

FOOD AND NUTRITION SERVICE

2013 Explanatory Notes

Table of Contents

	PAGE
Purpose Statement	30-1
Statement of Available Funds and Staff Years	30-7
Permanent Positions by Grade and Staff Year	30-8
Passenger Motor Vehicle Data.....	30-9
Child Nutrition Programs:	
Appropriations Language.....	30-10
Lead-Off Tabular Statement	30-11
Project Statement	30-12
Justifications	30-16
Geographic Breakdown of Obligations and Staff Years.....	30-25
Classification by Object	30-26
Status of Program.....	30-29
Special Supplemental Nutrition Program for Women, Infants and Children (WIC):	
Appropriations Language.....	30-57
Lead-Off Tabular Statement	30-58
Project Statement	30-59
Justifications	30-60
Geographic Breakdown of Obligations and Staff Years.....	30-63
Classification by Object	30-64
Status of Program.....	30-65
Supplemental Nutrition Assistance Program:	
Appropriations Language.....	30-75
Lead-Off Tabular Statement	30-76
Project Statement	30-77
Justifications	30-79
Proposed Legislation	30-84
Geographic Breakdown of Obligations and Staff Years.....	30-88
Classification by Object	30-89
Recovery Act.....	30-90
Status of Program.....	30-93
Commodity Assistance Program:	
Appropriations Language.....	30-117
Lead-Off Tabular Statement	30-118
Project Statement	30-119
Justifications	30-121
Geographic Breakdown of Obligations and Staff Years.....	30-124
Classification by Object	30-124
Status of Program.....	30-125

Nutrition Programs Administration:

Appropriations Language.....	30-143
Lead-Off Tabular Statement	30-144
Project Statement	30-144
Justifications	30-146
Geographic Breakdown of Obligations and Staff Years.....	30-147
Classification by Object	30-148
Status of Program.....	30-149

Summary of Budget and Performance:

Statement of Goals and Objectives	30-165
Key Performance Outcomes and Measures	30-167
Full Cost by Strategic Objective	30-170

FOOD AND NUTRITION SERVICE

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 44 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 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.

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 55 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 231,435 stores authorized to redeem SNAP benefits.

As of September 30, 2011, there were 1,325 full-time permanent employees in the agencies. There were 529 employees in the Washington headquarters office; and 796 elsewhere, including in seven regional offices; 55 field offices; four SNAP compliance offices in Illinois, California, 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	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Supplemental Nutrition Assistance Program	112	125	166	0	166
Child Nutrition Programs	164	168	176	0	176
Commodity Assistance Program	2	2	2	0	2
Supplemental Nutrition Program for Women, Infants and Children	22	22	23	0	23
Nutrition Programs Administration	999	1,021	968	0	968
Center for Nutrition Policy and Promotion	34	32	32	0	32
Total Available	1,333	1,370	1,367	0	1,367

Audit Reports of National Significance Issued for Fiscal Year 2011

OIG Audits Issued

Area	Number	Date	Title	Status
WIC IT	27703-01-IT	8-2011	American Recovery and Reinvestment Act Spending for Food and Nutrition Service Special Supplemental Nutrition Program for Women, Infants and Children Management Information Systems	Closed
SNAP	27703-01-TE	6-2011	Controls over Outsourcing of Food and Nutrition Service's Supplemental Nutrition Assistance Program Electronic Benefits Transfer Call Centers	Report contained no recommendations for FNS
FM, SNAP, SNP	50024-2-FM	3-2011	Calendar Year 2010 Executive Order 13520, Reducing Improper Payments, Accountable Official Report Review	Pending administrative action by FNS

Area	Number	Date	Title	Status
Financial Management	27401-35-HY	11-2010	Food and Nutrition Service Financial Statements for Fiscal Years 2010 and 2009	Report contained an unqualified opinion with no recommendations
FDPIR	27703-2-HQ	9-2010	Recovery Act Equipment and Facility Assistance – Food Distribution Program on Indian Reservations – Phase I	Closed

GAO Audits Issued

Area	Number	Date	Title	Status
Food Emergency Response	GAO-11-652	9-2011	Actions Needed to Improve Response to Potential Terrorist Attacks and Natural Disasters Affecting Food and Agriculture	Report contained no recommendations for FNS
Pay-Go Analysis of Treatment Facilities	GAO-11-921R	10-2011	USDA's Application of Administrative PAYGO to Its Mandatory Spending Programs	Report contained no recommendations for FNS
School Meal Programs	GAO-11-376	5-2011	More Systematic Development of Specifications Could Improve the Safety of Foods Purchased through USDA's Commodity Program	On-going. FNS provides updates on the recommendations periodically
Program Overlap	GAO-11-318SP	3-2011	Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue	On-going. FNS continues to work on areas of concern identified in the report

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 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 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.

**Available Funds and Staff Years
2010 and 2011 Actual and Estimated 2012 and 2013
(Dollars in Thousands)**

Item	Actual		Actual		Estimate		Estimate	
	2010		2011		2012		2013	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Supplemental Nutrition Assistance Program...	\$59,971,001	112	\$65,950,555	125	\$77,274,875	166	\$77,050,267	166
SNAP ARRA.....	11,020,458		12,152,887		8,206,590		5,376,457	
Child Nutrition Program:								
Appropriation.....	9,814,556	134	12,436,884	144	11,962,014	152	12,217,791	152
Permanent Appropriation.....	112,359	30	192,280	24	300,361	24	245,250	24
Transfer from Section 32.....	6,989,899		5,277,574		6,676,207		7,618,053	
Total - Child Nutrition Program.....	16,916,814	164	17,906,738	168	18,938,582	176	20,081,094	176
Special Supplemental Nutrition Program.....	7,180,682	22	7,299,650	22	7,188,625	23	7,264,453	23
WIC ARRA.....	64,111		0		0		0	
Commodity Assistance Program.....	287,344	2	296,917	2	280,439	2	274,552	2
TEFAP ARRA	54,609		0		0		0	
Nutrition Programs Administration.....	147,598	1,033	147,214	1,053	136,500	1,000	141,505	1,000
Congressional Hunger Center.....	3,000		1,274		2,000		2,000	
Total, Food and Nutrition Service Funds.....	95,645,617	1,333	103,755,235	1,370	112,027,611	1,367	110,190,328	1,367
<u>Obligations under other</u>								
<u>USDA Appropriations:</u>								
Office of the Chief Information Officer.....	160		115		0		0	
Office of Operations.....	51		52		0		0	
Center for Faith-Based & Community Initiatives.....	47		0		0		0	
Office of Homeland Security and Emergency Coordination.....	0		2		0		0	
Foreign Agricultural Service.....	337		213		0		0	
Office of the Inspector General.....	26		13		0		0	
National Appeals Division.....	57		33		0		0	
Farm Service Agency.....	181		122		0		0	
Rural Development.....	36		36		0		0	
Total, Agriculture Appropriations.....	895		586		0		0	
<u>Other Federal Funds:</u>								
Army Audit.....	15		13		0		0	
Veterans Affairs.....	1		0		0		0	
Labor.....	3		51		0		0	
Federal Executive Board.....	156		217		0		0	
Total, Other Federal Funds.....	175		281		0		0	
Total, Food and Nutrition Service.....	95,646,687	1,333	103,756,102	1,370	112,027,611	1,367	110,190,328	1,367

Note: For additional explanation of specific program figures, please see the supporting project statements
Note: Amounts include ARRA funds

FOOD AND NUTRITION SERVICE

Permanent Positions by Grade and Staff Year Summary

Grade	2010 Actual			2011 Actual			2012 Estimate			2013 Estimate		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
Senior Executive Service	8	7	15	8	7	15	8	7	15	8	7	15
GS-15.....	31	9	40	31	9	40	31	9	40	31	9	40
GS-14.....	63	54	117	63	54	117	63	54	117	63	54	117
GS-13.....	190	131	321	191	131	322	201	131	332	201	131	332
GS-12.....	110	231	341	110	231	341	110	231	341	110	231	341
GS-11.....	49	296	345	49	296	345	49	296	345	49	296	345
GS-9.....	29	25	54	29	25	54	29	25	54	29	25	54
GS-8.....	5	6	11	5	6	11	5	6	11	5	6	11
GS-7.....	20	29	49	20	29	49	20	29	49	20	29	49
GS-6.....	11	8	19	11	8	19	11	8	19	11	8	19
GS-5.....	11	13	24	11	13	24	11	13	24	11	13	24
GS-4.....	5	11	16	5	11	16	5	11	16	5	11	16
Other Graded Positions...	1	3	4	1	3	4	1	3	4	1	3	4
Total Permanent Positions.....	533	823	1,356	534	823	1,357	544	823	1,367	544	823	1,367
Unfilled Positions												
End-of Year.....	3	0	3	4	27	31						
Total, Permanent Full-Time Employment												
End-of Year.....	530	823	1,353	529	796	1,325	544	823	1,367	544	823	1,367
Staff Year Estimate	522	811	1,333	553	817	1,370	544	823	1,367	544	823	1,367

FOOD AND NUTRITION SERVICE

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 remained flat during FY 2011. The fleet management staff took considerable effort to carefully review the vehicle usage, find efficiency, and be as fiscally conservative as possible. Through staff retirements and efficient distribution of the current fleet, FNS was able to accommodate the agencies needs at the current vehicle count.

Replacement of passenger motor vehicles. Replacement of 11 GSA leased vehicles is proposed for FY 2012. All vehicles proposed for replacement have a mileage of more than 60,000 and are more than six years of age. Replacement vehicles will be GSA leased vehicles. The net change to the FNS fleet is zero for FY 2012.

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						
FY 2010	32	12	0	4	0	0	0	48	\$235
Change	-2	+1	0	0	0	0	0	-1	0
FY 2011	30	13	0	4	0	0	0	47	\$235
Change	0	0	0	0	0	0	0	0	\$0
FY 2012	30	13	0	4	0	0	0	47	\$235
Change	0	0	0	0	0	0	0	0	\$0
FY 2013	30	13	0	4	0	0	0	47	\$235

NOTES:

- * These numbers include vehicles that are owned by the agency, leased from commercial sources, and leased from GSA. FAST system has seven replacements for FY 2013. Plans were recently revised for only six replacements; no net change to fleet count for FY 2013.

FOOD AND NUTRITION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

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; [~~\$18,151,176,000~~] \$19,694,000,000, to remain available through September 30, [2013] 2014, 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)[, as amended by this Act], shall be merged with and available for the same time period [and purposes] as provided herein: *Provided*, That of the total amount available, [~~\$16,516,000~~] \$16,504,000 shall be available to carry out section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.): *Provided*

1. *further*, That of the total amount available, [~~\$1,000,000~~] \$35,000,000 shall be available to [implement section
2. 23 of the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.)] 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
3. program: *Provided further*, That [section 14222(b)(1) of the Food, Conservation, and Energy Act of 2008 is amended by adding at the end before the period, “except section 21, and the Child Nutrition Act of 1966 (42
4. U.S.C. 1771 et seq.), except sections 17 and 21”], of the total amount available, \$2,500,000 shall be available to be awarded as competitive grants to implement section 4405 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246), and may be awarded notwithstanding the limitations imposed by sections 4405(b)(1)(A) and 4405(c)(1)(A).

The first change deletes language related to a grant program that is not funded in FY 2013.

The second change provides funding for a competitive grant program that will allow school districts to purchase the equipment needed to serve healthier meals, improve food safety, expand access and/or improve energy efficiency, as well as to help support the establishment, maintenance or expansion of the School Breakfast Program.

The third change deletes amendatory language enacted in 2012; it is not necessary to retain this language since the statute was amended.

The fourth change provides FNS authority to award Hunger-Free Community competitive grants to implement Section 4405 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

FOOD AND NUTRITION SERVICE
LEAD-OFF TABULAR STATEMENT
AND SUMMARY OF INCREASES AND DECREASES

CHILD NUTRITION PROGRAMS

Appropriations Act, 2012	\$18,151,176,000
Budget Estimate, 2013	<u>19,694,000,000</u>
Change from 2012 Appropriation	<u>+1,542,824,000</u>

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

Item of Change	2010 Actual	2011 Change	2012 Change	2013 Change	2013 Estimate
1. Meal Reimbursement Payments to States					
(a) School Lunch	\$9,967,068	\$14,026	188,521	\$1,093,734	\$11,263,349
(b) School Breakfast	2,920,391	173,579	219,878	188,796	3,502,644
(c) CACFP	2,640,923	45,421	145,199	85,212	2,916,755
(d) Summer Food Service Program	387,264	5,416	9,318	38,907	440,905
(e) Special Milk	12,673	-161	728	83	13,323
Subtotal, Meal Reimbursements	15,928,319	238,281	563,644	1,406,732	18,136,976
2. State Administrative Expenses	193,258	13,685	72,073	10,686	289,702
3. Commodity Reimbursement/Procurement	685,876	222,043	167,808	78,753	1,154,480
4. Mandatory Other Program Costs:	26,661	-34	22,046	10,165	58,838
5. Discretionary Activities	21,715	-6,013	1,814	36,488	54,004
Total Appropriation or Change	16,855,829	467,962	827,385	1,542,824	19,694,000

PROJECT STATEMENT
(On basis of appropriation)
(Dollars in thousands)

Project	2010 Actual	SY	2011 Actual	SY	2012 Estimate	SY	Change		2013 Estimate	SY
1 Meal Reimbursement Payments to States										
(a) School Lunch	\$9,967,068		\$9,981,094		\$10,169,615		\$1,093,734		\$11,263,349	
(b) School Breakfast	2,920,391		3,093,970		3,313,848		188,796		3,502,644	
(c) CACFP	2,640,923		2,686,344		2,831,543		85,212		2,916,755	
(d) Summer Food Service Program	387,264		392,680		401,998		38,907		440,905	
(e) Special Milk Program	12,673		12,512		13,240		83		13,323	
Subtotal, Meal Reimbursements	15,928,319		16,166,600		16,730,244		1,406,732	(1)	18,136,976	
2 State Administrative Expenses	193,258		206,943		279,016		10,686	(2)	289,702	
3 Commodity Reimbursement/Procurement	685,876		907,919		1,075,727		78,753	(3)	1,154,480	
4 Mandatory Other Program Costs:										
(a) Food Safety Education	2,510		2,507		2,510		65	(4)	2,575	
(b) Coordinated Review	5,751		5,745		9,763		237	(5)	10,000	
(c) Computer Support	9,525		9,518		9,525		1,221	(6)	10,746	
(d) CACFP Training and Tech Assist	3,537		3,530		3,537		4,138	(7)	7,675	
(e) CN Studies	3,000		2,994		19,000		323	(8)	19,323	
(f) CN Payment Accuracy	2,338		2,333		2,338		4,098	(9)	6,436	
(g) Farm to School Team	0		0		2,000		83	(10)	2,083	
Subtotal, Mandatory Other Program Costs	26,661		26,627		48,673		10,165		58,838	
Subtotal, Mandatory	16,834,114		17,308,089		18,133,660		1,506,336		19,639,996	
5 Discretionary Activities:										
(a) Team Nutrition	15,016		15,004		15,016		-12	(11)	15,004	
(b) HealthierUS School Challenge	699		698		1,500		0		1,500	
(c) School Meals Equipment Grants	0		0		0		35,000	(12)	35,000	
(d) School Breakfast Expansion Grants	0		0		1,000		-1,000	(13)	0	
(e) Hunger Free Community Grants	5,000		0		0		2,500	(14)	2,500	
(f) School Garden Pilot	1,000		0		0		0		0	
Subtotal, Discretionary Activities	21,715		15,702		17,516		36,488		54,004	
Total Adjusted Appropriation	16,855,829		17,323,791		18,151,176		1,542,824		19,694,000	
Rescission 1/	0		48		0		0		0	
Total Appropriation	16,855,829	134	17,323,839	144	18,151,176	152	1,542,824		19,694,000	152

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

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

PROJECT STATEMENT
(On basis of obligations)
(Dollars in thousands)

Project	2010 Actual	SY	2011 Actual	SY	2012 Estimate	SY	Change	2013 Estimate	SY
1 Meal Reimbursement Payments to States									
(a) School Lunch	\$9,932,814		\$10,320,844		\$10,717,249		\$687,944	\$11,405,193	
(b) School Breakfast	2,895,356		3,075,846		3,321,311		181,333	3,502,644	
(c) CACFP	2,583,232		2,732,119		2,758,235		158,520	2,916,755	
(d) Summer Food Service Program	374,203		376,829		411,661		29,244	440,905	
(e) Special Milk Program	12,064		12,381		13,196		127	13,323	
Subtotal, Meal Reimbursements	15,797,668		16,518,019		17,221,652		1,057,168	18,278,820	
2 State Administrative Expenses	195,532		208,646		274,975		14,727	289,702	
3 Commodity Reimbursement/Procurement	735,782		936,604		1,061,940		92,540	1,154,480	
4 Mandatory Other Program Costs:									
(a) Food Safety Education	2,868		3,458		3,358		-783	2,575	
(b) Coordinated Review	16,464		5,932		10,254		-254	10,000	
(c) Computer Support	20,008		9,432		9,525		1,221	10,746	
(d) CACFP Training and Tech Assist	5,843		3,720		4,474		3,201	7,675	
(e) CN Studies	7,550		3,591		29,570		-10,247	19,323	
(f) CN Payment Accuracy	1,752		2,597		2,474		3,962	6,436	
(g) Farm to School Team	0		0		2,000		83	2,083	
Subtotal, Mandatory Other Program Costs	54,485		28,730		61,655		-2,817	58,838	
Subtotal, Mandatory	16,783,467		17,691,999		18,620,222		1,161,618	19,781,840	
5 Discretionary Activities:									
(a) Team Nutrition	20,886		15,613		15,071		-67	15,004	
(b) HealthierUS Schools Challenge	101		868		1,928		-428	1,500	
(c) School Meals Equipment Grants	0		0		0		35,000	35,000	
(d) School Breakfast Expansion Grants	0		0		1,000		-1,000	0	
(e) Hunger Free Community Grants	0		4,978		0		2,500	2,500	
(f) School Garden Pilot	0		1,000		0		0	0	
Subtotal, Discretionary	20,987		22,459		17,999		36,005	54,004	
Total Obligations	16,804,455	134	17,714,458	144	18,638,221	152	1,197,623	19,835,844	152
Prior Year Recoveries/Collections	-261,875		-354,097		-135,198		0	0	
Unobligated Balance Start-of-Year	-306,654		-584,561		-493,691		347,045	-141,844	
Unobligated Balance End-of-Year	587,118		493,691		141,844		-141,914	0	
Unobligated Balance Expiring	27,470		48,453		0		0	0	
Transfer to 12X3539 1/	5,316		5,847		0		0	0	
Total Adjusted Appropriation	16,855,829	134	17,323,799	144	18,151,176	152	1,402,754	19,694,000	152
Rescission	0		48		0		0	0	
Total Appropriation	16,855,829	134	17,323,839	144	18,151,176	152	1,542,824	19,694,000	152

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.

PROJECT STATEMENT
 (On basis of appropriation)
 (Dollars in thousands)

Direct Appropriation and Transfer Activities	2010		2011		2012		Change	2013	
	Actual	SY	Actual	SY	Estimate	SY		Estimate	SY
Information Clearinghouse	\$250		\$250		\$250		0	\$250	
Food Service Management Institute	4,000		5,000		5,000		0	5,000	
Grants to States (Fresh Fruit and Veg x-year funds) <u>a/</u>	25,000		109,000		137,000		\$35,000	172,000	
Tech Assistance Program Integrity	2,000		4,000		4,000		0	4,000	
Grants to States (Administrative Review)	4,000		4,000		4,000		0	4,000	
Summer Demonstration Projects	85,000		0		0		0	0	
School Lunch Equipment Grants	25,000		0		0		0	0	
CACFP Health and Nutrition Grants	8,000		0		0		0	0	
Direct Certification Technical Assistance	25,000		0		0		0	0	
Direct Certification Performance Bonuses	0		0		4,000		0	4,000	
Medicaid Direct Cert Evaluation	0		5,000		0		0	0	
Alternative Meal Claiming Evaluation	0		5,000		0		0	0	
CACFP Nutrition Technical Assistance	0		10,000		0		0	0	
CACFP Nutrition and Wellness Study	0		5,000		0		0	0	
Professional Standards - Foodservice	0		5,000		1,000		0	1,000	
Indirect Cost Study	0		2,000		0		0	0	
Farm to School Grants	0		0		0		5,000	5,000	
Child Hunger Research	0		0		0		10,000	10,000	
Hunger Demo Projects	0		0		0		40,000	40,000	
Total Direct Appropriations/Transfers	178,250	30	154,250	24	155,250	24	90,000	245,250	24

a/ 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 on July 1, 2011, and that the amount transferred on July 1, 2012, and subsequent years would be calculated by inflating preceding year's amount by changes in the CPI. However, in FY 2010 the appropriations bill specified that \$76 million of the July 1, 2010, transfer would not be available until October 1, 2011; in FY 2011 the appropriations bill specified that \$117 million of the July 1, 2011, transfer would not be available until October 1, 2012; and in FY 2012 the appropriations bill specified that \$133 million of the July 1, 2012, transfer would not be available until October 1, 2012. Similarly, it is proposed in FY 2013 that \$117 million of the July 1, 2013, transfer not be made available until October 1, 2013. The amounts displayed in the table above incorporate all delays in the transfer amount, including the proposed delay from the July 1, 2013, transfer.

PROJECT STATEMENT
(On basis of obligations)
(Dollars in thousands)

Direct Appropriation and Transfer Activities	2010		2011		2012		Change	2013	
	Actual	SY	Actual	SY	Estimate	SY		Estimate	SY
Information Clearinghouse	\$250		\$250		\$250		0	\$250	
Food Service Management Institute	4,000		5,000		5,000		0	5,000	
Grants to States (Fresh Fruit and Veg x-year funds)	79,902		115,481		163,029		\$8,971	172,000	
Tech Assistance Program Integrity	1,581		2,390		6,396		-2,396	4,000	
Grants to States (Administrative Review)	7,034		8,748		4,981		-981	4,000	
Summer Demonstration Projects	1,565		31,264		51,555		-51,555	0	
School Lunch Equipment Grants	15,016		10,575		50		-50	0	
CACFP Health and Nutrition Grants	0		7,719		281		-281	0	
Direct Certification Technical Assistance	506		3,015		21,537		-21,537	0	
Direct Certification Performance Bonuses	0		0		4,000		0	4,000	
Medicaid Direct Certification	0		0		5,000		-5,000	0	
Alternative Meal Claiming Evaluation	0		4,744		256		-256	0	
CACFP Nutrition Technical Assistance	0		0		10,000		-10,000	0	
CACFP Nutrition and Wellness Study	0		0		5,000		-5,000	0	
Professional Standards - Foodservice	0		0		6,000		-5,000	1,000	
Indirect Cost Study	0		1,777		223		-223	0	
Farm to School Grants	0		0		0		5,000	5,000	
Child Hunger Research	0		0		0		10,000	10,000	
Hunger Demo Projects	0		0		0		40,000	40,000	
SFSP Rural Transportation Grants	0		0		1,082		-1,082	0	
Evaluation CACFP	0		0		8		-8	0	
Direct Certification and Verification	1,925		0		1,655		-1,655	0	
Evaluation of Effectiveness (Direct Cert)	0		430		492		-492	0	
SFSP Evaluation	0		0		9		-9	0	
CACFP Audit Funds - X year	580		887		13,557		-13,557	0	
Total Obligation	112,359	30	192,280	24	300,361	24	-55,111	245,250	24
Transfer from 128/93539	-5,316		-5,847		0		0	0	
Unobligated Balance Start of Year	-84,558		-167,621		-149,054		145,111	-3,943	
Collections/Recoveries	-8,549		-13,616		0		0	0	
Expiring Funds	0		0		0		0	0	
Unobligated Balance End of Year	164,314		149,054		3,943		0	3,943	
Total Direct Appropriations/Transfers	178,250	30	154,250	24	155,250	24	90,000	245,250	24

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)
Grants to States (Fresh Fruit & Veg. x-year funds)	NSLA Sect. 19(i)(1)
Tech. 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 Cert. 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 Demo 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 2013 request for the Child Nutrition Programs reflects a net increase of \$1,542,824,000.

- (1) An increase of \$1,406,732,000 for meal reimbursements (\$16,730,244,000 available in FY 2012).

Explanation of Change.

School Lunch Program: This program will require an increase of \$1,093,734,000 in budget authority for an appropriation level of \$11,263,349,000 in FY 2013 (\$10,169,615,000 is available for FY 2012). This level of funding is 10.8 percent over the FY 2012 funding level and will be required to provide reimbursement for meal service currently projected for FY 2013. The total number of school lunches and snacks in FY 2013 is projected to be 5.67 billion, an increase of 62.7 million (or 1.1%) over the current estimate for FY 2012 of 5.61 billion. Student participation in the NSLP is expected to continue at approximately 62.2 percent of enrollment in participating schools. Free lunches are estimated at 59.6 percent of all lunches served in FY 2013, which is slightly lower than the proportion of lunches estimated to be served free in FY 2012. Changes in the reimbursement rates, reflecting increases in the Consumer Price Index (CPI) for Food Away from Home and implementation of the six-cent performance-based reimbursement rate increase authorized in Section 201 of the

Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296), also contributed to the need for increased funding. This request also reflects the cost 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	2010-2011 School Year	2011-2012 School Year
100 Percent	\$22,050	\$22,350
130 Percent	28,665	29,055
185 Percent	40,793	41,348

PROGRAM INDICATORS					
SCHOOL LUNCH PROGRAM PROGRAM PERFORMANCE DATA	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE	CHANGE
Lunches Served (millions):					
Above 185% of poverty	1,832.5	1,757.7	1,726.0	1,756.5	30.5
130% - 185% of poverty	498.0	443.9	432.7	438.6	5.9
Below 130% of poverty	2,947.4	3,053.3	3,218.6	3,239.1	20.5
TOTAL, Lunches	5,277.9	5,254.9	5,377.3	5,434.2	56.9
Average Daily Participation (millions):	31.6	31.8	32.0	32.4	0.4
Lunch Rate per meal (blended) (cents):					
Above 185% of poverty	25.2	26.0	26.2	33.1	6.9
130% - 185% of poverty	228.9	233.0	238.2	245.0	6.8
Below 130% of poverty	26.9	273.1	278.4	285.1	6.7
Snacks Served (millions):					
Above 185% of poverty	8.9	8.6	8.5	8.5	0.0
130% - 185% of poverty	1.0	0.8	0.9	0.9	0.0
Below 130% of poverty	207.6	215.3	221.3	227.0	5.7
TOTAL, Snacks	217.5	224.6	230.7	236.4	5.8
Snack subsidy per meal (blended)(cents):					
Above 185% of poverty	6.0	6.2	7.0	7.0	0.0
130% - 185% of poverty	37.0	37.2	38.2	39.0	0.8
Below 130% of poverty	74.0	74.4	76.4	78.2	1.8
TOTAL, Lunches and Snacks	5,495.4	5,479.5	5,608.0	5,670.6	62.7
TOTAL, Meal Reimbursement (millions)	\$9,932.8	\$10,320.8	\$10,717.2	\$11,405.2	\$687.9

School Breakfast Program: This program will require an increase of \$188,796,000 (about 5.7 percent) for an appropriation of \$3,502,644,000 in FY 2013 (\$3,313,848,000 is available for FY 2012). The current estimate projects an increase of 76.1 million breakfasts in FY 2013 (3.5 percent) above the current estimate for FY 2012.

This includes a projected increase of about 47.2 million breakfasts in the free category. The estimate of total meals projected for FY 2013 is 2.2 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	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE	CHANGE
Meals Served (millions):					
Above 185% of poverty	324.3	331.3	339.7	357.3	17.5
Reduce Price, Regular	23.9	18.8	17.9	19.7	1.8
Reduce Price, Severe Need	150.0	142.7	146.8	156.5	9.6
130%-185% of poverty, Total	173.9	161.5	164.7	176.1	11.4
Free, Regular	126.7	116.5	115.6	115.1	-0.5
Free, Severe Need	1,343.2	1,428.0	1,553.6	1,601.2	47.6
Below 130% of poverty, Total	1,469.9	1,544.5	1,669.2	1,716.3	47.2
TOTAL, Meals	1,968.0	2,037.3	2,173.6	2,249.7	76.1
Average Daily participation (millions)	11.7	12.1	12.7	13.1	0.4
Average Subsidy Per Meal (cents):					
Paid	26.1	26.2	27.1	27.1	0.0
Reduced Price:					
Regular	116.5	118.6	121.6	124.7	3.0
Severe Need	144.5	146.8	150.8	154.8	4.0
Free:					
Regular	146.6	148.7	151.7	154.7	3.0
Severe Need	174.4	176.7	180.7	184.7	4.0
PROGRAM TOTAL (millions)	\$2,895.4	\$3,075.8	\$3,321.3	\$3,502.6	\$181.3

Child and Adult Care Food Program (CACFP): This program will require an increase of \$85,212,000 (about 3.0 percent) for an appropriation of \$2,916,755,000 in FY 2013 (\$2,831,543,000 is available for FY 2012). The current estimate projects 1.995 billion meals served in childcare centers, family day care homes and adult care centers in 2013. This represents an increase of 33.7 million meals (or 1.7 percent) above the FY 2012 estimate of 1.96 billion meals.

The need for additional funds is also due to the change in the CPI.

PROGRAM INDICATORS					
CHILD AND ADULT CARE FOOD PROGRAM PROGRAM PERFORMANCE DATA	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE	CHANGE
Meals Served (millions):					
Centers:					
Above 185% of poverty	342.8	350.0	356.6	372.6	16.0
130% - 185% of poverty	82.7	81.6	81.8	84.3	2.5
Below 130% of poverty	889.6	911.1	944.6	960.7	16.1
TOTAL, Centers	1,315.1	1,342.7	1,383.0	1,417.6	34.6
Family Day Care Homes:					
Tier 1 (Low Income)	495.5	497.6	501.4	505.1	3.8
Tier 2 (Upper Income)	99.7	84.7	77.0	72.4	-4.6
TOTAL, Family Day Care Homes:	595.2	582.3	578.4	577.5	-0.9
Total Child & Adult Care Program Meals:	1,910.3	1,925.0	1,961.4	1,995.1	33.7
Average Subsidy per meal (cents): 1/					
Centers:					
Above 185% of poverty	17.5	19.5	20.1	20.3	0.3
130% - 185% of poverty	125.0	129.7	132.9	136.3	3.4
Below 130% of poverty	165.4	165.4	168.8	172.6	3.8
Family Day Care Homes					
Tier 1 (Low Income)	139.9	137.2	142.8	146.7	3.9
Tier 2 (Upper Income)	65.5	66.0	68.5	70.4	1.8
Funding:					
Meal Reimbursement	\$2,420.9	\$2,569.6	\$2,591.5	\$2,745.8	\$154.3
Sponsor Admin	125.3	123.6	126.1	129.3	3.2
Audits	34.8	36.6	38.3	39.3	1.0
Training & Tech. Assistance	2.2	2.3	2.3	2.4	0.0
TOTAL (millions)	\$2,583.2	\$2,732.1	\$2,758.2	\$2,916.8	\$158.6

1/ Rates are a blend of all meals types.

Summer Food Service Program: This program will require an increase of \$38,907,000 (about 9.7 percent) for an appropriation of \$440,905,000 in FY 2013 (\$401,998,000 is available for FY 2012). The current estimate projects 154.6 million meals, which is an increase of approximately 7.4 million meals (or 5.0 percent) above the estimate for FY 2012. 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	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE	CHANGE
Meals Served (millions):					
Summer Food Program	133.7	140.3	147.3	154.6	7.4
Average Subsidy Per Meal (cents):					
Lunch	294.0	298.0	306.0	312.0	6.0
Breakfast	168.0	171.0	175.0	179.0	4.0
Supplements	68.0	69.0	71.0	72.0	1.0
PROGRAM TOTAL (millions)	\$374.2	\$376.8	\$411.7	\$440.9	\$29.2

Special Milk Program: This program will increase by \$83,000 (a 0.6 percent increase) for an appropriation of \$13,323,000 in FY 2013 (\$13,240,000 is available for FY 2012). Although the total number of half pints is projected to decrease from FY 2012 to FY 2013 by 1.3 million, this increased funding need is a result the projected increase in the reimbursement rates. The 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	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE	CHANGE
Half Pints Served (millions):					
Paid (Above 130% of poverty)	66.4	61.4	58.4	57.2	-1.2
Free (130% of poverty or below)	6.0	5.3	5.0	4.9	-0.1
TOTAL, Half pints	72.4	66.7	63.4	62.1	-1.3
Reimbursement Rates (cents):					
Paid	16.0	18.4	20.7	21.3	0.6
Free	16.9	19.0	22.3	23.1	0.8
PROGRAM TOTAL (millions)	\$12.1	\$12.4	\$13.2	\$13.3	\$0.1

(2) An increase of \$10,686,000 for State Administrative Expenses (\$279,016,000 available for FY 2012).

Explanation of Change: An appropriation of \$289,702,000 will be needed in FY 2013 for State Administrative Expenses. This increase is due to a rise in the estimated program obligations for FY 2011, which is the base year for calculating the availability of funds for this program in FY 2013. State Administrative Expense funds are used for State employee salaries, benefits, support services and office equipment. The base amount of State Administrative Expenses available for allocation to States is equal to 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 2011 for FY 2013).

Included in the request for 2013 is \$50 million authorized by Section 201 of the Healthy, Hunger Free Kids Act of 2010. This funding is for State activities related to training, technical assistance, certification and oversight activities related to the implementation of the performance-based school lunch reimbursement rates authorized in that section, of which \$3 million is provided to support Federal administrative activities related to State oversight.

(3) An increase of \$78,753,000 for Commodity Reimbursement/Procurement (\$1,075,727,000 available for FY 2012).

Explanation of Change: An appropriation of \$1,154,480,000 will be needed to fund commodity reimbursement and procurement costs in FY 2013. 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 2013 reflects changes in the projected commodity reimbursement rates based on the Producer Price Index for commodities. The rate for SY 2011-12 is \$0.2225, and the rate is projected to be \$0.2275 for the SY 2012-13. 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.

The Healthy Meals for Healthy Americans Act (P.L. 103-448) amended the Richard B. Russell National School Lunch Act by adding Section 6(e)(1), which requires that not less than 12 percent of the total assistance provided under Section 4, Section 6, and Section 11 be provided in commodities. The FY 2013 request includes \$262,578,000 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.

COMMODITY COST DATA (\$ MILLIONS)					
COMMODITY PURCHASES:	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE	CHANGE
CN Appropriation:					
AMS/CCC Commodities	\$465.0	\$465.0	\$465.0	\$465.0	0.0
Section 6 Commodities/Cash/Procurement Costs	640.9	703.3	718.1	772.6	\$54.5
12% Commodity Floor Requirement	237.1	131.6	229.9	262.6	32.7
SCHOOL LUNCH TOTAL	1,343.0	1,299.9	1,413.0	1,500.2	87.2
Child & Adult Care Food Program:					
Commodities/Cash	93.6	100.4	112.5	117.9	5.4
Summer Food Service Program:					
Commodities	1.3	1.3	1.4	1.4	0.1
TOTAL COMMODITY COSTS	1,437.9	1,401.6	1,526.9	1,619.5	92.7
APPROPRIATION	\$685.9	\$907.9	\$1,075.7	\$1,154.5	\$78.8

Mandatory Other Program Costs:

- (4) An increase of \$65,000 for Food Safety Education (\$2,510,000 available for FY 2012).

Explanation of Change: 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.

- (5) An increase of \$237,000 for the Coordinated Review Program (\$9,763,000 available in FY 2012).

Explanation of Change: 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. This request would fund this line at the authorized amount of \$10,000,000.

- (6) An increase of \$1,221,000 for Computer Support (\$9,525,000 available in FY 2012).

Explanation of Change: 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 FNS' internal computer systems that support the activities of federal staff.

- (7) An increase of \$4,138,000 for Training and Technical Assistance (\$3,537,000 available in FY 2012).

Explanation of Change: Effective and continual training and technical assistance are necessary to help States properly administer the Child Nutrition programs, including 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.

- (8) An increase of \$323,000 for CN Studies (\$19,000,000 available in FY 2012).

Explanation of Change: 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.

- (9) An increase of \$4,098,000 for CN Payment Accuracy (\$2,338,000 available in FY 2012).

Explanation of Change: Robust Federal oversight, monitoring and technical assistance are essential to the identification, prevention and resolution of erroneous payments. This increase supports FNS' efforts to reduce erroneous payments through training, technical assistance and oversight.

- (10) An increase of \$83,000 for the Farm to School Team (\$2,000,000 available in FY 2012).

Explanation of Change: 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.

Discretionary Activities:

- (11) A decrease of \$12,000 for Team Nutrition (\$15,016,000 available for FY 2012).

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 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.

- (12) An increase of \$35,000,000 for School Meals Equipment Grants (\$0 available in FY 2012).

Explanation of Change: These grants would provide funding for equipment purchases in school cafeterias to help ensure nutritious meals are prepared consistent with new nutrition standards for school. These equipment purchases would also support the establishment, maintenance or expansion of the School Breakfast Program. For more information see the proposal on 30-24.

- (13) A decrease of \$1,000,000 for the School Breakfast Expansion Grants (\$1,000,000 available in FY 2012).

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.

(14) An increase of \$2,500,000 for Hunger Free Community Grants (\$0 available in FY 2012).

Explanation of Change: This request provides funds for competitive grants as authorized in Section 4405 of the Food, Conservation and Energy Act of 2008 (P.L. 110 246). These competitive grants, which were funded at \$5 million in FY 2010, focus on promotion, outreach, demonstration projects and technical assistance related to several areas of specific interest among the range of strategies authorized under Sec. 4405, including school and community gardens, community-supported agriculture programs, and linkages between farmers and local markets.

The demand for these grants far exceeds the \$5 million funded in FY 2010. Over \$67 million was requested and only 14 of the 207 applications were funded. Results of these grants include 450,000 pounds of food collected from farms and distributed to food banks, soup kitchens, pantries and shelters, as well as creating awareness of nutrition programs for 20,000 conference participants. A report summarizing all projects and their results is due to Congress by the end of FY 2012.

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2013
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, as authorized by Section 105 of the HHKFA.

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 2013
Budget Authority	\$35.0

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and 2011 Actual and Estimated 2012 and 2013
(Dollars in Thousands)

Child Nutrition Programs--Federal Salaries & Expenses								
	FY 2010	Staff	FY 2011	Staff	FY 2012	Staff	FY 2013	Staff
	Amount	Years	Amount	Years	Amount	Years	Amount	Years
Arizona	\$33	0	0	0	0	0	0	0
California	1,203	12	\$1,521	13	\$1,537	13	\$1,537	13
Colorado	1,589	13	681	9	688	9	688	9
Georgia	1,044	12	1,177	13	1,189	13	1,189	13
Illinois	1,425	13	761	17	769	17	769	17
Iowa	0	0	91	1	92	1	92	1
Maryland	28	0	0	0	0	0	0	0
Massachusetts	288	13	1,293	13	1,306	13	1,306	13
Michigan	0	0	90	1	91	1	91	1
Missouri	0	0	71	1	72	1	72	1
New Jersey	1,187	14	869	10	878	10	878	10
New York	67	1	67	1	67	1	67	1
North Dakota	0	0	44	1	44	1	44	1
Ohio	0	0	70	1	71	1	71	1
Pennsylvania	481	3	0	0	0	0	0	0
Texas	1,265	11	1,385	11	1,399	11	1,399	11
Utah	0	0	83	1	83	1	83	1
Virginia	23,374	66	39,975	71	47,076	79	47,076	79
Wyoming	0	0	46	1	47	1	47	1
West Virginia	41	1	74	1	75	1	75	1
Puerto Rico	308	3	130	2	131	2	131	2
Undistributed	552	0	4,661	0	0	0	0	0
Total	32,884	164	53,088	168	55,612	176	55,612	176

Note: Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

Child Nutrition Programs - Appropriation

Classification by Objects

(Dollars in Thousands)

	2010	2011	2012	2013
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$4,484	\$5,304	\$5,357	\$5,430
Field.....	5,264	6,226	6,288	6,375
11 Total personnel compensation.....	9,749	11,530	11,645	11,805
12 Personnel benefits.....	2,528	3,017	3,047	3,089
Total personnel comp. and benefits.....	12,276	14,547	14,692	14,894
Other Objects:				
21 Travel and transportation of persons.....	1,127	893	903	917
22 Transportation of things.....	7	15	15	15
23.2 Rental payments to others.....	808	160	162	165
24 Printing and reproduction.....	442	1,704	1,723	1,751
25 Other Services.....	13,824	14,550	14,710	14,945
25.6 ADP services and supplies.....	267	0	0	0
26 Supplies and materials.....	735,782	887,265	1,061,940	1,154,480
31 Equipment.....	129	204	206	209
32 Land and structures.....	0	86	87	88
41 Grants.....	16,039,794	16,795,034	17,543,783	18,648,380
Total, Other Objects.....	16,792,179	17,699,911	18,623,529	19,820,950
99.9 Total, new obligations.....	16,804,455	17,714,458	18,638,221	19,835,844

FOOD AND NUTRITION SERVICE
 Child Nutrition Programs - Permanent Appropriation
Classification by Objects
 (Dollars in Thousands)

	2010	2011	2012
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>
Personnel Compensation:			
Washington D.C.....	\$812	\$707	\$713
Field.....	954	829	838
	<hr/>	<hr/>	<hr/>
11 Total personnel compensation.....	1,766	1,536	1,551
12 Personnel benefits.....	437	402	406
Total personnel comp. and benefits.....	2,203	1,938	1,957
Other Objects:			
21 Travel and transportation of persons.....	318	93	94
22 Transportation of things.....	10	1	1
23 Rental payments to others.....	4	2	2
24 Printing and reproduction.....	1	5	5
25 Other Services.....	1,022	229	232
26 Supplies and materials.....	14	7	7
31 Equipment.....	29	12	12
41 Grants.....	108,758	189,993	298,051
Total, Other Objects.....	<hr/> 110,156	<hr/> 190,342	<hr/> 298,404
100 Total, new obligations.....	<hr/> 112,359	<hr/> 192,280	<hr/> 300,361

This page is intentionally blank for printing purposes.

