

**Testimony of Tom Stenzel
President and CEO
United Fresh Produce Association**

**Before the
U.S. Department of Agriculture
Hearings on Proposed National Leafy Green Marketing Agreement
Columbus, Ohio**

Good morning. My name is Tom Stenzel, and I am president and CEO of the United Fresh Produce Association. United Fresh is a membership trade association, representing some 1,200 companies from growers, packers and fresh processors through the produce supply chain to retailers and foodservice companies. Together, these companies produce and market the vast majority of fruits and vegetables sold in the United States. Our association is one of the proponent organizations that has requested the USDA to consider a national marketing agreement for leafy greens.

Our member leadership reached the decision to support a national marketing agreement in the belief that this would provide an opportunity, not a burden, for growers, shippers and processors of leafy greens. It is important to state from the beginning that we support this initiative because it is indeed voluntary for leafy greens handlers. If USDA moves forward with this agreement, it is entirely up to individual handlers whether they want to participate. That is a huge distinction from a mandatory marketing order. If the agreement holds value and an opportunity for handlers of leafy greens, they can join in. If not, there is no need to take that step.

We believe this fact provides a simple choice both for leafy greens handlers and the USDA. For handlers, simply watch and see as the agreement is developed, and make your own choice of whether to participate. For USDA, with overwhelming support from the majority of the leafy greens industry, we submit that you have no reason not to move forward with a voluntary agreement. You are imposing no burdens on the industry by allowing a voluntary agreement to move forward.

As I testify here in Ohio, I also want to recognize that we have heard various concerns and objections raised about the potential agreement. Some of our own members here in Ohio have expressed those concerns. While I believe fundamentally that the voluntary nature of the agreement answers those concerns, I would like to spend a few minutes talking about issues I've heard that may be based on misunderstandings. I have summarized below the top 10 concerns I have heard in our own 'listening sessions' with the industry over the past year.

1. A national agreement would be little more than California imposing its system on others.

As a national organization, we do not agree and would not support such an outcome. In fact, the NLGMA as proposed would require input and direct leadership control from all regions. Ohio is one of the states in Zone 4, which would have 2 handlers and 1 producer on the NLGMA Administrative Committee. We should recognize that this is actually an over-representation based on volume produced, due to very large volume of leafy greens produced in California and Arizona. USDA 2007 Census of Agriculture data presented by Suzanne Dash in an earlier hearing show the following acreage comparing just California and Ohio:

EX-57

Acres Harvested in 2007

	California	Ohio
Head Lettuce	118,676	3
Leaf Lettuce	44,068	354
Romaine Lettuce	64,771	78

With this large volume difference, if California interests had sought to impose their will on others, they may simply have advocated for a mandatory marketing order and simply voted that in with their sheer overwhelming size. Instead, UFPA believes this agreement gives you in Ohio and other production regions an opportunities to voice your interests in the leadership of the initiative. Additionally, the CA/AZ agreements are operating fine today for handlers and producers there – they really don't need a national agreement to demonstrate their compliance with GAPs. On the other hand, our association believes growers and handlers outside of those areas should have the same opportunity to demonstrate your compliance with GAPs as they do.

2. The standards contained in the CA/AZ agreements are not appropriate for other regions.

Actually, we agree. The entire concept of the leafy greens industry getting together nationally is to allow for regional differences to be incorporated into an overall audit system that still provides public and buyer assurance. Until CA/AZ agreements, everyone was dealing with their own interpretation of FDA Guidance. CLGMA was a way for leafy greens industry to come together to agree on common approach, and even they had to find a way to address differences ranging from irrigation from deep wells in Salinas to irrigation with Colorado river water in the desert regions. A NLGMA will allow all regions to participate, and shape the standards that work for each area.

3. Grower-handler rules or standards are not needed. Food safety is only a bagged salad problem.

Unfortunately, that is not the case. FDA reports numerous outbreaks and cases of foodborne illness associated with multiple types of commodity lettuces. Packaged salads only give health officials an easier way to identify clusters of illnesses when product is distributed more widely in geography. In addition, in most cases with packaged products, scientists have identified the original contamination point as somewhere on the farm. We as an industry must not minimize the responsibility we all share in preventing pathogens from ever coming into contact with our foods, as well as minimizing the negative impact in processing if and when that should occur. In fact, CLGMA has brought growers, packers and processors together better than ever instead of blaming each other when breakdowns in safety occur.

