

CHALLENGES AND OPPORTUNITIES FOR IMPROVING SCHOOL NUTRITION

HEARING

BEFORE THE

COMMITTEE ON EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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CHALLENGES AND OPPORTUNITIES FOR IMPROVING SCHOOL NUTRITION

**Tuesday, March 4, 2008
U.S. House of Representatives
Committee on Education and Labor
Washington, DC**

The committee met, pursuant to call, at 3:30 p.m., in room 2175, Rayburn House Office Building, Hon. George Miller [chairman of the committee] presiding.

Present: Representatives Miller, Kildee, Payne, Andrews, Scott, Tierney, Wu, Holt, Davis of California, Grijalva, Sarbanes, Loeb sack, Yarmuth, Hare, Courtney, McKeon. Castle, Biggert, Kline, and Foxx

Staff Present: Alex Nock, Deputy Staff Director; Brian Kennedy, General Counsel; Michael Zola, Chief Investigative Counsel; Patrick Findlay, Investigative Counsel; Sharon Lewis, Senior Disability Policy Advisor; Thomas Kiley, Communications Director; Rachel Racusen, Deputy Communications Director; Danielle Lee, Press/Outreach Assistant; Ann-Frances Lambert, Administrative Assistant to Director of Education Policy; Lamont Ivey, Staff Assistant, Education; Lloyd Horwich, Policy Advisor, Subcommittee on Early Childhood, Elementary and Secondary Education; Ryan Holden, Senior Investigator, Oversight; Denise Forte, Director of Education Policy; Sarah Dyson, Administrative Assistant, Oversight; Alejandra Ceja, Senior Budget/Appropriations Analyst; Tylease Alli, Hearing Clerk; Joe Novotny, Chief Clerk; Sally Stroup, Minority Staff Director; Robert Borden, Minority General Counsel; Kirsten Duncan, Minority Professional Staff Member; Stephanie Arras, Minority Legislative Assistant; James Bergeron, Minority Deputy Director of Education and Human Services Policy; Cameron Coursen, Minority Assistant Communications Director; Susan Ross, Minority Director of Education and Human Services Policy; and Linda Stevens, Minority Chief Clerk/Assistant to the General Counsel.

Chairman MILLER. The Committee on Education and Labor will come to order to conduct a hearing on the challenges and opportunities of improving school nutrition.

I want to welcome all of our witnesses and the audience and the Members of Congress to this hearing.

Today's hearing will examine ways to improve the school nutrition safety and the school food supply. Federal nutrition programs are intended to provide children with healthful food to eat at

school. During the last reauthorization of the Child Nutrition and National School Lunch Act, we required meals to be in line with the Department of Health and Human Services' dietary guidelines. We looked to sound nutritional science that suggested the incorporation of healthy grains into school meal programs, and we expanded the availability of fruits and vegetables. We also asked schools and communities to establish local wellness policies, looking at the role of nutrition standards and physical activity, including a healthy learning environment for our students. It is becoming clear, however, that the declining Federal investment in school nutrition programs has made it harder and harder for schools to provide healthy, nutritious meals that children want to eat.

We welcome the recommendations of the School Nutrition Association. Its members have been leaders in this area. We are going to hear more today about how the programs are working and what we can do in the next year's reauthorization of the Child Nutrition Act and the National School Lunch Act to make them work even better. We know that when children do not have enough nutritious food to eat, it can have serious negative effects, not just on their health but in many aspects of their lives, including their ability to learn. We cannot expect children to go to school on an empty stomach and still be able to succeed academically.

Today, we are also going to examine whether the appropriate controls are in place to ensure the safety of the school food supply. As is now well-known, earlier this year, the Humane Society of the United States announced that it had conducted an investigation into the Hallmark/Westland Meat Company in Chino, California. The investigation revealed that workers were using electric shocks, forklifts and water sprays to force nonambulatory cows to stand so they would pass inspection with the U.S. Department of Agriculture. Under the law, nonambulatory cows, often called "downer cows," are not permitted to enter the food supply because of the risk they pose of transmitting Salmonella, E. coli contamination and possibly mad cow disease.

At the time that the Humane Society conducted this important investigation at Hallmark/Westland Slaughterhouse, Federal food safety inspectors were performing inspections at the slaughterhouse twice a day. These abuses apparently were happening right under the inspectors' noses, but it took a private charity organization to uncover them.

It is unacceptable that the USDA so completely failed to do its job at this particular slaughterhouse. We cannot judge the USDA's inspection process as successful or effective if it allows tainted meat to enter the school food supply. The Humane Society's investigation prompted the largest meat recall by the USDA in the Nation's history. In total, the USDA recalled over 140 million pounds of beef. More than one-third of that total was beef that was purchased for and distributed to schools by the USDA through the National School Lunch Program.

It goes without saying that we have an obligation to ensure the safety of the food that our children eat. This incident raises very alarming questions about the U.S. Department of Agriculture's ability to monitor the safety of meat in this country, including meat that is being served in the National School Lunch Program. I hope

that we can begin to answer some of these questions in today's hearing.

In addition, along with Congresswomen McCarthy and DeLauro, I have asked the U.S. Government Accountability Office to assess the overall effectiveness of the USDA's work to ensure the safety of meat in the school food supply. Already, however, it is clear that more must be done to ensure the safety of meat that all customers, including school children, eat.

For starters, the USDA needs to provide more assistance and guidance to States and localities related to local food safety issues. As it stands, schools have only a limited capacity to quickly track, handle and dispose of dangerous foods. This capacity varies from school to school. Schools and parents should have every assurance that the food supplied to their kids' cafeterias by the Federal Government is safe.

Again, I want to thank all of our witnesses for joining us today and for agreeing to testify.

With that, I would like to recognize Congressman McKeon, the senior Republican on the committee.

**Prepared Statement of Hon. George Miller, Chairman, Committee on
Education and Labor**

Good afternoon. Welcome to today's hearing on "Challenges and Opportunities for Improving School Nutrition." Today's hearing will examine ways to improve school nutrition and safety in the school food supply.

Federal nutrition programs are intended to provide children with healthful food to eat at school.

During the last reauthorization of the Child Nutrition and National School Lunch Acts, we required meals to be in line with the Department of Health and Human Services' Dietary Guidelines.

We looked to sound nutritional science that suggested the incorporation of healthy grains into the school meal program and we expanded the availability of fruits and vegetables.

We also asked schools and communities to establish local wellness policies, looking at the role of nutrition standards and physical activity in creating a healthy learning environment for our students.

It is becoming more clear, however, that the a declining federal investment in school nutrition programs has made it harder and harder for schools to provide healthy and nutritious meals that children want to eat.

We welcome the recommendations of the School Nutrition Association, whose members have been leaders in these areas.

We are going to hear more today about how the programs are working, and what we can do in next year's reauthorization of the Child Nutrition Act and the National School Lunch Act to make them work even better.

We know that when children don't have enough nutritious food to eat, it can have serious negative effects not just on their health but on many aspects of their lives, including their ability to learn. We can't expect children to go to school on an empty stomach and still be able to succeed academically.

Today, we are also going to examine whether appropriate controls are in place to ensure the safety of the school food supply.

As is now well known, earlier this year the Humane Society of the United States announced that it had conducted an investigation of the Westland/Hallmark Meat Company in Chino, California.

The investigation revealed that workers were using electric shocks, forklifts, and water sprays to force nonambulatory cows to stand so that they would pass inspection with the U.S. Department of Agriculture.

Under the law, nonambulatory cows, often called 'downer cows,' are not permitted to enter the food supply because of the greater risk they pose of salmonella and e. coli contamination and of carrying mad cow disease.

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Already, however, it's clear that more must be done to ensure the safety of the meat that all consumers—including schoolchildren—eat.

For starters, the USDA needs to provide more assistance and guidance to states and locals related to food safety issues. As it stands, schools have only a limited capacity to quickly track, handle and dispose of dangerous food.

Schools and parents should have every assurance that the food supplied to their kids' cafeterias by the federal government is safe.

I'd like to thank all of our witnesses for joining us today, and I look forward to your testimony. Thank you.

Mr. MCKEON. Thank you, Chairman Miller. I appreciate the opportunity to be here today to examine important issues facing the National School Lunch Program and other child nutrition programs.

Our goal with the Federal child nutrition programs, particularly in recent years, has been to promote nutrition and wellness while enhancing program and financial integrity. In 2004, the President signed into law a child nutrition reform package that included key reforms to accomplish these goals. That legislation included important steps to strengthen nutrition programs and to improve their effectiveness for America's most vulnerable children.

During the last reauthorization, it was a top priority to address the health crisis of childhood obesity, which has reached epidemic proportions in this country. In response, we proposed reforms that would strike the right balance between encouraging healthy environments while preserving local control for States, communities and schools. For example, the bill's establishment of local wellness policies to promote healthy choices and physical activity was intended to complement the larger focus of the Federal child nutrition programs, which is to combat hunger and food insecurity while ensuring eligible children receive nutrition assistance. I look forward to hearing today about the current state of Federal child nutrition programs with an eye toward reauthorization next year.

Child nutrition is an area that is constantly evolving because of changing needs among those who are disadvantaged and who rely on nutritional assistance as well as enhanced knowledge about health and wellness. A status update on these important programs is reason enough to convene this hearing today. However, the recent situation in California in which beef used in the school lunch program was part of a major recall due to a limited but very trou-

bling health risk gives us another good reason to examine the structure of our child nutrition programs.

I expect that we will closely examine the events leading up to and following revelations at the Hallmark/Westland facility engaged in unsafe and inhumane practices that could have put our Nation's food supply at risk. Already investigations are underway by the Inspector General, by the Food Safety and Inspection Service and by the Government Accountability Office, among others. It may be premature to expect all of the answers today, but there should be no doubt that we will get to the bottom of this situation.

I look forward to hearing from our witnesses about the safeguards that are in place to prevent this type of occurrence as well as the about the contingency plans that exist in order to effectively respond if and when they do.

My staff and I have been monitoring this situation closely, as have Chairman Miller and his staff, since it was first uncovered. Although such information is still unknown, our preliminary findings indicate that the U.S. Department of Agriculture's Food and Nutrition Services Office did everything they could to respond quickly and effectively once the potential danger was revealed.

I hope the tone of today's hearing is constructive with an emphasis not just on what went wrong, but also on what went right and what can be done to prevent anything like this from ever happening again. I also hope we take a comprehensive look at the structure of our child nutrition and food safety programs to examine every step in the safety, monitoring and notification process. We must examine the link between Federal overseers and State operators as well as the connection between States and the local operators. Our witnesses from the USDA and local districts will help us to look at these programs from all angles.

Federal child nutrition programs have been established to meet the most fundamental needs of some of our most vulnerable children and families. That is why safety is of the utmost importance when it comes to the products delivered in school lunches and other nutrition assistance programs.

I want to thank the witnesses for coming here today to share their insight and expertise on Federal child nutrition programs.

As we examine the specific incident in California that has posed so many unanswered questions, we must also retain our focus on the larger program, its effectiveness and opportunities to ensure the continued success of the school lunch program and of other initiatives that have helped combat hunger and that promote healthy foods among children and families.

Thank you, Chairman Miller. I yield back.

**Prepared Statement of Hon. Howard P. "Buck" McKeon, Senior Republican,
Committee on Education and Labor**

Thank you Chairman Miller, I appreciate the opportunity to be here to examine important issues facing the National School Lunch Program and other child nutrition programs. Our goal with the federal child nutrition programs, particularly in recent years, has been to promote nutrition and wellness while enhancing program and financial integrity.

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Chairman MILLER. Thank you very much.

We have a wonderful panel with us today. First is Mary Hill, who was the Director of the Food Services for the Jackson Public School District in Jackson, Mississippi for the past 25 years. She is the current President of the School Nutrition Association. At the State level, Ms. Hill is the former President of the Mississippi School Food Service Association where she also served as Chair of various State association committees.

Kathleen Corrigan is from the 7th District in California, a very important district in California. She is the Director of the School

Food Services for the Mt. Diablo Unified School District in Concord, California. She has 26 years of experience in school nutrition, and she helped to launch the district's coordinated School Health Council. She currently serves the School Nutrition Association on the Nutrition Committee and on the National Nutrition Standards Task Force.

Kenneth Hecht is the Executive Director and is one of the co-founders of the California Food Policy Advocates. The mission of the California Food Policy Advocates' and California Statewide Nutrition Policy and Advocacy Organization is to improve the health and well-being of low-income Californians by increasing their access to nutritious and affordable foods.

Kate Houston was appointed by President George Bush as the USDA Deputy Under Secretary for Food, Nutrition and Consumer Services. Ms. Houston was responsible for the developing and for the promoting of science-based dietary guidance, administering USDA's 15 nutritional assistance programs. In October 2006, Ms. Houston was appointed to serve as the Deputy Administrator for USDA's Food and Nutrition Service's special nutrition programs.

Penny Parham is the Administrative Director of the Department of Food and Nutrition for the Miami-Dade County Public School System in Miami, Florida. Penny is a Registered Dietician and holds a Master's Degree in Nutrition. She worked as Food Service Systems Manager from 1989 and became the district's Administrative Director in 2002.

Dora Rivas is the Director of the Food Service in the Dallas Independent School District in Dallas, Texas. Dora is a Registered Dietician and is credentialed as a school food and nutrition specialist. She has been employed in the food service industry for nearly 30 years.

Welcome to all of you. We, again, thank you for your time and look forward to your testimony. When you begin to testify, there are lights in front of you. A green light will go on. That will give you 5 minutes to tell us all you know about this program, so you have got to be very selective in your vast knowledge. With a minute to go, an orange light will come on and then a red light at the end of that, but we do want you to finish up your thoughts and complete your sentences. We look forward to your testimony.

Without objection, all of my colleagues will have 14 days to submit materials or statements that they want for the record of this committee.

Ms. Hill, we will begin with you. Welcome.

STATEMENT OF MARY HILL, PRESIDENT, SCHOOL NUTRITION ASSOCIATION

Ms. HILL. Good afternoon.

Chairman Miller and members of the Committee, we deeply appreciate this hearing. This hearing continues a most extraordinary congressional tradition participated in by the House and the Senate, the unprecedented tradition of scheduling a hearing to coincide with an organization's Washington meeting. We fully understand and appreciate that the tradition represents a shared commitment to ending childhood hunger and in improving the nutritional health of all of the children in this country.

I am, as the chairman has said, Mary Hill, President of the School Nutrition Association and Director of Child Nutrition Programs in Jackson, Mississippi. With me this afternoon is Katie Wilson, our president-elect, from Onalaska, Wisconsin; Dora Rivas, who is our Vice President from Dallas, Texas; Craig Weidel, who is Chair of our Public Policy and Legislative Committee from Mesa, Arizona; and between the two locations a few hundred of my best friends.

The School Nutrition Association represents the State and local public administrators of the National School Lunch and Breakfast Programs. We have approximately 55,000 dedicated members who serve 30 million children each school day in almost 100,000 schools. As this committee and the Congress begin to think about the 2009 Child Nutrition Reauthorization Act, SNA has several goals with regards to nutrition standards.

First and foremost, provide the Secretary of Agriculture with the authority to regulate the sales of all foods and beverages sold on the school campus, thus, ending the "time and place" rule; require that all foods and beverages provided on campus, with some exceptions, be consistent with the dietary guidelines as is currently required of school meals; and require a uniform national nutrition standard throughout the country. Children in all States and local districts need the same nutrients to grow and to be healthy.

Finally, please increase the Federal reimbursement as a part of any legislation to improve nutrition standards anywhere in schools.

Obesity is a national epidemic, and schools have an important role to play, indeed, a critical role to play in the fight against childhood obesity. SNA is committed to that fight against obesity, but in addressing the obesity issue, we must not ignore the practical constraints in the school meal program. We urge the Congress to require science-based, practical, uniform nutritional standards to benefit all children.

The recall. Mr. Chairman, a not-so-funny thing has happened on the way to this hearing. The USDA has had one of the largest recalls in history, if not the very largest. As we understand it, approximately 143 million pounds of beef were recalled of which millions of pounds went to nutrition programs. Schools, like all consumers, rely on the Department of Agriculture and on the Food and Drug Administration to protect the safety of our food supply. The USDA has had an excellent food safety record, and we appreciate their vigilance. The schools support the USDA commodity distribution program. Approximately 20 percent of the food served in schools come from the USDA. The remaining 80 percent is purchased locally.

The commodities we receive from the USDA are quite important to the programs we run. Finally, in recent years, the USDA has greatly improved the quality of the commodity program. Schools are treated as customers. The USDA asks what commodities the individual local schools would prefer. The image of USDA's "dumping" of commodities the schools do not want and cannot use is no longer valid. There are two areas, however, where we believe things can be improved with regard to the recall.

Number 1, communications. In the era of instant news and e-mail, when any USDA agency puts out a press release saying that

the product is unfit for human consumption, the information reaches parents immediately. Frequently, the information reaches the parents before the information reaches the local school. That is not good. Parents often start calling before we have any information. When the FSIS press release went out on February 17th, we had no way of knowing the nature of the recall or how serious the threat was to public health. We did not have the information we needed to respond to many questions we immediately received from very concerned parents.

In short, we believe that there must be a better communications system put in place. There must be faster communications between the Food and Nutrition Service and the local recipient that may or may not actually be using the product, communications from the Food and Nutrition Service in Washington to USDA regional offices to the 50 States—

Chairman MILLER. I am going to ask you if you can wrap up, please. What you are saying is important, but I want to make sure we have time for everybody.

Ms. HILL. Okay. Then, secondly, as to the recall procedure for many of our programs that were affected, we have two of them represented today—Dora Rivas, who had over 3,000 cases of the affected product, and Craig Weidel, who had 750. The cases have yet to be disposed of for various reasons, and it is also unclear who will absorb the associated costs with the recall.

In short, the Department should improve the procedure on how to execute the recall when one is announced.

Thank you.

Chairman MILLER. Thank you.

[The statement of Ms. Hill follows:]

Prepared Statement of Mary Hill, President, School Nutrition Association

Chairman Miller, Members of the Committee, we deeply appreciate this hearing. This hearing continues a most extraordinary Congressional tradition, participated in by the House and the Senate, the unprecedented tradition of scheduling a hearing to coincide with an organization's Washington meeting. We fully understand and appreciate that the tradition represents a shared commitment to ending childhood hunger and improving the nutritional health of all children in the country.

I am Mary Hill, the President of the School Nutrition Association, and the Director of Child Nutrition in Jackson, Mississippi. With me is Katie Wilson our President-Elect from Onalaska, Wisconsin; Dora Rivas our Vice President from Dallas, Texas; Craig Weidel, the Chairman of our Public Policy and Legislation Committee, from Mesa, Arizona, and a few hundred of my best friends. The School Nutrition Association (SNA) represents the state and local public administrators of the National School Lunch and Breakfast Programs. We have approximately 55,000 dedicated members who serve 30 million children each school day in almost 100,000 schools.

Nutrition standards

Mr. Chairman, as you know, in the last year or two, most of the attention with regard to child nutrition has focused on the key issue of nutrition standards. It is a two part challenge: how to implement the 2005 Dietary Guidelines for Americans into the meal program and what standards to apply to so-called "competitive foods" sold outside of the meal program whether in the cafeteria or sold down the hall in vending machines.

SNA is deeply committed to the Dietary Guidelines for Americans and we believe that they should be applied to all foods and beverages sold in school. Years ago we successfully petitioned the Congress to apply the Guidelines to school meals. Since 1983, however, we have been trying in vain to amend the law and provide the Secretary of Agriculture with the authority needed to regulate the sale of all foods and beverages sold on the school campus.

SNA originally endorsed the legislation introduced by Chairman Harkin and Representative Woolsey to end the “time and place rule” providing the Secretary with the authority to regulate the sale of ALL foods and beverages in the school, not just those foods and beverages included in a reimbursable meal. It was, therefore, with great regret that SNA could not support the final version of the nutrition standards amendment that was offered during consideration of the Senate farm bill last December. Why the change?

USDA currently reimburses local schools \$2.47 for every “free” lunch provided to a child with income below 130% of the poverty line * * * less than the price of a latte at the neighborhood coffee shop. The school food service authority needs the revenue from the sale of all beverages and foods sold on campus to “balance the books” and make the program work for all children. Consistent nutrition standards must therefore be provided for all foods and beverages sold in the school in order to protect the financial and nutritional integrity of the school nutrition program. We were concerned that the version of the amendment offered as a part of the farm bill could have adversely effected the economics of the school meal program in two ways:

1. It would have locked into law a wide variety of different nutrition standards all over the country, increasing the cost of school meals at the local level.

2. The amendment would also have allowed different nutrition standards in different parts of the school building, giving a mixed message to students and draining needed revenue from the school food service authority.

SNA believes that we need to craft a science based, practical, nutrition standard that applies throughout the school and throughout the entire country. The children in California need the same nutrients for healthy development that are needed by the children in South Dakota and Florida.

Schools have a critical role to play in the fight against obesity. We must not, however, craft a standard that could undermine the financial status of many local programs thereby jeopardizing their service to children, including low income children.

As this Committee and the Congress begins to think about the 2009 Child Nutrition Reauthorization Act, SNA has several goals with regard to nutrition standards:

- First, and foremost, provide the Secretary of Agriculture with the authority to regulate the sale of all foods and beverages sold on the school campus, thus ending the “time and place” rule.

- Require that all foods and beverages provided on campus (with some exceptions) be consistent with the Dietary Guidelines, as is currently required for school meals.

- Require a uniform national nutrition standard throughout the country. Children in all states and local districts need the same nutrients to grow and be healthy.

- Finally, please increase the federal reimbursements as a part of any legislation to improve nutrition standards anywhere in schools.

We must consider nutrition standards in the practical context of the financial structure of the program. Whatever nutrition standard is ultimately agreed upon by the Congress or as a result of a Rule Making (we prefer a Rule Making) we believe that it must be uniformly applied and enforced throughout the school land then throughout the country.

We appreciate that many states or local school boards, for the best of reasons, have tried to do “better” than the Dietary Guidelines and have adopted their own version of the Guidelines. We are very sympathetic to this effort. If the Congress, however, allows each state or each district to select its own interpretation of the Dietary Guidelines it will further increase the cost of the school meals program. Further, if, for example, the athletic department in the school is allowed to sell high-profit drinks and the school food service authority is prohibited from selling those same drinks it makes it much more difficult to “balance the books” and feed all children, particularly low income children. In short, there is a connection between nutrition standards and funding for the program.

Obesity is a national epidemic and schools have an important role to play, indeed a critical role to play, in the fight against childhood obesity. SNA is committed to that fight against obesity. But in addressing the obesity issue we must not ignore the practical constraints in the school meals program. We urge the Congress to require a science based, yet practical, uniform national nutrition standard to benefit all children.

Finally, it is our best judgment that developing the precise details of the nutrition standard should be left to Administrative Rule Making, with the benefit of the Institute of Medicine. As you know, science changes all the time. If the nutrition standard were locked into law every time the science changed the statute would have to be changed.

The recent experience with the 2005 Dietary Guidelines is instructive. USDA has been trying to update the meal pattern since the 2005 Guidelines were released three years ago. However, the recent Guidelines changed the recommendation on fat

and included several nutrients not included in earlier editions of the Guidelines. After much consideration, and several meetings with SNA, last November USDA announced that it would have to consult with the Institute of Medicine before it could update the meal pattern. Consulting with IOM will take two years. Attached is the USDA memo to our state directors.

We commend USDA for this decision and for acknowledging what we all know to be true: nutrition science is complicated. If USDA must consult with the IOM before proposing a new school meal pattern, then our counsel is twofold:

1. Please don't lock the nutrition standard into statute; and
2. Please don't allow each state and district to establish their own interpretation of the Dietary Guidelines.

The recall

Mr. Chairman, a not so funny thing has happened on the way to this hearing: USDA has had one the largest recalls in history, if not the very largest. As we understand it, approximately 143 million pounds of beef was recalled, of which millions of pounds went to nutrition programs.

Schools, like all consumers, rely on the Department of Agriculture and the Food and Drug Administration to protect the safety of our food supply. USDA has had an excellent food safety record and we appreciate their vigilance. The schools support the USDA commodity distribution program. Approximately 20% of the food served in school comes from USDA; the remaining 80% is purchased locally. The commodities we receive from USDA are quite important to the programs we run. Further, in recent years, USDA has greatly improved the quality of the commodity program. Schools are treated as a customer. USDA asks what commodities the individual local school would prefer. The image of USDA "dumping" commodities the schools do not want and can't use is no longer valid.

