UNITED STATES DEPARTMENT OF AGRICULTURE

FRUIT AND VEGETABLE INDUSTRY ADVISORY COMMITTEE

MEETING

THURSDAY
MAY 9, 2019

The Advisory Committee met in the Fairfax Room of the Hyatt Regency Crystal City Hotel, 2799 Richmond Highway, Arlington, VA, at 8:30 a.m., Darrell Hughes, Designated Federal Official, and Chalmers R. Carr, III, Chair, presiding.

PRESENT
CHALMERS R. CARR, III, Chair
KILEY HARPER-LARSEN, Vice Chair
DAVID K. BELL
RICHARD E. BOWMAN
JOHN CHANDLER
TINA ELLOR
K.C. ELY
BRET ERICKSON
MOLLY GLEASON
JULIE L. GORDON
JEFF HUCKABY
MICHAEL JANIS
TOM LIPETZKY
PAUL PALMBY
KELLY POWELL-MCIVER
READE SIEVERT
STEVE SMITH
BRUCE TALBOTT  
GREG TISON  
DERRIN WHEELER  
TOMMY WILKINS  
CHARLES A. WINGARD  
DONN ZEA

STAFF PRESENT  
DARRELL HUGHES, Designated Federal Official  
GREG ASTILL, ERS, USDA  
PATTY BENNETT, AMS, USDA  
RICHARD BOYD, AMS, USDA  
JEFF DAVIS, AMS, USDA  
TRAVIS HUBBS, PACA, USDA  
SONIA JIMENEZ, Deputy Administrator, AMS  
KEN PETERSEN, AMS, USDA  
HEATHER PICHELMAN, AMS, USDA  
JUDY RUDMAN, AMS, USDA  
LEANNE SKELTON, AMS, USDA  
CHARLES STEPHENS, AMS, USDA  
BRUCE SUMMERS, Administrator, AMS, USDA

ALSO PRESENT  
GERALD BROMLEY, FDA  
JIM GORNY, FDA  
ROBERT GUENTHER, United Fresh Produce Association  
RICH HUDGINS, California Canning Peach Association  
JOY JOHANSON, FDA  
LAURA PHELPS, Watkinson Miller  
MAGGIE GENTILE, Apple Processors Association
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8:24 a.m.

MR. HUGHES: All right, good morning, everyone. My name is Darrell Hughes. I am the designated federal officer for the Fruit and Vegetable Industry Advisory Committee.

This is the first time the committee is meeting since a reauthorization in October 2018. So welcome and we're excited for you all to get started. Like I said you're crafting statements, recommendations and giving you USDA guidance.

Of the 24 members I believe 2 were on prior committees. And so because of that we're going to be holding -- actually there was no chair or vice chair that transitioned from the prior meeting so we're going to hold elections later today.

I'll be partially chairing the meeting today when we hold elections in the morning. The chair will take over with guidance because that person will not have known what we have on the
agenda so I'll walk through the agenda with that person. I'll let Sonia, deputy administrator of our specialty crops program.

An important note about my role as DFO, designated federal officer, I am here to support your objectives. This may be a bit cheeky, but it's really an honor to serve in this capacity and I'm excited to help do whatever I can to help the committee succeed.

That's really it. Oh yes, the briefing books. We created briefing books for each of you. The briefing book contains the presentations that you will hear later in the afternoon. And it has bios, a section about bios of each of the members.

When we hold elections if you want to read up really quick on your fellow representatives you can go to that section.

There's also an overview section, AMS overview section where our deputy administrator is going to be having -- going over presentation by agency.
Most importantly there's your standard code, the Standard Code of Parliamentary Procedure. I'm new to that. Sonia is not. So we'll all be using Robert's Rules of Order.

If anyone has not done that before, used Robert's Rules of Order, it's okay, I haven't either. And we'll just all work our way through it.

Right now it is 8:26 on May 9 and I'd like to call the Fruit and Vegetable Industry Advisory Committee to order.

Before we do roll call and introductions I think we're going to hear some quick remarks from our Agricultural Marketing Service Administrator Bruce Summers.

MR. SUMMERS: So, do we need to use the podium today? So good morning, everybody, and welcome to Washington, DC.

