174	2,174
Arizona	12,944	12,760
Arkansas	2,985	2,985
California	76,900	76,900
Colorado	18,221	18,177
Delaware	2,388	2,388
District of Columbia	6,647	6,480
Georgia	2,985	2,981
Illinois	17,473	17,473
Indiana	4,396	3,637
Iowa	2,991	2,991
Kansas	5,025	4,981
Kentucky	23,630	23,310
Louisiana	68,085	68,085
Maine	2,937	2,937
Michigan	77,936	76,366
Minnesota	15,942	15,942
Mississippi	9,552	9,552
Missouri	15,895	15,838
Montana	8,177	8,177
Nebraska	12,167	11,896
Nevada	7,300	7,300
New Hampshire	6,468	6,299
New Jersey	2,985	2,957
New Mexico	16,778	16,627
New York	33,981	33,981
North Carolina	1,135	1,135
North Dakota	2,388	2,121
Oglala Sioux, SD	608	608
Ohio	20,436	20,436
Oklahoma	2,982	2,982
Oregon	1,641	1,641
Pennsylvania	34,533	34,533
Red Lake, MN	88	88
South Carolina	5,516	5,516
South Dakota	4,231	4,213
Tennessee	13,513	13,435
Texas	33,858	33,858
Utah	2,420	2,414
Vermont	3,227	3,219
Washington	5,293	5,196
Wisconsin	10,549	10,549
TOTAL CASELOAD	599,380	595,138

FOOD AND NUTRITION SERVICE

Commodity Supplemental Food Program
Program Performance Data

	2011 Actual (000)	2012 Actual (000)	2013 Estimate (000)	Difference (000)	2014 Estimate (000)
RESOURCES--START OF YEAR :					
Appropriation	\$175,697	\$176,788	\$186,935	\$15,747	\$202,682
Cash Carry-In/Recoveries	21,767	15,890	4,006	-4,006	0
Beginning Inventory (Federal-State-Local)	45,892	45,639	43,047	-1,738	41,309
TOTAL RESOURCES	243,356	238,317	233,988	10,003	243,991
DEMAND:					
1. Program Performance Data:					
Caseload (Calendar Year)	604,931	599,380	595,138	0.000	595,138
Participation (Fiscal Year)	588,083	588,083	595,138	0.000	595,138
Participation					
<i>Women-Infants-Children</i>	<i>19,229</i>	<i>19,229</i>	<i>17,110</i>	<i>-0.855</i>	<i>16,255</i>
<i>Elderly</i>	<i>568,854</i>	<i>568,854</i>	<i>578,028</i>	<i>0.855</i>	<i>578,882</i>
<u>Avg. Food Cost Person/Month (whole \$):</u>					
Women-Infants-Children	27.94	29.30	30.10	0.52	30.62
FNS Funded <u>1/</u>	26.54	25.39	25.98	0.52	26.50
<i>Free (donated)</i>	<i>1.40</i>	<i>3.91</i>	<i>4.12</i>	<i>0.00</i>	<i>4.12</i>
Elderly	22.14	23.29	23.98	0.42	24.40
FNS Funded <u>1/</u>	20.69	20.43	20.51	0.42	20.93
<i>Free (donated)</i>	<i>1.45</i>	<i>2.86</i>	<i>3.47</i>	<i>-0.01</i>	<i>3.47</i>
2. Food Costs:					
Food Distribution Costs	\$147,358	\$146,727	\$147,618	\$2,978	\$150,595
<i>Women-Infants-Children</i>	<i>6,124</i>	<i>5,374</i>	<i>5,334</i>	<i>-165</i>	<i>5,169</i>
<i>Elderly</i>	<i>141,234</i>	<i>141,353</i>	<i>142,284</i>	<i>3,143</i>	<i>145,426</i>
Commodity Administrative Costs	2,094	2,399	1,993	33	2,026
<i>AMS Charges</i>	<i>80</i>	<i>80</i>	<i>79</i>	<i>1</i>	<i>80</i>
<i>FSA Charges</i>	<i>332</i>	<i>291</i>	<i>355</i>	<i>6</i>	<i>361</i>
<i>PCIMS/FPRS/ECOS</i>	<i>1,377</i>	<i>1,377</i>	<i>1,369</i>	<i>23</i>	<i>1,392</i>
<i>Computer Support/Internet</i>	<i>305</i>	<i>650</i>	<i>190</i>	<i>3</i>	<i>193</i>
Total Food Costs	149,452	149,126	149,611	3,011	152,621
3. State Administrative Expenses	41,305	42,138	43,069	1,340	44,409
TOTAL DEMAND	190,757	191,264	192,680	4,351	197,030
BALANCES--YEAR-END:					
Funds (Carry-out)	1,020	4,006	0	0	0
Ending Inventory	51,579	43,047	41,309	5,652	46,961
COMMODITY ACTIVITY:					
Purchases	155,139	145,513	147,872	10,401	158,273
Inventory Change	5,687	-2,592	-1,738	7,390	5,652

1/ In addition to reported food package costs, the number also reflects costs associated with storage and transportation, losses and nutrition education expenditures.

FOOD AND NUTRITION SERVICE

Summary of Proposed Legislation

Program: Food Safety Education- Emergency Food Assistance Program (TEFAP), Commodity Supplemental Food Program (CSFP), and the Food Distribution Programs for Indian Reservations (FDPIR).

Proposal: Legislation is needed to broaden the authority of FNS to place on hold USDA Foods purchased for and distributed for TEFAP, CSFP and FDPIR when they are suspected of being unsafe.

Rationale: Section 308 of the Healthy, Hunger-Free Kids Act of 2010 directs FNS to work with AMS and FSA to develop guidelines for placing administrative holds on suspect foods purchased by USDA to support the school meals program. This law gives FNS, for the first time, legislative authority to place any food on hold pending an investigation into suspected problems with a product. This authority, however, presents an inequity among the programs for which USDA Foods are distributed, because similar authority to place foods distributed to TEFAP, CSFP, and FDPIR on hold does not exist.

Goal: Improve safety of USDA Foods distributed to programs and participants.

Budget Impact: (\$ in thousands)

	2012	2013	2014	2015	2016
Discretionary Budget Authority	0	0	0	0	0
Discretionary Outlays	0	0	0	0	0

FOOD AND NUTRITION SERVICE

Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

Commodity Assistance Program—Federal Salaries & Expenses								
	<u>2011 Actual</u>		<u>2012 Actual</u>		<u>2013 Estimated</u>		<u>2014 Estimated</u>	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
California	\$1	0	\$3	0	\$3	0	\$4	0
Colorado	0	0	2	0	2	0	3	0
Illinois	0	0	15	0	15	0	20	0
Massachusetts	7	0	0	0	0	0	0	0
New Jersey	0	0	2	0	2	0	3	0
Texas	5	0	47	0	47	0	64	0
Virginia	1,720	2	2,052	3	2,057	3	2,775	8
Undistributed	125	0	25	0	25	0	34	0
TOTAL	\$1,858	2	\$2,146	3	\$2,151	3	\$2,902	8

Note: Totals may not add due to rounding.

Commodity Assistance Program

Classification by Objects

(Dollars in Thousands)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Estimate</u>	<u>2014 Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$59	\$185	\$187	\$499
Field.....	69	217	219	586
11.0 Total personnel compensation.....	128	402	406	1,085
12.0 Personnel benefits.....	41	39	40	107
Total personnel comp. and benefits.....	169	441	446	1,192
Other Objects:				
21.0 Travel and transportation of persons.....	0	51	52	53
25.0 Other Services.....	0	1	1	1
26.0 Supplies and materials.....	157,923	154,676	150,257	158,273
41.0 Grants.....	138,825	127,778	136,837	132,782
Total, Other Objects.....	296,748	282,506	287,147	291,109
99.9 Total, new obligations.....	296,917	282,947	287,593	292,301

COMMODITY ASSISTANCE PROGRAM

STATUS OF PROGRAM

The Commodity Assistance Program (CAP) account combines funding for the Commodity Supplemental Food Program, administrative expenses for the Emergency Food Assistance Program, assistance to the Nuclear Affected Islands, Disaster Relief, the Senior Farmers' Market Nutrition Program, and the WIC Farmers' Market Nutrition Program.

Commodity Supplemental Food Program

Program Mission

The Commodity Supplemental Food Program (CSFP) provides supplemental USDA Foods to low-income pregnant, postpartum and breastfeeding women, infants, children up to age six, and persons age 60 and over. The program operates in parts of 39 States, the District of Columbia, and through two Indian Tribal Organizations (ITOs). The foods provided are purchased by FNS with funds appropriated for the program each year, and are supplemented by USDA Foods purchased by the Agricultural Marketing Service (AMS) and the Farm Service Agency (FSA) through their market support activities and donated to FNS. CSFP participants receive monthly food packages containing USDA Foods. Food packages are designed to address the specific nutritional needs of women, infants, children, and elderly clients. They include such nutritious foods as canned fruits and vegetables, juices, meats, fish, peanut butter, cheese, cereal and grain products, and dairy products. Infants receive formula and rice cereal. FNS also provides administrative grants to States from the appropriated funds.

Facts in Brief

- In calendar year 2012, a total of 599,380 caseload slots were allocated to participating States and ITOs (CSFP caseload is assigned by calendar year).
- For FY 2012, program participation averaged 594,215 monthly.
- Average monthly participation of women, infants, and children decreased from 19,229 in FY 2011 to 17,639 in FY 2012, while average monthly elderly participation increased in the same period from 568,847 to 576,576.

Program Participation and Caseload Utilization

Each year, to the extent that resources are available, FNS assigns a base caseload to all of the States and ITOs participating in the program. Base caseload equals the greatest of: 1) monthly average participation for the previous fiscal year; 2) monthly average participation for the final quarter of the previous fiscal year; or, in certain limited circumstances, 3) participation during September of the previous fiscal year. Base caseload cannot exceed total caseload for the previous year. If resources are available to support total caseload in excess of base caseload, States may also be eligible to receive additional caseload, which is assigned based on State requests for such caseload and FNS' determination of the number of slots that States can effectively use.

CSFP Average Monthly Participation

Participation ^{1/}	2007	2008	2009	2010	2011	2012
Women	5,281	4,792	3,389	2,954	2,484	2,540
Infants	3,241	2,686	1,593	1,275	1,055	1,053
Children Less than 6	24,748	23,449	18,340	16,911	15,690	14,046
Total WIC Type	33,270	30,927	23,322	21,139	19,229	17,639
Elderly	432,804	444,380	443,293	497,707	568,847	576,576
Total, CSFP	466,075	475,307	466,615	518,846	588,076	594,215

^{1/} Based on National Databank version 8.2 data through September FY 2012. Due to rounding, the sum of the average participation by women, infants, children and elderly may not equal the total average participation.

Free (donated) Foods: Under market support authorities, FSA and AMS conduct price-support and surplus-removal procurements of food to aid American agriculture. This food may be donated to FNS, which decides how to allocate them among its programs. If this food can be used in the CSFP food package, then FNS may choose to provide it to CSFP. The availability of such food depends entirely on market conditions that cannot be predicted or controlled. Free food enables FNS to provide more food packages than could be funded exclusively with CSFP appropriations. Though the volume of price support/surplus removal food available to CSFP may vary significantly from year to year, FNS uses historical data to project a certain value of free (donated) food per food package that will be available.

New National Warehouse Contracts: In September 2012, new national multifoed warehouse contracts to store and distribute food for CSFP and FDPIR were awarded to Americold and Paris Brothers, Inc. Americold, located in Nampa, Idaho, will serve CSFP and FDPIR sites located in Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Wyoming, and Washington. Paris Brothers, Inc., located in Kansas City, Missouri, will serve CSFP and FDPIR sites located in Arkansas, Iowa, Louisiana, Kansas, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New York, North Carolina, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin. Deliveries to sites from the new warehouses are scheduled to begin in calendar year 2013. Remaining CSFP States will continue to be served out of the Syracuse, New York, warehouse, which is unchanged from prior years.

Administrative Funding

Section 4201 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill, P.L. 107-171) established the method for calculating administrative funds for State agencies in CSFP. State agencies are provided an administrative grant per assigned caseload slot, adjusted each year for inflation. For FY 2012, \$70.14 was the legislatively-mandated administrative grant per assigned caseload slot. Allowable administrative costs include nutrition education, warehousing, food delivery, participant certification, and other costs associated with State and local administration of the program.

The Emergency Food Assistance Program

Program Mission

The Emergency Food Assistance Program (TEFAP) supplements the diets of needy Americans through donations of nutritious USDA Foods to States. States provide the food to local agencies for distribution to households for home consumption and to organizations that prepare meals for needy people. Recipients of consumer food packages must meet program eligibility criteria set by the States. USDA also provides TEFAP administrative funding to States to support the storage and distribution of USDA Foods and foods from other sources, including private donations.

Facts in Brief

- TEFAP foods and administrative funds are allocated to States based on a formula that considers the number of unemployed people in each State and the number of persons in each State with incomes below the poverty level.
- States may direct their “fair share” of TEFAP foods to: 1) distribution to needy households, 2) provision of meals to the needy at congregate feeding sites, or 3) a combination of the two.
- Each State is responsible for selecting organizations to participate in the program, allocating foods and administrative funds among such organizations, and establishing eligibility criteria. Many local TEFAP agencies are faith-based organizations and many depend significantly on volunteers.

Administrative Funding

TEFAP administrative funds are provided to States under the CAP account to help defray State and local costs associated with the transportation, processing, storage and distribution of USDA Foods or foods secured from other sources, including the private sector. Unless expressly prohibited by appropriations legislation, a State can also choose to convert TEFAP administrative funds to food funds that are used by USDA to purchase additional USDA Foods. States can also use administrative funds to support food rescue activities such as gleaning and other food

recovery efforts. In these ways, administrative funds are efficiently leveraged to increase the total flow of food, from all sources, through the TEFAP network.

Entitlement Foods

Funds for TEFAP food purchases are provided under the SNAP account. A great variety of healthful foods were purchased specifically for distribution in TEFAP in FY 2012. These included: dehydrated potatoes, dried plums, raisins, frozen ground beef, frozen whole chicken, frozen ham, frozen turkey roast, blackeye beans, garbanzo beans, great northern beans, light kidney beans, lentils, lima beans, pinto beans, egg mix, shell eggs, lowfat bakery mix, egg noodles, white and yellow corn grits, spaghetti, macaroni, oats, peanut butter, roasted peanuts, white and brown rice, whole grain rotini, spaghetti and macaroni, vegetable oil, ultra high temperature fluid 1 percent milk, bran flakes, corn flakes, oat cereal, rice cereal, corn cereal, and corn and rice cereal; and the following canned items: green beans, blackeye beans, low sodium kidney beans, refried beans, low-sodium vegetarian beans, carrots, cream corn, whole kernel corn, peas, sliced potatoes, pumpkin, low-sodium spaghetti sauce, spinach, sweet potatoes, tomatoes, diced tomatoes, low-sodium tomato sauce, mixed vegetables, reduced-sodium tomato soup, reduced-sodium vegetable soup, apple juice, cherry apple juice, cran-apple juice, grape juice, grapefruit juice, orange juice, tomato juice, apricots, applesauce, mixed fruit cling peaches, pears, beef, beef stew, chicken, pork, and salmon.

Bonus Food

In FY 2012, USDA purchased USDA Foods under its market support authorities and donated them for distribution through TEFAP. An additional \$138.8 million in bonus fruit and vegetable products were purchased for TEFAP outlets under the terms of the 2008 Farm Bill, bringing the total amount of bonus products distributed through TEFAP outlets in FY 2012 to \$304.2 million. Bonus USDA Foods include products made from chicken, lamb, pork patties, hams, canned pork, and catfish.

FY 2012 TEFAP Spending

In FY 2012, \$48.0 million was appropriated for TEFAP administrative funds, and the Secretary was authorized to make available up to ten percent of TEFAP food funds to support administrative costs. The FY 2012 appropriation for TEFAP entitlement food, which occurs in the SNAP account, was \$260.25 million, the level authorized by Section 27(a)(2)(C) of the Food and Nutrition Act of 2008.

TEFAP Summary
(Includes ARRA funds)
(Obligations)

(In millions)	2007	2008	2009	2010	2011	2012
State Administrative Expenses	\$58.0	\$57.1	\$88.6	\$121.7	\$70.3	\$65.8
Bonus Foods	58.2	178.1	373.7	346.6	235.3	304.2
Entitlement Foods	130.6	182.3	336.2	231.9	228.4	242.9
TOTAL	246.8	417.5	798.5	700.2	534.0	613.0

The State Administrative Expenses shown in the table above include administrative funds, food funds converted to administrative funds, ARRA funds (FY 2009 and FY 2010), and administrative funds recovered from the previous year. In FYs 2009 through FY 2012, appropriations language permitted States to use up to 10 percent of their TEFAP food funds as administrative funds. In FY 2010, of the \$24.8 million eligible for conversion, States chose to convert \$17.2 million into administrative funds. In FY 2011, of the \$24.75 million eligible for conversion, States chose to convert \$19.1 million into administrative funds. In FY 2012, of the \$26 million eligible for conversion, States chose to convert \$17.5 million into administrative funds.

Section 27(a)(2)(C) of the Food and Nutrition Act of 2008 requires that, starting in FY 2010, the authorized level of TEFAP entitlement food funds provided under the SNAP account be adjusted annually by the percentage change in the Thrifty Food Plan (TFP), which is also used to adjust the benefit level in SNAP. For FY 2012, \$242.9 million was provided for TEFAP entitlement food funds, an increase from the \$228.4 million provided in FY 2011. The amounts shown for FY 2009 entitlement foods in the table above include \$100 million provided for TEFAP by the ARRA. The amounts shown for FY 2009 entitlement foods in the table above include \$100 million provided for

TEFAP by the ARRA. The entitlement foods line also includes administrative funds that States chose to use instead to increase their food entitlements: FY 2007, \$0.1 million; FY 2008, \$0.4 million; FY 2009, \$0.02 million; FY 2010, \$0.01 million; FY 2011, \$0.01 million, and FY 2012, \$0.27 million.

The 2008 Farm Bill also increased the amount of Section 32 funds available for the purchase of fruits, vegetables, and nuts for use in domestic nutrition assistance programs from \$200 million to \$390 million in FY 2008, \$393 million in FY 2009, \$399 million in FY 2010, and \$403 million in FY 2011. In FY 2012, \$406 million was available. A significant portion of these funds were allocated for TEFAP food purchases.

WIC Farmers' Market Nutrition Program

The WIC Farmers' Market Nutrition Program (FMNP) provides a direct link between nutrition and the Nation's small resource farmers by providing women, older infants, and children participating in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), special coupons to purchase and consume fresh local fruits, vegetables and herbs directly from farmers, farmers' markets and roadside stands. As a result, the FMNP has enhanced local agricultural economies by promoting the development of farmers' markets, which has increased the customer base for small local farmers and become a major income source. During FY 2011 the last year for which data is available, the FMNP was operated by 46 State agencies and ITOs.