There are two areas, however, where we believe that things can be improved with regard to the recall:

1. Communication:

In an era of instant news and email, when any USDA agency puts out a press release saying the product is "unfit for human consumption," the information reaches parents immediately. Frequently, the information reaches the parents before the information reaches the local school. That is not good. Parents start calling before we have any information.

When the FSIS press release went out on February 17th we had no way of knowing the nature of the recall or how serious the threat was to public health. We did not have the information we needed to respond to the many questions we immediately received from very concerned parents. In short, we believe there must be a better communication system put in place. There must be faster communication between the Food and Nutrition Service and the local recipients that may or may not actually be using the product. Communication from Food and Nutrition Service in Washington to the USDA Regional Offices, to the fifty states, to the local school food service authority, and then to the local 100,000 schools takes too long * * * particularly when CNN can put out the recall immediately. The USDA communication system needs to be updated.

2. The Recall Procedure:

Many of our programs were affected. Dora Rivas has 3,000 cases of affected product. Craig Weidel has 750 cases. The cases have not yet been disposed of for a variety of reasons and it is also unclear who will absorb the cost associated with the recall. In short, the Department should improve their procedures on how to execute a recall when one is announced. The schools need better guidance and more training. Funds should be provided to execute the recall, to transport the product and dispose of the product. Existing procedures are not adequate; state and local administrators have not been trained in advance on how to execute a recall of this magnitude.

2009 Authorization

Mr. Chairman, we have focused our testimony on just one issue, plus the recall, as they have received the most attention this year. There are, of course other issues that we will want to bring to the Committee's attention next year, as the 111th Congress drafts the next Reauthorization.

- We remain concerned about low-income children who cannot afford a reduced price meal and the recent economic downturn is making the problem worse.
- We must find ways to expand the school breakfast program and break down the practical barriers to implementing the program.

- Providing school breakfast commodities seems like an idea whose time has come.
- The program needs further streamlining. In most schools the number of personnel is limited and the program is increasingly complicated. It is very difficult to focus on nutrition standards if we are also forced to verify income for tens of millions of children.

The school nutrition programs have stood the test of time. They have risen above partisan politics. We all understand that our children are the future of the country. Hungry children can't learn and you can't compete in a world economy without an education. An educated workforce is the backbone of the country and the school nutrition programs are vital to our success.

It has been many years, Mr. Chairman, since the Congress has given these critical child nutrition programs a top to bottom review. We thank you again for our first 2009 Reauthorization Hearing and would be delighted to answer any questions.

[USDA Dietary Guidelines memo, submitted by Ms. Hill, follows:]

**United States Department of Agriculture
Food and Nutrition Service**

3101 Park Center Drive Alexandria, VA 22302-1500

The Dietary Guidelines for Americans (DGAs) serve as the foundation for national nutrition policies, including the meal patterns and nutrient standards of the USDA Food and Nutrition Service (FNS) school meals programs. As you are aware, the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265) amended section 9(a) of the Richard B. Russell National School Lunch Act to require that the Secretary issue guidance to increase the consumption of foods and food ingredients that are recommended for increased serving consumption in the most recent Dietary Guidelines for Americans. This memorandum provides guidance to incorporate the applicable recommendations of the 2005 DGAs into the National School Lunch Program (NSLP) and the School Breakfast Program (SBP).

Following the release of the 2005 DGAs, USDA assembled an internal working group of experienced nutritionists and program administrators to examine ways to implement the 2005 DGAs into the school meals programs, within group feeding limitations and cost restrictions, in preparation for beginning the rulemaking process. Given the complexity of issues uncovered during this process, USDA decided to contract with the Institute of Medicine (IOM) to convene a panel of experts from diverse specialties in child nutrition. This expert panel will provide USDA with recommendations to update the meal patterns and nutrition requirements for both the NSLP and the SBP. Once a cooperative agreement is signed, USDA estimates that it may take IOM from 18 to 24 months to provide the Department with these recommendations. USDA will then engage in the formal rulemaking process to promulgate a proposed rule that incorporates the IOM recommendations to the fullest extent practicable.

While awaiting a formal rulemaking, State Agencies (SAs) should encourage School Food Authorities (SFAs) to begin proactively implementing the applicable recommendations of the 2005 DGAs within the current meal pattern requirements and nutrition standards. Gradual implementation provides an opportunity for students to develop a taste for new items and/or modified recipes. The Department expects SAs to encourage the progressive implementation of the following recommendations by all SFAs, regardless of the menu planning approach being used.

FOOD GROUPS TO ENCOURAGE

WHOLE GRAINS

- SAs should strongly encourage SFAs to increase the amount and variety of whole grain products offered to students, and progress toward the goal of making half of all grains offered and served, whole grains.

The consumption of whole grains is strongly encouraged in the 2005 DGAs; one of the key recommendations states, "In general, at least half of the grains should come from whole grains." The Food and Drug Administration, in draft industry guidance released after the publication of the 2005 DGAs, has defined whole grains as, "cereal grains that consist of the intact, ground, cracked or flaked caryopsis [kernel], whose principal anatomical components—the starchy endosperm, germ and bran—are present in the same relative proportions as they exist in the intact caryopsis." According to the 2005 DGAs, the whole grain should be the first item listed

in the ingredient statement in order for a product to be considered a whole grain; for many whole grain products, the words “whole” or “whole grain” appear before the grain ingredient’s name in the ingredient statement. Examples of common whole grains can be found in Table 7 of the 2005 DGAs document.

FRUITS AND VEGETABLES

- SAs should encourage SFAs to increase the availability and service of both fruits and vegetables within the school meals programs.
- In the NSLP, SFAs should provide meals that offer both a fruit and a vegetable, regardless of the menu planning approach being used.

One of the key recommendations in the 2005 DGAs is to, “Choose a variety of fruits and vegetables each day. In particular, select from all five vegetable subgroups (dark green, orange, legumes, starchy vegetables, and other vegetables) several times a week.” Fruits and vegetables, as well as vegetable subgroups, offer somewhat different combinations of nutrients; thus, consuming a variety of each is important for a well-balanced diet.

MILK

- SAs should encourage SFAs to offer only low-fat (1% or less) and fat-free milk in the school meal programs for all children above the age of two.

The 2005 DGAs include a recommendation to consume fat-free and low-fat milk and milk products on a daily basis, with a key recommendation stating, “Consume three cups per day of fat-free or low-fat milk or equivalent milk products. Children two to eight years should consume two cups per day of fat-free or low-fat milk or equivalent products.” The recommendation for low-fat and fat-free milk/milk products does not apply to children younger than two years of age. Statutory requirements necessitate offering fluid milk in a variety of fat contents in the NSLP; this requirement can be met by offering both low-fat and fat-free milk. Higher fat milks are unwarranted for children older than two.

NUTRIENTS WITHOUT CURRENT REGULATORY BENCHMARKS

SODIUM

- SAs should strongly encourage SFAs to begin reducing sodium incrementally, with a long-term, step-wise plan for meeting the DGAs recommendation.

For the first time, the 2005 DGAs have set a quantitative upper limit on daily sodium consumption. A key recommendation of the document is, “Consume less than 2,300 mg (approximately 1 tsp of salt) of sodium per day.” Previous versions have encouraged reduction of sodium intake, without providing a numeric target. Since past DGAs have not provided a quantitative sodium recommendation, neither have the school meals programs. However, SFAs have long been encouraged to reduce sodium in foods offered/served, and sodium levels have been monitored by FNS and SAs during School Meals Initiative reviews.

Current DGA recommendations are substantially lower than the average American’s daily intake. Since sodium is a common preservative, as well as a distinct flavor enhancer, successfully shifting the American palate toward no more than 2,300 mg per day will require a concerted effort across all food systems. SAs should strongly encourage SFAs to establish and commit to a plan that would reduce the sodium levels in school meals incrementally; a gradual, long term approach to meet the DGAs recommendations will allow students’ palates and the product marketplace the necessary time to adjust.

FIBER

- SAs should encourage SFAs to plan meals that provide fiber at levels appropriate for each age/grade group that reflect the 2005 DGAs recommendation.

The 2005 DGAs are the first to quantify a daily fiber recommendation: “The recommended dietary fiber intake is 14 grams per 1,000 calories consumed.” Previous versions of the DGAs simply encouraged increased fiber intake, without specifying a numeric target. Hence, the nutrient standards of school meals followed suit by encouraging consumption without requiring a minimum level.

Now that a specific intake target has been published in the DGAs, SAs should encourage SFAs to move toward this target. Even SFAs that have been meeting recommended benchmarks for fiber over the past few years will likely need to increase fiber to meet the DGA level. For example, school meals planned to meet the nutrition requirements for the Grade IV age/grade group in the Traditional Food Based Menu Planning Approach should offer meals that, on average over a school week,

provide at least 11 grams of fiber based on the minimum caloric requirement of 785 calories.

Fiber is found naturally in fruits, vegetables (particularly legumes) and whole grains; these food groups can be significantly, but gradually, increased in school meals. Gradual increases now, will allow students' palates to adjust and will make the transition to a numeric fiber target easier. Fruits can be served without the addition of salt, butter or sauces; the addition of whole fruits as a choice in school menus will increase fiber while reducing sodium.

CHOLESTEROL

- SAs should encourage SFAs to plan meals that, on average over a school week, provide less than 100 mg of cholesterol at lunch and less than 75 mg of cholesterol at breakfast for all age/grade groups.

The current nutrition requirements for both lunch and breakfast encourage schools to reduce cholesterol levels. A maximum threshold has not been established because the previous version of the DGAs encouraged low cholesterol intake, but did not specify a numeric target. A key recommendation of the 2005 DGAs, however, is to consume "less than 300 mg/day of cholesterol." Therefore, SAs should encourage SFAs to plan menus that, on average over a school week, do not exceed more than one-fourth of the daily recommendation at breakfast and no more than one-third of the daily recommendation at lunch. Data from the third School Nutrition Dietary Assessment study (SNDA-III) indicate that many SFAs are already offering meals at or below levels that reflect the 2005 DGAs recommendation (i.e., 100 mg for lunches and 75 mg for breakfast).

TRANS FATS

- SAs should encourage SFAs to plan meals that minimize trans fats.

The 2005s DGAs represent the first discussion of trans fats in national nutrition policy. A key recommendation of the document includes, "keep trans fatty acid consumption as low as possible." While a numeric target is not included, SAs should encourage SFAs to be cognizant of trans fats in all foods that are offered/served and to work toward minimizing these unhealthy fats.

SUMMARY

While awaiting publication of the final rule updating the school meal patterns and nutrition standards, SAs should encourage SFAs to begin proactively implementing the 2005 DGAs. Implementation can be accomplished through a variety of initiatives such as:

- increasing whole grains
- increasing both fruits and vegetables
- offering only low-fat and fat-free milk/milk products
- reducing sodium
- increasing fiber
- controlling cholesterol
- minimizing trans fats.

FNS is in the process of developing technical assistance tools that will further assist schools in meeting the 2005 DGAs; these tools will be distributed as they are finalized.

Thank you for your dedication and cooperation in ensuring that Child Nutrition Programs deliver the best possible nutrition service to the Nation's children.

STANLEY C. GARNETT, DIRECTOR,
Child Nutrition Division.

Chairman MILLER. Ms. Corrigan.

STATEMENT OF KATHLEEN CORRIGAN, DIRECTOR, FOOD AND NUTRITION SERVICES, MT. DIABLO UNIFIED SCHOOL DISTRICT

Ms. CORRIGAN. Greetings to Member McKeon, to members of the Committee, and especially to Chairman Miller.

I am the Director of Food and Nutrition Services for the Mt. Diablo Unified School District in Concord, California. My name is Kathleen Corrigan, and I am speaking from the local level today.

I am here to tell you about some of the exciting things happening in Mt. Diablo schools.

We believe breakfast is critical for every student in order to start the day ready to learn. For the past few years, we have had a focused plan to increase the number of students who eat breakfast. We started with a presentation to district administrators, reviewing the impact of breakfast on learning, test scores and on student behavior. Next, we began to offer breakfast a second time at recess or at midmorning for the students who cannot quite get up early enough to get there for the first breakfast service. We have expanded the number of high-quality, nutritious menu offerings to include more fresh fruit, whole grain cereals, breads, and low-fat dairy products. Two years ago, we expanded our summer lunch service to include breakfast and after-school snacks. We serve breakfast at 35 of our 47 schools.

While I am an absolute believer in breakfast, it is prohibitively expensive to operate small breakfast programs. At a minimum, the additional staff time could cost just a little over \$3,000 a year, which is manageable. However, in addition, extending the hours of the current employee would require adding health benefits with an additional cost of about \$15,000 a year. That requires serving a whole bunch of bagels, whole wheat of course.

I want to try automated vending machines to serve breakfast at small schools. If we can vend a nutritious and fun breakfast that appeals to our student customers, this would be a way to limit additional staffing at each site. We have applied for a grant from California to purchase those vending machines for three of our schools, and we are hoping our grant is successful.

While we are still serving less than 5,000 students, our breakfast efforts have been successful. We served 6.8 percent more breakfasts in the 2005-2006 school year and 7.3 percent more last year. Our breakfast service so far this year has increased by another 12 percent over last year. We are thrilled with these results.

I am also very excited to be part of Mt. Diablo's Coordinated School Health Team. Coordinated School Health is a planned, integrated program designed to enhance the health of children and adolescents. The real payoff for districts comes with the accompanying improvements in both academic performance and attendance. Coordinated School Health includes eight interrelated components. Those are health education, physical education, health promotion for staff, parent and community involvement, health services, psychological services, nutrition services, plus a healthy and safe school environment. Most of these components are in place in Mt. Diablo at different levels of implementation, and enthused representatives serve on our district team.

There is a piece still missing from our Coordinated School Health plan. I believe that children will become like the people who teach them. Children spend the majority of their young lives at home and at school. The people who teach them are also at home and at school. Until these powerful teachers model the positive health habits we want to see in our students, the problem of childhood obesity will continue.

Since the children will become like the people who teach them, my next goal is to find funding to develop a wellness program for

school staff and parents in Mt. Diablo. This remaining piece of our Coordinated School Health plan will begin to create and encourage positive health habits in parents and school staff because these behaviors must become habits. When our most critical role models are modeling healthy habits for kids, change will happen and not until then.

I also want to mention California's Senate Bill 12 that went into effect in July of 2007. This bill imposed nutrition guidelines on all foods and beverages sold on campus during the school day, including fundraisers by student and adult groups. Top leadership in my district embraced the intent of this legislation. Working with the superintendent and his assistants, we called together countless site personnel and involved them in its implementation. This was, actually, a career moment for me. After 25 or 26 years of working in school nutrition, I never dreamed I would see such massive change in district practices. The nutrition standards have been applied to all groups districtwide, so it can be done.

Thank you for this opportunity to tell you about some of the things I am most excited about in Mt. Diablo schools.

Chairman MILLER. Thank you.

[The statement of Ms. Corrigan follows:]

Prepared Statement of Kathleen A. Corrigan, MBA, RD, Director, Food and Nutrition Services, Mt. Diablo Unified School District

Greetings to the Members of the Committee and especially to Chairman Miller. I am the Director of Food and Nutrition Services from Mt. Diablo Unified School District in Concord, California. My name is Kathleen Corrigan and there are some exciting things I want to tell you about Mt. Diablo's schools.

We believe breakfast is critical for every student in order to start the day ready to learn. For the past few years we've had a focused plan to increase the number of students who eat breakfast. We started with a presentation to district administrators reviewing the impact of breakfast on—learning, test scores and student behavior.

Next we began to offer breakfast a second time at recess or midmorning for the students who can't quite get there early enough for the first breakfast service. We have expanded the number of high quality, nutritious menu offerings to include more fresh fruit, whole grain cereals and breads, and low fat dairy products. Two years ago we expanded our summer lunch service to include breakfast and after school snacks.

We serve breakfast at 35 of our 47 schools. While I am an absolute believer in breakfast, it is prohibitively expensive to operate small breakfast programs. The additional staff time could cost just a little over \$3000/year and that's manageable. However, in addition extending the hours of the current employee would require adding health benefits with a cost of almost \$15,000/year. That requires serving a whole bunch of bagels!

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Our breakfast efforts have been successful. We served 6.8% more breakfasts in the 2005/2006 year and 7.3% more last year. Our breakfast service so far this year has increased by another 12.1% over last year and we are thrilled with these results!

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Diablo at different levels of implementation and enthused representatives serve on the district team.

There is a piece still missing from our Coordinated School Health plan—I believe that children will become like the people who teach them—Children spend the majority of their young lives at home and at school. The people that teach them are also at home and at school. Until these powerful teachers model the positive health habits we want to see in our students, our problem of childhood overweight will continue.

Since the children will become like the people that teach them, my next goal is to find funding to develop a wellness program for school staff and parents in Mt. Diablo. This remaining piece of our Coordinated School Health plan will begin to create and encourage positive health habits in parents and school staff—because these behaviors must become habits. When our most critical role models are modeling healthy habits for kids, change will happen—and not until then.

I also want to mention California’s Senate Bill 12 that went into effect in July 2007. This bill imposed nutrition guidelines on ALL foods and beverages sold on campus during the school day, including fundraisers by student and adult groups. Top leadership in my district embraced the intent of this legislation. Working with the superintendent and his assistants we called together countless site personnel and involved them in its implementation. This was a career moment for me—I never dreamed I would see such a massive change in district practices. The nutrition standards have been applied to all groups districtwide—so it can be done.

Thank you for the opportunity to tell you some of the things I am most excited about.

Chairman MILLER. Mr. Hecht.

**STATEMENT OF KENNETH HECHT, EXECUTIVE DIRECTOR,
CALIFORNIA FOOD POLICY ADVOCATES**

Mr. HECHT. My name is Ken Hecht. I am with California Food Policy Advocates—a nonprofit, statewide nutrition policy and advocacy organization. I want to tell you about research we have done on the impact that the Federal commodities have on the nutrition quality of school meals.

Why look at commodities or school meals? Because our children are in the grip of an obesity epidemic that threatens their health, well-being and longevity. One-third of our kids are obese or are overweight, and the number is growing. We have to take steps to change the environment in which this is happening, and school meals give us one such opportunity.

In California, over 3 million children, half the State’s school enrollment, eat a USDA-reimbursed lunch every day. A third of that number eat breakfast at school. The school cafeteria then is a great opportunity to give children good nutrition and to teach them in the most effective way what they need to know about nutrition for their lifetimes.

Studies show that USDA meals at school are healthier than meals from any other source, but the School Nutrition and Dietary Assessment Number III tells us that they still need much improvement. A minority of schools is serving meals that meet all the current USDA standards, and the standards are years behind the schedule Congress assigned in being aligned with the 2005 Dietary Guidelines for Americans. In fact, at the present pace, the 2010 guidelines will be published before the USDA aligns the meal standards to the 2005 Dietary Guidelines.

So our study of commodities under a grant from the Robert Wood Johnson Foundation and together with Samuels & Associates aims to see whether commodities contribute to nutrition quality in school

meals. Commodities have reached a level of about \$1 billion a year and represent about one-fifth of the food on a plate. Over the years, since the mid-1990s, the USDA has improved the nutrition quality of commodities, has dropped some items like shortening, has added some like whole grains and fresh fruits and vegetables, and has modified numerous items—leaner ground beef, more low-fat cheese.

The problem is that the school districts persist in selecting mainly meat and cheese. About 82 percent of the commodities ordered by our districts are for meat and cheese. Fruit and vegetables amount to only 13 percent, and much of that is for potatoes.

A second problem may be with the processors who our study found handle more than half the commodity foods that the USDA earmarks for California schools. This is a likely source of the fat, saturated fat, sodium, and sugar that the SNDA III found to be in school food and which has been incriminated as a contributor to the obesity epidemic.

As far as we can determine, the USDA does not exercise the oversight of processors in terms of nutrition quality. We urge the Committee to examine the role of processors with regard to nutrition quality as well as food safety.

School districts feel compelled to order meat and cheese because they want to make the food as appealing as possible, which many think means replicating fast food. In fact, school food resembles fast food a lot—the food that is contributing to childhood obesity. Because it is thought that this is the only way to get participation high—and it needs to be high to keep a cafeteria in the black—our observations are to the contrary. If kids are given good, healthy food, they like it and they buy it.

What are some solutions? As for commodities, expand the supply of fruit and vegetables, but the Department of Defense's Fresh Program may be disappearing, and it never has been very large to begin with.

One idea is to add school breakfast as a basis for accumulating entitlement dollars just as with lunch. The new credit could be earmarked for fresh food for school breakfasts. A pilot program in California has done just that and has been evaluated with flying colors.

Provide onetime grants to districts to buy refrigerators and freezers they need to store fruits and vegetables. Develop incentives for school districts to use their commodity entitlements on fresh fruits and vegetables, perhaps a rebate so they can stretch their entitlement dollars.

One of the things that needs to be changed in addition to food quality is participation so, as the food improves, more children get to it. There are ways to do that—moving toward universally free food, as some school districts are doing; improving the process of qualifying kids for free and reduced-price meals by leaving anachronistic paper applications behind and relying upon readily available demographic data; bringing breakfast into the classroom or serving it as the first class break and second chance breakfast. There is a lot of experience across the Nation that shows that bringing breakfast into the school day makes participation soar. The result can be more kids eating better meals, learning good nu-

trition skills for their lifetime and starting to slow and reverse the obesity epidemic.

Thank you.

Chairman MILLER. Thank you.

[The statement of Mr. Hecht follows:]

Prepared Statement of Kenneth Hecht, California Food Policy Advocates

Chairman Miller, Ranking Member McKeon, Members of the Committee, my name is Ken Hecht, I am with California Food Policy Advocates, a nonprofit, statewide nutrition policy and advocacy organization. CFPA works to improve the health and well-being of low-income Californians by increasing their access to nutritious, affordable food. We give high priority to strengthening and expanding participation in the federal nutrition programs in light of their scope and size. I deeply appreciate the chance to speak on behalf of many California nutrition advocates and the broader community of Californians concerned about our youngsters' nutrition, health and academic opportunity.

I want to start by talking about research we currently are completing on federal commodities and their impact upon the nutrition quality of school meals. We are doing the research, which is sponsored by the Robert Wood Johnson Foundation, together with Samuels & Associates, a nutrition research and evaluation firm with years of experience studying school nutrition.

Federal commodities are extremely important. Amounting to about \$1 billion per year, commodity foods constitute nearly one-fifth of the food—and influence selection of the other food items—in the lunch that 30 million school children consume each school day. School lunch supplies about one-third of a student's recommended daily allowances (RDAs), and school breakfast furnishes one-fourth the RDAs: together this is more than half the nutrition a child receives in a day—180 days per year for 13 years of school. The food represents nourishment, and it also teaches children about healthy eating, in the same way that schools use their authority and trust to teach math and language skills. In these two ways, commodities, as the backbone of school meals, are important to children, but commodities also are indispensable to schools, making it possible for them to operate their cafeterias financially in the black.

Since the mid-1990's USDA has made impressive changes to commodities. The common belief that commodities are merely a device by which USDA relieves growers of unhealthy food and foists it off on school children is nothing more than an urban myth. Over the years, USDA gradually has improved the nutrition quality of commodities: it has eliminated food items high in fat and sodium and sugar; it has added healthy items—whole grain items, for example, and developed a small but promising program to bring fresh fruit and vegetables to schools. And numerous items have been retained while their nutrition quality has improved: for example, ground beef is leaner, more cheese is low fat, canned fruit and vegetables contain less sugar and sodium. Recent communications with USDA underline the agency's continuing commitment to offer school districts food that is responsive to obesity prevention.

Still, there are numerous opportunities to strengthen the commodities program's capacity to prevent obesity and food insecurity. Given that one-third of California's children are in the grip of the obesity epidemic, improving the nutrition in school meals is an imperative. The recent results of USDA's School Nutrition and Dietary Assessment (SNDA) III confirm that most school meals fail to meet the current standards for fat, saturated fat and sodium, elements with ominous consequences for obesity.

