

FRUIT & VEGETABLE PROGRAMS NEWS

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Winter 2010

Fruit and Vegetable Programs Welcomes New AMS Administrator

By Robert C. Keeney



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Our Winter 2010 newsletter, which we've renamed AMS Fruit and Vegetable Programs News, focuses on several issues of key importance to the U.S. produce industry. We're also bringing you up to date on some of our programs and services, especially the new initiatives that further enhance our support of your industry.

First, I want to introduce you to the new Administrator of the Agricultural Marketing Service (AMS), Rayne Pegg. She has many years of agricultural marketing experience, and served as Deputy Secretary of Legislation and Policy for the California Department

of Food and Agriculture (CDFA) before President Barack Obama asked her to join his administration. Pegg has a solid understanding of how our services support the fruit and vegetable and other agricultural industries. Many of you will have the opportunity to meet Pegg, as she plans to attend several produce industry conferences and events.

Along with Secretary of Agriculture Tom Vilsack, Pegg is committed to supporting President Obama's priorities for USDA. These priorities include policies and programs that ensure:

- Promotion of a safe, sufficient, and nutritious food supply for all Americans and for people around the world;
- America leads the world in sustainable production and biotechnology crop exports;
- Rural communities create wealth so they are self-sustaining, repopulating, and thriving economically;
- National forests and

- private working lands are conserved, restored, and made more resilient to climate change and managed to enhance water resources; and
- USDA's constituents understand and appreciate what the agency can do for them every day in every way because USDA employees are engaged, valued, and productively serving the people of America and the world.

The President's goal to assure a safe, sufficient, and nutritious food supply for all Americans has particular meaning to the U.S. produce industry. We are proud to work with an industry known for providing healthy and nutritious products and are committed to helping you move your produce safely and efficiently through the entire supply chain, from field to fork.

As always, I look forward to hearing from you about the topics covered in our newsletter and any thoughts you may have about our services and programs.

Inside this issue:

- Welcome to New AMS Administrator
- Fresh-Cut Apple Pilot Program
- PACA—Returning Value to the Produce Industry
- Working to Ensure a Competitive Advantage for the U.S. Produce Industry
- Offering Customized Solutions – Quality Monitoring Program
- U.S. Grade Standards

We want to hear from you. What topics would you like to see covered in future editions of the newsletter? Are there questions you can't find answers to on our Web site? Send your questions and suggestions to FVInfo@ams.usda.gov.

U.S. Department of Agriculture
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Fresh-Cut Apple Pilot Program—Off to a Great Start By David Tuckwiller



David Tuckwiller is Chief of the Commodity Procurement Branch. He can be reached at (202) 720-4517 or david.tuckwiller@ams.usda.gov



After some initial research, it became clear we were facing several obstacles.

Recent news stories have reported on efforts by schools and nutrition advocates to get more fresh fruits and vegetables into the diets of young Americans. The Fruit and Vegetable Programs' Commodity Procurement Branch (CPB) is doing its part to help make sure children will get types of fresh fruits and vegetables they'll eat.

Two years ago, CPB started discussions with USDA's Food and Nutrition Service (FNS), the agency that

administers the National School Lunch Program, and industry experts to develop a pilot program to purchase a fresh-cut apple product for distribution to schools.

After some initial research, it became clear we were facing several obstacles. A vast majority of CPB procurements are for shelf-stable products that ship well, yet the typical shelf life of a fresh-cut apple slice product is only 15 days from the date of manufacture.

We resolved these and other challenges, and last March CPB announced a purchase of fresh-cut apple slices: AMS awarded contracts to five vendors totaling \$4.1 million for 3.3 million pounds to deliver the product to school systems in California, Michigan, North Carolina, New York, and Pennsylvania.

Preliminary reports from both FNS and the schools are very encouraging, and CPB plans to expand the fresh-cut apple pilot program to more States and schools in the

next school year. We are also looking at including fresh-cut baby carrots in the near future.

CPB purchases fruits and vegetables from industry vendors for distribution to schools and other Federal domestic feeding programs. More than \$478 million is spent on close to 1 billion pounds of product per year. In addition to helping feed hungry Americans, these purchases support the economic vitality of U.S. farmers by removing excess supplies from the market.

For additional information about the Commodity Procurement Branch, visit our Web site at www.ams.usda.gov/fvprocurement.

PACA—Returning Value to the Produce Industry By Karla Whalen



Karla Whalen is the Chief of the PACA Branch. She can be reached at (202) 720-2272 or karla.whelen@ams.usda.gov

The Perishable Agricultural Commodities Act (PACA) proactively works for the fruit and vegetable industry to promote interstate and foreign commerce through mediation, arbitration, licensing, and outreach programs facilitating fair trade in produce.

With a modest budget, PACA helps to safeguard an industry worth billions of dollars. For example:

- Since 2000, PACA has handled more than 7,600 contract dispute matters among members of the produce industry at a fraction of the cost of private litigation;
- From 2004 to 2008, PACA resolved 91 percent of informal contract disputes (involving claims totaling more than \$132 million) within 4 months from the date filed; and

- From 2000 to 2008, PACA's law enforcement investigations and enforcement efforts returned more than \$18 million to the produce industry and assessed an additional \$705,000 in civil penalties.