In FY 2011, the FMNP provided coupons to 1,919,477 WIC participants. The participants redeemed their coupons at 4,079 authorized farmers' markets and roadside stands, providing revenue to 18,487 small family farmers.

WIC Farmers' Market Nutrition Program

	2008	2009	2010	2011	2012
Funding (\$000)	\$21,402	\$21,750	\$22,089	\$23,283	\$20,517
WIC Recipients	2,304,810	2,242,321	2,153,467	1,919,477	*
Farmers' Markets**	5,765	6,321	6,419	4,079	*
Farmers	16,016	17,636	18,245	18,487	*

Note: funding includes new authority and prior year resources.

*Data not yet available.

**Farmers' Markets data includes roadside stands.

Senior Farmers' Market Nutrition Program

The purposes of the Senior Farmers' Market Nutrition Program (SFMNP) are to: 1) provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, herbs and honey from farmers' markets, roadside stands and community supported agriculture programs to low-income seniors; 2) increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community support agriculture programs; and 3) develop or aid in the development of new and additional farmers' markets, roadside stands and community supported agriculture programs.

Section 4231 of the 2008 Farm Bill provided \$20.6 million annually, from FY 2008 through FY 2012, to operate the SFMNP and added the following new provisions: 1) honey as an eligible food; 2) a prohibition against considering the value of SFMNP benefits as income when determining eligibility for other Federal, State or local programs; and 3) a prohibition against the collection of State or local sales tax on any purchase of food with SFMNP benefits.

During FY 2012, the SFMNP operated in a total of 42 States, the District of Columbia, Puerto Rico, and seven Federally-recognized ITOs. The grant funds provide low-income seniors with coupons that can be exchanged for eligible foods at farmers' markets, roadside stands and community supported agricultural programs. A State agency may spend up to 10 percent of its total SFMNP grant to cover costs associated with the operation and administration of the SFMNP.

Senior Farmers' Market Program

	2008	2009	2010	2011	2012
Funding (\$000)	\$21,838	\$22,466	\$22,455	\$22,227	\$22,241
SFMNP Recipients	833,026	809,711	844,999	856,943	*
Farmers	17,156	18,714	20,106	19,069	*
Farmers' Markets	3,159	3,758	4,601	4,598	*
Roadside Stands	2,512	3,061	3,681	3,445	*
Community Supported Agriculture Programs	199	159	163	141	*

Note: funding includes new authority and prior year resources.

*Data not yet available

Pacific Island and Disaster Assistance

Certain islands in nuclear-affected zones of the Republic of the Marshall Islands receive nutrition assistance as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under the terms of a memorandum of understanding between USDA and the Republic of the Marshall Islands, the assistance is currently provided as cash in-lieu of USDA Foods and administrative funds. USDA previously provided nutrition assistance under this account to the former Trust Territory of the Pacific Islands; however, as the trust relationship ended for the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands, this assistance was phased out. Under its Compact of Free Association, Palau and Micronesia are not eligible to receive emergency assistance.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288) assigns certain responsibilities relating to disaster food assistance to the Secretary of Agriculture. Other duties have been assigned to the Secretary by Executive Order #12673. These include using, pursuant to the authority of the Act, funds appropriated under Section 32 to purchase USDA Foods for assistance in major disasters or emergencies when other food supplies are not readily available.

Nutrition Services Incentive Program (NSIP)

NSIP provides cash and USDA Foods to States for distribution to local organizations that prepare nutritionally sound meals served through meals-on-wheels programs or in senior citizen centers and similar settings where the elderly participate in social and rehabilitative activities. The program promotes good health through nutrition assistance and by reducing the isolation experienced by the elderly.

In 2003, Congress transferred NSIP funding and the allocation of resources in this program from USDA to the Department of Health and Human Services (DHHS). However, State Agencies on Aging could still choose to receive all or part of their NSIP allotments in the form of USDA Foods. They are also eligible to receive bonus food, as available.

USDA's role is to purchase and deliver food to States that elect to receive it. DHHS provides funding to USDA for purchases of USDA Foods and related administrative expenses. FNS and DHHS' Administration on Aging enter into annual agreements to ensure the effective provision of USDA Foods to State Agencies on Aging.

Surplus USDA Foods for Charitable Institutions and Summer Camps

Charitable institutions and summer camps are eligible to receive bonus USDA Foods, if available. These are provided through price-support and surplus removal authority to a wide variety of institutions serving needy persons. Charitable institutions and summer camps do not receive USDA Foods through specific program appropriations.

Under Section 416 price support and Section 32 surplus removal authorities, USDA Foods are acquired by FSA and AMS, respectively, and are made available at no cost to a variety of institutional types, including nonprofit charitable institutions serving needy persons and summer camps for children, among many others. To be eligible, an institution must be nonprofit, tax-exempt under the Internal Revenue Code, and serve meals on a regular basis. Among the charitable institutions eligible to receive USDA Foods are: homes for the elderly, hospitals that offer general and long term health care, soup kitchens, meals-on-wheels programs, and schools, service institutions, or nonresidential child care institutions that do not participate in any of the Child Nutrition Programs. In FY 2012, no bonus USDA foods were distributed to charitable institutions.

COMMODITY SUPPLEMENTAL FOOD PROGRAM
PROJECTS, PARTICIPATION AND FOOD COST

FISCAL YEAR 2012

STATE OR TERRITORY	PROJECTS	AVERAGE MONTHLY PARTICIPATION (FNS-153)					FOOD COSTS IN DOLLARS 1/	ADMINISTRATIVE COST IN DOLLARS 2/
		WOMEN	INFANTS	CHILDREN	ELDERLY	TOTAL		
Alaska-----	2	3	0	119	2,044	2,165	\$504,769	\$147,958
Arizona-----	11	197	0	764	11,799	12,760	2,749,451	908,260
Arkansas-----	3	0	0	0	2,985	2,985	690,527	209,368
California-----	6	114	115	1,516	74,443	76,188	18,051,900	5,395,800
Colorado-----	9	353	292	1,403	16,130	18,177	4,474,085	1,278,021
Delaware-----	1	0	0	0	2,404	2,404	560,045	129,387
District of Columbia-----	1	9	0	139	6,332	6,480	1,418,842	466,220
Georgia-----	2	0	0	1	2,974	2,975	662,692	180,885
Illinois-----	3	6	0	192	17,321	17,520	3,951,141	943,413
Indiana-----	3	0	0	0	3,637	3,637	854,215	310,632
Iowa-----	1	39	6	182	2,791	3,017	674,901	209,911
Kansas-----	3	11	1	98	4,871	4,981	1,162,725	346,417
Kentucky-----	6	14	7	99	23,122	23,242	5,631,977	1,657,408
Louisiana-----	1	137	108	692	66,888	67,825	16,491,059	4,783,096
Maine-----	5	0	0	0	2,949	2,949	614,080	206,843
Michigan-----	18	489	460	4,098	71,320	76,366	18,172,007	5,502,645
Red Lake, Minnesota-----	1	0	0	4	84	88	17,380	6,242
Minnesota-----	5	69	0	788	15,052	15,909	3,746,720	1,118,645
Mississippi-----	1	0	0	6	9,547	9,553	2,192,001	608,169
Missouri-----	6	0	0	0	15,838	15,838	3,612,512	1,066,499
Montana-----	12	0	0	70	8,075	8,145	1,783,078	573,535
Nebraska-----	8	118	10	588	11,180	11,896	2,484,386	809,871
New Jersey-----	3	0	0	0	2,931	2,931	679,466	207,375
Nevada-----	3	8	9	100	7,142	7,259	1,639,689	512,391
New Hampshire-----	4	742	0	870	4,624	6,236	1,447,948	449,088
New Mexico-----	4	32	21	545	15,862	16,459	3,770,553	1,148,287
New York-----	2	136	0	840	33,431	34,407	7,645,533	2,383,428
North Carolina-----	1	0	0	0	1,156	1,156	282,295	79,749
North Dakota-----	6	0	0	0	2,121	2,121	505,176	174,385
Ohio-----	8	0	0	0	20,696	20,696	4,840,737	1,433,381
Oklahoma-----	1	0	0	0	2,982	2,982	718,556	209,210
Oregon-----	4	0	0	0	1,658	1,659	371,277	115,100
Pennsylvania-----	18	2	0	12	34,484	34,497	8,235,322	2,423,092
South Carolina-----	2	0	0	1	5,536	5,537	1,285,921	327,626
South Dakota-----	2	0	0	0	4,213	4,213	1,018,057	170,988
Ogala Sioux, S.D.-----	1	5	8	168	481	661	141,972	42,645
Tennessee-----	4	47	16	285	12,739	13,087	3,189,479	890,401
Texas-----	6	0	0	50	33,589	33,639	7,783,435	2,308,261
Utah-----	1	1	0	36	2,377	2,414	575,416	154,679
Vermont-----	1	5	0	36	3,178	3,219	780,606	228,761
Washington-----	10	0	0	177	5,019	5,196	1,123,265	371,619
Wisconsin-----	3	6	0	167	10,574	10,746	2,560,131	745,724
AMS/FSA/PCIMS Admin. Exp.---	0	0	0	0	0	0	0	0
Anticipated Adjustment-----	0	0	0	0	0	0	0	0
3/ TOTAL-----	192	2,540	1,053	14,046	576,576	594,214	\$139,095,330	\$41,235,415

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2012.

1/ Total value of FNS funded entitlement foods. Costs do not include free commodities, bonus commodities, food losses, storage and transportation for certain items (Group A fruits and vegetables, all Group B commodities), or the value of food used for nutrition education.

2/ Total outlays and unliquidated obligations.

3/ Totals may not add due to rounding.

NOTE: These data are based in part on preliminary reports submitted by State and local agencies and are subject to change as revisions are received.

**FOOD AND NUTRITION SERVICE
COMMODITY SUPPLEMENTAL FOOD PROGRAM**

**Quantity and Value of Commodities
Fiscal Year 2012**

	Pounds	Dollars
ENTITLEMENT COMMODITIES		
SECTION 6/32 TYPE:		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	1,057,050	\$634,311
APRICOTS, CANNED, HALVES, EX LT SYRUP	1,207,238	843,738
BEANS, CANNED, GREEN, LOW-SODIUM	4,352,175	2,015,787
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	1,324,800	645,433
BEANS, DRY, BABY LIMA, W/O SALT	241,920	186,537
BEANS, DRY, GREAT NORTHERN, W/O SALT	2,016,000	1,277,828
BEANS, DRY, LT KIDNEY W/O SALT	1,128,960	886,266
BEANS, DRY, PINTO, W/O SALT	2,431,680	1,638,256
BEEF, CANNED	2,628,000	9,077,494
BEEF, CANNED, CHILI W/O BEANS	1,872,000	2,864,401
BEEF, CANNED, STEW, CHUNKY	3,362,400	3,511,422
CARROTS, CANNED, LOW-SODIUM	1,640,250	852,282
CHICKEN, CANNED	1,551,900	3,365,429
CORN, CANNED, NO SALT ADDED	3,934,678	1,855,522
JUICE, BOTTLED, APPLE, UNSWEETENED	6,164,054	2,945,359
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	4,879,830	2,850,213
JUICE, BOTTLED, GRAPE, UNSWEETENED	3,456,510	2,520,886
JUICE, BOTTLED, ORANGE, UNSWEETENED	3,157,230	1,710,866
JUICE, BOTTLED, TOMATO, UNSWEETENED	1,961,850	603,202
MIXED FRUIT, CANNED, EX LT SYRUP	3,562,988	2,186,374
MIXED VEGETABLES, CANNED, LOW-SODIUM	801,900	457,002
PEACHES, CANNED, EX LT SYRUP	3,143,475	1,852,569
PEARS, CANNED, EX LT SYRUP	2,273,288	1,762,391
PEAS, CANNED, LOW-SODIUM	1,962,675	1,090,953
PLUMS, CANNED, LOW-SODIUM	109,350	76,140
POTATOES, CANNED, SLICED, LOW-SODIUM	2,056,320	1,008,622
SALMON, CANNED	1,345,200	3,335,312
SPAGHETTI SAUCE (MEATLESS), CANNED, LOW-SODIUM	2,449,350	944,115
SPINACH, CANNED, LOW-SODIUM	542,640	297,467
SWEET POTATOES, CANNED, LOW-SODIUM	826,203	653,786
TOMATOES, CANNED, NO SALT ADDED	387,585	170,570
TOMATOES, CANNED, DICED, NO SALT ADDED	1,368,510	601,667
SUBTOTAL, SECTION 6/32 TYPE	69,198,008	54,722,200

FOOD AND NUTRITION SERVICE COMMODITY SUPPLEMENTAL FOOD PROGRAM

Quantity and Value of Commodities Fiscal Year 2012

SECTION 416 TYPE:		
CEREAL, BABY INFANT RICE	23,998	\$68,153
CEREAL, BRAN FLAKES, READY-TO-EAT	1,912,188	2,391,669
CEREAL, CORN AND RICE, READY-TO-EAT	1,451,436	2,176,914
CEREAL, CORN FLAKES, READY-TO-EAT	2,295,203	2,255,267
CEREAL, CORN SQUARES, READY-TO-EAT	1,267,728	2,032,316
CEREAL, OAT CIRCLES, READY-TO-EAT	1,829,310	2,442,771
CEREAL, RICE CRISPS, READY-TO-EAT	517,884	702,606
CEREAL, RICE, READY-TO-EAT	915,600	1,235,352
CHEESE BLEND AMER SKIM LOAVES	14,018,400	25,354,807
FARINA	1,397,088	924,178
FORMULA, INFANT	126,000	1,070,985
GRITS	856,800	275,148
MACARONI	3,417,600	1,682,322
MILK UHT 1%	29,998,898	11,067,480
MILK, INSTANT NDM PKG	5,902,080	12,304,548
OATS	2,422,512	1,039,801
PEANUT BUTTER, SMOOTH	5,669,460	9,273,224
RICE	4,896,000	1,712,340
ROTINI, WHOLE GRAIN	2,006,240	1,004,378
SPAGHETTI	4,867,200	2,108,670
SUBTOTAL, SECTION 416 TYPE	85,791,625	81,122,929
Anticipated Adjustment		8,736,362
AMS / FSA / WBSCM Admin. Expenses		1,952,688
TOTAL, COMMODITY ENTITLEMENT	154,989,633	146,534,179
BONUS COMMODITIES		
SECTION 32 TYPE:		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	1,045,800	784,769
JUICE CONCORD GRAPE, UNSWEETENED, BOTTLED	10,124,608	6,995,622
JUICE, APPLE, UNSWEETENED, BOTTLE	10,117,230	5,085,857
JUICE, CRANBERRY APPLEJUICE, UNSWEETENED, BOTTLED	5,079,930	2,948,213
JUICE, TOMATO, UNSWEETENED, BOTTLED	3,388,650	987,629
JUICE, ORANGE, UNSWEETENED, BOTTLED	12,093,000	5,753,148
SUBTOTAL, SECTION 32 TYPE	41,849,218	22,555,238
SECTION 416 TYPE:		
NONE		
SUBTOTAL, SECTION 416 TYPE	0	0
TOTAL, BONUS COMMODITIES	41,849,218	22,555,238
GRAND TOTAL, CSFP COMMODITIES	196,838,851	169,089,417

Source: WBSCM -- Sales Order and contract information.

**FOOD AND NUTRITION SERVICE
EMERGENCY FOOD ASSISTANCE PROGRAM**

Value of Commodities to States
Entitlement and Bonus

Fiscal Year 2012

STATE OR TERRITORY	Administrative Funds	Entitlement Commodities	Bonus Commodities	Total Commodities	Grand Total
Alabama.....	\$811,296	\$4,279,445	\$5,251,269	\$9,530,714	\$10,342,010
Alaska.....	122,546	391,764	890,115	1,281,879	1,404,425
Arizona.....	1,458,625	5,249,347	7,491,505	12,740,852	14,199,477
Arkansas.....	650,448	2,297,012	3,523,485	5,820,497	6,470,945
California.....	9,981,626	30,657,410	44,380,258	75,037,668	85,019,294
Colorado.....	1,111,394	3,485,647	4,030,172	7,515,819	8,627,213
Connecticut.....	459,252	2,373,189	2,584,324	4,957,513	5,416,765
Delaware.....	120,780	579,434	775,404	1,354,838	1,475,618
District of Columbia.....	170,192	515,774	764,222	1,279,996	1,450,188
Florida.....	4,270,887	16,778,572	16,791,442	33,570,014	37,840,901
Georgia.....	1,670,102	8,777,445	10,051,447	18,828,892	20,498,994
Hawaii.....	91,861	833,085	767,593	1,600,678	1,692,539
Idaho.....	246,133	1,342,293	2,052,536	3,394,829	3,640,962
Illinois.....	2,171,917	9,328,286	13,334,814	22,663,100	24,835,017
Indiana.....	959,126	4,988,811	4,605,795	9,594,606	10,553,732
Iowa.....	557,873	1,657,503	2,380,483	4,037,986	4,595,859
Kansas.....	517,171	1,767,679	2,388,039	4,155,718	4,672,889
Kentucky.....	1,187,742	3,634,532	4,987,440	8,621,972	9,809,714
Louisiana.....	1,109,485	3,405,585	4,020,508	7,426,093	8,535,578
Maine.....	213,508	890,580	1,057,408	1,947,988	2,161,496
Maryland.....	961,827	2,958,170	3,254,993	6,213,163	7,174,990
Massachusetts.....	927,031	4,340,465	4,308,881	8,649,346	9,576,377
Michigan.....	2,457,179	7,950,464	11,412,554	19,363,018	21,820,197
Minnesota.....	980,306	2,937,749	4,530,193	7,467,942	8,448,248
Mississippi.....	744,912	2,826,921	4,181,530	7,008,451	7,753,363
Missouri.....	1,408,993	4,266,632	6,444,299	10,710,931	12,119,924
Montana.....	185,991	684,367	1,030,214	1,714,581	1,900,572
Nebraska.....	196,484	1,031,072	1,286,236	2,317,308	2,513,792
Nevada.....	485,210	2,577,321	2,824,314	5,401,635	5,886,845
New Hampshire.....	117,669	635,613	810,849	1,446,462	1,564,131
New Jersey.....	1,694,621	5,330,554	7,004,300	12,334,854	14,029,475
New Mexico.....	543,223	1,691,103	2,715,190	4,406,293	4,949,516
New York.....	4,073,945	13,468,931	16,476,449	29,945,380	34,019,325
North Carolina.....	1,586,580	8,346,141	9,373,712	17,719,853	19,306,433
North Dakota.....	106,833	328,998	391,973	720,971	827,804
Ohio.....	1,810,899	9,386,618	13,542,992	22,929,610	24,740,509
Oklahoma.....	520,149	2,705,478	3,675,253	6,380,731	6,900,880
Oregon.....	632,941	3,403,051	4,850,975	8,254,026	8,886,967
Pennsylvania.....	2,593,514	8,031,433	9,175,590	17,207,023	19,800,537
Rhode Island.....	172,923	929,260	717,198	1,646,458	1,819,381
South Carolina.....	801,593	4,200,075	4,615,967	8,816,042	9,617,635
South Dakota.....	150,389	466,627	396,365	862,992	1,013,381
Tennessee.....	1,638,504	5,085,391	7,073,118	12,158,509	13,797,013
Texas.....	6,207,993	19,124,200	26,576,167	45,700,367	51,908,360
Utah.....	547,543	1,698,083	2,630,108	4,328,191	4,875,734
Vermont.....	113,656	393,790	564,462	958,252	1,071,908
Virginia.....	1,357,268	4,199,292	4,539,479	8,738,771	10,096,039
Washington.....	1,504,343	4,782,660	6,767,094	11,549,754	13,054,097
West Virginia.....	373,580	1,488,009	2,628,419	4,116,428	4,490,008
Wisconsin.....	991,815	3,675,694	5,321,593	8,997,287	9,989,102
Wyoming.....	61,850	340,992	534,780	875,772	937,622
Guam.....	31,195	188,406	170,166	358,572	389,767
Northern Mariana Islands	21,581	114,126	0	114,126	135,707
Puerto Rico.....	1,883,464	6,879,991	2,151,963	9,031,954	10,915,418
Virgin Islands.....	31,959	147,772	114,947	262,719	294,678
AMS / FSA / WBSCM.....	0	2,466,521	0	2,466,521	2,466,521
Anticipated Adjustment.....	0	654,897	0	654,897	654,897
TOTAL.....	\$65,799,927	\$242,970,260	\$304,220,582	\$547,190,842	\$612,990,769

Source: WBSCM -- Sales Order and contract information.