The most obvious step should be to expand consumption of fresh fruit and vegetables. They are at the top of every nutritionist's obesity-prevention list. USDA should help school districts develop more refrigeration and frozen storage and cover other one-time-only costs in connection with serving much more fresh produce. The supply of fresh produce should be vastly expanded, as well. If the very popular but small Department of Defense Fresh program is withdrawn, as we have been told it might be, a good replacement should be developed quickly, and the commodity entitlement dedicated to fresh produce should be expanded, too. One way to do this would be to provide school districts with a commodity entitlement based upon breakfast participation, in addition to lunch participation, and to direct the new entitlement credit to fresh produce in the School Breakfast Program. California has just completed an amazingly successful pilot program, providing 10 cents of state reimbursement to school districts for every additional serving of fruit in the breakfast program, but like most states, California is facing huge budget deficits and potential cuts to all

its education spending. Federal funds may be indispensable to carry this proven winner forward.

We were surprised to discover that over 50 percent of USDA commodity foods are directed to manufacturers for further processing before being delivered to school districts. USDA, in some cases, and California Department of Education, in the others, does monitor the processors to ensure that the entitlement value in the commodity that goes in to a processor come out to a school district. But it is our understanding that there is no responsibility on the state or federal agency to regulate or even to influence the nutrition quality of the processing, and no governmental agency does so. In some cases, USDA-purchased products are sent to processors where the foods take on fat, sodium and sugar that are counterproductive to the students' health. Considerations of nutrition quality, then, as well as food safety, may argue for greater oversight of what goes on in commodity processing. We urge this Committee to consider how it might strengthen this major, but un-scrutinized link in the food chain.

Perhaps the most disturbing finding from our study is that, regardless of what commodity foods USDA now offers, the districts in California persist in spending more than 4 out of 5 of their entitlement dollars on meat and cheese—items high in saturated fat and high in calories. Fruit and vegetables amount to just 13 percent, and a good chunk of that was potatoes. Because commodities tend to be the first foods ordered by school districts when assembling their menus, the pattern described above means that school meals will continue to be meat- and cheese-centric, perpetuating the kinds of diets that are contributing to the overweight and obesity that our youngsters now confront.

What prevents this paradigm from shifting? Most of all, it is the commandment that school food directors receive from their school board—do not lose a penny. This insistence that food service stay in the black means that revenues must be high. This requires that participation be high, and this in turn depends on the appeal of the food. In most cases, schools cater to the students' perceived preference for fast food, which then gets imported into the school and sanctified by its presence there—if the school serves it, it must be good for us. What are the ways out of this difficult and destructive bind?

First and foremost, of course, is the insufficiency of the reimbursement. Healthy foods cost more to purchase, store, prepare, monitor and assess. The school food directors we know, if provided adequate reimbursement, would jump at the chance to turn out the healthiest meals. A second strategy is to provide financial incentives—a rebate, if you will—to schools to spend more of their entitlement dollars on fresh fruit and vegetables, whole grains and other healthy foods. Third, there should be support for training: school food staff need to understand the nutrition crisis and learn how to help turn it around. USDA regional staff and state agency staff have lost funding over the years so that they are unable to provide leadership, training and monitoring to ensure good nutrition quality. Not least, USDA meal nutrition standards should be aligned with the Dietary Guidelines for Americans on an accelerated schedule; interim steps, as outlined in USDA's memorandum dated December 17, 2007, should be vigorously promoted, and monitoring of lunch and breakfast should be broader and more frequent.

California has played a leadership role in improving the nutrition standards in competitive foods. These, as you know, are all the foods sold on school campuses in competition with the USDA reimbursable meals. Even with the tighter standards, however, there are glaring problems—the first example that comes to mind is sports drinks, laced with calories and unnecessary so long as free, fresh water is available. The far better solution, as The New York Times noted on Sunday, is to do what Los Angeles Unified School District has done—cut out competitive foods altogether. This strengthens the lunch program and eliminates the stigma that arises when kids who can, buy a la carte items and the kids who can't are segregated in the USDA-meal line.

Having said all this, I want to emphasize that recent studies, like SNDA III, continue to make the case that school meals, while not everything they should be, are better nutritionally than others and that school meals have been shown to improve students' nutrition and health, contribute to better attendance and attention, and help students achieve better academic performance. It is an overriding imperative to work toward more meals, as well as better meals, for more students. How can this be done? Ideally, with meals that are universally free, so that all children, regardless of family background, will participate free of stigma. But it also will increase participation substantially to eliminate the vagaries of paper applications for free and reduced-price school meals. These pieces of paper are so often lost, mislaid, forgotten, or simply filled in wrong by parents, that free and reduced-price certification should not depend upon them. Paper applications for free and reduced-price

meals are anachronistic and counterproductive; area eligibility, based upon the census or other readily available demographic measures, would improve accuracy and better target the neediest children for the essential nutrition that school meals can provide.

There are other promising ideas, too, to increase participation in school meals. Closed campuses, with cafeterias serving the reimbursable meal and minimizing a la carte items, would boost participation in school lunch at the same time that it contributes to better academic achievement and student safety. Breakfast in the classroom, second chance breakfast and other opportunities to eat after the bell, when and where students are more likely to eat—all are proven methods for improving nutrition and academics. School meals, like other school activities, are wonderful opportunities for learning. They are too good to ignore.

Chairman MILLER. Ms. Houston.

**STATEMENT OF KATE HOUSTON, DEPUTY UNDER SECRETARY,
FOOD, NUTRITION AND CONSUMER SERVICES, U.S. DEPARTMENT
OF AGRICULTURE**

Ms. HOUSTON. Good afternoon, Chairman Miller, Mr. McKeon and members of the Committee.

I am Kate Houston, Deputy Under Secretary for Food, Nutrition and Consumer Services at the United States Department of Agriculture. Thank you for inviting me here today to provide the Committee an important update on a critical issue facing the Department, consumers and schools—the Hallmark/Westland Meatpacking Company's beef recall.

As Agriculture Secretary Ed Schafer has assured the public, I also want to assure you: The food supply is safe. This includes USDA commodities available to schools and to other outlets participating in our nutrition assistance programs.

On January 30th, the USDA became aware of the gross mistreatment of cattle by the Hallmark/Westland Meatpacking Company. Because this company was a supplier of commodity ground beef and beef products to the National School Lunch Program, the USDA put an immediate administrative hold on the use of this company's products dating back to October 1, 2006. We are resolved to find out what went wrong at this plant and to hold anyone involved in violations fully accountable for their actions. We are also resolved to examine our inspection system to make sure that we have the best possible policies and practices in place and to deter violations of facilities under the Department's jurisdiction. We immediately put the administrative and regulatory tools at our disposal to work.

I want to mention, however, that I represent one missionary within the Department of Agriculture. Certainly, we have sister agencies—the Food Safety and Inspection Service and the Agricultural Marketing Service—that have also played a role in this recall.

On February 17, the USDA asked Hallmark/Westland for a voluntary recall of 143 million pounds of fresh and frozen ground beef products, which included the product that had previously been put on hold by schools. The recall action was deemed necessary because the establishment did not comply with FSIS regulations. The USDA is requiring that any unconsumed products affected by the recall be destroyed or rendered inedible. We directed States to provide school districts with State-specific instructions for the appropriate disposal of affected product.

The USDA takes this recall very seriously. It is the largest beef recall in the history of the United States, and its impact is far-reaching, affecting nutrition assistance programs in 45 States and the District. While the managing of a recall of such proportion has many challenges, the USDA has taken a series of actions to maintain clear lines of communication with States and local programs to minimize the disruption to school food service operations.

The FNS administers the school meal programs through agreements with State agencies. Once FNS communicates hold and recall information to States, they, in turn, are responsible for notifying school districts that received or were scheduled to receive affected product. State agencies serve as the primary source of information for local schools. State agencies and other entities that administer nutrition assistance programs receive information from USDA's Rapid Alert System. This is an automated, web-based tool to communicate critical hold and recall information as quickly as possible following an administrative hold or recall. A rapid alert message is sent continuously until receipt of that message is acknowledged.

The Rapid Alert System in this case was immediately activated to announce the January 30th administrative hold and, again, to provide notification of the February 17 recall. It was then employed several additional times to provide updated information as needed. The same week the beef recall was announced, the USDA provided information directly to all public schools through the Department of Education's Crisis Communication System.

FNS stakeholder organizations have also been invaluable in disseminating critical information. Over the past weeks, we have reached out to numerous organizations, including the School Nutrition Association, the American Commodity Distribution Association, the National Association of Elementary and Secondary School Principals, and the National Scoreboard Association. These organizations agreed to provide assistance in getting the word to the local level, and we have been grateful for their help.

FNS is actively collecting information from States to determine the status of affected beef that has been consumed or is on hold and is scheduled to be destroyed. Currently, almost 90 percent of the affected beef has been traced, including about 60 percent of the Westland product that was further processed into value-added product like beef crumbles and hamburger patties.

The USDA is working as quickly as possible to provide replacement product to schools with the goal of minimizing any disruption to the local school food service operations. We are working with States and further processors to prioritize these shipments to destinations with the greatest need. The USDA is offering schools a choice of replacement product or a credit to their commodity entitlement account that will be available for the following school year. We have also agreed to reimburse schools for destruction costs and for certain other related expenses.

Mr. Chairman, this is the most up-to-date information I can provide today on the recall. The USDA is dedicated to providing safe and wholesome products to children served through the National School Lunch Program. We are very proud of our extraordinary track record of school food safety and for the commodity program

that provides children with the highest quality food available in the marketplace. I would be pleased to provide the Committee with future updates as information becomes available, and I would be happy to answer any questions you may have.

Thank you.

Chairman MILLER. Thank you.

[The statement of Ms. Houston follows:]

Prepared Statement of Hon. Kate J. Houston, Deputy Under Secretary, Food, Nutrition, and Consumer Services, U.S. Department of Agriculture

Good afternoon, Mr. Chairman and members of the Committee. I am Kate Houston, Deputy Under Secretary for Food, Nutrition and Consumer Services (FNCS) at the U.S. Department of Agriculture (USDA). Thank you for inviting me to appear before you today as part of the hearing, Challenges and Opportunities for Improving School Nutrition.

The mission of the Food and Nutrition Service (FNS) is to increase food security and reduce hunger in partnership with cooperating organizations by providing children and low-income people access to food, a more healthful diet, and nutrition education in a manner that supports American agriculture and inspires public confidence.

USDA's 15 federal nutrition assistance programs collectively touch the lives of one in five Americans in the course of a year. And as this Committee knows, the school meals programs—two of the largest nutrition assistance programs—represent an especially important opportunity to improve the health and well-being of the Nation's school children. With over 101,000 schools and institutions participating in the National School Lunch Program and nearly 84,000 participating in the School Breakfast Program, USDA is proud that schools across the country are providing safe, wholesome, and nutritious meals to over 31 million school children each school day.

I have been invited here today to provide the Committee important information on a critical issue facing the Department, consumers, and schools—the Hallmark/Westland Meat Packing Company (Hallmark/Westland) beef recall. As Agriculture Secretary Ed Schafer has assured the public, I want to assure you—the food supply is safe. This includes USDA commodities available to schools and other outlets participating in our nutrition assistance programs.

On January 30, 2008, the Humane Society of the United States brought to public attention an alarming and disturbing video showing the gross mistreatment of cattle. Secretary Schafer has described the footage depicted in the video as “shameful and irresponsible.” The Department has pledged to find out what went wrong at the Hallmark/Westland and to hold anyone involved in violations fully accountable for their actions.

As has been reported, Hallmark/Westland was one of the contractors of commodity ground beef and beef products for the National School Lunch Program. In total, USDA's Agricultural Marketing Service (AMS) purchased about 20 percent of USDA commodity ground beef and beef products from Hallmark/Westland. About 94 percent of this beef—just over 50 million pounds—was directed to the National School Lunch Program. In addition, some schools may have purchased beef from Hallmark/Westland commercially.

The same day the video was released, USDA immediately put the administrative and regulatory tools at our disposal to work. We launched investigations by our Office of the Inspector General and by our Food Safety and Inspection Service (FSIS) and AMS. Those investigations are ongoing. We also put an immediate administrative hold on the use of Hallmark/Westland products dating back to October 1, 2006 received by the school lunch program and our other nutrition assistance programs.

Over the past five weeks, as information has become available, USDA has taken further actions with regard to Hallmark/Westland. Based on evidence from the ongoing investigation, FSIS recommended to Hallmark/Westland that it undertake a recall of all products produced at the plant since February 1, 2006, and Hallmark/Westland initiated a voluntary recall of 143 million pounds of fresh and frozen beef products.

USDA recommended that this action be taken because of a serious violation of FSIS' animal slaughter rules. For that reason, USDA recommended this be a Class 2 recall. While it is extremely unlikely that these animals posed a risk to human health, recall action was deemed necessary because the establishment did not comply with FSIS regulations. USDA is requiring that any unconsumed products affected by the recall be destroyed or rendered inedible.

Immediately following the recall, Food, Nutrition and Consumer Services' Under Secretary, Nancy Montanez Johner, pledged that the Food and Nutrition Service (FNS), along with our Department partners, would do everything possible to assist State Agencies and schools in responding to the recall. She also made clear that parents and their children should continue to have confidence in the safety of the food supply as a whole, including meals served as part of the National School Lunch Program.

We at the Department of Agriculture take this recall very seriously. It is the largest beef recall in U.S. history and its impact is wide-reaching. It has affected nutrition assistance programs in 45 States and the District of Columbia. We do not yet know the total number of affected schools. While managing a recall of such proportion has many challenges, FNS, together with our Department partners, has taken a series of actions to maintain clear lines of communication with States and local programs, and to minimize disruption to school meal service operations.

Ongoing communication is critical to effectively carry out a recall of this magnitude. From the time of USDA's decision to suspend Hallmark/Westland contracts, FNS has utilized all available channels to provide ongoing communication with State agencies, school officials, and other key stakeholders.

USDA utilizes a Rapid Alert System (RAS), an automated, web-based tool to communicate emergency information to USDA commodity recipients. It allows State agency cooperators to immediately receive information by several means, including cell phone, email, or fax. The system uses the communication tools sequentially until the recipient acknowledges receipt of the message, which confirms to USDA that all affected parties received notification.

FNS immediately activated the RAS following the January 30, 2008, administrative hold, and provided the necessary information for States and Indian Tribal Organizations (ITO) to track the product and suspend use until further notice. A follow-up notice was sent to all States and ITOs about the product hold.

When FSIS announced the recall on February 17, 2008, the same procedures were followed. Issuances through RAS and e-mail went out on February 17, February 19 and February 26 to announce additional products as the trace-forward and trace-backward investigations continued.

FNS also partnered with the U.S. Department of Education to disseminate the recall information to school officials in every school district across the country. FNS has developed and disseminated information for specialized audiences, including State Agencies, school officials, and parents. State distributing agencies provided schools with State-specific, detailed instructions for the appropriate destruction of product in accordance with local health agency requirements. Talking points were developed and provided to schools for use in communicating recall information to concerned parents.

FNS stakeholder organizations have also been invaluable to disseminate critical information regarding the recall. Over the past weeks, FNS reached out to numerous organizations, including the School Nutrition Association, the American Commodity Distribution Association, the National Association of Elementary and Secondary School Principals, and the National School Boards Association. All agreed to provide assistance, and we are grateful for their help.

To further ensure school food service professionals are fully informed, FNS posted recall information on FNS' food safety website and utilized the Meal Talk list serve to advise them of its availability. Specialized staff in FNS' seven regional offices is on call to provide ongoing technical assistance to States and schools.

USDA has been working aggressively with both States and local program operators to locate affected product as expeditiously as possible. I can report today that significant progress has been made. Within hours of USDA's decision to suspend Hallmark/Westland contracts on January 30, FNS identified which State agencies ordered commodity beef products from Hallmark/Westland and in what amounts. These products were immediately placed on hold and since that time, have not been available for use in schools and other nutrition assistance programs.

FNS is actively collecting information from States to determine the status of affected beef that has been consumed or is being destroyed. States have been responsive and almost 90 percent of affected beef has been tracked. States continue to report daily as they receive additional information from their local school food authorities. The States' responsiveness reflects the effectiveness of the RAS and the positive relationships we have nurtured with State officials and stakeholder organizations. As of February 29, thirteen States have completed their reporting on the status of affected product, and reporting is in progress and nearing completion in the 32 additional States affected and the District of Columbia. We continue to work with States to complete a full accounting of all affected products dating back to February 1, 2006.

There are some challenges in identifying all affected product involved in the nutrition assistance programs, and these challenges can slow down the completion of this process. For example, USDA must rely on States to provide information on where the affected meat was distributed following USDA delivery to our State customers, and in most cases, States rely on schools to provide information back to the State. Local schools have yet to finalize their reports to States regarding the status of affected product covered by the recall dating back to February 1, 2006.

Furthermore, the commodity distribution system is complex. About 60 percent of the Westland product purchased for schools went to further processors to convert the ground beef into value added products, like meatballs or hamburger patties. That meat is often commingled with other product. While the identity of the product is not lost, it adds a layer of complexity to the tracing and reporting process.

Finally, when a product reaches a distributor or State warehouse, product is not segregated by manufacturer, but by product type, such as beef taco meat. There can be several of the same type of product by different manufacturers all stored in the same warehouse location. Accordingly, in a recall, the distributors and warehouses must contact every school that received a specific type of product, and provide identifying information, including lot numbers on the recalled product for the schools to use when locating the product in their systems. As I'm sure you can appreciate, all of these activities take time to complete.

While the process of tracing all affected product continues, FNS and AMS are working as quickly as possible to provide replacement product to schools with the goal of minimizing disruption to local school food service operations. We are working with States and further processors to prioritize shipments to destinations with the greatest need, and we are working with schools to determine their needs for product replacement for the remainder of the school year. Because the end of the school year is fast approaching, USDA is offering schools a choice of replacement product or credit to their commodity entitlement accounts that will be available for the next school year.

Mr. Chairman, this is the most up-to-date information I can provide today on the recall. USDA staff has held several staff-level briefings for House staff over the past weeks, and as our efforts continue, I would be pleased to provide updates to the Committee as new information is available.

I also want to take this opportunity to share a broader view of FNS' activities to ensure school food safety, and to briefly mention the wide array of other important activities ongoing within the Agency to improve meal quality, participation, and program integrity.

There are many controls in place that allow us to have day-to-day confidence in the safety of meals served in schools, and school meals have a demonstrated safety record. Congressional and USDA action has been crucial in developing a strong school food safety system, which was further enhanced by the passage of the Child Nutrition and WIC Reauthorization Act of 2004. The mechanisms and resources Congress provides have allowed us to develop a robust and successful school food safety record.

To implement the food safety provisions of the Act, USDA issued "Guidance for School Food Authorities: Developing a School Food Safety Program Based on the Process Approach to HACCP Principles," which was distributed to all school food authorities in the summer of 2005. The process approach to HACCP (Hazard Analysis and Critical Control Point) is a food safety management system that focuses on the control of biological, chemical, and physical hazards in food by scrutinizing every step of the food preparation process.

Through a HACCP-based food safety program, schools can identify potential food hazards, identify critical points where hazards can be controlled or minimized, and develop monitoring procedures to determine whether the hazards identified are effectively controlled.

The HACCP Guidance was developed with input from a variety of stakeholders, including representatives from FSIS, the Food and Drug Administration, the National Food Service Management Institute, the Centers for Disease Control and Prevention, the School Nutrition Association, the National Environmental Health Association, State and local public health Agencies, and State and local education agencies, including school food service directors.

The Child Nutrition and WIC Reauthorization Act of 2004 also increased the existing food safety inspection requirement from one to two per year. These health inspections must be conducted by the State or local governmental agencies responsible for food safety inspections. The Department provides school districts with ongoing food safety education and outreach to program stakeholders by conducting presentations throughout the country to inform State and local health and school officials about food safety inspection requirements.

In addition to our ongoing work to ensure the safety of school meals, FNS is engaged in a variety of activities that support, encourage, and promote efforts to improve the quality of school meals, and the nutrition environment more generally, in ways that are both consistent with the latest nutrition science, and meet the specific needs and circumstances of each community.

To conform meal standards to the most recent Dietary Guidelines for Americans (DGA), FNS has contracted with the National Academy of Sciences' Institute of Medicine (IOM) to recommend updated meal patterns and nutrition requirements for both the National School Lunch Program and the School Breakfast Program. When the IOM recommendations are final, FNS will then engage in the formal rule-making process to promulgate a proposed rule that incorporates the IOM recommendations to the fullest extent practicable.

While IOM is working to develop recommendations, FNS is encouraging State Agencies to provide technical assistance to school food authorities so that they can begin implementing the applicable recommendations of the 2005 DGAs within the current meal pattern requirements and nutrition standards. This spring, FNS will issue updated school meal pattern guidance and a series of nutrition fact sheets to assist foodservice professionals and menu planners in implementing the 2005 DGAs.

In addition, FNS has launched an aggressive initiative to improve the nutritional quality of its commodity program. Schools participating in the NSLP today have access to the widest choice of healthy commodity foods in history. Over the past two decades, we have worked to reduce the levels of fat, sodium, and sugar. We now offer schools more than 180 choices of quality products, including whole grains and low fat foods. FNS also continues to promote the HealthierUS School Challenge and support implementation of local wellness policies as part of its broad strategy to reduce obesity and improve the nutritional health and well-being of children. To ensure a strong future for the National School Lunch and Breakfast Programs, FNS is working hard to improve program participation among children from all income levels, and we are working with schools to strengthen program integrity by assisting schools in improving the accuracy of meal counting and claiming. In particular, FNS is focusing efforts on improving participation in the School Breakfast Program, where a significant disparity exists between the average daily participation in the School Breakfast Program and the National School Lunch Program.

While we all recognize that providing nutritious meals in a healthy school nutrition environment is important, school children represent a particularly vulnerable population, and first and foremost, USDA, along with our partners at the Federal, State and local levels, has a responsibility to ensure school meals are safe.

We are proud of our many efforts to ensure the safety and improve the quality of school meals, and many of these efforts could not have been possible without the School Nutrition Association and the many school food service professionals who give their very best to provide nutritious meals in our schools each day.

As we celebrate National School Breakfast Week, I would like to conclude by thanking Congress and the school food service community for your daily commitment to the National School Lunch and School Breakfast Programs.

Thank you for the opportunity to share the work of USDA with you today.

Chairman MILLER. Ms. Parham.

STATEMENT OF PENNY PARHAM, ADMINISTRATIVE DIRECTOR, DEPARTMENT OF FOOD AND NUTRITION, MIAMI-DADE COUNTY PUBLIC SCHOOLS

Ms. PARHAM. Good afternoon, Mr. Chairman, Ranking Member McKeon and members of the Committee.

I appreciate this opportunity to appear before you today and to provide testimony regarding concerns with the Federal nutrition policy in light of the Westland Meat Company recall.

I am Penny Parham, the Administrative Director for the Department of Food and Nutrition of the Miami-Dade County Public Schools. Miami-Dade County Public Schools is the fourth largest school district in the Nation, and we serve over 44 million meals annually. We have over 350,000 students across 325 school buildings, spread over 2,000 square miles, and we are prepared for a challenge such as we experienced with this recall.

The first notification we received regarding the Westland meat recall was to hold the beef aside. It came to us via our Florida branch of the USDA. We immediately informed all of our food service managers and our contracted warehouse to hold the boxes and to place them in a separate area pending further instructions. We communicated with our distributor to identify and to hold the products. We communicated with our school district leadership to inform all stakeholders in the status of the beef hold. We then removed all beef products from our school menu until further notice in order to preserve the highest level of confidence in our school program with our students, parents and our Miami-Dade community at large.

During the hold and throughout the recall notification, there was continued communication between the Miami-Dade schools and the USDA via e-mail, press releases and a conference call in which we participated. We received numerous support information in the form of guidance materials and contact information for answering questions from the community regarding holds, recalls and food safety measures.

When we were officially informed by the USDA that the hold had moved to a recall, we worked with our local media and with our local health department in crafting our response. We documented and destroyed the product, following national recommendations and our own internal policy, which is to denature it. We then documented our disposal for the USDA, and we are in the process of requesting reimbursement or replacement of the product that was destroyed. It is our understanding that we will receive these reimbursements or replacements in a timely manner.

As a result of the recall and of the removal of all beef from our menu during that time period, our food service program incurred additional costs because we had to increase our inventory in order to replace those items on the menu.

A recall such as the Westland case contributes to the public's perception that school food is inferior or of lower quality. Moving forward, we need to assure the public that the same level of care is taken with the behind-the-scenes treatment of food as is taken with the preparation and with the serving of food. The public needs assurance that animals are not being mistreated and that sick or downed animals are not being used in the production of beef products.