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:

- Upgrades the nutritional quality of school meals by increasing the federal reimbursement rate for school lunches by 6 cents for districts that comply with new federal nutrition standards. This is the first real reimbursement rate increase in over 30 years.
- Improves the nutritional quality of all food 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.
- Creates a demonstration project 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.
- Empowers parents by requiring schools to make information more readily available to parents about the nutritional quality of school meals, as well as the results of any audits.
- 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.
- Improves WIC by making it easier for children to get recertified as eligible for the program, requiring greater use of EBT technology (debit cards), and expanding support for breastfeeding.

Since enactment of the HFFKA, the agency has worked to engage and inform a wide variety of program stakeholders. The agency immediately began implementation of the mandatory provisions of the Act, such as expanding access to meals for at-risk children through the CACFP, and issued regulations to update nutrition standards and ensure sufficient non-Federal support for school meals. Several other regulations are under development and expected to be released in the coming year. See <http://www.fns.usda.gov/cnd/lunch/>, under “Reauthorization 2010” for more information. Additional information on implementation activities is also provided by program area below.

NATIONAL SCHOOL LUNCH PROGRAM

Program Mission

The 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 the 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 lunches and snacks served to children in participating schools at reimbursement rates that vary according to family need. Reimbursement for snacks served by schools in needy areas is paid at the free snack rate.

The Federal Government pays a base rate for all meals served, including lunches to children whose family income is above 185 percent of the Federal poverty guidelines. A base value for USDA Foods is also provided for all lunches. Children from families with incomes at or below 130 percent of the Federal poverty level qualify for free meals, while those from families with incomes between 130 and 185 percent qualify for reduced price meals. For the 2011-2012 school year, a child from a family of four with an annual income of \$29,055 or less is eligible for free meals, and a child from a family of four with a family income of no more than \$41,348 is eligible for reduced price meals. The per meal reimbursement rates for meals served 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.

Facts in Brief

- On an average school day in fiscal year (FY) 2011, more than half of all school children in America were provided an NSLP lunch. At participating schools and Residential Child Care Institutions (RCCIs), approximately 62.2 percent of the enrolled students participated in the NSLP on a daily basis, down from 62.9 percent in FY 2010.
- In FY 2011, a total of 5.25 billion lunches were served in the NSLP, a 0.4 percent decrease from the 5.28 billion served in FY 2010, mainly due to a decrease in days of service (a decrease from 177.78 days in FY 2010 to 176.53 days in FY 2011). Average daily participation increased from 31.75 million in FY 2010 to 31.76 million in FY 2011.
- On average, approximately 29.44 million lunches were served daily, a slight increase from the FY 2010 daily average of 29.43 million lunches.
- In FY 2011, approximately 66.6 percent of total meals served were provided free or at a reduced price, up from 65.3 percent in FY 2010.
- The number of schools participating in the NSLP decreased by 755 from FY 2010 to FY 2011, and a total of 100,714 schools and RCCIs participated in the NSLP.

Coordinated Review Effort

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 that is currently conducted through the School Meal Initiative reviews. The HHFKA also requires that reviews of SFAs by State agencies occur on a 3-year cycle instead of the long-standing 5-year cycle. 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. In the coming year, the agency will engage program stakeholders to assist in the development of materials and tools to support implementation of the unified accountability system.

Direct Certification

Since School Year 2008-2009, all local educational agencies (LEAs) are 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 NSLP and have the lowest rates of direct certification. Rates of direct certification 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. FNS is offering two types of grants: planning grants and implementation grants. Planning grants are intended for State agencies that know they need to improve their State's direct certification system, but may need to conduct additional research and planning activities to determine and plan for the most effective way of doing so. Implementation grants are intended for State agencies that know what they need to do to improve their State's direct certification systems, but lack the resources to implement those changes. State agencies that apply for a planning grant are expected to follow up with an implementation grant application within 210 days of the planning grant award date.

Due to new provisions required by the HHFKA, State agencies now are required to reach direct certification rate benchmarks with SNAP to ultimately reach 95 percent by school year 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 through July 2012.

The Agency is also preparing to conduct demonstration projects in selected States and LEAs to evaluate the effectiveness of conducting direct certification with the Medicaid Program. The HHFKA authorized these demonstration projects and provided 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. On September 2, 2011, FNS released a Request for Applications (RFA) to invite State agencies to apply to participate in the demonstration projects for the school year beginning July 1, 2012. The demonstration will be phased in over a three year period in a limited number of LEAs and States across the country.

Community Eligibility Option

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 Kentucky, Illinois and Michigan in School Year 2011-2012. To be eligible, 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 amounts of Federal reimbursements are based on percentages derived from the identified student percentages, which are students certified for free meals through means other than individual household applications, primarily students directly certified with SNAP. The agency will select four additional States to participate in each of the next two years. The option becomes available nationwide beginning July 1, 2014.

Improving School Meals

The HHS requires 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 an implementing 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 proposed rule, “Nutrition Standards for the National School Lunch and School Breakfast Programs”, updated the meal patterns and nutrition standards for the NSLP and SBP to align them with the *Dietary Guidelines for Americans*. The proposed rule requires schools to increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk in school meals; reduce the levels of sodium, saturated fat and trans fat in meals; and meet the nutrition needs of school children within their calorie requirements. These improvements to the School Meal Programs, largely based on recommendations made by Institute of Medicine of the National Academies, are expected to enhance the diet and health of school children, and help mitigate the childhood obesity trend. FNS received over 133,000 public comments in response to the proposed rule.

The final rule makes critical improvements to the school meals while responding to stakeholders’ concerns and the requirements established by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012 (P.L. 112-55). Schools that comply with the final rule are eligible to receive a reimbursement rate increase of six-cents, authorized by section 201 of the HHS.

FNS 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. This rule implements two provisions of the HHS that aim to ensure that schools have the resources they need to provide healthy meals—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).

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 MyPyramid. 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 HealthierUS School Challenge (HUSC) recognizes Team Nutrition schools that have met rigorous standards for nutritious food and beverage choices, nutrition education, and physical education and opportunities for physical activity for students. The HUSC was adopted under the First Lady’s *Let’s Move!* initiative in February 2010, and at that time financial incentives was made available to HUSC schools. Schools also receive a banner, award plaque, and recognition on the Team Nutrition Web site 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 December 2011, FNS has certified 2,161 new HUSC schools, surpassing the first goal of 2,150 for June 2011, and is well on its way to meeting the goal for June 2012 to have 2,250 schools certified. To highlight the achievement of reaching the first goal, the White House hosted a recognition event in October 2011 honoring recipients of HUSC 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 HUSC in 2004, USDA has recognized schools in 45 States 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. Several online training programs are available on the NFSMI Web site 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 foodservice personnel with questions about menu planning, nutrient requirements, food purchasing, and nutrient analysis and additional child nutrition topics. Revised USDA Recipes for Schools and USDA Recipes for Child Care are available on the NFSMI Web site 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 \$72 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 foodservice professionals, and encouraging community support for healthy children. All of the materials are available on the Team Nutrition Web site to download and order.

Following the release of the *Dietary Guidelines for Americans, 2010* 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 include the development of nutrition curricula for grades 1-8 that are linked to educational standards for math, science, English/language arts and health. These materials will be piloted in schools in FY 2012. 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 103,500 copies of other MyPlate educational materials (e.g., posters, brochures, etc.) to schools during FY 2011. Secondary schools also requested and received over 20,000 copies of a Food for a Day poster, which illustrates amounts and types of foods to eat over the course of a day. During FY 2011, FNS distributed over 172,000 copies of its popular Team Up at Home nutrition education booklet that is designed for parents.

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 19,000 copies of the kit were distributed to childcare centers during FY 2011 to help educators implement hands-on activities, planting activities, and nutrition education activities that introduce children to fruits, vegetables and how food is grown.

Over 88,000 copies of Team Nutrition's Two Bite Club Storybook were also distributed to caregivers of preschool age children. This publication encourages young children to taste new foods from each food group.

Team Nutrition administers 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. Since the program launched on June 4, 2010, 3388 chefs and 3304 schools have signed up to participate. FNS hosted two Chefs Move to Schools Webinars during FY 2011 to provide technical assistance on how chefs and schools can work together to make foods healthier in schools and promote nutritious food choices among students. Over 500 participated in each Webinar.

Team Nutrition launched the *Recipes for Healthy Kids* competition on September 7, 2010, 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 and at home. Over 340 recipes were submitted in three categories-Whole Grains, Dark-Green and Orange Vegetables, and Beans and Peas. Winners were announced in July 2011 following a judging process involving the American Culinary Federation and School Nutrition Association. FNS is currently standardizing the recipes for use in homes as well as school and childcare meal programs and will release a *Recipe for Healthy Kids Cookbook* in FY 2012.

In addition, FNS provides support to school and childcare foodservice 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.

SCHOOL BREAKFAST PROGRAM

Program Mission

The School Breakfast Program (SBP) provides funds to States for 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 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. Per meal reimbursement rates for meals served are revised on July 1 of each year.

Facts in Brief

- In FY 2011, program availability rose to 88,769 institutions (an increase of 0.1 percent from FY 2010) with an enrollment of 46.265 million students (an increase of 1.8 percent from FY 2010). 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 91.7 percent of the students enrolled in schools participating in the lunch program in FY 2011, as compared to 50 percent in FY 1990. Average daily participation in FY 2011 was 12.1 million, an increase of approximately 4.0 percent from the prior year.
- The portion of total meals served free or at a reduced price was about 83.7 percent during FY 2011, up from 83.5 percent in FY 2010.
- Approximately 2.04 billion breakfasts were served in FY 2011, an increase of 3.5 percent over FY 2010. On average, 11.2 million breakfasts were served daily, compared to 10.8 million in FY 2010, or a 4.0 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 that does not participate in other Federal meal programs, such as NSLP, SBP or Child and Adult Care Food Program (CACFP), may participate in the SMP. However, schools 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 do not 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 72.4 million in FY 2010 to 66.7 million in FY 2011, a 7.8 percent decrease. Overall, the number of half pints served has decreased from 181.3 million in FY 1990, a 63.2 percent decrease.

- A total of 5,140 schools, non-residential child care institutions and summer camps participated in the SMP in FY 2011, a 10.2 percent decrease from the FY 2010 level of 5,726. The number of participating schools and non-residential child care institutions decreased by 164 and 440, respectively. Summer camps increased by 18.
- The portion of half pints served free during FY 2011 was about 7.9 percent, as compared to 8.3 percent in FY 2010.

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 2011, the combined average daily attendance in CACFP was approximately 3.41 million children and adults, a slight increase from the average daily attendance of 3.39 million in FY 2010.
- Of 3.3 million children in average daily attendance in FY 2011, approximately 2.4 million were in child care centers and approximately 909,000 were in family day care homes.
- On average, in FY 2011 a CACFP child care center had about 46 children in attendance on an average day, and received slightly more than \$31,000 a year in meal reimbursement.
- By comparison, on average a family day care home cared for and fed seven children on an average day, and received slightly more than \$5,800 a year in meal reimbursement.
- Total meal service increased slightly (0.8 percent) from FY 2010 to FY 2011; a total of 1.93 billion meals were served in FY 2011.
- In FY 2011, approximately 81.7 percent of total meals served were provided free or at a reduced price, down from 82.1 percent in FY 2010.

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.

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 Healthy, Hunger Free Kids Act 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 2012. The Act 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 CACFP participants on complying with the Program nutritional requirements, as well as recommendations relating to physical activity and use of electronic media. FNS is working with several key Federal partners, 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. FNS will also conduct an assessment in 2012 to evaluate the technical assistance and resource needs of the CACFP community. FNS will continue to work with Federal partners and stakeholders to develop additional resources and technical assistance plans based on the results of the needs assessment.

New Provisions to Address Program Integrity and Simplification

The HHFKA made a number of changes to CACFP that will simplify participation while addressing Program management weaknesses. The HHFKA removed cost comparison as a basis for administrative payments to family day care home sponsors. Sponsors are now reimbursed based on the number of sponsored homes multiplied by the applicable reimbursement rate, but are 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 and will codify them in regulations expected to be published in FY 2012.

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. Participating institutions must serve children in areas where poor economic conditions exist. Institutions 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 all children through age 18 and are limited to two meals (but not lunch and supper) or one meal and one snack. Summer camps or migrant programs may be reimbursed for up to three meals or two meals and one snack served to each child each day.

In addition to cash support, USDA Foods are distributed to program 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 2011, the peak month of program operations, approximately 2.31 million children participated in the program on an average day, relatively unchanged from the 2.30 million children that participated in FY 2010.
- During FY 2011, 38,990 feeding sites provided 140.3 million meals to needy children through the SFSP. This is a 4.9 percent increase from the 133.7 million meals provided in FY 2010, and a 1.4 percent increase in the number of feeding sites (up from 38,471 in FY 2010).
- In FY 2011, approximately 58.5 percent of the meals served were lunches (compared to 59.1 percent in FY 2010), 26.2 percent were breakfasts (26.1 percent in FY 2010), and the remaining 15.3 percent were suppers and supplements (14.8 percent in FY 2009).

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 for Summer 2011.

Concurrently, based on a series of stakeholder meetings, 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.

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 will continue 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 Summer 2012, all five SEBTC proof-of-concept States will increase the scope of their projects from providing 2,500 children with food benefits to providing 5,000 children with benefits. Four of these States (Michigan, Oregon, Missouri and Connecticut) will also expand their projects to provide an additional 5,000 children with food benefits in a different part of the State. In addition, five new States and tribal entities have been selected to begin new SEBTC projects in 2012. These are: Cherokee Nation (WIC), Chickasaw Nation (WIC), Nevada (WIC), Delaware (SNAP), and Washington (SNAP). The 2012 SEBTC projects will provide food benefits to 75,000 children in total. The evaluation of the impact on food security among children in these demonstration sites is expected to be published in FY 2013.

FRESH FRUIT AND VEGETABLE PROGRAM

Program Mission

Section 19 of the NSLA authorizes the Fresh Fruit and Vegetable Program (FFVP) and provides a steady source of funding through a transfer each July 1 from AMS’ Section 32 funds (in FYs 2009 through 2011 the appropriations bills delayed approximately $\frac{3}{4}$ of the scheduled transfer from July 1 to the following October 1 to better align the availability of the funds with the school year). In total, funding provided for SY 2009-2010, including recovered funds from the prior year, was \$72.5 million, and for SY 2010-2011 was \$110.3 million. The funding was made available to all 50 States, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. 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; and
- Developed an on-line 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’ foodservice operations.

Produce Safety –FNS worked with the Agricultural Marketing Service (AMS) and the National Food Service Management Institute (NFSMI) to offer the 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. 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.

A local field trip to a terminal market, a farm and/or a fresh-cut processing plant reinforces some of these principles. Five classes were conducted in FY 2011. Since FY 2010, PSU classes have reached over 250 participants in 49 States. FNS and NFSMI are currently developing train-the-trainer materials designed to help course attendees train others to extend the reach of the PSU. In FY 2012, five PSU courses will be offered, four at AMS' training center in Fredericksburg, VA and one in Hartford, CT. FNS also awarded a grant to the School Nutrition Foundation to develop four produce safety webinars, to be conducted in FY 2012.

Norovirus Outbreak Prevention – FNS analysis of data from the Centers for Disease Control and Prevention (CDC) found that norovirus is the leading cause of food borne illness outbreaks in schools. FNS and NFSMI have developed norovirus educational resources for school foodservice staff, including fact sheets, mini-posters, and a video. FNS and NFSMI are also working on employee health and hygiene educational materials for schools and child care that will help minimize the likelihood of norovirus and other foodborne illness infections to be spread from ill food handlers.

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. The next step is to provide State and local program operators with a resource to test their plans. In FY 2010, a draft tabletop exercise (TTX) resource kit was developed. In FY 2011/2012, the resource kit is being field tested at three sites. The project will culminate in the release of a turnkey package that State agencies or school food authorities can use to conduct a school food defense TTX. The final field-tested resource kit is projected to be released in Fall 2012. Also in FY 2011, FNS worked with NFSMI to develop and train a cadre of facilitators who can work with school districts to conduct a TTX.

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 foodservice 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 available in Summer 2012.

Safe Food Cooling – FNS completed a project with the Food and Drug Administration's Center for Food Safety and Nutrition and the National Center for Food Safety and Technology on research on the effectiveness of current cooling practices used in schools that will provide evidence to establish best practices for cooling. In FY 2012, the Center for Food Safety Research in Child Nutrition Programs will expand the study by testing cooling techniques in a school kitchen setting that simulates an actual school kitchen environment. When completed, FNS will work with NFSMI to develop educational materials based on the study results.

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 provides a practical process that highlights a team approach to school food safety. The Action Guide was released in 2004. In mid-FY 2010 FNS awarded a contract to the University of Rhode Island to evaluate the Action Guide by surveying its users to capture which components are most and least effective and to assess the overall impact. Based on the survey data and feedback sessions with school foodservice directors, the Action Guide was revised in FY 2011 and enhanced by adding a food defense/emergency management section, a component on managing food allergies in schools, and information on handling a norovirus outbreak. The Action Guide will also provide information to directors on communicating basic food safety information and the importance of food safety to audiences such as school administrators, parents, and school nurses.

Holds and Recalls – 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. In early FY 2011 FNS hosted a work group meeting with representatives from nine State Distributing Agencies to assist FNS in developing communication performance criteria and best practices for States. A Request for Proposals was issued for a contract to develop a rapid communications system that State Agencies can use to

deliver USDA Foods recall information to local recipients. The contract will be awarded in FY 2012 and States will be encouraged to join the notification system. FNS also is working with NFSMI to develop educational materials on inventory tracking and management for district and school level foodservice employees.

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, yet there is a need for science-based research to provide the basis for food safety education programs. The Center is starting projects such as an expansion of the school food cooling study and an evaluation of the guidance for developing a school food safety plan based on Hazard Analysis and Critical Control Points principles.

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.

Rapid Alert System (RAS) - FNS implemented an electronic tracking and communication tool to support food safety activities in the NSLP and other USDA food distribution programs in FY 2006. The RAS, an integral part of ECOS, allows FNS to provide emergency food safety information to recipient States, such as hold and recall alerts, about USDA Foods. The RAS also allows States to submit detailed information on recalled product disposition. ECOS RAS capabilities were developed in WBSCM, which was deployed in April 2011. The ECOS RAS system will remain active in parallel with WBSCM for the next 5 years to support recalls that may span a time period where both systems were used for procurement and distribution activities. In FY 2011, the RAS was used to place 21,888 cases of applesauce on hold while the Food and Drug Administration (FDA) investigated the packing plant. A portion of that applesauce was officially recalled by the vendor in conjunction with FDA. The vendor agreed to pick up and replace the remainder of the applesauce on hold out of an abundance of caution. The RAS was also used to place 12,240 cases of canned potatoes on hold while FDA conducted testing on the product. When FDA’s tests came back negative, the potatoes were released for use. The RAS was also used to notify the Georgia State Distributing Agency of a recall of 1,000 cases of fine ground beef shipped to two warehouses and six school districts. All of the 1,000 cases were located and sequestered within 24 hours. In FY 2011 FNS conducted a test of the RAS and determined that over 80% of State Distributing Agencies confirmed receipt of the test message within two hours.

Commodity Alert System - As an outcome of the Hallmark/Westland beef recall, FNS added a feature that allows the general public to sign-up to receive email notices on food safety issues for USDA foods that rise to the level of potentially significant public health concerns. There are currently about 1,500 users signed up to receive notices. This function is available in WBSCM and will be triggered in ECOS only for food safety issues that originate in the ECOS application.

NFSMI Food Safety Cooperative Agreement – In FY 2011 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 will continue to conduct program research, develop training resources, and conduct evaluations in the area of food safety.

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), Agricultural Marketing Service (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 Section 6(c) of the NSLA 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 2011 USDA Foods Assistance Rate

For SY 2010-2011, schools, daycare centers and residential institutions were authorized to receive an average of 20.25 cents worth of USDA Foods per lunch/supper served. The rate for USDA Foods increased to 22.25 cents on July 1, 2011, for SY 2011-2012. USDA Foods provided to Child Nutrition Programs (excluding bonus and cash in lieu of entitlement USDA Foods) totaled \$1,278.7 million for FY 2011.

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.

Electronic Commodity Ordering System (ECOS)

ECOS allows State agencies to submit orders for USDA Foods directly into a centralized Web-based computer interface that provides greater access, input, and transparency to the food distribution process. Several State agencies have rolled out ECOS to the school district level. Receiver organizations, such as warehouses and processors, continue to register in ECOS to monitor and acknowledge receipt of orders for USDA Foods. The improvements in electronic communication enhance the timely flow of USDA Foods throughout the program supply chain. ECOS has been replaced by the Web Based Supply Chain Management System with all State Agency, Indian Tribal Organization, Recipient Agency and Industry users converted between July 1, 2010 and April 1, 2011. ECOS will be available for historical reporting and audit purposes, but it will no longer be used to process food order transactions. ECOS will remain active for the reporting purposes for the next 5 years.

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.

- Surplus Removal Program: In FY 2011, approximately \$13.1 million of perishable and semi-perishable bonus USDA Foods were delivered to schools and other eligible child nutrition outlets under the Section 32 Surplus Removal Program authority. This was primarily bonus fruit and vegetable products delivered to schools under the 2008 Farm Bill.

USDA Foods Administrative Expenses

USDA in past years funded some of the operational costs of the Processed Commodity Inventory Management System (PCIMS), which integrates the purchasing, tracking, shipping, and payment of USDA Foods performed by FNS, AMS, and FSA. The WBSCM system achieved full production status in April 2011 and has replaced PCIMS and its satellite systems, such as ECOS. PCIMS disposition and decommissioning timeline are under review by the WBSCM Project Office.

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 \$74.6 million in entitlement funds on produce through this program in SY 2010-2011. In addition to these Federal purchases, 30 States, Puerto Rico, Guam, and the District of Columbia used Section 4 and 11 funds to purchase over \$9.8 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 2011, an initial amount of \$206.2 million was allocated for State Administrative Expenses (SAE), including \$117.5 million for administration of the school food programs, \$69.6 million for the administration of the CACFP, and \$19.1 million for the administration of the Food Distribution Program. In addition, \$1.8 million in SAE funds was 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 2011 and are available on the FNS Web site at <http://www.fns.usda.gov/ora>.

Evaluation of the Fresh Fruit and Vegetable Program: Interim Report – September 2011: The Fresh Fruit and Vegetable Program (FFVP) aims to increase fruit and vegetable consumption among students in the Nation's poorest elementary schools by providing free fresh fruits and vegetables to students outside of regular school meals. The results presented in this interim report focus on the total quantity of fruits and vegetables consumed and total energy intake. For school year 2010-2011, FFVP increased average fruit and vegetable consumption among students in participating schools on FFVP days by approximately one-quarter of a cup per day, a 15 percent increase in consumption levels in the absence of an FFVP program.

Evaluation of the Impact of Incentives Demonstrations on Participation in the Summer Food Service Programs (SFSP) - September 2011: FNS initiated and carried out the Summer Food for Children demonstration project, aimed at preventing food insecurity and hunger among children during summer months. The project included the "eSFSP" demonstrations, which tested the impact of a number of enhancements to the existing Summer Food Service Program (SFSP), and the "Summer Electronic Benefits Transfer for Children" demonstrations, which tested a household-based benefit provided to families with children during the summer months. This report presents findings from the 2010 eSFSP demonstrations in Arkansas and Mississippi and each State showed improvement over a number of outcomes, although factors other than SFSP may also have contributed to the improvement.

Child and Adult Care Food Program (CACFP) Assessment of Sponsor Tiering Determinations 2010 - September 2011: These assessments provide a national estimate of the share of CACFP-participating family daycare homes that are approved for an incorrect level of per meal reimbursement, or reimbursement "tier," for their

circumstances. The latest report found that in 2010, improper payments due to errors in reimbursement levels totaled about \$11.6 million, or about 1.5 percent of payments to family day care homes.

Regional Office Review of Applications (RORA) for School Meals 2010 – July 2011: This is the sixth in a series of annual reports that examines administrative error incurred during the local educational agency's approval process of applications for free and reduced-price meals in the National School Lunch Program. About 98 percent of students submitting applications for meal benefits in school year 2009-2010 were certified for the correct level of meal benefits, based on information in the application files. This was comparable to school year 2008-2009.

Analysis of Verification Summary Data School Year 2008-09 – March 2011: This report summarizes the results of the school year 2008-2009 application verification process for the National School Lunch Program and School Breakfast Program. Each year, Local Educational Agencies review a sample of applications that they approved for free or reduced-price school meal benefits at the start of the school year. Among applications sampled, 46 percent were confirmed, 22 percent were not supported by the documentation provided by the household, and 32 percent were withdrawn because households did not respond to requests for documentation.

Regional Office Review of Applications (RORA) for School Meals 2009 – November 2010: This is the fifth in a series of annual reports that examines administrative error incurred during the local educational agency's approval process of applications for free and reduced-price meals in the National School Lunch Program. About 98 percent of students submitting applications for meal benefits in school year 2008-2009 were certified for the correct level of meal benefits, based on information in the application files.

Direct Certification in the National School Lunch Program: State Implementation Progress Report to Congress – October 2010: This is the third in a series of annual reports that assesses the effectiveness of State and local efforts to directly certify children for free school meals. Under direct certification, children are determined eligible for free school meals without the need for household applications by using data from other means-tested programs. This report found that 72 percent of SNAP participant children were directly certified for free school meals, a slight increase from the previous year.

Feasibility of Wider Implementation of Direct Verification with Medicaid - October 2010: The Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265) authorized direct verification with Medicaid and State Children's Health Insurance Program data (DV-M) and required the Food and Nutrition Service to evaluate its feasibility and effectiveness. The first phase of the study evaluated pilot projects testing the feasibility and effectiveness of DV-M in school year 2006-07 and school year 2007-08. Results for both years showed that DV-M was feasible, effective, and saved time for households and school districts.

**CHILD NUTRITION PROGRAMS
FINANCING FOR FISCAL YEAR 2011**

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-----	\$37	\$179,934	\$54,405	\$2,609	\$22,547	\$36,991	\$3,528	\$300,051
Alaska-----	6	28,937	7,639	663	2,641	7,787	1,255	48,928
Arizona-----	78	230,108	66,341	3,634	29,640	43,028	5,627	378,456
Arkansas-----	2	119,028	40,056	2,404	15,706	41,182	5,137	223,515
California-----	425	1,341,671	362,503	19,538	141,945	258,560	20,636	2,145,278
Colorado-----	126	115,851	29,423	1,520	17,291	22,235	3,265	189,711
Connecticut-----	290	78,987	21,355	1,428	13,542	14,155	1,383	131,141
Delaware-----	35	25,956	8,169	898	4,476	13,393	2,368	55,297
District of Columbia-----	29	18,743	7,575	462	2,455	8,206	2,949	40,419
Florida-----	31	602,954	172,202	9,161	74,115	164,343	24,274	1,047,080
Georgia-----	31	418,632	146,347	5,932	58,578	101,159	9,389	740,067
Hawaii-----	2	38,981	10,323	629	4,891	5,786	423	61,034
Idaho-----	165	48,127	15,964	824	5,569	6,100	4,508	81,256
Illinois-----	2,609	376,492	97,880	4,790	52,644	123,818	10,963	669,196
Indiana-----	196	217,476	58,266	1,864	32,947	43,850	7,822	362,422
Iowa-----	87	87,119	19,180	1,740	16,926	26,735	2,023	153,810
Kansas-----	88	88,233	22,878	1,589	13,195	32,394	2,445	160,824
Kentucky-----	61	160,093	58,450	3,204	25,793	31,336	5,616	284,553
Louisiana-----	32	189,440	63,423	3,517	23,319	68,398	9,106	357,235
Maine-----	35	30,790	9,416	691	4,589	9,661	1,265	56,446
Maryland-----	391	130,440	38,783	2,654	17,869	44,284	6,581	241,002
Massachusetts-----	346	140,189	36,819	2,824	25,700	54,368	7,838	268,085
Michigan-----	483	264,760	82,783	4,331	35,452	62,841	7,408	458,057
Minnesota-----	723	130,532	34,539	2,821	29,081	61,624	5,219	264,538
Mississippi-----	3	150,202	55,283	2,540	18,958	36,061	5,495	268,542
Missouri-----	553	178,236	56,985	3,328	27,415	46,992	8,726	322,235
Montana-----	15	23,875	6,429	848	4,955	10,297	1,307	47,726
Nebraska-----	55	57,519	13,009	1,086	9,468	30,298	2,557	113,992
Nevada-----	109	77,108	17,327	954	6,574	5,903	1,320	109,295
New Hampshire-----	187	22,069	4,697	490	3,928	3,932	783	36,086
New Jersey-----	584	205,828	49,377	3,959	32,208	62,432	7,151	361,540
New Mexico-----	1	81,895	33,218	2,093	12,439	32,793	5,596	168,035
New York-----	853	582,962	157,033	10,269	75,145	192,882	53,171	1,072,315
North Carolina-----	228	320,141	98,983	5,106	46,973	79,429	7,021	557,880
North Dakota-----	40	15,893	3,959	682	4,428	10,394	564	35,960
Ohio-----	510	311,062	90,619	4,481	51,713	87,567	10,266	556,216
Oklahoma-----	42	141,066	51,494	3,289	20,266	53,843	2,920	272,920
Oregon-----	125	97,307	31,473	2,174	14,160	30,045	5,865	181,150
Pennsylvania-----	574	292,515	75,757	5,437	47,751	87,292	13,296	522,623
Rhode Island-----	88	25,675	7,261	836	3,224	6,833	756	44,672
South Carolina-----	14	171,206	65,585	2,432	23,423	26,784	5,988	295,432
South Dakota-----	58	24,994	6,300	928	4,706	8,725	1,169	46,880
Tennessee-----	16	207,488	71,241	2,472	31,548	51,577	7,139	371,481
Texas-----	40	1,192,799	438,103	18,216	137,888	268,509	43,013	2,098,567
Utah-----	75	87,058	17,252	1,415	18,427	25,001	2,264	151,493
Vermont-----	89	13,141	4,719	452	2,389	4,824	575	26,189
Virginia-----	250	193,537	56,853	3,005	26,770	39,068	13,043	332,526
Washington-----	242	169,120	45,196	2,642	23,904	42,584	4,406	288,094
West Virginia-----	24	56,039	20,321	1,304	8,633	14,178	2,144	102,645
Wisconsin-----	1,204	149,247	37,689	2,204	23,543	38,729	5,772	258,387
Wyoming-----	33	13,157	3,229	402	2,632	5,393	569	25,416
Guam-----	0	6,152	2,162	330	145	354	0	9,143
Puerto Rico-----	0	118,608	30,738	2,037	18,699	26,247	13,181	209,508
Virgin Islands-----	3	5,217	1,113	244	337	918	710	8,542
DOD/AF/USMC/Navy-----	0	8,167	15	0	0	0	0	8,183
AMS/FSA/PCIMS-----	0	0	0	0	19,038	0	0	19,038
AAFES-----	0	0	0	0	922	0	0	922
Anticipated Adjustment-----	59	258,086	57,711	43,259	17,515	120,001	-963	495,668
TOTAL-----	\$12,381	\$10,320,844	\$3,075,846	\$208,646	\$1,411,036	\$2,732,119	\$376,829	\$18,137,702

NOTE: Data is based on obligations as reported September 30, 2011. Commodities are based on food orders for fiscal year 2011. Totals may not add due to rounding.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAM

Value of Commodities to States Entitlement and Bonus

Fiscal Year 2011

STATE OR TERRITORY	Entitlement	Bonus	Total
Alabama.....	\$21,002,602	\$487,817	\$21,490,419
Alaska.....	2,375,094	123,842	2,498,936
Arizona.....	27,512,870	781,008	28,293,878
Arkansas.....	14,040,511	162,925	14,203,436
California.....	128,903,085	1,273,041	130,176,126
Colorado.....	16,287,526	142,269	16,429,795
Connecticut.....	12,847,660	93,503	12,941,163
Delaware.....	4,073,543	15,316	4,088,859
District of Columbia.....	2,010,221	0	2,010,221
Florida.....	67,010,312	643,776	67,654,088
Georgia.....	53,879,551	185,796	54,065,347
Hawaii.....	4,516,590	15,316	4,531,906
Idaho.....	5,234,276	172,492	5,406,768
Illinois.....	46,146,464	327,861	46,474,325
Indiana.....	30,633,256	391,638	31,024,894
Iowa.....	15,348,796	204,823	15,553,619
Kansas.....	0	0	0
Kentucky.....	24,250,327	80,628	24,330,955
Louisiana.....	20,026,208	255,143	20,281,351
Maine.....	4,182,863	115,562	4,298,425
Maryland.....	15,685,002	0	15,685,002
Massachusetts.....	23,323,889	30,633	23,354,522
Michigan.....	32,156,351	257,643	32,413,994
Minnesota.....	25,621,770	334,305	25,956,075
Mississippi.....	17,558,774	326,458	17,885,232
Missouri.....	24,883,305	441,711	25,325,016
Montana.....	4,435,492	55,073	4,490,565
Nebraska.....	8,031,723	220,746	8,252,469
Nevada.....	6,314,674	100,901	6,415,575
New Hampshire.....	3,806,728	0	3,806,728
New Jersey.....	29,604,185	242,329	29,846,514
New Mexico.....	10,971,148	192,357	11,163,505
New York.....	65,333,301	569,303	65,902,604
North Carolina.....	43,118,168	473,680	43,591,848
North Dakota.....	3,830,444	29,975	3,860,419
Ohio.....	46,953,842	299,644	47,253,486
Oklahoma.....	18,043,852	179,900	18,223,752
Oregon.....	12,533,682	554,694	13,088,376
Pennsylvania.....	43,439,316	15,316	43,454,632
Rhode Island.....	2,881,537	34,454	2,915,991
South Carolina.....	22,279,881	208,699	22,488,580
South Dakota.....	4,223,797	0	4,223,797
Tennessee.....	29,374,792	295,129	29,669,921
Texas.....	125,000,822	767,166	125,767,988
Utah.....	17,155,184	179,189	17,334,373
Vermont.....	2,180,340	0	2,180,340
Virginia.....	24,347,873	346,754	24,694,627
Washington.....	21,582,705	403,919	21,986,624
West Virginia.....	7,971,180	191,687	8,162,867
Wisconsin.....	21,169,623	255,101	21,424,724
Wyoming.....	2,319,231	42,656	2,361,887
Guam.....	121,813	0	121,813
Puerto Rico.....	17,806,583	481,915	18,288,498
Virgin Islands.....	300,718	0	300,718
AAFES.....	922,194	0	922,194
AMS / FSA / PCIMS.....	19,037,686	0	19,037,686
Processors (Chicken nationwide)	0	79,843	79,843
Undistributed.....	24,129,434	0	24,129,434
TOTAL.....	\$1,278,732,794	\$13,083,936	\$1,291,816,730

Source: PCIMS -- Delivery 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 2011

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLE SLICES, UNSWEETENED CANNED	8,322,912	4,611,364
APPLE SLICES, UNSWEETENED FROZEN	4,831,200	1,963,909
APPLES	2,285,453	1,059,982
APPLES, SLICED, FRESH 2 OZ BAG	1,448,625	1,998,512
APPLESAUCE, CANNED W/O SALT, UNSWEETENED	26,298,451	11,237,421
APRICOTS, FROZEN	152,000	144,096
APRICOTS, FROZEN CUP 4 5 OZ	1,205,424	1,477,419
APRICOTS, LIGHT SYRUP CANNED	4,413,853	2,692,128
BEANS, BABY LIMA, LOW-SODIUM, CANNED	944,790	443,073
BEANS, BLACK TURTLE, LOW-SODIUM, CANNED	664,848	261,456
BEANS, BLACK EYE PEA, LOW-SODIUM, CANNED	944,790	314,653
BEANS, GARBANZO, LOW-SODIUM, CANNED	1,259,713	497,128
BEANS, GREAT NORTHERN, LOW-SODIUM, CANNED	314,928	132,546
BEANS, GREEN, LOW-SODIUM, CANNED	24,925,530	9,372,050
BEANS, GREEN, W/O SALT, FROZEN	6,009,420	3,232,498
BEANS, KIDNEY, LOW-SODIUM, CANNED	1,434,672	600,170
BEANS, PINK, LOW-SODIUM, CANNED	1,154,736	482,708
BEANS, PINTO, LOW-SODIUM, CANNED	6,088,610	2,036,211
BEANS, PINTO, W/O SALT, DRIED	440,000	168,216
BEANS, REFRIED, LOW-SODIUM, CANNED	3,955,392	1,781,206
BEANS, SMALL RED, LOW-SODIUM, CANNED	1,959,554	648,518
BEANS, VEGETARIAN, LOW-SODIUM, CANNED	6,158,597	2,165,047
BEEF SPECIAL TRIM FROZEN	1,144,500	3,774,689
BEEF, BONELESS FRESH	13,932,000	28,215,402
BEEF, BULK COARSE	73,643,224	163,459,086
BEEF, CANNED	1,116,000	3,484,897
BEEF, CRUMBLE, COOKED	3,320,000	8,228,738
BEEF, GROUND FROZEN	31,129,400	72,404,605
BEEF, PATTIES	10,298,000	25,387,477
BONELESS PICNIC 60LB	5,082,540	6,022,860
CARROTS, BABY CUT FRESH	763,240	639,225
CARROTS, FROZEN	1,188,000	676,104
CARROTS, NO ADDED SALT, CANNED	4,351,230	1,634,316
CATFISH, FILET STRIPS	2,000,000	9,272,799
CHERRIES CANNED	739,675	560,443
CHERRIES, DRIED	147,840	550,940
CHERRIES, FROZEN	921,600	723,352
CHERRIES, IQF	652,800	525,440
CHICKEN, BULK CHILLED	167,285,880	120,596,461
CHICKEN, CANNED	1,012,502	2,277,191
CHICKEN, CUT UP FROZEN	7,920,000	6,155,374
CHICKEN, DICED FROZEN	8,096,000	18,283,778
CHICKEN, DRUMS/LEGS/THIGHS/QUARTERS	672,000	353,360
CHICKEN, FAJITA STRIPS	15,093,000	29,587,516
CHICKEN, ROASTED FROZEN	6,156,000	15,020,972
CORN COBS, W/O SALT, FROZEN	5,662,800	2,750,395
CORN, LOW-SODIUM, CANNED	17,183,461	6,979,455
CORN, W/O SALT, FROZEN	12,120,450	6,363,134
CRANBERRY SAUCE, CANNED	622,080	237,263
DoD FRESH PRODUCE		74,687,752
EGGS, LIQUID WHOLE BULK	10,996,800	6,889,950
EGGS, WHOLE FROZEN, RAW	4,242,120	3,310,522
FRUIT NUT MIX	647,920	1,437,271
HAM, COOKED FROZEN CUBED	2,520,000	4,770,496
HAM, FROZEN WATERAD FRZ 40	4,640,000	7,300,642
HAM, WATERAD SLC FRZ	6,000,000	11,909,829
MIXED FRUIT, CANNED	15,252,353	8,138,785
ORANGE JUICE, FROZEN CONC	72,000	64,416
ORANGE JUICE, SINGLE	5,289,600	2,363,654
ORANGE JUICE, TANKERS	312,000	774,696
ORANGES, FRESH	1,273,271	453,956
PEACHES, CUP 4 4	14,947,125	13,682,880
PEACHES, FROZEN	950,000	731,737
PEACHES, LIGHT SYRUP CLING DICED	22,065,402	11,080,296
PEACHES, LIGHT SYRUP CLING SLICED	26,717,740	12,974,805
PEARS, DICED CANNED	11,635,755	7,080,405
PEARS, FRESH	688,500	317,412
PEARS, HALVES CANNED	3,098,068	1,960,504
PEARS, LIGHT SYRUP SLICED CANNED	8,645,761	5,259,556
PEAS, LOW-SODIUM, CANNED	4,466,981	1,784,189
PEAS, W/O SALT, FROZEN	6,652,800	3,233,269
POLLOCK, ALASKA FROZEN	2,039,184	3,243,503

**FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM**

Quantity and Value of Commodities

Fiscal Year 2011

ENTITLEMENT COMMODITIES	Pounds	Dollars
PORK, BONELESS PICNIC FROZEN	7,203,600	9,857,474
PORK, CANNED	828,000	1,948,651
PORK, COOKED CRUMBLES	120,000	262,800
PORK, LEG ROAST	6,200,000	9,623,130
PORK, LEG ROAST BULK	294,000	473,605
POTATO WEDGES, FAT-FREE, FROZEN	4,197,600	2,015,589
POTATO WEDGES, FROZEN	2,851,200	1,399,328
POTATOES, BULK PROC FROZEN	113,640,000	10,494,065
POTATOES, DEHYDRATED BULK	16,360,000	1,204,045
POTATOES, OVEN FROZEN	4,831,200	1,955,403
POTATOES, ROUND, FROZEN	13,662,000	6,772,168
RAISINS, BOX 144/1 33 OZ	2,383,056	3,683,540
RAISINS, CTN 30	82,800	99,608
SALSA, LOW-SODIUM, CANNED	11,636,907	5,177,175
SPAGHETTI SAUCE, LOW-SODIUM, CANNED	13,282,563	4,233,003
STRAWBERRIES, FROZEN	2,138,400	1,860,961
STRAWBERRIES, SLICED, FROZEN	3,722,400	3,037,924
STRAWBERRY CUPS, 4 5 OZ, FROZEN	13,525,272	15,689,860
SWEET POTATOES	5,815,658	1,438,080
SWEET POTATOES, FROZEN	792,000	562,335
SWEET POTATOES, LOW-SODIUM LIGHT SYRUP, CANNED	1,366,632	792,118
SWEET POTATOES, MASHED	677,472	428,963
TOMATO PASTE, BULK	12,516,000	4,835,683
TOMATO PASTE, DRUM	1,155,600	517,341
TOMATO PASTE, LOW-SODIUM, CANNED	3,303,242	1,804,086
TOMATO SAUCE, LOW-SODIUM, CANNED	4,096,482	1,254,618
TOMATOES, DICED CANNED	5,581,441	1,899,926
TURKEY CONSUMER PACK WHOLE	345,420	403,005
TURKEY HAM, FROZEN	5,505,563	9,754,282
TURKEY ROAST, FROZEN	11,493,650	24,421,627
TURKEY, BULK	19,911,240	20,064,606
TURKEY, DELI BREAST FROZEN	9,569,945	25,793,194
TURKEY, DELI BREAST SMOKED FROZEN	2,369,560	6,234,786
TURKEY, TACO FILLING	2,925,000	4,708,415
TURKEY, THIGHS BULK	1,981,800	2,608,666
TURKEY, WHOLE FROZEN	38,000	33,531
Total Section 6/32 Type	957,024,803	\$952,279,699
ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
CHEESE BARREL 500	26,320,000	53,494,122
CHEESE BLEND, AMER/SKIM MILK WHT SLICED LVS	673,200	1,310,701
CHEESE BLEND, AMER/SKIM MILK YEL SLICED LVS	7,167,600	14,365,042
CHEESE, CHEDDAR REDUCED FAT, YEL CUTS	279,650	688,466
CHEESE, CHEDDAR WHT	39,950	61,651
CHEESE, CHEDDAR WHT 10	119,850	262,400
CHEESE, CHEDDAR WHT SHRED 6/5	576,000	1,188,388
CHEESE, CHEDDAR YEL	199,751	329,037
CHEESE, CHEDDAR YEL BLK	800,785	1,692,526
CHEESE, CHEDDAR YEL SHRED	4,531,200	9,364,651
CHEESE, CHEDDAR, REDUCED FAT SHRED WHITE	192,000	397,866
CHEESE, CHEDDAR, REDUCED FAT YEL	79,900	166,604
CHEESE, CHEDDAR, REDUCED FAT YEL SHRED	6,873,600	14,503,964
CHEESE, CHEDDAR, WHT CUTS	319,600	761,667
CHEESE, CHEDDAR, YEL CUTS	119,850	274,333
CHEESE, LOAVES	13,266,000	27,430,466
CHEESE, MOZZARELLA, FROZEN	6,854,400	11,957,166
CHEESE, MOZZARELLA, LIGHT, SHREDDED, FROZEN	3,790,080	7,869,114
CHEESE, MOZZARELLA, LOW MOISTURE PART SKIM, UNFROZEN	37,649,967	73,977,809
CHEESE, SLICED WHT	1,188,000	1,924,854
CHEESE, SLICED YEL	8,276,400	13,638,722
CORN, YELLOW, WHOLE DRY KERNELS, TOTE	321,300	55,085
CORNMEAL	214,200	67,519
FLOUR MIX, LOWFAT	77,760	68,989
FLOUR, ALL PURPOSE 40	3,769,920	971,915
FLOUR, ALL PURPOSE 40 UNBL	621,160	199,266
FLOUR, ALL PURPOSE 50	777,600	210,841
FLOUR, ALLPURPOSE 8/5	5,108,680	1,545,197
FLOUR, BAKER HRTH BLCH BAG 100	2,595,240	929,136
FLOUR, BAKERS HARD WHEAT 50	1,598,400	433,095
FLOUR, BAKERS HARD WHEAT, BLCH BULK	18,765,000	4,729,722
FLOUR, BREAD 40	3,657,240	1,067,935
FLOUR, BREAD UNBLCH 40	42,840	11,374

**FOOD AND NUTRITION SERVICE
CHILD NUTRITION PROGRAM**

Quantity and Value of Commodities

Fiscal Year 2011

ENTITLEMENT COMMODITIES	Pounds	Dollars
FLOUR, MASA	172,800	48,207
FLOUR, WHOLE WHEAT 40	3,941,320	1,198,857
FLOUR, WHOLE WHEAT 50	1,561,920	425,004
GRITS	299,880	95,564
MACARONI	800,000	419,827
MACARONI, WHOLE GRAIN	1,400,000	716,199
MILK, UHT, 1% LOW-FAT	114,428	64,912
OATS 25	160,000	59,288
OATS 3	720,576	314,335
OATS 50	168,000	65,113
OIL, SOYBEAN	628,320	592,140
OIL, VEGETABLE	3,769,919	2,637,814
OIL, VEGETABLE BTL 6/1 GAL	4,028,640	3,149,343
OIL, VEGETABLE BTL 48 OZ	374,724	277,408
OIL, VEGETABLE BULK	3,552,000	2,339,152
PANCAKES, WHOLE GRAIN	2,110,594	1,536,958
PEANUT BUTTER	2,919,840	3,226,463
PEANUT BUTTER SMTH DRUM 500	7,560,000	8,925,615
PEANUTS, ROASTED	34,560	67,565
RICE	4,032,000	1,494,666
RICE BROWN	4,620,000	2,675,524
ROTINI	560,000	284,961
ROTINI, WHOLE GRAIN	2,576,000	1,533,604
SPAGHETTI	920,000	462,031
SPAGHETTI, WHOLE GRAIN	2,880,000	1,517,325
SUNFLOWER BUTTER	524,160	842,034
TORTILLAS 1 5 OZ	2,146,500	1,276,553
TORTILLAS, WHOLE GRAIN 8" 12/24 1 5 OZ	1,701,000	1,089,890
Total Section 416 Type	211,144,304	\$283,285,975
Anticipated Adjustment		24,129,434
AMS / FSA / PCIMS Admin Expenses		19,037,686
TOTAL COMMODITY ENTITLEMENT	1,168,169,107	1,278,732,794
BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE:		
CHICKEN, DRUMS/LEGS/THIGHS QTRS	158,200	79,846
CORN LIQUID 10	3,770,211	1,581,425
FIG PIECES	260,080	283,246
FRUIT MIX DRIED	2,693,600	6,986,645
PEACHES CLING SLICED	6,090,336	4,152,774
Total Section 32 Type	12,972,427	13,083,936
BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
NONE		
Total Section 416 Type	0	\$0
Anticipated Adjustment		
TOTAL BONUS COMMODITIES	12,972,427	\$13,083,936
GRAND TOTAL	1,181,141,534	1,291,816,730

Source: PCIMS -- Delivery order and contract information

Bonus figures include Farm Bill and Barter/Seam procurements

* July, August, and September USDA purchased: reduced sodium cheese, no salt added dice tomatoes, and extra light syrup canned fruit

**SCHOOL LUNCH PROGRAM SCHOOLS,
ENROLLMENT AND PARTICIPATION FISCAL
YEAR 2011**

STATE OR TERRITORY	NUMBER OF SCHOOLS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,539	764	592
Alaska-----	442	119	56
Arizona-----	1,739	1,041	666
Arkansas-----	1,192	494	361
California-----	10,364	6,169	3,402
Colorado-----	1,735	826	388
Connecticut-----	1,091	542	314
Delaware-----	232	136	96
District of Columbia-----	221	71	48
Florida-----	3,605	2,710	1,655
Georgia-----	2,353	1,650	1,326
Hawaii-----	295	180	119
Idaho-----	715	261	174
Illinois-----	4,398	1,938	1,177
Indiana-----	2,274	1,567	815
Iowa-----	1,459	533	407
Kansas-----	1,574	524	369
Kentucky-----	1,467	726	560
Louisiana-----	1,568	771	601
Maine-----	648	189	112
Maryland-----	1,589	869	438
Massachusetts-----	2,259	979	559
Michigan-----	3,629	1,646	933
Minnesota-----	2,055	869	641
Mississippi-----	934	509	415
Missouri-----	1,978	867	658
Montana-----	819	147	90
Nebraska-----	976	307	254
Nevada-----	598	451	214
New Hampshire-----	483	194	111
New Jersey-----	2,686	1,305	739
New Mexico-----	819	328	189
New York-----	5,907	2,992	1,861
North Carolina-----	2,538	1,477	960
North Dakota-----	413	102	84
Ohio-----	3,960	1,877	1,156
Oklahoma-----	1,880	663	458
Oregon-----	1,396	584	321
Pennsylvania-----	3,777	1,810	1,177
Rhode Island-----	398	155	81
South Carolina-----	1,178	739	508
South Dakota-----	690	139	109
Tennessee-----	1,776	940	712
Texas-----	8,093	4,894	3,435
Utah-----	887	630	354
Vermont-----	356	91	55
Virginia-----	2,011	1,235	765
Washington-----	2,106	1,053	552
West Virginia-----	764	301	210
Wisconsin-----	2,502	917	607
Wyoming-----	359	88	57
American Samoa-----	0	0	0
Guam-----	46	34	18
Puerto Rico-----	1,779	554	365
Virgin Islands-----	66	20	14
DOD/ Army/AF/USMC/Navy-----	96	54	28
TOTAL-----	100,714	51,029	32,366

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 2011

STATE OR TERRITORY	TOTAL LUNCHES SERVED			
	PAID (000)	REDUCED PRICE (000)	FREE (000)	TOTAL (000)
Alabama-----	30,572	6,444	56,692	93,708
Alaska-----	2,623	887	5,299	8,809
Arizona-----	29,242	8,631	72,368	110,241
Arkansas-----	17,112	6,295	35,922	59,329
California-----	114,771	62,210	405,853	582,834
Colorado-----	25,394	6,253	34,233	65,881
Connecticut-----	24,420	3,926	22,717	51,063
Delaware-----	6,240	867	8,095	15,202
District of Columbia-----	1,509	621	5,810	7,939
Florida-----	62,957	24,129	188,150	275,236
Georgia-----	67,041	15,499	130,932	213,472
Hawaii-----	8,024	2,234	9,236	19,494
Idaho-----	9,900	3,151	13,788	26,838
Illinois-----	61,281	13,185	118,825	193,292
Indiana-----	60,342	11,820	62,873	135,034
Iowa-----	37,129	5,572	23,270	65,970
Kansas-----	25,560	5,895	24,386	55,841
Kentucky-----	32,947	7,198	48,570	88,715
Louisiana-----	29,336	6,506	59,484	95,327
Maine-----	7,544	1,448	9,185	18,177
Maryland-----	26,079	6,634	39,048	71,761
Massachusetts-----	42,929	5,921	40,975	89,825
Michigan-----	48,571	9,966	82,816	141,353
Minnesota-----	55,472	9,309	34,038	98,820
Mississippi-----	13,820	5,249	48,367	67,437
Missouri-----	43,499	8,908	52,624	105,031
Montana-----	6,300	1,577	6,647	14,523
Nebraska-----	20,986	3,847	15,454	40,286
Nevada-----	7,906	3,565	24,087	35,558
New Hampshire-----	11,023	1,294	5,842	18,159
New Jersey-----	48,707	9,803	60,485	118,995
New Mexico-----	8,487	3,654	25,138	37,278
New York-----	98,958	26,746	174,718	300,421
North Carolina-----	48,603	12,492	100,205	161,300
North Dakota-----	8,780	1,040	4,007	13,827
Ohio-----	72,912	13,086	94,427	180,425
Oklahoma-----	21,372	6,906	42,686	70,964
Oregon-----	14,220	4,045	30,297	48,561
Pennsylvania-----	91,168	14,439	85,165	190,772
Rhode Island-----	4,315	1,061	7,899	13,275
South Carolina-----	23,306	5,597	54,273	83,176
South Dakota-----	9,198	1,600	6,793	17,592
Tennessee-----	32,534	7,559	65,455	105,547
Texas-----	143,316	44,025	376,403	563,744
Utah-----	28,970	6,039	23,634	58,644
Vermont-----	4,343	691	3,718	8,753
Virginia-----	57,353	10,041	56,343	123,737
Washington-----	30,307	9,446	50,179	89,932
West Virginia-----	14,117	2,639	16,601	33,357
Wisconsin-----	49,494	6,504	43,639	99,638
Wyoming-----	4,909	1,105	3,371	9,385
Guam-----	500	134	2,073	2,707
Puerto Rico-----	8,317	5,181	37,689	51,187
Virgin Islands-----	499	180	1,655	2,334
DOD Army/AF/USMC/Navy---	2,436	811	882	4,129
TOTAL-----	1,757,651	443,866	3,053,317	5,254,834

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 2011**

STATE OR TERRITORY	NUMBER OF SCHOOLS AND INSTITUTIONS	ENROLLMENT (000)	PEAK PARTICIPATION (000)
Alabama-----	1,458	728	228
Alaska-----	344	96	19
Arizona-----	1,592	993	258
Arkansas-----	1,160	487	163
California-----	8,657	5,564	1,273
Colorado-----	1,528	739	131
Connecticut-----	671	331	84
Delaware-----	225	158	38
District of Columbia-----	214	71	31
Florida-----	3,504	2,672	687
Georgia-----	2,265	1,485	615
Hawaii-----	287	179	40
Idaho-----	672	260	74
Illinois-----	3,264	1,494	356
Indiana-----	2,051	1,439	250
Iowa-----	1,339	511	93
Kansas-----	1,419	474	106
Kentucky-----	1,373	694	258
Louisiana-----	1,474	735	268
Maine-----	603	181	41
Maryland-----	1,509	832	171
Massachusetts-----	1,614	679	148
Michigan-----	3,068	1,442	353
Minnesota-----	1,623	740	166
Mississippi-----	866	459	213
Missouri-----	1,775	816	249
Montana-----	724	131	28
Nebraska-----	745	251	64
Nevada-----	546	425	60
New Hampshire-----	418	169	25
New Jersey-----	1,833	879	189
New Mexico-----	793	323	124
New York-----	5,315	2,698	628
North Carolina-----	2,520	1,452	399
North Dakota-----	354	92	22
Ohio-----	3,164	1,508	411
Oklahoma-----	1,809	642	231
Oregon-----	1,311	567	141
Pennsylvania-----	3,146	1,579	335
Rhode Island-----	380	150	26
South Carolina-----	1,172	737	269
South Dakota-----	559	119	27
Tennessee-----	1,687	896	322
Texas-----	8,106	4,892	1,796
Utah-----	753	536	74
Vermont-----	338	88	22
Virginia-----	1,929	1,197	259
Washington-----	1,949	983	176
West Virginia-----	753	299	100
Wisconsin-----	1,751	713	172
Wyoming-----	296	77	16
Guam-----	42	31	8
Puerto Rico-----	1,779	554	129
Virgin Islands-----	41	17	4
TOTAL-----	88,769	46,265	12,370

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 2011**

STATE OR TERRITORY	TOTAL BREAKFASTS SERVED					TOTAL (000)
	PAID (000)	REDUCED PRICE		FREE		
		REGULAR (000)	SEVERE NEED (000)	REGULAR (000)	SEVERE NEED (000)	
Alabama-----	4,654	256	1,867	1,827	26,827	35,431
Alaska-----	713	17	282	86	2,263	3,361
Arizona-----	6,818	242	2,904	1,742	32,466	44,173
Arkansas-----	3,854	109	2,443	717	19,392	26,515
California-----	24,901	1,065	21,434	6,517	177,578	231,495
Colorado-----	3,978	300	1,995	1,072	13,306	20,650
Connecticut-----	2,272	143	978	794	10,183	14,369
Delaware-----	1,422	67	276	656	3,590	6,011
District of Columbia-----	909	7	395	33	3,794	5,137
Florida-----	16,665	609	7,970	4,193	84,483	113,920
Georgia-----	16,135	737	6,288	5,018	70,427	98,604
Hawaii-----	1,663	163	528	607	3,689	6,650
Idaho-----	2,697	114	1,272	647	6,965	11,695
Illinois-----	7,098	432	3,129	3,413	48,580	62,653
Indiana-----	6,824	587	2,815	3,499	26,282	40,007
Iowa-----	3,944	576	799	2,723	6,933	14,976
Kansas-----	2,672	415	1,362	1,632	9,771	15,852
Kentucky-----	7,748	267	2,827	1,813	27,847	40,502
Louisiana-----	5,909	220	2,289	1,910	31,341	41,670
Maine-----	1,590	150	495	820	3,899	6,954
Maryland-----	6,413	245	2,353	1,609	17,551	28,169
Massachusetts-----	3,977	218	1,545	1,684	17,437	24,860
Michigan-----	9,810	313	2,925	2,992	40,307	56,348
Minnesota-----	6,929	1,187	2,120	3,780	12,818	26,834
Mississippi-----	3,071	41	2,064	417	28,706	34,299
Missouri-----	7,890	451	2,950	2,927	25,863	40,080
Montana-----	989	98	393	355	2,805	4,639
Nebraska-----	2,902	308	753	1,286	5,017	10,265
Nevada-----	1,108	98	948	445	8,418	11,017
New Hampshire-----	1,454	220	85	1,415	1,039	4,213
New Jersey-----	4,766	326	2,295	2,007	23,466	32,861
New Mexico-----	4,173	64	2,056	629	15,883	22,805
New York-----	19,328	1,288	8,021	6,155	73,445	108,236
North Carolina-----	9,318	292	4,116	2,625	48,848	65,199
North Dakota-----	1,425	170	135	750	1,173	3,653
Ohio-----	12,193	531	3,515	4,831	42,164	63,234
Oklahoma-----	6,078	253	2,925	1,420	24,441	35,117
Oregon-----	4,332	84	1,927	543	15,083	21,969
Pennsylvania-----	12,224	1,070	3,015	6,733	32,235	55,278
Rhode Island-----	721	29	304	270	3,509	4,833
South Carolina-----	7,073	145	2,481	1,349	32,767	43,816
South Dakota-----	944	156	249	577	2,627	4,554
Tennessee-----	7,112	241	2,972	2,022	34,916	47,263
Texas-----	44,031	2,171	18,636	15,685	211,384	291,907
Utah-----	2,294	357	871	1,933	6,840	12,295
Vermont-----	959	103	274	457	1,850	3,644
Virginia-----	9,141	677	2,745	4,960	23,964	41,487
Washington-----	4,018	325	3,198	0	20,986	28,526
West Virginia-----	4,690	83	1,173	494	9,354	15,794
Wisconsin-----	6,165	684	1,283	4,573	15,070	27,775
Wyoming-----	772	109	216	422	1,107	2,626
Guam-----	105	1	37	4	1,172	1,320
Puerto Rico-----	2,296	2	1,717	14	15,597	19,626
Virgin Islands-----	161	0	59	0	557	778
DOD Army/AF/USMC/Navy-----	1	2	0	5	0	7
TOTAL-----	331,325	18,819	142,704	116,473	1,428,019	2,037,339

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 2011**

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-----	1,877	49	4,944	1,005	16,696	22,645	4,578	27,223
Alaska-----	585	11	1,824	282	1,364	3,469	1,156	4,625
Arizona-----	3,694	45	5,893	1,320	12,420	19,633	10,979	30,612
Arkansas-----	1,884	55	6,224	1,884	19,279	27,387	4,062	31,448
California-----	21,134	345	17,661	8,219	74,559	100,440	73,745	174,185
Colorado-----	2,447	39	5,106	791	7,959	13,857	5,012	18,868
Connecticut-----	1,278	23	1,700	639	4,848	7,186	3,080	10,266
Delaware-----	971	26	1,639	235	4,612	6,485	2,851	9,336
District of Columbia-----	178	6	753	156	3,599	4,508	145	4,653
Florida-----	5,950	217	21,153	8,568	81,827	111,548	10,081	121,629
Georgia-----	5,312	162	20,642	4,873	44,296	69,811	11,443	81,254
Utah-----	561	11	2,780	320	1,533	4,634	724	5,358
Idaho-----	543	10	1,368	251	1,884	3,503	1,574	5,077
Illinois-----	11,777	146	12,675	3,797	34,276	50,748	37,643	88,391
Indiana-----	3,105	73	6,506	824	12,293	19,623	15,365	34,988
Iowa-----	3,000	42	7,837	691	5,602	14,130	10,245	24,375
Kansas-----	4,360	51	5,344	917	4,925	11,185	15,249	26,434
Kentucky-----	1,579	53	7,159	1,561	14,622	23,342	2,375	25,717
Louisiana-----	7,677	66	3,963	1,121	15,546	20,631	22,062	42,693
Maine-----	1,321	13	845	131	1,341	2,317	5,074	7,391
Maryland-----	4,141	50	4,878	510	12,210	17,597	13,714	31,311
Massachusetts-----	5,805	65	4,549	1,407	16,108	22,064	17,601	39,665
Michigan-----	7,113	93	4,949	432	13,733	19,114	24,903	44,017
Minnesota-----	9,689	100	5,319	582	6,342	12,243	40,523	52,766
Mississippi-----	1,278	48	3,028	965	19,629	23,623	1,317	24,939
Missouri-----	2,814	76	9,258	997	18,213	28,468	8,481	36,949
Montana-----	995	15	1,422	197	2,084	3,703	4,043	7,746
Nebraska-----	3,383	47	5,617	508	6,659	12,784	12,470	25,254
Nevada-----	427	13	939	114	2,472	3,525	521	4,046
New Hampshire-----	323	13	1,472	155	1,520	3,148	704	3,852
New Jersey-----	2,024	79	6,081	2,799	30,494	39,373	1,667	41,041
New Mexico-----	4,301	40	3,076	708	8,181	11,965	9,317	21,283
New York-----	13,554	320	13,641	3,343	61,019	78,003	44,242	122,245
North Carolina-----	4,996	135	19,597	4,729	32,626	56,952	10,740	67,691
North Dakota-----	1,479	18	2,387	101	1,377	3,865	5,730	9,595
Ohio-----	5,972	136	14,400	1,968	32,557	48,925	16,778	65,703
Oklahoma-----	3,173	59	7,163	1,705	20,258	29,126	10,879	40,005
Oregon-----	3,211	53	1,726	165	6,155	8,046	10,384	18,430
Pennsylvania-----	4,782	146	14,608	3,201	37,509	55,318	9,210	64,528
Rhode Island-----	475	10	1,063	233	2,449	3,745	1,398	5,143
South Carolina-----	1,346	38	3,213	528	12,134	15,874	4,026	19,901
South Dakota-----	980	16	2,299	196	1,890	4,386	3,695	8,081
Tennessee-----	2,992	73	6,851	1,202	21,776	29,829	9,355	39,184
Texas-----	11,710	339	41,809	12,426	114,188	168,423	32,654	201,077
Utah-----	2,377	34	2,485	274	3,882	6,640	10,856	17,496
Vermont-----	707	8	609	92	1,018	1,719	1,979	3,698
Virginia-----	3,884	74	10,418	1,232	12,814	24,463	10,868	35,331
Washington-----	4,021	75	8,992	1,165	14,190	24,347	11,028	35,374
West Virginia-----	1,763	23	2,812	366	4,181	7,359	3,373	10,733
Wisconsin-----	3,773	66	9,297	876	11,687	21,860	9,997	31,857
Wyoming-----	581	10	1,258	290	1,229	2,777	2,037	4,814
Guam-----	32	1	180	7	142	330	14	344
Puerto Rico-----	1,537	33	338	215	14,891	15,444	351	15,795
Virgin Islands-----	38	1	55	33	521	609	0	609
TOTAL-----	194,909	3,753	351,804	81,307	909,618	1,342,728	582,297	1,925,026

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 2011

STATE OR TERRITORY	NUMBER OF SITES	PARTICIPATION (JULY) (000)	TOTAL MEALS SERVED (000)
Alabama-----	518	25	1,151
Alaska-----	126	7	259
Arizona-----	386	24	2,008
Arkansas-----	373	22	1,844
California-----	1,675	116	9,459
Colorado-----	318	16	1,136
Connecticut-----	222	11	495
Delaware-----	313	9	792
District of Columbia-----	312	37	1,182
Florida-----	2,696	129	9,676
Georgia-----	1,176	76	3,673
Hawaii-----	76	3	154
Idaho-----	267	22	1,426
Illinois-----	1,594	53	4,268
Indiana-----	1,140	56	2,852
Iowa-----	217	11	691
Kansas-----	214	20	843
Kentucky-----	1,618	40	1,984
Louisiana-----	406	32	3,222
Maine-----	216	9	438
Maryland-----	1,242	55	2,352
Massachusetts-----	841	53	2,907
Michigan-----	1,020	62	2,671
Minnesota-----	505	75	1,965
Mississippi-----	424	28	1,909
Missouri-----	578	34	3,118
Montana-----	178	7	442
Nebraska-----	198	11	887
Nevada-----	117	7	457
New Hampshire-----	120	5	272
New Jersey-----	1,026	49	2,636
New Mexico-----	621	35	1,823
New York-----	2,382	378	19,060
North Carolina-----	974	75	2,601
North Dakota-----	52	3	202
Ohio-----	1,383	61	3,662
Oklahoma-----	277	11	1,082
Oregon-----	714	42	2,013
Pennsylvania-----	1,970	97	5,374
Rhode Island-----	149	7	256
South Carolina-----	848	45	2,089
South Dakota-----	64	5	402
Tennessee-----	1,043	29	2,748
Texas-----	4,339	173	16,210
Utah-----	104	15	690
Vermont-----	137	4	207
Virginia-----	1,620	58	4,779
Washington-----	647	40	1,579
West Virginia-----	495	17	753
Wisconsin-----	569	82	2,078
Wyoming-----	65	4	214
Puerto Rico-----	261	22	4,945
Virgin Islands-----	164	8	331
TOTAL-----	38,990	2,310	140,261

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 2011**

STATE OR TERRITORY	AVERAGE SERVED DAILY			TOTAL SERVED		
	FREE (000)	PAID (000)	TOTAL (000)	FREE (000)	PAID (000)	TOTAL (000)
Alabama-----	0	1	1	2	201	203
Alaska-----	0	0	0	4	31	35
Arizona-----	1	2	3	87	335	422
Arkansas-----	0	0	0	0	9	10
California-----	1	10	11	135	2,165	2,300
Colorado-----	0	4	4	47	643	690
Connecticut-----	1	7	8	154	1,413	1,567
Delaware-----	0	1	1	0	197	197
District of Columbia-----	1	0	1	116	40	156
Florida-----	0	1	1	6	161	167
Georgia-----	0	0	0	0	166	166
Hawaii-----	0	0	0	0	11	11
Idaho-----	0	4	4	24	871	894
Illinois-----	11	74	85	1,803	12,487	14,290
Indiana-----	0	4	4	93	962	1,055
Iowa-----	0	1	1	7	465	472
Kansas-----	0	2	3	63	418	481
Kentucky-----	0	2	2	16	318	334
Louisiana-----	0	1	1	0	176	176
Maine-----	0	0	0	17	157	175
Maryland-----	0	13	13	9	2,141	2,151
Massachusetts-----	0	6	7	83	1,759	1,843
Michigan-----	1	10	11	145	2,441	2,586
Minnesota-----	0	14	14	34	3,885	3,919
Mississippi-----	0	0	0	0	18	18
Missouri-----	0	18	19	95	2,927	3,022
Montana-----	0	0	0	18	63	81
Nebraska-----	0	1	1	9	287	296
Nevada-----	0	0	0	6	593	598
New Hampshire-----	0	2	2	38	926	964
New Jersey-----	1	17	19	237	3,002	3,238
New Mexico-----	0	0	0	1	2	3
New York-----	1	18	19	1,280	3,281	4,561
North Carolina-----	0	4	4	4	1,207	1,212
North Dakota-----	0	0	0	3	204	207
Ohio-----	0	14	14	69	2,706	2,775
Oklahoma-----	0	1	1	0	226	226
Oregon-----	0	3	3	25	647	672
Pennsylvania-----	1	7	8	167	2,854	3,021
Rhode Island-----	0	1	1	38	421	460
South Carolina-----	0	0	0	71	0	71
South Dakota-----	0	1	1	13	296	309
Tennessee-----	0	0	0	82	0	82
Texas-----	0	1	1	35	182	217
Utah-----	0	2	2	5	401	406
Vermont-----	0	1	1	15	435	450
Virginia-----	0	8	8	0	1,376	1,376
Washington-----	0	5	5	6	1,287	1,292
West Virginia-----	0	1	1	15	118	133
Wisconsin-----	1	25	26	179	6,358	6,537
Wyoming-----	0	0	0	0	176	176
Virgin Islands-----	0	0	0	15	0	15
TOTAL-----	23	288	311	5,274	61,442	66,716

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 2011

STATE OR TERRITORY	OUTLETS			TOTAL	OBLIGATIONS (000)
	SCHOOLS	NON-RESIDENTIAL CHILD CARE INSTITUTIONS	SUMMER CAMPS		
Alabama-----	10	0	1	11	\$37
Alaska-----	3	0	0	3	6
Arizona-----	37	0	0	37	78
Arkansas-----	2	0	1	3	2
California-----	126	5	29	160	425
Colorado-----	51	0	6	57	126
Connecticut-----	145	0	12	157	290
Delaware-----	7	0	0	7	35
District of Columbia-----	10	0	0	10	29
Florida-----	3	0	2	5	31
Georgia-----	3	1	5	9	31
Hawaii-----	1	0	0	1	2
Idaho-----	134	43	16	193	165
Illinois-----	645	1	17	663	2,609
Indiana-----	21	0	28	49	196
Iowa-----	52	0	17	69	87
Kansas-----	87	0	4	91	88
Kentucky-----	49	0	0	49	61
Louisiana-----	7	0	0	7	32
Maine-----	36	0	10	46	35
Maryland-----	185	0	5	190	391
Massachusetts-----	100	39	36	175	346
Michigan-----	141	0	2	143	483
Minnesota-----	311	77	75	463	723
Mississippi-----	1	0	0	1	3
Missouri-----	141	0	0	141	553
Montana-----	21	0	3	24	15
Nebraska-----	39	0	7	46	55
Nevada-----	7	14	0	21	109
New Hampshire-----	55	6	29	90	187
New Jersey-----	124	0	5	129	584
New Mexico-----	1	0	0	1	1
New York-----	219	39	91	349	853
North Carolina-----	1	0	14	15	228
North Dakota-----	15	0	11	26	40
Ohio-----	143	0	30	173	510
Oklahoma-----	17	0	1	18	42
Oregon-----	39	3	18	60	125
Pennsylvania-----	178	23	35	236	574
Rhode Island-----	43	6	6	55	88
South Carolina-----	4	0	0	4	14
South Dakota-----	34	5	3	42	58
Tennessee-----	0	0	4	4	16
Texas-----	8	1	3	12	40
Utah-----	48	0	23	71	75
Vermont-----	14	4	140	158	89
Virginia-----	77	0	7	84	250
Washington-----	43	3	12	58	242
West Virginia-----	8	0	4	12	24
Wisconsin-----	393	243	56	692	1,204
Wyoming-----	0	12	7	19	33
Virgin Islands-----	1	0	0	1	2
Anticipated Adjustment-----	0	0	0	0	60
TOTAL-----	3,840	525	775	5,140	\$12,381

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 appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

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), [~~\$6,618,497,000~~] \$7,041,000,000, to remain available through September 30, [2013] 2014; *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, [only the provisions of section 17(h)(10)(B)(iii) shall be effective in fiscal year 2012 (excluding performance bonus payments), for which not less than] \$60,000,000 shall be used for breast-feeding peer counselors and other related activities,
1. \$14,000,000 shall be used for infrastructure, and \$30,000,000 shall be used for management information
 2. systems: [*Provided further*, That funds made available for the purposes specified in section 17(h)(10)(B)(i) and section 17(h)(10)(B)(ii) shall only be made available upon a determination by the Secretary that funds are available to meet caseload requirements without the use of the contingency reserve funds:] *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.

The first change eliminates language restricting use of funds for certain authorized programs; the funding has been restored in FY 2013.

The second change provides funding for the specified items but overrides the amounts specified in the authorizing statute.

The third change eliminates language that imposed a restriction on the use of certain funding; the restriction is not necessary in FY 2013 to ensure that all participants are served.

FOOD AND NUTRITION SERVICE

LEAD-OFF TABULAR STATEMENT
AND SUMMARY OF INCREASES AND DECREASESSPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND
CHILDREN (WIC)

Appropriations Act, 2012	\$6,618,497,000
Budget Estimate, 2013.....	<u>7,041,000,000</u>
Change from 2012 Appropriation.....	<u>+422,503,000</u>

Summary of Increases and Decreases
(On basis of adjusted appropriation)
(Dollars in thousands)

Item of Change	2010 Actual	2011 Change	2012 Change	2013 Change	2013 Estimate
Grants to States for Supplemental Food and Nutrition Services and Admin. Costs	\$7,073,150	-\$492,665	-\$32,988	\$374,503	\$6,922,000
Infrastructure	13,600	-27	-13,573	13,600	13,600
Technical Assistance	400	-1	-399	400	400
Breast feeding Peer Counselors	80,000	-160	-19,840	0	60,000
Management Information Systems	60,000	-25,070	-34,930	30,000	30,000
Program Evaluation & Monitoring	15,000	-30	-9,970	0	5,000
Federal Admin. Oversight & Infrastructure	9,850	-20	-3,830	4,000	10,000
Breast feeding Performance Bonuses	5,000	-5,000	0	0	0
Total Adjusted Appropriation or Change	7,257,000	-522,973	-115,530	422,503	7,041,000
Breast feeding Performance Bonuses	-5,000	5,000	0	0	0
Total Appropriation or Change	7,252,000	-517,973	-115,530	422,503	7,041,000

PROJECT STATEMENT
 (On basis of appropriation)
 (Dollars in thousands)

Project	2010 Actual	SY	2011 Actual	SY	2012 Estimate	SY	Change		2013 Estimate	SY
Grants to States for Supplemental Food and Nutrition Services and Admin. Costs	\$7,073,150		\$6,580,485		\$6,547,497		\$374,503	(1)	\$6,922,000	
Infrastructure Grants	13,600		13,573		0		13,600	(2)	13,600	
Technical Assistance	400		399		0		400	(3)	400	
Breastfeeding Peer Counselors	80,000		79,840		60,000		0		60,000	
Management Information Systems	60,000		34,930		0		30,000	(4)	30,000	
Program Evaluation & Monitoring	15,000		14,970		5,000		0		5,000	
Federal Admin. Oversight	9,850		9,830		6,000		4,000	(5)	10,000	
WIC Contingency	0		0		0		0		0	
Breastfeeding Performance Bonuses <u>1/</u>	5,000		0		0		0		0	
UPC Database (Permanent Approp.)	0		1,000		1,000		0		1,000	
Total Adjusted Appropriation	7,257,000	22	6,735,027	22	6,619,497	23	422,503		7,042,000	23
Rescission	0		13,495		0		0		0	
Breastfeeding Performance Bonuses	-5,000		0		0		0		0	
UPC Database (Permanent Approp.)	0		-1,000		-1,000		0		-1,000	
Total Appropriation	7,252,000	22	6,747,522	22	6,618,497	23	422,503		7,041,000	23

1/ Breastfeeding Performance Bonus funding provided in FY 2010 by Section 749(i)(4) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010.

PROJECT STATEMENT
(On basis of obligations)
(Dollars in thousands)

Project	2010		2011		2012		Change	2013	
	Actual	SY	Actual	SY	Estimate	SY		Estimate	SY
Grants to States for Supplemental Food Nutrition Services and Admin. Costs	\$4,964,906		\$5,121,485		\$5,098,705		\$55,784	\$5,154,489	
Infrastructure Grants	2,084,952		2,001,973		1,992,408		-2,444	1,989,964	
Technical Assistance	7,918		10,253		3,435		10,165	13,600	
Breastfeeding Peer Counselors	393		424		0		400	400	
Management Information Systems	80,126		79,972		60,000		0	60,000	
Program Evaluation & Monitoring	30,202		59,761		4,967		25,033	30,000	
Federal Admin. Oversight	3,186		16,317		14,812		-9,812	5,000	
Breastfeeding Performance Bonuses	3,999		9,280		12,483		-2,483	10,000	
ARRA MIS Funding	5,000		0		0		0	0	
UPC Database (Mandatory Funding)	64,111		0		0		0	0	
UPC Database (Mandatory Funding)	0		185		1,815		-815	1,000	
Total Obligations	7,244,793		7,299,650		7,188,625		75,828	7,264,453	
Recovery of Prior Year Obligations:									
WIC Program	-525,329		-542,897		-142,801		-79,652	-222,453	
Unobligated Balances:									
Available Start of Year									
WIC Program	-8,446		-610,046		-25,512		25,512	0	
Unobligated Balances Rescinded	0		562,000		0		0	0	
WIC Contingency	-125,000		-125,000		-125,000		0	-125,000	
ARRA Funding	-427,638		0		0		0	0	
Available End of Year									
WIC Program	610,046		25,512		0		0	0	
WIC Contingency	125,000		125,000		125,000		0	125,000	
Transfer from 12-3505 1/	0		0		-400,000		400,000	0	
Lapse	47		808		0		0	0	
ARRA transfer to CAP	28,000		0		0		0	0	
ARRA Lapse	335,527		0		0		0	0	
Total Adjusted Appropriation	7,257,000	22	6,735,027	22	6,620,312	23	421,688	7,042,000	23
Rescission	0		13,495		0		0	0	
Breastfeeding Performance Bonuses	-5,000		0		0		0	0	
UPC Database (Less Mandatory Funding)	0		-1,000		-1,815		815	-1,000	
Total Appropriation	7,252,000	22	6,747,522	22	6,618,497	23	422,503	7,041,000	23

1/ FNS has proposed to transfer \$400 million from the SNAP account to WIC contingency in order to support anticipated participation in FY 2012. The transferred funds will be used for Grants to States for supplemental food and NSA costs.

Justification of Increases and Decreases

The FY 2013 request for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) reflects an appropriation increase of \$422,503,000.

- (1) An increase of \$374,503,000 for WIC Grants to States (\$6,547,497,000 available in FY 2012).

Explanation of Change: The funding increase will support benefits for the 9.1 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 \$45.28 in FY 2012 to \$46.50 in FY 2013 (anticipated changes in the Thrifty Food Plan are used to estimate food package inflation). The average administrative cost per person is estimated to decrease from \$18.24 in FY 2012 to \$18.05 in FY 2013.

- (2) An increase of \$13,600,000 for Infrastructure Grants (\$0 available in FY 2012).

Explanation of Change: 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 this line.

- (3) An increase of \$400,000 for Technical Assistance (\$0 available in FY 2012).

Explanation of Change: These funds are used to provide technical assistance to State agencies. This request restores funding to the authorized level for this line.

- (4) An increase of \$30,000,000 for Management Information Systems (\$0 available in FY 2012).

Explanation of Change: This change restores funding for this program. Dedicated funding for 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.

- (5) An increase of \$4,000,000 for Federal Administrative Oversight (\$6,000,000 available in FY 2012).

Explanation of Change: This change will be used to improve Federal oversight of the EBT implementation process. 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. Included is an increase of \$10,000 to fund increased pay costs, which will enable FNS to maintain staffing levels, which are critical to achieving the agency's objectives.

Program Cost and Performance
Summary

Program Performance Data	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Program Expenditures (\$ in millions)					
Grants to States for Supplemental Food	\$4,577.7	\$4,993.7	\$4,896.1	\$179.2	\$5,075.3
Nutrition Services and Administrative Costs	1,929.3	1,986.1	1,972.5	-2.4	1,970.1
Infrastructure Grants	7.9	10.3	3.4	10.2	13.6
Technical Assistance	0.4	0.4	0.0	0.4	0.4
Breastfeeding Peer Counselors	80.1	80.0	60.0	0.0	60.0
Management Information Systems	30.2	59.8	5.0	25.0	30.0
Program Evaluation and Monitoring	3.2	16.3	14.8	-9.8	5.0
Fed. Admin. Oversight	4.0	9.3	12.5	-2.5	10.0
UPC Database	0.0	0.2	1.8	-0.8	1.0
Breastfeeding Performance Bonus	5.0	0.0	0.0	0.0	0.0
ARRA WIC MIS	64.1	0.0	0.0	0.0	0.0
Total Program Expense ^{a/}	6,701.9	7,156.1	6,966.1	199.3	7,165.4
Structural Carryover	542.9	143.6	222.5	-123.4	99.1
Total Obligations	7,244.8	7,299.7	7,188.6	75.9	7,264.5
Average Participation Per Month (in millions)	9.175	8.958	9.014	0.081	9.095
Average Food Cost Per Person Per Month	\$41.44	\$46.70	\$45.28	\$1.22	\$46.50
Average Admin. Cost Per Person Per Month	17.33	18.63	18.24	-0.19	18.05
Total Benefit Costs	\$58.77	\$65.33	\$63.52	\$1.03	\$64.55

a/ 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 on page 30-60 include structural carryover.

