May 10, 2023

Institute of Shortening and Edible Oils 1310 L Street NW, Suite 375 Washington, DC 20005

North American Millers' Association 1400 Crystal Drive, Suite 650 Arlington, VA 22202

Tina Namian
Director, School Meals Policy Division
4th floor, Food and Nutrition Service
1320 Braddock Place, Alexandria, VA 22314

Re: Docket No. FNS-2022-0043 Child Nutrition Programs: Revisions to meal patterns consistent with the 2020 Dietary Guidelines for Americans

Dear Ms. Namian,

The Institute of Shortening and Edible Oils (ISEO) and the North American Millers' Association (NAMA) (herein referred to as the aforementioned associations) are pleased to provide the following comments on the U.S. Department of Agriculture's (USDA) Proposed Rule on Child Nutrition Programs.

The aforementioned national trade associations advocate collectively, as similarly placed associations within the supply chain which turn raw commodities such as wheat, corn, soy, canola, oats, rice, and rye, among others, into edible oils, flour, and other value-added products which are used for baking, cooking, and are ingredients in a wide variety of foods from breads and cereals to savory snacks and sweet treats. While the majority of the products we make are American grown and manufactured, there are a number of important imports that are not available in the U.S. and play a critical role in the school meals program as outlined in the below comments.

Our collective members are proud to be child nutrition program partners to schools and to be manufacturers of products sold in schools. We appreciate the opportunity to submit the following comments and stand ready to be a resource.

## Edible oils and milled products play an essential role in child nutrition programs

We'd like to take the opportunity to remind the Department of the benefits of fats, edible oils, milled products and their importance across child nutrition programs.

Human and animal diets have always contained fats and oils, which are naturally present in many foods, such as meats, dairy products, poultry, fish, and nuts. Today our industry builds on this by supplying schools with fats and edible oils which make significant and important positive contributions to the program by:

• Contributing Essential Nutrients: Fats and oils are recognized as essential nutrients in both human and animal diets. Nutritionally, they are concentrated sources of energy (9 Kcal/gram),

- provide essential fatty acids which are the building blocks for the hormones needed to regulate bodily functions; and are a carrier for the oil-soluble vitamins A, D, E, and K.
- Enhancing the Eating Experience: Fats and oils enhance the foods we eat by providing texture and mouth feel, imparting flavor, and contribute to the feeling of satiety after eating.
- Providing Key Functionality: Fats and oils are important functionally in the preparation of many food products. They act as tenderizing and release agents, facilitate aeration, carry flavors and colors, and provide a heating medium for food preparation.

As the Department works to align with the 2020-2025 Dietary Guidelines for Americans (DGA), it's important to acknowledge that various fats and edible oils are chosen for their different nutrition profiles, amounts of essential nutrients, functionality and uses, market prices, and environmental and sustainability impacts. Because of this it's important to recognize there is a role to play for all edible oils in child nutrition programs.

Milled products play a critical role in school meal programs. For example, whole grain breads, breakfast foods and oat products, such as cereals and granola bars provide high quality, nutritious, whole grains that enable children to meet the recommendations under the DGAs.

ISEO and NAMA recognize the Department's intent of Buy American, but are concerned that based on USDA's own import data many critical imports used in school meals may impede on the Department's ability to execute its vision

Our collective associations are proud to work directly with American farmers, growers, processors, and manufacturers, but believe the five percent cap on non-domestic foods is too restrictive and should be reconsidered by assessing USDA's own import data.

From an edible oils perspective we are proud to refine 95 percent of domestic edible fats and oils from the following commodities: U.S. grown soybeans, U.S. grown corn, U.S grown cottonseed, U.S. grown canola, U.S. grown sunflower, U.S grown safflower, U.S. grown rice bran, U.S. produced lard, tallow, and wheat germ. Approximately 75% of the edible oils we refine are American grown and manufactured, while about 25% are imported from other countries and further manufactured or refined in the U.S. then sold into the U.S. market.

According to USDA's own data<sup>i</sup> in 2022, 49,911 million pounds of edible oils were consumed in the U.S. and of those 12,418 million pounds were imported:

- 4,839 million pounds of canola were imported into the U.S., predominantly from Canada
- 3,803 million pounds of palm and 838 million pounds of palm kernel were imported into the U.S. predominantly from Indonesia and Malaysia
- 975 million pounds of coconut were imported into the U.S.
- 827 million pounds of olive oil were imported into the U.S.
- 300 million pounds of soybean were imported into the U.S.
- 275 million pounds of sunflower were imported into the U.S.
- 200 million pounds of corn were imported into the U.S.
- 100 million pounds of safflower were imported into the U.S.
- Small amounts of cottonseed, lard, peanut, sesame, and edible tallow were also imported.

On the milling side, about 90% of the oats milled in the U.S. are imported from Canada. Additionally, about 85% of the oats milled in Canada are imported into the U.S. There are simply not enough oats grown in the U.S. to satisfy the ever-increasing demand for healthy oat products.

For these reasons we are concerned that the proposed changes to Buy American requirements are too restrictive and could limit foodservice professionals access to important inputs. This is particularly concerning at a time when the supply chain has been strained as a result of the COVID-19 pandemic and the war in Ukraine. Our collective products, including those which are imported serve as essential inputs in school meals to provide nutrition and functionality.

In addition to providing our own inputs into the school lunch program, many of our ingredients are sold to the Consumer-Packaged Goods (CPG) industry who turn our ingredients into nutritious products which meet school meal standards. Should disruptions occur in this market due to the proposed Buy American provision this could further exasperate the supply chain challenges we are already facing and lead to higher food inflation.

For these reasons we respectfully ask USDA to re-evaluate its proposal and account for the realities of the current food landscape and the supply chain challenges we continue to face and reconsider the five percent cap on non-domestic food.

Overall, our collective members appreciate the opportunity to provide comments on USDA's proposed rule. Edible fats, oils, and milled grain products play an important role in assisting food service professionals meet the meal patterns and helping kids meet the Dietary Guidelines for Americans. Should you have any questions, feel free to contact us.

Respectfully,

Kailee Tkacz Buller
President & CEO
Institute of Shortening and Edible Oils

Jane DeMarchi President North American Millers' Association

The **Institute of Shortening and Edible Oils** is the national trade association represents U.S. and Canadian refiners who produce 95 percent of domestic edible fats and oils used for baking, frying, cooking and also as ingredients in a wide variety of foods and personal care products from confections to cosmetics to renewable energy sources. Visit us at <a href="https://www.iseo.org">www.iseo.org</a>

The **North American Millers' Association** represents millers of wheat, corn, oats, and rye in the U.S. and Canada. Our members take raw grain and transform it into flour and other products that are used to make such favorite foods as bread, cereals, pasta, cookies, cakes, and snack foods. We're proud to be the indispensable link between raw grain and healthy and delicious products that have sustained and

enriched people's lives for centuries. NAMA's 35 members have 150+ locations across 32 states. Utilizing the technical expertise of our members and staff, we represent the milling industry before the White House, federal agencies, and Congress. Visit us at <a href="https://www.namamillers.org">www.namamillers.org</a>

<sup>&</sup>lt;sup>i</sup> <u>USDA Economic Research Service Oil Crops Outlook Table 32—Edible fats and oils: U.S. supply and disappearance, 2006–2022 issued March 27, 2023</u>