Note: CNMI receives cash in lieu of food funds. Totals may not add due to rounding.

**FOOD AND NUTRITION SERVICE
EMERGENCY FOOD ASSISTANCE PROGRAM**

**Quantity and Value of Commodities
Fiscal Year 2012**

	Pounds	Dollars
ENTITLEMENT COMMODITIES		
SECTION 6/32 TYPE:		
APPLESAUCE, CANNED, W/O SALT UNSWEETENED	7,144,200	\$4,942,442
APRICOTS, CANNED, HALVES, EXT LT SYRUP	1,818,113	1,230,041
BEANS, CANNED, BLACKYEYE, LOW-SODIUM	4,375,418	2,377,941
BEANS, CANNED, GREEN, LOW-SODIUM	13,766,010	6,548,635
BEANS, CANNED, LT RED KIDNEY, LOW-SODIUM	4,055,265	2,072,538
BEANS, CANNED, REFRIED, LOW-SODIUM	3,855,600	1,911,047
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	6,405,600	3,091,035
BEANS, DRY, BLACKEYE, W/O SALT	161,280	145,706
BEANS, DRY, GARBANZO, W/O SALT	161,280	123,816
BEANS, DRY, GREAT NORTHERN, W/O SALT	1,733,760	1,072,003
BEANS, DRY, LIMA, W/O SALT	1,068,480	858,407
BEANS, DRY, LT RED KIDNEY, W/O SALT	604,800	485,654
BEANS, DRY, PINTO, W/O SALT	9,144,576	6,173,279
BEEF, CANNED	1,116,000	4,024,876
BEEF, CANNED, STEW CHUNKY	16,939,224	17,687,191
BEEF GROUND, FROZEN	3,066,000	7,527,365
BEEF GROUND, FROZEN, LFT	720,000	1,731,724
CARROTS, CANNED, NO ADDED SALT	2,770,200	1,499,715
CHICKEN, WHOLE BAGGED	12,002,553	10,333,775
CHICKEN, CANNED	1,782,300	3,813,692
CORN, CANNED, CREAM, LOW-SODIUM	947,700	508,842
CORN, CANNED, WHOLE KERNEL, LOW-SODIUM	11,333,210	5,355,820
EGG MIX, DRY	72,000	221,965
EGGS, FROZEN	3,071,250	1,988,304
JUICE, BOTTLED, APPLE, UNSWEETENED	10,441,636	5,362,621
JUICE, BOTTLED, CHERRY APPLE, UNSWEETENED,	2,211,540	1,297,209
JUICE, BOTTLED, CRANBERRY APPLE, UNSWEETENED	1,533,810	1,172,592
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETENED	2,336,402	1,717,594
JUICE, BOTTLED, GRAPEFRUIT JUICE, UNSWEETENED	963,090	407,807
JUICE, BOTTLED, ORANGE, UNSWEETENED	2,782,260	1,387,850
JUICE, BOTTLED, TOMATO, UNSWEETENED	2,247,210	644,192
LENTILS, DRY	927,360	412,558
MIXED FRUIT, CANNED, EXT LT SYRUP	9,985,163	6,066,900
PEACHES, CANNED, SLICED, EXT LT SYRUP	14,766,525	8,740,205
PEARS, CANNED, EXT LT SYRUP	4,492,463	3,390,397
PEAS, CANNED, LOW-SODIUM	6,225,975	3,519,384
PEAS, FROZEN, NO ADDED SALT	19,800	12,256
PLUMS, DRIED, PITTED	38,500	54,916
PORK, CANNED	2,196,000	5,244,437
PORK , FROZEN, HAM, WATER ADDED	3,168,000	4,853,768
POTATOES, FLAKES, DEHYDRATED	1,200,000	1,977,275
POTATOES, CANNED, SLICED, LOW-SODIUM	9,878,880	4,996,353
PUMPKIN, CANNED, LOW-SODIUM	692,550	661,446
RAISINS	430,128	717,906
SALMON, CANNED, PINK	601,800	1,493,648
SOUP, CRM OF CHICKEN, LOW-SODIUM	173,250	178,605
SOUP, CRM OF MUSHROOM, LOW-SODIUM	415,800	405,594
SOUP, CANNED, TOMATO, LOW-SODIUM	5,072,925	3,446,718

**FOOD AND NUTRITION SERVICE
EMERGENCY FOOD ASSISTANCE PROGRAM**

**Quantity and Value of Commodities
Fiscal Year 2012**

SOUP, CANNED, VEGETABLE, LOW-SODIUM	6,633,825	5,648,280
SPAGHETTI, CANNED, MEATLESS SAUCE, LOW-SODIUM	19,384,200	7,576,243
SPINACH, CANNED, LOW-SODIUM	4,510,695	2,450,698
SWEET POTATOES, CANNED, EXT LT SYRUP	2,513,025	1,909,823
TOMATO SAUCE, CANNED, LOW-SODIUM	8,158,725	3,109,817
TOMATOES, CANNED, DICED, LOW-SODIUM	7,195,770	3,083,244
TOMATOES, CANNED, LOW-SODIUM	739,935	309,209
TURKEY, FROZEN, ROAST	2,041,800	3,815,136
VEGETABLES, CANNED, MIXED, LOW-SODIUM	2,405,700	1,425,551
SUBTOTAL, SECTION 6/32 TYPE	244,499,560	173,216,045
SECTION 416 TYPE:		
CEREAL, CORN FLAKES	2,914,380	2,948,381
CEREAL, CORN SQUARES	510,384	816,614
CEREAL, OAT CIRCLE	1,397,088	1,875,774
CEREAL, RICE	571,860	771,669
CEREAL, RICE CRISP	711,936	963,066
CEREAL, CORN RICE BISC	409,248	614,578
CEREAL, FLAKES, WHEAT BRAN	803,233	966,746
EGG NOODLES	4,711,200	3,274,266
FLOUR MIX, BAKERY, LOWFAT	1,788,480	1,538,365
GRITS	3,855,600	1,203,903
MACARONI	7,396,800	3,652,152
OATS, NO SALT ADDED, WHOLE GRAIN	4,983,408	2,179,235
PEANUT BUTTER SMTH	11,798,190	17,923,302
PEANUTS, ROASTED, NO ADDED SALT	233,280	449,660
RICE, WHITE	24,822,000	9,200,059
SPAGHETTI	15,842,400	7,048,251
UHT MILK 1%	18,002,002	6,631,454
VEGETABLE OIL	2,988,216	2,263,565
WHOLE GRAIN ROTINI	4,318,000	2,197,631
SUBTOTAL, SECTION 416 TYPE	108,057,705	66,518,671
Anticipated Adjustment		654,897
AMS / FSA / WBSCM Admin. Expenses		2,466,521
Cash-In-Lieu of Commodities (CNMI)		114,126
TOTAL, COMMODITY ENTITLEMENT	352,557,264	242,970,260

**FOOD AND NUTRITION SERVICE
EMERGENCY FOOD ASSISTANCE PROGRAM**

**Quantity and Value of Commodities
Fiscal Year 2012**

BONUS COMMODITIES		
SECTION 32 TYPE:		
BEANS, CANNED, BLACKEYE, LOW-SODIUM	3,130,380	1,544,765
BEANS, CANNED, LT RED KIDNEY, LOW-SODIUM	4,909,005	2,451,504
BEANS, CANNED, PINTO, LOW-SODIUM	6,260,760	2,845,616
BEANS, CANNED, REFRIED, LOW-SODIUM	4,406,400	2,144,417
BEANS, DRY, BABY LIMA, W/O SALT	1,794,240	1,299,204
BEANS, DRY, DARK RED KIDNEY, W/O SALT	2,257,920	1,706,667
BEANS, DRY, GARBANZO, W/O SALT	241,920	168,941
BEANS, DRY, GREAT NORTHERN, W/O SALT	3,467,520	2,181,146
BEANS, DRY, LT RED KIDNEY, W/O SALT	927,360	671,815
BEANS, DRY, PINTO, W/O SALT	6,733,440	4,003,312
BEANS, DRY, SMALL RED W/O SALT	2,419,200	1,692,768
BLUEBERRIES, FROZEN	6,415,200	10,683,657
CARROTS, CANNED, LOW-SODIUM	17,496,000	8,762,288
CATFISH, FILLETS, UNBRD	1,240,000	4,143,600
CHICKEN, FROZEN, LEGS/QUARTERS	78,808,000	49,844,795
CRANBEERY, CANNED, SAUCE	23,338,800	13,485,270
JUICE, BOTTLED, GRAPE CONCORD, UNSWEETNED	3,281,640	2,200,378
JUICE, BOTTLED, GRAPEFRUIT, UNSWEETENED	20,831,280	6,738,125
JUICE, BOTTLED, ORANGE, UNSWEETENED	30,462,180	12,463,815
JUICE, BOTTLED, TOMATO, UNSWEETENED	1,391,130	387,071
LAMB, ROAST/SHOULDER	2,628,000	11,729,836
MIXED FRUIT, CANNED	17,678,250	13,614,642
ORANGE JUICE, SINGLE CONTAINER	8,244,480	3,843,264
PEACHES, CANNED, SLICED	13,678,350	10,909,371
PEACHES, CANNED, SLICED, EXT LT SYRUP	3,081,420	1,798,722
PEACHES, FROZEN, DICED, CUP	1,515,360	1,760,164
PEACHES, FROZEN, SLICED	1,742,400	2,030,361
PEARS, FRESH	5,224,500	2,385,126
PEARS, CANNED, EXT LT SYRUP	4,374,000	3,134,489
PLUMS, DRIED, PITTED	11,796,000	15,528,576
PORK, CANNED	4,212,000	9,764,384
PORK, FROZEN, HAM WATERADD	22,172,000	36,106,092
PORK, COOKED, SEASONED PATTY	27,246,000	53,768,385
POTATOES, FRESH	12,640,000	2,565,656
TOMATOES, CANNED, LOW-SODIUM	4,968,135	2,074,232
TOMATOES, FRESH	9,880,000	3,788,128
SUBTOTAL, SECTION 32 TYPE	370,893,270	304,220,582
SECTION 416 TYPE:		
NONE	0	0
SUBTOTAL, SECTION 416 TYPE	0	0
TOTAL, BONUS COMMODITIES	370,893,270	304,220,582
GRAND TOTAL, TEFAP COMMODITIES	723,450,534	547,190,842

Source: WBSCM -- Sales Order and contract information.

**WIC FARMERS MARKET NUTRITION PROGRAM
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2011 and 2012**

STATE OR TERRITORY	Fiscal Year 2011 TOTAL PARTICIPATION <u>1/</u>				FY 2011 PROGRAM GRANT	FY 2012 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama-----	939	0	2,781	3,720	\$137,252	\$120,619
Alaska-----	4,409	1,049	9,441	14,899	224,485	197,280
Arizona-----	1,999	0	4,460	6,459	234,783	206,331
Arkansas-----	7,608	0	14,169	21,777	189,632	166,652
California-----	106,979	23,244	269,589	399,812	2,499,368	2,196,479
Connecticut-----	10,897	0	37,365	48,262	360,991	317,244
District of Columbia-----	5,740	0	9,159	14,899	342,844	301,296
Florida-----	9,337	103	20,475	29,915	309,705	272,173
Georgia-----	9,819	3,977	18,858	32,654	1,153,081	1,013,344
Illinois-----	11,730	0	24,720	36,450	440,363	386,997
Indiana-----	14,483	0	17,649	32,132	289,238	254,186
Iowa-----	10,812	0	19,892	30,704	564,827	496,377
Kentucky-----	3,765	264	9,349	13,378	224,462	197,260
Louisiana-----	197	25	156	378	9,167	9,167
Maine-----	1,236	0	5,911	7,147	75,000	75,000
Maryland-----	4,234	1,022	9,345	14,601	388,400	341,331
Massachusetts-----	6,005	6,089	14,012	26,106	489,911	430,540
Michigan-----	7,182	0	18,411	25,593	449,436	394,971
Minnesota-----	13,987	8,965	35,077	58,029	349,354	307,017
Mississippi <u>2/</u> -----	2,737	101	7,890	10,728	133,671	119,834
Montana-----	1,812	0	3,197	5,009	59,782	59,782
New Hampshire ** -----	0	0	0	0	**	**
New Jersey-----	25,000	0	26,837	51,837	1,279,913	1,124,804
New Mexico <u>2/</u> -----	3,191	76	6,918	10,185	319,104	282,251
New York-----	46,778	91,746	207,900	346,424	3,922,243	3,446,920
North Carolina-----	6,564	0	6,179	12,743	282,877	248,596
Nebraska-----	577	0	1,559	2,136	75,000	75,000
Ohio-----	9,087	0	25,438	34,525	542,401	476,669
Oklahoma Chickasaw-----	828	428	2,059	3,315	75,000	75,000
Oklahoma Osage Tribe-----	449	518	955	1,922	31,325	31,325
Oklahoma Choctaw Nation-----	646	334	1,630	2,610	90,361	79,410
Oregon-----	6,581	6,018	15,766	28,365	416,143	365,712
Pennsylvania-----	49,772	0	105,766	155,538	2,036,582	1,789,776
Rhode Island-----	4,092	0	13,406	17,498	152,322	133,862
South Carolina-----	4,825	0	9,729	14,554	153,669	135,046
Tennessee-----	3,765	0	6,800	10,565	96,000	84,366
Texas-----	0	0	161,617	161,617	1,277,117	1,122,348
Vermont-----	733	172	2,116	3,021	82,000	75,000
Washington-----	15,126	0	37,263	52,389	669,350	588,234
West Virginia-----	1,378	901	3,021	5,300	74,965	74,965
Wisconsin-----	27,159	0	61,955	89,114	703,971	618,659
Guam-----	1,276	0	2,689	3,965	95,556	83,977
Puerto Rico-----	21,153	0	58,007	79,160	1,882,755	1,654,591
Virgin Islands-----	30	0	12	42	98,470	86,537
Anticipated Adjustment-----	0	0	0	0	0	432
TOTAL-----	464,917	145,032	1,309,528	1,919,477	23,282,876	20,517,360

1/ Participation data reflects Fiscal Year 2011. Participation data for Fiscal Year 2012 is not due until February 2013.

2/ Includes Indian Tribal Organizations

****** Did not participate in the program

NOTE: These data are based in part on preliminary data submitted by State and local agencies and are subject to change as revised reports are received. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

DISASTER ASSISTANCE AND DISASTER FEEDING

Value of Commodities to States

Entitlement and Bonus

Fiscal Year 2012

STATE OR TERRITORY	Entitlement	Bonus	Total
Florida.....	\$10,736	0	\$10,736
Indiana.....	32,109	0	32,109
New Jersey.....	587,599	0	587,599
Pennsylvania.....	19,642	0	19,642
South Dakota.....	2,552	0	2,552
Puerto Rico.....	267,419	0	267,419
Estimated Transp./Shipping/Handling	176,430	0	176,430
Anticipated Adjustment.....	0	0	0
TOTAL.....	1,096,487	0	1,096,487

Source: WBSCM -- Sales Order and contract information.

Estimated Transportation/Storage Handling from Hurricane Irene, reimbursement occurred in FY 2012.