In addition to the public's perception, it is important that we keep our frontline child nutrition employees, such as our managers, cooks and servers, assured that the commodity foods that we receive are safe, wholesome and of the highest quality possible. While the USDA was prompt and communicated effectively to us in their handling of the recall, it is of utmost importance that they are also prompt in providing us with reimbursement or replacement of the product.

As food service programs have been hit hard by the rising costs of food, notably, in Miami-Dade, our cost for milk just this school year will be almost \$4.5 million more than it was over the prior year. The cost of all staple food items such as grains, produce and meat has risen over 23 percent. Reimbursement from the USDA

does not cover the rising costs of food, and this makes our program difficult to manage.

The recall of the Westland beef highlights the sometimes complicated and complex mission of providing high-quality, health-enhancing foods to our students in the school meal programs. To achieve our shared goal of promoting healthy lifestyles and of fighting childhood obesity, school nutrition programs must be able to procure and serve wholesome, nutrient-dense, high-quality foods for our breakfast, lunch and after-school care programs.

The USDA can have a more meaningful and substantial impact on this shared responsibility by increasing our Federal reimbursement rates to more accurately reflect the cost of producing a healthy school meal and by making fluid milk a commodity allocation in our programs.

On behalf of the Miami-Dade County Public Schools, I would like to thank you for your care and concern for our Nation's most valuable resource—our children. Thank you for this opportunity to appear before the Committee. I welcome any questions you may have.

Chairman MILLER. Thank you.

[The statement of Ms. Parham follows:]

**Prepared Statement of Penny Parham, Administrative Director,
Department of Food and Nutrition, Miami-Dade County**

Mr. Chairman, Ranking Member McKeon and members of the Committee, I appreciate the opportunity to appear before you today to provide testimony regarding concerns with federal nutrition policy in light of the Westland Meat Company recall. I am Penny Parham, the Administrative Director for the Department of Food and Nutrition for Miami-Dade County Public Schools in Florida, which is the nation's fourth largest school district. I am a Registered Dietitian with a Master's degree in Dietetics and Nutrition. Miami-Dade County Public Schools serves over 40 million meals annually. Although we have over 350,000 students in 325 school buildings spread across over 2,000 square miles, facilitating a recall is a challenge for which we are well prepared. The first notification we received regarding Westland Meat Company was to hold the beef aside. This notification came via e-mail, from the Florida Branch of the United States Department of Agriculture (USDA). Once we were provided the lot numbers of the beef in question, we had all our food service managers label and hold those boxes in a separate area pending further instructions. We communicated with our contracted distributor to identify and hold all products at the warehouse, and communicated with our school district leadership to inform all stakeholders of the status of the beef hold. We then removed ALL beef products from the menu until further notice in order to preserve the highest level of confidence in our school meal programs with our students, parents and the Miami-Dade community at large. During the hold and throughout the recall notification, there was continued communication between Miami-Dade County Public Schools and the USDA via e-mail, press releases and a conference call. We received numerous communications from contracted manufacturers who had processed beef from the Westland plant, and we received support information in the form of guidance materials and contact information from the USDA for answering questions from the community about the hold, recalls and food safety measures.

When we were officially informed by the USDA of the recall, we worked with our local media and our local health department to respond. We documented and destroyed the beef following national recommendations and internal policy to dispose of the product (denature). We then documented our disposal for the USDA and requested reimbursement or replacement of the beef that was destroyed. It is our understanding that we will receive reimbursement or replacement of the beef in a timely manner.

As a result of the recall and removal of all beef from the menu, our food service program incurred additional costs because we had to increase our inventory in order to replace those items on the menu that were made with beef. A recall such as the Westland case contributes to the public's perception that school food is inferior and of lower quality. Moving forward we need to assure the public that the same level of care is taken with the behind the scenes treatment of food as is taken with the

preparation and serving of food. The public needs assurance that animals are not being mistreated and that sick or “downed” animals are not used in the production of beef products. In addition to the public’s perception, it is important that front line child nutrition employees, such as the cafeteria managers, cooks and servers are assured that the commodity foods they receive in their kitchens are safe, wholesome and of the highest quality possible.

While the USDA was prompt and communicated effectively in their handling of the recall of Westland beef, it is of the utmost importance that they are also prompt in providing the documented and requested reimbursement or replacement of the beef that was destroyed. The USDA should assist school food service programs that have been hit hard by rising food and labor costs. The cost of staple foods including, milk, grains, produce and meat have risen over 23 percent. Notably, our cost for milk in the 2007-2008 school year alone has risen an additional \$4.5 million. Reimbursements from the USDA do not cover the rising costs of food and labor. Miami-Dade County Public Schools’ policy is to provide health promoting foods to students such as fresh produce, whole grains, trans-fat free foods and lean meats. The rising costs and shortfalls in reimbursements make this extremely difficult to do. We do not want to serve our students highly refined sugar and flour products which are more affordable, but we are continually being pushed down this path.

The recall of the Westland beef highlights the sometimes complicated and complex mission of providing high quality, health enhancing foods to our students in school meal programs. To achieve our shared goal of promoting healthy lifestyles, school nutrition programs must be able to procure and serve wholesome, nutrient-dense, high quality foods for school breakfast, lunch and after school care snack programs. The USDA could have a more meaningful and substantial impact on this shared responsibility by increasing the federal reimbursement rates to more accurately reflect the cost of producing a school meal, and by making fluid milk a USDA commodity allocation in school meal programs.

On behalf of the Miami-Dade County Public Schools, I would like to thank you for your care and concern for our nations’ most valuable resource—our children. Thank you for this opportunity to appear before the committee and I welcome any questions you may have.

Chairman MILLER. Ms. Rivas.

STATEMENT OF DORIS RIVAS, EXECUTIVE DIRECTOR, FOOD AND CHILD NUTRITION SERVICES, DALLAS INDEPENDENT SCHOOL DISTRICT

Ms. RIVAS. Mr. Chairman and Mr. McKeon, thank you very much for the opportunity to participate in this important hearing.

I am Dora Rivas, the Vice President of the School Nutrition Association, but I am appearing here today in the capacity of the Executive Director for the Child Nutrition Service Program for the Dallas Independent School District. I am here to address the Hallmark/Westland meat recall and how the recent recall has affected us in Dallas, Texas.

Our system is large, and we have more than 215 schools. The magnitude of the recent beef recall has been a learning experience for the USDA, for the Food Safety Inspection Service and for all of us involved in responding to such an event. Food service directors across the country have the biggest challenge of taking prompt action and also have the direct responsibility of staying current on any evolving situation while, at the same time, assuring parents that the school meals are safe and healthy for their children.

Since the whole recall process started in January and until all of the products are properly removed, we will be traveling uncharted territory in making sure that we obtain all of the information from all sources that are available to us. I, personally, looked daily at the School Nutrition Web site, at the newspaper, and

watched for every e-mail that had the subject title of “beef recall” to make sure I did not miss anything.

The greatest challenge was keeping up with the evolving magnitude of holding products subject to the food recall first learned from the School Nutrition Association Web site that the product being placed on hold was fine ground beef and processed products containing A608 fine ground beef from Westland. Not having the product in stock, we informed our Communications Department with Dallas ISD that we did not have any of the product in question in our inventory.

On February 5th, we received further notice from the TDA State Commodity Office that the recall included A594, bulk beef, which we did have and had diverted to Advance Foods to convert the ground beef into crumbles and steak fingers. We did have that product in stock. We held our breath, waiting for further instructions and then were made aware on February 17th, a Sunday, that the USDA Food Safety and Inspection Service had released an announcement indicating a class II recall by the Hallmark/Westland Meatpacking Company.

On February the 19th, the SNA Web site had information on the recall in question. On February the 20th, 2 days later, we received an urgent USDA recall message from the TDA Regional Service Center. On the 21st, the Texas Department of Agriculture provided additional guidance on the disposal of the recall and some Q&A on the reimbursement of expenses.

It was unfortunate that the press release information went out to the public before official information instructions arrived to food service directors via USDA and State communications, allowing little time to prepare for media and public response. Providing information to school districts first and then providing a press release on action would have been a better situation for us. Having gone through the process, however, a major recall now gives us all the opportunity to reflect and to develop formal detailed instructions for proper handling, disposal and reimbursement for future incidents.

On Monday, February the 18th, after the public release, our staff immediately began reviewing the codes to see what was on our shelves. By February 22nd, we were able to pull more than 2,500 cases of product, change the menu and make the delivery adjustments. It must be emphasized that making an adjustment in a school district the size of Dallas is no small feat. Regular routes had to be set aside so that trucks could be dispatched to go to all 200 schools and gather any product in school freezers immediately. Over 2,000 cases had to be sorted and separated from regular stock, and many safeguards had to be taken to ensure that there was no potential for accidentally pulling recalled product.

Our school meals have an exceptional safety record. We have not had a food borne illness in Dallas ISD and in the many schools across the country. A greater emphasis on the safeguards schools utilize to ensure safe food as provided to our student customers would have been of great benefit to our programs. Seeking reassurance, concerned parents called our office. We have a HACCP program in place, and all of our cafeteria supervisors are ServSafe certified.

HACCP systems are a comprehensive approach to food safety that follows the flow of food through a food service operation to eliminate and reduce the risk of foodborne hazards. Among these procedures are examinations of foods as they are received by the kitchen, and we use proper cooking and holding temperatures to ensure food is safe. In addition to the focus on the potential risk, this would have been a great opportunity to receive support from the USDA and States to educate the public on all of our safeguards in place.

Currently, we are sorting out the costs. On February 21st, we received reassurance that we would be reimbursed for some of our expenses. Our reimbursable costs are over \$114,000. Some of the nonreimbursable expenses we have incurred are overtime costs and administrative expenses. The district will have to absorb these costs. Small school districts will have difficulty absorbing the costs due to having been reimbursed at a later time.

This concludes my testimony, and I would be glad to answer any questions.

[The statement of Ms. Rivas follows:]

Prepared Statement of Dora Rivas, Vice President, School Nutrition Association; Director of Child Nutrition, Dallas, TX

Mr. Chairman, Mr. McKeon, thank you very much for the opportunity to participate in this important hearing. I am Dora Rivas, the Vice President of the School Nutrition Association, but I am appearing here today in my capacity as the Director of Child Nutrition for Dallas, Texas.

I would like to associate myself with the testimony of our President, Mary Hill. The standards issue that she addressed so well is a major concern to my colleagues all over the country. Further, as she mentioned there is a direct link between the nutrition standards and the economics of the program.

I am here, however to address the Hallmark/Westland Meat recall, and how the recent recall has affected us in Dallas, Texas. Our system is large; we have more than 215 schools. We have total student enrollment of more than 160,000 and our average daily participation in the school lunch program is more than 130,000 lunches with 50,000 breakfasts.

The magnitude of the recent Beef Recall has been a learning experience for USDA, FSIS, and all of us involved in responding to such an event. Food Service Directors across the country had the biggest challenge of taking prompt action and also had the direct responsibility of staying current on an evolving situation while at the same time assuring parents that school meals are safe and healthy for their children.

Since the recall started in January and until all products are properly disposed, we will be traveling uncharted territory in making sure we obtain all information from all sources that are available to us. I personally looked daily at the School Nutrition Association website, newspaper, and watched for every email that had the subject title of "Beef Recall" to make sure I didn't miss anything.

The greatest challenge was keeping up with the evolving magnitude of holding product subject to the food recall. We were first informed by the School Nutrition Association that the product being placed on hold was fine ground meat and processed products containing A608, fine ground beef from Westland. Not having the product in stock, we informed our Communications Department at the Dallas ISD that we did not have any of the product in question on our inventory. On Feb. 5th, we received further notice from the state commodity office that the recall included A594, Bulk Beef, which we did have and had diverted to Advance Foods to convert the ground beef into crumbles and steak fingers. We had that product in stock. We held our breath waiting for further instructions and then were made aware on Feb. 17th (a Sunday) that USDA's Food Safety and Inspection Service (FSIS) released an announcement indicating a Class II recall by Hallmark/Westland Meat Packing Co.

On Feb. 19th, the SNA Website had information on the recall in question. On Feb. 20th at 1:15pm (2 days later) we received an URGENT USDA Recall message from the Regional Service Center. On Feb. 21, the Texas Department of Agriculture

provided further guidance on disposal and some Q & A on reimbursement for some expenses. It is unfortunate that press release information went out for public release before official information and instructions arrived to food service directors via the USDA/State communications allowing little time to prepare for media and public response. This should be a lesson learned. Providing information to school districts first and then providing a Press Release on action taken would have been a much better situation for us. Having gone through the process of a major recall now gives us all the opportunity to develop formal detailed instructions for proper handling, disposal, and reimbursement for potential future incidents.

On Monday, Feb. 18th after the public release, our staff had begun reviewing the codes to see what was on our shelves. (Our 10 degree freezer is over 27,200 sq. feet in size.) By February 22nd we were able to pull more than 2500 cases of product, changed menu, and make food delivery adjustments.

It must be emphasized that to make an adjustment in a school district the size of Dallas is no small feat. Regular routes had to be set aside so that trucks could be dispatched to go to all 200+ schools and gather any product at school freezers immediately. Over 2000 cases had to be sorted and separated from regular stock. Many safeguards had to be taken to ensure there is no potential for accidentally pulling recalled product until it leaves our warehouse. However, as we were gathering all this information and responding to the recall, the media arrived at our warehouse interviewing staff on whether we had the recalled product in our warehouse. Our very capable staff was able to report that we had pulled all product from inventory and from schools and assured them of the safety of food supplied to our students. Hopefully, a recall of this magnitude does not happen again, however, if it does, using this experience will prepare us with pre-established procedures as a positive outcome from this very unfortunate event.

I can only image how difficult it must have been for smaller schools that do not have the staff of a large school system. It would be even more difficult for them to change the menu at short notice, and without a Communication's Office they are responding directly to the parents.

Our school meals have an exceptional safety record. We have not had a food-borne illness in the Dallas ISD, and in the many schools across the country. A greater emphasis on the safeguards schools utilize to ensure safe food is provided to our student customers would have also been of great benefit to our programs. Concerned parents called our office seeking reassurance. We have a HACCP program in place and all of our cafeteria supervisors are ServSafe certified. HACCP (Hazard Analysis and Critical Control Point) systems are a comprehensive approach to food safety that follows the flow of food through a foodservice operation to eliminate or reduce the risk of food borne hazards. Among these procedures are examinations of foods as they are received by the kitchen and use of proper cooking and holding temperatures to ensure food is safe. In addition to the focus on potential risk, this would have been a great opportunity for support from USDA/States to educate the public on all of the safeguards in place.

Currently we are still sorting out the costs. On Feb. 21st , we received some reassurance that we would be reimbursed for some of our expenses. Our reimbursable costs are over \$114,000.00. Some of the non-reimbursable expenses we have incurred are overtime costs and administrative expenses. The district will have to absorb these costs, which total over \$2000. (100 hours of driver overtime X \$20.00/hour). Again, I am concerned about what happens in the small districts where they do not have the resources to respond and absorb the costs. Also, while some of the costs are reimbursable, the school district must be able to advance the costs that will be reimbursed at some point later on.

This concludes my prepared remarks. I would be happy to answer any questions.

[Additional submission by Ms. Rivas follows:]

**Westland/Hallmark Meat Company
Recall/Destruction/Reimbursement Costs
Dallas Independent School District**

Advance Food Company

Food Cost

Product	Commodity Value	Fee For Service	Total
Steak Fingers (1,650 cases)	\$39,419	\$32,918	\$72,377
Beef Crumbles (874 cases)	\$26,736	\$10,620	\$37,356
Total	\$66,155.00	\$43,538.00	\$109,733.00

Labor Cost (estimate)

Administrative Labor	\$200
Warehouse Labor	<u>\$2,200</u>
Total Labor	\$2,400

Transportation Cost

Refrigerated Trucks (cost of running)	\$1365
Refrigerated Unit Cost	\$156
Mileage	<u>\$72.80</u>
	\$1594

Removal Cost (estimate)

(Receptacle \$404, \$210 for two pick ups)	<u>\$614</u>
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Total Estimated Cost \$114,341

Chairman MILLER. Thank you all very much for your testimony. Let me see if I can knit two things together here.

Kathleen, in your statement, at the end, you referred to Senate bill 12 in California that imposed nutrition guidelines on all foods and beverages sold on campus during the school day.

Ken, in your testimony, you raised the question of commodities that are diverted to food processors, and I assume that is what you were referring to when you said "to Advance Foods." That is a process that takes a commodity and then gives it back to you as another food?

Ms. RIVAS. That is correct.

Chairman MILLER. Okay. Does Senate bill 12 not cover those foods? You mentioned sodium and fat being added in the diet at that point.

Mr. HECHT. Senate bill 12 speaks just to the competitive foods. It does not affect the USDA.

Chairman MILLER. This is not in lieu of what we are doing at the Federal level with dietary guidelines?

Mr. HECHT. Correct. What we are trying to align with the dietary guidelines would be the USDA reimbursable meals as the statute requires.

Chairman MILLER. Right.

Kathleen or maybe Ms. Rivas, what control do you have over the vendors with respect to sodium, fat, sugar, et cetera?

Ms. CORRIGAN. Are you referring to meals?

Chairman MILLER. Yes. Well, I guess when they come back as meals or enchiladas or hamburgers or whatever.

Ms. CORRIGAN. In my district, we follow a menu planning system called Nutrient Standard Menu Planning, so every item is incorporated into our menu based on the nutrients in that, including fat, saturated fat, calories, vitamins A and C, et cetera. So those foods are—you know, they have to meet a standard or we cannot use them.

Chairman MILLER. And the processors know that, the vendors you buy from?

Ms. CORRIGAN. Yes, but we know what to buy. It is really our job to buy things that we can get to fit into our menu. Am I answering your question?

Chairman MILLER. You are.

Ms. CORRIGAN. Okay.

Chairman MILLER. I assume then that the vendor would accommodate that because he wants to make the sale.

Ms. CORRIGAN. Sure. Sure.

Chairman MILLER. Okay. Ms. Rivas.

Ms. RIVAS. Yes, that is correct. The USDA guidelines, regardless of the menu planning system, require that we meet 30 percent calories from fat and no more than 10 percent from saturated fat. So, in our specifying what products we purchase, we tell the vendors what products we need and what nutrient composition needs to be in that product. That is what we purchase, and it must meet the guidelines for the meal pattern.

Chairman MILLER. So, back quickly to you, Ken. I interpreted your comments to suggest that this is a loophole here in meeting these guidelines with the processors. That is not accurate?

Mr. HECHT. I think the problem is that the assessment of these foods at the school district level by the USDA or, in many cases, by the State of California, to whom it is delegated, comes very infrequently, and it is done against standards which are now antique, and they do not isolate the contribution—good or bad, really—from a particular processor. What you are looking at is the finished product many stages later.

Chairman MILLER. Okay. Thank you.

Ms. Houston, we have got a broad hearing here. How did we get from 1 cow to 143 million pounds of beef being recalled? I mean, that is how it is portrayed to the public. This cow was allowed into the food chain, and now, all of a sudden, we have got 143 million pounds of beef—that is some cow.

Ms. HOUSTON. Well, I want to be clear here, not to overstep what I am prepared to discuss as the Food and Nutrition Service perspective here dealing with the National School Lunch Program. I think your question would be best directed to someone at the Food Safety and Inspection Service, and I apologize that those individuals are not here with me today. We would be happy to provide you some additional information regarding how we came up with 143 million pounds of total beef and beef products that were recalled.

Chairman MILLER. Well, I guess it has been said in the press or has been hinted out in the press, whatever term you want to use, that this, in fact, turned out to be somewhat of a practice at this particular slaughterhouse/meatpacker and that that is how one cow that set off the alarm ended up reaching all the way back into time to get to 143 million pounds.

Ms. HOUSTON. At this point, that part of the investigation continues to be ongoing, so I think it would be premature for me or for anyone else at the Department to comment, other than to say that there was a body of evidence that was presented to a recall committee that the Department puts together, and it was their determination based on the information available to them that the 143 million pounds and a recall date going back to February 1, 2006 was a prudent course of action.

Chairman MILLER. Do States or districts have the opportunity to select vendors? This was a vendor who was very large within the school nutrition program for the supply of beef. As to Dallas or Miami-Dade—big districts—could they say we want somebody else to supply the commodities or is that selection made solely at the Federal level?

Ms. HOUSTON. The Agricultural Marketing Service at the Department makes the determination on a select number of vendors that meet very rigorous standards for the provision of commodity entitlements. So, at the school level, they are informing the Department through the State agencies what commodities they would like to receive. The Agricultural Marketing Service is then responsible for going out and for procuring those commodities from verified vendors.

Chairman MILLER. So they have no say in that process of selecting that vendor to supply that product in various regions of the country?

Ms. HOUSTON. Not for the commodity entitlements.

I would add that the commodity entitlement portion of the food that is part of the national school lunch meal is about 15 to 20 percent of the total meal. The additional part of the meal is food that is purchased commercially at the local level with cash reimbursement that is provided by the Department of Agriculture.

Chairman MILLER. Thank you.

Ms. HOUSTON. For that section, my point is that the local levels are making the decision as to what vendors they use to provide the food.

Chairman MILLER. Thank you. Mr. McKeon.

Mr. MCKEON. Thank you, Mr. Chairman. I kind of was going down the same path you were.

This is not something we deal with all the time. Probably, I guess, the Ag Committee is more familiar with this, but I was try-

ing to think how this grew to be such a large recall. Then I also wonder how long it takes from the time the beef is slaughtered until it is eaten. It seems to me like there is quite a bit of time in there. I do not know if this meat is frozen or in what kind of condition it is kept. When you get that large, when you are talking 143 million pounds, how much of that beef has already been eaten? It just seems to me like—I do not know how we get our arms around it.

Ms. HOUSTON. Just to provide some context, there were just over 50 million pounds of beef from the total 143 million pounds that we have identified as going to the National School Lunch Program and to our other nutrition assistance programs.

Mr. MCKEON. How much again?

Ms. HOUSTON. Just over 50 million pounds that went to our nutrition assistance programs.

Mr. MCKEON. 50 million pounds?

Ms. HOUSTON. Correct. About 94 percent of that was provided to the National School Lunch Program. We had a few other nutrition assistance programs that received very small amounts of that product. About 30.5 million of those pounds, through our tracing process, we expect to have already been consumed. Generally speaking, school food authorities have product in their freezers for a maximum of about 6 months. So, while the recall dates back to February 2006, there was a smaller amount of product that was currently in the inventories of school food authorities or in the pipeline to be shipped to those schools, and that product was put on hold as of January 30th. So, while the recall began on February 17, that product had already been on hold and was out of the menuing of school meals several weeks before that time.

Mr. MCKEON. Boy. When we are building cars, it seems like we are buying things that are—an auto manufacturer is expecting a transmission to come in the day that it is put in the car and it has gone out, and they move things very quickly, and we are talking about a perishable product. Even though it is kept in a freezer, you could keep up to 6 months.

Again, this really, really throws me. I used to be a meat cutter and I would see a beef would come in, we would cut it up, we would sell it that day, and hopefully it is consumed in the next few days. And I just—it is just hard for me to really get a handle on all of this where we can track 143 million pounds of beef that is somewhere slaughtered, put out into the process and keep a handle on all that, keep track of all that. It is—I am glad I am not on the Ag Committee. I guess we will be having other hearings as we go into the—I am sure I should have some other questions about the food nutrition program, but I am stuck on the recall. And, Mr. Chairman, I think I will just grapple with that myself. I don't even know what questions to ask. I would yield back. Thank you.

Chairman MILLER. Thank you. Mr. Andrews.

Mr. ANDREWS. Thank you. I would like to thank the panel. Ms. Houston, in 2003 the GAO said the USDA had a pattern of “choosing food vendors with a history of known safety violations.” In 2005, the Inspector General of the USDA said—and I quote—“adequate management controls were not in place to ensure that ground beef products purchased were free of pathogens.” It went on

to note that one unnamed plant had had 40 violations but continued in the program, and in 2003 and 2004 it noted in that plant, again unnamed, that there were samples of E. coli and Salmonella found in ground beef. My understanding is that the problem that occurred here with Hallmark is a problem that occurred with downer cows that occurred after there was an inspection of the facility but before the slaughter. Is that correct?