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and 2011 Actual and Estimated 2012 and 2013
(Dollars in Thousands)

Women, Infants, and Children--Federal Salaries & Expenses								
	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years	FY 2012 Amount	Staff Years	FY 2013 Amount	Staff Years
California	\$130	2	\$156	1	\$163	1	\$163	1
Colorado	124	1	120	1	125	1	125	1
Georgia	119	1	251	2	263	2	263	2
Illinois	126	2	143	2	149	2	149	2
Massachusetts	122	1	161	1	168	1	168	1
New Jersey	129	1	132	1	132	1	132	1
Texas	157	1	210	1	210	1	210	1
Virginia	8,376	13	8,975	12	10,692	13	10,692	13
Undistributed	81	0	1,756	0	0	0	0	0
TOTAL	9,365	22	11,903	22	11,903	23	11,903	23

Note: Totals may not add due to rounding

FOOD AND NUTRITION SERVICE

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

Classification by Objects

(Dollars in Thousands)

	2010	2011	2012	2013
	Actual	Actual	Estimate	Estimate
Personnel Compensation:				
Washington D.C.....	\$925	\$910	\$920	\$932
Field.....	1,086	1,069	1,079	1,094
11 Total personnel compensation.....	2,011	1,979	1,999	2,026
12 Personnel benefits.....	503	569	575	583
Total personnel comp. and benefits.....	2,515	2,548	2,574	2,609
Other Objects:				
21 Travel and transportation of persons.....	275	126	127	129
22 Transportation of things.....	0	2	2	2
23.2 Rental payments to others.....	5	0	0	0
24 Printing and reproduction.....	119	0	0	0
25 Other Services.....	6,308	2,065	2,088	2,121
26 Supplies and materials.....	50	565	571	580
31 Equipment.....	13	0	0	0
41 Grants.....	7,235,508	7,294,344	7,183,263	7,259,012
Total, Other Objects.....	7,242,277	7,297,102	7,186,051	7,261,844
99.9 Total, new obligations.....	7,244,792	7,299,650	7,188,625	7,264,453

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, 2011, to June 30, 2012, this represented \$41,348 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

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%	26.5%	26.5%	28.6%	29.3%	29.6%	31.7%
51-100%	29.1%	27.4%	28.6%	30.5%	31.2%	32.1%
101-130%	13.7%	13.4%	13.1%	13.4%	13.4%	12.6%
131-150%	7.1%	6.7%	6.2%	6.4%	6.1%	5.6%
151-185%	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	1.8%	1.5%	1.3%	1.3%	1.2%	1.2%
Enrollment in 1 st Trimester	47.7%	48.4%	50.7%	51.2%	50.6%	51.6%
Enrollment in 2 nd Trimester	39.0%	39.8%	38.4%	37.9%	37.4%	35.4%

Source: WIC Participant and Program Characteristics reports 2000-2010

Note: 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.

Program Participation and Costs

Average Monthly Participation (In Thousands) Women	2006	2007	2008	2009	2010	2011
Infants	2,023.3	2,093.3	2,153.2	2,182.4	2,137.9	2,096.2
Children <5	2,076.2	2,165.6	2,222.5	2,224.2	2,173.1	2,102.9
	3,988.5	4,026.4	4,328.8	4,715.1	4,864.0	4,759.2
Total	8,088.0	8,285.2	8,704.5	9,121.7	9,175.0	8,958.3
Change from Prior Year	0.8%	2.4%	5.1%	4.8%	0.6%	-2.4%
Food Cost Total (Million \$)	\$3,598	\$3,880	\$4,534	\$4,641	\$4,563	\$5,021
Avg./Person/Month	\$37.07	\$39.03	\$43.41	\$42.40	\$41.44	\$46.70
Change in Per Person Food Cost	-0.9%	5.3%	11.2%	-2.3%	-2.3%	12.7%
Per Person Per Month Total (Food/Admin.) Cost	\$51.52	\$53.91	\$58.81	\$58.73	\$58.77	\$65.33

Source: Program Information Report, September 30, 2011. Actual totals may be received in future reporting periods.
National Data Bank, KD21 US FY 2011.

Reauthorization of the WIC Program

The Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) reauthorized the WIC Program through 2015. Major provisions of the Act affecting the WIC program include: (1) allowing states the option to income certify children for one year; (2) requiring an 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 provisions related to EBT for WIC in FY 2012.

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.

FNS provided extensive guidance and technical assistance to assist WIC State agencies in implementing the new WIC food packages. FNS provided training for WIC staff at FNS Regional Office meetings, and worked with the National WIC Association to train staff during conferences and national State-wide conference calls. FNS developed a *Frequently Asked Questions* factsheet to assist State agencies throughout the implementation period, and created guidance and conducted trainings related to new breastfeeding provisions of the interim rule.

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. FNS has reviewed and analyzed the comments received and developed a final rule which is expected to be issued in FY 2012.

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 1/6 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 post partum 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. During FY 2011, FNS prepared new nutrition education materials for publication and dissemination on early infant feeding recommendations entitled, "Feeding Your Baby in the First Year" in English and Spanish, as well as an outreach brochure entitled, "WIC Makes A Difference."

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 4.0 million hits in FY 2011 and launched two topics: WIC 101, an overview of the goals, mission and services of the WIC Program, and Breastfeeding Basics, an overview of the breastfeeding promotion and support service offered in the WIC Program. Additionally, the WIC Infant Formula Calculator was completed and posted to the Web site. The WIC Infant Formula Calculator is a Web-based tool developed to help WIC State Agencies determine infant formula issuance amounts consistent with WIC regulations.

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 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. State agencies are now implementing plans that institutionalize peer counseling as a core service in WIC. In FY 2011, 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. In FY 2011, Congress provided a total of \$79.8 million for breastfeeding peer counselors, of which amount FNS awarded \$69.84 million in grants for breastfeeding peer counseling.

In addition, \$10 million of the \$79.8 million provided was allocated for breastfeeding performance bonus awards, as authorized by Section 14(h)(10)(B)(iii) of the Child Nutrition Act, for WIC State agencies with the most improved and highest breastfeeding rates among WIC participants. These awards recognize and reward State agencies demonstrating successful breastfeeding promotion and support efforts, and build on the WIC Program's longstanding efforts to promote breastfeeding as the optimal feeding method. Fifteen State agencies received breastfeeding performance bonuses; nine State agencies were recognized for greatest improvement, and six State agencies were recognized for having the highest breastfeeding rates (the tables below list the State agencies that received bonus awards in FY 2010 and FY 2011). Although the awards could be used broadly for activities furthering the objectives of the WIC Program, many awardees used their funding for breastfeeding related activities (i.e., breastfeeding promotion campaigns, staff training, breastfeeding incentives, etc.).

FY 2010 WIC Breastfeeding Performance Bonus Awards	
Greatest Improvement in Breastfeeding Rates	
State Agency	Bonus Amount
Louisiana	\$259,710
Missouri	291,191
Nevada	129,331
Texas	1,744,709
New Hampshire	50,000
Commonwealth of the Northern Mariana Islands	5,000
Osage Nation, Oklahoma	5,059
Ute Mountain Tribe, Colorado	5,000
Pleasant Point, Maine	5,000
Omaha Nation, Nebraska	5,000
Highest Breastfeeding Rates	
State Agency	Bonus Amount
Alaska	\$72,515
New York	1,600,268
Oregon	311,463
Navajo Nation, Arizona	50,000
Washington	415,512
Virgin Islands	19,703
American Samoa	15,539
Five Sandoval, New Mexico	5,000
Santo Domingo Tribe, New Mexico	5,000
Pueblo of Zuni, New Mexico	5,000

FY 2011 WIC Breastfeeding Performance Bonus Awards	
Greatest Improvement in Breastfeeding Rates	
State Agency	Bonus Amount
Georgia	\$969,410
Guam	50,000
Montana	67,067
South Carolina	412,386
Texas	3,419,150
Utah	249,248
Pennsylvania	822,739
Santee Sioux Nation, Nebraska	5,000
Eight Northern Indian Pueblos Inc., New Mexico	5,000
Highest Breastfeeding Rates	
State Agency	Bonus Amount
Idaho	\$1,113,481
Vermont	308,292
Oregon	2,548,996
Santo Domingo Tribe, New Mexico	5,000
Five Sandoval Indian Pueblo, New Mexico	8,077
Pueblo of Zuni, New Mexico	16,154

FNS contracted with the National Academy of Sciences' Institute of Medicine (IOM) to conduct a workshop on updating 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. On April 26, 2011, the IOM hosted a workshop bringing together experts from various disciplines to discuss what has changed since the initial launch of the *Loving Support* campaign, lessons learned from other public health campaigns, and suggestions on how to improve the campaign in the future. The report, *Updating the USDA National Breastfeeding Campaign: Workshop Summary*, summarizes the workshop discussion and is now available at <http://iom.edu/Reports.aspx>.

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. FNS coordinated a meeting of the BPC in August 2011 -- in conjunction with the meeting of the United States Breastfeeding Committee -- which FNS attended as the government liaison. 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 recently released 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.

Cost Containment Initiatives

In an effort to use food grants more efficiently, all geographic WIC State agencies and most ITOs 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 21 years. The average monthly food

cost has increased by approximately 37 percent since FY 1990, while general food inflation, as measured by the Thrifty Food Plan (TFP), has increased by 78.4 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 2011, State-reported rebate savings of \$1.3 billion, which is approximately \$400 million less than the reported FY 2010 rebate savings. This change is due to a decrease in fully formula-fed infant participants and to changes in the way State agencies report rebate payments. Beginning October 1, 2011, the Healthy, Hunger-Free Kids Act of 2010 (P. L. 111-296), requires State agencies to report rebate payments from manufacturers on the FNS-798 Financial Management and Participation Report in the month in which the payments are received. Previously, rebates were reported in the month the rebate was earned. While this change does not affect how rebates are earned and billed on rebate invoices to manufacturers, reported food costs per person per month will be affected until the change is fully implemented in FY 2012. Approximately 81 percent (39) of the geographic State agencies (excluding Mississippi and Vermont) received a 90 to 95 percent discount on the wholesale cost of a 13-ounce can of milk-based liquid concentrate infant formula. Most of the remaining geographic State agencies (8) received discounts ranging from 82 to 89 percent, and one received a discount of 70 percent. Five geographic State agencies implemented contracts for FY 2011 with discounts ranging from 88 to 91 percent, with a median discount of 89 percent. To date, eight geographic State agencies awarded contracts for FY 2012 with discounts ranging from 89 to 93 percent, with a median discount of 89 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 2011.

WIC Prescreening Tool

In FY 2011, FNS developed and launched a web-based tool 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 was created in collaboration with representatives from 10 State agencies, including two Indian Tribal Organizations (ITOs). It is currently available in English, Spanish, and Chinese (traditional). More languages are expected to be added in the near future.

The WIC Prescreening Tool is accessible to all internet users via the “Am I Eligible?” links on the WIC homepage. The Tool, which was launched in September, is accessed approximately 3,000 times per day.

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.

FY 2011 was the eighth 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 to seven State agencies to transfer the SPIRIT system (Arkansas, Missouri, Montana, Maine, Alaska, Minnesota and Mississippi).

The MPSC system has been successfully implemented in Colorado and Utah. Wyoming is currently enhancing the system to fully support EBT and plans to implement in the summer/fall of 2012. The Crossroads system is undergoing testing over the next few months and pilot operations are expected to begin in the summer of 2012.

Electronic Benefit Transfer (EBT)

State-of-the-art, robust MISs are needed to support EBT implementation. To achieve this, as noted above, FNS is supporting the development of SAM systems and the transfer of those systems to State agencies in need of a new MIS. The implementation of SAM systems provides the technology infrastructure needed to support EBT. Concurrently, 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 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.

In addition, in FY 2011, FNS continued its efforts 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 it 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. FNS is therefore 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. FNS has further defined the database requirements and anticipates that a contract will be awarded in the second quarter of FY 2012 to move forward with system redesign and enhancements.

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-nine 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, Colorado, Connecticut, Delaware, District of Columbia, Florida, Illinois, Indiana, Iowa, Maine, Maryland (with the Virgin Islands), Massachusetts, Missouri, 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; Osage; Otoe-Missouria; and the Wichita, Caddo, and Delaware Tribe), Puerto Rico, Rhode Island, South Dakota, Vermont and Washington.

Seven WIC State agencies (Arkansas, Montana, Oklahoma, Oregon, Pennsylvania, Virginia, and West Virginia) are currently implementing EBT. One State agency, Wisconsin, has completed all planning activities but has not yet begun implementation.

Dietary 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 issued to all WIC State agencies to assist them in implementing VENA by FY 2010. The Guidance identifies nutrition assessment staff competencies and methods to enhance the delivery of individualized nutrition education and counseling. All WIC State agencies have implemented VENA; State agencies continue to provide ongoing training to local agency staffs to ensure compliance with VENA. 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.

Policy Memorandum on Nutrition Risk Eligibility: In FY 2011, FNS launched a Partner Web to make the WIC nutritional risk criteria more easily accessible by WIC State agencies. In addition, FNS issued WIC Nutrition Risk Policy Memorandum #2011-5. The policy memorandum describes nutrition risk eligibility in WIC, and explains the requirements of the use and management of the FNS-issued nutrition risk criteria by WIC State agencies. It reinforces that State agencies must use the FNS criteria as a part of the certification process, and outlines the process for updating and revising the criteria and related information.

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
<i>Full Grants</i>	
Massachusetts	\$286,190
<i>Concept Paper</i>	
Connecticut	\$24,500
Vermont	\$24,500
Virginia	\$24,500

WIC Studies and Evaluations

The following study reports were released by FNS in FY 2011 and may be found on the FNS Web site at <http://www.fns.usda.gov/ora>.

WIC Food Packages Policy Options Study – June 2011: The interim final rule revising the WIC food packages was implemented by State WIC agencies as of October 2009. Implementation required a complex set of policy decisions by each State regarding specific foods, food brands and package sizes, vendor minimum stock requirements, and other administrative choices available to the States under the rule. This study describes some of the choices State agencies made as they exercised the flexibility offered during the implementation and describes the resulting food packages.

Health Impacts of WIC - Planning a WIC Research Agenda – January 2011: FNS contracted with the Institute of Medicine (IOM) and convened a 2-day workshop which discussed WIC research needs in light of Program changes that have occurred over the years (e.g., food package, demographics, obesity epidemic) in the summer of 2010. An ad hoc committee planned and conducted the workshop, defined the specific topics to be addressed, developed the agenda and selected and invited speakers and participants.

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM (WIC)
PARTICIPATION AND PROGRAM FINANCING FISCAL
YEAR 2011**

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION				PROGRAM GRANT 2/ (000)
	WOMEN	INFANTS	CHILDREN	TOTAL	
Alabama-----	32,408	36,078	75,281	143,768	\$120,798
Alaska-----	6,258	6,209	13,828	26,295	26,426
Arizona 1/-----	45,686	48,052	105,490	199,229	151,094
Arkansas-----	23,493	24,402	45,505	93,400	74,733
California-----	331,126	294,319	841,025	1,466,470	1,251,415
Colorado 1/-----	23,976	25,512	54,640	104,129	75,870
Connecticut-----	11,913	13,982	30,189	56,083	51,290
Delaware-----	4,636	5,671	12,239	22,546	17,714
District of Columbia-----	4,157	4,754	7,599	16,510	15,022
Florida-----	120,753	117,463	253,691	491,907	368,721
Georgia-----	73,019	71,925	160,190	305,133	293,225
Hawaii-----	8,639	8,535	19,579	36,753	34,725
Idaho-----	10,018	9,987	24,015	44,020	31,207
Illinois-----	68,831	78,999	147,579	295,409	242,514
Indiana-----	39,641	42,204	85,897	167,742	121,950
Iowa-----	16,138	16,631	38,163	70,931	50,329
Kansas-----	16,954	18,783	39,475	75,212	53,386
Kentucky-----	30,875	40,130	70,609	141,614	116,914
Louisiana-----	35,876	39,721	74,454	150,051	126,233
Maine 1/-----	5,664	5,659	14,935	26,259	19,623
Maryland-----	35,864	35,815	75,742	147,421	112,679
Massachusetts-----	27,775	27,433	63,992	119,201	91,424
Michigan-----	57,007	63,535	132,162	252,705	194,280
Minnesota-----	29,249	28,743	73,102	131,094	104,578
Mississippi 1/-----	19,610	26,470	51,197	97,277	92,307
Missouri-----	35,725	37,793	71,860	145,378	100,200
Montana-----	4,607	4,627	10,929	20,163	15,994
Nebraska 1/-----	9,527	10,070	23,967	43,563	34,925
Nevada 1/-----	17,392	17,865	40,434	75,691	52,255
New Hampshire-----	3,872	4,355	8,821	17,048	12,434
New Jersey-----	38,448	37,766	92,247	168,461	143,770
New Mexico 1/-----	15,005	15,021	34,255	64,280	49,388
New York 1/-----	125,807	121,226	265,328	512,361	464,662
North Carolina 1/-----	61,137	65,265	139,944	266,346	205,589
North Dakota 1/-----	3,227	3,406	7,435	14,068	13,479
Ohio-----	63,463	69,770	147,695	280,928	188,668
Oklahoma 1/-----	30,165	30,529	66,229	126,923	97,010
Oregon-----	25,902	23,632	62,000	111,534	78,994
Pennsylvania-----	57,933	63,106	136,673	257,713	217,425
Rhode Island-----	5,200	5,500	13,795	24,495	20,944
South Carolina-----	33,550	35,237	61,859	130,647	101,197
South Dakota 1/-----	4,975	5,356	12,264	22,595	19,001
Tennessee-----	41,151	43,166	77,260	161,578	126,150
Texas-----	250,169	233,778	509,551	993,498	589,360
Utah-----	18,126	17,156	37,767	73,049	51,351
Vermont-----	3,339	2,867	9,707	15,913	13,767
Virginia-----	38,900	38,298	78,887	156,085	104,549
Washington-----	44,381	38,134	110,067	192,581	155,043
West Virginia-----	11,541	11,668	25,908	49,117	39,712
Wisconsin-----	27,178	28,051	66,155	121,384	96,213
Wyoming 1/-----	3,161	3,213	6,682	13,057	9,726
American Samoa-----	1,323	1,092	4,189	6,604	8,014
Guam-----	1,595	1,793	4,072	7,460	9,108
North Mariana Island-----	966	812	3,012	4,790	5,846
Puerto Rico-----	37,738	40,186	116,692	194,615	249,533
Virgin Islands-----	1,139	1,148	2,927	5,213	7,953
Anticipated adjustment-----					2,742
TOTAL-----	2,096,209	2,102,899	4,759,186	8,958,294	\$7,123,458

1/ Includes Indian Tribal Organizations

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

FOOD AND NUTRITION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Supplemental Nutrition Assistance Program:

For necessary expenses to carry out the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), [~~\$80,401,722,000~~] \$81,995,293,000, of which [~~\$3,000,000,000~~] \$5,000,000,000, to remain available through September 30, [2013] 2014, 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, [~~\$1,000,000~~] \$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 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 Employment and Training 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 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.

The change restores funding for the Center for Nutrition Policy and Promotion (CNPP) that was eliminated in the FY 2012 appropriations act.

FOOD AND NUTRITION SERVICE
LEAD-OFF TABULAR STATEMENT
AND SUMMARY OF INCREASES AND DECREASES

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – CURRENT LAW

Appropriations Act, 2012 a/.....	\$80,401,722,000
Budget Estimate, 2013 a/.....	<u>81,995,293,000</u>
Change from 2012 Appropriation.....	<u>+1,593,571,000</u>

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) – PROPOSED LEGISLATION

Budget Estimate, Current Law, 2013 a/.....	\$81,995,293,000
Change due to proposed legislation	<u>+369,211,000</u>
Net Request, President's 2013 Budget Request.....	<u>82,364,504,000</u>

a/ Excludes \$8,206,590,000 in FY 2012 and \$5,376,457,000 in FY 2013 provided by the ARRA.

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

Item of Change	2010 Actual	2011 Change	2012 Change	2013 Change	2013 Estimate
Benefit Costs	\$49,616,620	\$11,384,399	\$9,523,629	-\$639,839	\$69,884,809
ARRA -- Benefits	10,376,281	1,639,019	-3,974,477	-2,766,068	5,274,755
Contingency Reserve	3,000,000	0	0	2,000,000	5,000,000
Administrative Costs:					0
State Administrative Costs	3,043,000	575,000	124,000	124,855	3,866,855
ARRA -- Administrative Costs	150,000	-150,000	0	0	0
Nutrition Ed. and Obesity Prevention Grant	0	375,000	13,000	8,000	396,000
Administrative Costs 100%	400,000	-400,000	0	0	0
Employment and Training	380,902	7,044	9,172	9,188	406,306
Mandatory Other Program Costs	98,850	11,837	9,290	20,146	140,123
Discretionary Other Program Costs	2,500	-4	-1,496	1,496	2,496
Total Administrative Costs	4,075,252	418,877	153,966	163,685	4,811,780
Nutrition Assistance for Puerto Rico	1,746,351	-1,746	90,859	63,808	1,899,272
ARRA -- NAP	254,217	1,746	-90,859	-63,808	101,296
American Samoa	7,013	-7	365	257	7,628
ARRA -- American Samoa Benefits	1,021	7	-365	-257	406
Food Distribution Program on Indian	112,797	-15,839	5,788	-2,590	100,156
TEFAP Commodities	248,000	-500	12,750	9,250	269,500
Commonwealth of the Northern Mariana	12,148	0	1,000	-1,000	12,148
Community Food Project	5,000	0	0	0	5,000
Program Access	5,000	0	0	0	5,000
Total Adjusted Appropriation	69,459,700	13,425,956	5,722,656	-1,236,562	87,371,750
SAE 100% DOD Supplemental	-400,000	400,000	0	0	0
ARRA Funding	-10,781,519	-1,490,772	4,065,701	2,830,133	-5,376,457
Rescission	0	97	-97	0	0
Total Appropriation or Change	58,278,181	12,335,281	9,788,260	1,593,571	81,995,293

PROJECT STATEMENT
(On basis of appropriations)
(Dollars in thousands)

Project	2010		2011		2012		Change	2013	
	Actual	SY	Actual	SY	Estimate	SY		Estimate	SY
Benefits:	\$49,616,620		\$61,001,019		\$70,524,648		-\$639,839	(1)	\$69,884,809
ARRA -- Benefits	10,376,281		12,015,300		8,040,823		-2,766,068		5,274,755
State Administrative Costs	3,043,000		3,618,000		3,742,000		124,855	(2)	3,866,855
ARRA -- Administrative Costs	150,000		0		0				0
Nutrition Ed & Obesity Prevention Grant Prog	0		375,000		388,000		8,000	(3)	396,000
Administrative Costs 100%	400,000		0		0				0
Employment and Training:									
Federal Funds 100%	110,000		110,000		110,000		0		110,000
Federal Funds 50%	200,108		205,311		212,086		6,787		218,873
Participant Costs 50%	70,794		72,635		75,032		2,401		77,433
Subtotal, Employment and Training	380,902		387,946		397,118		9,188	(4)	406,306
Mandatory Other Program Costs:									
Benefit & Retailer Redemption and Monitoring	19,396		28,951		29,327		3,411		32,738
Certification of SSI Recipients for SNAP	18,000		20,375		20,772		436		21,208
Payment Accuracy and Cooperative Services	8,163		8,150		8,225		2,771		10,996
Web-Based Automation of Systems	0		0		7,500		0		7,500
Retailer Integrity and Trafficking	8,128		8,116		8,151		4,213		12,364
Computer Support	7,474		7,463		7,474		2,120		9,594
Electronic Benefit Transfer Systems	5,587		5,579		9,641		2,781		12,422
Nutrition Education and Program Information	10,026		10,011		11,887		2,230		14,117
Program Evaluation and Modernization	11,500		11,482		11,500		2,184		13,684
Increase Seniors Participation	10,576		10,560		0		0		0
FMMI	0		0		3,500		0		3,500
IT Modernization and Support	0		0		2,000		0		2,000
Subtotal, Mandatory Other Program Costs	98,850		110,687		119,977		20,146		140,123
Discretionary Other Program Costs:									
Center for Nutrition Policy and Promotion	1,500		1,498		0		1,498		1,498
FDPIR Nutrition Education	1,000		998		1,000		-2		998
Subtotal, Discretionary Other Program Costs	2,500		2,496		1,000		1,496		2,496
Total, Other Program Costs	101,350	112	113,183	125	120,977	166	21,642	(5)	142,619
Total, Administrative Costs	4,075,252	112	4,494,129	125	4,648,095	166	163,685		4,811,780
Contingency Reserve	3,000,000		3,000,000		3,000,000		2,000,000		5,000,000
Subtotal, Supplemental Nutrition Assistance Program	67,068,153	112	80,510,448	125	86,213,566	166	-1,242,222		84,971,344
Nutrition Assistance for Puerto Rico	1,746,351		1,744,605		1,835,464		63,808	(6)	1,899,272
ARRA -- Benefits NAP	254,217		255,963		165,104		-63,808		101,296
Subtotal, NAP	2,000,568		2,000,568		2,000,568		0		2,000,568
American Samoa	7,013		7,006		7,371		257	(7)	7,628
ARRA -- American Samoa Benefits	1,021		1,028		663		-257		406
Subtotal, American Samoa	8,034		8,034		8,034		0		8,034
Food Distribution Program on Indian Reservations:									
USDA Foods in lieu of SNAP	75,878		59,818		64,938		-3,611		61,327
Distributing Agencies Expenses and Nut Ed	36,919		37,140		37,808		1,021		38,829
Subtotal, FDPIR	112,797		96,958		102,746		-2,590	(8)	100,156
TEFAP	248,000		247,500		260,250		9,250	(9)	269,500
Commonwealth of the Northern Mariana Islands	12,148		12,148		13,148		-1,000	(10)	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	69,459,700	112	82,885,656	125	88,608,312	166	-1,236,562		87,371,750
SAE 100% DOD Supplemental	-400,000		0		0		0		0
ARRA Funding	-10,781,519		-12,272,291		-8,206,590		2,830,133		-5,376,457
Rescission	0		97		0		0		0
Total Appropriation	58,278,181	112	70,613,462	125	80,401,722	166	1,593,571		81,995,293
Proposed Legislation			0		0		369,211		369,211
Total Appropriation	58,278,181	112	70,613,462	125	80,401,722	166	1,962,782		82,364,504

PROJECT STATEMENT
(On basis of obligations)
(Dollars in thousands)

Project	2010		2011		2012		2013	
	Actual		Actual	SY	Estimate	SY	Estimate	SY
Benefits:	\$54,042,200		\$59,869,591		\$70,389,648		\$69,939,809	
ARRA -- Benefits	10,613,853		11,895,896		8,040,823		5,274,755	
Administrative Costs	3,099,186		2,940,169		3,742,000		3,866,855	
ARRA -- Administrative Costs	150,000		0		0		0	
Nutrition Ed & Obesity Prevention Grant Prog	0		375,000		388,000		396,000	
Administrative Costs 100%	239,511		192,194		0		0	
Employment and Training:								
Federal Funds 100%	109,162		110,378		114,500		109,974	
Federal Funds 50%	169,742		177,894		212,086		218,873	
Participant Costs 50%	65,477		65,758		75,032		77,433	
Subtotal, Employment and Training	344,381		354,030		401,618		406,280	
Mandatory Other Program Costs:								
Benefit & Retailer Redemption and Monitoring	19,396		31,276		29,327		32,738	
Certification of SSI Recipients for SNAP	17,706		17,398		20,772		21,208	
Payment Accuracy and Cooperative Services	8,070		7,908		8,225		10,996	
Web-Based Automation of Systems	0		0		7,500		7,500	
Retailer Integrity and Trafficking	8,029		8,715		8,151		12,364	
Computer Support	7,474		7,459		7,474		9,594	
Electronic Benefit Transfer Systems	5,452		5,534		9,641		12,422	
Nutrition Education and Program Information	9,844		9,903		11,887		14,117	
Program Evaluation and Modernization	10,728		11,097		11,500		13,684	
Increase Seniors Participation	5,851		0		0		0	
FMMI	0		0		3,500		3,500	
IT Modernization and Support	0		0		2,000		2,000	
Subtotal, Mandatory Other Program Costs	92,550		99,290		119,977		140,123	
Discretionary Other Program Costs:								
Center for Nutrition Policy and Promotion	1,500		1,498		0		1,498	
FDPIR Nutrition Education	1,000		998		1,000		998	
Subtotal, Discretionary Other Program Costs	2,500		2,496		1,000		2,496	
Total, Other Program Costs	95,050		101,786		120,977		142,619	
Total, Administrative Costs	3,928,128		3,963,179		4,652,595		4,811,754	
Subtotal, SNAP	68,584,181	112	75,728,666	125	83,083,066	166	80,026,318	166
Nutrition Assistance for Puerto Rico	1,746,351		1,744,605		1,835,464		1,899,272	
ARRA -- Benefits NAP	254,217		255,963		165,104		-63,808	
Subtotal, NAP	2,000,568		2,000,568		2,000,568		2,000,568	
American Samoa	5,204		6,562		7,371		7,628	
ARRA -- American Samoa Benefits	1,021		1,028		663		-257	
Subtotal, American Samoa	6,225		7,590		8,034		8,034	
USDA Foods in Lieu of SNAP	75,866		59,557		64,938		61,327	
Distributing Agencies Expenses and Nut Ed	36,890		37,365		37,808		38,829	
ARRA -- Equipment	1,367		0		0		0	
Subtotal, FDPIR	114,123		96,922		102,746		100,156	
TEFAP ^{1/}	247,994		247,471		260,250		269,500	
Commonwealth of the Northern Mariana Islands	12,148		12,148		13,148		12,148	
Community Food Project	5,000		5,000		5,000		5,000	
Health and Nutrition Pilot Projects	16,220		77		3,653		0	
Program Access	5,000		5,000		5,000		5,000	
Total Obligations	70,991,459	112	78,103,442	125	85,481,465	166	82,426,724	166
Recoveries	-14,187		-63,405		0		0	
Unobligated Balance Start of Year	-3,534,734		-1,608,646		-3,029,124		-2,799,971	
Unobligated Balance End of Year	1,608,646		3,029,124		2,799,971		5,009,997	
Balance Lapsing	446,559		3,465,803		3,000,000		2,790,000	
Rescission Employment & Training Funds ^{2/}	11,000		15,000		11,000		-11,000	
Transfer to WIC ^{3/}	0		0		400,000		-400,000	
Collections from Reimbursable Obligations	-49,043		-55,662		-55,000		0	
Total Adjusted Appropriation	69,459,700	112	82,885,656	125	88,608,312	166	87,371,750	166
SAE 100% DOD Supplemental	-400,000							
ARRA Funds	-10,781,519		-12,272,291		-8,206,590		-5,376,457	
Rescission			97		0		0	
Total Appropriation	58,278,181	112	70,613,462	125	80,401,722	166	81,995,293	166
Proposed Legislation			0		0		369,211	
Total Available	58,278,181	112	70,613,462	125	80,401,722	166	82,364,504	166

- 1/ Up to 10 percent of the funding provided for The Emergency Food Assistance Program (TEFAP) for the procurement of commodities is permitted to be used for TEFAP administrative costs.
- 2/ Appropriated Employment & Training funds are adjusted to reflect the following rescissions of unobligated balances: FY 2010 \$11,000,000 pursuant to Title VII, Section 742 of P.L. 111-80, FY 2011 \$15,000,000 pursuant to Title II, Section 1282 of P.L. 112-10, and FY 2012 \$11,000,000 pursuant to Division A, Title VII, Section 723 of P.L. 112-55.
- 3/ FNS has proposed to transfer \$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 2013 request for SNAP reflects an increase of \$1,593,571,000 (not including changes resulting from ARRA adjustments).

- (1) A decrease of \$639,839,000 for Benefit Costs (\$70,524,648,000 available in FY 2012).

Explanation of Change. In FY 2013, overall participation is estimated to decrease to an average level of 46.91 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. Under ARRA, the maximum allotment per month for a four-person household is required to be maintained at a level of \$668.00, which also increases the average benefit per person. ARRA funds are available to cover the difference between the average benefit that would be provided in the absence of ARRA and this increased benefit level. In FY 2013, the proportion of ARRA funding for the overall benefit level is decreasing due to an increase in the TFP, but the overall benefit level is also lower because of the anticipated decrease in participation.

In noted above, ARRA continues to provide funding to maintain the maximum allotment per month for a four-person household at \$668.00. Average benefits per person per month, including ARRA funding, are estimated to be about \$133.62 in FY 2013.

A comparison of key program performance and cost indicators for FY 2010 through 2013 is presented below:

Program Performance Cost Indicators				
Program Performance Indicators	2010 Actual	2011 Actual	2012 Estimate	2013 Estimate
Average participation per month (000)	40,302	44,712	47,145	46,908
Average unemployment rate (percent)	9.8	9.2	9.0	8.7
Thrifty Food Plan (TFP) ^{1/}	\$583.40	\$612.70	\$634.00	\$646.30
Maximum Allotment (4 person hh) based on the TFP	\$583.00	\$612.00	\$634.00	\$646.00
Maximum Allotment (4 person hh) – beginning April 1, 2009	\$668.00	\$668.00	\$668.00	\$668.00
Overall average benefit per person per month including 13.6 percent ARRA increase above the TFP (P.L. 111-5)	\$133.79	\$133.84	\$133.62	\$133.62

^{1/} TFP estimates are based on the economic assumptions provided by OMB for the PB 2013. The actual June 30, 2011 TFP is \$611.70 rather than \$612.70 used for PB 2013.

Because the SNAP statute 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 their 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.

Estimated erroneous benefits through FY 2013:

	2010 Actual	2011 Target	2012 Target	2013 Target
Amount of Overpayments (\$ millions)	\$1,534	\$2,189	\$2,384	\$2,287
Overpayment Error Rate (percent)	3.05	3.05	3.05	3.04
Amount of Underpayments (\$ millions)	\$377	\$545	\$588	\$564
Underpayment Error Rate (percent)	0.75	0.75	0.75	0.75
Total Benefits Over/Under Issued in Error (\$ millions)	\$1,911	\$2,734	\$2,980	\$2,851
Total Error Rate (percent) ^{1/}	3.81	3.81	3.80	3.79
Amount of Combined Errors Offset (\$ millions)	\$1,157	\$1,643	\$1,804	\$1,722

^{1/} These targets may be adjusted in consideration of program growth, state budget constraints, and other related factors.

(2) An increase of \$124,855,000 for State Administrative Expenses (SAE) (\$3,742,000,000 available in FY 2012).

Explanation of Change. The FY 2013 estimate of \$3,866,855,000 for SAE is based on requested State budgets for FY 2012, adjusted for program performance and inflation. The offset for SNAP obligations, which is funded from Temporary Assistance for Needy Families (TANF) and mandated by the Agriculture Research Act, is added and new performance bonus payments are deducted. The resulting FY 2012 base of \$3.891 billion is inflated by the State and local purchase deflator through FY 2013, the TANF offset is deducted and the estimated new performance bonus payments are added to estimate the SAE in FY 2013.

(3) An increase of \$8,000,000 for the Nutrition Education Grant Program (\$388,000,000 available in FY 2012).

Explanation of Change. 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 requested increase is due to an inflationary increase as specified in Section 28(d)(1) of the Food and Nutrition Act of 2008, as amended.

(4) An increase of \$9,188,000 for Employment and Training (\$397,118,000 available in FY 2012).

Explanation of Change. This funding provides grants to States to provide employment and training education to assist SNAP participants to find work. An E&T program may consist of many different types of components, including but not limited to: independent job search; job search training and support; workfare; educational programs to improve employability; work experience or training to improve employability; other employment oriented activities (e.g., job placement, supported work experience, WIA services); and self-employment training. The estimated increase is based on the following items: In FY 2013, the 50 percent State administrative costs will increase to \$218,873,000 due to inflation (\$212,086,000 available in FY 2012). The 50 percent participants' dependent care and transportation costs will increase to \$77,433,000 in FY 2013 due to inflation (\$75,032,000 available in FY 2012). The total estimated need for these two activities is \$296,306,000.

(5) An increase of \$21,642,000 for other program costs as shown below (\$120,977,000 available in FY 2012).

Other Program Costs			
	Mandatory	Discretionary	Total Request
FY 2012 Estimate	\$119,977,000	\$1,000,000	\$120,977,000
Change	20,146,000	1,496,000	21,642,000
Total Request, FY 2013	140,123,000	2,496,000	142,619,000

The overall change consists of the following:

Mandatory:

- (a) An increase of \$3,411,000 for Benefit & Retailer Redemption and Monitoring (\$29,327,000 available in FY 2012).

Explanation of Change. 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.

- (b) An increase of \$436,000 for Certification of Supplemental Security Income (SSI) Recipients for SNAP (\$20,772,000 available in FY 2012).

Explanation of Change. 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.

- (c) An increase of \$2,771,000 for Payment Accuracy and Cooperative Services (\$8,225,000 available in FY 2012).

Explanation of Change. 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.

- (d) An increase of \$4,213,000 for Retailer Integrity and Trafficking (\$8,151,000 available in FY 2012).

Explanation of Change. This line provides funding for a “strikeforce” of retailer investigators, for retailer oversight, and for other activities that promote retailer integrity efforts. The increase reflects an increase in federal activity associated with this project and an inflationary adjustment that result in an increase of \$4,213,000.

- (e) An increase of \$2,120,000 for Computer Support (\$7,474,000 available in FY 2012).

Explanation of Change. 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.

- (f) An increase of \$2,781,000 for Electronic Benefit Transfer Systems (\$9,641,000 available in FY 2012).

Explanation of Change. 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. It also provides funding to promote integrity and efficiency in State administration of SNAP by enabling States to travel, interact, and exchange ideas and information.

- (g) An increase of \$2,230,000 for Nutrition Education and Program Information (\$11,887,000 available in FY 2012).

Explanation of Change. 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.

- (h) An increase of \$2,184,000 for Program Evaluation and Modernization (\$11,500,000 available in FY 2012).

Explanation of Change. 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.

Discretionary:

- (a) An increase of \$1,498,000 for the Center for Nutrition Policy and Promotion (\$0 available in FY 2012).

Explanation of Change. This provides funding for CNPP services that benefit SNAP, including, but not limited to, the required updates to the Thrifty Food Plan, which is used to adjust SNAP benefits annually, and the creation of nutrition education and promotion materials targeted at SNAP participants. The \$1,498,000 increase reflects a restoration to the 2011 appropriated level.

- (b) A decrease of \$2,000 for FDPIR Nutrition Education (\$1,000,000 available in FY 2012).

Explanation of Change. This provides funding for grants to ITOs to provide nutrition education and promotion to FDPIR participants. The \$2,000 decrease represents a restoration to the 2011 appropriated level.

- (6) An increase of \$63,808,000 for the Nutrition Assistance Program for Puerto Rico (\$1,835,464,000 available in FY 2012).

Explanation of Change. 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 \$257,000 for American Samoa (\$7,371,000 available in FY 2012).

Explanation of Change. 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) A decrease of \$2,590,000 for the Food Distribution Program for Indian Reservations (FDPIR) (\$102,746,000 available in FY 2012).

Explanation of Change. The decrease consists of the following:

- A decrease of \$3,611,000 in funding for procurement of USDA foods (which includes procurement costs and federal staff costs associated with the activity). Inventory levels going into FY 2013 are higher than anticipated. The program will draw-down existing inventory, which reduces the need for appropriated funds. The Budget request fully supports program need in FY 2013. (\$64,938,000 requested for procurement of USDA foods in FY 2012); and
- An increase of \$1,021,000 for inflation in administrative expenses for Indian Tribal Organizations and State agencies (\$37,808,000 requested for distributing agency expenses in FY 2012).

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

Program Performance Data	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Resources: (\$000)					
Appropriation	\$112,797	\$96,958	\$102,746	-\$2,590	\$100,156
Beginning Inventory (Federal and Local)	29,590	26,100	29,053	4,559	33,612
Total Resources	142,387	123,058	131,799	1,969	133,768
Program Demand:					
Average Monthly Participation	84,609	78,000	79,170	1,188	80,358
Average Monthly Food Packages:					
FNS Purchased	\$57.25	\$60.75	\$62.01	\$2.60	\$64.61
Free Substitute	0.31	0.28	0.00	0.00	0.00
Total Monthly Food Package	57.56	61.03	62.01	2.60	64.61
Demand: (\$000)					
FDPIR USDA Food Costs	58,126	56,865	58,916	3,385	62,301
USDA Foods Purchases Admin.	1,427	0	1,463	23	1,487
Special Purchase of Bison	3,674	0	0	0	0
Demand, USDA Foods	63,227	56,865	60,379	3,408	63,788
State Administration	36,919	37,140	37,808	1,021	38,829
Total Demand	100,146	94,005	98,187	4,429	102,617
Use of Resources:					
Program Demand	100,146	94,005	98,187	4,430	102,617
Inventory Change	-3,490	2,953	4,559	-7,020	-2,461
Remaining Available for Upward Adjustments	16,141	0	0	0	0
Total Funds Available	112,797	96,958	102,746	-2,590	100,156
Balance End of Year:					
Ending Inventory	26,100	29,053	33,612	-2,461	31,151
Commodity Obligations	78,866	59,818	64,938	-3,611	61,327

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

- (9) An increase of \$9,250,000 for the Emergency Food Assistance Program (TEFAP) (\$260,250,000 available in FY 2012).

Explanation of Change. The Food and Nutrition Act of 2008 (as amended by P.L. 110-246), provides for changes in the amount of funding available for the procurement of USDA foods to be distributed through TEFAP, based on the percent change in the TFP. Up to ten percent of the total available is permitted to be used for TEFAP administrative costs.