We are really excited to get this committee going again. We are really excited about the theme that's been put together making up this advisory committee.
We owe you a thanks as does everybody in the industry. Thank you for taking time away from your jobs, your companies, your families to travel. It probably won't just be these meetings. There will probably be some subcommittees set up so you'll probably have some work to do in between meetings. So we appreciate in advance the willingness to participate and the effort that you're going to put forward over the next couple of years on this.

The advisory committees in general and this one in particular are really important. Right now I'm the administrator of the Agricultural Marketing Service.

I started out in the PACA branch. It's a division now, it was a branch back then. I had the opportunity to be the branch chief for awhile.

And during my tenure as the branch chief with the PACA folks we worked with then the Fruit and Vegetable Industry Advisory Committee as it was then to work on some really important
things.

So we at that point were restructuring the division, setting up -- closing offices and looking at ways to save costs in anticipation of a really big fee increase that was coming.

Congress had changed the law in 1995. Retailers were no longer paying the license fees. There was a big gap that was going to have to be made up.

So first we wanted to make sure we'd done everything we could to reduce our costs and get ready for that. How were we going to set that program on a solid financial foundation going forward.

And we worked extensively with the advisory committee at that time to evaluate options and make recommendations to the Secretary.

And as a result we went from five offices to three based on a recommendation from the advisory committee. We also put a fee proposal out that went for comments again at the
recommendation of the advisory committee. Went through six comments, only one opposed. And that foundation, that financial foundation for that PACA program is still in place and the program is really solid financially.

You'll hear from Judy Rudman who's now the director of that division. But I just use that as my example of working with that committee back in the day. A really big deal and it has carried forward for what now has been 10 years as time goes by.

So what you do and what you recommend and your input as we have initiatives and things like that, it's really important we listen to it and we act on it. And so again thank you.

I thought it might be kind of interesting sometimes -- the Agricultural Marketing Service is kind of a big diverse agency and so I thought it might give you some context about what AMS does beyond the fruit and vegetable area.
The biggest part of AMS is gradings. So every product in the United States that carries any kind of USDA grade shield or label is graded by an AMS employee. That wasn't the case two years ago, but Secretary Perdue came in and he added the Federal Grain Inspection Service to AMS and when he did that every single grader at USDA is an AMS employee.

Almost all of the grading is voluntary. It's user fee funded and with the exception of a few areas it's voluntary.

We have 4,500 employees in AMS, 2,900 of them are graders. We also use several thousand state employees to do federal inspections. So the grading activities in AMS if you want to think about prime choice select meats, grade A eggs and butter, cheese, U.S. number one potatoes, all the grain that's exported out of the United States has to be inspected. That's all done by AMS. It's a really huge endeavor for us.

The other part, USDA Market News.
You're probably familiar with the Fruit and Vegetable Market News, but of course USDA Market News encompassing all the commodities including things like cotton.

We issue over 700 reports a day in Market News. And you tally that up over the course of 52 weeks, that's almost 200,000 Market News reports that AMS issues in the course of a year.

All of that is basically information collected in the morning and reported in the afternoon. A huge endeavor for us.

It makes the AMS website where we release market news data is the most often clicked website in USDA because that market news information is being accessed so often.

We also have the checkoff program. So if you think about the Incredible Edible Eggs, Got Milk, Beef it's What's for Dinner, we oversee all those checkoff programs. So there are 22 checkoff programs. The biggest happen to be dairy and beef and pork and things like that.
But most of the checkoff programs are for fruits and vegetables. So out of the 22 the majority are fruits and vegetables.

If you had to guess the assessments that we collect every year to run those checkoff programs, almost $1 billion a year. So we're overseeing $1 billion in research and promotion activities. Again those are run by boards similar to advisory committee, but they're run by boards.

But we -- AMS's role is to make sure those checkoff programs stay within the boundaries of the law. So that's about $1 billion in activity that we're overseeing there.

Probably two years ago you might have been surprised to know that AMS also buys a lot of food, although the trade mitigation stuff that's happened over the last several months has kind of highlighted that.

AMS buys a lot of food. We work with the Food Nutrition Service to purchase food for school lunch and other federal community
nutrition programs. About 20 percent of the food
that is eaten in the school program is purchased
by AMS. The other 80 percent is purchased
locally.