Ms. HOUSTON. That is correct. All of the animals that day had passed an ante mortem inspection as it is called.

Mr. ANDREWS. How long of a time usually passes between that ante mortem inspection and the slaughter?

Ms. HOUSTON. Here again we are starting to veer to a Food Safety and Inspection Service venue, and I would be hesitant to answer that particular question. It is really out of my realm of expertise. But I would be happy to get the information to you.

Mr. ANDREWS. I wish that you would. Does the Department have a policy as to the maximum time that can expire between the ante mortem inspection and the slaughter?

Ms. HOUSTON. Again, I think that question would be best directed to the Food Safety and Inspection Service, and we will be happy to get you that information.

Mr. ANDREWS. I would like that. And let me tell you what troubles me. And I speak frankly as only someone who has the information that I have learned at this very meaningful hearing today. The Hallmark plant was supplying 20 percent of the ground beef in the program. There are only about 10 suppliers, as I understand. Was it the largest of the suppliers?

Ms. HOUSTON. Over the period of the recall it was the third largest supplier, and last year it was the second largest.

Mr. ANDREWS. So it is the third largest supplier. How many inspectors were assigned to the plant to do these ante mortem inspections of the cows?

Ms. HOUSTON. Again, I apologize, Mr. Andrews. But that is a Food Safety and Inspection Service question. And I am not familiar with what the specific—

Mr. ANDREWS. I would also like you to supplement the record—it is not your fault that you don't know it. I would like you to supplement the record by telling us whether that number of inspectors was higher or lower than it was 5 years ago, as to whether there were more inspectors or fewer in place. Was there a record of prior violations of Hallmark before this recall?

Ms. HOUSTON. We would need to defer to FSIS to find out if there were any previous infractions by that plant, and again we can get you that information. I would comment that in terms of pathogen risk for the National School Lunch Program, we have a zero tolerance policy for any pathogens and we do test every lot of—

Mr. ANDREWS. No. No. I fully understand that and I understand that the testing of the lots is a different question than the ante mortem inspection of the cows themselves. And do you think—well, I suppose it is outside your realm of expertise. But I would ask you to ask those who would know this whether there should be a standard for this or not, right? I mean there is a standard that says no downer cows may be used for ground beef; is that correct?

Ms. HOUSTON. For the National School Lunch Program cows must be ambulatory in order to be slaughtered.

Mr. ANDREWS. The reason for that is that there is a higher incidence of BSE in the downer cows than there is in the ambulatory cows; is that right?

Ms. HOUSTON. I would say that in this particular situation there was a violation of that regulatory requirement, which is the reason in which the recall occurred.

Mr. ANDREWS. I think what we would like to know—and I would invite you to supplement the record—is how frequent are those violations. How would you know, how often do you inspect? Is there a standard? I mean, if I understand this in layperson's terms what happened here is that a cow that passed the ante mortem inspection becomes a downer cow? Is that what happens before the slaughter? But there is something that happens between the inspection and the slaughter which lets this into the mix, right?

Ms. HOUSTON. That is correct. What can happen, my understanding—and again I would defer to my colleagues at the Food Safety and Inspection Service—is that the animals were inspected and passed the ante mortem inspection and sometime during their walk from the holding area where they passed the inspection to their walk to the knock box they went down. Oftentimes this is due to an acute injury such as breaking a leg—

Mr. ANDREWS. My time has expired, but I would just ask you to let us know what inspection regime exists to make sure that doesn't happen again or a lot and, if so, what data do you keep on that so we can keep an eye on this.

Thank you, Mr. Chairman.

Chairman MILLER. Congresswoman Biggert.

Mrs. BIGGERT. Thank you, Mr. Chairman. Ms. Hill, you talked about that Congress should require a uniform national standard, nutritional standard for all foods and beverages so that—anyway, that would include vendors or any group in the school, it would be fund raising or selling any foods or anything; is that correct?

Ms. HILL. What we are trying to do is level the playing field during the school day. So that involves anything that occurs from the beginning until the end of school. So, yes, it could involve some of those if they are occurring during the school day.

Mrs. BIGGERT. Do you know any school systems that do that now, that have a uniform standard—let's say the whole—the States have a standard that does that?

Ms. HILL. We do. We have some States that have already, in compliance with the dietary guidelines, set standards. And what we are asking so that we can be uniform—right now we have just got many different types of standards across this country, which is really costly to our programs when you look at the fact that we need to be financially sound and some of the things that we need to purchase to maintain our programs. So what we are asking is that we have that uniformity of that standard because basically what occurs for a child to eat in California is the same that should occur in Florida. So we are just asking for that uniform standard.

Mrs. BIGGERT. And you want that regulation by law?

Ms. HILL. Yes.

Mrs. BIGGERT. Is there any difference across the country because there are different foods for different areas that this would affect and change the type of meals that would be served?

Ms. HILL. No. I don't think it would involve so much the type. Because still as the food service director, we are still going to be looking at the cost and looking at the products that we are using. And you will still have some differences in different school districts in different regions in the country. We are just saying that you want that standard set when you are talking about the amount of sodium, when you talk about the amount of sugar. But you will still have the variances of the menu items across the—

Mrs. BIGGERT. Just taking the commodities that go into making a meal can come out very different—

Ms. HILL. Right.

Mrs. BIGGERT. Entree, whatever you want to call them.

Ms. HILL. That is correct.

Mrs. BIGGERT. Ms. Corrigan, you talk about the breakfasts required. Have you any data that shows that the children that have the breakfasts and have the lunches, that there is an improvement in the academics?

Ms. CORRIGAN. I don't have local data, but there has been a lot of research done to document the fact that breakfast does have an impact on student attendance even and their behavior in the classroom, as well as test scores. And I am sure we could get you that information.

Mrs. BIGGERT. I think there has been some books written about it, too. But you talk about the vending machines or vending to provide a breakfast. What would that look like and would it be a hot meal that would come out of—

Ms. CORRIGAN. Unfortunately, the word "vending" has a very bad rap. But we just look at it as another way to deliver meals there are vending machines available now so that students can enter a student I.D. Number and only get a complete lunch or a complete breakfast. It would be a chilled breakfast or lunch, a sandwich, fruit, that sort of thing, as well as a chilled breakfast.

Mrs. BIGGERT. Do you do that now?

Ms. CORRIGAN. We are hoping to. We did get some funding from Kaiser Permanente to put one vending machine in one of our middle schools, and that is in the process of being—we are wiring the school and getting that set up and we hope to get that started in the next month or so. And then we have asked for grant funding because they are not cheap machines. They cost about \$15,000.

Mrs. BIGGERT. But having vending is the reason for doing that, so you can have the meals served at different times?

Ms. CORRIGAN. Yes. At the middle school it would serve as an additional point of service so that when all students arrived just a few minutes before school starts, we have an opportunity to serve more of them, and then at the elementary level we would use it—because it is self-operated we don't have to add staffing and add benefits to an employee to be there in order to serve breakfast.

Mrs. BIGGERT. Along with increasing the nutrition, shouldn't we also consider the physical fitness and the physical education that is offered at these schools?

Ms. CORRIGAN. Certainly.

Mrs. BIGGERT. Do you have physical fitness in your schools every day?

Ms. CORRIGAN. We do. That is not under my area of expertise, but we do still have PE and—

Mrs. BIGGERT. Okay. If you—to reauthorize this, what would be the three top issues that you would like to see addressed in the reauthorization?

Ms. CORRIGAN. Oh. That is a tough one. Can I think about it for a minute? I don't think too well on my feet unfortunately. Reimbursement, of course, nutrition standards and—

Mrs. BIGGERT. Would anybody else like to add another one?

Ms. PARHAM. We need to have some improvement on the economic eligibility income guidelines. Right now in Miami-Dade, a family of three is supposed to earn less than \$22,300 to qualify for a free meal. Wages just have gone up. Costs have gone up. So these economic eligibility guidelines no longer really certify the needy families for these. So that would have to be looked at. And, of course, the reimbursement rates and improving our USDA commodity allocations so that we—districts can be protected against having higher food costs while still maintaining and serving fresh fruits, fresh vegetables, whole milk, lean meats and the healthy items that we want our children to eat. Those would be the top three.

Mrs. BIGGERT. I yield back belatedly.

Mr. HECHT. Of course we would start with reimbursement. But beyond that I would urge the Committee to think of new ways to increase participation, which we badly need to do both in breakfast and in lunch. Breakfast, the way Kathleen is talking about during the school day, gets all kinds of good participation. At lunch time, if we had children certified for free and reduced priced lunches because of where they live or because of demographic materials that are available to everyone, rather than depending on paper applications which get lost before they get home or don't get returned, we would be serving a lot of children who desperately need that nutrition.

Mrs. BIGGERT. Thank you. Yield back.

Chairman MILLER. Mr. Hare.

Mr. HARE. Thank you, Mr. Chairman. Ms. Houston, I don't know if you can answer this one. If you can't, maybe have somebody get back to me because I share my friend Mr. McKeon's thoughts while I am trying to get my mind wrapped around this problem, the severity of it. But can you or someone elaborate how you can be certain that the practices that affected the meat produced at Hallmark/Westland are not taking place at other facilities given that the regulations—that the defiance of the regulations in that plant were taking place while there were USDA inspectors on site?

Ms. HOUSTON. Again, I hate to sound like a broken record here, but anything dealing with the food safety and inspection side really is best handled by my colleagues at FSIS. I will say that Secretary Schaefer has pledged to support all ongoing investigations into what went wrong at this plant and to make any changes that are required to ensure that we don't have these kinds of violations happening again.

Mr. HARE. And I appreciate that. Could you maybe have somebody respond to myself or the Committee from USDA or the Committee address that because my concern is that if this happened at this facility with USDA inspectors on site, it could be happening at others. And I don't want to have to see us go through another one of these recalls.

Ms. HOUSTON. I think the first step here is we need to understand what went wrong and why it went wrong. And once we have a better understanding of that information, we will be in a position to identify what changes, if any, need to be made.

Mr. HARE. Thank you. Ms. Rivas, you testified about concerns about the ability of the smaller school districts to address the major recall of beef. And I come from a district that has a lot of rural areas, a lot of smaller schools. And from both a personnel perspective and monetary perspective, they are problems. As SNA represents personnel from both large and small school districts, I was wondering if you could provide any additional insights about how this recall would more significantly impact smaller school districts, those smaller school districts?

Ms. RIVAS. I think currently the process was the—the flow of communication from the Food Safety and Inspection Service, USDA, all the way down to the end user. And what I think would help all school districts is just to be able to make that communication system more immediate. We have the safest food supply in the world, and child nutrition programs are held to an even higher standard as far as food safety is concerned. And we needed assistance to be able to reassure parents that the school meals were safe and okay for their children and we needed more support in being able to reassure those small school districts do not have communication departments to be able to assist in responding to the parents. And many of them are not as capable in being able to reassure the parents and do not know all of the details related to the recall and the process. So I think being that we have gone through the recall, formalizing some of those procedures, providing more training for them, I think would be able to help not only small but large school districts as well.

Mr. HARE. Thank you. Ms. Hill, I don't have a lot of time left. But you suggested in your testimony that the lack of uniform standards has driven the price of reimbursed meals up. I wonder if you could elaborate on the relationship between varying State and local standards to the school nutrition programs?

Ms. HILL. One of the main problems is when you are utilizing so many different standards across the country it just costs us more to get products because I may want a specific product in Mississippi, somebody else may want the same or similar product just—I will use a chicken nugget as an example. There may be 15 different types of chicken nuggets and just trying to produce that could be costly to our programs when you are looking at trying to maintain what the reimbursable rate is right now of 2.47 in our programs.

So we are all over the page with those standards. It is just costing our programs to get the products in and to maintain what we need to maintain within those guidelines of the funding that we are presently receiving.

Mr. HARE. Thank you very much, Mr. Chair. I yield back.

Ms. HILL. If I could add one more thing, to answer that question, because we could have some other things. As we look at the reauthorization of 2009 and when we look at that wish list there are several things. But we are also concerned about breakfast and would really like the implementation of more breakfast programs and really look at removing some of those barriers that are up as far as breakfast is concerned. The other thing has to do with the fact of looking at commodities for our breakfast programs because presently we are not getting any commodities for our breakfast programs. And also looking at how we can further streamline the programs. They are getting so complicated until much of our time now rather than dealing with nutrition standard, those kinds of things that we need to deal with, we are focusing on verifying income for 10 million students across this country. So we really need to look at our programs and what it is we are being required to do to maintain those programs. Certainly we are still concerned about those low income children who cannot afford those reduced priced meals. And particularly with the recent economic downturn, it is really making the problem worse. So I did want to add that because we do have a wish list.

Mr. PAYNE. [presiding.] Thank you, Mr. Castle?

Mr. CASTLE. Thank you, Mr. Chairman. And I thank all of you. I missed the beginning of this. I was meeting with my Farm Bureau folks and got here late. So I have been trying to get my arms around it. It is not an easy issue for those of us who don't work with it every day. But I want to sort of focus on the problems with the Westland/Hallmark Meat Company and the recall here and how that was handled. And maybe I will start with Ms. Houston and go to the others. But how will the handling of this, what did you all learn from this in terms of changes you may make in the future or changes that perhaps should be made in the future with response to any incidents in the nutrition programs?

Ms. HOUSTON. Mr. Castle, I appreciate the question. And as we can all appreciate, any time we go through an unprecedented situation such as this one, there are things that we learn from the experience and there is always things that we can do better the next time around. From the perspective of the Food and Nutrition Service, we are taking a look at our mechanisms to communicate information in a timely manner to make sure that everybody who needs the information has it as quickly as possible. We are pleased to have this rapid alert system that allows us to very quickly get information about either an administrative hold or a recall to our State agencies. But we learned through this process that in some cases there was some time delay between when that information got to the State agency and when it was ultimately communicated to school districts. We were gracious to the Department of Education that enabled us to use their crisis communication systems so that we could get information directly to school officials. But we are looking at mechanisms by which we can have direct lines of communication with school food service personnel across the country for future instances, and I am sure there is technology in place that will enable us to be able to accomplish that goal.

Certainly we appreciate all of the comments and information that is provided to us by the local level and we will take all of that into consideration in thinking through other ways in which we can further improve our activities next time around.

Mr. CASTLE. Thank you very much. Let me open up that question and your comments to the other panelists to see if they have comments about the way this was handled or could be handled.

Ms. RIVAS. I can just say that I appreciate Ms. Houston's comment on being able to make that communication system faster and more immediate to local school districts. I think that in addition to that as we have worked through the procedures related to the handling of the recall and implementation of it, through the disposal of the product and the reimbursement, if we can now go through and formalize the definitions of what is the recall and what is the hold and what is Class 1, Class 2, Class 3 and be able to put them in training modules to be able to have emergency preparedness training for local school districts, I think that would be helpful. And I think just continuing to reassure our parents that we do have the safest food supply in the world as well as that—that child nutrition programs are held to a higher standard and this is why the recall occurred. And so we can assure the parents that all our child nutrition programs have safe food and that they can be assured that we follow food safety programs and that we provide training to all of our staff to assure that from the point that a product is delivered to us to the point that it is prepared and the point that is served, that, you know, we follow strict temperature holding and preparation procedures to assure that our meals are safe and healthy for our students.

Mr. CASTLE. Thank you. Do any of the rest of you have comments on notification methodology?

Ms. HILL. If I could just add a little because, first of all, I want to say we have had a wonderful working relationship with USDA over the years and of course they were at our meeting yesterday to really talk about this problem. But the point we just want to be clear is that there is a flaw in the system and we just need better communications at the school district level to reach us so that then we can be proactive and get the correct information out so what we think is that, yes, we appreciate the working relationship, but there are some concerns with the system, getting the communications out and then the execution of the recall. Even though some may get it, you still have quite a few across this country who have real issues with those two facts.

Mr. CASTLE. What is the methodology of communication? Is it the Internet or telephone or fax?

Ms. HOUSTON. The way the communication works now is that the USDA employees' rapid alert system, which through multiple means of communication, both e-mail, fax and phone, we can set out Web based automated messages to State agency recipients and each State agency is responsible for communicating down to the 20,000 school districts around the country the information that was provided by the Department of Agriculture. There are some good reasons why that system is in place. And part of it is because there is some State specific information that needs to be communicated to the local level. So while there is some merit in USDA sending

some broad information directly down to the local level, I think we also do need to have some role for the State agency to play so that they can get information—for example, there are different public health standards in different States for the proper disposal of recalled product. And USDA is not in a position to be able to do that. State agencies are responsible for knowing what products that we sent to them went to what school districts. So we were not a position to initially say who received what product that was affected by the hold and the recall. So while I think we—yes, we do want to look at ways in which we can communicate some broad information to the local level quickly, we do also need to recognize the critical role that the State agency plays.

Mr. CASTLE. Thank you. Thank you, Mr. Chairman.

Mr. PAYNE. Thank you very much. Mr. Scott.

Mr. SCOTT. Thank you. Thank you, Mr. Chairman. Ms. Corrigan, you indicated that you would provide us with some studies as to the effectiveness of the school lunch program and the school breakfast program, I believe. You are going to have studies of both and they will show the effects on education, discipline, attendance and health of the students?

Ms. CORRIGAN. Correct.

Mr. SCOTT. Do you have studies on the summer feeding programs?

Ms. CORRIGAN. I would guess that most of the studies are accurate for the summer feeding programs because some of those studies done on lunches would be pertinent for the same lunch program during the summer. So—

Mr. SCOTT. Okay. We look forward to getting that information. Thank you.

Ms. Hill, you indicated that the present reimbursement rate is \$2.47. Is that sufficient to produce a nutritious meal?

Ms. HILL. I am glad you asked that. No, sir, it is not.

Mr. SCOTT. So do you—

Ms. HILL. That would be one of our wish list items as we look at reauthorization, that certainly we need some increase.

Mr. SCOTT. So do you put in more money on a local basis or provide a less nutritious meal than you would like to?

Ms. HILL. We are asking that the increase comes from Congress, USDA.

Mr. SCOTT. What do you do now if \$2.47 isn't enough? Does the locality have to put in additional money?

Ms. HILL. It may vary across this country because some localities do have to add right now, which is a burden for them because of the educational process that they are also doing. Many of us are attempting to maintain within what we are given to operate our programs. But certainly it is a strain when you look at that amount.

The other point is right now the estimated average cost of a school lunch is \$3.10. So you can see the variance of what we are operating with. But I think many food service directors across this country do an outstanding job trying to work within those barriers, but many, yes, have had to get some type of assistance. And that is the other point too when you look at the financial structure of our programs. The reason that we really wanted the nutrition, na-

tional nutrition standards. So that everybody is on level playing fields and we don't have individuals outside of our programs that are pulling funding from our programs.

So those guidelines then would assist us in bringing some additional financial status to our programs. But we need the increase in the reimbursement rate, and we have not really had a real one in a number of years.

Mr. SCOTT. We are going to receive information showing the effectiveness of the school nutrition programs such that we would want to encourage everybody to participate. What things affect participation rates?

Ms. HILL. In our schools?

Mr. SCOTT. For the students. All students do not participate. If they have to pay some, what kinds of things increase the participation rate?

Ms. HILL. Well, for many of us, and it may vary across the country, but your menu items. Those items that will actually—those students like, that they will come in and actually want just to participate in the program. The cost factor is the other. Some really don't have the money to pay even in the reduced category when you look at they are paying a subsidized amount, particularly with the economic downfall. We have really seen many of those reduced students who are having difficulty paying that subsidized amount, but I think the big thing with participation is those choices that we serve those students in the participation. You may even look with some, what are the other choices that they have in a school setting. If it is only the cafeteria or if there are other things going on in other parts of the building that I was telling you about—

Mr. SCOTT. You mean like the vending machines?

Ms. HILL. That is correct.

Mr. SCOTT. With soft drinks and snacks.

Ms. HILL. And more and more with the wellness policies that school districts have put in. We are seeing less of that. So that is the positive piece of the wellness plans that were a part of the previous reauthorization in 2004.

Ms. PARHAM. I would also like to add that school schedules have a big impact on participation. And students need adequate time to access both the breakfast program and the lunch programs and that would have a better impact on our participation. As we look for reauthorization, I would venture to say that many of us are kind of in need of an economic stimulus package—to steal a phrase right now—because the rising food costs cannot be offset by selling the less helpful food items that used to be sold to offset gaps in funding in school nutrition programs. So right now we are meeting wellness policies. We are providing the healthiest meals possible. And there is a major gap between the reimbursement rates and what it costs to put that on a plate.

Mr. SCOTT. I am going to try to get into the quick questions that I have in the time I have left. And one is for Ms. Rivas. Are there any sources for funding of your expenses for a recall? You indicated that there were a lot of expenses you incurred. Can you look to the—is there any theory of negligence or something that you can get reimbursement from somebody?

Ms. RIVAS. No. We are currently going to be receiving reimbursement for the value of the commodities through USDA. However, the additional expenses related to overtime or some of the administrative expenses we will be needing to absorb. And so as far as we know, there is no other source of funds to be able to offset those administrative fees or additional overtime to be able to gather the product.

Mr. SCOTT. Thank you. My time has expired. But I did want to ask Ms. Hill to provide information on whether or not there is a disparity in cost of food around the country. I would imagine that some cities could produce a nutritious meal a lot cheaper than other parts of the country because the cost of food is more. If you could give us information on that, my time has expired so I can't—

Ms. HILL. I certainly will. Because you are right, when you look at labor and fringe benefits, it could very well differ. I will get that for you.

Ms. HOUSTON. Mr. Scott, if I could assure you that USDA has committed to reimburse local school districts for costs associated with the hold and recall, and we will provide States replacement product pound for pound for AMS purchase commodities that was affected by the recall. USDA will also reimburse States for costs associated with the disposal and destruction. And that includes transportation of the recalled product, up to one month of storage costs and direct disposal costs.

Mr. SCOTT. I am sure Ms. Rivas will be in touch with you.

Mr. PAYNE. Mr. Tierney.

Mr. TIERNEY. Thank you, Mr. Chairman. Thank you all for your testimony here today. Ms. Houston, I was wondering if you could answer a question. There was about 50 million pounds of beef that was distributed to the school lunch program. We understand there were several million pounds that are still being, as was phrased, actively traced. Can you define for us with some specificity what actively traced really means?

Ms. HOUSTON. These numbers change on a regular basis. But the latest information I have is that about 6½ million pounds are still actively being traced. However, that product is likely to have already been consumed because the product that has not yet fully been traced was product that was from the time period of October 2006 back to February 2006, the difference in time between the initial product hold and the total timeline that the recall covered. The trace forward and the trace back process is a complex one and takes time because there is not only the product that AMS purchased directly from Hallmark/Westland that went to school districts, there is also—about 60 percent of meat was coarse ground that was then sent to further processors for development of value-added products like hamburgers and beef crumble. Some of those products are oftentimes more difficult to trace because they have been commingled and are in final end user products.

So as you can appreciate, over time we will get all of this sorted out. But we felt very confident that all of the product was initially put on an administrative hold that had not yet been consumed. So we feel like we have a good handle on the overall situation.

Mr. TIERNEY. And the actively traced is—I suppose it is just traced, or whatever actively traced means, you haven't given up on it, you believe it is out there somewhere and you are tracing it down?

Ms. HOUSTON. Yes. We will continue this process until we have full accounting for all of the just over 50 million pounds that went to USDA's nutrition assistance programs.

Mr. TIERNEY. And you will be good enough to update this committee as that goes along?

Ms. HOUSTON. We absolutely will, sir.

Mr. TIERNEY. Thank you. Mr. Chairman, I have just one other general questions for whomever may feel qualified to answer that. There have been recent reports that I have become aware of children not buying school lunch when they are entitled to because of the stigma that might be attached. There was some question raised in some of the reports about the possibility of using a technology like a charge card type of situation, some way of people purchasing the lunch other than with cash so that nobody knew where the source of the money was. Is there movement in that field?

Ms. CORRIGAN. I would be happy to reply to that. In Mount Diablo schools, we have what is called a point-of-sale system. At an elementary level, every student can come through, pick up their individual card, which is secretly coded, and scan the card. Parents can pay in advance for students not eligible for a free meal; they can pay the reduced price or they can pay the full price. So as a student goes through a line, nobody knows, they are all treated the same.

Mr. TIERNEY. So it is not just the reduced price children that are getting those cards, everybody gets those cards?

Ms. CORRIGAN. Everybody gets the card. Paid, free and reduced, everybody has to use a card.