**FOOD AND NUTRITION SERVICE
DISASTER ASSISTANCE AND DISASTER FEEDING**

**Quantity and Value of Commodities
Fiscal Year 2012**

	Pounds	Dollars
ENTITLEMENT COMMODITIES		
SECTION 6/32 TYPE:		
APPLES, CANNED, SLICED	312	\$209
APPLESAUCE, CANNED, UNSWEETENED	162	84
BEEF, CANNED	46,764	173,559
BEEF, FINE GROUND, FROZEN	1,200	2,941
BEEF, PATTY, FROZEN	2,040	4,648
BEEF, ROUND, ROAST	160	573
BEANS, CANNED, GREEN, LOW-SODIUM	56,265	25,958
BEANS, CANNED, LT RED KIDNEY, LOW-SODIUM	55,289	28,197
BEANS, CANNED, VEGETARIAN, LOW-SODIUM	94,752	42,638
CHICKEN, CANNED	110,475	237,165
CHICKEN, CONTAINER, DICED	2,120	4,749
CHICKEN, FAJITA STRIPS	1,950	4,193
CORN, CANNED, WHOLE KERNEL	40	18
CORN, FROZEN	90	63
CORN, FROZEN, COB	1,500	945
EGGS, FROZEN, WHOLE	690	680
EGG, MIX	36	103
JUICE, BOTTLED, APPLE, UNSWEETENED	209	113
JUICE, BOTTLED, CRANAPPLE, UNSWEETENED	104	81
MIXED FRUIT, CANNED	6,440	3,477
MIXED FRUIT, FRESH	200	190
ORANGES, FRESH	40	30
ORANGE, JUICE,SINGLE CONTAINER	57	26
PEACHES, CANNED, DICED	2,226	1,342
PEACHES, CANNED, SLICED	60,443	36,175
PEARS, CANNED,	62,422	42,485
POTATOES, BULK	160	60
POTATOES, OVEN	240	137
POTATOES, ROUNDS, FROZEN	2,220	1,110
PORK, CANNED	108,000	267,419
PORK, HAM WATERADD, FROZEN	400	770
SPAGHETTI, CANNED, MEATLESS SAUCE	358	114
SPAGHETTI, WHOLE GRAIN	1,160	464
SWEET POTATOES, CANNED, EXT LT SYRUP	446	307
TOMATO, CANNED, DICED	60	26
TOMATO, CANNED, SALSA	557	261
TUNA, CANNED	549	1,251
VEGETABLES MIXED	30	43
VEGETABLE MIX, CANNED	15,098	9,511
TURKEY, DELI BREAST, FROZEN	3,280	7,770
TURKEY, HAMS, FROZEN	160	286
TURKEY, ROAST, FROZEN	160	301
SUBTOTAL, SECTION 6/32 TYPE	638,860	900,473

**FOOD AND NUTRITION SERVICE
DISASTER ASSISTANCE AND DISASTER FEEDING**

**Quantity and Value of Commodities
Fiscal Year 2012**

SECTION 416 TYPE:		
CEREAL, CORN FLAKES	54	51
CEREAL, OATS	42	57
CEREAL, RICE	48	65
CHEESE, BLEND, AMER/SKIM	1,530	2,800
CHEESE, MOZZ, LOW MOIST, PART SKIM, SHREDDED	60	116
CHEESE, PROCESSED, SLICES, WHT	30	64
CHEESE, PROCESSED, SLICES, YEL	1,770	3,735
CHEESE, REDUCED FAT YEL	300	630
CRACKERS, W/O SALT	48	67
FLOUR, ALL PURPOSE, ENRCH, BLEACHED	40	10
FLOUR, BAKERY MIX, LOW FAT	120	103
MACARONI	48	22
MILK, CANNED, SKIM EVAP	360	198
OATS, ROLLED	63	35
OIL, VEGETABLE	92	68
PEANUT BUTTER, SMTH	8,520	13,717
TORTILLAS, WHOLE GRAIN	1,350	932
UHT MILK 1%	206	68
SUBTOTAL, SECTION 416 TYPE	14,682	22,737
Anticipated Transportation, Storage and Handling		176,430
Anticipated Adjustment		173,277
AMS / FSA / WBSCM Admin. Expenses		
Cash-In-Lieu of Commodities		
TOTAL, COMMODITY ENTITLEMENT	653,541	1,096,487
BONUS COMMODITIES		
SECTION 32 TYPE:		
NONE		
SUBTOTAL, SECTION 32 TYPE	0	0
SECTION 416 TYPE:		
NONE		
SUBTOTAL, SECTION 416 TYPE	0	0
TOTAL, BONUS COMMODITIES	0	0
GRAND TOTAL, CSFP COMMODITIES	653,541	1,096,487

Source: WBSCM -- Sales Order and contract information.

Estimated Transportation/Storage Handling from Hurricane Irene, reimbursement occurred in FY 2012.

FOOD AND NUTRITION SERVICE

NUTRITION SERVICES INCENTIVE PROGRAM

Value of Commodities to States

Entitlement and Bonus

Fiscal Year 2012

STATE OR TERRITORY	Entitlement	Bonus	Total
Connecticut.....	\$12,262	0	\$12,262
Delaware.....	187,035	0	187,035
Idaho.....	18,696	0	18,696
Kansas.....	225,609	0	225,609
Massachusetts.....	885,869	0	885,869
Montana.....	247,996	0	247,996
Nevada.....	69,779	0	69,779
Oklahoma.....	7,515	0	7,515
AMS / FSA / WSCM.....	18,814	0	18,814
Anticipated Adjustment.....	350,651	0	350,651
TOTAL.....	\$2,024,226	\$0	\$2,024,226

Source: WSCM -- Sales Order and contract information.

Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE NUTRITION SERVICES INCENTIVE PROGRAM

Quantity and Value of Commodities Fiscal Year 2012

	Pounds	Dollars
ENTITLEMENT COMMODITIES		
SECTION 6/32 TYPE:		
APRICOTS, CANNED, HALVES, EX LT SYRUP	36,936	\$22,326
BEANS, GREEN, FROZEN, NO ADDED SALT	79,200	48,761
BEEF, FINE GROUND, FROZEN	200,000	488,160
CHICKEN, DICED, FROZEN	80,000	186,660
MIXED FRUIT, EXTRA LIGHT SYRUP, CANNED	181,260	111,583
PEACHES, CUP, FRESTONE, FROZEN	36,960	38,528
PEACHES, CANNED DICED, EX LT SYRUP	72,504	49,595
PEACHES, CANNED SLICED, EX LT SYRUP	72,504	41,259
PEAS, FROZEN, NO SALT ADDED	99,000	67,643
ALASKA POLLOCK FROZEN	79,968	124,750
PORK LEG ROAST, FROZEN	80,000	110,380
STRAWBERRIES, DICED, CUPS, FROZEN	75,600	95,382
TURKEY ROAST, FROZEN	168,270	262,220
SUBTOTAL, SECTION 6/32 TYPE	1,262,202	1,647,247
SECTION 416 TYPE:		
CHEESE 30 LOAVES	3,930	7,515
SUBTOTAL, SECTION 416 TYPE	3,930	7,515
Anticipated Adjustment		350,650
AMS / FSA / WBSCM Admin. Expenses		18,814
TOTAL, COMMODITY ENTITLEMENT	1,266,132	2,024,226
BONUS COMMODITIES		
SECTION 32 TYPE:		
NONE		
SUBTOTAL, SECTION 32 TYPE	0	0
SECTION 416 TYPE:		
NONE		
SUBTOTAL, SECTION 416 TYPE	0	0
TOTAL, BONUS COMMODITIES	0	0
GRAND TOTAL, NSIP COMMODITIES	1,266,132	2,024,226

Source: WBSCM -- Sales Order and contract information.

FOOD AND NUTRITION SERVICE

The estimates include proposed changes in the language of this item as follows:

Nutrition Programs Administration:

For necessary administrative expenses of the Food and Nutrition Service for carrying out any domestic nutrition assistance program, \$146,592,000: Provided, That of the funds provided herein, \$2,000,000 shall be used for the purposes of section 4404 of Public Law 107-171, as amended by section 4401 of Public Law 110-246.

FOOD AND NUTRITION SERVICE

Lead-Off Tabular Statement

NUTRITION PROGRAMS ADMINISTRATION

2013 Estimate	\$139,348,000
Budget Estimate, 2014.....	<u>146,592,000</u>
Change in Appropriation	<u>+7,244,000</u>

Summary of Increases and Decreases
(Dollars in thousands)

Item of Change	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
Direct Program, FNS and CNPP <u>1/</u>	\$147,505	-\$11,005	\$848	\$3,244	\$140,592
2010 Dietary Guidelines for Americans & MyPlate	0	0	0	2,000	2,000
Dietary Guidance, Birth to Two	0	0	0	2,000	2,000
Congressional Hunger Center	1,274	726	0	0	2,000
Total Appropriation	148,779	-10,279	848	7,244	146,592

1/ Administrative expenses for CNPP: FY 2012 is \$4,004,000; FY 2013 is \$4,029,000; FY 2014 is \$4,029,000.

Project Statement

Appropriations Detail and Staff Years (SY)
(Dollars in thousands)

Project	2011 Actual	SY	2012 Actual	SY	2013 Estimate	SY	Inc. or Dec.	SY	2014 Estimate	SY
Food and Nutrition Service/CNPP	\$147,505	1,053	\$136,500	931	\$137,348	1,006	\$3,244	-	\$140,592	1,006
2010 Dietary Guidelines and MyPlate	-		-		-		2,000		2,000	
Dietary Guidance, Birth to Two Years	-		-		-		2,000		2,000	
Congressional Hunger Center	1,274		2,000		2,000		0		2,000	
Total Adjusted Appropriation	148,779	1,053	138,500	931	139,348	1,006	7,244	-	146,592	1,006
Rescission <u>1/</u>	296	-	-	-	-	-	-		-	-
Total Appropriation	149,075	1,053	138,500	931	139,348	1,006	7,244	-	146,592	1,006

1/ Appropriated funds are adjusted to reflect a rescission of \$296,000 in FY 2011 pursuant to Section 1119 (a) of P.L. 112-10.

FOOD AND NUTRITION SERVICE

Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Project	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Food and Nutrition Service/CNPP	\$146,943	1,053	\$134,933	931	\$137,348	1,006	\$3,244	-	\$140,592	1,006
2010 Dietary Guidelines and MyPlate	-		-		-		2,000		2,000	
Dietary Guidance, Birth to Two Years	-		-		-		2,000		2,000	
Congressional Hunger Center	1,274		2,000		2,000		-		2,000	
Congressional Relations	271		230		-		-		-	
Miscellaneous Reimbursements	867		963		-		-		-	
Total Obligations	149,355	1,053	138,126	931	139,348	1,006	7,244	-	146,592	1,006
Congressional Relations	-271		-230		-		-		-	
Miscellaneous Reimbursements	-867		-963		-		-		-	
Direct Obligations	148,217	1,053	136,933	931	139,348	1,006	7,244	-	146,592	1,006
Balance Lapsing	562		1,567		-		-		-	
Rescission	296		-		-		-		-	
Total Appropriation	149,075	1,053	138,500	931	139,348	1,006	7,244	-	146,592	1,006

FNS Program	FY 2014
Supplemental Nutrition Assistance Program	\$64,185
Child Nutrition Programs	36,872
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	20,484
Commodity Assistance Program	15,022
Subtotal	136,563
Congressional Hunger Center	2,000
Dietary Guidelines - My Plate	2,000
Dietary Guidelines - Birth to Two Years	2,000
Center for Nutrition Policy and Promotion	4,029
Total Request, Nutrition Programs Administration	146,592

FOOD AND NUTRITION SERVICE

Justification of Increases and Decreases

A net increase of \$7,244,000 for the Nutrition Assistance Programs (\$139,348,000 available in FY 2013) consisting of:

- (1) An increase of \$3,244,000 to fund increased pay costs. (\$1,087,000 for FY 2014 pay cost, \$279,000 for annualization of the 2013 pay increase of 0.5%, and \$1,878,000 for restoring on-board strength to align with approved staff levels.)

This increase will enable FNS to maintain staffing levels, which are critical to achieving the agency's objective of providing children and low-income people access to food, a healthful diet, and nutrition education. The impact of not getting the pay costs increase will result in fewer staff onboard to implement programs that improve nutrition assistance, advance program integrity, and enhance nutritional quality of nutrition assistance programs.

- (2) An increase of \$2,000,000 for the Center for Nutrition Policy and Promotion for Phase I of developing unified Federal dietary guidance for Americans from birth to 24 months of age.

To-date, *Dietary Guidelines for Americans* (DGA) have focused on Americans two years and older; ages birth to 24 months have not been included because of the complexity of assessing the scientific evidence regarding the specific growth, development, health, and wellbeing needs, and health outcomes, for this population as compared to the population two years and older. In light of emerging science with regard to the intimate and inextricable role of diet and nutrition in not only early health but long term health outcomes, unified Federal guidance is needed to extend coverage to this critical life stage. To consider the population from birth to 24 months, there is a need for experts with credentials in dietary health different than that for making recommendations for the ages two and older (i.e., in infant and young child nutrition, and maternal health) and a more comprehensive evidence scoping and analysis process than that employed for the current Dietary Guidelines for ages two years and older.

The process will require two essential, iterative phases that have not to-date been accomplished by any Federal agency:

- In 2014, USDA's CNPP and its Nutrition Evidence Library will lead a team with technical support from HHS to build an analytic framework for a systematic literature review on the dietary (food) requirements of the birth to 24 months population. This involves "scoping" the research reports and evidence in published literature and from experts in infant, toddlers, and maternal health to develop a body of data in an array of topic areas (tentatively including dietary requirements, sources of nutrition, evidence to support the role of nutrition in health promotion and in chronic disease prevention, and maternal nutrition). This work will continue through FY 2015.

The steps for this phase include managing groups of technical experts and interagency workgroups that include external, expert advisors who will work very closely with the CNPP Nutrition Evidence Library (NEL) in developing evidence mapping of the literature; this is a broad-look search strategy to get a sense of what evidence is available – the volume, nature and characteristics of the existing literature. This will be an iterative process between the expert groups and the NEL to refine the topics, literature review questions, inclusion and exclusion criteria necessary to perform future systematic evidence based review (SEBR). Each workgroup will develop a report outlining the questions and parameters necessary for a SEBR and identifying the existing research gaps. This work will be the foundation for the subsequent Phase II activity.

- In Phase II, FY 2016, a systematic evidence review and analysis process (with public input) that will be conducted by an external committee of experts to review the product of Phase I and develop conclusions and recommendations in a report for Federal agency consideration. From this comprehensive report of recommendations, CNPP will lead the preparation of Federal dietary guidance policy for the birth to 24 months population with support by DHHS staff. The expectation is that the second phase will be completed by 2017.

FOOD AND NUTRITION SERVICE

(3) FNS requests \$2,000,000 for the Center for Nutrition Policy and Promotion for Dietary Guidelines/My Plate.

Explanation of Change: This funding is for the Center for Nutrition Policy and Promotion to promote the *Dietary Guidelines for Americans* and MyPlate. Every five years, an expert Dietary Guidelines Advisory Committee recommends revisions of the *Dietary Guidelines for Americans* and MyPlate to the Secretaries of USDA and DHHS based on a multi-year study and analysis of the latest nutrition and health research. In January 2011, the Departments released the 7th edition of the policy document, as well as a comprehensive, multi-year communications plan to empower consumers with plain language information parents, kids, educators, and health professionals, and all consumers can use to establish healthful diets and active lifestyles. To rigorously promote the messages of the *Dietary Guidelines for Americans* and MyPlate, CNPP will:

- Implement the 2010 *Dietary Guidelines for Americans* and MyPlate in innovative and efficient ways to ensure that nutrition educators and health professionals are supported with the latest science-based resources, e-tools, and curricula to have the greatest positive impact on diet quality;
- Research and design resources for age-segment related resources targeted to empower parents of children, students, teenagers, and, particularly, older adults, to learn and apply healthy eating patterns relevant to the specific needs of these populations;
- Continue to build, maintain, and evaluate outreach and educational tools and systems that Americans can use to adopt behaviors that lead to more healthful eating and active lifestyles.
- Continue to perform evidence-based systematic reviews of nutrition education research to guide effective nutrition education interventions in schools and communities and in preparation for the 2015 *Dietary Guidelines for Americans* and MyPlate;
- Continue supporting nutrition guidance with scientific evidence-based up-to-date research, including effective visual, written, and social media modes of communications; and
- Assess the effectiveness of outreach and communications initiatives on affecting consumer behavior.

FOOD AND NUTRITION SERVICE

Geographic Breakdown of Obligations and Staff Years (SY) (Dollars in thousands)

Nutrition Programs Administration--Federal Salaries & Expenses								
	2011 Actual		2012 Actual		2013 Estimated		2014 Estimated	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	\$91	1	\$ 189	2	\$ 191	2	\$ 201	2
Alaska	0	0	0	0	0	0	0	0
Arizona	228	2	224	2	226	2	238	2
Arkansas	327	3	259	3	261	3	275	3
California	9,169	76	8,069	66	8,145	66	8,568	66
Colorado	7,181	81	9,208	93	9,294	93	9,777	93
Connecticut	104	1	118	1	119	1	125	1
Delaware	0	0	16	0	16	0	17	0
District of Columbia	1,365	1	2,893	7	2,893	7	2,893	7
Florida	85	1	316	3	319	3	336	3
Georgia	8,264	81	8,233	78	8,310	78	8,742	78
Hawaii	201	2	108	1	109	1	115	1
Idaho	0	0	0	0	0	0	0	0
Illinois	5,135	38	7,399	38	7,468	38	7,857	38
Indiana	0	0	199	2	201	2	211	2
Iowa	78	1	226	2	228	2	240	2
Kansas	86	1	97	1	98	1	103	1
Kentucky	199	2	213	2	215	2	226	2
Louisiana	509	4	249	3	251	3	264	3
Maine	2	0	2	0	2	0	2	0
Maryland	647	6	695	8	702	8	738	8
Massachusetts	6,879	59	6,184	55	6,242	55	6,566	55
Michigan	260	4	201	4	203	4	213	4
Minnesota	985	10	952	9	961	9	1,011	9
Mississippi	238	3	70	1	71	1	74	1
Missouri	184	2	277	2	280	2	294	2
Montana	245	3	146	1	147	1	155	1
Nebraska	96	1	121	1	122	1	128	1
Nevada	0	0	0	0	0	0	0	0
New Hampshire	113	1	112	1	113	1	119	1
New Jersey	7,681	68	7,580	69	7,651	69	8,049	69
New Mexico	0	0	0	0	0	0	0	0
New York	1,402	14	1,339	12	1,352	12	1,422	12
North Carolina	587	5	593	4	599	4	630	4
North Dakota	47	1	4	1	4	1	4	1
Ohio	454	5	494	3	499	3	525	3
Oklahoma	110	2	101	1	102	1	107	1
Oregon	517	5	434	5	438	5	461	5
Pennsylvania	269	4	293	3	296	3	311	3
Rhode Island	0	0	1	0	1	0	1	0
South Carolina	382	4	390	4	394	4	414	4
South Dakota	112	1	118	1	119	1	125	1
Tennessee	189	2	206	2	208	2	219	2
Texas	8,903	93	7,799	76	7,872	76	8,281	76
Utah	172	2	1,028	1	1,038	1	1,092	1
Vermont	0	0	0	0	0	0	0	0
Virginia	84,397	456	68,836	353	70,641	428	74,463	428
Washington	0	0	0	1	0	1	0	1
Wisconsin	188	2	206	2	208	2	219	2
Wyoming	45	1	0	0	0	0	0	0
West Virginia	0	0	106	1	107	1	113	1
American Samoa	0	0	0	0	0	0	0	0
Freely Associated States	0	0	0	0	0	0	0	0
Guam	0	0	0	0	0	0	0	0
N. Mariana Islands	0	0	0	0	0	0	0	0
Puerto Rico	387	4	629	6	635	6	668	6
Virgin Islands	0	0	0	0	0	0	0	0
Indian Tribes	0	0	0	0	0	0	0	0
DOD Army/AF	0	0	0	0	0	0	0	0
Undistributed	562	0	1,567	0	0	0	0	0
TOTAL	\$149,075	1,053	\$138,500	931	\$139,348	1,006	\$146,592	1,006

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration

Classification by Objects

(Dollars in Thousands)

	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Personnel Compensation:				
Washington D.C.....	\$44,507	\$38,853	\$39,997	\$41,157
Field.....	52,248	45,609	46,953	48,313
11.0 Total personnel compensation.....	96,755	84,462	86,950	89,470
12.0 Personnel benefits.....	27,694	24,418	24,723	25,447
13.0 Benefits for former personnel	21	13	13	13
Total personnel comp. and benefits.....	124,470	108,893	111,686	114,930
Other Objects:				
21.0 Travel and transportation of persons.....	1,947	1,708	1,708	1,708
22.0 Transportation of things.....	7	32	32	32
23.2 Rental payments to others.....	178	665	665	665
23.3 Communications, utilities, and misc. charges.....	896	582	582	582
24.0 Printing and reproduction.....	348	430	430	430
25.1 Advisory and assistance services.....	430	380	380	380
25.2 Other services from non-Federal sources.....	11,687	14,064	14,064	18,064
25.3 Other purchases of goods and services from Federal sources.....	4,086	4,477	4,477	4,477
25.4 Operation and maintenance of facilities.....	2	23	23	23
25.6 Medical care.....	100	124	124	124
25.7 Operation and Maintenance of Equipment.....	339	376	376	376
26.0 Supplies and materials.....	1,876	715	715	715
31.0 Equipment.....	457	2,462	2,084	2,084
41.0 Grants.....	1,274	2,000	2,000	2,000
42 Insurance claims and indemnities.....	115	2	2	2
43 Interest and dividends.....	5	0	0	0
Total, Other Objects.....	23,747	28,040	27,662	31,662
99.9 Total, new obligations.....	148,217	136,933	139,348	146,592
Position Data:				
Average Salary (dollars), ES Position.....	\$167,886	\$169,565	\$171,600	\$175,032
Average Salary (dollars), GS Position.....	\$88,340	\$89,223	\$90,294	\$92,100
Average Grade, GS Position.....	11.8	11.8	11.8	11.8

NUTRITION PROGRAMS ADMINISTRATION

STATUS OF PROGRAM

The Nutrition Programs Administration (NPA) appropriation funds operating expenses for administering the nutrition assistance programs of FNS. It also includes the budget of the Center for Nutrition Policy and Promotion (CNPP).

