

# Why Commodities?

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# History of the Commodity Program

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Olsson, Frank & Weeda

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# Federal School Lunch Starts with Commodities

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## Agricultural Adjustment Act of 1935 - Section 32

- ❑ 30 percent of the gross receipts from duties collected under the customs laws during each calendar year.
  - ❑ Maintained in a separate fund to be used by the Secretary to encourage the domestic consumption of certain agricultural commodities.
  - ❑ Object: to remove price-depressing surplus foods from the market through government purchase and dispose of them through exports and domestic donations to consumers in such a way as not to interfere with normal sales.
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# National School Lunch Act of 1946

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"It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants-in aid and other means, in providing an adequate supply of food and other facilities for the establishment, maintenance, operation and expansion of nonprofit school lunch programs."

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# The Agricultural Act of 1949

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## □ Section 416:

- First, to school lunch programs; and to the Bureau of Indian Affairs and Federal, State and local public welfare organizations for the assistance of needy Indians and other needy persons;
  - second, to private welfare organizations for the assistance of needy persons within the United States;
  - third, to private welfare organizations for the assistance of needy persons outside the United States.”
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# Commodity Assistance Guaranteed

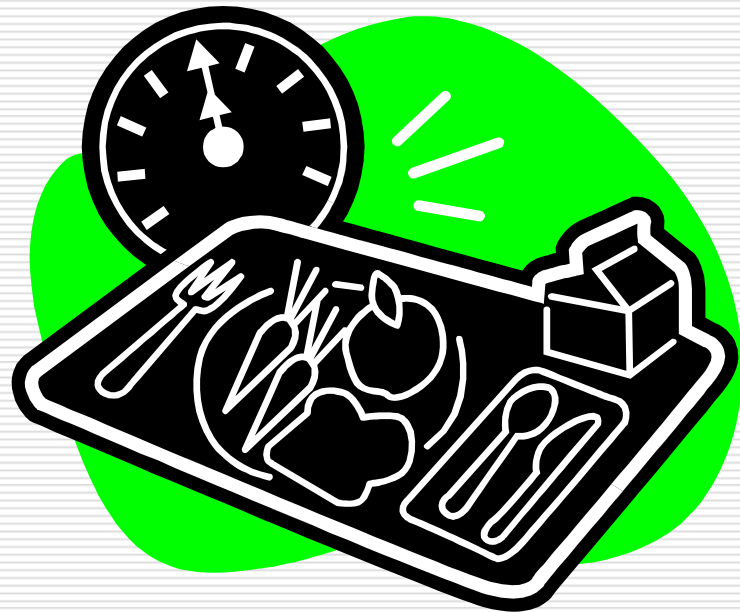
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- Section 6 of the Richard B. Russell National School Lunch Act ([Child Nutrition Act of 1966](#)) established a guaranteed level of commodity assistance at 11 cents per meal to be adjusted annually for inflation which is called the State's commodity entitlement.
  - Section 6 also requires that, at a minimum, 12% of the whole federal subsidy for school meals be in the form of commodities.
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# Food Distribution 2000

– Barry Sackin

- ECOS
- National Processing Agreements
- Consistency
- Inventory
- Better Specs
- Full Substitution



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- ❑ Commercial Distribution
  - ❑ VPT (rebates, FFS, NOI)
  - ❑ Long Term Contracting
  - ❑ Best Value Procurement
  - ❑ Cheese Exchange Program
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# The Politics of Commodities

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- The Senate Ag Committee
  - The Farm Bill
  - The relationship between food and Congressional support
    - Real correlation between the commodity program and the market
    - Perceived relationship between the commodity program and the market
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- Separation Anxiety – risks of cashing out the program