Mr. TIERNEY. Ms. Houston, is this something that is taking off across the system or what do we know about that?

Ms. HOUSTON. It is. I think we are seeing an increased use of technology across school districts. And we are fully supportive of all activities that would help to reduce stigma. We have rules and regulations in place to prevent any overt identification of a student based on whether they are receiving a free, reduced price, or—

Mr. TIERNEY. I think that is—I believe that very much. Which in these cases the students felt the stigma because they were sort of self-identifying with the way they were going through the line. Some schools separated them.

Ms. HOUSTON. I will also add that there has been some calling into question whether or not students just because they are eating the USDA school meal has some stigma attached because other students are choosing to purchase other a la carte items in school. And we fully promote the USDA school meal as the nutritious option that we would like to see all children purchase and participate in the school meal program regardless of income level.

Mr. TIERNEY. Is the conversion cost of going to that kind of system at all prohibiting some districts from doing that? Ms. Hill?

Ms. HILL. Yes, it is. And that is one of the added pieces that I was going to ask. Even though you will see that more and more districts are moving to that simply because of handling funds and

the overt identification, it is a costly system. And that is one of the reasons when we look at what the reimbursement rate is and what the expectations are of us running our programs, we need some additional funding. But, yes, that is a barrier for some because of the cost factor.

Mr. TIERNEY. Thank you. Mr. Chairman, my time has expired. I yield back. Thank you.

Mr. PAYNE. Thank you very much. Mr. Holt.

Mr. HOLT. Thank you, Mr. Chairman. And I thank the witnesses for useful testimony. Much of the discussion today has dealt with safety. I would like to, however, follow on the more recent questions having to do with nutritional value and standards and the access to other foods in the schools. It happens that last night I was in my office in New Jersey about 7:30 in the evening and a young man, a middle school student from Freehold, Ryan Lerner, called and said, "what can we do about obesity in all my friends." And his father then got on the line and apologized for the son calling the Congressman. And I praised the young man for his concern. He wanted to know whether it was just a matter of physical education and exercise. And I said, well, that, but also nutrition. And it is, I think, pretty well established now that school meals are too high in fat and sodium. They are not as nutritious as we need. There is not as much fruit and vegetables as we would like to see. And except in a handful of States that have restricted the other a la carte competitive foods and vending machines and so forth in the schools, there are too many other opportunities for bad eating habits. So it is an open-ended question. I suppose mostly to Ms. Hill and Ms. Corrigan, but to any of you, what can we do about this? I would like to be able to tell young Mr. Lerner that—

Ms. CORRIGAN. We will talk to him.

Mr. HOLT [continuing]. That things are getting better in the time while he is still in school.

Ms. HILL. They are. And let me say that many of our school districts across this country understand the obesity problem and we understand the roles that we play. It is not totally our responsibility, as you have mentioned, but certainly we have a very critical role that we must play. And I think you will see across this country that more and more our programs are offering the healthier foods. You will see more fresh fruits and fresh vegetables. You will see those entree items that are lower in the percentage of fat and sodium, and that is one of the pieces that we are talking about.

Mr. HOLT. They seem so voluntary and so slow. Some States have taken stronger action.

Ms. HILL. That is correct.

Mr. HOLT. Should we be taking stronger action?

Ms. HILL. That is why we are asking for that national nutrition standard that would basically work towards that and all of us would be working towards a common goal. Everybody would be on the same page. Even in some States you will find some that are higher than others. And let me just say initially to start, the USDA guidelines that we operate the programs on do give us some requirements of how we are operating those programs. And there is, as was mentioned earlier, a certain percentage of fat and those kinds of things that we really need to look at when we plan our

menus with the wellness plans. And I think that was the item that opened the door with all of these different nutrition standards across this country, was because they really wanted to work on the dietary guidelines and to see what role and how they could really be instrumental in reducing the obesity rate. The point is, though, we all want to be on the same page. We want those standards that really would affect all school districts, all students, because they are basically the same.

Like your young man, the same applies to him as it does for any other child in any other State. What we are saying is let's get some uniformity, get the Secretary that responsibility to get some uniformity in those standards because it is a constant issue that we will be working on. We know our responsibility. But I think we will see a tremendous change in our programs.

Mr. HOLT. Ms. Corrigan, please.

Ms. CORRIGAN. I would like to add to Ms. Hill's comments because in our school district we started many years ago to try and create menus that were healthier for kids, and the way we did that is we looked at what our—what students' favorite menu options were, and then we took those and tried to create a healthier alternative. You know, if you were to see—you will occasionally see nachos on our menu. And people will think nachos, why are they serving kids nachos? Well, it is a low fat, low sodium, high fiber chip. The cheese sauce is the same. Probably not high fiber, but low fat and low sodium. And we do offer it with fresh fruits, fresh vegetables and salads. We try to include a lot of seasonal produce. So we have things like strawberries and kiwi and pears, fresh pears on our menus. And so I would encourage your student who calls you to really go in and find out the truth on the menus at school. I can't speak for the district he is in. But a lot of times—we have tried to do this over the years in sort of a tricky way. We don't necessarily want the kids to know it is healthy. But the unfortunate part is that then the parents may not know either. So in our school district, we have nutrient analysis on the menu so now the parents can see that all of our meals do day after day meet the dietary guidelines for Americans. So the perception might not be accurate. So I would encourage the student to really find out the details.

Mr. HOLT. Well, you don't have to look far to see the effect on the body weight of kids.

Thank you, Mr. Chairman.

Mr. PAYNE. Thank you very much. Let me just conclude by asking a question or two. Has the School Nutrition Association made a strong push to try to get the national nutrition standards—I know that the New Jersey group that visited my office did have very strong feelings about it, but perhaps Ms. Hill, is this an issue that is being pushed uniformly by your organization?

Ms. HILL. Yes, it is. And as a matter of fact, the organization is now finalizing some national nutrition standards that we want to propose to our membership. So, yes, we have been working on it now for over a year and we are very close to the final piece. But, yes, it has been on our agenda for a while.

Ms. RIVAS. And I might add that Kathleen and myself are also on the National Nutrition Standards Committee and we are going to—SNA will be continuing to work with the Institute of Medicine

and some other organizations to make sure that it does meet not just our view, but it is also supported by other associations as well.

Mr. PAYNE. Thank you. Anyone can try to answer this—many of the school districts are under financial problems and, of course, the vending machine business is what they say can offset the lack of the Board of Education providing fund, say, for school trips and all that. Have you dealt with that, Ms. Hill, to try to discourage school districts from the proliferation of vending machines? I know some—I know one of the corporations in New Jersey, I guess M&M's, or one of the candy groups, took their products out of schools and only had nutritional kinds of foods or snacks. Have we found the industry trying to—in general willing to assist in that? And secondly, how do you argue—reconcile the argument that some local school districts might make that they need the funds to offset deficits in their budgets?

Ms. HILL. To answer your first question, yes. I think companies are really working with us because they too understand the health issues and the health problems that we are having across this country, even as it relates not only to obesity but to other health issues.

To answer the second question, I think many wellness policies that school districts have to implement with the reauthorization of 2004 looked at vending. So not only it was a food service, but a school issue because they also knew where we were going and wanted to move in the directions of eating healthier. Yes, it is an issue for those funds that those administrators in the past have really counted on for different programs. But it is a matter of if we are going to waive those funds with the health of our children.

So I think many of them have realized that even though for some they probably have not found a compensation to match those funds and it is hard on districts, because I can speak with mine, when you have got to look other places and they are short of funding as well, to recoup those funds they used to get from vending. But I think in most districts they understand what the overall outcome is when you look at the health issue of our children and then decide which is more important.

Ms. PARHAM. Excuse me. We have a wellness policy that is across the whole campus. But the loss of funds have impacted the athletics and activities department. So that has been an ongoing concern.

Mr. PAYNE. We had a conference in my district at our University of Medicine and Dentistry in New Jersey on obesity in general and did focus on school obesity. And I think it is really an issue that is going to take more than the Department, but I think overall school wellness programs are important, because we are becoming unfit. Recently the Navy found out that only one out of five persons could qualify either in terms of health or education. So that is going in the wrong direction.

Let me just quickly ask. In your statement, Ms. Houston, you mentioned that—for that reason in your testimony on page 3, USDA recommended this be a Class 2 recall. You said while it is extremely unlikely that these animals posed a risk to the human health, recall action was deemed necessary, and so forth. The footage I saw of those animals that were being pushed—downer ani-

mals, would appear to me to have posed a health threat. How bad does an animal have to be before in your opinion it poses a health threat? I mean, these animals looked like they were dying, but you reflected that I guess in the eyes of the Department that you did not feel that these animals posed a risk to human health. But you recalled the meat anyway. Could you explain that?

Ms. HOUSTON. Sure. The Class 2 recall was issued because of a finding of regulatory noncompliance. The ongoing investigation I think will bear more information about what went wrong here and it is really outside of my purview to comment. I will say that I think we have no information to suggest that the animals and some of the footage that was on the video was necessarily animals that went into the food supply. But again I will yield to my colleagues of the food service—Food Safety and Inspection Service to provide you further details regarding their investigation, and we would be happy to get those experts connected with your office.

Mr. PAYNE. Ms. Hill, you mentioned the USDA notification on February 17th, which indicated that the beef was unfit for human consumption, which is an alarming description of the product as you understood it. Why did USDA send out such a strong message while at the same time assuring the public that the risks from the beef was minimal? I just wonder at what level does contaminated meat, you know, become harmful? And you are in the business. How do you see that?

Ms. HILL. Well, first of all. I am not sure of the terminology and why they use the terminology. That may be something internal that Ms. Houston can address when it says not fit for human consumption. But we have been assured, though, that there were no real issues. So that question may have to go back there. I do know it was an alarming release when you talk about a recall and then the follow-up information that comes with it.

So I am not sure about the terminology. But it really created a very alarming problem.

Mr. PAYNE. Ms. Houston, you tried initially, but is there any way you can tell me how food that is unfit for human consumption really is okay? I mean, it seems like an oxymoron. It seems like proving a negative. I mean, I know you didn't do it. But you happen to be the messenger. I can't talk to the person who might have told you that is what they thought. But could you try to—

Ms. HOUSTON. My understanding from talking to my colleagues at the Agriculture Marketing Services is that the term "unfit for human consumption" is a legal term and that meat was put under that legal definition strictly because there was a finding of regulatory noncompliance at this particular meat packing facility. So by virtue of the fact that we have determined that some regulations were not followed, that meat then becomes deemed unfit for human consumption.

Mr. PAYNE. But when it gets on your plate, it is all right to eat?

Ms. HOUSTON. Again, I will defer to my colleagues at the Food Safety and Inspection Service, and we can get you more information on this topic.

Mr. PAYNE. Okay. And the other alarming point I suppose is that there was a big recall and I was very pleased at that. However,

when the recall was done we found out that about 60 percent of the food had been consumed. Is that true?

Ms. HOUSTON. That is correct, sir. The recall period dated back to February 1, 2006. Obviously that was some period of time ago. So there is some meat. I can only speak for the school lunch program, the nutrition assistance programs at the Food and Nutrition Service. Of the about 50 million pounds of affected meat that was directed to the nutrition assistance programs, we believe just over 30 million of that pounds was likely to have been consumed.

Mr. PAYNE. So it sounds great that there was a 50 million pound recall, of course the question is the 30 million of the pounds were eaten up already. So, I mean, it is not as good as it sounds. There is a tremendous concern—I know that Ms. Houston in your statement you say that you did not know the total number of affected schools in the recall, but given that this is a Class 2 recall, were you to state that it is extremely unlikely that there is a risk to human health and what would USDA do differently if there was a more serious risk to human health? In other words, what is the Class 2 recall as opposed to other classes? What is a Class 1 recall? Maybe Class 3?

Ms. HOUSTON. The designation of a Class 2 recall states that there is a, quote, remote possibility of any adverse health effects if consumed. This is in contrast to a Class 1 recall, which is a higher risk health hazard situation and that designates as a, quote, reasonable probability that the use of the product would cause serious adverse health consequences.

Mr. PAYNE. So 1 is reasonable and 2 is—

Ms. HOUSTON. Remote. Class 2 is remote possibility. To answer your question about what we did differently, as I stated earlier in my remarks, we learn from situations and we are always seeking to improve upon the ways in which we do business. With that being said, I am very proud of the way the Food and Nutrition Service responded swiftly within hours of the time in which the decision was made to hold the product. We had information to our State agency cooperators to alert them of which specific—

Mr. PAYNE. How can you find out sooner? I mean, you did act swiftly. But it was after 60 percent of the food had been consumed. How can you react more—you know, it doesn't seem swift if 60 percent has been consumed.

Ms. HOUSTON. Again, at the point in which we became aware of a regulatory violation at this plant we took immediate action to place all affected product on hold. There was, then, further review and a determination by the Recall Committee to issue a recall. We then immediately notified our State operators again of the revised—the revised status of this product. The decision on the Recall Committee to issue the recall back to February 1, 2006 was based on evidence that was made available to them for their decision, and I would have to defer to them to explain to you why that particular decision was made.

Mr. PAYNE. Okay. The Hallmark/Westland Company, have they been taken off the list of companies that provide meat to the schools?

Ms. HOUSTON. As soon as we became aware of the video and the alleged abuses at the Hallmark plant, they were immediately suspended from USDA.

Mr. PAYNE. Okay. Now, they are suspended—

Ms. HOUSTON. And that plant has been shut down, I believe, ever since; there has been no operation at that plant.

Mr. PAYNE. Just my last question. The—if this video wasn't taken perhaps this wouldn't have been exposed. What is the role—do you have inspectors at these plants?

Ms. HOUSTON. We do, sir, have inspectors at these plants.

Mr. PAYNE. And what do they do?

Ms. HOUSTON. Again, I would have to defer to my colleagues at the Food Safety and Inspection Service to discuss with you what the role of the inspectors at the plant are, how many inspectors they had there.

Mr. PAYNE. You don't have to—

Ms. HOUSTON. I would be happy to provide that information.

Mr. PAYNE. You don't have to be a doctor or a veterinarian to see that those animals look sick. So I just wonder what is it that the inspectors do.

Ms. HOUSTON. Well, again I also want to make clear that we don't have evidence at this time that any of the animals that were shown on that video went to slaughter. It is important to also note that we have rules and regulations in place and in this particular case those rules and regulations were not followed.

Mr. PAYNE. The video I saw, they had a forklift pushing that poor piece of beef to wherever he couldn't walk, so they were just pushing them over. Do you remember? Did you see that same video that showed on television?

Ms. HOUSTON. I did, sir. It was gross mistreatment of animals and in no way would we condone the actions on that video. We have pledged at the Department to identify what went wrong, why it went wrong and to ensure that it would not happen again.

Mr. PAYNE. Well, I think my time has expired; therefore I will conclude the hearing. And without objection, all members will have 14 days to submit extraneous material or questions for the hearing record. Let me thank all of the witnesses. We will certainly have follow-up and we will be in touch with your office for some more clarification of the situation, and with the other departments involved.

The meeting is adjourned.

[The statement of Mr. Altmire follows:]

**Prepared Statement of Hon. Jason Altmire, a Representative in Congress
From the State of Pennsylvania**

Thank you, Mr. Chairman, for holding this hearing on improving school nutrition and for taking the time to examine the recent recall of beef by the United States Department of Agriculture (USDA).

Stemming the increase of childhood obesity in our country is an issue of great importance to me. This issue has dramatic implications on the long term health of our nation's citizens and on our health care system. While there are many factors that contribute to the increasing rate of childhood obesity, the nutritional value of the food served in our nation's schools is certainly one of them.

Due to my concern about the nutritional value of some of the food served in schools, I have cosponsored the Child Nutrition Promotion and School Lunch Protection Act (HR 1363). This legislation would require the USDA to update its nutritional standards for all 'non-meal' food served in schools. It is particularly important

that 'non-meal' nutritional standards be reviewed and strengthened because they have not been updated for nearly 30 years. Today, I look forward to hearing about what can be done to improve the nutritional value of all food sold in schools.

In addition, I am anxious to learn more about the recent recall of more than 140 million pounds of beef by the USDA. While I understand that the USDA has classified this as a "Class II" recall, meaning that there is a remote possibility that the consumption of the products could result in adverse health effects, it is still extremely troubling. I am particularly concerned that at least 12 school districts in my congressional district received meat that has been recalled.

Thank you again, Mr. Chairman, for holding this hearing. I yield back the balance of my time.

[The statement of Ms. Woolsey follows:]

**Prepared Statement of Hon. Lynn C. Woolsey, a Representative in Congress
From the State of California**

Mr. Chairman, thank you for holding this hearing today to examine the current state of school nutrition on what steps we should take to improve it. The thing that we all need to recognize is that at school, our children aren't just learning the traditional subjects we are teaching them in the classroom * * * they are learning a lot more. They learn from their friends, some good things like social interaction skills and some things we would probably wish they didn't learn, like when children pick on one another * * * but they also learn a lot about food. If we are going to fight childhood obesity and teach our kids how to eat healthy, then it's clear that school is one the frontlines of this battle.

The last time the United States Department of Agriculture (USDA) set nutrition standards for school vending machines and lunch line a la carte items was in 1979. Can you image if the last time we updated school textbooks was 1979? It's been almost thirty years, and that is shameful. That's why I have introduced H.R. 1363, the Child Nutrition Promotion and School Lunch Protection Act. This bill would require the USDA to update its nutrition standards for foods sold outside of school meals and apply the new nutrition standards to the whole campus and school day. It's time that we take a more active role in fighting childhood obesity and starting with school nutrition is a big first step.

But sometime it's not as complicated as what our children our eating. Sometimes, it's just making sure that they are eating at all. That's why I've included free universal breakfast as part of H.R. 2392, the Family and Workplace Balancing Act. Studies show that starting the day with a full stomach has an enormous benefit to children students including being more alert, improved memory and problem-solving skills and better performance on standardized tests. All children should have the benefits of a nutritious breakfast at the start of the school day, which is why the balancing act would provide breakfast for every child, regardless of need.

If I could also just say a word about conditions at the Westland/Hallmark Meat Co. plant of Chino, California. We are fortunate indeed that the Humane Society was able to go undercover to expose these horrendous violations of food safety standards. Otherwise, we might never have discovered this danger to our school children and to the public. Another important way in which we discover illegal practices is through employees who blow the whistle on their employers.

But despite the benefit to the public from these workers' heroic acts, often they are retaliated against. They are demoted, lose their jobs and are blacklisted. Congress has established broad protections for Federal government employees and contractors who speak out. But when it comes to the private sector, there are large gaps in coverage. That is why I introduced the Private Sector Whistleblower Streamlining Act of 2007, which is pending in this Committee. The legislation is designed to fill the gaps for private sector whistleblowers and establishes whistleblower protections for workers who report violations of federal law in a wide variety of areas, including food safety. So while exploring all the areas in which we can improve school lunch, we need to make it easier for workers to expose violations.

Mr. Chairman, thank you for holding this important hearing today and I look forward to hearing from our witnesses.

[Questions submitted to witnesses and their responses follow:]

[VIA FACSIMILE],
March 11, 2008.

Ms. KATHLEEN CORRIGAN, *Food and Nutrition Director,*
Mt. Diablo Unified School District, Concord, CA.

DEAR MS. CORRIGAN: Thank you for testifying at the March 4, 2008 full Committee hearing, "Challenges and Opportunities for Improving School Nutrition." Below are the questions which Committee members have asked you to respond for the record.

Mrs. Biggert (IL-13) asked that you provide data that shows academic improvement for students that receive school breakfast and lunches.

Mr. Scott (VA-03) asked that you provide data on summer food programs in schools.

Please send an electronic version of your written response (in Word format) to the Committee staff by COB on Tuesday, March 18, 2008—the date on which the hearing record will close. If you have any questions, please contact us. Once again, we greatly appreciate your testimony at this hearing.

Sincerely,

GEORGE MILLER,
Chairman.

Written Responses From Kathleen A. Corrigan, MBA, RD

Mrs. Biggert (IL-13) asked that I provide data that shows academic improvement for students that receive school breakfasts and lunches.

There are several studies that show the link between academic performance and students eating school breakfast and lunch. With regards to breakfast, there are a couple of studies to look at. One comes from research conducted by the Harvard School of Medicine and Massachusetts General Hospital. The study was published in 1998 and this is a link to the press release:

<http://www.massgeneral.org/pubaffairs/releases/sept-98-school-breakfast.htm>

Another study is the Maryland Meals for Achievement study. The Maryland Department of Education conducted a study about school breakfast programs in 2001, updating the research from the 1998 study by Harvard and Massachusetts General Hospital. You can find information about that study through this link:

<http://www.marylandpublicschools.org/NR/rdonlyres/CA432B36-F5D2-41DA-9E0D-4D01C373AA75/1541/Classroom-Breakfast.PDF>

Here are some links to additional information about school meals and academic performance:

Maryland Students Prove Eating School Breakfast Improves Academic Performance:

<http://www.schoolnutrition.org/Index.aspx?id=331>

Minnesota School Breakfast Program/Energizing the Classroom:

<http://efl.state.mn.us/energize.pdf>

New York Classroom Breakfast Program Has Positive Impact:

<http://www.schoolnutrition.org/Index.aspx?id=810>

Study Shows Federal Nutrition Programs Protect Children's Health:

<http://www.schoolnutrition.org/Index.aspx?id=558>

Yes, Breakfast Does Improve Learning, Nutrition and Weight:

<http://www.schoolnutrition.org/Index.aspx?id=1261>

Action for Healthy Kids Report Shows Link between Nutrition and Academic Achievement:

<http://www.schoolnutrition.org/Index.aspx?id=883>

Mr. Scott (VA-03) asked that I provide data on summer food programs in schools. Since the summer food programs also serve breakfast and lunch frequently to summer school students the research above applies. One of the best sources of information specifically about the Summer Food Service Program is the annual report put out by the Food Research and Action Council (FRAC). The report can be accessed through this link:

<http://www.frac.org/pdf/2007summer.pdf>

Another source of information about the Summer Food Service Program is the USDA Food and Nutrition Services website. Follow this link to find out information about program participation rates and costs:

<http://www.fns.usda.gov/pd/cnpmain.htm>

Ms. Woolsey (CA-06) asked that I explain how California's higher standards for vending and ala carte items served at schools have affected student health and participation in the classroom.

California's standards (specifically SB12) only went into effect July 2007. I am not aware of any research in progress and studies of this type can be problematic. Human Subject Committees at universities make it very difficult to do clinical studies involving students in the school setting.

There may be published results from research on similar topics that could be found in the literature. Please let me know if there is an interest in such a literature review.

Ms. Woolsey (CA-06) asked if I thought the California standards are appropriate and how they could be improved.

There is no question that reasonable nutrition standards improve the quality of food and beverages available to students during the school day. California's standards have done that primarily because they apply campus wide. The dark side of school nutrition standards is the unfortunate impact on finances.

Historically the larger profit margin in ala carte sales helped cover the cost of "semi-reimbursable" meals since reimbursements have not kept pace with increasing costs. With higher nutrition standards, income from ala carte sales in my district is estimated to decrease \$600,000 this year resulting in a cumulative loss in ala carte sales of \$1,000,000 over the past three years.

Meal costs in Mt. Diablo USD were approximately \$2.888 last year. Escalating fuel and food costs are forcing our costs up this year and are projected to increase by another 10% next year. This is compounded by the fact that I pay more money for fresh produce and whole grain products. Decreasing income and skyrocketing expenses are beginning to threaten even simple survival in school nutrition programs. Increased reimbursement is required to offset this impending financial disaster.

National nutrition standards could provide some improvement to escalating food costs. Countless variations on required nutrition standards in states and/or districts create an impossible situation for food and beverage manufacturers. It is very expensive for them to develop a wide range of products to meet a wide range of standards. Clearly those costs get passed on to their customers in school nutrition. Enabling manufacturers to focus on one uniform set of national standards could help curb escalating food costs.

[VIA FACSIMILE],
March 11, 2008.

Mr. KENNETH HECHT, *Executive Director,*
California Food Policy Advocates, San Francisco, CA.

DEAR MR. HECHT: Thank you for testifying at the March 4, 2008 full Committee hearing, "Challenges and Opportunities for Improving School Nutrition." Below are the questions which Committee members have asked you to respond for the record.