FNS Administrative Resources – A Critical Program Management and Oversight Tool

FNS employees play a central role in managing the Federal nutrition assistance programs. While the programs operate in partnership with State agencies and local service providers, FNS is solely responsible for:

- Developing program policies and regulations to ensure program design and operation are consistent with the law and current nutrition science;
- Disbursing and accounting for Federal funds provided to those who operate the programs; and
- Monitoring program operations and conducting oversight, technical assistance and evaluation to ensure that programs are managed and operated consistent with law, and to maximize their effectiveness and value to clients and taxpayers.

Meeting these responsibilities is central to accomplishing core program objectives, including ensuring access to benefits for eligible individuals, improving the nutrition of program recipients, and strengthening program integrity. Ongoing efforts to improve SNAP payment accuracy, CACFP management, WIC vendor cost containment, and school meals certification accuracy are critical to the agency's mission and require intensive staff focus and travel funding.

While substantial funding is also provided to States to operate these programs, State agencies have fundamentally different financial incentives than the Federal Government. In many areas, the cost of program problems or inefficiencies affects Federal expenditures, while the cost to resolve them has an impact on the States. Therefore, strong Federal policy and oversight are fundamental to ensuring effective levels of program accountability.

Although information technology improvements have resulted in large productivity gains in the past decade, many of FNS' functions are labor-intensive and require ongoing attention. Since the NPA appropriation funds most of the salaries and administrative expenses of FNS, it is integral to ensuring and leveraging the effective use of other program appropriations. Over the last two decades, FNS staff levels have decreased by about 50 percent, a particularly significant reduction considering the growing fiduciary responsibilities of the agency and the increasing complexity of the programs it administers. The reduction in staff has occurred while FNS Federal nutrition assistance programs have increased in size, number, and complexity and new legislation has increased workload. Administrative funding for FNS accounts for about one-tenth of 1 percent of the total investment in nutrition assistance. Especially in the context of limited resources, increasing this investment in proper fiscal and program management for an agency managing approximately \$110 billion (including ARRA funding) must be a top priority.

The most significant accomplishments under this NPA appropriation during FY 2012 are cited below by program and activity.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

For SNAP, NPA funding is used for a range of critically important functions. FNS develops policies and procedures for the administration of the program, provides State agency oversight to ensure compliance with program rules, and provides technical assistance to States. The agency also reviews State quality control activities, determines the effectiveness and efficiency of State administration, and reviews and approves planning documents for computer system acquisitions and electronic benefit transfer issuance systems. FNS authorizes and monitors 246,565 retail and wholesale firms that are approved to accept SNAP benefits, and maintains fiscal accountability for SNAP benefits. It also allocates employment and training funds to the States.

Highlights of FY 2012 accomplishments supported by the NPA appropriation and related to SNAP include:

State Oversight: FNS, through its seven regional offices, conducts various on-site reviews of State and local SNAP offices each year. In FY 2012, FNS continued to perform Management Evaluation System Reviews (MEs) which are designed to cover national program priorities and known vulnerable areas. Program Access Reviews, a major component of MEs, were also conducted at the State and local levels.

FNS encourages States to consider ways to increase efficiencies and the effectiveness of their program administration and operations. FNS continues to share promising practices and provide State exchange funds to facilitate State and local agency travel to observe innovative practices which may be transferable. FNS also works with an increasing number of State agencies that are contemplating large-scale changes to their business models for delivering social services.

FNS provides technical assistance and performs strong oversight of States to ensure that their modernization projects and other innovations are implemented in a successful manner to deliver program benefits more effectively and efficiently, using fewer resources without sacrificing customer service, program access or program integrity.

Improving Benefit Delivery: FNS made important advances in promoting the nutrition benefits of SNAP to eligible people through nutrition education efforts and a national outreach effort. Furthermore, in response to changes in the 2008 Farm Bill, the agency worked hard to ensure that new SNAP provisions are well-understood and correctly implemented.

Improving Program Integrity: FNS made important advances in its efforts to improve payment accuracy and retailer integrity.

- *Payment Accuracy:* The program payment error rate for FY 2011 was 3.80 percent, representing the eighth consecutive year with a payment error rate under six percent. The rate reflects an over-issuance rate of 2.99 percent and an under-issuance rate of 0.81 percent. In FY 2012, FNS continued an aggressive payment accuracy improvement program that balanced the need to maintain program access.
- *Recipient Claims:* Preliminary data show that State agencies collected about \$273 million in recipient claims in FY 2012. FNS continued to monitor corrective actions performed by States to address previously identified deficiencies in recipient claims systems.
- *Store Tracking and Redemption System (STARS):* On May 4, 2012, FNS released version 10.2 STARS. This was the first in a series of STARS releases necessary to support the move to a National Retailer Management organization. Additional releases followed on June 29, August 7, and September 28. Each release was accompanied by training webinars and updates to the STARS User Manual.
- *Anti-fraud Locator using EBT Retailer Transactions (ALERT):* On June 18, 2012, the next generation of the ALERT system went live for all users. The re-designed ALERT system allows FNS to quickly implement fraud detection scans as new schemes are identified, better target high risk areas, and incorporate data mining driven models designed to significantly reduce the number of false positives.
- *Retailer Oversight and Integrity:* In FY 2012, FNS staff authorized or reauthorized 69,181 firms to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 37,574 stores participating in SNAP. In this same period, 15,037 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 2,079 stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations. At the end of FY 2012, 246,565 stores were authorized to participate in SNAP, an increase of 15,130 stores from FY 2011 and of 52,812 stores over the last three fiscal years.

During FY 2012, there were investigations of 5,028 stores nationwide. Approximately 36 percent (1,816) of these investigations documented evidence of SNAP violations. Of the 1,816 positive investigations, FNS investigators uncovered trafficking in 402 stores.

Overall, FNS compliance analysts and investigators reviewed over 15,000 stores for compliance monitoring purposes. As a result, the 2,079 sanctions included 1,387 stores permanently disqualified from the program in FY 2012.

- *SNAP Retailer Locator*: In FY 2012, FNS released the next version of the SNAP Retailer Locator. The release added county as a field in the downloadable data and included the option to download a national file of stores. FNS also increased the frequency with which the underlying data is updated from monthly to bi-weekly.

Electronic Benefit Transfer (EBT) Systems: FNS continues oversight of States as their EBT contracts end and they procure subsequent EBT systems through the Request for Proposal (RFP) process. This process includes State RFP approvals, contract approvals, as well as oversight of State conversions from one EBT vendor's system to a new vendor's system. In FY 2012, FNS approved nine RFPs, one EBT Card Production RFP, ten contracts, four contract extensions, and two EBT contract amendments.

Retailer Management Modernization (RMM): This initiative creates a new national retailer organization within FNS that will touch every aspect of retailer activities and impact approximately 200 FNS retailer staff who will be assigned to new functional branches, work teams, supervisors and divisional leaders associated with the management of over 238,000 stores currently participating in SNAP. Implemented on January 1, 2013, this is clearly the largest change in retailer operations and FNS structure in the last two decades. The restructuring of the only direct customer delivery entity in FNS is historic and without precedence.

Through RMM, FNS seeks to create a higher performing organization that will:

- Meet the Secretary's objectives to achieve efficiencies and streamline retailer operations through the national integration of staff with increased functional focus and the incorporation of technology advances;
- Better manage mandatory authorization/reauthorization activities;
- Increase compliance and retailer integrity productivity;
- Improve quality and consistency of all retailer functions by more closely integrating operations with the development of policy, procedures, training and systems;
- Enhance communication and management coordination structures to better respond to challenges;
- Implement a management structure that aligns with Department and Agency optimal supervisor to staff ratio;
- Update systems and optimize key retailer functions; and
- Facilitate quality and consistency in operations by integrating an assurance function into the organization.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (FDPIR)

Through the FDPIR, FNS acquires and distributes USDA Foods to participating Indian Tribal Organizations (ITOs) and State agencies for distribution to low-income persons and families. Cash assistance also is provided to the ITOs/State agencies to help finance the administrative cost of operating the program. FNS sets standards for participant and provider eligibility and provides training and other assistance to program partners as needed.

Highlights of FY 2012 accomplishments supported by the NPA appropriation and related to the FDPIR include:

Food Package Review: FNS continued its commitment to improve the food package offered under FDPIR by partnering with the National Association of Food Distribution Programs on Indian Reservations. A work group, representing FDPIR program staff, Federal partners, nutritionists, and USDA food procurement specialists, is focusing on ways to better meet the nutritional needs and food preferences of program participants. In the current review cycle, the panel seeks to reduce saturated fat, sugar, and sodium in the food package and explore healthier alternatives to some current products. The work group continues to explore ways to increase the convenience and acceptability of products offered and to adjust pack sizes/guide rates to better meet the needs of one-person households.

Improved Customer Service: FNS continues to improve customer service and program efficiency by expanding the use of long-term, indefinite delivery/indefinite quantity contracting and request for proposal contracting. This will help to ensure constant availability of desired USDA Foods and reduce costs.

National Warehouse Contract: The National Warehouse contract was awarded in FY 2007 and ended in FY 2012. The National Warehouse contract supports CSFP and FDPIR programs with food storage and distribution services for USDA purchased food. The contract was an improvement to the previous process by providing more certainty in delivery of products ordered, better inventory variety and shorter delivery windows for improved recipient inventory management. In FY 2012, a follow-on National Warehouse contract was awarded that will continue storage and distribution services for CSFP and FDPIR through 2017.

FDPIR Regional Vendor Pilot: In FY 2012, FNS awarded a contract for the FDPIR Regional Vendor Pilot. The purpose of the pilot is to (1) provide fresher products for participants; (2) potentially allow for greater opportunity to buy traditional and/or local foods from Native American producers; and (3) potentially reduce overall storage and transportation costs which are attributed to the National Warehouse Model. The pilot varies from the current National Warehouse model in that the pilot distributor will purchase and deliver the required foods. Deliveries under the pilot will begin in FY 2013. At the end of the year, FNS will evaluate the pilot's success based on food costs and customer satisfaction with service.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

NPA funds the Federal administration of the WIC Program. FNS uses these funds to manage the allocation of grant resources to State Departments of Health and others to support program operations. NPA also supports the development of policies, procedures, and standards used in administering the program, and monitoring of State agency operations to ensure program effectiveness and compliance with law and regulation.

Highlights of FY 2012 accomplishments supported by the NPA appropriation and related to the WIC Program include:

Healthy Hunger Free Kids Act of 2010: The Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) reauthorized the WIC Program through 2015. Major provisions of the Act include: (1) allowing one-year certification option for children; (2) requiring annual collection and publication of breastfeeding data at the State and local levels; (3) establishing an exemplary breastfeeding recognition program at the local or clinic level; (4) establishing breastfeeding performance bonuses; (5) requiring a food package review not less than every ten years; (6) establishing new bid requirements for infant formula and all foods for which rebates are solicited; (7) requiring nationwide WIC Electronic Benefit Transfer (EBT) by 2020; and (8) requiring establishment of a Universal Product Code (UPC) database for use in EBT. FNS issued a regulation in FY 2011 implementing all the non-EBT provisions and will issue a proposed rule incorporating the EBT-related provisions.

Revitalizing Quality WIC Nutrition Services: FNS made important advances in improving nutrition education services in the program.

- *WIC Nutrition Services Standards* – FNS established a 32 member workgroup, with Federal, State and local agency representation to collaborate on the update and revision to the 2001 WIC Nutrition Services Standards. The Nutrition Services Standards describe quality standards of practice for State and local agencies and help WIC agencies self-assess how well they deliver a wide range of nutrition services. The document will be finalized in spring 2013.
- *Nutrition Education Materials* - In collaboration with the Center for Nutrition Policy and Promotion, FNS revised four participant nutrition education publications, *Healthy Tips for Active Play*, *Healthy Tips for Picky Eaters*, *Healthy Tips for Pregnancy*, and *Healthy Tips for Breastfeeding Moms* to reflect the 2010 Dietary Guidelines for Americans and My Plate icon, developed a new publication on feeding recommendations for 2-5 year olds entitled, “*Healthy Eating for Preschoolers*,” and awarded a contract to update the substance abuse prevention resource for local WIC staff.

- *WIC Special Project Grants* - One WIC Special Project Grant was completed in FY 2012 entitled Revitalizing Quality Nutrition Services through VENA (value enhanced nutrition assessment) Skill Building. Other grants for enhanced referral, head start, and weight management continue activities through FY 2013. No new grants were funded in FY 2012.
- *Breastfeeding Promotion and Support Activities* –
 - FNS updated the Loving Support Peer Counseling Curricula and conducted trainings for WIC State agencies in all FNS Regions; provided extensive follow-up and technical assistance for WIC State agencies. A new peer counseling page with updated materials was added to the WIC Works Resource System. The Spanish translation of FNS’ breastfeeding peer counseling materials was distributed to WIC State agencies. FNS awarded \$60 million in grants for State agencies to expand breastfeeding peer counseling activities.
 - FNS extended its contract with the National Academy of Sciences, Institute of Medicine (IOM), to convene an expert panel to address specific questions regarding the process necessary to successfully update USDA’s national breastfeeding promotion and support campaign – *Loving Support Makes Breastfeeding Work*. Originally, IOM was tasked with conducting a one-day workshop with experts from various disciplines on updating the campaign. The intent of the expert meeting was to clarify specific questions raised during the workshop proceedings. FNS will use the findings from these two meetings to move forward with updating the campaign.
 - FNS developed the *Loving Support Award for Excellence in Breastfeeding* in response to Section 31 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA). The purpose of the program is to recognize local WIC agencies’ exemplary breastfeeding support practices and provide models to motivate other local WIC agencies and clinics to strengthen their breastfeeding promotion and support activities. FNS considered information from existing recognition programs, key stakeholder input, and public comments gathered from a Request For Information to develop the award selection criteria and application procedures. FNS plans to launch the award process in FY 2013.

Additionally, FNS continues to partner with other member organizations by sponsoring the bi-annual meetings of the Breastfeeding Promotion Consortium (BPC) and participating in the newly convened Federal Breastfeeding Workgroup. The Federal Breastfeeding Workgroup consists of staff from various Federal agencies that focus on implementation activities surrounding the recently released Surgeon General’s Call to Action to Support Breastfeeding (Call to Action) as well as interagency coordination of breastfeeding support efforts. FNS is also a government liaison to the United States Breastfeeding Committee, a national breastfeeding committee composed of representatives from relevant government departments, non-governmental organizations, and health professional associations who strategically work to support breastfeeding efforts and initiatives across the country.

- *WIC Works Resource System* - FNS, in partnership with the National Agricultural Library, continues to expand the WIC Works Resource System, which provides electronic nutrition information and resources to State and local WIC staff and provides opportunities for WIC staff to share State-developed materials and earn continuing education credits through online education. Eighteen online staff training modules were reviewed and updated in FY 2012.
- *Revitalizing WIC Nutrition Risk* - In FY 2012 a VENA II initiative was launched to highlight VENA successes at the State and local level and to identify areas that may need additional support and effort. Initial plans include periodic webinars to showcase successful VENA activities and to promote such activities in other WIC Programs across the nation.
- *Revised WIC Nutrition Risk Criteria* - In FY 2012 revised anthropometric risk criteria for children that incorporated the World Health Organization (WHO) growth standards were implemented. These revised risk criteria require the use of the new growth charts for Birth to 24 Months of Age, developed by the Centers for Disease Control and Prevention.

WIC Prescreening Tool: The WIC Prescreening Tool is a web-based tool that was developed to help potential WIC applicants determine if they are likely to be eligible for WIC benefits. The WIC Prescreening Tool asks users to

complete a series of short questions regarding their eligibility for WIC benefits. Users who are likely to be eligible to receive WIC benefits are provided with State-specific contact information and are encouraged to make a certification appointment with their WIC local agencies. Additionally, users are provided with a printable summary of their responses and a list of examples of the documentation that is required at an initial certification appointment.

The WIC Prescreening Tool is accessible to all internet users via “Am I Eligible?” links on the WIC homepage. The tool is accessed approximately 3,000 times per day by users across the country. The tool was initially launched in English, Spanish and Mandarin Chinese; due to its popularity, it has been translated into six additional languages (Arabic, Haitian-Creole, Korean, Russian, Somali and Vietnamese), which will be launched in FY 2013.

National Maternal Nutrition Intensive Course: Improving staff development, competencies, and retention are a priority of the WIC Program. Since FY 2000, WIC has provided funding for the University of Minnesota to conduct the annual National Maternal Nutrition Intensive Course. The course offers in-service training for WIC State and local agency staff to increase knowledge and improve skills needed to deliver quality nutrition services to pregnant and postpartum women. In recent years, WIC has provided funding to add an enhanced distance learning component to the course, enabling greater numbers of WIC staff from around the country to participate. This course provides one of the few opportunities for WIC staff to receive science-based training to increase their technical skills.

