USDA

• Section 32 Purchases
History

- Section 32 of the Act of August 24, 1935 authorizes the Secretary of Agriculture to use these funds for commodity purchases, entitlement purchases and disaster assistance.
- Section 32 funds are an appropriation of annual U.S. customs receipts.
Purpose of USDA Section 32 Purchases

• Help alleviate markets experiencing an oversupply situation.
  – USDA justification is to purchase relatively inexpensive and nutritious fruits/vegetables in consumer-friendly form suitable for use in domestic food assistance programs, including charitable institutions.
• USDA is here to help but this is not a long-term solution
  – If there is constant over-supply, low prices are the way that the market is telling growers to produce less
How to Submit a Request for a Section 32 Purchase

• A representative of the industry submits a written request to USDA asking for a Section 32 purchase

• A written request can be as simple or as detailed as the industry prefers
  – However, the more information the industry is able to provide the better as this strengthens the case for why USDA should take action

• Please include in the request the dollar amount the industry would like the USDA to purchase
• Data Used for Analysis

• Production Levels
• Grower Prices
• Wholesale Prices
• Imports and Exports

• Data is typically compared to the previous year and to the three or five-year average when appropriate
• Data Sources

• National Agricultural Statistic Service
• Economic Research Service
• Global Agricultural Trade System
  – Foreign Agricultural Service

• Any information the industry can provide with the purchase request is greatly appreciated and can help justify USDA action