Chairman Miller (CA-07) asks that you respond to this for the record:

"The School Nutrition and Dietary Assessment III, indicates that school meals are too high in fat and sodium, while your study shows improvements in the nutritional values of commodities provided. How do you reconcile these two facts? What is the role of processed foods in the nutritional value of commodities? What is the role of federal and local governments in providing oversight to ensure quality in this part of the food chain?"

Mr. Tierney (MA-06) asks that you respond to this for the record:

"There have been recent reports that I have become aware of children not buying school lunch when they are entitled to because of the stigma that might be attached. In these cases the students felt the stigma because they were sort of self identifying with the way they were going through the line. Some schools separated them. There was some question raised in some of the reports about the possibility of using a technology like a charge card type of situation, some way of people purchasing the lunch other than with cash so that nobody knew where the source of the money was. Is there movement in that field? Is the conversion cost of going to that kind of system at all prohibiting some districts from doing that?"

Please send an electronic version of your written response (in Word format) to the Committee staff by COB on Tuesday, March 18, 2008—the date on which the hear-

ing record will close. If you have any questions, please contact us. Once again, we greatly appreciate your testimony at this hearing.

Sincerely,

GEORGE MILLER,
Chairman.

Written Responses From Kenneth Hecht

Chairman Miller: The School Nutrition and Dietary Standards III indicates that school meals are too high in fat and sodium, while your study shows improvements in the nutritional values of commodities provided. How do you reconcile these two facts? What is the role of processed foods in the nutritional value of commodities? What is the role of federal and local governments in providing oversight to ensure quality in this part of the food chain?

Two main factors contribute to the loss of nutrition quality between the time when commodity foods are acquired by USDA and the time when they are consumed by school students:

1. More than half the commodity foods acquired by USDA is processed before reaching the school districts. Processing introduces added fats, sugar, sodium and other unhealthy ingredients, such as those observed by SNDA III.

2. Commodities represent less than 20 percent of the food served to students at school. The 80 percent that is commercially purchased and prepared foods accounts for a portion of the loss of nutrition.

There is no federal or state oversight of nutrition quality in processing at this time. USDA monitoring of school meal nutrition quality could more effectively improve nutrition quality in processing if the monitoring were conducted more broadly and more frequently and if the assessment were based, as Congress prescribed, on a closer alignment with the Dietary Guidelines for Americans.

Recommendations

1. Congress should examine whether regulation of processing would improve nutrition quality without impeding continued improvement in commodity nutrition quality.

2. Congress should insist that USDA speedily comply with its direction to align school meal standards with the 2005 Dietary Guidelines for Americans and establish a process to conduct the alignment rapidly with successive version of the Guidelines.

3. Congress should enable USDA and the states to examine school meal nutrition quality more broadly and frequently than the School Meals Initiative currently requires.

4. Congress should not renew authority to USDA (due to expire 9/30/09) that waives implementation of weighted averages in conducting SMI assessments.

The School Nutrition and Dietary Assessment III found school meals to be too high in added fat, saturated fat, sodium and other unhealthy ingredients. SNDA III also found very little improvement in school meal nutrition quality since SNDA II. The assessment reported school meals to be too low in foods recommended by the Dietary Guidelines for Americans—foods low in added fats, sugar and sodium, such as whole grains, low fat dairy products and fruits and vegetables. These foods are at the heart of the problem for it is these foods that are being replaced by less healthy substitutes, and it is these foods that contribute to the promotion of health and prevention of chronic disease.

USDA has improved the nutrition quality standards for commodity foods at the point of their acquisition. Because there currently is no federal or state nutrition-quality monitoring of processing, even though more than 50 percent of commodities is processed before arrival at school districts, it is impossible to quantify the loss of nutrition quality that occurs at that point. However, it is the principal purpose of processing to introduce other ingredients to raw commodities so that, in combination, they become edible foods that will appeal to schoolchildren. Commodities count for less than 20 percent of the school meal, so while the contribution of commodities to the meal's nutrition quality is significant, it is not the only source of that quality. Selection and preparation of the remaining 80 percent obviously play a role, also.

There are at least two options for ensuring nutrition quality in processing. The more direct is to regulate levels of nutrition quality for processors. Various agency administrators and school district food service directors have urged that this would be a mistake. They think that regulation would stifle continued nutrition improvement and unduly complicate (with price repercussions) commodity processing. Instead, they urge reliance upon the nutrition analysis prescribed by the School Meals

Initiative, arguing that school districts' requirements to satisfy their SMI review will cause districts to insist that processors provide foods designed to conform to SMI standards.

Unfortunately, there are multiple serious problems with reliance upon SMI reviews:

1. SMI standards have not been aligned with the Dietary Guidelines. Although Congress, in the 2004 reauthorization, explicitly required that school meal standards be aligned with the Dietary Guidelines by June 30, 2006, this has not been done. In fact, the most recent estimate for completion of the alignment is not until 2012 (2 years after the next version of the Guidelines appears). School meal standards must be brought into compliance with the nutritional needs of children as outlined in the 2005 Dietary Guidelines.

2. The SMI nutrition analysis calls for the assessment to be made on the basis of "weighted averages." This means that the frequency with which certain foods are selected would affect the assessment's calculation—one student's selection of low fat cottage cheese would not be treated the same as 100 students' choice of the ubiquitous pepperoni pizza. The requirement to use weighted averages has been waived since it was enacted. Congress should end this waiver no later than when it is due to expire on September 30, 2009.

3. SMI nutrition analyses currently occur only once every 5 years, and only a small number of schools within a school district are selected for examination. Given the severity of the obesity epidemic and the key role that school meals play in students' (particularly low-income students') daily nutrition, Congress should consider increasing the frequency and breadth (more schools) of the SMI review.

Mr. Tierney: There have been recent reports that I have become aware of children not buying school lunch when they are entitled to because of the stigma that might be attached. In these cases the students felt the stigma because they were sort of self-identifying with the way the way they were going through the line. Some schools separated them. There was some question raised in some of the reports about the possibility of using a technology like a charge card type of situation. Some way of people purchasing the lunch other than with cash so that nobody knew where the source of the money was. Is there movement in that field? Is the conversion cost of going to that kind of system at all prohibiting some districts from doing that?

Many school districts provide and permit foods for sale on school campuses in competition with the USDA-reimbursable meals. The competitive foods tend to be less healthy options, promote snacking and undermine the financial strength of the school meal program. They also involve "overt identification" of low-income students, who therefore, wary of being stigmatized, are discouraged from eating the free and reduced-price school meals, in violation of the National School Lunch Act.

Recommendations

1. The best solution to both the overt-identification and nutrition quality concerns is to eliminate competitive foods altogether. This will improve students' nutrition intake and promote growth and financial stability in the school meal program.

2. A different solution is to severely limit competitive foods and to assist school districts to introduce or upgrade point of service (POS) systems that mask the source of funds with which school foods are purchased.

The New York Times carried an article on March 1, 2008, entitled "Free Lunch Isn't Cool, So Some Students Go Hungry." The article described the not uncommon arrangement in school cafeterias where low-income students line up in one place for the USDA reimbursable meal, to which they may be entitled at no charge, while the students who can afford to line up in a different location for a la carte food items sold for cash. Investigators frequently report, as the article stated, that low-income students, realizing they will be identified as poor, refuse to get into the regular school lunch line, where only those unable to purchase food go for their lunch and thus miss out on essential nutrition to which they are entitled and that they need for good health and academic performance.

The best solution is to eliminate altogether the competitive foods on campus, not only the a la carte line, but also the vending machines, student-operated stores and other outlets for what is almost always nutritionally inferior food.

A survey of foods in California high schools (www.phi.org/pdf-library/fastfoodsurvey2000.pdf) provided shocking data on the extent of snack foods that compete with the foods in the school meal program.

"Ninety-five percent of responding districts reported selling fast foods as a la carte items. These include a variety of foods, including entrees, snacks, and desserts. The most common fast foods sold as a la carte items are pizza, cookies, chips, and burritos (Table C-1). Traditionally, these foods are high in total fat, saturated fat,

and sodium. Few of these foods include fruits, vegetables, or whole grains. Ninety-five percent of responding districts reported selling fast foods as a la carte items. These include a variety of foods, including entrees, snacks, and desserts. The most common fast foods sold as a la carte items are pizza, cookies, chips, and burritos (Table C-1). Traditionally, these foods are high in total fat, saturated fat, and sodium. Few of these foods include fruits, vegetables, or whole grains.” (P.9)

While some may argue that children need options in order to learn to make healthy food choices, there is no support for this claim. Rather, there is ample evidence that our nation’s youth are not learning to make healthy choices in school, but rather are learning to replace meals with snack foods. In a national WIC study, FitWIC, a Latino mother reported in a focus group, “What I think is that the food that she is getting at school is making her fat because she doesn’t eat that way at home. What she eats at home are fruits, oranges, cucumbers, bananas * * *”

Another factor influencing the school meal program is an open campus. Nearly one-half the high schools in California have open campuses. (Fast Food Survey, p.7.) Open campuses encourage students to leave campus and not to eat the nutritionally superior school lunch. Open campuses also may contribute to untoward events such as afternoo tardiness and potential truancy, as well, as increased risk of auto accidents.

To encourage school lunch participation while at the same time decreasing the likelihood of stigma, many school districts are incorporating methods for automatic identification of students (and their eligibility for free and reduced-price meals). Methods include “swipe” cards and personal identification number (PIN) devices. These systems have many advantages. They hide the source of payment, thus avoiding stigma—unless there are alternative sources of food (competitive foods) for which cash must be paid, thus excluding those who cannot afford to pay. The machines also speed up service, thus permitting a school to serve more students in the typically very short time available to select and eat the food—a key complaint from students who then resort to vending machines on and off campus and to other speedy sources of nutritionally inferior food.

Points of service (POS) machines, accepting student swipe cards, also are efficient components of inventory control and help to reduce loss of cash revenues. The machines are not panaceas, but they do make a positive contribution to school cafeteria operations. A very informal search in San Francisco elicited a price of about \$2,500 per machine (including wiring). While the initial cost may be daunting, the machines’ efficiencies quickly make back their cost, as employees with salaries and benefits no longer need to perform the tasks which POS machines take on. One-time only grants to cover the nonrecurring costs of purchase and installation of these automating systems would be an excellent investment.

Ms. Woolsey: Mr. Hecht, coming from California, which has relatively high standards for its vending and a la carte items at schools, can you tell us how having higher standards has affected student health and participation in the classroom? Do you think that the California standards are appropriate and how do you think they could be improved?

A study of the impact of California’s new nutrition standards for competitive foods is underway but it is premature to predict what it will show. The new standards are a good first step but much remains to be done.

Recommendations: (Similar to the recommendations in response to Mr. Tierney’s question above)

1. Eliminate competitive foods altogether.
2. Restrict competitive foods:
 - a. By ensuring that they are aligned with the current Dietary Guidelines for Americans, and/or
 - b. By limiting them to the fruit, vegetable and whole grain components in the reimbursable meal.

As the questions implies, California’s SB 12 and SB 965 (2005) were enacted to improve the nutrition standards in the foods and beverages sold and served on school campuses in competition with the USDA reimbursable meals and snacks. Both laws were elements of California Childhood Obesity Prevention Plan, intended to improve students’ health and academic performance. The legislation does not allow the sale of certain beverages and foods high in fat and sugars, such as sodas, regular chips and candies. Currently with the support of a grant from the Robert Wood Johnson Foundation, the UC Berkeley Center for Weight and Health is evaluating the implementation of this legislation, but it is premature to speculate on the study’s results. It is noteworthy that the state’s annual collection of Fitnessgram data—<http://www.cde.ca.gov/ta/tg/pf/documents/ovftnssguide.doc>—suggests a slight improvement in students’ body mass index (BMI) since enactment of SB 12

and 965, but it is too soon and too slight a change to predict whether it will persist and, if so, whether SB 12 and 965 have contributed to the change.

Preliminary data on the kinds of foods replacing the products not allowed by the legislation suggest that suppliers are having no difficulty (despite anticipated hardship) providing snack foods and beverages, such as baked chips and sports drinks, that meet the SB 12 and 965 guidelines. Clearly, the legislation is a very respectable first step, but certainly not an end-point. For example, fresh, free water, which is the beverage of choice by doctors and nutritionists, is ignored by many students in favor of sports drinks, which are fast becoming the school beverage to replace the forbidden soda. (For more information, see the UC Berkeley Center for Weight and Health's fact sheet on the role of sports drinks in children's diets:

<http://www.cnr.berkeley.edu/cwh/PDFs/CWH—Sports—Drinks—FAQ—Sheet—7.07.pdf>

To avoid the situation where children are being asked to choose between snack foods and beverages and the school lunch, stakeholders are evaluating the benefits of eliminating snack foods altogether in favor of whole, regular meals. In a recent study on limiting high fat, high sugar foods and beverages in California schools, school nutrition personnel reported that they were willing to stop selling the snack foods if the "playing field was level." (These exact words were repeated by School Nutrition Association witnesses at the Committee's March 4, 2008, hearing.)

In other words, they were willing to discontinue selling items IF these items were disallowed in other school locations (such as vending machines and school stores). This study showed, paradoxically, that schools not selling snack or a la carte foods had more often increased revenues due to increased numbers of students consuming the school lunch. See:

nature.berkeley.edu/cwh/PDFs/LEAF—Fiscal—Executive—Summary.pdf

and

nature.berkeley.edu/cwh/PDFs/LEAF—Accomplishments—Executive—Summary.pdf

for a full description of the study.

In summary, California's new standards for competitive foods and beverages certainly seem to be a good first step toward better school nutrition. However, the new standards are not enough: there are conspicuous gaps in the present standards. Also, manufacturers of snack foods have ingeniously created and marketed new foods that meet the letter of the law, eroding some of the gains that the bills' authors sought. As the UC Berkeley Center for Weight and Health's and Samuels & Associates' studies make plain, the best nutrition for the country's students will come on campuses that are closed, that eliminate competitive foods entirely, and that give high priority to serving lunch with fresh, non-processed foods, with an emphasis upon foods recommended in the Dietary Guidelines such as fresh fruit and vegetables and whole grains.

[VIA FACSIMILE],
March 11, 2008.

Ms. MARY HILL, SNS, *President, Executive Director,*
Jackson Public Schools, Jackson, MS.

DEAR Ms. HILL: Thank you for testifying at the March 4, 2008 full Committee hearing, "Challenges and Opportunities for Improving School Nutrition." Below are the questions which Committee members have asked you to respond for the record.

Mr. Scott (VA-03) asked that you provide information on the disparity of costs for school lunch programs across the country.

Please send an electronic version of your written response (in Word format) to the Committee staff by COB on Tuesday, March 18, 2008—the date on which the hearing record will close. If you have any questions, please contact us. Once again, we greatly appreciate your testimony at this hearing.

Sincerely,

GEORGE MILLER,
Chairman.

Written Responses From Mary Hill

Q: Mr. Scott asked that you provide information on the disparity of costs for school lunch programs across the country.

A: SNA is currently collecting information regarding school meal costs from districts nationwide. At the present time, the majority of our information comes from

school districts situated along the East Coast, particularly in the Mid-Atlantic region. We are hoping to release a final study of school meal costs sometime in late summer.

According to our preliminary data, the total average cost of preparing a school meal, nationwide is \$2.70, +/- \$0.05 margin of error. The cost of preparing a meal tends to be much higher in small school districts than in large school districts. Additionally, total costs tend to be much higher in states that have strong nutrition standards, such as West Virginia. The data takes into account food costs, non-food costs/supplies, labor costs, and indirect costs (electricity, trash removal, and other services charged to the school nutrition program).

Another source of information is from the 2007 Technomic, Inc. school food segment report. According to them, the food costs for the 100 largest school districts was \$1.30. Using a national estimate of labor costs, we estimate that the average national cost is \$3.10 per meal. That report is attached to this email.

[VIA FACSIMILE],
March 11, 2008.

Hon. KATE HOUSTON, *Deputy Under Secretary,
Food, Nutrition and Consumer Services, U.S. Department of Agriculture, Wash-
ington, DC.*

DEAR MS. HOUSTON: Thank you for testifying at the March 4, 2008 full Committee hearing, "Challenges and Opportunities for Improving School Nutrition." Enclosed are the questions which Committee members have asked you to respond for the record. I recognize that the Committee asked questions of you during the hearing that you were unable to provide answers to in your capacity with Food and Nutrition Services. I ask that you please coordinate responses to the following questions with the appropriate agency within the U.S. Department of Agriculture.

Chairman George Miller (CA-07) asked the following question during the hearing:

1. How did evidence of one cow entering the food supply become a recall of 143 million pounds of beef? The press has reported that inhumane treatment was a common practice at Westland/Hallmark—what type of evidence do you have that implies that this treatment goes back to February 2006?

Mr. Rob Andrews (NJ-01) asked the following questions during the hearing:

1. How much time passes between ante mortem inspection and slaughter? Does the Department have a policy on the maximum amount of time that can pass between ante mortem inspection and slaughter?

2. How many inspectors were assigned to conduct ante mortem inspections at the Westland/Hallmark facility?

3. Was that number of inspectors was higher or lower than it was 5 years ago?

4. Does Westland/Hallmark have a record of prior violations before this recall?

5. If so, how frequent are those violations? How often do inspections occur? What is the process after a violation occurs?

6. Please explain what occurs between a cow passing inspection and going on to the slaughter.

Mr. Phil Hare (IL-17) asked the following question during the hearing:

1. How can you be certain that the practices that affected the meat produced at Hallmark/Westland are not taking place at other facilities given the regulations, and that the defiance of the regulations in that plant were taking place while there were USDA inspectors on site?

Mr. Donald Payne (NJ-10) asked the following questions during the hearing:

1. Please explain and define how a product that is legally unfit for human consumption is indeed, ok to eat.

2. Please explain explicitly what the role is of each inspector at a slaughterhouse.

Mr. John Tierney (MA-06) asked during the hearing that you provide an update as to the status of the recall, specifically on the status of the actively-traced product.

Additionally, Chairman Miller asks that you also respond to the following questions for the record:

1. As you know, Chairman Miller, Representatives McCarthy and DeLauro, and Senator Durbin recently requested that the Government Accountability Office examine the communication process between USDA and local authorities in instances where food contamination may be a problem, and whether adequate guidance has been provided to schools in managing food safety concerns. Given what you have heard from several school nutrition directors today, what more should FNS do to ensure that schools have the information, training, and procedures they need to execute a recall such as the one we've just experienced?

2. USDA is responsible for the selection, oversight and auditing of all of the commodity suppliers for the School Lunch program. A 2005 report by Assistant Inspector General Robert W. Young indicated that USDA maintained contracts with suppliers with known recurring food safety violations, and allowed these vendors to continue to provide commodities. Do states and schools have control or choice about who provides their commodities? Do they have access to all of the inspection, safety and audit records for these contractors? Can you please describe the selection and monitoring processes, and what information is available to the schools?

3. On March 3rd, The Wall Street Journal published an article regarding the weak safety standards that the USDA upholds. The article quotes the USDA Inspector General report that in two plants supplying ground beef to the school lunch program, "documentation was not available" to prove that the meat wasn't contaminated. This is despite the fact that participation in the school lunch program requires that all contaminated meat be properly identified, segregated and controlled. If food processing plants aren't required to keep documentation, how can USDA be assured that these plants are indeed destroying contaminated product?

4. In the 2005 USDA Inspector General report it was also noted that the USDA awarded contracts to vendors that the agency knew had food safety problems. "At one unnamed plant, meat samples tested during the 2003-04 school year contained both E. coli and salmonella. The plant was cited 40 times for USDA violations that year, including failure to follow food-safety standards." The Wall Street Journal also noted that an official at AMS responded to the OIG report by making recommended changes. Yet how can we, and parents across the nation, be assured that the USDA isn't awarding contracts to vendors that continuously receive food safety violations?

5. The USDA notification to schools on February 17th regarding the recall indicated that the beef was "unfit for human consumption," which is an alarming description. Why did USDA send out such a strong and urgent message, while at the same time assuring the public that the risk from the beef was minimal?

6. It is likely that the practices at Hallmark/Westland were observed by many employees, yet none came forward to report the abuse. One of the most important ways we discover illegal practices is through whistleblowers. And while federal employees and government employees have broad protections when they blow the whistle, private sector employees generally are not protected if they report violations of food safety. Would you agree that federal legislation protecting whistleblowers would be an important tool in preserving the safety of food in the schools? If workers were not worried about being retaliated against, couldn't they provide valuable assistance in monitoring against blatant illegal activities such as occurred at Hallmark/Westland?

Please send an electronic version of your written response (in Word format) to the Committee staff by COB on Tuesday, March 18, 2008—the date on which the hearing record will close. If you have any questions, please contact us.

Once again, we greatly appreciate your testimony at this hearing.

Sincerely,

GEORGE MILLER,
Chairman.

[VIA FACSIMILE],
March 14, 2008.

Hon. KATE HOUSTON, *Deputy Under Secretary,
Food, Nutrition and Consumer Services, U.S. Department of Agriculture, Washington, DC.*

DEAR MS. HOUSTON: Thank you for testifying at the March 4, 2008 full Committee hearing, "Challenges and Opportunities for Improving School Nutrition." Enclosed are the questions which Committee members have asked you to respond for the record. I recognize that the Committee asked questions of you during the hearing that you were unable to provide answers to in your capacity with Food and Nutrition Services. I ask that you please coordinate responses to the following questions with the appropriate agency within the U.S. Department of Agriculture.

Ms. Woolsey (CA-06) asks that you respond to these for the record:

1. We know that there is a "Buy American" requirement for foods provided in our child nutrition programs. How is this requirement being met within the school food programs, including the fruit and vegetable snack program?

2. According to USDA reports, our importation of fresh product is highest and our domestic production the lowest during the main months of the school year. Given the seasonality of many fruits and vegetables are effectively schools forced to use

imported product because of a seasonal lack of American supply and the desire to offer a variety of items in the snack program?

Please send an electronic version of your written response (in Word format) to the Committee staff by COB on Tuesday, March 18, 2008—the date on which the hearing record will close. If you have any questions, please contact us.

Once again, we greatly appreciate your testimony at this hearing.

Sincerely,

GEORGE MILLER,
Chairman.

USDA Response to Questions for the Record

Question: How did the evidence of one cow entering the food supply become a recall of 143 million pounds of beef? The press has reported that inhumane treatment was a common practice at Westland/Hallmark—what type of evidence do you have that implies that this treatment goes back to February 2006?

Answer: The recall goes back to February 1, 2006, because evidence from the ongoing investigation demonstrates that, over the past two years, this plant did not always notify the Food Safety and Inspection Service (FSIS) public health veterinarian when cattle became non-ambulatory after passing ante-mortem (prior to slaughter) inspection, as is required by FSIS regulations. This evidence is part of the ongoing investigation.

Question: As you know, Chairman Miller, Representatives McCarthy and DeLauro, and Senator Durbin recently requested that the Government Accountability Office examine the communication process between USDA and local authorities in instances where food contamination may be a problem, and whether adequate guidance has been provided to schools in managing food safety concerns. Given what you have heard from several school nutrition directors today, what more should FNS do to ensure that schools have the information, training, and procedures they need to execute a recall such as the one we've just experienced?

Answer: USDA has a long-standing commitment to school food safety. From our pioneering work with the School Nutrition Association to establish a food safety credentialing program for school food service employees, to our collaborative efforts to establish standard procedures for recall actions affecting foods purchased by the Department for school use, we have done much to ensure the safety and wholesomeness of school meals. The result is that in comparison to other food service alternatives, the documented incidence of food-borne illness associated with school meals is extremely low. We continue to work with schools to improve on this record of success.

USDA hold and recall processes and procedures have been in place for a number of years and have worked efficiently and effectively in past recalls that involved school commodities. FNS, in cooperation with the National Food Service Management Institute (NFSMI), has provided training and technical assistance materials to State agencies and school food service managers on these procedures. However, given the magnitude of the Westland beef recall, FNS has identified several areas where communication can be strengthened and how information dissemination about a food recall can be improved to ensure parents and students receive accurate and timely information. FNS is working more closely with State agencies to provide additional technical assistance to effect better implementation of recall processes and procedures. We will seek input from our program cooperators to help us in this regard. The NFSMI is working to finalize guidance for State agencies to better manage future hold/recall situations. Once this guidance is complete, there will be an education and training campaign tailored to States and school districts. The guidance is expected to be ready in July 2008. Furthermore, we are exploring various communication options that will allow both FNS and our State agency partners to better transmit food safety information directly to schools so they, in turn, can provide timely and accurate information to students, parents, and teachers about food safety matters. This was a concern we heard during the Westland recall, and we intend to be fully responsive.