- (10) A decrease of \$1,000,000 for the Commonwealth of the Northern Mariana Islands (\$13,148,000 available in FY 2012).

Explanation of Change. The decrease represents a restoration to the 2011 appropriated level, reversing a one-time increase provided in FY 2013. It is estimated that the amount requested will fully support the program in FY 2013.

FOOD AND NUTRITION SERVICE

Summary of Increases and Decreases – Proposed Legislation
 (On basis of appropriation)
 (Dollars in thousands)

Item of Change	Fiscal Year 2013		
	Current Law	Change	President's Request
Benefits	\$69,884,809	0	\$69,884,809
FY 2013 Extend ARRA ABAWD Provision	0	\$376,211	376,211
Proposed legislation interaction effects <u>1/</u>	0	-7,000	-7,000
Contingency Reserve	5,000,000	0	5,000,000
Administrative Costs:			
State Administrative Costs	3,866,855	0	3,866,855
Nutrition Education Grant Program	396,000	0	396,000
Employment and Training	406,306	0	406,306
Mandatory Other Program Costs	140,123	0	140,123
Discretionary Other Program Costs	2,496	0	2,496
Subtotal, Administrative Costs	4,811,780	0	4,811,780
Nutrition Assistance for Puerto Rico	1,899,272	0	1,899,272
Food Distribution Program on Indian Reservations	100,156	0	100,156
TEFAP Commodities	269,500	0	269,500
American Samoa	7,628	0	7,628
Commonwealth of the Northern Mariana Islands	12,148	0	12,148
Community Food Project	5,000	0	5,000
Program Access	5,000	0	5,000
Total Available	81,995,293	369,211	82,364,504

1/ Interaction with proposals in Department of Health and Human Services (HHS) and Social Security Administration (SSA) budget requests.

Explanation of Proposed Legislation: The increase consists of the following:

- An increase of \$376.2 million in FY 2013 and \$109.0 million in 2014 to allow a state option to suspend time limits on SNAP benefits for Able-Bodied Adults without Dependents (ABAWDs) for an additional fiscal year. For more information, please refer to page 30-85.
- An increase of \$1.3 billion to extend the increase in ARRA benefits for an additional 5 months, to March 31, 2014, which was the sunset date prior to enactment of the Healthy, Hunger-Free Kids Act of 2010. These costs are incurred in FY 2014 so no effect is shown on the 2013 table above. For more information, please refer to page 30-86.
- A decrease of \$7 million from an interaction effect with proposals to increase child support pass-through payment to families on TANF, as well as a proposal to extend SSI time limits for qualified refugees. Please refer to the Department of Health and Human Services and the Social Security Administration budget requests for additional information.

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2013
PROPOSED LEGISLATION**

- Program:** Supplemental Nutrition Assistance Program (SNAP)
- Proposal:** FNS proposes to temporarily suspend the time limits for Able-Bodied Adults without Dependents (ABAWDs) for fiscal year 2013.
- Rationale:** While the economy continues to recover, many low-income individuals still struggle to find employment. This proposal would provide states the option to suspend time limits for ABAWDs for an additional fiscal year. ABAWDs are generally poorer than the average SNAP participant and face several barriers to employment. Suspending benefit time limits for this population would help them meet their nutritional needs as they make their way toward self-sufficiency. States would not be required to adopt this policy and could continue to have the ability to disqualify ABAWDs from SNAP if they fail to comply with an Employment and Training Program.
- Goal:** USDA Strategic Goal: Ensure that all of America's children have access to safe, nutritious, and balanced meals.

Budget Impact:
(\$ in millions)

	FY 2011	FY 2012	FY 2013	FY 2014
Mandatory Budget Authority	\$0	\$0	\$376.2	\$109.0

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2012
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.

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			\$1,258		
Mandatory Outlays			\$1,237	\$21	

**FNCS PRESIDENT'S BUDGET FISCAL YEAR 2013
PROPOSED LEGISLATION**

- Program:** Supplemental Nutrition Assistance Program (SNAP)
- Proposal:** Prohibit millionaires from receiving Supplemental Nutrition Assistance Program (SNAP) benefits.
- Rationale:** This provision would restrict 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 2011	FY 2012	FY 2013	FY 2014
Mandatory Budget Authority	\$0	\$0	\$0	\$0

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and 2011 Actual and Estimated 2012 and 2013
(Dollars in Thousands)

Supplemental Nutrition Assistance Program--Federal Salaries & Expenses								
	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years	FY 2012 Amount	Staff Years	FY 2013 Amount	Staff Years
Alabama	0	0	\$121	1	\$123	1	\$123	1
Arizona	\$1	0	2	0	2	0	2	0
Arkansas	2	0	0	0	0	0	0	0
California	576	7	762	6	770	6	770	6
Colorado	1,463	13	1,351	12	1,365	12	1,365	12
Connecticut	1	0	0	0	0	0	0	0
Florida	0	3	196	2	198	2	198	2
Georgia	1,031	5	1,031	5	1,041	5	1,041	5
Hawaii	150	1	169	1	170	1	170	1
Illinois	2,700	8	2,700	22	2,727	22	2,727	22
Indiana	113	1	75	2	76	2	76	2
Iowa	225	2	225	2	227	2	227	2
Kansas	113	1	81	1	81	1	81	1
Louisiana	606	1	606	1	612	1	612	1
Maine	782	1	782	1	789	1	789	1
Maryland	1,223	2	1,223	2	1,235	2	1,235	2
Massachusetts	749	5	740	5	748	5	748	5
Minnesota	1,153	1	1,153	1	1,164	1	1,164	1
Missouri	1,080	1	1,080	1	1,090	1	1,090	1
Nebraska	113	1	86	1	87	1	87	1
New Hampshire	40	0	24	0	24	0	24	0
New Jersey	658	6	657	7	663	7	663	7
New York	169	1	187	2	189	2	189	2
North Carolina	2,306	2	2,306	2	2,329	2	2,329	2
Ohio	1,153	1	1,153	1	1,164	1	1,164	1
Oklahoma	1	0	0	0	0	0	0	0
Oregon	74	1	120	1	122	1	122	1
Pennsylvania	0	0	103	1	104	1	104	1
South Dakota	113	1	113	1	114	1	114	1
Tennessee	2,306	2	2,306	2	2,329	2	2,329	2
Texas	1,093	7	1,170	8	1,182	8	1,182	8
Virginia	66,899	36	55,469	34	70,979	75	70,979	75
Undistributed	671	0	1,373	0		0	0	0
TOTAL	87,559	112	77,363	125	91,705	166	91,705	166

Note: Totals may not add due to rounding

FOOD AND NUTRITION SERVICE
 Supplemental Nutrition Assistance Program
Classification by Objects
 (Dollars in Thousands)

	2010	2011	2012	2013
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$4,834	\$5,313	\$6,931	\$7,026
Field.....	5,674	6,238	8,136	8,248
11 Total personnel compensation.....	10,508	11,551	15,067	15,274
12 Personnel benefits.....	2,422	3,981	4,021	4,076
Total personnel comp. and benefits.....	12,930	15,532	19,088	19,350
Other Objects :				
21 Travel and transportation of persons.....	2,368	2,221	2,245	2,281
22 Transportation of things.....	106	158	160	163
23.3 Communications , utilities , and misc. charges.....	3,637	2,251	2,276	2,312
24 Printing and reproduction.....	639	998	1,009	1,025
25 Other Services.....	65,540	43,211	43,686	44,385
26 Supplies and materials.....	323,860	307,029	325,188	330,827
31 Equipment.....	125	1,344	1,359	1,381
41 Grants.....	70,533,212	77,675,036	85,031,454	81,970,000
43 Interest and dividends.....	1	0	0	0
Total, Other Objects.....	<u>70,929,486</u>	<u>78,032,248</u>	<u>85,407,377</u>	<u>82,352,374</u>
99.9 Total, new obligations.....	<u>70,942,416</u>	<u>78,047,780</u>	<u>85,426,465</u>	<u>82,371,724</u>

FOOD AND NUTRITION SERVICE

Supplemental Nutrition Assistance Program

SUMMARY OF RECOVERY ACT FUNDING

(Dollars in thousands)

Item of Change	2010	2011	2012	Change	2013
SNAP Benefits	\$10,376,281	\$12,015,300	\$8,040,823	-2,766,068	\$5,274,755
SNAP Administrative Costs	150,000	0	0	0	0
Puerto Rico NAP	254,217	255,963	165,104	-63,808	101,296
American Samoa Benefits	1,021	1,028	663	-257	406
Total Appropriation	10,781,519	12,272,291	8,206,590	-2,830,133	5,376,457

PROJECT STATEMENT

(On basis of available funds)

(Dollars in thousands)

	2010 Actual	Staff Years	2011 Actual	Staff Years	2012 Estimate	Staff Years	Change	2013 Estimate	Staff Years
SNAP Benefits	10,613,853		\$11,895,896		\$8,040,823		-\$2,766,068	\$5,274,755	
SNAP Administrative Costs	150,000		0		0		0	0	
Puerto Rico NAP	254,217		255,963		165,104		-63,808	101,296	
American Samoa Benefits	1,021		1,028		663		-257	406	
FDP IR Equipment Grants	1,367		0		0		0	0	
Total Obligation	11,020,458	0	12,152,887	0	8,206,590	0	-2,830,133	5,376,457	0
Recoveries	-1,637		0		0		0	0	
Unobligated Balance Start of	-471,602		0		0		0	0	
Unobligated Balance End of Year			0		0		0	0	
Balance Lapsing	234,300		119,404		0		0	0	
Total Adjusted Appropriation	10,781,519	0	12,272,291	0	8,206,590	0	-2,830,133	5,376,457	0
Total Available or Estimated	10,781,519	0	12,272,291	0	8,206,590	0	-2,830,133	5,376,457	0

Program Implementation Activities:

Goals and Coordination Efforts:

- Supplemental Nutrition Assistance Program (SNAP):
 - 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 also participated in conference calls with States to brief them on the Recovery Act, share implementation information and answer questions. In addition, FNS sponsored a Webinar with over 200 participants ranging from States to national advocacy organizations to faith and neighborhood based organizations. The Webinar served to inform these groups about SNAP and the Recovery Act and encourage them to act as messengers with their own stakeholders.
 - 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.

- States are reporting on how they are spending ARRA SNAP SAE dollars using a separate form that mirrors the current data requirements but allows for tracking of the recovery dollars specifically.
- Food Distribution Program for Indian Reservations (FDPIR)
 - FDPIR experienced increased participation in FYs 2008 and 2009, and these funds were reinvested in the facilities and equipment needed to operate FDPIR. In many cases, due to recent economic conditions, ITOs and State Agencies (SAs) often lacked funds to make expensive capital investments in the warehouses and food distribution equipment needed to serve FDPIR recipients.

Objectives:

- SNAP:
 - Put Recovery Act benefit dollars into the wallets of needy people quickly and accurately.
 - Distribute SAE quickly to assist States to administer the program and deliver benefits to a growing number of low income people.
- FDPIR:
 - FDPIR funds were allocated to ITOs and SAs that administer FDPIR to ensure that the highest-priority needs were met.

Delivery Schedule:

- SNAP:
 - 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 – Additional ARRA benefits were provided.
- FDPIR:
 - Most FDPIR funds were made available to ITOs and SAs in FY 2009 subject to receipt of an approved budget from the ITO or SA. FDPIR ITOs/SAs that purchased equipment obligated funds relatively quickly, but those making facility upgrades required a longer obligation timeframe, stretching into FY 2010.

Performance Measures:

- SNAP
 - 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.

	Target		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Increase in SNAP Benefits	\$11.9 billion	\$8.0 billion	\$5.3 billion
Total Stimulative Effect	\$21.4 billion	\$14.5 billion	\$9.5 billion

- FDPIR:
 - FDPIR programs that receive ARRA funds were asked to report on their progress in completing equipment purchases or facility upgrades as a measure of ARRA achievement.

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Percent of FDPIR Funds Obligated	74%	26%	NA

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. Considering that the combined historical outlay rate for SNAP is 97 percent, and that a multiplier effect mentioned earlier exists, SNAP fulfilled its role in contributing to economic improvement in 2009, 2010, and 2011.

FY 2012/2013 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 2012 and FY 2013.

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. This access provides the opportunity for low-income recipients to purchase and consume a diet consistent with the *Dietary Guidelines for Americans*. It enables low-income households to obtain a more nutritious diet 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).

Program Name Change

Section 4101 of the Food Conservation and Energy Act of 2008 (P.L. 101-246, "2008 Farm Bill") changed the name of the Food Stamp Program to SNAP as of October 1, 2008. The new name reflects the changes made in the program to meet the needs of clients, including improved accessibility, a focus on nutrition and an increase in benefit amounts.

While SNAP is the Federal name for the program, States maintain the flexibility to name their own programs. FNS is strongly encouraging States to change their program names to SNAP or another name of their choice and not to maintain the Food Stamp Program name. FNS is tracking State name change decisions. As of April 1, 2011:

States Changing/Planning to Change to SNAP	29
States Changing to Alternate Name	8
States Still Using FSP	7
States Keeping Current Alternate Name	9
Total *	53

* Includes the 50 United States, District of Columbia, Guam and the U.S. Virgin Islands.

Name change implementation continued with updates to forms, regulations, and publications. New informational materials are developed as needs arise.

Implementation of SNAP Provisions of the 2008 Farm Bill

The 2008 Farm Bill amended and renamed the Food Stamp Act of 1977 as the Food and Nutrition Act of 2008. In addition to the name change, the 2008 Farm Bill contains various provisions that affect program eligibility, benefit amounts, and program administration, including changes mandated by the law and those that provide greater flexibility for State agencies.

A number of 2008 Farm Bill SNAP provisions were effective October 1, 2008, and all State agencies implemented these changes on that date.

During FY 2011, FNS continued the process of developing proposed rulemakings to codify the 2008 Farm Bill provisions in program regulations. While some provisions were fully or partially implemented prior to final regulations, other provisions require regulations before implementation can be enforced.

Facts in Brief

Program Participation

SNAP participation for FY 2011 averaged 44.71 million persons, representing a nearly 11 percent increase from FY 2010. 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 2005 through 2011:

SNAP	2005	2006	2007	2008	2009	2010	2011
Avg. Participation (Millions)	25.67	26.67	26.47	28.41	33.49	40.30	44.71
Benefit Costs (Billions)	\$28.6	\$30.2	\$30.4	\$34.6	\$50.4	\$64.7	\$71.8
Average/Person/Month	\$92.72	\$94.32	\$95.64	\$101.52	\$125.31	\$133.79	\$133.84
% Of Population Participating	8.7	8.9	8.8	9.4	11.1	13.0	14.3
Persons Unemployed (Millions)	7.7	7.2	6.9	8.8	13.0	14.8	13.8 est.

Note: 2009 through 2011 include ARRA

Participation Rates among Eligible People – The most recent figures on the rate of participation show that in 2009, 72 percent of all those who were eligible for SNAP participated in the program. In the same year, participants received over 91 percent of all benefits that would be issued if every eligible person participated, indicating that the program is effectively targeted to those most in need.

Characteristics of SNAP Recipients – The most recent survey of household characteristics, conducted during 2010, indicates that:

- 66 percent of all participants were children (under 18 years of age) or elderly (age 60 or older);
- The gross income of 85 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
- The proportion of households with earnings remained close to the all-time high while the proportion of households with public assistance income reached an all-time low.

Program Integrity

At a time of historic and unprecedented growth in SNAP, 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. Both quality control, in terms of certification error rates, and trafficking (the sale of food benefits for cash), in terms of percentage of benefits trafficked, remain at record-low levels; however, more work remains and in FY 2011 FNS redoubled efforts to prevent and identify fraud and hold bad actors accountable for misuse of the program. In June, USDA sent a letter to all SNAP commissioners alerting them that more work needs to be done in the area of trafficking and frequent replacement of electronic benefit (EBT) cards. Additional efforts included:

- Continued development of the next generation of the ALERT fraud detection system;
- Extensive training of compliance staff;
- Development of rule to update the definition of trafficking;
- Development of rule to hold funds of retailers suspected of egregious trafficking;
- Development of rule to update retailer sanctions;

- Special emphasis efforts to enhance compliance related activities in regards to non-traditional retailers and encourage voluntary compliance;
- Continued to work with States to identify and track disqualified recipients through the electronic disqualified recipient system;
- Took steps to restrict trafficking promulgated through e-commerce;
- Engaged States in a dialogue about client integrity via conferences, one on one discussions, and other venues; and
- Supported a project 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 planned for FY 2012 including the identification, development, and issuance of additional policy tools to support States in their efforts to fight fraud. These include policy that makes the intent to sell the equivalent of an Intentional Program Violation; a statement of USDA's expectation that States will use the results of USDA retailer actions to investigate and penalize recipients for trafficking and publication of the integrity-related regulations identified above as being developed in FY 2011. Additionally, in FY 2012, FNS will begin development of a management evaluation tool to assess State efforts related to client integrity.

To continue to strengthen the quality control system, FY 2012 will also be the first year of implementation of a new rule regarding negative errors (improper denial, suspension, or termination or benefits) to include procedural errors. In FY 2012, FNS will also study the impact of completion rates on quality control. Finally, we will continue our focus working with States to 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
Individuals:							
Average Number (in Millions)	23.5	24.9	25.6	25.9	27.8	33.5	40.3
% Children	50.2	50.0	49.2	49.1	48.6	47.5	46.6
% Elderly	8.2	8.2	8.7	8.7	9.1	8.3	7.9
% Female	58.8	59.1	58.7	58.6	58.5	57.3	14
% Registered for Work	9	9	10	11	11	13	2.2
Average Household Size	2.3	2.3	2.3	2.2	2.2	2.2	2.2
Households:							
Average Number (in Millions)	10.1	10.9	11.3	11.6	12.5	15.0	18.4
% Receiving Maximum Benefit	31	31	31	32	33	37	40
% Certified 12 Months or More	53	55	58	58	58	57	59
% With Earned Income	29	29	30	30	29	29	30
% With AFDC/TANF	16	15	13	12	11	10	8
Average Gross Monthly Income	\$643	\$648	\$673	\$691	\$701	\$711	\$731
Average Net Monthly Income	\$321	\$319	\$328	\$330	\$335	\$329	\$336
% With Zero Gross Income	13	14	14	14	16	18	20
% With Zero Net Income	29	30	31	31	33	36	38
% With Gross Monthly Incomes Less than \$400	30	30	29	28	29	31	32
% With No Countable Assets	69	70	70	70	73	78	91.2

Characteristics of SNAP Recipients	2004	2005	2006	2007	2008	2009	2010
% With Countable Assets of \$1 to \$500	22	22	21	21	20	16	7
Average Countable Assets	\$143	\$137	\$137	\$144	\$126	\$101	\$333
Average Countable Assets in Households with Elderly Members	\$293	\$279	\$258	\$302	\$238	\$210	\$472
% Below Poverty Level	88	89	87	87	87	86	85
% Below 50% Poverty Level	40	40	39	39	41	42	43
Average Shelter Deduction	\$178	\$186	\$203	\$303	\$319	\$343	\$364
Average Shelter Expense	\$405	\$416	\$458	\$490	\$507	\$544	\$628
% at Shelter Cap	13	14	15	16	16	18	20

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

General Activities

Regulations Issued in FY 2011

During FY 2011, five SNAP rulemaking actions were published in the *Federal Register*:

Supplemental Nutrition Assistance Program (SNAP): Eligibility, Certification, and Employment and Training Provisions. This proposed rule, published on May 4, 2011, will implemented most of the eligibility, certification, and employment and training provisions from the 2008 Farm Bill, as well other discretionary provisions unrelated to the 2008 Farm Bill. The period for submitting public comments ended on July 5, 2011. FNS received 120 comments on the proposed rule. FNS analyzed the comments and is currently drafting the final rule.

Clarification of Eligibility of Fleeing Felons. Published as a proposed rule on August 19, 2011, defines the terms "fleeing" and "actively seeking" and establishes procedures State agencies are to use in determining fleeing felon status, including criteria to identify a parole violator, verification procedures, and time frames for disqualifying an individual determined to be a fleeing felon or parole violator. The period for submitting public comments ended on October 18, 2011. FNS received 30 comments on the proposed rule. FNS is currently reviewing and compiling comments.

- *Supplemental Nutrition Assistance Program: Review of Major Changes in Program Design and Management Evaluation Systems:* This proposed rule, published on May 3, 2011, will implement provisions of the 2008 Farm Bill that requires USDA to identify standards for major changes in State agency administration of SNAP, requires State agencies to notify SNAP if a major change is planned and to collect data that can be used to identify and correct problems relating to integrity and access. The rule also proposed to modify the ME requirements for FNS and State agencies.
- *Supplemental Nutrition Assistance Program: Major System Failures:* Published on August 18, 2011, this proposed rule establishes criteria for determining if a State experienced a systemic error that resulted in the over issuance of benefits to a substantial number of households and identifies steps that SNAP may take in response.
- *Retailer Integrity Rule: Updated Trafficking Definition and Supplemental Nutrition Assistance Program (SNAP) – FDPIR Dual Participation-* This proposed rule was published for comment in June 2011, and encompasses stealing, water dumping, indirect trafficking, and SNAP-FDPIR dual participation prohibition and reciprocal disqualification requirements.

Grants to Improve Program Access and Eligibility Determination

On September 27, 2011, FNS announced the awardees of the FY 2011 SNAP participation grants. These grants are targeted to State agencies, public health or educational entities, or private nonprofit entities and are for projects that simplify SNAP application and eligibility systems and improve access to program benefits for low-income households. This year's grants focused on projects that examine office processes and identify and implement efficiencies, and for projects that use technology to achieve procedural changes such as electronic filing, document imaging, telephone interviews, and web-based access to case status information. For FY 2011, FNS awarded eight grants.

- **San Diego County Health and Human Services Agency** received \$898,913 to update the existing imaging application, to automate workflow management and create a new web portal that allows clients to track case status and view benefit amounts online.
- **Alabama Department of Human Resources** received \$452,151 to make improvements to the MYDHR web application that will allow applicants and recipients to check basic case information online, submit changes, and provide verification materials.
- **Ohio Department of Jobs and Family Services (ODJFS)** received \$635,112 to develop and pilot the Ohio SNAP Document Management Workflow System. The system will include the ability to scan and manage documents while integrating automated business processes.
- **Hawaii Department of Human Services (DHS)**, received \$1,035,000 to develop and implement a document imaging, management, and automated verification system- Automated Connection Coordination for Economic Self-Sufficiency – Hawaii (ACCESS-Hawaii). This project will occur in two phases: (1) Application overflow system which will allow overburdened eligibility offices to transfer files to any office for processing, and (2) Automated document verification system that will permit interoperability with the eHawaii.gov system. The system allows the automatic verification of birth certificates and social security cards.
- **Broome County Department of Social Services (New York)** received \$74,596 for start up costs to purchase equipment to establish a call center, caseload management software, and to conduct a business process re-engineering (BPR) analysis. The BPR analysis will examine the current SNAP office processes.
- **State of Maine, Department of Health and Human Services-Office of Integrated Access and Support** received \$257,650 to initiate transition to a statewide document management system. The grant will finance the first phase of the project for scanning equipment, programming technicians and training.
- **City and County of San Francisco, CALWIN Consortium** received \$930,496. Eighteen counties are part of the consortium. The grant will fund an online application tool, MyBenefits Portal, introduction of kiosks stations throughout the Consortium, and development of a phone app- used to share information between client and county.
- **The Cabinet for Health and Family services (CHFS)** received \$716,072 to develop an online application, online submission of the interim review by recipients, and a web portal that allows clients to access case information, send and receive electronic messages to their eligibility worker and access archived notices.

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 2010 were awarded in June and September 2011. The following States received awards:

EST PAYMENT ACCURACY		
State	Payment Error Rate (PER)	Bonus Amount
Florida	0.78	\$6,083,577
South Dakota	1.31	274,866
Delaware	1.52	320,503
Illinois	1.7	3,483,562
Mississippi	1.92	1,182,483
Wisconsin	1.97	1,484,019
Georgia	1.99	3,076,511
Texas	2.13	6,243,012
Alaska	2.15	232,898
National Average	3.81	

MOST IMPROVED PAYMENT ACCURACY				
State	FY 2009 PER	FY 2010 PER	Change	Bonus Amount
Texas	6.90	2.13	-4.77	See best above
Indiana	7.13	2.60	-4.53	\$1,618,569
Illinois	6.17	1.70	-4.47	See best above
Total				\$24,000,000

BEST NEGATIVE ERROR RATE		
State	Rate	Bonus Amount
Nebraska	0	\$363,960
South Dakota	0.25	249,878
North Dakota	1.24	201,899
Oregon	2.12	1,498,524
National Average	8.43	

MOST IMPROVED NEGATIVE ERROR RATE				
State	FY 2009	FY 2010	Change	Bonus Amount
District of Columbia	35.10	7.92	-27.18	\$347,086
Michigan	28.37	7.82	-20.55	3,338,653
Total				\$6,000,000

BEST PROGRAM ACCESS INDEX		
State	Rate	Bonus Amount
Maine	101.70	\$879,776
District of Columbia	95.90	550,833
Delaware	92.60	444,836
Oregon	91.70	2,652,247
Michigan	88.70	6,009,251
Vermont	86.90	389,718
National Average	69.00	

MOST IMPROVED PROGRAM ACCESS INDEX				
State	FY 2009	FY 2010	Change	Bonus Amount
Delaware	76.60	92.60	16.00	See best above
New Hampshire	61.40	75.60	14.20	\$438,214
Michigan	76.40	88.70	12.29	See best above
Idaho	50.10	62.20	12.06	635,125
Total				\$12,000,000
BEST APPLICATION PROCESSING TIMELINESS RATE				
State	Rate			Bonus Amount
District of Columbia	99.01			\$518,936
Idaho	98.24			597,263
Oregon	97.09			2,471,660
New Mexico	97.05			1,056,711
West Virginia	95.87			1,082,661
North Dakota	95.57			272,769
National Average	86.03			

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 \$105 million in delinquent debt were collected through TOP in calendar year 2011. Approximately \$1.4 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.

FNS Monitoring Efforts Related to Indiana Eligibility Modernization Project

During FY 2011, 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 “as is” system. The State currently has approximately 86 percent of the State caseload (including all of the modernized counties) operating in the hybrid model. In addition to specialized reports developed specifically for this project, FNS has monitored the implementation and operation of the new 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. FNS will continue to conduct frequent on-site visits during this transition period.

FNS continues to report quarterly to Congress on the agency’s oversight of the Indiana Eligibility Project as required under the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010, P.L. 111-80.

State Options

In 2011, FNS issued the 9th edition of the State options report – a survey of State choices in areas where States may make policy choices. FNS intends to issue an updated version of the report in early 2012.

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 2002 Farm Bill significantly expanded the array of State policy options, and the 2008 Farm Bill provided States with additional latitude. Under this new legislation, States may reduce paperwork burdens on households with seniors and people with disabilities by extending the “simplified reporting” option to them. States also are allowed to extend transitional SNAP benefits to participants in State-only funded programs, as well as Temporary Assistance for Needy Families (TANF). Benefits may be moved off-line after 6 months of inactivity and may be expunged after 12 months of inactivity. States have the option of allowing households to apply for SNAP benefits and establish a filing date over the telephone by way of the State establishing an electronic recorded voice signature.

SNAP Outreach

Working to increase the participation of the SNAP 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.

- *National Media Campaign:* The goals of the national media campaign are to position SNAP as a nutrition assistance program, help overcome stigma, teach potential applicants where and how to apply, and highlight FNS’ commitment to ensure that all eligible people receive benefits with dignity and respect. In 2011, USDA aired radio and television spots, placed print ads, and piloted mobile banner advertising.
 - Radio advertising occurred in six States (California, Florida, Georgia, New York, Mississippi, and Texas) with low SNAP participation. English and Spanish radio advertising aired over a 4 month period, May through August in nine media markets. As a result of the radio advertising, requests for English language packets increased by 414 percent (as compared to the baseline period in 2003), while requests for Spanish-language information packets increased by 1,552 percent.
 - Television advertising occurred on Spanish-language networks Univision and Telefutera between May and mid-June in six markets in Florida, Texas, and New York. New York used a national number and received 3,527 requests in May and 1,310 information requests in June compared to 21 requests in April. In some cases, bonus and donated time extended the time during which the spots aired and increased the value of the paid advertising campaign significantly.
 - Print advertising targeting Spanish-language speakers occurred in California, Florida, Georgia, and Texas. A total of 79 ads ran in select publications with a circulation total of 4,355,694.
 - Mobile banner advertising pilots targeted to reaching African American and Hispanic cell phone users ran for 2 months in Orlando, Florida and Harlingen, Texas. The mobile ads garnered 4,312,964 views and resulted in 25,940 clicks which sent them to the FNS mobile Web site, <http://www.fns.usda.gov/snap/mobile/index.html>. Lower end phones accounted for 63 percent of all clicks.
- *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 2010, 61,722 packets of information in English and Spanish were distributed to toll-free number callers.
- *National Anti-Hunger and Opportunity Corps:* Through a partnership with the Corporation for National and Community Service, USDA has enabled 42 VISTA members to serve in the SNAP outreach project. To date, the VISTAs have raised \$868,208 in cash resources and another \$20,442 worth of in-kind resources or services. They have recruited 3,791 volunteers, and they established or enhanced over 100 community partnerships. The partnership entered its second year of implementation in FY 2012 with 53 VISTAs working aggressively to increase access to the SNAP program.

- *Promotores de Salud:* An interagency agreement was formed between USDA/FNS and the DHHS/OMH to fund the implementation of a Promotores de Salud outreach program that will promote and engage the Latino community on nutrition and health education and available nutrition assistance and healthcare services. Objectives include the development, implementation, and evaluation of a training curriculum for Promotores that will focus on nutrition education, health disparities in the Latino community, and increasing access to the Supplemental Nutrition Assistance Program (SNAP) and HHS health insurance and health services programs including Medicaid and the Children's Health Insurance Program (CHIP). The development and implementation of this program aims to improve the overall health of Latino community members and reduce significant disparities through the reduction of food insecurity, obesity, and other related diseases/conditions.
- *Pre-screening Tool:* The English and Spanish versions of the online pre-screening tool were maintained in FY 2011 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, which can incorporate State-specific policies. The FNS tool also links users to <http://www.GovBenefits.gov> to find out if they might be eligible for other benefit programs.
- *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. Outreach toolkits, such as the Web-based Community Partner Outreach Toolkit, provide ideas and resource materials to help State and local 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 400,000 hard copy items are shipped each month.
- *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.
- *Outreach Coalition:* FNS continued to manage and support an Outreach Coalition comprised of community leaders, community action agencies, hunger advocacy organizations, faith-based groups, food banks, university extension programs, and other groups interested in giving potentially eligible non-participants the tools to make an informed decision about applying for nutrition assistance. Membership in the Outreach Coalition, currently at approximately 2,300, has grown at a steady pace due to interest in eliminating hunger within the nation's communities. The Coalition participated in webinars on increasing participation in the Summer Food Service Program and SNAP Outreach in Your Community. In addition, the Hunger Champion Award and Golden Grocer Award programs honored local offices and retailers who provided 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 2011, 40 States had approved outreach plans and an additional eight States also performed outreach activities.

SNAP Nutrition Education (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.

With implementation of the Healthy, Hunger-Free Kids (HHFK) Act of 2010, USDA provides 100 percent Federal grant funds to States with no contribution or match to provide SNAP-Ed activities. USDA previously reimbursed States for 50 percent of their SNAP-Ed expenditures. Under the HHFK Act, SNAP-Ed funding was capped in FY 2010 at \$375 million and States received funding based on their shares of SNAP-Ed expenditures. Starting with FY 2011 and beyond, funding is indexed for inflation. For 2014 and thereafter the funding formula considers State shares of SNAP participation in addition to expenditures, building to a 50/50 weighting of expenditures to participation in 2018 and beyond. The limited, capped nature of SNAP-Ed funding formula under the HHFK Act sets a steady year-to-year growth pattern for SNAP-Ed.

The HHFK Act 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. These types of approaches speak to new policy and environmental strategies being introduced into SNAP-Ed and these will need to be defined in Guidance for State agencies to implement in FY 2013. FNS will publish 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.

Other SNAP-Ed Activities

SNAP-Ed Connection: This Web site is a dynamic online resource center for State and local SNAP-Ed providers. It is the hub of all nutrition education resources and provides easy access to those materials developed specifically for SNAP-Ed educators.

The SNAP-Ed Connection helps educators meet their professional development needs by providing information on valuable training and continuing education resources. The SNAP-Ed Connection website facilitates access to education materials developed specifically for Supplemental Nutrition Assistance Program (SNAP) eligibles.

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

Wave I has closed both its impact data collection efforts and process data collection - the interview of nutrition educators, administrators and SNAP clients to qualitatively examine the efficacy and logistics of the intervention. Draft case study reports as well as an integrated report are currently under FNS review. 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.

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. Appropriate survey instruments, sampling and study plans have been developed and recently completed; informed by experiences from Wave I demonstration projects. Education interventions are scheduled to begin in Fall 2011 and continue through Spring 2012.

SNAP/Supplemental Security Income Combined Application Projects (CAP)

The CAP demonstrations make it much easier for the elderly and disabled Supplemental Security Income recipients to receive SNAP benefits by reengineering the SNAP application process and eliminating the need for this population to visit the local SNAP office. The combination of standardized benefits, minimal need for independent verification, and normally no need to go to the local office has produced significant increases in participation within the target population.

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. One State, Wisconsin, has an approved plan but has not yet implemented it. Another State, West Virginia, has submitted a proposal that is under review by FNS.

Program Coordination

The Food and Nutrition Act of 2008 gives State agencies the option to operate a Simplified SNAP (SSNAP), which allows a State to determine SNAP benefits using its TANF rules, SNAP rules, or a combination of both. A “Mini” SSNAP is a subset of the broader SSNAP authority and allows a State agency to replace its TANF or SNAP work-related rules with the other program’s rules. These rule changes are limited to households receiving both TANF and SNAP benefits.

FY 2010 Certification Payment Error Rates

The FY 2010 national average certification payment error rate, announced in June 2011, was 3.81 percent; 47 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 2010 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.

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

On June 16, 2011, FNS notified three States, Maryland, Arizona and Maryland, that they were in liability status for having a poor QC error rate for at least two consecutive years. Missouri was not assessed a financial liability because its error rate was below 6 percent, which is the statutory standard for being assessed a liability. However, Missouri is still considered to be in liability status for the year, which will be used to determine whether the State is in liability status for two consecutive years when determining liability for FY 2011. Liability amounts were established against the following States:

State	Liability Amount
Maryland	\$1,474,999
Arizona	1,095,515

In addition, 13 States (Connecticut, Massachusetts, New York, Rhode Island, Vermont, Virginia, West Virginia, South Carolina, Arkansas, Louisiana, Kansas, Guam, and Nevada) exceeded the FY 2010 threshold for the first year. Potential liabilities will be established if any of these 13 States have a payment error rate in FY 2011 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.

Disaster Supplemental Nutrition Assistance Program (D-SNAP)

FNS continues to work on a proposed D-SNAP regulation the agency expects to publish in FY 2012. 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 all phases of program operations.

FNS responded to a greater number of disasters in FY 2011 than in 2010, and several of the programs were large scale operations in urban areas. 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 disaster assistance provided in FY 2011:

State	Disaster	Total Households	Total Issuance
Alabama	Tornado	386,532	\$124,238,424
Arkansas	Tornado	4,071	1,320,690
Arkansas	Tornado	19	6,122
Connecticut	Hurricane Irene	126,727	28,367,436
Georgia	Tornado	21,907	5,365,823
Illinois	Flooding	3,318	970,950
Massachusetts	Flooding	10,632	3,179,235
Mississippi	Tornado	7,698	3,266,060
Mississippi	Flooding	517	164,737
Missouri	Tornado	1,936	521,384
New Jersey	Hurricane Irene	111,354	35,299,990
New York	Hurricane Irene	9,782	1,419,052
New York	Tropical Storm Lee	4,196	1,381,797
North Carolina	Hurricane Irene	121,407	37,369,336
North Carolina	Tornado	22,726	7,059,136
North Dakota	Flooding	1,377	530,503
Oklahoma	Tornado	83	36,681
Oklahoma	Tornado	42	16,800
Pennsylvania	Hurricane Irene	28,290	12,321,218
Pennsylvania	Tropical Storm Lee		*reported with above

State	Disaster	Total Households	Total Issuance
Tennessee	Tornado	9,132	3,439,248
Tennessee	Tornado	1,590	663,483
Texas	Wildfire	348	131,364
Wisconsin	Flooding	15,260	3,031,256
TOTAL:		888,944	\$270,100,725

Court Suit Activity in SNAP

During FY 2011, 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 ABAWDs, i.e., those who are 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 2010.

States reported 6.9 million new work registrants in FY 2011. Since an additional 6.4 million work registrants were already receiving SNAP benefits at the beginning of the fiscal year, a total of 13.3 million SNAP recipients were subject to E&T participation in FY 2011, a 17 percent increase from the total number of work registrants in FY 2010. States reported that 5.7 percent, or 755,851, of these work registrants, including 321,843 ABAWDs, actually participated in E&T components. States reported that 72,617 qualifying education, training, and workfare slots were filled by at-risk ABAWDs each month nationwide. 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 168,846 SNAP recipients participated in an E&T component each month.

In FY 2011, FNS allocated \$121.3 million in 100 percent Federal E&T grant funds. This included the \$90 million regular allocation, \$20 million for States committed to serving all their at-risk ABAWDs, and an additional \$11.3 million in 100 percent Federal E&T funds carried over from FY 2010 to supplement some State grants. Federal obligations totaled \$110.4 million, which is \$1.2 million more than in FY 2010. Additionally, the Federal Government matched \$177.9 million in State funds spent to administer the E&T Program in FY 2011. The Federal Government also matched \$65.8 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-engineered 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 awarded a contract to build 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. Development of the new system is well under way and the system is expected to be delivered in FY 2012.

Studies and Evaluations

FNS published three major reports related to SNAP during FY 2011, which are available at <http://www.fns.usda.gov/ora>. These include:

- **Characteristics of Supplemental Nutrition Assistance Households: Fiscal Year 2010**, which describes the demographic and economic circumstances of SNAP households and participants;
- **Trends in Supplemental Nutrition Assistance Program Participation Rates: 2002-2009**, which estimates the percentage of eligible people who participate in the program, examining different sub-groups and comparing trends over time; and
- **The Extent of Trafficking in the Supplemental Nutrition Assistance Program (SNAP): 2006-2008 - March 2011** the fifth report in a series of periodic analyses to estimate the extent of trafficking in the Supplemental Nutrition Assistance Program.

Work on two congressionally mandated or authorized studies continued in FY 2011:

- **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. In FY 2010 the HIP pilot site and evaluation contractor were competitively selected. HIP implementation took place in late 2011 in Hampden County, Massachusetts.
- **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 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, the National Institute of Food and Agriculture manages the program.

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

- An average of 1.35 million people was served monthly during FY 2011.
- In FY 2011, total benefit costs were \$1.907 billion or about \$118 per person per month for nutrition assistance program recipients.
- Puerto Rico spent an estimated \$54 million of Federal funds on administrative activities in FY 2011, 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 2009 through 2011 is as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO Summary of Funding

	2009 Actual (\$ 000)	2010 Estimated (\$ 000)	2011 Estimated (\$ 000)
Benefit Costs	\$1,929,142	\$1,928,168	\$1,942,980
Administrative Costs	70,726	72,000	56,969
Nutrition Education Program	700	400	618
Total Federal Funds	2,000,568	2,000,568	2,000,568
State Administrative Costs	70,726	72,000	54,587
Total Program Costs	2,071,294	2,072,568	2,055,155

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: 1.3 million persons, or 32.5 percent of Puerto Rico's total estimated population of 4 million people, participated in the program in FY 2011. Monthly participation for FYs 2009 through 2011 is as follows:

NUTRITION ASSISTANCE FOR PUERTO RICO Summary of Participation

	2009 Actual	2010 Actual	2011 Estimated
Average Number of Persons (million)	1.19	1.3	1.35
Average Number of Households	561,711	611,170	644,76
Average Household Size (persons)	2.13	2.12	2.1
Average Benefit Per Household	\$246	\$259	\$247

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 2011, \$7.006 million in grant funds (and an additional \$1.028 million in ARRA funds) were authorized to be expended under American Samoa's block grant.

Facts in Brief

- A monthly average of 3,854 persons, or about 5.6 percent of American Samoa's total estimated population of 68,420, was served during FY 2011.
- In FY 2011, average monthly benefit costs were \$501.093, or \$130 per person.
- American Samoa spent \$1,065,310 for administrative activities for FY 2011. 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 the CNMI and other territories. In FY 2011, \$12.148 million in grant funds were provided to CNMI.

Facts in Brief

- A monthly average of 9,946 people, or 11.2 percent of CNMI's total estimated population of 86,616, was served during FY 2011.
- In FY 2011, average benefit costs were \$91.20 per person per month.
- The CNMI spent \$394,424 on administrative activities for FY 2011. 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 implements 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 2011, five States and 100 ITOs administered 112 programs on 276 Indian reservations, pueblos, rancherias, and Alaska Native Villages. Nutrition assistance was provided to an average of 77.8 million persons per month at a cost to FNS of \$50.71 per food package in FY 2011, with an average monthly per person administrative cost of \$48.14.

