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Agricultural Outlook Forum 1999

Session: EMERGING MARKETS FOR FARM PRODUCTS IN 21st CENTURY
NUTRITION PROGRAMS

Agricultural Products -- A Demand-Side Perspective

Rick Gresser
President
American Commodity Distribution Association and Manager
Food Distribution Services
Texas Department of Human Services

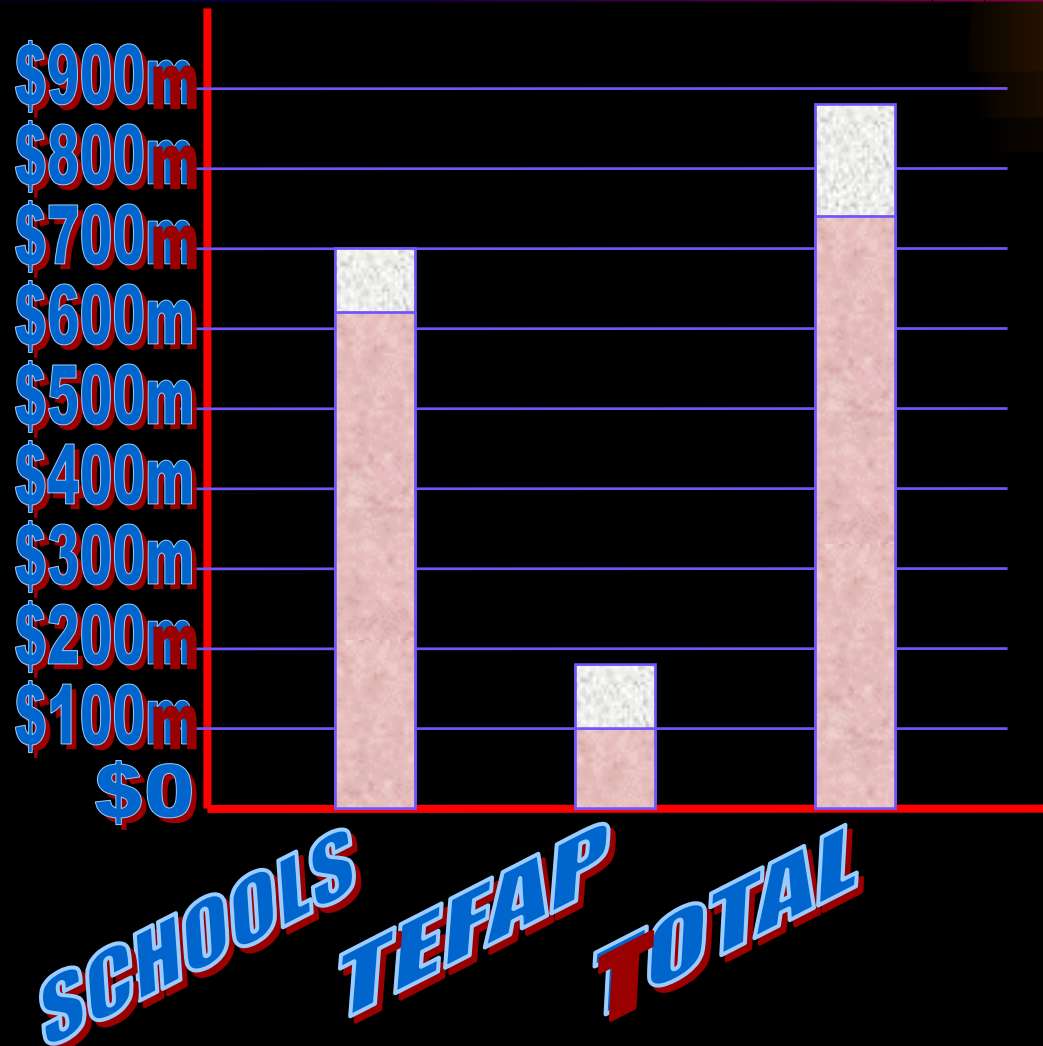
Schools as an Emerging Market and Bonus Commodities

"BONUS COMMODITIES"



