FISCAL UPDATE Article

Fiscal Services Division May 5, 2020



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COVID 19 — USDA SECTION 32 FOOD PURCHASE PLAN ANNOUNCED

Funding Announced. United States Secretary of Agriculture Sonny Perdue, United States Department of Agriculture (USDA), announced on May 4, 2020, that \$470.0 million from the Section 32 Program would be used to buy food commodities in the third quarter and the food would be distributed to communities nationwide. The purchases will provide aid to food producers and the food will be distributed to food banks and other organizations.

Section 32 Program. The <u>Section 32 Program</u> began in 1935 and receives an annual appropriation that is 30.0% of annual customs receipts. The customs moneys are transferred to two departments. These include the Child Nutrition Account in the USDA and the Department of Commerce for fisheries activities.

Food Items Needed. The Agricultural Marketing Service (AMS) administers the USDA funds and will be issuing solicitations in June and accepting deliveries in July. Purchase amounts for commodities related to lowa include:

- \$30.0 million for chicken products.
- \$120.0 million for dairy products.
- \$30.0 million for pork products.
- \$50.0 million for turkey products.

Additional Information. Information on <u>selling food</u> to the USDA and detailed information on all <u>purchasing requests</u> are available on the USDA website along with the original <u>press release</u>.

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