FDPIR PARTICIPATION AND COST

	2005	2006	2007	2008	2009	2010	2011
Average Participation (in Thousands)	99.0	89.9	86.6	90.1	95.4	84.6	77.8
Per Person Per Month Food Cost (Entitlement)	\$40.69	\$38.93	\$44.40	\$54.52	\$54.54	\$47.45	\$50.71
Total FNS Food Cost (\$ in Millions)	\$48.35	\$41.32	\$46.94	\$55.32	\$62.90	\$48.17	\$47.36

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 2011, FNS used FDPIR funds to purchase 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

FNS published one report on FDPIR during FY 2011, which is available at <http://www.fns.usda.gov/ora>.

Estimated Retail Value of the Average FDPIR Food Package as Delivered in Fiscal Year 2009 - June 2011

This report estimates the retail value of the average Food Distribution Program on Indian Reservations (FDPIR) food package delivered to FDPIR participants in FY 2009. The estimated retail value of the average FDPIR food package as delivered in FY 2009 was \$78.44 per month per FDPIR participant. The report's retail price estimate

probably understates the true retail value of the FDPIR food package because the cost of food from retailers located on or near Indian reservations is likely above national average retail food costs. The average SNAP benefit per person in FY 2009 was \$125.31 per month.

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 2011, 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. In FY 2011, fresh broccoli was added as a fresh produce option. A total of thirty-five fresh produce items were available in FY 2011. Many items are only available on a seasonal basis.

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

FISCAL YEAR 2011

STATE OR TERRITORY	AVERAGE PARTICIPATION IN THOUSANDS		TOTAL VALUE OF BENEFITS ISSUED (000)	AVERAGE MONTHLY BENEFIT PER PERSON	STATE ADMINISTRATIVE FUNDING (000)
	PERSONS	HOUSEHOLDS			
Alabama-----	920	405	\$1,492,961	\$135.18	\$44,242
Alaska-----	86	35	176,385	170.83	12,688
Arizona-----	1,068	465	1,648,822	128.70	40,841
Arkansas-----	486	211	721,065	123.52	31,881
California-----	3,673	1,613	6,484,038	147.11	596,756
Colorado-----	453	200	763,813	140.48	40,165
Connecticut-----	379	206	647,390	142.47	29,525
Delaware-----	135	62	205,305	126.80	12,459
District of Columbia-----	135	76	229,251	141.68	10,994
Florida-----	3,075	1,659	5,148,716	139.55	98,099
Georgia-----	1,780	790	2,891,615	135.37	66,478
Hawaii-----	160	80	412,604	215.38	13,272
Idaho-----	229	96	361,999	131.95	9,406
Illinois-----	1,794	860	2,995,469	139.15	124,325
Indiana-----	878	381	1,386,478	131.66	40,166
Iowa-----	374	173	566,733	126.33	20,346
Kansas-----	299	139	452,768	126.34	21,316
Kentucky-----	823	382	1,260,889	127.60	38,743
Louisiana-----	885	389	1,386,115	130.59	54,730
Maine-----	248	126	382,131	128.43	9,787
Maryland-----	668	328	1,035,176	129.19	46,971
Massachusetts-----	814	447	1,291,609	132.29	54,028
Michigan-----	1,928	968	3,151,479	136.18	123,644
Minnesota-----	506	246	698,628	115.08	60,442
Mississippi-----	623	273	921,109	123.29	26,292
Missouri-----	943	434	1,437,884	127.05	40,422
Montana-----	124	57	193,311	129.66	10,907
Nebraska-----	174	76	256,478	122.69	13,681
Nevada-----	333	156	496,867	124.36	17,942
New Hampshire-----	113	54	162,679	119.54	6,868
New Jersey-----	759	371	1,213,993	133.26	117,126
New Mexico-----	414	179	631,678	127.07	31,921
New York-----	3,000	1,601	5,350,661	148.63	415,718
North Carolina-----	1,590	734	2,377,093	124.58	91,868
North Dakota-----	61	28	95,918	131.25	6,758
Ohio-----	1,779	847	2,986,318	139.87	97,786
Oklahoma-----	615	272	947,338	128.43	46,620
Oregon-----	773	420	1,189,269	128.25	51,627
Pennsylvania-----	1,718	816	2,647,474	128.40	177,004
Rhode Island-----	160	86	274,802	142.95	8,541
South Carolina-----	844	391	1,339,645	132.21	22,149
South Dakota-----	102	44	162,136	132.70	8,295
Tennessee-----	1,276	612	2,048,638	133.82	58,307
Texas-----	3,977	1,608	5,993,125	125.57	277,734
Utah-----	284	112	400,093	117.41	26,081
Vermont-----	92	46	134,857	122.10	9,857
Virginia-----	859	407	1,335,039	129.55	96,836
Washington-----	1,058	546	1,602,557	126.19	53,425
West Virginia-----	346	161	497,390	119.81	13,589
Wisconsin-----	801	370	1,117,830	116.28	43,471
Wyoming-----	36	15	53,162	122.96	4,511
American Samoa 1/-----	0	0	4,795	0.00	0
CNMI 1/-----	0	0	9,852	0.00	0
Guam-----	41	13	105,440	216.25	1,308
Virgin Islands-----	23	9	47,877	176.11	5,462
Anticipated Adjustment-----	0	0	-61,263	0.00	-251,046
TOTAL-----	44,712	21,075	\$71,765,486	\$133.84	\$3,132,364

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 2011

State or Territory	Retailers	Wholesalers	Drug/ Alcohol Treat ment Centers	Shelter for Battered Women and Children	Communal Dining Facility	Group Living Arrange- ment	Home less Meal Pro- vider	Meal Delivery Service	Private Restaurant/ Meal Delivery	Senior Citizens Center/ Residential Building	Total
Alaska	500		7	1			1				509
Alabama	4,365		24	1	1	27	1				4,419
Arkansas	2,278		17		19		2	24			2,340
Arizona	3,713		8	2	1		3	2	84		3,813
California	22,216	1	233	4	7		27	2	1,324		23,814
Colorado	2,380	2	7		10		2	5			2,406
Connecticut	2,227		19	1	2						2,249
Dist. of Columbia	443		1				2				446
Delaware	726		3		1		4				734
Florida	14,381		68		3	31	7	3	14		14,507
Georgia	9,180	1	5		4	2	3	1			9,196
Guam	241										241
Hawaii	934		11	8	2	2	1	2			960
Iowa	2,550		12		33			13			2,608
Idaho	853				1						854
Illinois	8,551		22	1	53	30	8	18	1	94	8,778
Indiana	4,428		3		8		7	10			4,456
Kansas	1,632		13		16	5	1	10			1,677
Kentucky	4,193		28		3	4	1				4,229
Louisiana	4,345		5		2	2	7				4,361
Massachusetts	4,483		73	10	10	114	7	1		7	4,705
Maryland	3,391		17	1	5	24	11	2			3,451
Maine	1,489		12		10	1	1	1		2	1,516
Michigan	9,306	2	27		37	38	5	24	101	1	9,541
Minnesota	2,970		7		9		1	12		2	3,001
Missouri	4,194		15		1		11	5			4,226
Mississippi	3,103	1			2			2			3,108
Montana	698		2		15	10	2	1		3	731
North Carolina	7,626	1	6		24		1	9			7,667
North Dakota	447		3		19	4		7		1	481
Nebraska	966		10				2				978
New Hampshire	914		4		2	2	1	1			924
New Jersey	5,858	2	27		1	8	6			1	5,903
New Mexico	1,370	1	2								1,373
Nevada	1,564	1	7	1		1	4				1,578
New York	17,703		107		29	210	14	28			18,091
Ohio	8,315		36		7	1	2	6	1		8,368
Oklahoma	3,187		12	1	18			16			3,234
Oregon	3,123		30	1	11	34	8	6		1	3,214
Pennsylvania	9,778	1	16		15	14	26	25			9,875
Rhode Island	922		11	1	9	4	3	1	5		956
South Carolina	4,596	1	4				2		2		4,605
South Dakota	651		2		10	17		5			685
Tennessee	6,088		19		3	30	3	4		2	6,149
Texas	16,353	1	27			1	2				16,384
Utah	1,206		9		1	2		1			1,219
Virginia	5,600	1	15		2	3	1				5,622
Virgin Islands	109	2	1				1				113
Vermont	648		1		1	1					651
Washington	4,592		24		8	8	6	5			4,643
Wisconsin	3,369		7	1	20	1	5	5			3,408
West Virginia	2,150	3	1		8			2			2,164
Wyoming	264		6		2		1	1			274
Total	227,169	21	1,026	34	445	631	203	260	1,532	114	231,435

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
PARTICIPATION AND FUNDING
FISCAL YEAR 2011

STATE OR TERRITORY	AVERAGE MONTHLY PARTICIPATION	FOOD COSTS <u>1/</u>	ADMINISTRATIVE FUNDING <u>2/</u>	TOTAL FOOD AND ADMIN.
Alaska-----	125	\$74,211	\$442,607	\$516,818
Arizona-----	11,594	7,089,794	3,957,627	11,047,421
California-----	6,374	3,641,963	2,413,317	6,055,280
Colorado-----	535	293,148	224,426	517,574
Idaho-----	1,556	876,150	628,150	1,504,300
Kansas-----	450	277,061	239,717	516,778
Michigan-----	1,163	726,499	1,127,125	1,853,624
Minnesota-----	1,980	1,230,297	1,381,415	2,611,712
Mississippi-----	755	386,559	243,399	629,958
Montana-----	2,386	1,614,734	2,463,294	4,078,028
Nebraska-----	1,039	615,829	394,715	1,010,544
Nevada-----	1,231	705,250	575,700	1,280,950
New Mexico-----	2,660	1,548,970	1,575,905	3,124,875
New York-----	355	175,890	348,418	524,308
North Carolina-----	480	290,849	189,616	480,465
North Dakota-----	3,765	2,375,576	1,796,451	4,172,027
Oklahoma-----	25,920	16,028,661	8,886,963	24,915,624
Oregon-----	648	383,989	717,812	1,101,801
South Dakota-----	7,701	4,921,511	3,402,479	8,323,990
Texas-----	97	55,792	140,376	196,168
Utah-----	227	122,747	142,224	264,971
Washington-----	3,274	1,891,484	2,015,271	3,906,755
Wisconsin-----	3,004	1,686,298	1,924,222	3,610,520
Wyoming-----	509	342,353	210,230	552,583
Anticipated adjustment-----	0	12,202,020	1,923,364	14,125,384
TOTAL-----	77,827	\$59,557,635	\$37,364,823	\$96,922,458

SOURCE: FPRS FNS-152 data - Food distributed to participants in fiscal year 2011.

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 PROGRAM ON INDIAN RESERVATIONS
Quantity and Value of Commodities
Fiscal Year 2011

ENTITLEMENT COMMODITIES		
	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLESAUCE W/O SALT UNSWEETENED CANNED	278,550	171,110
APRICOTS HALVES LIGHT SYRUP CANNED	483,300	303,995
BEANS BLACK LOW SODIUM CANNED	213,438	93,806
BEANS GREAT NORTHERN 2 W/O SALT DRIED	282,240	137,795
BEANS GREEN LOW SODIUM CANNED	946,560	382,006
BEANS LIGHT RED KIDNEY LOW SODIUM CANNED	213,438	89,786
BEANS PINTO 2 W/O SALT DRIED	788,880	348,193
BEANS PINTO LOW SODIUM CANNED BEANS	284,584	112,395
REFRIED LOW SODIUM CANNED BEANS,	220,320	98,949
VEGETARIAN LOW SODIUM CANNED BEEF	272,160	118,694
CANNED	396,000	1,185,052
BEEF FINE GROUND	1,893,600	4,492,935
BEEF ROUND ROAST	1,200,000	4,248,820
BEEF STEW	450,000	440,212
CARROTS NO SALT ADDED CANNED	182,250	83,010
CHICKEN CONSUMER SPLIT BRST PKG	468,000	641,792
CHICKEN WHOLE BAGGED	1,074,744	822,956
CHICKEN, CANNED CHICKEN,	450,000	963,571
CUT UP FROZEN CORN LOW	157,500	154,590
SODIUM CANNED	2,071,807	794,836
CRANBERRY SAUCE CANNED	183,600	93,085
EGG MIX, DRIED	576,000	1,832,492
HAM WATERADDED	432,000	732,186
HOMINY CANNED	395,505	189,888
JUICE, APPLE, UNSWEETENED, BOTTLED	892,620	\$357,976
JUICE, CRANBERRY APPLE, UNSWEETENED, BOTTLED	1,034,430	502,441
JUICE, GRAPE, UNSWEETENED, BOTTLED	624,660	443,664
JUICE, GRAPEFRUIT, UNSWEETENED, BOTTLED	285,360	105,397
JUICE, ORANGE, UNSWEETENED, BOTTLED	1,366,770	729,386
MIXED FRUIT, LIGHT SYRUP, CANNED	1,145,925	624,387
PEACHES CLING LIGH SYRUP CANNED	1,495,350	786,806
PEARS LIGHT SYRUP CANNED	968,625	680,747
PEAS LOW SODIUM CANNED	415,800	186,472
PLUMS DRIED 24	144,000	157,230
POTATOES DEHYDRATED 12	510,000	794,040
POTATOES SLICED CANNED	257,040	96,544
PUMPKIN LOW SODIUM CANNED	109,350	116,672
RAISINS 24	272,160	350,763
SOUP CRM OF CHICKEN REDUCED SODIUM	103,950	102,375
SOUP CRM OF MUSHRM REDUCED SODIUM	103,950	97,650
SPAGHETTI SAUCE LOW SODIUM CANNED	619,650	231,843
SPINACH LOW SODIUM CANNED	169,575	79,349
SWEET POTATOTES LOW SODIUM CANNED	172,125	104,796
JUICE, TOMATO, UNSWEETENED, BOTTLED	582,900	186,780
TOMATO SAUCE LOW SODIUM CANNED	550,800	198,456
TOMATO SOUP CONDENSED LOW SODIUM CANNED	319,275	218,994
TOMATOES LOW SODIUM DICED CANNED	845,640	347,082
TUNA 12	64,800	141,195
SOUP, VEGETABLE, LOW-SODIUM, CANNED	319,275	260,758
VEGETABLES, MIXED, LOW-SODIUM, CANNED	337,388	152,574
Total Section 6/32 Type	27,625,894	26,586,531

FOOD AND NUTRITION SERVICE**FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS (Cont.)****Quantity and Value of Commodities****Fiscal Year 2011**

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
BUTTERY SPREAD, LIGHT, ZERO TRANS FAT	440,735	421,615
CEREAL, BRAN FLAKES, READY-TO-EAT	127,427	152,486
CEREAL, CORN AND RICE, READY-TO-EAT	17,766	19,339
CEREAL, CORN FLAKES, READY-TO-EAT	301,402	302,313
CEREAL, CORN SQUARES, READY-TO-EAT	49,392	69,148
CEREAL, OAT CIRCLES, READY-TO-EAT	172,704	227,411
CEREAL, RICE CRISPS, READY-TO-EAT	161,388	184,622
CEREAL, RICE, READY-TO-EAT	38,880	54,051
CHEESE BLEND, AMER/SKIM MILK REDUCED FAT SLICED	158,400	300,196
CHEESE REDUCED SKIM SLICED YELLOW	316,800	526,590
CHEESE, LOAVES	1,584,000	3,146,519
CORNMEAL	771,120	183,810
CRACKERS, UNSALTED	374,480	479,338
EGG NOODLES	634,080	485,025
FARINA, QUICK COOKING	232,848	145,618
FLOUR MIX, LOWFAT	1,010,880	886,915
FLOUR, ALL PURPOSE	4,541,040	1,217,965
FLOUR, WHOLE WHEAT	385,560	92,778
INSTANT 2	107,520	241,337
MAC N CHEESE MIX, DRY	396,981	369,839
MACARONI	830,400	454,360
MILK, EVAPORATED CANNED	1,803,411	1,176,801
MILK, UHT, 1% LOW-FAT	4,334,400	1,700,282
OATS, NO ADDED SALT, WHOLE GRAIN	819,000	608,782
OIL, VEGETABLE	1,067,220	806,804
PEANUT BUTTER	523,800	605,197
PEANUTS, ROASTED	233,280	375,624
RICE, WHITE	687,000	245,951
ROTINI, WHOLE GRAIN	34,000	20,102
SPAGHETTI	842,400	432,009
Total Section 416 Type	22,998,314	\$15,932,827
DOD Regional Pilot		
AMS / FSA / PCIMS / Computer Support		
Anticipated Adjustment		17,038,277
TOTAL COMMODITY ENTITLEMENT	50,624,208	\$59,557,635
BONUS COMMODITIES		
	Pounds	Dollars
SECTION 32 TYPE:		
NONE		
Total Section 32 Type	0	\$0
BONUS COMMODITIES		
	Pounds	Dollars
SECTION 416 TYPE:		
NONE		
Total Section 416 Type	0	\$0
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	0	\$0
TOTAL -- ALL COMMODITIES	50,624,208	\$59,557,635
Anticipated Adjustment	0	0
GRAND TOTAL	50,624,208	\$59,557,635

Source: PCIMS -- Delivery order and contract information.

This page is intentionally blank for printing purposes.

FOOD AND NUTRITION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

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, [~~\$242,336,000~~] \$253,952,000, to remain available through September 30, [2013] 2014: *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 [2012] 2013 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, [2013] 2014: *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.

FOOD AND NUTRITION SERVICE
 LEAD-OFF TABULAR STATEMENT
 AND SUMMARY OF INCREASES AND DECREASES
COMMODITY ASSISTANCE PROGRAM (CAP)

Appropriations Act, 2012	\$242,336,000
Budget Estimate, 2013.....	<u>253,952,000</u>
Change in Appropriation	<u>+11,616,000</u>

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

Item of Change	2010 Actual	2011 Change	2012 Change	2013 Change	2013 Estimate
Commodity Supplemental Food Program	\$171,409	\$4,288	\$1,091	\$10,147	\$186,935
Farmers' Market Nutrition Program	20,000	-40	-3,412	0	16,548
Emergency Food Assistance Program ^{a/}	49,500	-99	-1,401	1,401	49,401
Nuclear Affected Islands	575	-1	-37	37	574
Disaster Assistance	495	-1	-31	31	494
TEFAP Infrastructure Grants	6,000	-6,000	0	0	0
Total Appropriation or Change	247,979	-1,853	-3,790	11,616	253,952

^{a/} The SNAP appropriation provides an estimated \$260,250,000 in FY 2012 and \$269,500,000 in FY 2013 to the Emergency Food Assistance Program (TEFAP) for the procurement of USDA foods. Up to 10 percent of this amount is permitted to be used for TEFAP administrative costs.

PROJECT STATEMENT
(On basis of appropriation)
(Dollars in thousands)

Project	2010		2011		2012		Change	2013	
	Actual	SY	Actual	SY	Estimate	SY		Estimate	SY
Commodity Supplemental Food Program	\$171,409		\$175,697		\$176,788		\$10,147	(1)	\$186,935
Farmers' Market Programs									
Farmers' Market Nutrition Program	20,000		19,960		16,548		0		16,548
Senior Farmers' Market Nutrition Program (transfer) <u>a/</u>	20,600		20,600		20,600		0		20,600
Total Adjusted FMP	40,600		40,560		37,148		0		37,148
Emergency Food Assistance Program									
Administrative Costs	49,500		49,401		48,000		1,401	(2)	49,401
Other Programs									
Nutrition Services Incentive Program <u>b/</u>	2,722		1,994		2,025		-2,025		0
Nuclear Affected Islands	575		574		537		37	(3)	574
Disaster Assistance	495		494		463		31	(4)	494
TEFAP Infrastructure Grants	6,000		0		0		0	(6)	0
Total Adjusted Appropriation	271,301	2	268,720	2	264,961	2	9,591		274,552
Rescission	0		493		0		0		0
Transfers (SFMNP and NSIP)	-23,322		-22,594		-22,625		2,025		-20,600
Total Appropriation	247,979	2	246,619	2	242,336	2	11,616		253,952

a/ 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.

b/ Obligations for commodity procurement for NSIP are funded under an agreement with DHHS. Public Law 110-19, effective April 23, 2007, authorizes the transfer of NSIP funds from DHHS for the purchase of USDA foods and related expenses. The NSIP amount for FY 2013 will be determined at a later date.

PROJECT STATEMENT
(On basis of obligations)
(Dollars in thousands)

Project	2010	2011	2012		Change	2013	
	Actual	Actual	SY	Estimate		SY	Estimate
1. Commodity Supplemental Food Program							
USDA Food Purchases	\$143,054	\$155,139		\$149,650		-\$5,888	\$143,762
Administrative Costs	38,838	41,305		42,138		1,035	43,173
Total CSFP Obligations	181,892	196,444		191,788		-4,853	186,935
Recovery of Prior Year Obligations	-18,500	-13,742		-13,980		13,980	0
Unobligated Balances:							
Available Start of Year	-8	-8,025		-1,020		1,020	0
Available End of Year	8,025	1,020		0		0	0
Balance Lapsing	0	0		0		0	0
Total Appropriation, CSFP	171,409	175,697		176,788		10,147	186,935
2. Farmers' Market Program's							
Seniors Farmers' Market Nutrition Program (transfer)	22,459	22,227		20,614		-14	20,600
Farmers' Market Nutrition Program	22,089	23,283		16,549		-1	16,548
Total FMP Obligations	44,548	45,510		37,163		-15	37,148
Transfer from CCC	-20,600	-20,600		-20,600		0	-20,600
Recovery of Prior Year Obligations	-3,929	-4,957		0		0	0
Unobligated Balances:							
Available Start of Year	-99	-8		-15		15	0
Available End of Year	9	15		0		0	0
Balance Lapsing	71	0		0		0	0
Total Appropriation, FMP	20,000	19,960		16,548		0	16,548
3. Emergency Food Assistance Program a/							
Administrative Costs	49,834	51,224		48,023		1,378	49,401
SNAP/TEFAP Admin. (non add)	(17,206)	(19,068)				0	
SNAP/TEFAP USDA Foods (non add)	(230,794)	(228,432)		(260,250)		(9,250)	(269,500)
Total TEFAP Obligations	49,834	51,224		48,023		1,378	49,401
Recovery of Prior Year Obligations	-460	-1,846		0		0	0
Unobligated Balances:							
Available Start of Year	0	0		-23		23	0
Available End of Year	0	23		0		0	0
Balance Lapsing	126	0		0		0	0
Total Appropriation, TEFAP	49,500	49,401		48,000		1,401	49,401
4. ARRA, P.L. 111-5							
TEFAP USDA Foods	0	0		0		0	0
TEFAP Administrative Costs	54,609	0		0		0	0
Total ARRA Obligations	54,609	0		0		0	0
Recovery of Prior Year Obligations	-1,618	0		0		0	0
Unobligated Balances:							
Available Start of Year	-25,000	0		0		0	0
Transfer from WIC ARRA	-28,000	0		0		0	0
Balance Lapsing	9	0		0		0	0
Total Appropriation, ARRA	0	0		0		0	0
5. Other Programs:							
Nutrition Services Incentive Program (NSIP)	4,230	2,784		2,025		-2,025	0
Nuclear Affected Islands	575	574		537		37	574
Disaster Assistance	309	379		903		-409	494
TEFAP Infrastructure Grants	5,956	2		0		0	0
Total Other Program Obligations	11,070	3,739		3,465		-2,397	1,068
Transfer from DHHS	-2,722	-1,994		-2,025		2,025	0
Recovery of Prior Year Obligations	-1,016	-770		0		0	0
Unobligated Balances:							
Available Start of Year	-880	-388		-440		440	0
Available End of Year	589	440		0		0	0
Balance Lapsing	29	41		0		0	0
Total Appropriation, Other Programs	7,070	1,068		1,000		68	1,068
Total CAP Obligations	341,953	296,917	2	280,439	2	-5,887	274,552
Rescission	0	493		0		0	0
Total Appropriation	247,979	246,619	2	242,336	2	11,616	253,952

- a/ The SNAP appropriation provides \$247,500,000 for The Emergency Food Assistance Program for the procurement of USDA Foods in FY 2011, \$260,250,000 in FY 2012 and an estimated \$269,500,000 in FY 2013. Beginning in FY 2009, up to 10 percent of the funding is permitted to be used for TEFAP administrative costs.
- b/ Obligations for commodity procurement for NSIP are funded under an agreement with DHHS. Public Law 110-19, effective April 23, 2007, authorizes the transfer of NSIP funds from DHHS for the purchase of USDA foods and related expenses. The NSIP amount for FY 2013 will be determined at a later date.

Justification of Increases and Decreases

The FY 2013 request for the Commodity Assistance Program reflects an increase of \$11,616,000.

- (1) An increase of \$10,147,000 for the Commodity Supplemental Food Program (\$176,788,000 available in FY 2012).

Explanation of Change. 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 increasing the 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 \$28.89 for women, infants and children in FY 2012 to \$29.44 in FY 2013, and from \$22.93 to \$23.33 for the elderly. In FY 2012, the FNS funded portion of the food package costs will decrease as a result of targeting \$25.5 million of Section 4404 purchases and bonus commodities to CSFP (in FY 2011, a total of \$10.2 million in Section 4404 and bonus commodities were provided in CSFP). In FY 2013, the level of Section 4404 and bonus commodities will again be targeted at \$25.5 million.

- (2) An increase of \$1,401,000 in the Emergency Food Assistance Program (\$48,000,000 available in FY 2012).

Explanation of Change: 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 to EFOs at least 40 percent of the funding provided, and must match any funding retained for State administrative expenses. This increase will restore the funding to the FY 2011 level.

- (3) An increase of \$37,000 in Nuclear Affected Islands program (\$537,000 available in FY 2012).

Explanation of Change: 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). This increase will restore the funding to the FY 2011 level.

- (4) An increase of \$31,000 in Disaster Assistance program (\$463,000 available in FY 2012).

Explanation of Change: 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. This increase will restore the funding to the FY 2011 level.

COMMODITY SUPPLEMENTAL FOOD PROGRAM		
CALENDAR YEAR AUTHORIZED CASELOAD LEVELS		
FOR WIC AND ELDERLY		
STATE / TRIBAL ORG.	2011	2012
Alaska	2,190	2,174
Arizona	12,965	12,944
Arkansas	2,985	2,985
California	77,017	76,900
Colorado	18,221	18,221
Delaware	2,500	2,388
District of Columbia	6,647	6,647
Georgia	2,985	2,985
Illinois	17,473	17,473
Indiana	4,528	4,396
Iowa	2,997	2,991
Kansas	5,156	5,025
Kentucky	23,630	23,630
Louisiana	68,520	68,085
Maine	2,985	2,937
Michigan	80,000	77,936
Minnesota	15,969	15,942
Mississippi	9,552	9,552
Missouri	15,895	15,895
Montana	8,177	8,177
Nebraska	12,342	12,167
Nevada	7,321	7,300
New Hampshire	7,364	6,468
New Jersey	2,985	2,985
New Mexico	16,778	16,778
New York	33,981	33,981
North Carolina	1,142	1,135
North Dakota	2,780	2,388
Oglala Sioux, SD	608	608
Ohio	20,436	20,436
Oklahoma	2,985	2,982
Oregon	1,641	1,641
Pennsylvania	34,588	34,533
Red Lake, MN	92	88
South Carolina	5,516	5,516
South Dakota	4,231	4,231
Tennessee	13,513	13,513
Texas	33,858	33,858
Utah	2,817	2,420
Vermont	3,365	3,227
Washington	5,314	5,293
Wisconsin	10,882	10,549
TOTAL CASELOAD	604,931	599,380

Commodity Supplemental Food Program
Program Performance Data

	2010 Actual (000)	2011 Actual (000)	2012 Estimate (000)	Difference (000)	2013 Estimate (000)
RESOURCES--START OF YEAR :					
Appropriation	\$171,409	\$175,697	\$176,788	\$10,147	\$186,935
Cash Carry-In/Recoveries	18,507	21,767	15,000	-15,000	0
Beginning Inventory (Federal-State-Local)	36,719	45,892	37,599	6,085	43,684
TOTAL RESOURCES	226,635	243,356	229,387	1,232	230,619
DEMAND:					
1. Program Performance Data:					
Caseload (Calendar Year)	604.931	604.931	599.380	0.000	599.380
Participation (Fiscal Year)	518.846	588.083	599.380	0.000	599.380
Participation					
<i>Women-Infants-Children</i>	<i>21.139</i>	<i>19.229</i>	<i>18.651</i>	<i>-0.560</i>	<i>18.091</i>
<i>Elderly</i>	<i>497.707</i>	<i>568.854</i>	<i>580.729</i>	<i>0.560</i>	<i>581.289</i>
Avg. Food Cost Person/Month (whole \$):					
Women-Infants -Children	27.00	27.94	28.89	0.55	29.44
FNS Funded a/ <i>Free (donated)</i>	25.97 <i>1.03</i>	26.54 <i>1.40</i>	25.19 <i>3.70</i>	0.55 <i>0.00</i>	25.74 <i>3.70</i>
Elderly	19.90	22.14	22.93	0.40	23.33
FNS Funded a/ <i>Free (donated)</i>	18.77 <i>1.13</i>	20.69 <i>1.45</i>	19.45 <i>3.48</i>	0.40 <i>0.00</i>	19.85 <i>3.48</i>
2. Food Costs:					
Food Distribution Costs	\$118,704	\$147,358	\$141,166	\$2,934	\$144,100
<i>Women-Infants-Children</i>	<i>6,588</i>	<i>6,124</i>	<i>5,637</i>	<i>-49</i>	<i>5,588</i>
<i>Elderly</i>	<i>112,116</i>	<i>141,234</i>	<i>135,529</i>	<i>2,983</i>	<i>138,512</i>
Commodity Administrative Costs	1,434	2,094	2,399	32	2,431
<i>AMS Charges FSA</i>	<i>63</i>	<i>80</i>	<i>80</i>	<i>1</i>	<i>81</i>
<i>Charges</i>	<i>300</i>	<i>332</i>	<i>291</i>	<i>4</i>	<i>295</i>
<i>PCIMS/FPRS/ECOS</i>	<i>818</i>	<i>1,377</i>	<i>1,377</i>	<i>19</i>	<i>1,396</i>
<i>Computer Support/Internet</i>	<i>253</i>	<i>305</i>	<i>650</i>	<i>9</i>	<i>659</i>
Total Food Costs	120,138	149,452	143,565	2,966	146,531
3. State Administrative Expenses	38,838	41,305	42,138	1,035	43,173
TOTAL DEMAND	158,976	190,757	185,703	4,001	189,704
BALANCES--YEAR-END:					
Funds (Carry-out)	8,025	1,020	0	0	0
Ending Inventory	59,634	51,579	43,684	-2,769	40,915
COMMODITY ACTIVITY:					
Purchases	143,053	155,139	149,650	-5,888	143,762
Inventory Change	22,915	5,687	6,085	-8,854	-2,769

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

Food and Nutrition Service
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS
2010 and 2011 Actual and Estimated 2012 and 2013
(Dollars in Thousands)

Commodity Assistance Program--Federal Salaries & Expenses								
	FY 2010	Staff	FY 2011	Staff	FY 2012	Staff	FY 2013	Staff
	Amount	Years	Amount	Years	Amount	Years	Amount	Years
California	0	0	\$1	0	\$1	0	\$1	0
Massachusetts	0	0	7	0	7	0	7	0
Texas	0	0	5	0	5	0	5	0
Virginia	\$1,101	2	1,720	2	1,845	2	1,845	2
Undistributed	21	0	125	0	0	0	0	0
TOTAL	1,122	2	1,858	2	1,858	2	1,858	2

Note: Totals may not add due to rounding

FOOD AND NUTRITION SERVICE

Commodity Assistance Program

Classification by Objects

(Dollars in Thousands)

	2010	2011	2012	2013
	Actual	Actual	Estimate	Estimate
Personnel Compensation:				
Washington D.C.....	\$84	\$59	\$59	\$60
Field.....	99	69	70	71
11 Total personnel compensation.....	183	128	129	131
12 Personnel benefits.....	45	41	41	42
Total personnel comp. and benefits.....	228	169	170	173
Other Objects:				
21 Travel and transportation of persons.....	25	0	0	0
25 Other Services.....	844	0	0	0
25.6 ADP services and supplies.....	3	0	0	0
26 Supplies and materials.....	147,254	158,998	149,650	143,762
31 Equipment.....	1	0	0	0
41 Grants.....	193,599	137,750	130,618	130,617
Total, Other Objects.....	341,726	296,748	280,268	274,379
99.9 Total, new obligations.....	341,954	296,917	280,438	274,552

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 USDA utilizing funds appropriated for the program each year as well as funds provided for the support of domestic agricultural markets through the removal of agricultural market surpluses (AMS) and price support activities (FSA). 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. USDA also provides administrative funding to States.

Facts in Brief

- In 2011, 604,931 caseload slots were allocated to participating States and ITOs.
- For FY 2011, program participation averaged 588,083 monthly.
- From FY 2010 to 2011, monthly participation of women, infants, and children decreased from 21,139 to 19,229, while elderly participation increased from 497,707 to 568,854.

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, States may also be eligible to receive additional caseload in the following year, in response to their requests for such caseload and FNS' determination of the number of slots that States can effectively use.

CSFP Average Monthly Participation

Participation ^{1/}	2006	2007	2008	2009	2010	2011
Women	6,729	5,281	4,792	3,389	2,954	2,484
Infants	4,482	3,241	2,686	1,593	1,275	1,055
Children Less than 6	28,815	24,748	23,449	18,340	16,911	15,690
Total WIC Type	40,026	33,270	30,927	23,322	21,139	19,229
Elderly	422,323	432,804	444,380	443,293	497,707	568,854
Total, CSFP	462,349	466,075	475,307	466,615	518,846	588,083

^{1/} Based on National Databank version 8.2 data through September FY 2011. Due to rounding, the sum of the average participation by women, infants, children and elderly may not equal the total average participation.

Free 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. To the extent that free food is used in CSFP, the average amount of CSFP appropriations needed to complete each food package is reduced. Thus, free food enables FNS to provide more food packages than could be funded exclusively with CSFP appropriations. Though the volume of free food available to CSFP may vary significantly from year to year, FNS uses historical data to project a certain value of free food per food package that will be available.

Bonus Foods: Bonus foods are also purchased to support agricultural markets and donated to FNS. If these foods are compatible with the CSFP food package and FNS decides to provide them as a part of the food package they are “free” foods, as discussed above. If the donated foods do not meet food package requirements, FNS may decide to offer them to program participants in addition to the food package. Donated foods offered in addition to the food package are called bonus foods. The presence or absence of bonus foods does not affect the number of food packages provided through the program.

Administrative Funding

Section 4201 of the 2002 Farm Bill (P.L. 107-171) established the method of 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 2011, \$68.28 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 diet 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 food for home use 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 such as 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 2011. 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, rice, whole grain rotini, 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, freestone and cling peaches, pears, beef, beef stew, chicken, pork, and salmon.

Bonus Food

In FY 2011, USDA purchased USDA Foods under its market support authorities for donation to TEFAP. An additional \$62.8 million in bonus fruit and vegetable products was delivered to TEFAP outlets under the 2008 Farm Bill bringing the total amount of bonus products delivered to TEFAP outlets in FY 2011 to \$235.3 million. Bonus USDA Foods include products made from: apples, apricots, chicken, corn, apple and grapefruit juice, and tomatoes.

Barter Food

Included in the bonus totals, TEFAP also received USDA Foods valued at \$17.4 million in FY 2011 through FSA's Commodity Credit Corporation (CCC) Stock for Food Initiative where product was acquired through a third party. USDA Foods distributed included: soups, and ultra high temperature fluid 1% milk.

FY 2011 TEFAP Spending

In FY 2011, \$49.4 million, after rescission, was appropriated for TEFAP administrative funds, and the Secretary was authorized to make available up to 10 percent of TEFAP food funds to support administrative costs. The FY 2011 appropriation for TEFAP entitlement food, which occurs in the SNAP account, was \$247.5 million, the level authorized by Section 4201 of the 2008 Farm Bill.

TEFAP Summary (Includes ARRA funds)

(In millions)	2006	2007	2008	2009	2010	2011
State Administrative Expenses	\$63.5	\$58.0	\$57.1	\$88.6	\$121.7	\$70.3
Bonus Foods	67.0	58.2	178.1	373.7	346.6	235.3
Entitlement Foods	136.1	130.6	182.3	336.2	231.9	228.4
TOTAL	267.6	246.8	417.5	798.5	700.2	534.0

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 FY 2009, FY 2010, and FY 2011, appropriations language permitted States to use up to 10 percent of their TEFAP food funds as administrative funds. In FY 2009, of the \$25 million eligible for conversion, States chose to convert \$13.8 million into 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. The balance of the funds was used to purchase food.

The 2008 Farm Bill requires that 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 2011, \$247.5 million was provided for TEFAP entitlement food funds, a decrease from the \$248 million provided in FY 2010 as a result of a decrease in the TFP. The amounts shown for FY 2009 entitlement foods in the table above include \$100 million provided for TEFAP by the ARRA. They also include administrative funds that States chose to use instead to increase their food entitlements: FY 2006, \$0.1 million; FY 2007, \$0.1 million; FY 2008, \$0.4 million; FY 2009, \$0.02 million; FY 2010, \$0.01 million; and FY 2011, \$0.01 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, and \$399 million in FY 2010. In FY 2011, \$403 million was available. A significant portion of these funds were allocated for TEFAP food purchases.

The Emergency Food Assistance Program Infrastructure Grants

The Emergency Food Assistance Program Infrastructure Grant program provides local emergency feeding organizations, such as food banks, food pantries, and soup kitchens, with funds to expand and improve their infrastructure, including their storage and distribution facilities. Grants are awarded to eligible organizations through a competitive grant process. The program is authorized by the 2008 Farm Bill and was funded in FY 2010 at \$6 million. Funding was not made available for the program in FY 2011.

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 FMNP was operated by 46 State agencies and ITOs.

In FY 2010, the FMNP provided coupons to 2,153,467 WIC participants. The participants redeemed their coupons at 6,419 authorized farmers' markets and roadside stands, providing revenue to 18,245 small family farmers.

WIC Farmers' Market Nutrition Program

	2007	2008	2009	2010	2011
Funding (\$000)	\$22,109	\$21,402	\$21,750	\$22,089	\$19,960
WIC Recipients	2,347,866	2,304,810	2,242,321	2,153,467	*
Farmers' Markets**	5,588	5,765	6,321	6,419	*
Farmers	15,062	16,016	17,636	18,245	*

*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) prohibition against considering the value of SFMNP benefits as income when determining eligibility for other Federal, State or local programs; and (3) prohibition against the collection of State or local sales tax on any purchase of food with SFMNP benefits.

During FY 2011, 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

	2007	2008	2009	2010	2011
Funding (\$000)	\$16,204	\$21,838	\$22,466	\$22,455	\$20,600
SFMNP Recipients	803,985	833,026	809,711	844,999	*
Farmers	14,128	17,156	18,714	20,106	*
Farmers' Markets	2,727	3,159	3,758	4,601	*
Roadside Stands	2,300	2,512	3,061	3,681	*
Community Supported Agriculture Programs	155	199	159	163	*

*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 is 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)

The 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 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. Bonus USDA Foods valued at just under \$3.9 million were distributed to charitable institutions in FY 2011.

COMMODITY SUPPLEMENTAL FOOD PROGRAM
PROJECTS, PARTICIPATION AND FOOD COST
FISCAL YEAR 2011

STATE OR TERRITORY	PROJECTS	AVERAGE MONTHLY PARTICIPATION (FNS-153)					FOOD COSTS (\$000) 1/	ADMIN. COST (\$000) 2/
		WOMEN	INFANTS	CHILDREN	ELDERLY	TOTAL		
Alaska-----	2	3	1	116	2,042	2,162	\$533	\$154
Arizona-----	11	207	0	757	11,518	12,482	2,839	884
Arkansas-----	15	0	0	0	2,873	2,873	737	201
California-----	6	114	93	1,820	71,911	73,939	17,718	4,867
Colorado-----	8	385	305	1,738	15,246	17,673	4,378	1,234
Delaware-----	2	0	0	0	2,242	2,242	504	171
District of Columbia-----	1	6	0	132	6,495	6,633	1,351	454
Georgia-----	3	0	0	2	2,876	2,879	675	189
Illinois-----	3	3	0	167	16,470	16,641	3,660	1,027
Indiana-----	3	0	0	0	4,324	4,324	1,065	305
Iowa-----	2	35	6	181	2,735	2,957	684	212
Kansas-----	3	15	0	98	4,912	5,025	1,157	348
Kentucky-----	6	19	8	111	22,874	23,012	5,630	611
Louisiana-----	1	100	76	670	67,239	68,085	16,076	4,784
Maine-----	5	0	0	0	2,928	2,928	646	201
Michigan-----	18	525	504	4,672	72,236	77,936	18,804	5,498
Red Lake, Minnesota-----	1	0	0	4	78	82	16	5
Minnesota-----	5	75	0	882	14,686	15,643	3,679	1,075
Mississippi-----	1	0	0	65	9,042	9,106	2,086	214
Missouri-----	6	0	0	1	15,210	15,210	3,443	998
Montana-----	12	0	0	81	8,101	8,182	1,817	589
Nebraska-----	8	130	14	688	11,335	12,167	2,588	772
Nevada-----	3	9	7	98	7,051	7,164	1,687	408
New Hampshire-----	7	672	0	831	4,966	6,468	1,523	499
New Jersey-----	3	0	0	0	2,889	2,889	648	201
New Mexico-----	4	41	23	639	16,111	16,815	3,934	1,220
New York-----	2	62	0	877	32,781	33,720	7,511	2,288
North Carolina-----	1	0	0	0	1,135	1,135	270	78
North Dakota-----	6	0	0	0	2,388	2,388	588	190
Ohio-----	8	0	0	0	19,718	19,719	4,657	1,378
Oklahoma-----	1	0	0	0	2,897	2,897	651	201
Oregon-----	4	0	0	4	1,653	1,657	369	121
Pennsylvania-----	1	6	0	30	33,757	33,793	8,342	2,329
South Carolina-----	3	0	0	0	5,470	5,470	1,282	249
South Dakota-----	2	0	0	0	4,486	4,486	988	228
Ogala Sioux, S.D.-----	1	4	6	148	443	601	144	42
Tennessee-----	4	63	12	325	13,191	13,591	3,295	909
Texas-----	8	0	0	52	32,230	32,282	7,571	2,279
Utah-----	1	1	0	69	1,771	1,841	451	181
Vermont-----	1	4	0	46	3,168	3,217	841	239
Washington-----	10	0	0	224	4,996	5,220	1,242	331
Wisconsin-----	3	6	0	162	10,381	10,549	2,482	733
AMS/FSA/PC MS Admin. Exp.---	0	0	0	0	0	0	2,094	0
Anticipated Adjustment-----	0	0	0	0	0	0	14,484	2,409
3/ TOTAL-----	195	2,484	1,055	15,689	568,854	588,083	\$155,139	\$41,305

SOURCE: FPRS FNS-153 data - Food distributed to participants in fiscal year 2011.