Continue EBT Expansion: In a continued effort to expand WIC EBT, FNS awarded limited carryover funding to three State agencies to continue their EBT planning efforts (Five Sandoval, Alaska, and the Wichita, Caddo and Delaware Tribe of Oklahoma). In addition, Oklahoma, Oregon and Vermont received additional funds to implement WIC EBT. These carryover funds were recovered from a State that changed its direction and timeline for its EBT project. No new EBT projects were funded in FY 2012 as technology funds were not appropriated. To date, at least 60 State agencies are in various stages of EBT activity, ranging from planning to statewide implementation.

Enhancing Program Management and Oversight: In FY 2012, FNS continued to improve the management evaluation process and made further refinements to the automated management evaluation tool. A total of 52 State Technical Assistance Reviews were initiated using the automated tool.

Expanding Services to the Military: In FY 2012, FNS continued to provide assistance to the Department of Defense in administering its WIC-like Overseas Program. It also provided assistance to Regional Offices and WIC State agencies regarding which payments to military personnel/households are excluded or included when determining income eligibility for the WIC Program.

Vendor Cost Containment and Program Integrity: FNS continued to work with State agencies to ensure their vendor cost containment systems comply with the vendor cost containment provisions of the Child Nutrition and WIC Reauthorization Act of 2004.

- Prompted by vendor cost containment deficiencies identified in a large WIC State agency, FNS contracted with Mathematica Policy Research to do a brief survey of FNS regional offices and up to nine WIC State agencies to gather information about approaches that may be best practices for effective vendor management.
- Based in part on information from the survey, in August 2012 FNS hosted a half-day meeting of State and federal vendor staff. The meeting included presentations by State agency compliance investigation staff, data mining and high-risk vendor criteria, and best practices on peer group classification and establishing competitive prices. Multi-day integrity meetings were held in five of the seven regions between April and June 2012. A sixth region conducted vendor training in August 2011.
- In August 2012, FNS sent the newly-created Office of Inspector General (OIG) poster on reporting program violations to every WIC local agency and several clinics (5,000 posters in total). The poster includes the USDA OIG hotline and website information. Local agencies were to place the poster in a visible location for participants and staff to see with the expectation that by making this information available it will lead to increased Program integrity by providing OIG with information about program violations.

- In November 2012, an FNS WIC Program Integrity work group completed its report on recommendations and innovative practices for WIC Program integrity that will be the basis for FY 2013 training and future policy changes.
- FNS has worked with the National WIC Association (NWA) to add a Program Integrity Track to NWA's Biennial Technology Conference. The Technology/Program Integrity National meeting will be held September 17-20, 2013. FNS is responsible for developing the program integrity sessions which will focus on development of effective competitive price, maximum allowable reimbursement and peer group criteria.

COMMODITY ASSISTANCE PROGRAM

The NPA appropriation funds the staff administrative expenses of the Commodity Assistance Program (CAP). In addition to providing commodities, also known as USDA Foods, for the Child Nutrition Programs, FNS makes nutritious foods available to State agencies for distribution to low-income people through the Commodity Supplemental Food Program (CSFP) and the Emergency Food Assistance Program (TEFAP), and administrative resources to States to support the distribution of these USDA Foods. The agency also provides USDA Foods to four nuclear-affected Pacific islands and delivers food-based relief to the survivors of disasters.

More information about the CAP programs during FY 2012 is described under "Acquisition and Distribution of USDA Foods" in the Child Nutrition Programs section.

Special USDA Foods Initiatives: FNS continues to work closely with its partners and customers, such as schools and industry, and with its three sister agencies within USDA – FSA, AMS, and FSIS – to improve service to its customers, streamline operations, and maintain support for American agriculture. Highlights of FNS's most recent efforts in this area include:

- *Web-Based Supply Chain Management (WBSCM)* - Initiation of the PCIMS replacement system project, known as Web-Based Supply Chain Management (WBSCM), began in FY 2006 as an AMS IT investment with project support from FNS and FSA. The WBSCM contract was awarded in early FY 2007, and in FY 2008 FNS, along with AMS, FSA, FAS, and USAID, participated in system design sessions and initiated system development activity. In June 2010, the first phase of WBSCM was implemented which included the ability for FNS CSFP and FDPIR users to order from the FNS National Warehouse distribution network. Phase 2 implementation in November 2010 provided the ability for FNS state distributing agencies and recipient agencies to place orders in WBSCM. The final phase of development in April 2011 achieved full production status for domestic and international ordering and procurement activities. In 2012 WBSCM directly supported the order, procurement and delivery of 9.5 billion pounds of farm food commodities at a cost of \$2.9 billion. Currently WBSCM has over 6,100 internal and external users with approximately 80% representing FNS customer and industry stakeholders.
- *Processed Commodity Information Management System (PCIMS) Replacement* - PCIMS is the legacy mission-critical system that USDA relied on to buy, inventory, manage, and deliver USDA Foods to customers. With the implementation of WBSCM, PCIMS has been retired and is being used for reporting purposes only.
- *USDA Foods Communication Initiative* - FNS is continuing its USDA Foods Communication Initiative to support USDA nutrition assistance programs by improving the public perception of USDA Foods. Through the initiative, FNS intends to increase stakeholder and public awareness of how USDA Foods contribute to meeting the *Dietary Guidelines for Americans*, support local wellness policies, and are high quality, healthy options benefiting schools and other recipients. Additionally, new materials, resources, and outreach strategies will be used to help nutrition professionals, school administrators, parents, Congress, the media, and other key organizations understand the significant improvements that have been made to USDA Foods.
- *USDA Foods Nutrition Initiative* – FNS continually reviews USDA Foods along with FSA and AMS to improve and enhance the nutrition profile of USDA Foods offered to program participants. In addition, FNS responds to input from stakeholders by adding new foods or replacing existing products to help meet the Dietary Guidelines for Americans, as well as, the new meal pattern requirements.

CROSS-PROGRAM NUTRITION INITIATIVES

Federal nutrition assistance programs are designed to work together to form a nutrition safety net that promotes access to food and improved nutrition for the children and low-income people they serve. While FNS activities support the effective administration of each program individually, many of our administrative efforts are designed to improve coordination across programs to achieve goals and outcomes that they share, including promoting healthy eating and active living behaviors among those eligible to participate in Federal nutrition assistance programs. To assist States in advancing this critical part of the FNS mission, the agency develops guidance materials and policy documents; nutrition education resources, training and implementation support. The agency also disseminates knowledge and new information about effective strategies and other activities, and works with nutrition-focused public and private entities to coordinate and promote nutrition education for the FNS target populations.

FNS also encourages and provides resources to facilitate across program collaboration and consistent application of nutrition knowledge in agency policy, regulations, guidance and technical assistance. For example, the agency disseminated a set of core nutrition messages supporting content and provided training and guidance regarding use of these messages in the FNS programs. The messages are designed to help low-income mothers and children meet the current *Dietary Guidelines for Americans* and establish child feeding practices that support the development of healthy eating habits. WIC, schools and child care programs across the country are now using these consumer-tested messages to support nutrition education activities. The agency is now working with key stakeholders to expand this initiative by adding messages and related content to motivate program participants to eat recommended amounts of whole grains, fat free and 1 percent fat milk and milk products, fruits and vegetables and to help kids form healthy eating habits early in life. These messages can be easily integrated into educational activities, campaigns, materials and communication tools, and have been incorporated into MyPlate guidance for preschool children and in resources developed by State and local programs.

FNS supports and coordinates nutrition-related committees on behalf of Departmental leadership, and serves in leadership and liaison roles for a number of internal/external organizations, including working with DHHS on Healthy People 2020 Objectives, participating in the National Collaborative on Childhood Obesity Research, National Physical Activity Plan, National More Matters Fruit and Vegetable partnership and many others.

FINANCIAL MANAGEMENT INITIATIVES

Debt Collection Activity in FY 2012

For Federally-managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$75 million in new receivables during the fiscal year. Year-end outstanding debts for the FY increased from the previous year by \$39 million. The overall debt resolution rate achieved was about 44 percent.

Federally Managed Federal Debt Profile
FY 2009 – FY 2012
(\$ millions)

Debt Management Category	2009	2010	2011	2012
Accounts Receivable	\$39	\$43	\$42	\$82
Collections	43	27	22	23
Litigation	2	1	4	3
Past due	7	9	9	16
Recipient Claims	288	271	283	283

In its accounts receivable, FNS also records the Federal share of the value of recipient overpayments established by SNAP State agencies. State agencies are allowed to retain a portion of the claims collected. The receivable consists of the total claims established less the States' share.

For Federal Debts managed by SNAP State agencies, such agencies establish claims against households for errors in issuing program benefits to these households. These overpayments can result from the client's incorrect reporting of household circumstances, through client fraud, or by State administrative error.

SNAP Recipient Claims Activity
FY 2010 – FY 2012
(\$ Millions)

Claims Activity ^{1/}	2010	2011	2012
Claims Established	460	521	400
Claims Collected	287	314	273
Ending Balance	1,340	1,441	1,513

^{1/} Figures provided on the FNS-209 are preliminary and subject to change.

Financial Management (FM) Regional Office Reviews

The FM organization conducts assessments of regional offices with the objective of ensuring the propriety of financial operations and transactions within FNS. These reviews have been instrumental in raising the confidence level of management officials within the agency over the past several fiscal years.

Financial Management Reviews (FMRs)

In addition to the reviews that HQ staff conduct of the regional offices, the regions also conduct FMRs of participating State agencies and ITOs to obtain reasonable assurance that the financial information reported by such grantees is correct, complete, and in compliance with Federal standards and regulations.

Financial Statements Audit

FNS received an unqualified ("clean") opinion on the FY 2012 Financial Statements, meaning that the agency met the highest auditing standards. While FNS was able to provide reasonable assurance relating to internal controls, financial reporting and financial systems for FY 2012, the agency has reached a critical point regarding necessary administrative resources.

ADMINISTRATIVE MANAGEMENT INITIATIVES

Field Office Restructuring

Budget reductions, staff attrition, and increased workload have necessitated a review of FNS offices across the country. In many cases, modern technology has reduced the need for brick and mortar facilities. Consistent with FNS' desire to cut costs and maximize the utilization of resources, 31 field offices, which housed 65 employees, closed in 2012. However, these individuals did not lose their jobs. They were provided the option to work out of regional offices, federal buildings, other leased spaces or telework.

Human Capital Management

FNCS takes its commitment to Cultural Transformation (CT) very seriously. FNCS implemented all goals and action strategies contained in its 2012 CT plan. As noted in **My USDA**, the Department's monthly CT newsletter, *"While the entire Department has made Cultural Transformation a priority, The Food and Nutrition Service is a shining example of what can be accomplished."*

Through the thoughtful planning of activities and targeted communications through a variety of media (including videos, articles and electronic bulletin boards), Cultural Transformation has become an even more ingrained part of the FNCS fabric. FNCS' CT agenda and accomplishments directly support the pillars established by Secretary Vilsack; stress diversity and inclusion and; are designed to promote a higher performing organization. Several examples of positive outcomes, organized by pillar, follow:

Leadership: Ensure a framework for Cultural Transformation, starting with Leadership

- Conducted 360 Degree Feedback for Supervisors
- Hosted "Lunch with Leaders" Events
- Enhanced Leadership Institute

Talent Management: Develop and Maximize Talent

- Improved Position Management
- Provided Additional Detail Opportunities
- Enhanced New Employee Orientation

Employee Development: Embrace Diversity and Inclusion to Improve Performance

- Provided Cultural Transformation Training to Employees
- Launched Revised Mentoring Program
- Implemented Individual Development Plans (IDPs)

Customer Service and Community Outreach: Better Understand the People FNCS Serves

- Provided Opportunities for Staff to Visit Sites in Local Areas to Observe FNCS Programs (including Peoples Garden)
- Participated in Days of Service
- Enhanced Continuous Process Improvement (CPI) Program/Lean Six Sigma
- Hosted Program Fairs

Recruitment and Retention: Strive for a Diverse Workforce that Looks Like America

- Planned and Executed Meaningful Special Emphasis Programs
- Hosted Opportunities for Employees to Share Cultural Differences
- Targeted Under-Represented Groups
- Improved Workspace/Employee Surroundings

Moreover and in an effort to increase awareness of and build employee support for CT, relevant endeavors have been amplified aggressively through a myriad of delivery mechanisms (both FNCS and USDA driven), including:

FNCS:

- Emails from Administrator and CT Principals
- Staff Meeting Discussions (at all levels)
- FNCS Labor Management Forum Bulletins
- FNCS Intranet (Cultural Transformation Site)
- FNCS Weekly
- Posters

- Electronic Bulletin Board (with accompanying CT “Soundtrack”)
- FNCS TV (Videos)

Department Wide:

- My USDA Newsletter (Feature Pieces)
- USDA Website (Articles and Blogs)
- My USDA Today (Talk Show)

FNS University (FNSU) is the primary source of professional and personal growth opportunities for FNCS employees. The University is structured around four “colleges,” which represent the comprehensive nature of the program. The colleges are the College of Orientation; the College of Self-Development; the College of Technical Program Training; and the College of Leadership and Management.

College of Orientation: programs designed to provide comprehensive on-boarding services and orientation to employees new to FNS, and to new supervisors in the agency. The programs included in this college are:

- **FNS-101:** FNS’ new regional and National Office employees participate in this comprehensive and informative employee orientation three-day program, in which attendees receive introductions to all facets of the agency, through briefings from each functional area and from employee services. Additionally, the program includes a tour of a local food bank, and mandatory U.S. Constitution training. Constitution training is facilitated by an FNS trainer and covers the Amendments, Bill of Rights, Articles of Confederation, Constitutional Convention, and the Declaration of Independence.

On the third day of the program, regional employees spend the day with their National Office counterparts, and National Office employees travel to the Mid-Atlantic Regional Office to meet their regional counterparts. This program has been a great success in introducing new employees to the agency.

- **New Employee Onboarding:** Over 80 new employees, agency-wide, attended New Employee Onboarding on their first day at FNCS. New employees received information about the agency, important documents, and information to assist in a smooth transition into their new job. This training includes briefings on Records Management, WebTA, and a tour of the Agency’s FNCS Intranet. Each new employee was assigned a sponsor who made themselves available to assist the new employee with their transition.
- **FNSU Mentoring Program:** The FNSU *Nationwide Mentoring Program* kicked off its first cadre of mentors/mentees with a two-day mentor/mentee training session in March 2012. The 36 participants were composed of 18 mentees and 18 mentors from the National Office, all Regions and one Field office. The mission of the FNS Mentoring Program is to facilitate personal and professional growth and development among employees through the sharing of skills, information and knowledge.
- **Human Resources Management for New FNS Supervisors:** The required four-day interactive course is offered annually, or semi-annually as needed, to individuals appointed to their first FNS supervisory positions who have not served officially as a supervisor elsewhere. The learning objectives are:
 - Understand how the effective management of an agency’s human capital is critical to the success of the agency.
 - Understand the supervisor’s role in achieving agency goals through use of the HR system;
 - Understand the basic principles of human resource management;
 - Be able to apply those principles to everyday situations; and
 - Know where to go to get help.

The course includes labor relations issues and other legal perspectives critical to agency and personnel administrative matters. It focuses confidentially on actual problem areas for group experience in proposing resolutions to difficult situations, and poses additional areas that highlight procedural supervisory diligence that can potentially impact due process in legal actions taken.

College of Self-Development: Programs are designed to encourage employees to build life skills. AgLearn and the Job Enrichment Program are components of this College that were not significantly highlighted in FY 2012, but will see enhancements in FY 2013.

- **Learning Labs** are day-long or two-day seminars on management and leadership skills and OPM competencies that are open to all employees. Learning Lab topics are determined by the Foundations of Continual Learning skill gap analysis, employee training needs assessments, and listening sessions. Some Learning Labs are tailored to fit regional office or National Office needs, while others address nationwide skill gaps.

The focus of the FY 2012 Learning Labs included:

Nationwide:

- Team Building (Basic)
- Team Building (Advanced--for established teams)
- Customer/Business Process Improvement

Regional or National Office:

- Leadership Development
- Speaking/Presentation Skills
- Leveraging Diversity
- Hermann Brain Dominance
- Myers-Briggs Personality Type Indicator (MBTI)
- Computer/Software Skills
- Project Management Fundamentals
- Retirement Planning
- Crucial Conversations
- Plain Writing
- Investigative Techniques
- Change Management
- Interview Skills

- **Tuition Reimbursement Program (TRP):** Permanent FNS employees can receive partial reimbursement for mission-related courses taken and/or conferences attended on the employee's own time and at their own expense, currently not to exceed \$2,000 per person/per fiscal year. Through TRP, full-time FNS employees can apply for reimbursement of 75 percent of their tuition fees when they take approved courses from one of the five schools of study: Management & Leadership, Public Policy, Communications, Nutrition Sciences and/or Information Technology.

In FY 2012, 34 employees completed 20 courses using TRP. These employees have gained knowledge through career development, which benefits both parties: FNS retains highly motivated and qualified individuals, and the employee attains job and workplace satisfaction. Employees are able to transfer the knowledge they gain from the mission-related courses to strengthen their skill base and career options. TRP not only provides an incentive to increase and enhance continual learning, but also provides financial assistance for those employees who might need it.

- **Career G-O-A-L-S Program:** Addresses career **G**uidance, **O**ptions, **A**ssistance, **L**earning plans, and **S**kill identification. The coaching session to date has served 28 National and Regional Office employees. The program's focus is to work with the employee in a series of sessions such as: One-to-One interviews; Telephone Coaching; Skill Development; and Behavior Assessments. In the coaching aspect, employee and coach explore the participant's interests both professionally and personally. Each session focuses exclusively on the employee, their needs and agenda. The coach helps the employee with the development and implementation of a plan focusing on what is important for the participant and what the participant wants to achieve, by precisely defining objectives and prioritizing goals.
- **FNSU Training Library:** Employees have the opportunity to check out Training books, DVDs and CDs for individual or group use. In FY 2012 the training office updated the library's media section with new

DVDs on time management, working with difficult people, coaching others, teambuilding, and improving customer service.

College of Technical Program Training: FNS continues to understand the importance of job-related technical training, despite limited subject matter expert resources. Our efforts emphasize a standardized course development process and the noted use of agency subject-matter experts to design and teach the courses. In FY 2012, SharePoint Designer Training was provided to about 25 agency employees.

College of Leadership and Management: Emphasizes providing technical and soft-skills training to agency supervisors and managers, as well as leadership development training to the GS-5 through GS-15 grade-range of employees. Supervision By the Book and The Supervisory Excellence Program are components of this college that were not utilized in FY 2012, but will be reviewed for FY 2013.