- **Definition of Bonus Commodities -
“Foods that are in extreme oversupply”**

Value of USDA Commodities



Legend



Entitlement



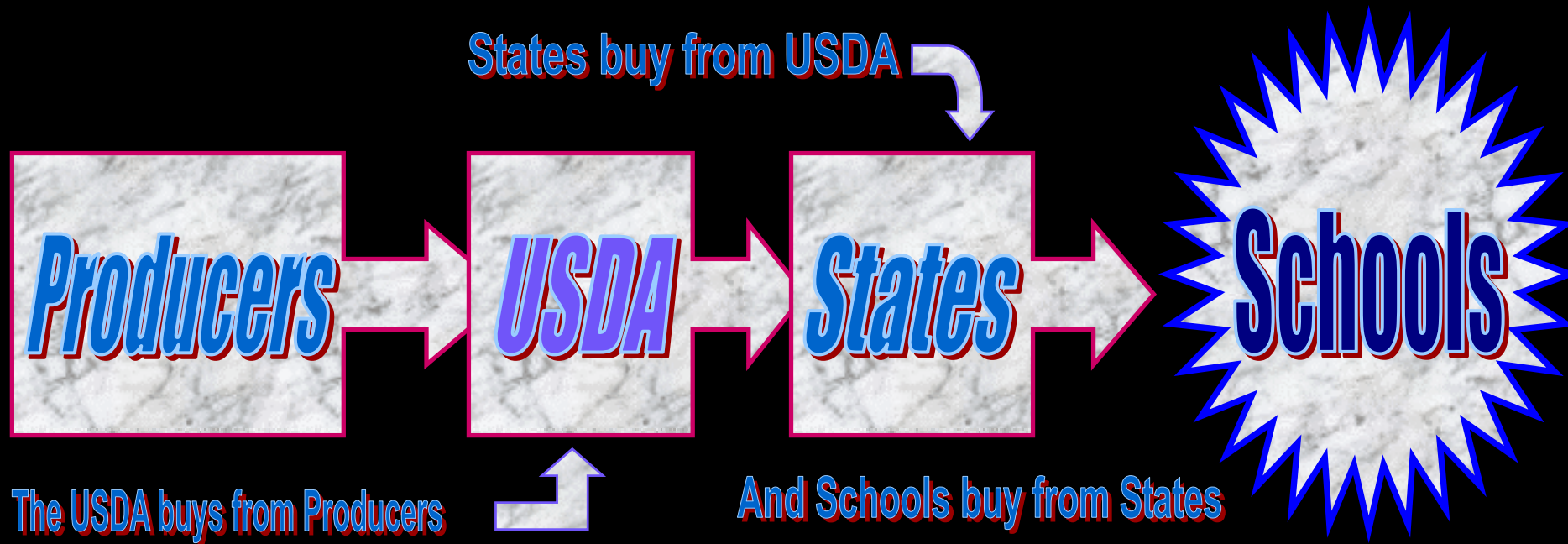
Bonus

"Customer"



- **Definition of a customer - “A Person who buys, especially one who buys regularly; as, she is one of our customers.” ***
- *** Webster’s New World Dictionary**

***Ultimately, it's the SCHOOLS who
make the purchasing decisions***

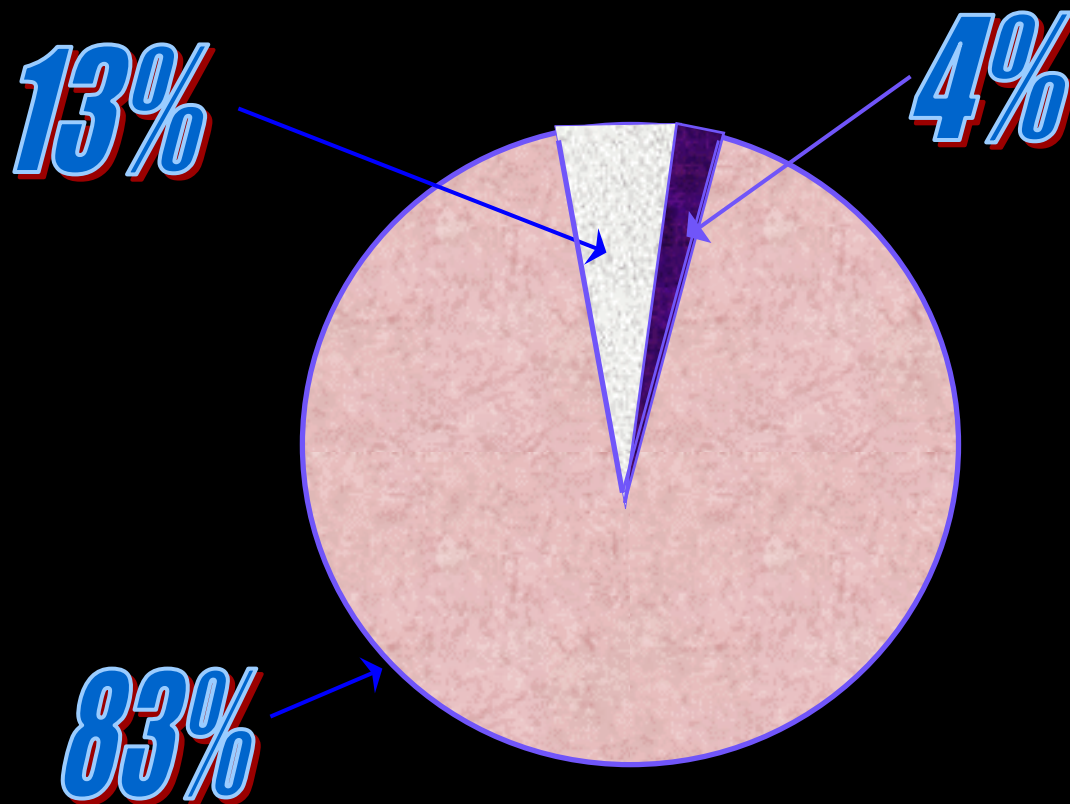


Think of growing this emerging school market



- **Currently serving about 26 million meals per day**
- **Total meal opportunities are about 52 million per day**

Percentage of Commodity vs Commercial in Schools



Legend

-  Commercial Purchases
-  Donated Commodities
-  Processed foods containing commodities

***Cost of using commodities
is a concern to schools***



Storage
Distribution
Labor

***Think in terms of commodities as ingredients
and not necessarily a ready to eat product***



***Ingredients are commodities
and not necessarily ready to eat products***

School Purchasing Trends

A decorative horizontal bar with a gradient from dark purple to orange, featuring a white five-pointed star in the center.

Suppliers

Bid methods

Co-ops

Think of "growing to the market"