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 revision.

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM

Quantity and Value of Commodities

Fiscal Year 2011

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
APPLESAUCE CANNED, W/O SALT, UNSWEETENED	1,999,577	1,243,037
APRICOT LIGHT SYRUP HALVES CANNED	1,565,552	1,011,895
BEANS BABY LIMA W/O SALT, DRIED	40,320	30,878
BEANS GREAT NORTHERN W/O SALT, DRIED	2,177,280	1,312,990
BEANS GREEN LOW-SODIUM CANNED	3,478,266	1,461,019
BEANS LT KIDNEY W/O SALT, DRIED	1,612,800	1,026,097
BEANS PINTO W/O SALT, DRIED	3,081,840	1,578,656
BEANS VEGETARIAN, LOW-SODIU M, CANNED	792,720	359,770
BEEF CANNED	2,239,200	7,050,096
BEEF CHILI W/O BEANS CANNED	1,080,000	1,657,342
BEEF STEW CHUNKY	2,044,800	2,034,840
CARROTS NO ADDED SALT, CANNED	2,077,654	945,357
CHICKEN CANNED	2,580,001	5,575,845
CORN, LOW-SODIUM, CANNED	3,280,431	1,345,285
JUICE, APPLE, UNSWEETENED, BOTTLED	7,452,420	2,879,484
JUICE, CRANAPPLE, UNSWEETENED, BOTTLED	1,177,110	574,071
JUICE, GRAPE, UNSWEETENED, BOTTLED	12,559,669	\$8,856,128
JUICE, ORANGE, UNSWEETENED, BOTTLED	11,841,258	\$5,814,783
JUICE, TOMATO, UNSWEETENED, BOTTLED	3,424,320	\$1,047,731
MIXED FRUIT, LIGHT SYRUP, CANNED	2,752,092	1,538,284
PEACHES, LIGHT SYRUP, CANNED	2,659,953	1,441,462
PEARS, LIGHT SYRUP, CANNED	2,137,951	1,567,526
PEAS, LOW-SODIUM, CANNED	1,830,603	816,795
POTATOES SLICED CANNED	2,359,800	934,961
SALMON, CANNED	1,787,700	3,663,365
SPAGHETTI SAUCE, LOW-SODIUM, CANNED	838,350	318,384
SPINACH, LOW-SODIUM, CANNED	1,356,705	679,050
SWEET POTATOES, LOW-SODIUM, CANNED	1,755,677	1,085,474
TOMATOES, LOW-SODIUM, CANNED	1,145,143	478,941
TOMATOES, LOW-SODIUM, DICED CANNED	1,310,222	543,377
TUNA 12	369,900	797,696
VEGETABLES MIXED, LOW-SODIUM, CANNED	2,412,903	1,122,333
Total Section 6/32 Type	87,222,217	60,792,952
ENTITLEMENT COMMODITIES		
SECTION 416 TYPE:		
CEREAL, BABY INFANT RICE	41,600	133,219
CEREAL, BRAN FLAKES, READY-TO-EAT	2,066,757	2,506,591
CEREAL, CORN AND RICE, READY-TO-EAT	1,409,567	1,783,888
CEREAL, CORN FLAKES, READY-TO-EAT	2,128,928	2,137,774
CEREAL, CORN SQUARES, READY-TO-EAT	905,520	1,205,036
CEREAL, OAT CIRCLES, READY-TO-EAT	1,066,007	1,379,588
CEREAL, RICE CRISPS, READY-TO-EAT	1,057,332	1,186,847
CEREAL, RICE, READY-TO-EAT	272,160	378,357
CHEESE BLEND AMER SK M LOAVES	7,435,800	15,390,451
CHEESE, REDUCED FAT	6,930,000	12,335,330
FARINA	1,164,240	748,882
FORMULA, INFANT	95,508	811,818
GRITS	813,960	260,805
* INSTANT 2	3,010,560	6,952,809
MACARONI	2,745,600	1,546,276
MILK UHT 1%	16,157,250	6,633,677
MILK, EVAPORATED CANNED	7,784,640	4,773,631
OATS	1,881,504	864,771
PEANUT BUTTER SMTH	2,625,486	3,044,113
RICE	2,105,700	1,399,742
SPAGHETTI	3,106,560	1,613,514
WHOLE GRAIN ROTINI MAC	1,632,000	990,095
Total Section 416 Type	66,395,079	\$67,943,995
Anticipated Adjustment		\$11,918,310
AMS / FSA / PCIMS Admin. Expenses		14,483,885
TOTAL COMMODITY ENTITLEMENT	153,617,296	\$155,139,142

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM (Cont.)

Quantity and Value of Commodities

Fiscal Year 2011

BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE:		
JUICE CONCORD GRAPE, UNSWEETENED, BOTTLED	3,131,652	2,252,064
JUICE, APPLE, UNSWEETENED, BOTTLE	4,482,240	1,802,649
JUICE, CRANBERRY APPLEJUICE, UNSWEETENED, BOTTLED	1,997,520	1,034,533
JUICE, TOMATO, UNSWEETENED, BOTTLED	3,269,460	1,065,226
JUICE, ORANGE, UNSWEETENED, BOTTLED	3,971,376	2,276,525
Total Section 32 Type	16,852,248	\$8,430,996
BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
MILK, INSTANT NONFAT DRY	1,387,008	1,941,811
Total Section 416 Type	1,387,008	\$1,941,811
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	18,239,256	\$10,372,807
TOTAL -- ALL COMMODITIES	171,856,552	\$165,511,949
Adjustment		0
Cash In-Lieu of Commodities		0
GRAND TOTAL	171,856,552	\$165,511,949

Source: PC MS -- Delivery order and contract information.

FOOD AND NUTRITION SERVICE

THE EMERGENCY FOOD ASSISTANCE PROGRAM

Administrative Funds / Entitlement and Bonus Commodities

State or Territory	TEFAP Admin Funds	Entitlement Commodities	Bonus Commodities*	Total Food	Total Admin. and Food
Alabama.....	\$852,988	\$4,104,606	\$4,393,377	\$8,497,983	\$9,350,971
Alaska.....	123,185	289,727	509,551	799,278	922,463
Arizona.....	1,685,211	4,951,173	6,441,692	11,392,865	13,078,076
Arkansas.....	622,834	2,236,459	2,128,723	4,365,182	4,988,016
California.....	9,736,355	28,110,660	35,948,145	64,058,805	73,795,160
Colorado.....	940,439	3,217,683	3,603,761	6,821,444	7,761,883
Connecticut.....	470,171	2,062,754	2,011,553	4,074,307	4,544,478
Delaware.....	114,622	499,430	705,478	1,204,908	1,319,530
District of Columbia.....	181,538	432,720	332,907	765,627	947,165
Florida.....	4,324,853	14,994,747	14,589,554	29,584,301	33,909,154
Georgia.....	1,930,553	7,985,182	8,497,211	16,482,393	18,412,946
Hawaii.....	163,255	698,689	570,660	1,269,349	1,432,604
Idaho.....	240,854	1,178,291	1,120,976	2,299,267	2,540,121
Illinois.....	3,162,135	9,037,550	8,264,933	17,302,483	20,464,618
Indiana.....	1,087,784	4,886,183	5,777,713	10,663,896	11,751,680
Iowa.....	573,386	1,569,433	1,737,901	3,307,334	3,880,720
Kansas.....	534,311	1,669,558	1,806,459	3,476,017	4,010,328
Kentucky.....	1,228,144	3,778,504	3,514,491	7,292,995	8,521,139
Louisiana.....	1,066,637	3,013,483	3,063,338	6,076,821	7,143,458
Maine.....	250,229	812,000	818,367	1,630,367	1,880,596
Maryland.....	950,879	2,668,861	1,894,996	4,563,857	5,514,736
Massachusetts.....	1,254,904	3,820,956	2,890,101	6,711,057	7,965,961
Michigan.....	2,951,023	8,465,165	9,555,885	18,021,050	20,972,073
Minnesota.....	1,002,924	2,740,095	3,179,703	5,919,798	6,922,722
Mississippi.....	789,026	2,827,899	3,799,597	6,627,496	7,416,522
Missouri.....	1,429,537	4,117,453	3,340,210	7,457,663	8,887,200
Montana.....	190,051	702,456	564,885	1,267,341	1,457,392
Nebraska.....	312,728	886,129	1,083,657	1,969,786	2,282,514
Nevada.....	469,426	2,217,033	1,647,414	3,864,447	4,333,873
New Hampshire.....	141,550	708,277	835,233	1,543,510	1,685,060
New Jersey.....	1,705,805	5,026,409	9,367,511	14,393,920	16,099,725
New Mexico.....	0	1,638,813	1,603,529	3,242,342	3,242,342
New York.....	4,161,587	12,868,294	12,520,940	25,389,234	29,550,821
North Carolina.....	1,870,944	7,716,273	8,450,455	16,166,728	18,037,672
North Dakota.....	102,915	304,598	291,897	596,495	699,410
Ohio.....	2,034,978	9,550,930	10,285,232	19,836,162	21,871,140
Oklahoma.....	559,376	2,524,454	2,832,516	5,356,970	5,916,346
Oregon.....	958,560	2,796,196	3,732,215	6,528,411	7,486,971
Pennsylvania.....	2,694,285	7,529,756	7,251,705	14,781,461	17,475,746
Rhode Island.....	260,839	736,624	711,471	1,448,095	1,708,934
South Carolina.....	1,279,099	3,578,452	3,909,927	7,488,379	8,767,478
South Dakota.....	154,812	437,390	196,234	633,624	788,436
Tennessee.....	1,702,810	4,834,988	4,345,433	9,180,421	10,883,231
Texas.....	6,219,895	17,315,818	16,806,966	34,122,784	40,342,679
Utah.....	510,848	1,501,498	1,593,073	3,094,571	3,605,419
Vermont.....	78,142	368,445	305,845	674,290	752,432
Virginia.....	1,401,769	4,008,023	3,418,064	7,426,087	8,827,856
Washington.....	1,469,340	4,375,267	5,104,583	9,479,850	10,949,190
West Virginia.....	310,671	1,536,128	2,693,048	4,229,176	4,539,847
Wisconsin.....	1,209,204	3,405,414	2,910,646	6,316,060	7,525,264
Wyoming.....	64,340	320,953	473,151	794,104	858,444
Guam.....	13,374	83,200	173,365	256,565	269,939
Northern Mariana Island.....	6,599	31,564	0	31,564	38,163
Puerto Rico.....	2,196,961	6,645,936	1,618,557	8,264,493	10,461,454
Virgin Islands.....	22,560	64,182	38,522	102,704	125,264
AMS/FSA/PCIMS/CompSup.....	0	2,701,030	0	2,701,030	2,701,030
Estimated transportation/misc.....	0	700,000	0	700,000	700,000
Undistributed.....	521,433	1,119,024	0	1,119,024	1,640,457
TOTAL.....	\$70,292,678	\$228,402,815	\$235,263,356	\$463,666,171	\$997,625,020

Source: PCIMS -- Delivery order and contract information

* Figures include Farm Bill and Barter/Seam Procurements

Totals may not add due to rounding

FOOD AND NUTRITION SERVICE
THE EMERGENCY FOOD AND ASSISTANCE PROGRAM

Quantity and Value of Commodities

Fiscal Year 2011

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 6/32 TYPE:</i>		
APPLESAUCE, CANNED, W/O SALT UNSWEETENED	10,114,888	6,543,042
APRICOTS HALVES, LIGHT SYRUP, CANNED	1,712,253	1,115,108
BEANS PINTO, W/O SALT, DRIED	9,999,360	4,898,310
BEANS, BLACKYEYE, LOW-SODIUM, CANNED	3,770,713	1,839,902
BEANS, GREAT NORTHERN, W/O SALT DRIED	1,451,520	765,806
BEANS, GREEN, LOW-SODIUM, CANNED	13,351,255	5,938,951
BEANS, LIMA, W/O SALT, DRIED	1,008,000	721,634
BEANS, LT KIDNEY, W/O SALT, DRIED	282,240	162,482
BEANS, LT RED KIDNEY, LOW-SODIUM, CANNED	3,308,265	1,479,368
BEANS, REFRIED, LOW-SODIUM, CANNED	2,607,120	1,228,479
BEANS, VEGETARIAN, LOW-SODIUM, CANNED	6,022,080	2,749,905
BEEF GROUND FROZEN	3,683,800	8,783,219
BEEF STEW CHUNKY	14,425,200	14,584,565
BEEF, CANNED	2,116,800	6,542,289
CARROTS, NO ADDED SALT, CANNED	4,519,810	2,110,285
CHICKEN WHOLE BAGGED	15,562,352	12,473,647
CHICKEN, CANNED	2,977,506	5,913,689
CORN CREAM, LOW-SODIUM, CANNED	1,713,155	922,858
CORN KERNEL, LOW-SODIUM, CANNED	12,771,800	5,341,909
EGG MIX 6	432,000	1,322,710
EGGS, 15 DOZEN SHELL	3,847,510	2,611,725
JUICE, APPLE, UNSWEETENED, BOTTLED	\$3,616,590	\$1,387,584
JUICE, CHERRY APPLE, UNSWEETENED, BOTTLED	1,355,460	711,341
JUICE, CRANAPPLE, UNSWEETENED, BOTTLED	2,247,210	1,090,328
JUICE, GRAPE CONCORD, UNSWEETENED, BOTTLED	2,268,090	1,619,632
JUICE, GRAPEFRUIT JUICE, UNSWEETENED, BOTTLED	428,040	176,928
JUICE, ORANGE, UNSWEETENED, BOTTLED	5,267,470	2,655,053
JUICE, TOMATO, UNSWEETENED, BOTTLED	2,496,900	805,183
LENTILS	1,532,160	838,205
MIXED FRUIT, LIGHT SYRUP, CANNED	11,531,603	6,625,356
PEACHES CLING, LIGHT SYRUP, CANNED	10,461,164	5,657,067
PEARS, LIGHT SYRUP, CANNED	5,714,337	4,175,587
PEAS, LOW-SODIUM, CANNED	4,947,754	2,387,774
PLUMS PITTED DRIED 25	38,500	40,702
PLUMS PITTED DRIED PKG 24/1	108,000	116,655
PORK CANNED	3,132,000	7,348,181
PORK HAM WATER ADDED 3	2,520,000	4,279,951
POTATOES DEHYDRATED 12	1,050,000	1,630,458
POTATOES RUSSET FRESH 10	160,000	41,192
POTATOES, SLICED, LOW-SODIUM, CANNED	8,509,320	3,708,982
PUMPKIN, LOW-SODIUM, CANNED	400,950	399,978
RAISINS 144	106,704	173,009
RAISINS 24	622,080	802,486
SALMON, CANNED	3,486,901	6,837,741
SOUP, TOMATO, CONDENSED, LOW-SODIUM, CANNED	2,802,526	1,946,753
SOUP, VEGETABLE, CONDENSED, LOW-SODIUM, CANNED	3,299,176	2,721,578
SPAGHETTI SAUCE, LOW-SODIUM, CANNED	14,689,367	5,608,860
SPINACH, LOW-SODIUM, CANNED	3,086,160	1,654,856
SWEET POTATOES, LOW-SODIUM, CANNED	3,993,303	2,559,014
TOMATO SAUCE, LOW-SODIUM, CANNED	5,921,113	2,243,207
TOMATOES, DICED, LOW-SODIUM, CANNED	5,067,327	2,089,834
TOMATOES, LOW-SODIUM, CANNED	1,039,433	429,996
TUNA 12	671,400	1,449,586
TURKEY ROAST	605,600	1,309,723
VEGETABLES, MIXED, LOW-SODIUM, CANNED	5,564,821	2,481,818
<i>Total Section 6/32 Type</i>	<i>\$234,419,086</i>	<i>\$166,054,481</i>

FOOD AND NUTRITION SERVICE
THE EMERGENCY FOOD AND ASSISTANCE PROGRAM

Quantity and Value of Commodities

Fiscal Year 2011

ENTITLEMENT COMMODITIES	Pounds	Dollars
<i>SECTION 416 TYPE:*</i>		
CEREAL, BRAN FLAKES, READY-TO-EAT	718,110	862,612
CEREAL, CORN & RICE, READY-TO-EAT	794,809	1,014,926
CEREAL, CORN FLAKES, READY-TO-EAT	3,428,887	3,492,724
CEREAL, CORN SQUARES, READY-TO-EAT	345,744	454,850
CEREAL, OATS 14OZ	613,116	787,751
CEREAL, RICE CRISP, READY-TO-EAT	913,200	1,035,306
CEREAL, RICE, READY-TO-EAT	142,560	198,187
EGG NOODLES	4,158,240	3,218,962
FLOUR MIX, BAKERY	1,244,160	1,056,626
FLOUR MIX, LOWFAT	777,600	691,094
GRITS	3,941,280	1,228,879
MACARONI	8,092,800	4,529,456
OATS, NO SALT ADDED, WHOLE GRAIN	4,803,840	2,208,870
PEANUT BUTTER SMTH	10,380,980	11,808,913
PEANUTS, ROASTED	181,440	320,898
RICE, WHITE	20,856,000	8,418,605
SPAGHETTI	15,594,240	8,218,932
UHT MILK 1%	7,759,350	3,102,067
VEGETABLE OIL	3,720,024	2,833,839
WHOLE GRAIN ROTINI	4,046,000	2,377,398
<i>Total Section 416 Type</i>	\$92,512,380	\$57,860,895
Anticipated Transportation/misc		700,000
Cash In-Lieu of Commodities - CNMI		31,564
AMS/FSA/PCIMS/Computer Support		2,701,030
Anticipated Adjustment		1,054,845
TOTAL COMMODITY ENTITLEMENT	\$326,931,466	\$228,402,815
<i>BONUS COMMODITIES</i>		
	Pounds	Dollars
<i>SECTION 32C TYPE**:</i>		
APPLESAUCE, CANNED, W/O SALT, UNSWEETENED	\$16,381,170	\$1,150,446
APRICOTS, HALVES, LIGHT SYRUP, CANNED	2,551,520	9,733,395
BEANS, GREEN, LOW-SODIUM, CANNED	15,679,575	1,784,736
CARROTS, LOW-SODIUM, CANNED	9,586,350	9,087,293
CHICKEN, DRUMS/LEGS/THIGHS/QUARTERS/WHOLE	117,271,560	5,938,272
CORN CREAM, LOW-SODIUM, CANNED	13,668,775	67,925,501
CORN KERNEL	67,271,077	6,793,816
CORN LIQUID	10,766,853	31,700,693
FIGS	6,880,896	3,644,047
JUICE, APPLE, UNSWEETENED, BOTTLED	2,675,249	3,925,750
JUICE, CRANBERRY APPLE, UNSWEETENED, BOTTLED	9,095,850	12,971,827
JUICE, GRAPEFRUIT, UNSWEETENED, BOTTLED	36,454,750	8,050,532
JUICE, ORANGE, UNSWEETENED, BOTTLED	9,202,860	2,061,747
ORANGES	5,654,799	5,517,780
PEACHES CUP 4 4	2,772,000	8,238,299
PEACHES, LIGHT SYRUP, CANNED	11,995,992	3,226,006
PEARS, LIGHT SYRUP, CANNED	5,121,552	2,770,222
PISTACHIO ROASTED	4,440,000	20,039,274
PLUMS, PITTED DRIED	4,428,000	4,929,630
POTATOES	14,080,000	3,432,244
TOMATO SAUCE, LOW-SODIUM, CANNED	12,117,600	245,248
TOMATOES	800,000	4,546,502
<i>Total Section 32C Type</i>	\$378,896,428	\$217,713,260
<i>BONUS COMMODITIES</i>		
	Pounds	Dollars
<i>SECTION 416 TYPE**:</i>		
MILK, UHT, 1% LOW-FAT	22,939,044	9,634,398
SOUP CHEDDAR CHEESE	2,863,800	1,202,796
SOUP MUSHROOM	5,959,800	2,503,116
SOUP TOMATO	10,023,301	4,209,786
<i>Total Section 416 Type</i>	\$41,785,945	\$17,550,096
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	420,682,373	235,263,356
TOTAL -- ALL COMMODITIES		
Entitlement	\$326,931,466	\$228,402,815
Bonus 32C	420,682,373	235,263,356
Anticipated Adjustment	0	0
GRAND TOTAL	\$747,613,839	\$463,666,171

Source: PCIMS -- Delivery order and contract information

Note: Bonus figures include Farm Bill and Barter/Seam procurements

**WIC FARMERS MARKET NUTRITION PROGRAM
PARTICIPATION AND PROGRAM FINANCING
FISCAL YEAR 2010 and 2011**

STATE OR TERRITORY	Fiscal Year 2010 TOTAL PARTICIPATION 1/				FY 2010 PROGRAM GRANT	FY 2011 PROGRAM GRANT
	WOMEN	INFANTS	CHILDREN	TOTAL		
Alabama ***-----	1,859	0	5,636	7,495	\$137,252	\$137,252
Alaska-----	4,763	1,021	10,495	16,279	224,485	224,485
Arizona-----	2,124	0	4,227	6,351	234,783	234,783
Arkansas-----	7,889	0	14,142	22,031	189,632	189,632
California-----	108,171	56,249	268,263	432,683	2,499,368	2,499,368
Connecticut-----	14,178	0	42,752	56,930	330,690	360,991
District of Columbia-----	5,709	0	8,396	14,105	314,066	342,844
Florida-----	10,258	158	21,296	31,712	283,709	309,705
Georgia-----	9,740	3,983	19,157	32,880	1,056,293	1,153,081
Illinois-----	11,807	0	22,157	33,964	403,400	440,363
Indiana-----	12,145	94	17,439	29,678	264,960	289,238
Iowa-----	7,531	0	20,658	28,189	517,416	564,827
Kentucky-----	3,993	1,121	10,032	15,146	224,462	224,462
Louisiana-----	95	38	192	325	6,667	9,167
Maine-----	3,382	0	6,204	9,586	75,000	75,000
Maryland-----	11,498	2,800	24,852	39,150	355,798	388,400
Massachusetts-----	25,216	2	45,880	71,098	489,911	489,911
Michigan-----	5,515	0	14,847	20,362	415,897	449,436
Minnesota-----	13,177	8,582	33,168	54,927	320,030	349,354
Mississippi 2/-----	901	53	3,444	4,398	93,291	133,671
Montana-----	1,338	0	2,542	3,880	59,782	59,782
New Hampshire **-----	0	85	9,637	9,722	107,623	**
New Jersey-----	25,000	0	26,837	51,837	1,279,913	1,279,913
New Mexico 2/-----	1,832	182	3,995	6,009	319,104	319,104
New York-----	117,279	92,071	179,877	389,227	3,593,015	3,922,243
North Carolina-----	6,820	0	6,340	13,160	282,877	282,877
Nebraska*-----	0	0	0	0	0	75,000
Ohio-----	9,009	0	25,912	34,921	542,401	542,401
Oklahoma Chickasaw-----	640	453	2,074	3,167	75,000	75,000
Oklahoma Osage Tribe-----	465	403	962	1,830	31,325	31,325
Oklahoma Choctaw Nation-----	554	368	1,578	2,500	90,361	90,361
Oregon-----	6,183	5,632	14,885	26,700	381,213	416,143
Pennsylvania-----	45,921	0	97,583	143,504	1,865,634	2,036,582
Rhode Island-----	4,196	0	12,822	17,018	152,322	152,322
South Carolina-----	4,343	0	8,789	13,132	128,669	153,669
Tennessee-----	3,237	0	5,000	8,237	78,177	96,000
Texas-----	79,508	0	174,212	253,720	1,277,117	1,277,117
Vermont-----	644	168	1,959	2,771	78,177	82,000
Washington-----	15,620	0	38,460	54,080	613,166	669,350
West Virginia-----	2,680	0	6,255	8,935	72,965	74,965
Wisconsin-----	30,210	0	68,223	98,433	644,881	703,971
Guam-----	781	0	1,884	2,665	95,556	95,556
Puerto Rico-----	20,354	4,827	55,549	80,730	1,882,755	1,882,755
Virgin Islands *-----	0	0	0	0	0	98,470
Anticipated Adjustment-----	0	0	0	0	0	432
TOTAL-----	636,565	178,290	1,338,612	2,153,467	22,089,143	23,283,308

1/ Participation data reflects Fiscal Year 2010 Participation data for Fiscal Year 2011 is not due until February 2012

2/ Includes Indian Tribal Organizations

* New State agency ** Did not participate in the program *** State agency reduced grant amount for FY10

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 & DISASTER FEEDING

Value of Commodities to States

Entitlement and Bonus

Fiscal Year 2011

State or Territory	Entitlement	Bonus	Total
Connecticut.....	\$48,711		\$48,711
Massachusetts.....	27,881		27,881
New Hampshire.....	6,992		6,992
New Jersey.....	1,134,221		1,134,221
New York.....	1,051,200		1,051,200
North Carolina.....	212,313		212,313
Pennsylvania.....	842,290		842,290
Vermont.....	160,344		160,344
Puerto Rico.....	816,488		816,488
Estimated Transportation/Misc	20,378		20,378
TOTAL.....	\$4,320,818	\$0	\$4,320,818

Source: PCIMS and WBSCM Sales order and contract information.

FOOD AND NUTRITION SERVICE

Disaster Assistance and Disaster Feeding

Quantity and Value of Commodities

Fiscal Year 2011

ENTITLEMENT COMMODITIES	Disaster Feeding	
	Pounds	Dollars
SECTION 6/32 TYPE:		
JUICE, APPLE, UNSWEETENED, BOTTLED	142,680	\$55,104
BEANS, GREEN, LOW-SODIUM, CANNED	387,585	211,734
BEANS, LIGHT RED KIDNEY, LOW-SODIUM, CANNED	391,298	200,445
BEANS, VEGETARIAN, LOW-SODIUM, CANNED	403,920	212,548
BEEF, CANNED	396,000	1,199,747
CHICKEN, CANNED	450,000	791,092
JUICE, ORANGE, UNSWEETENED, BOTTLED	142,680	75,522
PEACHES, CLING, LIGHT SYRUP, CANNED	400,950	350,212
PEARS, LIGHT SYRUP, CANNED	400,950	284,812
PORK, CANNED	144,000	389,045
MIXED VEGETABLES, LOW-SODIUM, CANNED	400,950	233,361
Total Section 6/32 Type	3,661,013	\$4,003,622
ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
MACARONI	244,800	\$178,378
RICE	252,000	118,440
Total Section 416 Type	496,800	\$296,818
Anticipated Transp. & Storage		\$20,378
DOD Regional Pilot		
AMS /FSA /PCIMS /Comp. Supp		
Anticipated Adjustment		20,378
TOTAL COMMODITY ENTITLEMENT	4,157,813	\$4,320,818
BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE:		
NONE		
Total Section 32 Type	0	\$0
BONUS COMMODITIES	Pounds	Dollars
SECTION 416 TYPE:		
NONE		
Total Section 416 Type	0	\$0
Anticipated Adjustment		0
TOTAL BONUS COMMODITIES	0	0
TOTAL – ALL COMMODITIES	4,157,813	\$4,320,818
Anticipated Adjustment		
GRAND TOTAL	4,157,813	\$4,320,818

Source: PCIMS and WBSCM Sales order and contract information.

FOOD AND NUTRITION SERVICE
NUTRITION SERVICES INCENTIVE PROGRAM
Value of Commodities to States Entitlement and
Bonus
Fiscal Year 2011

State or Territory	Entitlement	Bonus	Total
Delaware.....	198,392	23,913	222,305
.....	19,577	0	19,577
Idaho.....	149,780	92,650	242,430
.....	1,641,447	339,261	1,980,708
Kansas.....	278,892	46,412	325,304
.. Massachusetts	66,705	43,411	110,116
---	179,340	0	0
Montana.....	250,094	0	0
TOTAL.....	\$2,784,227	\$545,647	\$2,900,440

Source. PCIMS -- Delivery 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 2011

ENTITLEMENT COMMODITIES	Pounds	Dollars
SECTION 6/32 TYPE:		
BEEF FINE GROUND	270,600	\$617,281
BEEF FRESH BONELESS COMBO	80,000	192,608
CHICKEN CUT-UP FROZEN	320,000	264,404
CHICKEN DICED	40,000	89,400
CHICKEN LARGE CHILLED BULK	252,000	183,910
CHICKEN LEGS CHILLED BULK	72,000	42,768
CHICKEN SMALL CHILLED BULK	684,000	502,783
FISH AK PLCK FROZEN BULK	79,968	123,950
PORK LEG ROAST FROZEN	40,000	68,000
TURKEY ROAST, FROZEN	40,400	87,676
Total Section 6/32 Type	1,878,968	\$2,172,780
SECTION 416 TYPE:		
CHEESE MOZ LM PART SKIM FRZ LVS-8/6 LB	10,848	\$19,577
CHEESE MOZ LM PART SKIM UNFZ PROCESSR PK	40,320	86,668
CHEESE NATURAL AMER FBD BARREL-500 LB	40,000	75,768
Total Section 416 Type	91,168	\$182,013
Anticipated Adjustment		\$250,094
AMS / FSA / PCIMS Admin Expenses		179,340
TOTAL COMMODITY ENTITLEMENT	1,970,136	\$2,784,227
BONUS COMMODITIES	Pounds	Dollars
SECTION 32 TYPE:		
CHICKEN LEG QTR FRZ BAG-4/10 LB Total	38,000	\$24,328
FRUIT MIX DRIED PKG-5/5 LB	72,800	199,516
PEACHES LIGHT SYRUP CLING SLICED CAN-6/10	108,756	72,732
PEACH FREESTONE DICED FRZ CUP-96/4 4 OZ	36,960	44,072
PEARS SLICES CAN-6/10	324,216	204,999
Total Section 32 Type	580,732	\$545,647
SECTION 416 TYPE:		
NONE		
Total Section 416 Type	0	0
Anticipated Adjustment	0	0
TOTAL BONUS COMMODITIES	580,732	545,647
TOTAL -- ALL COMMODITIES	2,550,868	\$3,329,874
Cash In-Lieu of Commodities		0
GRAND TOTAL	2,550,868	\$3,329,874

Source: PCIMS -- Delivery order and contract information

FOOD AND NUTRITION SERVICE

SUMMER CAMPS, CHARITABLE INSTITUTIONS, BUREAU OF PRISONS, AND VA HOSPITALS

Quantity and Value of Commodities

Fiscal Year 2011

ENTITLEMENT COMMODITIES	Summer Camps		Charitable Institutions		Bureau of Prisons		VA Hospitals	
	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars
SECTION 6/32 TYPE: NONE								
Total Section 6/32 Type	0	\$0	0	\$0	0	\$0	0	\$0
ENTITLEMENT COMMODITIES	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars
SECTION 416 TYPE: NONE								
Total Section 416 Type	0	\$0	0	\$0	0	\$0	0	\$0
Anticipated Adjustment AMS / FSA / PCIMS Admin. Expenses								
TOTAL COMMODITY ENTITLEMENT	0	\$0	0	\$0	0	\$0	0	\$0
BONUS COMMODITIES	Summer Camps		Charitable Institutions		Bureau of Prisons		VA Hospitals	
	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars
SECTION 32 TYPE: CHICKEN, DRUMS/LEGS/THIGHS QUARTERS					7,987,600	\$3,880,246		
Total Section 32 Type	0	\$0	0	\$0	7,987,600	\$3,880,246	0	\$0
BONUS COMMODITIES	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars
SECTION 416 TYPE: NONE								
Total Section 416 Type	0	\$0	0	\$0	0	\$0	0	\$0
Anticipated Adjustment								
TOTAL BONUS COMMODITIES	0	\$0	0	\$0	7,987,600	\$3,880,246	0	\$0
TOTAL -- ALL COMMODIT ES	0	\$0	0	\$0	7,987,600	\$3,880,246	0	\$0
Cash In-Lieu of Commodities								
GRAND TOTAL	0	\$0	0	\$0	7,987,600	\$3,880,246	0	\$0

Source: PCIMS -- Delivery order and contract information.

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration:

For necessary administrative expenses of the Food and Nutrition Service for carrying out any domestic nutrition assistance program, [\$138,500,000] \$143,505,000: *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
AND SUMMARY OF INCREASES AND DECREASES

NUTRITION PROGRAMS ADMINISTRATION

Appropriation Act, 2012	\$138,500,000
Budget Estimate, 2013	<u>143,505,000</u>
Change from 2012 Appropriation	<u>+5,005,000</u>

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

Item of Change	2010 Actual	2011 Change	2012 Change	2013 Change	2013 Estimate
Direct Program, FNS and CNPP <u>1/</u>	\$147,801	-\$296	-\$11,005	\$3,005	\$139,505
2010 Dietary Guidelines for Americans & MyPlate	0	0	0	2,000	2,000
Congressional Hunger Center	3,000	-1,726	726	0	2,000
Total Appropriation	150,801	-2,022	-10,279	5,005	143,505

1/ The FY 2012 estimate for the administrative expenses of the Center for Nutrition Policy and Promotion is \$3,796,000; the FY 2013 request is \$5,796,000.

PROJECT STATEMENT
(On basis of appropriation)
(Dollars in thousands)

Project	2010 Actual	SY	2011 Actual	SY	2012 Estimate	SY	Change	2013 Estimate	SY
Food and Nutrition Service/CNPP	\$147,801	1,033	\$147,505	1,053	\$136,500	1,000	\$3,005	\$139,505	1,000
2010 Dietary Guidelines and MyPlate	0		0		0		2,000	2,000	
Congressional Hunger Center	3,000		1,274		2,000		0	2,000	
Total Adjusted Appropriation	150,801	1,033	148,779	1,053	138,500	1,000	5,005	143,505	1,000
Recission <u>1/</u>	0	0	296	0	0	0	0	0	0
Total Appropriation	150,801	1,033	149,075	1,053	138,500	1,000	5,005	143,505	1,000

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

PROJECT STATEMENT
(On basis of obligations)
(Dollars in thousands)

Project	2010 Actual	SY	2011 Actual	SY	2012 Estimate	SY	Change	2013 Estimate	SY
Food and Nutrition Service/CNPP	\$147,309	1,033	\$146,943	1,053	\$136,500	1,000	\$3,005	\$139,505	1,000
2010 Dietary Guidelines and MyPlate	0		0		0		2,000	2,000	
Congressional Htmger Center	3,000		1,274		2,000		0	2,000	
Congressional Relations	289		271		0		0	0	
Miscellaneous Reimbursements	1,070		867		0		0	0	
Balance Lapsing	492		562		0		0	0	
Total Obligations	152,160	1,033	149,917	1,053	138,500	1,000	5,005	143,505	1,000
Congressional Relations	-289		-271		0		0	0	
Miscellaneous Reimbursements	-1,070		-867		0		0	0	
Rescission	0		296		0		0	0	
Total Appropriation	150,801	1,033	149,075	1,053	138,500	1,000	5,005	143,505	1,000

Administrative Expenses Breakout by FNS Programs
(This is an informational display linking administrative finding and program activities.)
(Dollars in thousands)

FNS Program	FY 2013
Supplemental Nutrition Assistance Program	\$65,141
Child Nutrition Programs	33,927
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	21,713
Commodity Assistance Program	14,928
Subtotal	135,709
Congressional Htmger Center	2,000
Center for Nutrition Policy and Promotion	5,796
Total Request, Nutrition Programs Administration	143,505

Justification of Increases and Decreases

A net increase of \$5,005,000 for the Nutrition Assistance Programs (\$138,500,000 available in FY 2012) consisting of:

- (1) An increase of \$441,000 to fund increased pay costs.

Explanation of Change: 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.

- (2) An increase in Salaries and Benefits of \$2,564,000

Explanation of Change: The Administration has established an aggressive set of policy goals for the Food, Nutrition and Consumer Services (FNCS) mission area, and FNS's role is integral in achieving those objectives. However, the serious erosion of staffing levels over consecutive years, combined with a dramatic, concurrent growth in the size and complexity of the programs, has had a detrimental effect on the agency. The staffing shortfall has seriously undercut the agency's ability to successfully achieve the Administration's goals, undertake important new initiatives, and maintain the high levels of program integrity and fiscal stewardship that are essential in preserving the public's confidence and support for the nutrition assistance programs. FNS needs funding that will preserve its current level of staff years and enable it to provide support for the nutrition assistance programs. Additional funding is critical to maintain the current staffing levels that support the agency's ability to manage the complex Federal nutrition assistance programs.

- (3) FNS requests \$2,000,000 for the Center for Nutrition Policy and Promotion

Explanation of Change: This funding is for the Center for Nutrition Policy and Promotion to promote the 2010 *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 (policy document), 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.
- 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, and 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
2010 and 2011 Actual and Estimated 2012 and 2013
(Dollars in Thousands)

Nutrition Programs Administration--Federal Salaries & Expenses								
	FY 2010 Amount	Staff Years	FY 2011 Amount	Staff Years	FY 2012 Amount	Staff Years	FY 2013 Amount	Staff Years
Alabama	0	0	\$91	1	\$84	1	\$87	1
Arizona	\$253	2	228	2	210	2	218	2
Arkansas	293	3	327	3	302	3	313	3
California	8,413	72	9,169	76	8,471	76	8,777	76
Colorado	5,699	51	7,181	81	6,634	81	6,874	81
Connecticut	124	1	104	1	96	1	99	1
District of Columbia	3,271	2	1,365	1	2,535	1	2,626	1
Florida	182	2	85	1	79	1	82	1
Georgia	7,562	77	8,264	81	7,635	81	7,911	81
Hawaii	197	2	201	2	185	2	192	2
Illinois	5,273	47	5,135	38	4,744	38	4,915	38
Indiana	225	2	0	0	0	0	0	0
Iowa	225	2	78	1	72	1	75	1
Kansas	225	2	86	1	79	1	82	1
Kentucky	195	2	199	2	184	2	190	2
Louisiana	463	5	509	4	470	4	487	4
Maine	2	0	2	0	2	0	2	0
Maryland	347	3	647	6	597	6	619	6
Massachusetts	6,504	55	6,879	59	6,355	59	6,585	59
Michigan	563	5	260	4	240	4	249	4
Minnesota	1,244	3	985	10	910	10	942	10
Mississippi	242	12	238	3	220	3	228	3
Missouri	225	2	184	2	170	2	177	2
Montana	338	3	245	3	227	3	235	3
Nebraska	225	2	96	1	89	1	92	1
New Hampshire	172	2	113	1	105	1	108	1
New Jersey	8,361	79	7,681	68	7,096	68	7,353	68
New York	1,519	16	1,402	14	1,296	14	1,342	14
North Carolina	410	4	587	5	542	5	562	5
North Dakota	113	1	47	1	43	1	45	1
Ohio	563	5	454	5	420	5	435	5
Oklahoma	211	2	110	2	102	2	106	2
Oregon	513	6	517	5	478	5	495	5
Pennsylvania	180	1	269	4	248	4	257	4
South Carolina	371	4	382	4	353	4	365	4
South Dakota	0	0	112	1	103	1	107	1
Tennessee	218	2	189	2	175	2	181	2
Texas	7,538	66	8,903	93	8,225	93	8,522	93
Utah	338	3	172	2	159	2	165	2
Virginia	87,669	478	85,240	456	77,994	404	80,812	404
Wisconsin	225	2	188	2	174	2	180	2
Wyoming	0	0	45	1	41	1	43	1
West Virginia	102	1	0	0	0	0	0	0
Puerto Rico	386	3	387	4	358	4	371	4
Undistributed	492	0	562	0	0	0	0	0
TOTAL	151,668	1,033	149,917	1,053	138,500	1,000	143,505	1,000

Note: Totals may not add due to rounding

FOOD AND NUTRITION SERVICE

Nutrition Programs Administration

Classification by Objects

(Dollars in Thousands)

	2010	2011	2012	2013
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel Compensation:				
Washington D.C.....	\$43,064	\$44,507	\$42,015	\$43,149
Field.....	50,553	52,248	49,322	50,656
11 Total personnel compensation.....	93,617	96,755	91,337	93,805
12 Personnel benefits.....	24,027	27,694	26,143	26,849
13 Benefits for former personnel	537	21	20	21
Total personnel comp. and benefits.....	118,181	124,470	117,500	120,675
Other Objects:				
21 Travel and transportation of persons.....	2,871	1,947	1,947	1,947
22 Transportation of things.....	14	7	6	6
23.1 Rental payments to GSA.....	14	-	-	-
23.2 Rental payments to others.....	363	178	140	140
23.3 Communications, utilities, and misc. charges.....	1,320	896	704	704
24 Printing and reproduction.....	251	348	274	348
25 Other Services.....	-	-	-	-
25.1 Contractual services performed by other				
Federal agencies.....	6,053	3,039	2,389	2,389
25.2 Related expenditures.....	52	69	54	54
25.3 Repair, alteration or maintenance of equipment, furniture.....	218	284	223	223
25.4 Contractual services - other	10,421	11,189	8,819	10,575
25.5 Agreements.....	4,086	920	723	723
25.6 ADP services and supplies.....	1,363	2,188	1,720	1,720
25.7 Miscellaneous services.....	224	33	26	26
25.8 Fees.....	68	60	47	47
26 Supplies and materials.....	2,663	1,876	1,475	1,475
31 Equipment.....	406	457	359	359
32 Land and structures.....	-	-	-	-
41 Grants.....	3,000	1,274	2,000	2,000
42 Insurance claims and indemnities.....	96	115	90	90
43 Interest and dividends.....	4	5	4	4
45 Special payments.....	0	-	-	-
92 Undistributed.....	-	562	-	-
Total, Other Objects.....	33,486	25,447	21,000	22,830
99.9 Total, new obligations.....	151,668	149,917	138,500	143,505

Position Data:

Average Salary (dollars), ES Position.....	\$164,771	\$167,886	\$169,565	\$171,261
Average Salary (dollars), GS Position.....	\$85,191	\$88,340	\$89,223	\$90,115
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 fifty 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 2011 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 231,435 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 2011 accomplishments supported by the NPA appropriation and related to SNAP include:

Implementation of Farm Bill Changes: The 2008 Farm Bill included multiple provisions that reinforce long-term agency priorities. These include: strengthening integrity; simplifying administration; maintaining State flexibility; improving health through nutrition education; and improving access. FNS has been responsible for ensuring the effective and efficient implementation of these changes.