In addition, I think it's wise for all of us to realize that mandatory GAPs for all leafy greens are not far away. Today, the FDA has clearly stated its intention to propose mandatory regulations for leafy greens production and handling. As a precursor to regulation, the FDA recently issued guidance for leafy greens, which all producers should be following today. A NLGMA will not forestall nor replace these eventual FDA regulations, and the need for Ohio growers to comply with these rules. However, it can be helpful now in gaining grower/handler input and consensus on what the rules ought to be, and subsequently in demonstrating compliance with those rules. Opposing a marketing agreement is not going to change the fact that FDA will soon require specific GAPs and metrics for leafy greens.

4. A NLGMA will cost too much.

One of the goals of the NLGMA is actually to reduce costs of auditing, by reducing the number of audits a producer or handler has to conduct. The CA experience has shown that buyers have come to recognize CLGMA as a sound, rigorous standard and audit protocol. This reduces the need and expense of multiple audits. In fact, a national agreement could do the same for Ohio. If retailers today are already expecting CLGMA standards for 90% of their product, it could save Ohio industry time and money to be part of a similar national approach. As for fees, since fees would be based on a per package assessment, these are fair and equitable based on size of operation.

5. My operations already have audits that are sufficient for our customers.

From a national perspective, we increasingly see retail and foodservice buyers looking for common standards and audit processes, not continuing with a diverse set of audits in different regions. There is also tremendous diversity in auditor quality, with one of the goals of the NLGMA to bring you only USDA certified auditors, including state dept of agriculture employees who know you best. How many audit companies are based in Ohio and know your farming systems as well as the state department of agriculture?

6. Small growers or organic growers can't or shouldn't have to comply.

This is an often cited, but always invalid argument. Every grower and handler of leafy greens MUST comply with basic GAPs and food safety standards to protect the health of our consumers. Making one person sick at a roadside stand is no more acceptable than contamination in a product that goes to all 50 states. Food safety is not an option. Every grower must ensure that water use meets appropriate standards; soil amendments do not raise the risk of contamination; workers follow proper hygiene steps; animal incursion does not bring risks into fields; etc. The same goes for packing houses and processors. A small regional processor like Freshway Foods here in Ohio has to comply with the same standards as Dole or Fresh Express salad processors.

7. We need to pay more attention to imported foods than domestic.

USDA statistics show that there is actually little volume in leafy greens imported into the United States. Yet, a NLGMA gives us a vehicle for handlers to apply the same standards for imported product. Handlers who sign on to the NLGMA agree to only buy from growers who are audited against these standards. Therefore, a U.S. company that grows or sources 90% of its greens in the U.S. but supplements that volume with Mexican production can assure the same standards. This actually allows for greater compliance of imported foods.

8. A NLGMA would penalize growers already doing GAPs.

Actually, a NLGMA could protect growers/handlers who are now in compliance from those who are not. We recognize that it would be a change of business model for some to only source product from previously audited growers, even for fill-in needs from those that you trust. But just because you have confidence in your practices, what about others? Consider this --do you really want other packers and processors buying from growers who may not follow GAPs? Do you think anyone out there might be cutting corners just have the cheapest price? If all are included, it's fair for all.

9. My leafy greens sales are fine, and I haven't had any problems with safety.

To my friends who have shared this opinion, I say congratulations and Godspeed. I hope these trends hold. But I also say don't underestimate consumer fears of fresh leafy greens today. We know that sales of spinach have not fully recovered from three years ago, and can only guess what this fastest growing leaf item might have meant to all us in increased sales. On other products, we know that salads in general are flat. We may not know how our markets today are already affected by consumer fear. If we can boost public confidence, it doesn't take too many more salads consumed to strengthen not only your sales, but market prices. Greater demand through better public confidence has the ability to strengthen markets.

10. This agreement is being forced down our throats.

Last, let me return to where I started. A NLGMA would 100% voluntary – no individual grower or handler has to participate. For those who fear that retailers will demand it, a NLGMA will no more raise nor reduce the likelihood that retailers will want compliance that you follow GAPs. And, clearly, the U.S. government will soon require compliance through mandatory regulation.

Instead, the NLGMA provides you an opportunity if you choose to participate. You here in Ohio can get involved in shaping the standards, ensuring local differences are allowed for, setting the funding rates, and really writing the rules of the road. Once in place, you can choose, if you want, to use this system to demonstrate your compliance with a nationally comprehensive standard that gives confidence to your buyers and consumers. And, you can ensure that your audits are carried out by USDA certified auditors and state department of agriculture employees who know your farms best.

A NLGMA leave it totally up to you whether to participate. But for those who still don't feel this is the system for you, I have one last request.

Please don't try to deny this opportunity to your neighbors. They may want to be part of a national system working together with leafy greens growers from across the industry to assure public confidence in our products, and thus grow sales and consumption to confident consumers.