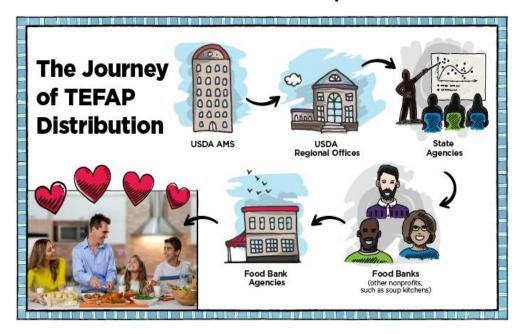
Dairy MAX TEFAP Update TEFAP Entitlement Dollars Can Now Be Spent on Fresh Fluid Milk



TEFAP is the largest source of federal support for emergency feeding organizations.

What Changed?

- In January 2021, the USDA expanded the <u>TEFAP Catalog</u> to include fluid half and full gallons of skim milk and half and full gallons of 1% milk to begin delivery July 2021.
- Before 2021, fresh fluid milk was only available as a BONUS commodity through various TEFAP programs.
- This means food banks can now use their entitlement dollars (\$400MM annually) to shop for fluid milk year-round which is on top of fluid milk they can receive through TEFAP Bonus commodity programs.





TEFAP Commodity Types & Why it Matters:

There are multiple funding legs of TEFAP. The type of commodity is not the same for each. Only one funding leg includes entitlement commodities.

*Source https://fas.org/sgp/crs/misc/R45408.pdf

*Source https://www.fns.usda.gov/tefap/additional-information-fy-2020-funding-sources#:~:text=TEFAP%20Food%20Entitlement%20and%20Administrative,(PL%20116%2D94)

- Entitlement commodities: Mandatory funding allotted annually. Food Banks purchase commodities off a catalog/ shopping list.
 - Entitlement commodities are appropriated entitlements, meaning that the authorizing law sets the level of spending, but an annual appropriation is needed to provide funding.
 - Funding for bonus commodities is not included in the TEFAP appropriation and is instead provided by separate USDA budget authority. These funds are used by USDA for bonus commodity purchases for the program throughout the year.
 - TEFAP's administrative funds are discretionary spending, requiring an annual appropriation.
- **BONUS commodities:** Distributed at the USDA's discretion through the year, typically distributed by quarter. Budget is separate from TEFAP entitlement \$s.
 - Bonus commodities are purchased at the USDA's discretion throughout the year using separate (non TEFAP) USDA budget authority for that purpose. USDA's purchases of bonus commodities are based on agricultural surpluses or other economic problems, as raised by farm and industry organizations or USDA's own commodity experts.
 - The amount and type of bonus commodities that USDA purchases for TEFAP fluctuates from year to year and depends largely on agricultural market conditions.



[2020 Breakdown of TEFAP Funding Programs and the Lbs. of Dairy Allocated to Food Banks Nationally]

TEFAP						
Dairy Lbs by TEFAP Funding Leg/ Program						
			UHT Milk /			
	Total Dairy Lbs	Fluid Milk Lbs	Instant Milk Lbs	Cheese Lbs	Butter Lbs	Yogurt Lbs
TEFAP Entitlement (Shopping List)	7,942,215		7,440,183	502,032		
TEFAP CARES (Classified as BONUS)	16,641,537		8,865,489	7,776,048		
TEFAP Trade Mitigation (Classified as BONUS)	24,240,672		4,972,032	12,045,600	7,223,040	
TEFAP Section 32 (Classified as BONUS)	162,002,958	121,317,210	6,859,008	23,238,420	10,588,320	
TEFAP Families First Coronavirus Response Act (BONUS)	8,901,660		2,051,100	4,634,400	2,216,160	

^{*}Source https://www.fns.usda.gov/usda-foods/delivery-order-status-reports

 Last year (FY 2020), less than 2% of the total entitlement budget of \$400MM was spent on dairy. Dairy has a big opportunity to increase now that fresh fluid milk is on the catalog.

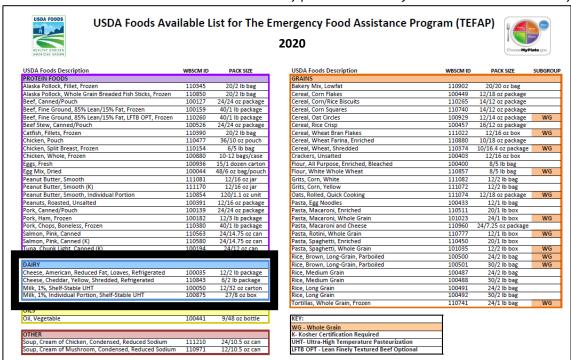
[TEFAP Budget Justifications 2021-2020]

	Approp	Purchases		
Fiscal Year	Administrative Funds	Entitlement Commodities	Bonus Commodities	
2012	48.0	260.3	304.2	
2013ь	49.4	265.8	228.5	
2014	49.4	268.8	298.8	
2015	49.4	327.0	302.9	
2016	54.4	318.0	305.5	
2017	59.4	316.0	268.6	
2018	64.4	289.5	308.9	
2019 ^c	109.6	294.5	Not avail.	
2020	79.6	322.3	Not avail.	

^{*}Source FY008-FY2019 data from congressional budget justifications for FY2010-FY2020; FY2020 appropriations from the Further Consolidated Appropriations Act, 2020 (P.L. 116-94) and accompanying explanatory statement. https://fas.org/sgp/crs/misc/R45408.pdf



2020 USDA Foods Available List for TEFAP – Dairy products are shelf stable milk and cheese only



2021 USDA Foods Available List for TEFAP - NEW FRESH FLUID MILK ADDED