- **Supervisory Task Force Input**

The Learning and Development Branch has a formal task force dedicated to supporting experienced supervisors in this time of rapid change across the agency. Concerns are identified by the task force in the fiscal year's second quarter and addressed in recommended programs, or other opportunities highlighted during the remainder of the year. Developmental opportunities may also be recommended based on results of a 360 Degree assessment generally offered annually to one-third of Supervisors and managers.

- **Managerial Excellence Program (new program piloted in FY 2012)**

Individuals who manage programs, many serving as second-level supervisors, are offered continuing education opportunities through external programs identified by FNS or in-house sponsored courses. The courses include focus on executive level leadership and the impact of management on organizational performance. These include the Federal Executive Institute's *Leadership for a Democratic Society*, courses offered at the Harvard Kennedy School of Government, and the Center for Creative Leadership.

- **The Leadership Institute (LI)**

FNSU's premier, intensive 16-month program is FNS' principal succession planning tool for the next decade of leaders. A new class of 14 participants was selected in the spring of 2012. The Institute is designed to provide employees with leadership skills that will benefit them and the agency now and in the future. The program also provides knowledge management opportunities and career growth for a broad number of agency employees, in their roles as developmental coaches, mentors, action learning team members, participant supervisors, and project sponsors. The LI allows FNS to minimize its skill and competency gaps, raise the bar on our goals and initiatives, and maintain a highly qualified and satisfied workforce producing quality outputs.

The first of four detailed LI program seminars took place in fall 2012. The trainings covered:

Communication and Behavioral Assessment Overview

This workshop was a two-day session that consisted of an explanation of the behavioral and communication assessments used by the LI. The participants learned practical knowledge about themselves and were able to identify what competency they should focus on.

Leadership and the Battle

A leadership tour of the Gettysburg Battlefields. The participants traveled via bus and stopped at various locations on the battlefield. There they learned about the leaders and their decision styles, by introducing the commanders on locations significant to their part in the overall strategy, and discussed what their impact was on the battle's outcome.

Dynamic Mentoring Connection

Participants and their LI mentors met for the first time to begin establishing a work plan and expectations for their mentorship for the next year. The mentors had a separate meeting where the facilitator discussed tips and techniques for giving effective feedback and distance mentoring while the participants were discussing tips on receiving effective feedback.

The additional program seminars are held in the summer and fall of 2013, culminating with the graduation

of the class in October 2013.

- **The Aspiring Leaders Program (launched December 2012):** This program will prepare employees at the GS 5-11 levels with leadership development skills for the 21st century. The purpose of the Aspiring Leaders Program is to begin leadership development of agency employees throughout their FNCS careers, and support the agency’s succession planning efforts.

CENTER FOR NUTRITION POLICY AND PROMOTION

Program Mission

The U.S. Department of Agriculture is the lead Federal agency in human nutrition, charged with providing research-based human nutrition guidance, education, and outreach to all American consumers, as well as scientifically guided nutrition assistance programs. The mission of the Center for Nutrition Policy and Promotion (CNPP), the focal nutrition policy and nutrition promotion agency in USDA, is to improve the health of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. CNPP links nutrition research findings to consumers by using an integrated program of systematic evidence-based nutrition research reviews; program-focused consumer economic analyses; and nutrition education resources and personalized on-line tools. CNPP translates nutrition guidance into innovative consumer-focused nutrition promotion and outreach programs to empower consumers –children, adolescents, teenagers, adults, and older adults --with information and ways to apply the dietary recommendations to their lives. The goal is to help improve the dietary and physical activity behaviors of Americans through behavior-change-based principles and engaging actionable resources. CNPP also helps devise cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, characteristics, behaviors, and lifestyles. It also develops food patterns for healthy eating on a budget.

CNPP focuses on identifying, developing, and implementing public-health strategies and policies based on the most current evidence-based science that will promote positive consumer changes in dietary practices and active lifestyles. Thus, CNPP makes a key contribution to the USDA’s priority of ensuring that America’s children (and their families) have access to nutritious, balanced meals by developing and promoting up-to-date credible scientific, evidence-based dietary guidance that is the foundation for all Federal nutrition education efforts. CNPP serves a diverse consumer base, including the populations served by nutrition assistance programs. Consequently, guidance and promotional materials are designed to reach this diverse consumer base where they learn, work, play, shop, and access and prepare foods.

CNPP’s Programming Links Evidence-Based, Credible Science to the Nutrition Needs of Consumers

Description	Base Programming Areas
Dietary Guidance, Promotion, and Analyses	<ul style="list-style-type: none"> • <i>Dietary Guidelines for Americans</i> • USDA’s Food Guidance System Supporting the MyPlate Food Icon • Healthy Eating Index • Nutrition Education Resources and Tools/Tool Kits
Monitoring of Food and Nutrient Intake	<ul style="list-style-type: none"> • Nutrition Evidence Library • USDA Food Plans • U.S. Food Supply Series

Dietary Guidance, Promotion, Analyses, and Systematic Reviews

Dietary Guidelines Set Nutritional Standards for the United States. The *Dietary Guidelines for Americans* are used in SNAP and in the Child Nutrition and WIC Programs to guide nutrition standards and benefit levels for participants ages 2 years and older. The *Dietary Guidelines for Americans* are also used as the science-based foundation in all Federal nutrition education and promotion programs government-wide, including those supporting Federal nutrition assistance, as well as most private sector nutrition education and promotion efforts. The *Dietary Guidelines for Americans* aids policymakers in designing and implementing nutrition-related programs. It also

provides education and health professionals, such as nutritionists, dietitians, and health educators, with a compilation of the latest science-based recommendations.

Programs, policies, and consumer education materials were updated or developed to reflect the 2010 *Dietary Guidelines for Americans*. Because all consumer materials must be consistent with the *Dietary Guidelines*, a guide to assist authors and reviewers in the development and review of materials was created to assist in interpreting the *Guidelines*. Preparations for establishing the 2015 Dietary Guidelines Advisory Committee were made by the signing of a Memorandum of Understanding which established the cooperation between USDA and HHS to pursue the development of the 2015 *Dietary Guidelines for Americans*. Several key documents were developed, including the Committee Charter, Balance Plan, Charge, and By-Laws. A *Federal Register* notice was published to announce the intent to establish a Federal Advisory Committee and a solicitation for nominations for it from the public.

Preparing for Dietary Guidance for the Birth to 24 Months Population. *The Dietary Guidelines for Americans* have historically focused on recommendations for healthy eating patterns for Americans ages 2 years and older. In FY 2012, CNPP led USDA's participation with the Department of Health and Human Services in developing a plan for establishing unified Federal dietary guidance for the birth to 24 months population, which has never been done before. Because of the vastness of assessing the available research and its quality (which will be supported by CNPP's Nutrition Evidence Library), and the complexity of defining the questions for eventual recommendations for this disparate population, the effort will be conducted separate from the Dietary Guidelines for 2 and older process. In FY 2012, CNPP developed a strategy known as "evidence mapping" for assessing the breadth and depth of research reports to consider for the future guidance.

USDA Food Plans Increase Food Security of SNAP Recipients and Serve the Military. *The Dietary Guidelines for Americans* are used in programs like SNAP and in the Child Nutrition and WIC Programs to guide nutrition standards and benefit levels for participants aged 2 and older. The four USDA Food Plans (Thrifty, Low-Cost, Moderate-Cost, and Liberal) serve as national standards for nutritious diets at various cost levels. Each plan represents a set of market baskets containing a selection of foods in quantities that reflect current dietary recommendations and are applicable to one of 15 age-gender groups. The Thrifty Plan (a minimal cost nutritious diet) is used as the basis for SNAP (Supplemental Nutrition Assistance Program) allotments which increases the food security of the 47.7 million people who currently participate in the Program. The Moderate and Liberal Plans are used by the Department of Defense to determine the Basic Allowance for Subsistence rate (food allowance) for the 1.4 million U.S. service members. Over FY 2012, the USDA Food Plans were updated in terms of cost each month to reflect the latest prices of food. In addition, work began to update the Food Plan market baskets to reflect the latest *Dietary Guidelines*. This work included the development of the 2009 Food Prices Database, which will be one of the main data sets used in updating the Food Plans. Also, during FY 2012, work commenced on the development of a "healthy eating on a budget" website and weekly menus that are in line with the Thrifty Food Plan to help low-income Americans make the best use of their food dollars. CNPP plans to release these materials in 2013.

CNPP's ChooseMyPlate.gov and SuperTracker Encourage Positive Nutrition and Physical Activity Behaviors. ChooseMyPlate.gov garnered over 55 million page views in FY 2012, and the educational materials and resources available on the website had more than 21 million downloads. The first birthday of USDA's inspiring MyPlate food icon (which CNPP designed) was celebrated during June 2012 with a host of new, engaging resources that support it, including recipes, activities, a toolkit for making celebrations healthy and active, and the opportunity for consumers to wish MyPlate a happy birthday on-line. MyPlate received over 30,000 birthday wishes.

CNPP developed a wide variety of resources released on ChooseMyPlate.gov during FY 2012, including eight new tip sheets in the 10 Tips Nutrition Education Series, five "how-to" videos on whole grains, the MyPlate Community toolkit, and six new education resources in Spanish. The Center also collaborated with WIC and SNAP in developing and updating consumer materials, including factsheets and posters for moms and preschoolers and the "Eat Smart, Live Strong" kit for SNAP educators. Fifteen enhancements were completed in 2012, including the number-one request from users—the ability to set a personal calorie goal.

CNPP worked closely with the First Lady's Initiative to complement its *Let's Move!* efforts to reduce childhood obesity with nutrition and healthy eating-related MyPlate content. CNPP partnered with *Let's Move!* to create a MyPlate Community Toolkit and conduct the Healthy Communities on the Move Video Challenge; the *Let's Move!* Cities, Towns, and Counties program; and the Healthy Lunchtime Recipes Challenge that culminated in the first-

ever Kids State Dinner at the White House for the children with winning healthy recipes.

The SuperTracker was launched in time for New Year's resolutions for 2012. It was designed by CNPP and is USDA's state-of-the-art personalized dietary assessment, weight management, and physical activity-tracking eTool. It makes the *Dietary Guidelines* actionable for just about anyone of any age. The SuperTracker exceeded expectations during 2012, evidenced by the one millionth registered user signing-up just nine months after release at the end of FY 2012. In addition, page views exceeded 81 million by the end of the FY 2012. The SuperTracker garnered national recognition; it was a recipient of the 2012 USDA Secretary's Honor Awards and was named one of the top 10 government IT innovation projects of 2012 by Government Computer News.

The Nutrition Communicators Network of MyPlate partnering organizations expanded tremendously with 22 percent and 26 percent growth in National Strategic and Community Partners, respectively. These partners joined the network to help promote MyPlate and messages of the *Dietary Guidelines for Americans* that support it. In addition, promotion of three messages supporting MyPlate yielded more than 1.4 billion media impressions during the first three quarters of 2012. This was in addition to the 2.6 billion media impressions of the fruits and vegetable message between September and December 2011. Through their dissemination activities, partners report reaching a total of 171.5 million consumers and 32.6 million influencers with the three consumer messages.

Nutrition Evidence Library Continues to Contribute to Science-Based Dietary Policy and Programs. USDA's Nutrition Evidence Library (NEL) is a practice center within CNPP that specializes in conducting systematic reviews to inform Federal nutrition policy and programs. The NEL evaluates, synthesizes, and grades the strength of the evidence to support conclusions and uses a transparent methodology to define the state of food and nutrition-related science. The NEL is a key resource for making food and nutrition research accessible to all Americans.

The NEL conducted a series of systematic reviews to better understand how to effectively deliver nutrition education to improve the dietary intake-related behaviors of children and adolescents. A broad range of school- and community-based nutrition education interventions were considered for children in preschool, kindergarten, and elementary school and adolescents in middle and high school. The purpose was to address issues such as digital media/technology, parental involvement, types of educators, combining changes to the food environment with nutrition education, and using multi-component nutrition education programs. Qualitative research was conducted on the use of communication technologies and digital media to enhance nutrition education initiatives. Three reports based on qualitative research (1) highlighted recent social science and market research on the use of technology and digital media for educational purposes among U.S. children; (2) featured environmental scans describing child-focused classroom- and community-based nutrition education programs in the U.S. and programs that use digital media to improve knowledge, attitudes, and behavior related to nutrition and physical activity among children; and (3) presented ethnographic research results including opportunities for utilizing digital media in school and community settings and successful approaches to communicating the principles of the 2010 *Dietary Guidelines for Americans* to school-aged children.

The NEL updated its systematic review methodology to reflect the latest developments in the field, while ensuring that methods were optimal for addressing food and nutrition-related topics. NEL's work in developing processes for topic nomination and prioritization have laid the groundwork for an inter-departmental project designed to identify topics for which systematic reviews are needed to inform future development of dietary guidance for infants and toddlers (birth to 24 months).

The CNPP held a workshop on systematic reviews on dietary patterns entitled "Dietary Patterns Research Methods: Strengths and Limitations of Various Approaches to Inform a Systematic Review." The purpose of this workshop was to convene leading scientists to discuss the strengths and limitations of the various research methods used to describe and quantify dietary patterns and consider how different methodologies can be used to examine the relationship between dietary patterns and health. This systematic review project is designed to consider the interactive and complementary aspects of various components of the diet as they relate to risk of obesity, cardiovascular disease, type 2 diabetes, and certain types of cancer. This is the most comprehensive systematic review project on dietary patterns conducted to date with a health promotion/disease prevention policy-perspective. The study of dietary patterns has the potential to advance the evidence reviewed to inform future iterations of the *Dietary Guidelines* and other Federal nutrition policies and programs.

Healthy Eating Index Keeps Track of Quality of U.S. Diet. The Healthy Eating Index (HEI) is a tool designed to assess diet quality in terms of how well diets comply with the *Dietary Guidelines for Americans*. CNPP uses the HEI to monitor the quality of the diets of the American population and subpopulations of particular interest. During FY 2012, CNPP published an article on how diet quality of Americans varies by age, gender, race/ethnicity, and income level; contributed information on the diet quality of children and older adults to key national indicator reports published by statistical agency forums; and reported on the diet quality of children at a public health conference. The HEI can also be used to assess the quality of any group of foods. For example, it has been used to assess the quality of FNS food assistance packages, of menus, and of the total U.S. food supply. During FY 2012, the HEI was updated to reflect the 2012 *Dietary Guidelines for Americans*. Presentations were made at two scientific meetings, and research evaluating the validity and the reliability of the HEI-2010 was completed.

Expenditures on Children by Families Report Helps Set Child Support and Foster Care Payments. Since 1960, USDA has annually issued its Expenditures on Children by Families report. This report examines current child-rearing expenses for the major budgetary components: Housing, food, transportation, clothing, health care, child care and education, and miscellaneous expenses (e.g., personal care items, entertainment, etc.). Expenses are examined by age of the child, household income level, and region of residence. These child-rearing expense estimates are used by States in setting child support guidelines and foster care payments. (Half of all U.S. children will spend part of their childhood in a single-parent family, and approximately 410,000 are in the foster care system). The expense estimates are also used in family educational programs, especially to show high school-age children the costs associated with raising children. During FY 2012, CNPP updated the series to reflect 2011 child-rearing expenses. The annual report describing the methodology and recent results was also updated. The release of the annual report garnered widespread media coverage, including from *CNN*, *ABS News*, the *New York Times*, the *Wall Street Journal*, and *China Central Television*. The Cost of Raising a Child Calculator was also updated to reflect the latest child-rearing expense estimates. This calculator, an interactive version of the report, allows users to input their key characteristics and obtain their expected child-rearing expenses. The Calculator is used by many banks and insurance companies to help their clients in financial planning.

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Summary of Budget and Performance
Statement of Goals and Objectives

The Food and Nutrition Service (FNS) was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953. FNS increases food security and reduces hunger in partnership with cooperating organizations by providing children and low-income people access to food, a healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence. FNS administers the U.S. Department of Agriculture's 15 nutrition assistance programs. These programs, which serve one in four Americans over the course of a year, are designed to provide low-income persons with access to a more nutritious diet, to improve the eating habits of the Nation's children, and to help America's farmers by providing an outlet for food purchased under agricultural support authorities. The agency's activities all support USDA Strategic Goal, "Ensure that all of America's children have access to safe, nutritious and balanced meals."

USDA Strategic Goal	Strategic Objective	Programs that Contribute	Key Outcome
USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious and balanced meals	<u>Agency Strategic Goal/Objective 4.1:</u> Increase Access to Nutritious Food	<ul style="list-style-type: none"> • Supplemental Nutrition Assistance Program • Child Nutrition Programs • Special Supplemental Nutrition Program for Women, Infants and Children (WIC) 	Key Outcome 1: Reduce dollars lost through program errors.
	<u>Agency Strategic Goal/Objective 4.2:</u> Promote Healthy Diet and Physical Activity Behaviors	<ul style="list-style-type: none"> • Supplemental Nutrition Assistance Program • Child Nutrition Programs • Special Supplemental Nutrition Program for Women, Infants and Children (WIC) • Center for Nutrition Policy and Promotion 	Key Outcome 2: Reduce the rate of childhood obesity in the United States. Key Outcome 3: Improve all food sold in schools.

Key Outcome:

Key Outcome 1: Reduce dollars lost through program errors.

Long-term Performance Measures: Maintain or increase the SNAP payment accuracy rate.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- The FY 2011 SNAP payment accuracy rates were the highest in the history of the program.

Selected Accomplishments Expected at the FY 2014 Proposed Resource Level:

- The SNAP payment accuracy rate will be 96.23 percent.

Key Outcome 2: Reduce the rate of childhood obesity in the United States.

Long-term Performance Measures:

- Reduce the prevalence of obesity (a Body Mass Index at or above the 95th percentile for their age) among children and adolescents in the United States.
- Increase the distribution of nutrition guidance, education, and promotion tools.
- Increase the number of direct marketing farmers and farmers' markets authorized to redeem SNAP benefits.
- Increase the volume of SNAP redemptions made through direct marketing farmers and farmers' markets.

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Selected Past Accomplishments toward Achievement of the Key Outcome:

- FNS continued the Healthy Incentives Pilot (HIP), which provides a 30 percent incentive for the purchase of fruits and vegetables to randomly selected SNAP participants with the goal of increasing their fruit and vegetable consumption and improving their overall diet. A total of 118 retailers in and around Hampden County, Massachusetts participated in the pilot, including 12 farmers' markets. The Mass Farmers' market Association's e-HIP application, a handheld electronic replacement for the traditional farmers' market tokens, was approved in June 2012.
- SuperTracker, CNPP's state-of-the-art personalized dietary assessment, weight management, and physical activity-tracking eTool was launched in early 2012 and registered one million users in its first nine months.
- Provided grants to States to provide point-of-sale equipment and wireless access to increase the number of farmers' markets participating in SNAP. Over 3,200 direct marketing farmers and farmers' markets were authorized to redeem SNAP benefits in FY 2012, and redeemed \$16 million in benefits.