Question: USDA is responsible for the selection, oversight and auditing of all of the commodity suppliers for the School Lunch program. A 2005 report by Assistant Inspector General Robert W. Young indicated that USDA maintained contracts with suppliers with known recurring food safety violations, and allowed these vendors to continue to provide commodities. Do states and schools have control or choice about who provides their commodities? Do they have access to all of the inspection, safety and audit records for these contractors? Can you please describe the selection and monitoring processes, and what information is available to the schools?

Answer: When a school chooses to use their entitlement credits on donated commodities, Agricultural Marketing Service (AMS) serves as the contractor that selects the vendors. The contractors in the AMS frozen beef purchase program are selected through a multistep process. First, contractors must prepare a technical proposal that addresses all of the Agency's program requirements. This proposal is reviewed by AMS auditors who operate out of the Agency's Audit, Review and Compliance (ARC) Branch, for completeness and accuracy. Once this proposal is deemed to be adequate, a "pre-award" audit by an AMS ARC Branch auditor is conducted of the Contractor to ensure that the Contractor's process in operation is accurately characterized by their written technical proposal. There is a written audit report prepared during this "pre-award" audit. If this "pre-award" audit is passed, the Contractor is then deemed eligible to submit bids on AMS invitations and will be subject to monthly audits of their production. These monthly audits also result in written audit reports being prepared.

Additionally, just because contractors are approved to submit bids, it does not necessarily mean they will be awarded any contracts. Contracts are awarded on a competitive bid process for each invitation. During the purchase year, AMS is issuing invitations weekly and typically purchases around 150 million pounds annually. If a contractor is awarded a contract, they will then have an AMS Meat Grading and Certification (MGCB) Branch employee stationed at their facility during all hours of production for AMS-purchased product. These MGCB employees perform a number of checks during the day and also complete written reports during each day of production. AMS maintains copies of all of these audit and certification records that assure compliance with AMS specification and contract requirements. Finally, all contractors operate under continuous testing protocols that require compliance with specified standards to remain eligible to bid and supply products.

Question: On March 3, The Wall Street Journal published an article regarding the weak safety standards that the USDA upholds. The article quotes the USDA Inspector General report that in two plants supplying ground beef to the school lunch program, "documentation was not available" to prove that the meat wasn't contaminated. This is despite the fact that participation in the school lunch program requires that all contaminated meat be properly identified, segregated and controlled. If food processing plants aren't required to keep documentation, how can USDA be assured that these plants are indeed destroying contaminated product?

Answer: AMS disagrees with the published article in question as we believe it to be incomplete and misleading. A couple of points are of particular importance. First, it is important to note that OIG reviewed this program during its first year of implementation, with only a limited number of findings, and most of the issues identified were part of the planned second or third year of the phased implementation. Second, the concern with regard to documentation had to do with meat that had been rejected for use in school lunch production but for which plants' quality management plans did not adequately define how this product would be segregated and not reused. Prior to, during, and subsequent to the OIG audit AMS had a grader physically on-site in the plant to oversee the disposition of such product to ensure there was no possibility that such meat would be inappropriately used. In addition, even before the OIG report was issued, AMS, as a part of its own continuous improvement process under this program, required firms to strengthen their internal controls by documenting procedures for the control and disposition of rejected products beginning July 2004. Compliance with this requirement, over and above other controls, is further assured through monthly program audits.

Question: In the 2005 USDA Inspector General report it was also noted that the USDA awarded contracts to vendors that the agency knew had food safety problems. "At one unnamed plant, meat samples tested during the 2003-04 school year contained both E. coli and salmonella. The plant was cited 40 times for USDA violations that year, including failure to follow food-safety standards." The Wall Street Journal also noted that an official at AMS responded to the OIG report by making recommended changes. Yet how can we, and parents across the nation, be assured that the USDA isn't awarding contracts to vendors that continuously receive food safety violations?

Answer: First and foremost, because of AMS' stringent process and product requirements, AMS strongly believes the products it purchases for Federal food and nutrition programs, including raw ground beef, are as safe as any products purchased by other large volume food buyers. Parents can rest assured that all products testing positive for E. coli O157:H7 or Salmonella are rejected and not allowed to be shipped to Federal food and nutrition program outlets, including schools.

With regard to the issue of contracts being awarded to vendors with food safety violations that was identified in the OIG report, AMS had at the time of the OIG audit, and continues to maintain management controls that ensure that contracts

are only awarded to eligible suppliers with strong food safety controls and a proven ability to produce safe and high quality products.

The basis for the OIG finding mentioned above was a one-time occurrence that occurred at the very beginning of the Agency's movement towards a statistical process control program that the Agency now uses to evaluate suppliers to ensure that AMS only does business with the highest quality suppliers possible. In fact, in its response to the OIG report, AMS demonstrated to OIG that for the School Year (SY) 2004-2005 and SY 2005-2006 purchasing cycles, all suppliers had approved technical proposals and all non-conformances were cleared prior to receiving a contract.

Question: The USDA notification to schools on February 17th regarding the recall indicated that the beef was "unfit for human consumption," which is an alarming description. Why did USDA send out such a strong and urgent message, while at the same time assuring the public that the risk from the beef was minimal?

Answer: Hallmark/Westland Meat Packing Co. voluntarily recalled approximately 143 million pounds of raw and frozen beef products that FSIS determined to be unfit for human food because the cattle did not receive complete and proper inspection. Through evidence obtained through the ongoing investigation, the establishment did not consistently contact the FSIS public health veterinarian in situations in which cattle became non-ambulatory after passing ante-mortem inspection, which is not compliant with FSIS regulations.

Such circumstances require that an FSIS public health veterinarian reassess the non-ambulatory cattle which are either condemned and prohibited from the food supply, or tagged as suspect. Suspect cattle receive more thorough inspection after slaughter than is customary.

This noncompliant activity occurred occasionally over the past two years and therefore all beef product produced during the period of time for which evidence indicates such activity occurred has been determined by FSIS to be unfit for human consumption, which is a legal definition.

While it is extremely unlikely that these meat products pose a risk to human health, the recall action was deemed necessary because the establishment did not comply with FSIS regulations.

This recall is designated as Class II due to the remote probability that the beef being recalled would cause adverse health effects if consumed. This recall designation is in contrast to a Class I recall, which is a higher-risk health hazard situation where there is a reasonable probability that the use of the product will cause serious, adverse health consequences or death.

Question: It is likely that the practices at Hallmark/Westland were observed by many employees, yet none came forward to report the abuse. One of the most important ways we discover illegal practices is through whistleblowers. And while federal employees and government employees have broad protections when they blow the whistle, private sector employees generally are not protected if they report violations of food safety. Would you agree that federal legislation protecting whistleblowers would be an important tool in preserving the safety of food in the schools? If workers were not worried about being retaliated against, couldn't they provide valuable assistance in monitoring against blatant illegal activities such as those that occurred at Hallmark/Westland?

Answer: There is an ongoing investigation into the Hallmark/Westland incident and as soon as more specific information is available, that information will be made known to you. However, it is important to note that there is a sign in each plant that has a hotline number for the USDA Office of the Inspector General, in order to make notification of noncompliant practices an accessible option for private sector employees in the plants. Plant employees also routinely notify FSIS inspection program personnel in events of plant noncompliance with regulation.

Question: How much time passes between ante mortem inspection and slaughter? Does the Department have a policy on the maximum amount of time that can pass between ante mortem inspection and slaughter?

Answer: The time that passes between ante mortem inspection and slaughter could be several hours, but must be within the same day.

Question: How many inspectors were assigned to conduct ante mortem inspections at the Westland/Hallmark facility?

Answer: The number of inspectors assigned to an establishment is dependent upon the size of the facility, the type of products produced as well as their production volume. Hallmark/Westland Meat Packing Company had five FSIS inspection program personnel at the facility each day of operation. There were three on-line inspectors, one public health veterinarian and one off-line inspector. FSIS veterinarians and other inspection personnel are not stationed in the ante-mortem area for the entire day, although they do return randomly to conduct humane handling verification activities. Other inspection activities are conducted off-line when ante

mortem inspections have been completed. At this facility, on average, 90 minutes throughout the day were spent verifying humane handling activities in the ante-mortem area. These inspectors were present at the slaughter facility every day for the entire eight-hour shift.

Question: Was that number of inspectors higher or lower than it was 5 years ago?

Answer: Hallmark/Westland Meat Packing Company was staffed based on its current production rates and in accordance with the national method of assigning work, which was implemented in 2004. If production and processes change, the number of inspectors may also change. There was one food inspector vacancy in early 2006 that was promptly filled, and there was no other vacancy until late October 2007. That food inspector vacancy was filled in early 2008. The on-line positions were covered daily and, as necessary, relief inspectors, inspectors hired on an intermittent basis, or even an in plant off-line inspector would cover the on-line duties.

Question: Does Westland/Hallmark have a record of prior violations before this recall?

Answer: Yes.

Question: If so, how frequent are those violations? How often do inspections occur? What is the process after a violation occurs?

Answer: In December 2005, an FSIS District Veterinary Medical Specialist conducted a routine humane handling audit and issued Hallmark/Westland Meat Packing Company a humane handling related non-compliance record (NR) because of overly aggressive driving of animals and multiple structural inadequacies in the pens. The plant promptly implemented appropriate corrective measures. In May 2007, FSIS conducted another audit that noted no excessive use of electric prods, or any other regulatory non-compliance.

FSIS inspection program personnel conduct carcass-by-carcass inspection and verify that establishments follow all food safety and humane handling regulations. FSIS inspection program personnel also verify that the establishment maintains proper sanitation procedures; it follows its Hazard Analysis and Critical Control Point (HACCP) plan and complies with all FSIS regulations pertaining to slaughter and processing operations. This requires continuous inspection of slaughter and processing operations. Furthermore, offline FSIS personnel conduct random humane handling inspections at intermittent times during the day.

If the establishment fails to maintain sanitation, does not follow its HACCP plan or violates other regulations, FSIS inspection program personnel will issue a citation to the establishment in the form of a noncompliance record to document the noncompliance. If necessary, they could also take regulatory control action, such as a Notice of Intended Enforcement or a Suspension of Inspection.

Question: Please explain what occurs between a cow passing inspection and going on to the slaughter.

Answer: The inspection process begins with an establishment's notification of FSIS that they want animals inspected prior to slaughter. Inspection at a slaughter establishment begins in the ante mortem area or pen where FSIS inspection program personnel inspect live animals before moving to slaughter. It is the establishment's responsibility to follow the Humane Methods of Slaughter Act. Egregious violations to humane handling requirements can lead to suspension of inspection within an establishment. This will stop the plant from operating.

During this inspection, FSIS inspection program personnel observe all animals at rest and in motion. Inspection program personnel are trained to look for abnormalities and signs that could indicate disease or health conditions that would prohibit the animal from entering the food supply. If an animal goes down or shows signs of illness after receiving and passing ante mortem inspection before slaughter, the establishment must immediately notify the FSIS veterinarian to re-inspect the animal and make a case-by-case disposition of the animal's condition. Alternatively, the establishment may humanely euthanize the animal. Re-inspected animals allowed to continue to slaughter are labeled as "U.S. Suspect" and are segregated until the animal has received additional inspection by an FSIS veterinarian.

FSIS public health veterinarians and other inspection personnel are not stationed in the ante mortem area for the entire day. They do return randomly to verify humane handling, as well as the stunning and bleeding process. Other inspection activities are also conducted off-line inside the slaughter facility when ante mortem inspections have been completed. These off-line FSIS inspection program personnel move through the different areas of the establishment while performing their duties. This gives them the ability to vary their assigned off line inspections.

Post mortem inspection occurs in the slaughter area after the animal has been humanely stunned and bled. FSIS inspection program personnel perform carcass-by-carcass post mortem inspections. Agency inspection personnel are stationed at fixed positions along the slaughter line, and are known as on-line inspectors. Inspectors

look for signs of disease or pathological conditions that would render a carcass or part unwholesome or otherwise unfit for human consumption. Any carcass in need of further diagnosis or disposition is segregated and the veterinarian summoned. The establishment must maintain the identity of every carcass and ensure that the retained carcasses do not enter the food supply until released by FSIS inspection program personnel. After further inspection, if a carcass has no generalized signs of disease or pathological conditions, it is passed without restriction and may enter the food supply. Off-line FSIS inspection program personnel also observe the sanitary conditions of those parts of the slaughter area not directly related to carcass inspection, such as where the hides are removed.

Question: How can you be certain that the practices that affected the meat produced at Hallmark/Westland are not taking place at other facilities given the regulations, and that the defiance of the regulations in that plant were taking place while there were USDA inspectors on site?

Answer: The investigation led by OIG with support from FSIS and AMS is ongoing. However, we are not waiting for the completion of the investigation to act.

FSIS has already taken a number of steps to strengthen our inspection system. As announced on February 28, FSIS has implemented a series of interim actions to verify and thoroughly analyze humane handling activities in all federally inspected establishments.

FSIS has increased the amount of time allocated per shift by inspection program personnel to verify humane handling activities and to verify that animals are handled humanely in ante-mortem areas. FSIS is also conducting surveillance activities to observe the handling of animals outside the approved hours of operation from vantage points within and adjacent to the official premises. A notice has been issued to all FSIS inspection program personnel to reinforce the work methods for conducting humane handling verification activities at all levels and to ensure the greatest utility of the Humane Activities Tracking System (HATS) program.

Surveillance and inspection activities are prioritized and focused based on existing data such as the category of livestock handled at the facility, humane handling data, observations made at the facility during regular inspection and a plant's operating schedule.

FSIS will continue to collect information in HATS, which provides an accounting of the time spent by FSIS inspection program personnel performing specific tasks and the results of that inspection related to humane handling and slaughter. Starting on March 3, 2008, FSIS inspection program personnel assigned to Federally inspected livestock slaughter establishments increased the amount of time that they spend conducting HATS activities from anywhere between 50-100 percent. This increased HATS inspection will continue for 60 days and will be closely measured during that time.

Prioritization will help to ensure the optimal use of resources to ensure humane handling and food safety. FSIS is focusing surveillance and inspection activities at establishments where older or potentially distressed animals are slaughtered, such as facilities that handle dairy or veal cattle. At these facilities, the time spent performing HATS activities will be doubled. At facilities with contracts from the AMS for nutrition assistance programs, regardless of the type or class of the animal slaughtered, HATS verification time is being doubled. At facilities where non-ambulatory livestock are infrequently presented, such as in slaughter facilities that handle young market classes including steers, heifers, market hogs, and lambs, an additional 50 percent of HATS verification time may be required. At least once every two weeks, a District Veterinary Medical Specialist or a district analyst is verifying that inspection personnel at each official livestock slaughter establishment are conducting the appropriate increase in HATS verification time. Any plant found not to be in compliance will be reported to the in-plant supervisor and the frontline supervisor.

Meanwhile, FSIS will begin reviewing the HATS to determine what, if any, adjustments are needed to maximize its utility as a tracking tool to improve compliance.

FSIS is currently auditing all 19 beef slaughter establishments that participate in AMS's nutrition assistance program. This is the first in a set of audits we will be conducting.

The investigation being led by OIG with support from FSIS and AMS is ongoing. Once the investigation has concluded, we will have additional information that, along with the results of the additional verification activities, will determine the actions for FSIS oversight, inspection and enforcement that may be required.

Question: Please explain and define how a product that is legally unfit for human consumption is indeed, ok to eat.

Answer: The term unfit for human consumption is a legal term. It was triggered by the failure of the firm to follow a regulatory requirement. While this requirement was not met, it is extremely unlikely that these meat products pose a risk to human health because of the interlocking system of safeguards that exist.

Question: Please explain explicitly what the role is of each inspector at a slaughterhouse.

Answer: FSIS employs about 7,800 in plant inspection program personnel. They inspect more than 6,200 federally inspected establishments. These establishments vary greatly in size and type of activity conducted.

FSIS employees conduct carcass-by-carcass inspection at all federally inspected slaughter facilities and verify that establishments follow all food safety and humane handling regulations.

Inspection at a slaughter establishment begins in the ante mortem area or pen where FSIS inspection program personnel inspect live animals before moving to slaughter. During this inspection, FSIS inspection program personnel observe all animals at rest and in motion. Inspection program personnel are trained to look for abnormalities and signs that could indicate disease or health conditions that would prohibit the animal from entering the food supply.

It is the establishment's responsibility to follow the Humane Methods of Slaughter Act. Egregious violations to humane handling requirements lead to suspension of inspection within an establishment. This will stop the plant from operating. Non-compliance records for humane handling also can be issued when the violation is less than egregious, such as not having water available in pens.

FSIS inspection program personnel also verify that the establishments maintain proper sanitation procedures, follow their HACCP plans, and comply with all FSIS regulations pertaining to slaughter and processing operations.

FSIS inspection program personnel perform carcass-by-carcass post mortem inspections. Agency inspection personnel are stationed at fixed positions along the slaughter line, and are known as on-line inspectors.

Inspectors look for signs of disease or pathological conditions that would render a carcass or part unwholesome or otherwise unfit for human consumption.

Any carcass in need of further diagnosis or disposition is segregated and the FSIS public health veterinarian summoned.

The establishment must maintain the identity of every carcass and ensure that the retained carcasses do not enter the food supply until it is released by FSIS inspection program personnel.

Off-line FSIS inspection program personnel also observe the sanitary conditions of those parts of the slaughter area not directly related to carcass inspection, such as where the hides are removed.

Question: Please provide an update as to the status of the recall, specifically on the status of the actively-traced product.

Answer: With a recall of this magnitude, this process will take several weeks to complete. It is the recalling firm's responsibility to provide adequate notice of the recall and to advise each of its consignees of the need to retrieve and control recalled product. Subsequent consignees are then expected to notify their consignees or customers of the recall. In accordance with FSIS Directive 8080.1, FSIS will conduct 200 effectiveness checks to ensure that all of the approximate 9,500 consignees have received notice of the recall and are making every effort to retrieve and destroy the recalled product. FSIS personnel verify that Hallmark/Westland Meat Packing Company has been diligent and successful in notifying its consignees of the need to retrieve and control recalled product, and that the consignees have responded accordingly. FSIS will also coordinate with FNS/AMS on tracking the destruction of recalled product that went to nutrition assistance programs.

Question: We know there is a "Buy American requirement" for foods provided in the child nutrition programs. How is this requirement being met within the school food programs, including the fruit and vegetable snack programs?

Answer: The Richard B. Russell National School Lunch Act requires schools located in the contiguous United States to purchase domestic commodities and products for the school lunch and breakfast programs "to the maximum extent practicable." This requirement extends to the Fresh Fruit and Vegetable Program (FFVP). Two exceptions which may permit purchases of foreign products are: 1) the product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality; and 2) competitive bids reveal the costs of a U.S. product is significantly higher than the foreign product.

USDA continues to provide schools with on-going technical assistance to ensure schools have procurement strategies in place to comply with the Buy American provision. For example, we have encouraged the inclusion of a Buy American clause in all product specifications, bid solicitations, requests for proposals, purchase or-

ders, and other procurement documents issued. Similarly, school food authorities may ask their suppliers to provide certification as to the origin of the product. School food authorities are also encouraged to monitor contractor performance to ensure compliance with all contractual requirements, including the Buy American provision.

In addition, to ensure school food authorities understand their responsibilities under the Buy American provision, the Food and Nutrition Service (FNS) issued a memorandum to State agencies in April 2006 to reiterate the Buy American requirements for all food purchases made under the Child Nutrition Programs. At that time, FNS made available a set of Questions and Answers (Q&As) that addressed the relevance of the Buy American provisions in the context of procurement actions under the Child Nutrition Programs, including the FFVP. Both the memorandum and the Q&As are posted on FNS' web site to allow for easy access by both program participants and the general public.

FNS also included information about the Buy American provision into the Food Buying Guide for the Child Nutrition Program. Approximately 200,000 copies of the guide were printed and provided to every school participating in the National School Lunch and School Breakfast Programs. Currently, FNS is finalizing development of a web-based procurement training curriculum, which will be released later this year, and will incorporate training on the Buy American provisions.

Question: According to USDA reports, our importation of fresh product is highest and our domestic production the lowest during the main months of the school year. Given the seasonality of many fruits and vegetables are effectively schools forced to use imported product because of a seasonal lack of American supply and the desire to offer a variety of items in the snack program?

Answer: The seasonal availability of fresh fruit and vegetables certainly plays a role in what is purchased for the Fresh Fruit and Vegetable Program (FFVP). However, with the various growing seasons across the United States, many domestic fruits and vegetables are available at an affordable cost during most if not all of the traditional school year.

[VIA FACSIMILE],
March 14, 2008.

Ms. PENNY PARHAM, *Administrative Director,*
Department of Food and Nutrition, Miami, FL.

DEAR MS. PARHAM: Thank you for testifying at the March 4, 2008 full Committee hearing, "Challenges and Opportunities for Improving School Nutrition." Below are the questions which Committee members have asked you to respond for the record.

Ms. Woolsey (CA-06) asks that you respond to this for the record:

Ms. Parham, universal free school breakfast is a legislation that I have been working on for many years. Can you share with us some of the successes of the universal school breakfast system that you instituted in Florida and some of the lessons you've learned since the program was established in 2003.

Please send an electronic version of your written response (in Word format) to the Committee staff by COB on Tuesday, March 18, 2008—the date on which the hearing record will close. If you have any questions, please contact us. Once again, we greatly appreciate your testimony at this hearing.

Sincerely,

GEORGE MILLER,
Chairman.

Written Responses From Penny Parham

Thank you for affording me the opportunity to testify at the full committee hearing, "Challenges and Opportunities for Improving School Nutrition" on March 4, 2008. I am happy to respond to Representative Woolsey's request that I share some of the successes of the Universal School Breakfast Program that we have implemented at Miami-Dade County Public Schools and to highlight some of the successes and lessons learned since the program was established in 2003.

To me the most important success of the Universal Breakfast Program is the fact that it erased the stigma of eating breakfast at school. Prior to the implementation of the Universal Breakfast Program, 90% of breakfasts served at school were to students approved for free or reduced price meals. There was a perception among students that if you ate breakfast at school you were "poor." Now, there is no record of a student's eligibility when they eat school breakfast, as all students eat break-

fast for free. The free breakfast is marketed as such and enjoyed by all students at no cost, no eligibility requirement and no unintended stigma associated with the service. Another success of the Universal Breakfast Program is that it has increased our student participation in breakfast by 3 million breakfasts served annually, even though we have experienced declining enrollment in the district. A third success of the program is that we provide a tangible service that benefits the individual student and their family, benefits the school by providing an available support ensuring hunger is not an obstacle to learning and benefits the District by providing excellent public relations and a springboard for before school activities and educational opportunities. Last, but certainly not least, this program enables us to provide a guaranteed breakfast for students during standardized testing.

In regards to lessons learned, under the USDA Provision 2 Guidance for which we operate our Universal Breakfast program, if an individual school population improves economically by more than 5% after four (4) years, new meal claiming percentages must be established. This year we must re-establish our base-year claiming percentages because the demographics at individual schools within the district have shifted. We are re-establishing our percentages, as required by our State agency, but because the District population as whole did not shift 5%, we believe extensions based on total district numbers should be granted. Approving some but not all schools in a district for Universal Breakfast does not eliminate the perceived stigma of free school meals. However, Universal School Breakfast must be adequately funded in order for districts to choose this as a service option for all students at all schools.

A second lesson learned, is that even with Universal School Breakfast, not all students will participate. Annually, we serve over twice as many school lunches as breakfast, even though breakfast is free and marketed to the community. There are many reasons for choosing or not choosing breakfast at school, however, Universal School Breakfast provides the open availability to all students and ensures that morning hunger will not be an impediment to learning.

Historically, school meal programs have been thought of as providing meals for "needy" children, based on economics. However, in this day and age of working parents, epidemic levels of childhood obesity and access to nutrition information and nutrition education, school meals are a valuable service for all school children, regardless of their economic need. By providing District's financially viable Universal School Breakfast, stigmas evaporate, participation increases, and breakfast available at school becomes accepted as part of a normal school day.

Thank you for your interest. If I can be of further assistance please do not hesitate to contact me.

[Whereupon, at 5:33 p.m., the Committee was adjourned.]