For additional information about PACA, please feel free to contact me directly or visit our Web site at www.ams.usda.gov/paca.

Working to Ensure a Competitive Advantage for the U.S. Produce Industry

By Bruce Summers



Bruce Summers is the Associate Deputy Administrator of AMS Fruit and Vegetable Programs. He can be reached at (202) 690-0262 or bruce.summers@ams.usda.gov

A small office within AMS Fruit and Vegetable Programs delivers a lot of value to the U.S. produce industry. With one full-time staff member, the mission of the Office

of International Standards Coordinator (OISC) is to ensure that international standards do not deny access to the U.S. produce industry as it seeks to sell its products overseas.

The OISC is currently headed by Dorian LaFond, a veteran of the international produce business. To help achieve his office's mission, LaFond believes it's important to build goodwill among our trading partners and to provide input during various stages of the standards development process for the global trade of fresh and processed produce.

For example, LaFond works in partnership with industry groups and other government agencies to support initiatives of the Codex Alimentarius Commission (CODEX) and the United Nations Economic Commission for Europe (UNECE), organizations dedicated to developing food safety codes and to gaining greater economic cooperation among member nations.

Closer to home, from August 24 to 28, 2009, the Fruit and Vegetable Programs and the OISC served as hosts for the 2009 International Standardization Annual Meeting, held at our training

facility in Fredericksburg, Va. The gathering attracted leadership from more than 30 foreign inspection agencies and others that participate in the development of CODEX and UNECE standards. The meeting focused on fostering a greater international understanding of the USDA agricultural standards and inspection system and helping to lay the foundation for streamlining the development of international fresh fruits and vegetable standards.

For more information about the OISC and LaFond's work, feel free to contact him at (202) 690-4944 or dorian.lafond@ams.usda.gov

Offering Customized Solutions—Quality Monitoring Program

By Christopher Purdy



Christopher Purdy is the Business Development Specialist for AMS Fruit and Vegetable Programs. He can be reached at (202) 720-3209 or christopher.purdy@ams.usda.gov

Picture this: You are an importer of fine fresh produce and a container ship arrives in port with a variety of produce destined for your warehouse.

Can your quality control staff alone handle the sudden surge in inbound volume? How do you know the produce meets your specifications?

For these and other challenges, the produce industry turns to AMS's Fruit and Vegetable Programs for solutions. In collaboration with our clients and utilizing our nationwide network of trained and licensed Federal or Federal-State inspectors, we have developed the Quality Monitoring Program (QMP).

While each QMP is adapted to our clients needs, fundamentally Fruit and Vegetable Programs staff act as in-house inspectors for

our clients. Our staff perform unbiased, independent third-party evaluations of fresh and processed product to assure they meet U.S. grade standards and client specifications.

In the actual client example above, we serve as extra quality assurance staff to handle the immediate influx of produce when a ship docks and unloads. We review product samples submitted by clients to determine whether the delivery meets their customized specifications. If the product does not meet their specifications, clients can request an official inspection.

USDA assigns a grade or issues a certificate under the program only when an official inspection is requested.

By offering QMP and other services, we provide customized solutions that help our clients solve their unique supply chain marketing challenges.

For additional details about how QMP is working for our clients, please feel free to contact John Lund for processed fruits and vegetables at (202) 690-4938 john.lund@ams.usda.gov or Vinny Fusaro for fresh fruits and vegetables at (202) 720-0298 or vinny.fusaro@ams.usda.gov

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U.S. Grade Standards For the Produce Industry – Living Documents for Today’s Business

U.S. grade standards offer the produce industry a uniform language for describing the quality and condition of commodities in the marketplace. AMS developed the grades in partnership with industry members and works with industry when revisions are needed to assure the grades reflect modern business practices. To recommend developing or revising a U.S. grade standard, an industry member should contact AMS to discuss the most appropriate means of accomplishing its goals.

Currently there are more than 300 U.S. grade standards representing a variety of fresh and processed fruit, vegetable, and specialty products.

Copies of U.S. grade standards documents are available free on the Internet. Standards for processed produce can be accessed at www.ams.usda.gov/processedinspection, followed by clicking on “Find a Standard or CID” in the right hand column of the Web page. To access standards for fresh produce, go to www.ams.usda.gov/freshinspection and click on “U.S. Grade Standards” in the right hand column of the Web page.

Serving the produce industry since the early 1900s, the AMS Fruit and Vegetable Programs fee-for-service programs are delivered via a network of trained and experienced staff. Our clients include growers, shippers, brokers, receivers, distributors, processors, retailers, and restaurants, among others. Our services include:

Our services include:

- Audit-based programs
- International representation
- Commodity purchases
- Market News reports and information
- Establishment of U.S. Grade Standards
- Perishable Agricultural Commodities Act (PACA)
- Inspection and grading
- Self-help marketing programs
- Industry training
- Specialty Crop Block Grants

Additional information about AMS Fruit and Vegetable Programs can be found at www.ams.usda.gov/fv or by contacting Christopher Purdy at 202-720-3209 or christopher.purdy@ams.usda.gov

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