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June 5, 2020

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue S.W.
Washington, D.C. 20250

Dear Secretary Perdue,

We write today to obtain additional information regarding the Farmers to Families Food Box Program for which the Department of Agriculture has recently awarded contracts.

As you know, COVID-19 has caused great hardship for farmers and families across the country. As schools have shuttered and unemployment has spiked, food banks have experienced an average of 70 percent higher demand, with some locations seeing demand increase by 600 percent. Many farmers are experiencing challenges getting their products to market and have had no choice but to destroy perfectly good food.

We need to do everything we can to ensure farmers can provide the food they grow to families. Although some areas have reported positive experiences, we are concerned that the food box program has a number of gaps that will affect its ability to provide food to families in an efficient and equitable way.

The Families First Coronavirus Response Act, passed on March 18, 2020, authorized USDA to purchase commodities for emergency distribution during the COVID-19 crisis. Under this authority, USDA designed the Farmers to Families Food Box Program and recently awarded contracts to suppliers who will purchase and package food to be distributed to food banks.

Although contract recipients are required to start delivering food boxes within ten days of receiving the contract and many distributors have already started, numerous news reports have cast doubt on the ability of some contract awardees to achieve that goal. For example, according to reports, one contractor who received a \$39 million contract started two weeks late and by May 28 had only delivered 235 boxes out of the 750,000 it is obligated to deliver.¹ Some articles have highlighted the lack of relevant experience of some of the distributors awarded contracts, such as wedding planners and companies that provide travel essentials.

¹ San Antonio Event Planner Makes Debut with First 235 Food Boxes Out of 750,000. San Antonio Express-News, May 28, 2020.

Press reports also indicate that some of the companies that won contracts are having to hire staff and acquire needed infrastructure before they would be able to fulfill the contract. In other instances, contract awards have reportedly been bigger than the previous annual revenue of the bidder. At least one large contract awarded has already been cancelled according to press reports. It has also been reported that 49 of 159 contractors selected by USDA do not have the proper license to operate a produce business which is necessary to deliver the food.²

We appreciate that USDA has provided public information regarding contracts awarded. However, because the contracts are regionally based, it is difficult to determine the value of food to be distributed to each state under the contracts and concerns have been raised about the equity in the distribution of the food boxes. Questions have also been raised about the gaps in distribution areas for the contracts awarded and USDA has not released the areas of the country that will not be covered by a distributor. For example, reportedly Maine will not receive any food boxes. Alaska also was reportedly not initially slated to receive any food boxes until the Food Bank of Alaska found a local subcontractor which could supply a limited range of products.³

In order to help better understand the program, please respond to the following questions by June 22, 2020:

1. How did USDA contracting officials determine if a bidder had satisfactory ability or historical experience to determine the bidder could successfully perform the contract? Did bidders have to explain in detail resources they had currently available to carry out the contract?
2. Why weren't Perishable Agricultural Commodities Act (PACA) licenses required for a bidder to win a contract? How will you ensure that contract awardees obtain PACA licenses before contract performance?
3. USDA received approximately 550 bids and awarded just under 200 contracts one week after the bids were due. How many contracting officials were involved in reviewing such proposals? What level of contract training and experience did each of these officials have?
4. What is the total value of the food actually being delivered under the contracts? How much of the total value of the contracts went to distributors for labor costs and other expenses?
5. For each contract awarded, please provide a breakdown showing the area of distribution covered by the contract, the value of the contract, and value of the food to be delivered.
6. What areas of the country are not covered by a contract?
7. How will USDA monitor contractor performance? Please describe auditing processes that USDA will use to monitor contract performance. How many contracting officials will oversee contract performance to ensure contractors timely deliver food boxes and to prevent waste, fraud, and abuse? How will USDA ensure payments are not made under the contracts until after food boxes are delivered?

² <https://www.propublica.org/article/wedding-planner-caterer-brand-builder-trumps-food-aid-program-is-paying-100-million-to-unlicensed-dealers>

³ <https://www.propublica.org/article/trumps-food-aid-program-gives-little-funding-to-the-northeast-where-coronavirus-hit-hardest>

8. Will USDA require each contract awardee to provide details on the quantity and price per pound of food delivered under the contracts?
9. Did the total amount of funding for each region take into account population in each region? If not, why not?
10. According to press reports, Ben Holtz Consulting DBA California Avocados Direct received a contract of \$40 million, which makes up over 15% of contracts for the South-West region and just under 40% of produce-specific contracts for that region. Why was this contract terminated? How will the termination of that contract impact the distribution of food to those in need?
11. Have any other contracts been terminated?
12. Why weren't food banks offered the opportunity in the program to request or provide information on the quantities and types of food they needed to meet their current demands?

We all know this is a critical time for our families and our farmers. We all want to make sure that this program and others designed to provide urgently needed food to Americans are successful in the most efficient and effective way.

We look forward to receiving the requested information and to working with you to achieve that goal.

Sincerely,

/s/ Debbie Stabenow
Debbie Stabenow
United States Senator

/s/ Sherrod Brown
Sherrod Brown
United States Senator

/s/ Robert P. Casey, Jr.
Robert P. Casey, Jr.
United States Senator

/s/ Richard J. Durbin
Richard J. Durbin
United States Senator

/s/ Tina Smith
Tina Smith
United States Senator

/s/ Michael F. Bennet
Michael F. Bennet
United States Senator

/s/ Amy Klobuchar
Amy Klobuchar
United States Senator

/s/ Kirsten Gillibrand
Kirsten Gillibrand
United States Senate

/s/ Patrick Leahy
Patrick Leahy
United States Senator

/s/ Charles E. Schumer
Charles E. Schumer
United States Senator