

United States Senate

WASHINGTON, DC 20510

December 1, 2020

The Honorable Gene Dodaro
Comptroller General of the United States
Government Accountability Office
441 G Street NW
Washington, D.C. 20548

Dear Mr. Dodaro:

We write regarding the scope of food purchases conducted by the U.S. Department of Agriculture (USDA) through the Commodity Procurement Program (CPP). The impact of the coronavirus on the seafood industry has drawn attention to the small amount and limited variety of seafood purchases conducted by USDA and the need for expanded relief for the industry.

The seafood industry is critical to local and regional economies across the country and is largely sustained by the sale of fresh product. Notably, more than 68 percent of the \$102.2 billion that consumers paid for U.S. fishery products in 2017 was spent at food service establishments. Because of the coronavirus, this market evaporated, and the supply chain for fishermen and seafood processors was decimated. As a result, a bipartisan group of Senators and U.S. Representatives has taken an interest in expanding CPP to purchase additional seafood products.

The National Oceanic and Atmospheric Administration (NOAA) within the Department of Commerce supports the U.S. seafood industry in various ways, including by maintaining data on the industry and providing retrospective disaster relief. However, NOAA's role in disaster assistance is limited to supply-side issues stemming from a natural or man-made disaster or the unexpected collapse of one or more fish stocks. Moreover, NOAA has no dedicated funding for such assistance.

USDA's Agricultural Marketing Service (AMS) purchases a variety of domestically produced and processed commodity food products under the CPP through a competitive process among approved vendors. These purchases made by AMS support American agriculture by encouraging the consumption of domestic foods. USDA delivers these food products to schools, food banks, and households across the country. Because of its established pathways for purchasing and distributing surplus food, USDA is the only federal agency capable of providing the necessary real-time assistance due to demand-side disruptions. As such, USDA has an important role to play in supporting the seafood industry, including fishermen and processors.

For example, Section 32 of the Agricultural Adjustment Act of 1935 authorizes USDA to support prices of commodities in surplus by purchasing them in the marketplace. Under the Section 32 program, one of several components of CPP, AMS has historically purchased salmon, pollock, and tuna, but these purchases have been uneven across regions and product sectors and are at an insufficient total volume to support an industry as large and diverse as seafood.

According to an analysis conducted by the Congressional Research Service regarding past USDA seafood purchases, USDA purchased \$153 million worth of salmon, tuna, pollock, and catfish, compared to over \$1.2 billion in meat products. Furthermore, these contracts were awarded to just a handful of processors in a few select states.

In light of the above, we request that GAO evaluate AMS's food purchasing programs, addressing the following questions, with a particular focus on how USDA could increase the volume and variety of seafood products it purchases, including, but not limited to, Section 32 program and National School Lunch Program:

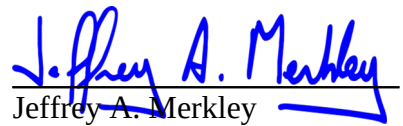
- 1) How does AMS determine the types of seafood products it purchases for the various food programs, and what criteria does it use in making its decisions? Please include information on historic demand for seafood within the program and how USDA projects demand for seafood products over time.
- 2) What factors, if any, may limit AMS's purchases of seafood products for food programs, and what actions, if any, could AMS take to increase the amount and varieties of seafood it purchases? Please include an evaluation of AMS's process for determining desirable product forms and the potential for the use of pilots and/or trials to introduce new seafood products.
- 3) To what extent, if at all, does AMS collaborate with NOAA when making seafood purchasing decisions?
- 4) What outreach does USDA conduct to industry participants and program stakeholders, particularly smaller processors, when developing its purchasing requests and what action, if any, could AMS take to improve that outreach?

Thank you for your attention to, and consideration of, this request. If you have any questions regarding this request, please contact Logan Hollers in Ranking Member Merkley's office and Lucas Smith in Senator Reed's office.

Sincerely,



Jack Reed
United States Senator



Jeffrey A. Merkley
United States Senator
Ranking Member,
Subcommittee on
Agriculture, Rural
Development, Food and Drug
Administration, and Related
Agencies