State Oversight: FNS, through its seven regional offices, conducts various on-site reviews of State and local SNAP offices each year. In FY 2011, 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 in 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 2010 was 3.81 percent, representing the seventh consecutive year with a payment error rate under six percent. The rate reflects an over-issuance rate of 3.05 percent and an under-issuance rate of 0.75 percent. In FY 2011, 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 \$313.1 million in recipient claims in FY 2011. FNS continued to monitor corrective actions performed by States to address previously identified deficiencies in recipient claims systems. Forty-five States had claims systems without significant problems as of May 2011.
- *Store Tracking and Redemption System (STARS):* FNS implemented an improved authorization process in STARS that automates background checks on each applicant, evaluates applicant responses for accuracy, and flags any questionable responses for review by Agency staff.
- *Anti-fraud Locator using EBT Retailer Transactions (ALERT):* FNS continued development of a next generation ALERT system to add new analytical capabilities, integrate a GIS solution, and incorporate data mining activities in order to significantly improve program integrity. During FY 2011 FNS completed the development of the system backend as well as requirements and design activities for the front-end. Deployment is expected during FY 2012.
- *Retailer Oversight and Integrity:* In FY 2011, FNS staff authorized or reauthorized 72,406 firms to participate in SNAP. FNS utilized contractor store visits to verify the initial or continued eligibility of 23,763 stores participating in SNAP. In this same period, 19,085 firms were withdrawn from participation because of changes in ownership, business closings, or nonconformance with authorization criteria. In addition, 1,906 stores were fined or disqualified temporarily or permanently for noncompliance with law or SNAP regulations.

At the end of FY 2011, 231,435 stores were authorized to participate in SNAP, an increase of 14,697 stores from FY 2010 and of 37,682 stores over the last three fiscal years.

During FY 2011, there were investigations of 5,340 stores nationwide. Approximately 37 percent (1,989) of these investigations documented evidence of SNAP violations. Of the 1,989 positive investigations, FNS investigators uncovered trafficking in 452 stores.

- *SNAP Retailer Locator:* In FY 2011, FNS released the next version of the SNAP Retailer Locator. The release added a Spanish version as well as the ability to download data and obtain driving directions to retail locations. The mapping tool helps program recipient and partners - food banks, state eligibility workers - locate the closest authorized retailer that welcomes SNAP benefits.

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 2011 FNS approved eight RFPs, seven contracts, two contract extensions, and two EBT contract amendments.

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 2011 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 FDPIT 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.

CHILD NUTRITION PROGRAMS

For the Child Nutrition Programs, the NPA appropriation funds the staff expenses for developing policies, procedures and standards used to administer the programs and determine eligibility, and providing Federal oversight to ensure that the programs are operating effectively and in compliance with law and regulations. FNS is improving access and accuracy in the school meal programs by mandated direct certification of children in SNAP households and by enhancing the verification process for those who must continue to complete paper applications to participate. In addition, provisions to simplify the application process for families will allow more eligible children to benefit from nutritious school meals. In areas where the State agencies cannot or do not assume operational responsibility, FNS directly administers the Child Nutrition Programs.

Highlights of FY 2011 accomplishments supported by the NPA appropriation related to the Child Nutrition Programs include:

Child Nutrition 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. Since enactment of the HHFKA, the agency has worked to engage and inform a wide variety of program stakeholders. The agency immediately implemented the non-discretionary provisions of the Act, such as expanding access to meals for at-risk children through the CACFP. In addition, the following HHFKA regulations were published in FY 2011:

- Proposed Rule: *Nutrition Standards in the National School Lunch and School Breakfast Programs* (January 13, 2011). The comment period for this proposed rule closed April 13, 2011. The Agency received 133,268 public comments. The final rule was published in January 2012.
- Interim Rule: *National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010* (June 17, 2011).
- 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* (June 29, 2011).
- Final rule: *Special Supplemental Nutrition Program for Women, Infants and Children (WIC): Implementation of Nondiscretionary, Non-Electronic Benefits Transfer-Related Provisions* (September 28, 2011).

Two additional rules published in FY 2011: a final rule on Child and Adult Care Food Program integrity and an interim rule on direct certification for school meals – included HHFKA provisions. Several other regulations are under development and expected to be released in the coming year. See <http://www.fns.usda.gov/cnd/lunch/>, under “Reauthorization 2010” for more information.

Nutrition Awareness: 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 MyPlate. It strives 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 HealthierUS School Challenge (HUSSC)** recognizes Team Nutrition schools that have met rigorous standards for nutritious food and beverage choices, nutrition education, and physical education and opportunities for physical activity for students. The 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 Web site for their efforts. The First Lady issued a challenge to enroll an additional 1,000 schools, each school year for the next two years. As of December 2011, FNS has certified 2,161 new HUSSC schools, surpassing the first goal of 2,150 for June 2011, and is well on its way to meeting the goal for June 2012 to have 2,250 schools certified. 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 45 States at four award levels: Bronze, Silver, Gold and Gold of Distinction.
- **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 foodservice professionals, and encouraging community support for healthy children. All of the materials are available on the Team Nutrition Web site 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 include the development of nutrition curricula

for grades 1-8 that are linked to educational standards for math, science, English/language arts and health. These materials will be piloted in schools in FY 2012. 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 103,500 copies of other MyPlate educational materials (e.g., posters, brochures, etc.) to schools during FY 2011.

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 2011 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.

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

- *WIC Special Project Grants* - FNS awarded Special Project Grants to four WIC State agencies in FY 2011 to pursue innovative projects that revitalize quality nutrition services. The grants awarded in FY 2011 will focus on promoting greater retention of children participating in WIC through collaboration with Head Start and Early Head Start, evaluating the use of Family Support Coordinators in locations that do not have comprehensive social service programs, and targeting excess weight gain during pregnancy.
- *Breastfeeding Promotion and Support Activities* – Under a cooperative agreement with Every Mother, Inc., FNS updated the Loving Support Peer Counseling Curricula and conducted trainings for WIC State agencies in all FNS Regions. FNS awarded \$69.84 million in grants as a result of the continued funding increase for breastfeeding peer counseling. FNS awarded \$10 million of breastfeeding performance bonuses to 15 WIC State agencies exhibiting the most improved and highest breastfeeding rates among WIC participants. FNS contracted with the National Academy of Sciences, Institute of Medicine (IOM) to conduct a workshop with experts from various disciplines on updating USDA’s national breastfeeding promotion and support campaign —*Loving Support Makes Breastfeeding Work*. 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.
- *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.

- *Revitalizing WIC Nutrition Risk* - In FY 2011, FNS developed a new Partner Web to make WIC nutrition risk criteria more easily accessible by WIC State agencies.

WIC Prescreening Tool: In FY 2011, FNS developed and launched a web-based tool 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 Tool is currently available in English, Spanish and Chinese (traditional) and is accessible to all internet users via the “Am I Eligible?” links on the WIC homepage. The Tool, which was launched in September, is accessed approximately 3,000 times per day.

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 Expanding EBT: In our continued efforts to expand WIC EBT, FNS awarded FY 2011 funds to eight State agencies (Alaska, Arizona, Maryland, Massachusetts, North Dakota, South Dakota, Vermont and the Wichita, Caddo and Delaware Tribe of Oklahoma) to conduct EBT planning activities. In addition, Arkansas, Pennsylvania, Montana, and Oregon received funds to implement WIC EBT. To date, at least 57 State agencies are in various stages of EBT activity, ranging from planning to statewide implementation.

Enhancing Program Management and Oversight: In FY 2011, 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 2011, FNS continued to provide assistance to the Department of Defense in administering its WIC-like Overseas Program. It also provided assistance to Regional Offices, WIC State agencies, and external organizations, e.g., the Wounded Warrior Program, regarding which payments to military personnel/households are excluded or included when determining income eligibility for the WIC Program.

Vendor Cost Containment: 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.

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 2011 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:

- *Processed Commodity Information Management System (PCIMS) Replacement* - PCIMS is a mission-critical system that USDA relies on to buy, inventory, manage, and deliver USDA Foods to customers. PCIMS is currently used and supported by FNS, AMS and FSA. Initiation of the PCIMS replacement system project, known as Web-Based Supply Chain Management (WBSCM), began in FY 2006. The WBSCM contract was awarded in early FY 2007, and in FY 2008 FNS participated in system design sessions and initiated system development activity. In FY 2009, system development continued and testing began. In FY 2010, WBSCM went live with limited functionality, and in FY 2011 WBSCM achieved full production status for domestic and international ordering and procurement activities.
- *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 will help program managers understand the significant improvements that have been made to USDA Foods.

Food Safety: In FY 2011, FNS continued to enhance food safety initiatives in support of USDA’s goal to “Ensure that all of America’s Children Have Access to Safe, Nutritious and Balanced Meals”. Major initiatives were related to both food defense and food safety, and complemented the food safety education activities described under the Child Nutrition Programs section.

- *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’. A Memorandum of Understanding was completed between USDA and FDA to cover the information sharing process for USDA Foods involved in recalls or investigations. FNS was invited by FSIS to be part of a food safety messaging work group to coordinate on the development of consistent food safety messages to be disseminated to our respective audiences. FNS assisted with the development of a Senior Leaders food defense exercise conducted in Fall 2011. 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. 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 (SNF) to provide development of four Webinars on produce safety for school meals programs operators. As part of an FNS grant to the National Environmental Health Association, FNS helped coordinate contact with the South Carolina state agency to provide food safety training to a mixed audience of school foodservice directors and health inspectors. FNS participated in a Partnership for Food Safety Education national strategic planning effort. FNS works with the National Food Service Management Institute on food safety education and training for Child Nutrition Programs nationwide.

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 programs 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% 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

FNS continues to provide needed technical assistance to States which are renegotiating contracts for the continuation of EBT services.

The Account Management Agent (AMA) system/EBT has successfully rolled out its Web-based platform. Enhancements to the software are now under development. AMA release 4.0 upgrades will augment some of the reporting capabilities, increase the awareness of system issues by providing automated notifications of these issues, automate some of the current manual processes, and provide better communication to users through broadcast messages on the AMA.gov Web page.

The AMA was developed by FNS as a payment authorization and account management interface for the United States Department of Treasury's Automated Standard Application for Payments (ASAP) system. Both systems reside at the Federal Reserve Bank of Richmond and are integrated into one seamless process. The AMA's purpose is to manage the ASAP SNAP accounts for FNS in support of their EBT process, which utilizes electronic debit cards. The debit cards carry a SNAP benefits balance reduced by the amount of purchases when swiped by the retailer. The retailer is subsequently reimbursed by the State's EBT contractor.

A historic record of States' Monthly Funding Limits is in place to provide for better funding estimates. This is monitored regularly by the Program Data Branch, Accounting Division.

Accounting and Financial Tracking Improvements

FNS continues to maintain its strong record of financial management oversight. FNS implemented updates to the Standard General Ledger and Financial Statements mandated for FY 2011.

Debt Collection Activity in FY 2011

For Federally managed Federal debt, FNS continued its vigorous pursuit of debt owed the agency by billing \$32 million in new receivables during the fiscal year. Year-end outstanding debts for the FY increased from the previous year by \$12 million. The overall debt resolution rate achieved was about 44 percent.

Federally Managed Federal Debt Profile FY 2008 – FY 2011 (\$ millions)

Debt Management Category	2008	2009	2010	2011
Accounts Receivable	\$58	\$39	\$43	\$42
Collections	41	43	27	22
Litigation	1	2	1	4
Past due	15	7	9	9
Recipient Claims	208	288	271	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 2009 – FY 2011 (\$ Millions)

<u>Claims Activity</u>	2009	2010	2011
Claims			
Established	367	460	521
Claims Collected	260	287	314
Ending Balance	1,242	1,340	1,441

^{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 and complete and in compliance with Federal standards and regulations.

Financial Statements Audit

FNS received an unqualified (“clean”) opinion on the FY 2011 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 2011, the agency has reached a critical point regarding necessary administrative resources.

ADMINISTRATIVE MANAGEMENT INITIATIVES

Human Capital Management

In FY 2011, FNCS broadened and refined its strategic management of human capital – the Federal Government’s most important and valuable asset – by creating a Human Capital Strategic Plan with emphases on workforce diversity, inclusion, employee development, hiring reform, decreasing skill gaps, workforce planning, performance management, and organizational efficiency. Coupled with its FY 2012 Outreach and Recruitment Plan, FNS, through its Human Resources Division, is poised to further support the mission focus of our talented workforce. Having received a positive Human Resources audit report from USDA and the Office of Personnel Management during FY 2011, FNCS continues to build on its strengths while curing its few HR vulnerabilities as the USDA and federal HR landscape evolves.

During FY 2011, by way of example, FNCS established its Labor Management Forum in accordance with Executive Order and USDA guidance, produced a comprehensive Human Capital Management Report for the Department, galvanized the formation of an FNCS Cultural Transformation Steering Committee, was recognized for its leadership in workforce diversity, participation in USDA efficiency-enhancing reviews of administrative services, establishment of a position management function and production of an organizational management guide, oversaw the upgrade of the agency’s time and attendance system, heavily promoted the creation of individual development plans, collaborated in Department-wide HRIT initiative, conducted extensive training in new collective bargaining agreement interpretation, implemented new performance award process, successfully resolved a series of personnel challenges, led a telework enhancement working group, revised selected policies and procedures, and developed excellent working relationships with veterans’ groups and organizations representing people with disabilities. In addition the Human Resources Division designed, implemented and/or heavily contributed to the following programs and initiatives during FY 2011.

FNCS has strongly supported the Department’s initiative to bring Cultural Transformation to USDA. Employees have a stake in transforming the culture of USDA, especially taking into account the economic times in our country, the need to do more with less, the advent of virtual teams, increased teleworking, the rapidly changing racial and ethnic demographics of the workforce, and the presence of multiple generations in the workplace. FNCS is a USDA leader in training and leadership development, and will expand efforts to incorporate workforce and succession planning into the agency’s strategic and other planning processes.

Cultural Transformation Training: FNCS has developed several training courses that have been presented in all the Regional Offices and the National Office, engendering very positive reaction. The courses are: Walking Each Other Home for Employees, Walking Each Other Home for Supervisors and Managers, Conflict Management for Supervisors and Managers, Creating Effective Individual Development Plans, Intergenerational Communications, and Bridging the Gap (scheduled for January of 2012). Some information about each of them follows:

Walking Each Other Home: Diversity is much more than representation; it’s the spirit of Equal Employment Opportunity, lending a hand, affording equitable opportunities for everyone’s professional development, and building authentic relationships in an interactive and cohesive way. Diversity is also about respecting, valuing and appreciating fellow workers. Walking together, valuing everyone’s culture, appreciating our differences, and respecting one another will move us forward toward cultural transformation. These are the concepts and ideas discussed in Walking Each Other Home. There is a version for employees and a version for supervisors. They are very much alike, except that the version for supervisors also stresses job-related duties and requirements to increase diversity. To date the classes have

been offered in all seven regional offices including connectivity with field offices, as well as a number of sessions at the National Office.

Conflict Management for Supervisors and Managers: A one-day seminar was designed based on aggregated data results from a nationwide 360 Degree Assessment in early FY 2011. The assessment was undertaken by the Administrator, as part of the Cultural Transformation emphasis on employee development. The data indicated a general need for more exposure to conflict resolution, and was presented in all seven regional offices, as well as four sessions at the National Office. Evaluations were positive, with almost all ratings ranging in the “Good” and “Excellent” range.

Intergenerational Communications: The FNCS workforce is comprised of four separate and distinguishable generations of employees, who need to understand the values, perceptions, and work methods of their colleagues in order to maximize communication, productivity and effectiveness. Two training opportunities in Intergenerational Communications were developed. A one-day training course focused on identifying the different characteristics associated with each generation, identifying features of each generation as they apply to the FNCS organizational culture, identifying differences within generations which might cause conflict in the workplace, and developing strategies to communicate more effectively within the generations. An additional training course, modeled after a game show, is planned for January of 2012.

Developing Effective Individual Development Plans (IDPs): One of the major building blocks of the Secretary’s Cultural Transformation initiative is the use of Individual Development Plans (IDP’s) to enhance employee performance, productivity, and ensure the skills necessary for advancement. FNCS’ approach to IDP training is to utilize a cadre of trained individuals who act as Subject Matter Experts and a training resource for all employees within the agency. FNS University developed a standardized instructional package for use during the training program. This package included the background and history of IDPs, their use throughout FNCS, benefits and limitations, USDA’s IDP instruction and the five-step process for IDP creation, and how to use AgLearn to create and monitor IDPs. Three “Train the Trainer” training sessions were held (in April, May and June of 2011) to develop our cadre of trainers from the seven regional offices—the Regional Human Resource Liaisons. The regional offices were then responsible for training their regional and satellite office personnel, while HR staff at National Office performed the same function for National Office staff. Ongoing training on IDPs is being delivered to new employees during on-boarding, and is available to National Office organizations on request from the HR Division.

The following initiatives were designed to sustain a learning environment that drives continuous improvement in accomplishment of human capital and FNS programmatic goals. FNS University (FNSU) is the primary source of professional and personal growth opportunities for FNCS employees. Several important changes took place in FY 2011. The University is structured around four “colleges,” which represent the comprehensive nature of the program. Courses and training opportunities available are:

- 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 Nationwide New Employee Orientation
 - Human Resources Management for New FNS Supervisors
 - FNSU Mentoring Program

- College of Self-Development: programs designed to encourage employees to build life skills. The programs included in this college are:
 - Job Enrichment Program
 - Learning Labs
 - Tuition Reimbursement Program
 - AgLearn
 - Career G-O-A-L-S

- FNSU & ACE College Equivalency Program
 - FNSU Training Library
- College of Technical Program Training: FNS continues to move FNSU into the area of job-related technical training, despite limited resources. The effort emphasizes a standardized course development process and the use of agency subject-matter experts to design and teach the courses. In addition, Human Resources has increased efforts to see that quality developmental and experiential opportunities are assured in conjunction with established Federal internship programs. The programs in this college are:
 - Strategically Aligned Trainings (in development)
 - 1890 National Scholars Program
 - Presidential Management Fellowship Program
 - Field Academy
- College of Leadership and Management: a greatly increased emphasis on providing technical and soft-skills training to agency supervisors and managers, as well as leadership development training to a broad grade-range of employees. The programs in this college are:
 - The Leadership Institute
 - Supervision by the Book
 - Supervisory Excellence Program
 - The Aspiring Leaders Program (in development)

Additional information on FNSU's major career development programs during FY 2011 includes:

- Leadership Institute -- FNSU's premier, intensive 16-month program is FNS' principal succession planning tool for the next decade of leaders. A new class of participants will be selected in Spring 2012. The ten participants of the Class of 2011 graduated from the program in October 2011. 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.
- Learning Labs – Learning Labs are day-long or two-day seminars on management and leadership skills and OPM competencies, 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. FY 2011 labs focused on skill sets in Leadership, Intergenerational Communications, Employee Engagement, and Development and Coaching by Supervisors. Additional training sessions included Computer Software proficiency, IDP Development, and Teambuilding,
- Tuition Reimbursement Program (TRP) – Permanent FNS employees can receive partial reimbursement for mission-related courses and or conferences taken 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.

Employees who have taken classes through the TRP 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.

- Supervisory Excellence Program (SEP) -- A program for FNS supervisors and managers that satisfies an internal agency requirement for ongoing supervisory training. The National Employee Development Team, which oversees FNS University and its programs, will undertake a review in FY 2012 of the SEP, to assure it remains current and includes potential improvements such as recommended AgLearn courses to supplement FNSU offerings; making FNSU and other offerings available via streaming to managers' desktops; a reading program; and in-depth training offered by established sources such as the Federal Executive Institute, the Center for Creative Learning, and others based on assessed need.
- Strategically Aligned Trainings (SATs) – FNSU has continued to move forward in providing job-related technical training in addition to the soft-skills training that it has been providing for years. Curriculum Development fundamentals have been taught to various mission areas, including OIT and SNAP QA, leading to technical training program development in SharePoint user and web page management, Microsoft Office, and SNAP QA/QC Electronic Users Museum training programs. Additionally, trainers within the Learning and Development branch continue to use AIM2 as the standardized instructor lead training development tool for FNS on-boarding, IDP creation, and the NRCS Human Resources Trainee Program-Employee Development (a USDA sponsored initiative) programs. AIM2 training packages were created for various courses and additional training opportunities and subject matter experts are pending identification. Additionally, USDA has procured Course Avenue software to be able to begin developing Web-based, 508 compliant training packages under a shared licensing agreement, which the agency intends to utilize.
- FNS-101 – FNS' comprehensive and informative new employee orientation program, expanded this year into a nationwide program. New regional and National Office employees participate in this 3-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 mandatory U.S. Constitution training and a tour of a local food bank. 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.
- Field Academy – The core curriculum of FNSU Learning Labs presented in a week-long academy in a central location for up to 20 percent of field staff yearly who, because of their geographic location, cannot attend labs at a regional campus or the National Office campus. Due to funding constraints, the Field Academy was not held in 2011.
- FNS Mentoring Program – With implementation scheduled for Spring 2012, 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.
- Aspiring Leaders Program -- (under development) This program will prepare and equip employees at the GS 5-11 levels with leadership development skills for the 21st century, and complement the agency's Leadership Institute. The program is structured around a week-long seminar designed for classroom learning, and will utilize a blended approach by incorporating self-study assignments, on-line training, and a reading program to be completed outside the classroom before and after the seminar. The program will focus on OPM competencies such as diversity, communication skills, conflict management, problem solving, interpersonal skills and other competencies necessary to leadership.

Workforce, Succession, and Recruitment Planning

The agency is committed to implementing and managing its talent through workforce planning, succession planning and recruitment initiatives to attract and develop quality applicants. FNS develops three-year plans based on skill gaps and competencies and critical positions identified by supervisors and managers. Working with managers, succession and recruitment planning is an integral part of the planning process in order to develop a quality workforce to better perform the agency's goal of improving the Nation's nutrition and health.

In addition to programs already mentioned which have an employee retention impact, including the TRP and the Career Enhancement Opportunity Program, the agency:

- Continues efforts to retain or reduce hiring timelines in accordance with OPM-prescribed measures.
- Continues use of the Career Patterns approach, a “21st Century Approach to Attracting Talent”.
- Utilizes results from the OPM Employee Viewpoint Survey on an ongoing, annual basis to determine where improvements need to be made in the areas of succession planning, work life, leadership, employee development, and other employee retention areas.
- Develops a strategic direction: the context or “big picture” under which the Agency operates.
- Analyzes the workforce by developing a workforce profile, skill gap analysis and strategies for filling gaps.
- Produces a bi-yearly strategic plan for Human Resources Division, highlighting the above and other major goals to improve the efficiency and productivity of the agency.

These initiatives provide the thrust and backdrop for succession planning, and the Agency is currently participating with the USDA-wide effort to update its workforce plan and succession plan.

Information Technology

In FY 2011, FNCS has continued its focus on delivering mission-based, cost effective IT solutions and supporting the Department’s implementation of Enterprise Services. FNCS IT enabled the launch of the ChooseMyPlate.gov Web site and the soft launch of SuperTracker. Both initiatives were developed in collaboration with CNPP and in support of the First Lady’s *Let’s Move!* initiative. FNCS utilized the USDA Platform as a Service to support the launch of the ChooseMyPlate.gov Web site. SuperTracker has attracted over 300,000 users to date, in advance of the full launch scheduled for FY 2012. FNCS IT implemented enhancements to the SNAP Retailer Locator, including the addition of driving directions to retailers and a Spanish language version. The application currently maps to more than 222,000 authorized retail locations, including farmer’s markets, more than any other online retail locator on the Internet. The Retailer Locator won an ESRI Special Achievement in Geospatial Information Systems (GIS) Award, which recognized the tool for its use of Geospatial Technologies to improve the delivery of services to citizens. Additionally in FY 2011, FNCS migrated 2,200 FNCS email accounts to the USDA Enterprise Messaging System. The migration to the enterprise solution occurred with minimal impact to FNCS staff and achieved an annual reduction of \$20,000 for Outlook licenses.

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 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 on-line tools. CNPP translates nutrition guidance into innovative consumer-focused nutrition promotion and outreach programs to empower consumers 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. CNPP also helps devise cost-effective strategies to target nutrition programs to different customers by analyzing consumer dietary needs, characteristics, behaviors, and lifestyles.

CNPP focuses on identifying, developing, and implementing public-health strategies and policies based on the most current evidence-based science that will result in positive consumer behavior changes regarding dietary practices and active lifestyles. Thus, CNPP has 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 and nutrition education. CNPP serves a diverse consumer base, including the populations served by nutrition assistance programs. Thus, guidance and education 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
Nutrition Education, Promotion, and Analyses	<ul style="list-style-type: none"> • <i>Dietary Guidelines for Americans</i> • USDA's Food Guidance System • Healthy Eating Index • Nutrition Education 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

Nutrition Education, Promotion, and Analyses

Promoting the 2010 Dietary Guidelines for American to Guide Program Changes and Consumer Behavior. 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 aged 2 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 ones supporting Federal nutrition assistance, as well as most private sector nutrition education and promotion efforts. The *Dietary Guidelines* aid policymakers in designing and implementing nutrition-related programs. They also provide education and health professionals, such as nutritionists, dietitians, and health educators with a compilation of the latest science-based recommendations.

The 2010 *Dietary Guidelines for Americans*, released in January 2011, is the Federal government's evidence-based nutritional guidance to promote health, reduce the risk of chronic diseases, and reduce the prevalence of overweight and obesity through improved nutrition and physical activity. Because more than one-third of children and more than two-thirds of adults in the United States are overweight or obese, the seventh edition of *Dietary Guidelines for Americans* places stronger emphasis on reducing calorie consumption and increasing physical activity.

The 2010 *Dietary Guidelines for Americans* include 23 Key Recommendations for the general population and six additional Key Recommendations for specific population groups, such as women who are pregnant. Key Recommendations are the most important messages within the *Guidelines* in terms of their implications for improving public health. The recommendations are intended as an integrated set of advice to achieve an overall healthy eating pattern that is balanced with physical activity.

CNPP's ChooseMyPlate.gov Dietary Guidance Web Site Encourages Positive Nutrition and Physical Activity Behaviors. CNPP continually updates the content at its widely used new Web site to meet the nutrition-education needs of the general population, as well the needs of specific groups. Since the launch of the first USDA Web-based consumer information site (MyPyramid.gov), consumers have been overwhelmingly receptive to this mode of information delivery. As a result of changes in dietary guidance and information technology, CNPP redesigned its Web site, which is now known as ChooseMyPlate.gov. The use of the Web site increased each year between 2005 (April to September) and 2009, moving from 1.0 billion to 3.5 billion hits. In 2010, use of the Web site dipped to 1.6 billion hits, possibly the result of three factors: loss of some data, changes to the infrastructure during a high-use period (start of the school year), and the public's anticipation of changes to the information and tools. Starting in 2011, use of the Web site began to rise again, moving to 1.7 billion hits for the fiscal year.

This page is intentionally blank for printing purposes.

FOOD AND NUTRITION SERVICE

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 2010 SNAP payment accuracy rates were the highest in the history of the program.

Selected Accomplishments Expected at the FY 2013 Proposed Resource Level:

- The SNAP payment accuracy rate will be 96.21 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.

Selected Past Accomplishments toward Achievement of the Key Outcome:

- FNS launched 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.
- CNPP released its newest educational tools: MyPlate, a new food icon that will serve as a reminder to help consumers make healthier food choices; and SuperTracker to help plan, analyze, and track diet and physical activity.
- Over 2,400 direct marketing farmers and farmers' markets were authorized to redeem SNAP benefits in FY 2011, and redeemed \$11.7 million in benefits.

Selected Accomplishments Expected at the FY 2013 Proposed Resource Level:

- The prevalence of overweight among children and adolescents will drop to 15.8 percent.
- FNCS will generate 50 million page views of on-line nutrition guidance.
- 2,645 farmers' markets will be authorized to redeem SNAP benefits, and redeem \$12.5 million in benefits.
- FNS will propose updated nutrition standards for meals provided through the Child and Adult Care Food Program

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.
- FNS proposed new nutrition standards for all foods sold in school during the school day.
- Over 2,100 HealthierUS Schools were certified by the end of 2011.

Selected Accomplishments Expected at the FY 2013 Proposed Resource Level:

- Reach 3,250 HealthierUS Schools.
- Issue proposed and final standards for local school wellness policies.

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, 2013, USDA will increase the SNAP payment accuracy rate, which reached an all-time high of 96.19 percent in FY 2010, to 96.21 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					
	2008 Actual	2009 Actual	2010 Actual	2011 Target	2012 Target	2013 Target
SNAP payment accuracy rate.	95.00%	95.60%	96.19%	96.19%	96.20%	96.21%

*FY 2011 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 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 2007-08. 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.

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					
	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Target	2013 Target
Prevalence of overweight among children and adolescents	16.9%	16.6%*		16.2%*		15.8%
Nutrition guidance, education, and promotion tools distributed (e-hits and print materials)	3.2 billion	3.5 billion	1.5 billion	1.7 billion	4.0 billion	4.0 billion
SNAP-authorized direct marketing farmers and farmers' markets	753	946	1,611	2,445	2,645	2,845
SNAP redemptions in farmers' markets	\$2.7 million	\$4.4 million	\$7.5 million	\$11.7 million	\$12.5 million	\$13.2 million

*Overweight data from the National Health and Nutrition Examination Survey reported biennially.

Means and Strategies: In order to advance the goal and achieve the performance targets, USDA will:

- Implement a comprehensive communications plan that supports the new educational tools and the MyPlate food icon, which will convey *Dietary Guidelines* 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 Guideline* messages.
- Plan and implement strategies to use appropriated funds to support redemption of SNAP benefits at direct marketing farmers and farmers' markets, including provision of wireless point-of-sale devices to those that do not currently have them.
- Work with SNAP clients to raise awareness of the availability and advantages of using SNAP benefits at farmers' markets.
- Propose updated nutrition standards for meals provided through the Child and Adult Care Food Program.

Key Agency Outcome 3: Improve all foods sold in schools

Most American children attend schools that offer the National School Lunch Program and the School Breakfast Program, which have nutrition standards based on the *Dietary Guidelines for Americans*. However, meals in most schools require improvement to meet these standards.

Schools also offer foods in addition to and in competition with the meal program offerings, in the cafeteria, in snack bars, and in vending machines. In contrast to program meals, these foods are not required to meet any Federal nutrition standards. These “competitive foods” too often tempt children to displace the more balanced meals they receive from the meals programs, and they set an unnecessarily bad nutritional example that helps train children in poor dietary habits. Improving the food made available to school children during the school day will help improve the nutritional intake and dietary habits of America’s children at school and everywhere else.

The HealthierUS Schools Challenge establishes rigorous criteria for schools’ food quality, participation in meal programs, physical activity, physical education, and nutrition education—the key components that make for healthy and active kids—and provides recognition for schools that meet these criteria. Because Challenge schools have succeeded in improving the quality of the food they serve and other aspects of the school nutrition environment, certification of additional Challenge schools represents a key result that contributes to this outcome.

- *Key Performance Measure:* Increase the number of HealthierUS Schools across the Nation.

Key Performance Targets:

Annual Performance Goals and Indicators	Fiscal Year					
	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Target	2013 Target
Number of HealthierUS Schools.	N/A	N/A	331	1,631	2,250	3,250

Means and Strategies: In order to advance the goal and achieve the performance targets, USDA will:

- Issue and support implementation of revised nutritional requirements for school meals based on Institute of Medicine recommendations that conform to the *Dietary Guidelines for Americans*. USDA will support implementation through aggressive and creative outreach to State administering agencies and schools.
- Use new authority in the Healthy, Hunger-Free Kids Act of 2010 to develop and implement national nutrition standards for non-program foods served in schools during the school day.
- Engage State, local, and school food service leaders; form partnerships with allied organizations, advocacy groups, and local, State, and Federal communities to improve the school nutrition environment.
- Establish and support standards for local wellness policies, including enhanced focus on ensuring that policies are transparent and implemented throughout the school environment.
- Identify and publicize issues surrounding the need for improved nutritional quality of food offered in schools and other aspects of the school nutrition environment, as well as how children can improve their dietary and physical activity habits to improve their diets and reduce overweight and obesity.

Food and Nutrition Service
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 2010	FY 2011	FY 2012	FY 2013
Child Nutrition Program				
Child Nutrition Programs				
School Lunch Program	\$9,932,814	\$10,320,844	\$10,717,249	\$11,405,193
School Breakfast Program	2,895,356	3,075,846	3,321,311	3,502,644
Child and Adult Care Food Program	2,583,232	2,732,119	2,758,235	2,916,755
Summer Food Service Program	374,203	376,829	411,661	440,905
Special Milk Program	12,064	12,381	13,196	13,323
State Administrative Expense	195,532	208,646	274,975	289,702
Total, Cash Grants to States	15,993,201	16,726,665	17,496,627	18,568,522
USDA Foods (Sec 6e Entitlement)	735,782	936,604	1,061,940	1,154,480
Child Nutrition Program Other Program Costs	75,472	51,189	79,654	112,842
Child Nutrition Program Permanent Activities	112,359	192,280	300,361	245,250
Nutrition Programs Administration (Allocation to Other Program Costs 2/)	36,189	36,072	33,176	33,927
	527,325	478,084	478,084	478,084
Total Cost	\$17,480,328	\$18,420,894	\$19,449,842	\$20,593,105
FTEs	414	423	418	418

Unit Costs

Child Nutrition Total Cost per Meal Served (\$/se	\$1 82	\$1 89	\$1 92	\$2 01
Performance Measure: Avg daily NSLP particip	31 6	31 8	32 0	32 4
Performance Measure: Avg daily SBP participat	11 7	12 1	12 7	13 1

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

Cash Grants to States: Food & NSA (inclusive of p	\$7,049,858	\$7,123,458	\$7,091,113	\$7,144,453
Infrastructure Grants	7,918	10,253	3,435	13,600
Technical Assistance	393	424	0	400
Breastfeeding Peer Counselors	80,126	79,972	60,000	60,000
Management Information Systems	30,202	59,761	4,967	30,000
Program Evaluation and Monitoring	3,186	16,317	14,812	5,000
Federal Administrative Oversight and Infrastructur	3,999	9,280	12,483	10,000
Breastfeeding Performance Bonuses	5,000	0	0	0
ARRA MIS Funding	64,111	0	0	0
UPC Database (Permanent Approp)	0	185	1,815	1,000
Nutrition Programs Administration (Allocation to Other Program Costs	23,161	23,086	21,233	21,713
	0	0	0	0
Total Cost	\$7,267,954	\$7,322,736	\$7,209,858	\$7,286,166
FTEs	182	187	178	178

Unit Costs

WIC (Total Annual Cost per Participant) 4/	\$792 15	\$817 45	\$799 85	\$801 12
Performance Measure: Average monthly WIC par	9 2	9 0	9 0	9 1

PROGRAM / ACTIVITY	FY 2010	FY 2011	FY 2012	FY 2013
Supplemental Nutrition Assistance Program Account				
Supplemental Nutrition Assistance Program (SNA)	\$57,970,328	\$63,832,770	\$75,042,243	\$74,751,563
ARRA SNAP Benefits	10,613,853	11,895,896	8,040,823	5,274,755
Nutrition Assistance for Puerto Rico (NAP)	1,746,351	1,744,605	1,835,464	1,899,272
ARRA NAP Funds	254,217	255,963	165,104	101,296
Food Distribution Program on Indian Reservation (ARRA FDPIR Equipment Funds)	112,756	96,922	102,746	100,156
ARRA FDPIR Equipment Funds	1,367	0	0	0
The Emergency Food Assistance Program (TEFAP)	247,994	247,471	260,250	269,500
American Samoa	5,204	6,562	7,371	7,628
ARRA American Samoa Benefits	1,021	1,028	663	406
Program Access/ Community Food/ CNMI/ HIP	38,368	22,225	26,801	22,148
Nutrition Programs Administration (Allocation to Other Program Costs 5/	69,482	69,257	63,698	65,141
	377	0	0	0
Total Cost	\$71,061,318	\$78,172,699	\$85,545,163	\$82,491,865
FTEs	591	615	631	631
Unit Costs				
SNAP (Total Annual Cost per Participant) 6/	\$1,703 50	\$1,695 20	\$1,763 60	\$1,707 37
FDPIR (Total Annual Cost per Participant) 7/	\$1,077 93	\$1,146 54	\$1,318 24	\$84,372 97
Performance Measure: Average monthly SNAP	40.3	44 7	47 1	46 9
Commodity Assistance Program Account				
Commodity Supplemental Food Program (CSFP)	\$181,892	\$196,444	\$191,788	\$186,935
Emergency Food Assistance Program (TEFAP) Ad	49,834	51,224	48,023	49,401
TEFAP Infrastructure Grants	0	2	0	0
TEFAP ARRA Funding	54,609	0	0	0
Farmers' Market Programs				
Farmers' Market Nutrition Program	22,089	23,283	16,549	16,548
Seniors' Farmers' Market Program	22,459	22,227	20,614	20,600
Other Commodity Assistance (Nuc Affected Isld,	11,070	3,737	3,465	1,068
Nutrition Programs Administration (Allocation to Other Program Costs 8/	15,923	15,871	14,597	14,928
	366,987	250,062	250,062	250,062
Total Cost	\$724,863	\$562,850	\$545,098	\$539,542
FTEs	112	114	108	108
Unit Costs				
CSFP (Total Annual Cost per Participant) 9/	\$385 11	\$341 88	\$334 19	\$326 17
Performance Measure: Average monthly CSFP p	518 900	604 931	604 931	604 931
Nutrition Programs Administration Account (Center for Nutrition Policy and Promotion)				
Center for Nutrition Policy and Promotion	\$3,913	\$3,796	\$3,796	\$5,796
Congressional Hunger Center Fellows	3,000	1,273	2,000	2,000
Nutrition Programs Administration (Allocation to NA		NA	NA	NA
Other Program Costs	0	0	0	0
Total Cost	\$6,913	\$5,069	\$5,796	\$7,796
FTEs	34	32	32	32
Performance Measure: Nutrition guidance tools	1 5 billion	1 7 billion	50 million*	50 million*
*Starting in 2012, page views with be the metric for use of electronic materials				
Total for Strategic Goal				
Subtotal FNS Program Cost	\$96,541,376	\$104,484,248	\$112,755,757	\$110,918,474
Less Other Program Costs	894,689	728,146	728,146	728,146
Total FNS Program Cost	\$95,646,687	\$103,756,102	\$112,027,611	\$110,190,328
FTEs	1,333	1,371	1,367	1,367

Notes

1/ Reflects current and prior year resources, supplementals and recissions 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 2010: 9 175 million; FY 2011: 8 958 million; FY 2012: 9 012; FY 2013 9 093

Supplemental Nutrition Assistance Program Account

- 5/ Includes FDPIR bonus USDA foods
- 6/ SNAP Average Monthly Participation Assumptions: FY 2010: 40 3 million; FY 2011: 44 8 million; FY 2012: 47 1 million; FY 2013: 46 9 million
- 7/ FDPIR Average Monthly Participation Assumptions: FY 2010: 84,609; FY 2011: 78,000; FY 2012: 79,170; FY 2013: 80,358

Commodity Assistance Program Account

- 8/ Includes bonus USDA foods for TEFAP, CSFP, Disaster, Summer Camps, Prisons, Nuclear Affected Island, and other commodity assistance
- 9/ CSFP average monthly participation assumptions: FY 2010: 604,931; FY 2011: 604,931; FY 2012: 599,380; FY2013: 599,380