Selected Accomplishments Expected at the FY 2014 Proposed Resource Level:

- The prevalence of overweight among children and adolescents will drop to 15.8 percent.
- FNCS will distribute 4 billion pieces of nutrition information on-line and in hard copy format.
- Over 3,600 farmers' markets will be authorized to redeem SNAP benefits, and redeem \$18 million in benefits.

Key Outcome 3: Improve all foods sold in schools.

Long-term Performance Measure:

- Increase the number of HealthierUS Schools across the Nation.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- FNS issued final updated nutrition standards for school meals, based on Institute of Medicine recommendations. Since publication of the new rule in January 2012, FNS has provided constant training and technical assistance in the form of webinars, in-person training sessions and presentations at conferences in order to communicate the meal pattern changes.
- In May 2012, FNS released a certification tool for use by school food authorities to document compliance with the new meal patterns.
- FNS organized a broad outreach initiative titled "The School Day Just Got Healthier" in an effort to help school administrators, parents and community members better understand the recent changes to the School Meals Programs.
- USDA improved and expanded the range of USDA foods available to schools to include a wide variety of fruits, vegetables, lean meats and poultry, reduced-fat cheeses, and whole grains.
- Over 5,500 HealthierUS Schools have been certified.

Selected Accomplishments Expected at the FY 2014 Proposed Resource Level:

- Help chefs partner with interested schools in their communities to create healthy, tasty meals that meet the schools' dietary guidelines and budgets through the *Chefs Move to Schools* program.
- Reach 1,000 additional schools through the Healthier US School Challenge.

FOOD AND NUTRITION SERVICE

Summary of Budget and Performance
Key Performance Outcomes and Measures

USDA Strategic Goal: Ensure that all of America’s children have access to safe, nutritious and balanced meals

Agency Priority Goal: Maintain high payment accuracy for the Supplemental Nutrition Assistance Program (SNAP). By September 30, 2014, USDA will increase the SNAP payment accuracy rate, which reached an all-time high of 96.20 percent in FY 2011, to 96.22 percent.

Key Agency Outcome 1: Reduce dollars lost through program errors.

USDA is strongly committed to maintaining a high level of stewardship and integrity in the nutrition assistance programs and preventing errors. Effective program management helps ensure that those families and individuals most in need of nutrition assistance receive an accurate determination of eligibility and the correct amount of benefits, not too much or too little. USDA plans to make use of all available opportunities, including new communication and eGovernment technologies, to serve our customers, work with partners, and administer programs as effectively as possible.

Key Performance Measure: Increase the SNAP payment accuracy rate.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2009 Actual	2010 Actual	2011 Actual	2012 Target	2013 Target	2014 Target
SNAP payment accuracy rate.	95.60%	96.19%	96.20%	96.21%	96.22%	96.23%

*FY 2012 figure is a target since actual data not yet available

Means and Strategies: In order to advance the goal and achieve the performance targets, USDA will:

- Support State efforts to improve SNAP benefit accuracy through leadership, oversight, training, technical assistance and “promising practices” information sharing.
- Manage and improve systems to disburse and account for program resources.
- Promote effective program operations at the State and local levels through strong Federal oversight, training and technical assistance.

Key Agency Outcome 2: Reduce the rate of childhood obesity in the United States.

Diet is linked to many of the most prevalent and devastating health conditions we face in the United States, including overweight and obesity; coronary heart disease; hypertension; and the risk of stroke, diabetes, and some cancers. Data from the National Health and Nutrition Examination Surveys (NHANES) show that the prevalence of obesity has increased among children and adolescents, reaching 16.9% in 2009-10. This rapid increase in the prevalence of obesity and overweight among both children and adolescents is a matter of great public health concern.

Reducing the rate of obesity and improving the health of all Americans, including those in the USDA nutrition assistance programs, are central to the mission of the Center for Nutrition Policy and Promotion (CNPP) and fundamental purposes of establishing the *Dietary Guidelines for Americans* and communicating them through ChooseMyPlate.gov, which provide the bedrock components of Federal nutrition policy and nutrition education programs. It does this by communicating the nutrition messages from the *Dietary Guidelines for Americans* linked to the new MyPlate icon, the SuperTracker e-tool, and other resources that help Americans make healthy choices. USDA will use its nutrition assistance programs and its broader nutrition education efforts as key opportunities to promote more healthful eating and physical activity across the Nation.

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In addition, limited access to nutritious food and relatively easier access to less nutritious food may be linked to poor diets and, ultimately, to obesity and diet-related diseases. Increasing the opportunities for farmers and food entrepreneurs to vend in low access areas will reduce food and transportation costs and improve access to a more nutritious food supply for many households. Nutrition assistance programs such as SNAP with benefits that can be redeemed through such vendors can help low-income families take advantage of improved access to healthful choices.

Key Performance Measures:

- Reduce the prevalence of obesity (a Body Mass Index at or above the 95th percentile for their age) among children and adolescents in the United States.
- Increase the distribution of nutrition guidance, education, and promotion tools.
- Increase the number of direct marketing farmers and farmers' markets authorized to redeem SNAP benefits.
- Increase the volume of SNAP redemptions made through direct marketing farmers and farmers' markets.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2009 Actual	2010 Actual	2011 Actual	2012 Target	2013 Target	2014 Target
Prevalence of overweight among children and adolescents	16.6%*		16.2%*		15.8%*	
Nutrition guidance, education, and promotion tools distributed (e-hits and print materials)	3.5 billion	1.5 billion	1.7 billion	4.0 billion	4.0 billion	4.0 billion
SNAP-authorized direct marketing farmers and farmers' markets	946	1,611	2,445	3,214	3,414	3,614
SNAP redemptions in farmers' markets	\$4.4 million	\$7.5 million	\$11.7 million	\$16.6 million	\$17.3 million	\$18 million

*Overweight data from the National Health and Nutrition Examination Survey reported biennially. 2011-12 figure is a target, as data is not year available.

Means and Strategies: In order to advance the goal and achieve the performance targets, USDA will:

- Implement a comprehensive communications plan that supports the electronic educational tools at ChooseMyPlate.gov and the MyPlate food icon, which convey *Dietary Guidelines for Americans* nutrition messages about more healthful eating and active lifestyles to consumers, especially schoolchildren.
- Use cutting-edge electronic platforms to foster behavioral changes toward positive dietary practices, active lifestyles and use up-to-date science to identify relationships between dietary patterns and health outcomes.
- Partner with strategic and community entities to broaden the promotion of *Dietary Guidelines for Americans* messages.
Plan and implement strategies to use appropriated funds to support redemption of SNAP benefits at farmers' markets, including provision of wireless point-of-sale devices to those that do not currently have them.

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Strategic Goal Funding Matrix
(Dollars in Thousands)

Program/Program Items	2011 Enacted	2012 Enacted	2013 Estimate	Increase or Decrease	2014 Request
Department Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals					
Supplemental Nutrition Assistance Program					
Benefits	\$61,001,019	\$70,334,648	\$68,708,255	-\$2,619,644	\$66,088,611
State Administrative Funding	3,618,000	3,742,000	3,866,512	132,512	3,999,024
Employment and Training	372,946	386,118	415,946	21,459	437,405
Nutrition Education and Obesity Prevention Gra	375,000	388,000	285,000	116,000	401,000
Mandatory Other Program Costs	110,687	119,977	140,123	21,621	161,744
Discretionary Other Program Costs	2,496	1,000	1,006	6,490	7,496
Puerto Rico/American Samoa/CNMI	1,763,759	1,855,983	1,892,580	19,250	1,911,830
FDPIR	96,958	102,746	100,156	3,844	104,000
TEFAP Commodities	247,500	260,250	265,750	2,750	268,500
Other SNAP Activities	10,000	10,000	10,000	0	10,000
Contingency Reserve	3,000,000	2,790,000	3,000,000	2,000,000	5,000,000
Subtotal, SNAP Appropriations	70,598,365	79,990,722	78,685,328	-295,718	78,389,610
ARRA Funding	12,272,291	8,456,590	6,819,099	-6,257,594	561,505
Subtotal, SNAP	82,870,656	88,447,312	85,504,427	-6,553,312	78,951,115
Staff Years, SNAP	125	154	164	75	239
Child Nutrition Programs					
Meal Reimbursements	16,166,600	16,730,244	17,809,191	1,212,095	19,021,286
State Administrative Expenses	206,943	279,016	289,684	-42,140	247,544
Commodity Reimbursement/Procurement	907,919	1,075,727	1,181,651	-78,407	1,103,244
Mandatory Other Program Costs	26,627	48,673	58,838	4,140	62,978
Discretionary Activities	15,702	17,516	17,623	34,381	52,004
Subtotal, CNP Appropriations	17,323,791	18,151,176	19,356,987	1,130,069	20,487,056
Direct Appropriation/Transfers	154,250	155,250	362,250	-299,000	63,250
Subtotal, CNP	17,478,041	18,306,426	19,719,237	831,069	20,550,306
Staff Years, CNP	168	198	221	0	221
Special Supplemental Nutrition Program (WIC)					
Grants to States	6,580,485	6,547,497	6,588,002	383,599	6,971,601
Other Program Costs	153,542	71,000	71,000	99,024	170,024
Subtotal, WIC Appropriations	6,734,027	6,618,497	6,659,002	482,623	7,141,625
Direct Appropriation (UPC Database)	1,000	1,000	1,000	0	1,000
Subtotal, WIC	6,735,027	6,619,497	6,660,002	482,623	7,142,625
Staff Years, WIC	22	28	30	5	35
Commodity Assistance Programs					
CSFP	175,697	176,788	186,935	15,747	202,682
Other CAP Activities	70,429	65,548	73,017	-3,998	69,019
Subtotal, CAP Appropriations	246,126	242,336	259,952	11,749	271,701
Transfers (SFMNP/NSIP)	22,594	22,625	23,142	-2,542	20,600
Subtotal, CAP	268,720	264,961	283,094	9,207	292,301
Staff Years, CAP	2	3	3	5	8
Nutrition Programs Administration					
FNS/CNPP	147,505	136,500	137,348	7,244	144,592
Congressional Hunger Center	1,274	2,000	2,000	0	2,000
Subtotal, NPA	148,779	138,500	139,348	7,244	146,592
Staff Years, NPA	1,053	931	1,006	0	1,006
Subtotal, FNS Appropriations	95,051,088	105,141,231	105,100,617	1,335,967	106,436,584
Subtotal, Direct Appropriations/Transfers	12,450,135	8,635,465	7,205,491	-6,559,136	646,355
Total, FNS	107,501,223	113,776,696	112,306,108	-5,223,169	107,082,939
Total Staff Years	1,370	1,314	1,424	85	1,509

Note: For additional explanation of specific program figures, please see the supporting project statements.

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Full Cost by Strategic Goal

Program Level (Dollars in Thousands) 1/

USDA Strategic Goal: Ensure That America's Children Have Access to Safe, Nutritious and Balanced Meals

PROGRAM/ ACTIVITY	FY 2011	FY 2012	FY 2013	FY 2014
Child Nutrition Program				
Child Nutrition Programs				
School Lunch Program	\$10,320,844	\$10,426,831	\$11,463,312	\$11,717,584
School Breakfast Program	3,075,846	3,350,583	3,605,262	3,842,895
Child and Adult Care Food Program	2,732,119	2,846,404	2,937,395	3,052,176
Summer Food Service Program	376,829	399,860	435,893	467,932
Special Milk Program	12,381	12,629	11,077	10,778
State Administrative Expense	208,646	275,954	290,446	247,544
Total, Cash Grants to States	16,726,665	17,312,261	18,743,385	19,338,909
USDA Foods (Sec 6e Entitlement)	936,604	998,619	1,058,987	1,103,244
Child Nutrition Program Other Program Costs	51,189	52,725	102,244	115,155
Child Nutrition Program Permanent Activities	192,280	205,708	471,998	63,250
Nutrition Programs Administration (Allocation to this program)	36,072	35,654	35,996	36,872
Other Program Costs 2/	478,083	470,780	465,000	465,000
Total Cost	\$18,420,893	\$19,075,747	\$20,877,610	\$21,122,430
FTEs	424	439	484	484
Unit Costs				
Child Nutrition Total Cost per Meal Served (\$/service unit) 3/	\$1.95	\$2.00	\$2.13	\$2.12
Performance Measure: Avg. daily NSLP participation (millions)	31.8	31.6	31.8	32.1
Performance Measure: Avg. daily SBP participation (millions)	12.2	12.8	13.5	14.0
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)				
Cash Grants to States: Food & NSA (inclusive of projected carryout)	\$7,123,458	\$6,706,167	\$7,023,747	\$7,127,766
Infrastructure Grants	10,253	3,253	0	13,600
Technical Assistance	424	0	0	400
Breastfeeding Peer Counselors	79,972	60,000	60,000	60,000
Management Information Systems	59,761	10,233	0	30,000
Program Evaluation and Monitoring	16,317	10,002	9,790	5,000
Federal Administrative Oversight and Infrastructure	9,280	8,469	9,786	11,024
UPC Database (Permanent Approp.)	185	1,607	1,208	1,000
Nutrition Programs Administration (Allocation to this program)	23,086	19,808	19,998	20,484
Other Program Costs	0	0	0	0
Total Cost	\$7,322,736	\$6,819,539	\$7,124,529	\$7,269,274
FTEs	185	163	176	181
Unit Costs				
WIC (Total Annual Cost per Participant) 4/	\$817.45	\$762.47	\$799.88	\$816.13
Performance Measure: Average monthly WIC participation (millions)	9.0	8.9	8.9	8.9

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PROGRAM/ ACTIVITY	FY 2011	FY 2012	FY 2013	FY 2014
Supplemental Nutrition Assistance Program Account				
Supplemental Nutrition Assistance Program (SNAP)	\$63,832,770	\$70,439,255	\$73,496,506	\$70,834,742
ARRA SNAP Benefits	11,895,896	8,176,524	6,690,929	452,585
Nutrition Assistance for Puerto Rico (NAP)	1,744,605	1,835,464	1,872,910	1,892,083
ARRA NAP Funds	255,963	165,104	127,658	108,485
Food Distribution Program on Indian Reservation (FDPIR)	96,922	102,686	100,156	104,000
The Emergency Food Assistance Program (TEFAP) Commodities	247,471	260,220	265,750	268,500
American Samoa	6,562	7,371	7,522	7,599
ARRA American Samoa Benefits	1,028	663	512	435
Program Access/ Community Food/ CNMI/ HIP	22,225	23,672	25,276	22,148
Nutrition Programs Administration (Allocation to this program)	69,257	62,063	62,660	64,185
Other Program Costs 5/	0	0	0	0
Total Cost	\$78,172,699	\$81,073,023	\$82,649,879	\$73,754,762
FTEs	615	578	622	622
Unit Costs				
SNAP (Total Annual Cost per Participant) 6/	\$1,695.20	\$1,688.33	\$1,703.78	\$1,596.18
FDPIR (Total Annual Cost per Participant) 7/	\$1,242.59	\$1,341.69	\$1,289.29	\$1,312.52
Performance Measure: Average monthly SNAP participation (millions)				
	44.7	46.6	47.1	44.7
Commodity Assistance Program Account				
Commodity Supplemental Food Program (CSFP)	\$196,444	\$188,672	\$190,941	\$202,682
Emergency Food Assistance Program (TEFAP) Administrative Cost	51,224	48,551	49,401	49,401
TEFAP Infrastructure Grants	2	0	0	0
TEFAP Program Integrity	0	0	0	2,000
Farmers' Market Programs				
Farmers' Market Nutrition Program	23,283	20,517	16,549	16,548
Seniors' Farmers' Market Program	22,227	22,241	20,628	20,600
Other Commodity Assistance (Nuc. Affected Isld, Disaster Asst., NSIP Comm.)	3,737	2,966	10,074	1,070
Nutrition Programs Administration (Allocation to this program)	15,871	14,526	14,665	15,022
Other Program Costs 8/	250,062	330,656	250,000	250,000
Total Cost	\$562,850	\$628,129	\$552,258	\$557,323
FTEs	114	102	110	115
Unit Costs				
CSFP (Total Annual Cost per Participant) 9/ 10/	\$371.05	\$347.85	\$331.92	\$343.48
Performance Measure: Average monthly CSFP participation (thousands)				
	588.083	588.083	595.138	595.137

FOOD AND NUTRITION SERVICE

PROGRAM/ ACTIVITY	FY 2011	FY 2012	FY 2013	FY 2014
Nutrition Programs Administration Account (Center for Nutrition Policy and Promotion)				
Center for Nutrition Policy and Promotion	\$3,796	\$4,004	\$4,029	\$8,029
Congressional Hunger Center Fellows	1,273	2,000	2,000	2,000
Nutrition Programs Administration (Allocation to this program)	NA	NA	NA	NA
Other Program Costs	0	0	0	0
Total Cost	\$5,069	\$6,004	\$6,029	\$10,029
FTEs	32	32	32	32

Performance Measure: Nutrition guidance tools distributed (e-hits and print materials) 1.7 billion 4.0 billion 4.0 billion 4.0 billion

Total for Strategic Goal

Subtotal FNS Program Cost	\$104,484,247	\$107,602,442	\$111,210,305	\$102,713,818
Less Other Program Costs	728,145	801,436	715,000	715,000
Total FNS Program Cost	\$103,756,102	\$106,801,006	\$110,495,305	\$101,998,818
FTEs	1,370	1,314	1,424	1,434

Notes

1/ Reflects current and prior year resources, supplementals and rescissions as appropriate.

Child Nutrition Programs Account

2/ Includes entitlement, bonus, and 12 percent shortfall USDA foods purchased in support of the program from Sections 32 and 416 funds.

3/ Unit cost calculated based on full cost of Child Nutrition account divided by all units of service funded under this account.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

4/ WIC average monthly participation assumptions: FY 2011: 8.958 million; FY 2012: 8.907; FY 2013 8.907; FY 2014 8.907

Supplemental Nutrition Assistance Program Account

5/ Includes FDPIR bonus USDA foods.

6/ SNAP Average Monthly Participation Assumptions: FY 2011: 44.7 million; FY 2012: 46.6 million; FY 2013: 47.1 million; FY 2014: 44.7 million.

7/ FDPIR Average Monthly Participation Assumptions: FY 2011: 78,000; FY 2012: 76,535; FY 2013: 77,683; FY 2014: 79,237.

Commodity Assistance Program Account

8/ Includes bonus USDA foods for TEFAP, CSFP, Disaster, Summer Camps, Prisons, Nuclear Affected Island, and other commodity assistance.

9/ Includes recoveries and use of inventory.

10/ CSFP Average Monthly Participation Assumptions: FY 2011: 588,083; FY 2012: 588,083; FY 2013: 595,138; FY 2014: 595,137.