That's a $2 billion a year endeavor.

This year we have an extra $1.2 billion that
we're purchasing in food for the -- to mitigate
the impacts of the trade tariff situation. We
thought that might get resolved this month and
now it's not looking so good.

So we're buying an extra $1.2 billion.

All of that food is going to food banks and kind
of maybe importantly to this group we are buying
a lot of fresh product for the first time. So
we're buying grapes, fresh grapes, we're buying
plums, we're buying apples.

MS. JIMENEZ: Pears.

MR. SUMMERS: Yes. So a lot of
products. We also continue to buy frozen
product. We just went out with a buy on frozen
apricots out in California and dried -- that's
right, and some plums or prunes.
So we buy a lot of food and distribute that all over the country. We also purchase food for the Agency for International Development so we're buying a lot of grain and things like that that are going overseas. So that's another big endeavor for AMS that not a lot of people know about.

The other thing we do is grants. We issue a lot of grants. We have a series of grant programs.

The biggest is the Specialty Crop Block Grant Program. That's a program where we work with states like my friend from Colorado to -- those grants are basically to help enhance the marketing of fruits and vegetables. So that's $80 million roughly a year.

We have well over $100 million in grants that we issue every year for a wide variety of marketing programs.

So that's kind of what we do every day. Recently we've been tapped on a couple of other special projects that have been kind of
interesting to work on.

Last year we finalized the bioengineered food disclosure. Some people might call it the GMO labeling. That landed in AMS.

We were excited to see that. It wasn't controversial at all.

We got that out and done at the end of the year, and then Congress passed the Farm Bill and they included in there a program for the production of hemp. That landed in AMS. That's what Sonia and I work on most of the time right now.

We are putting together the regulations for production of hemp in the United States. Again, not a real controversial.

So anyway, AMS has a wide, wide scope.

I just wanted to kind of give you an example of kind of where the fruit and vegetable side of the house fits in there.

You might want to know that the biggest program in AMS, we have 10 different program areas. Sonia runs the Specialty Crop
Program area. That's the biggest program in AMS. So bigger than what we're doing for livestock and poultry, bigger than what we're doing for cotton. The Specialty Crop Program is the biggest in AMS. So just a little context for you.

Advisory committees. So we work with four advisory committees at AMS. The biggest and most exciting is not necessarily where you want to be.

The biggest and most exciting is the National Organic Standards Board. If this was the National Organic Standards Board there would be 300 people sitting in the audience watching you all as you work. There might be protests outside going on while you were in here working as the advisory committee. This is a nice atmosphere.

The advisory committee for the National Organic Standards Board is robust. The industry is very involved and passionate about some issues and so that's one of the ones we work with.
We also have an advisory committee for grain inspection and then we have one for -- the Plant Variety Protection Board. The Plant Variety Protection Board is similar to if you think about patenting an invention.

So plant breeders create a new variety, develop a new variety. They come into the Plant Variety Protection Board and we basically give them the equivalent of a patent for their new variety for 20 years so that they can market it and protect it.

And then the fourth one of course is the Fruit and Vegetable Industry Advisory Committee.

MS. JIMENEZ: The best.

MR. SUMMERS: Sonia says the best. And it may very well be. Hopefully we won't have protesters outside at the next meeting.

A couple of things to watch for. And I know Judy Rudman who runs the PACA who will be here shortly, but we're going to roll out and make announcement today. And I'm not going to
steal her thunder, but a couple of things I'm
just going to highlight.

We're going to roll out a new
enhancement to our electronic system. It's going
to make it easier for the produce industry to do
business with PACA. She will roll that out.

Right around the corner we're going to
roll out early next month a new, we call it a
data visualization project.

So we have a lot of data in our
transportation and marketing program about
freight. So truck, rail, barge. Tons and tons
of data over the years. It's been hard to
access.

And so we have developed a new program
where it's going to make it much easier for
people to go out, sort these tremendous amounts
of data and put it in a format that they can use
as they're doing their research and making
marketing decisions. So we'll roll that out
shortly.

And then later this fall, and this is
another one of Sonia's projects along with hemp, later this fall we are going to roll out a new portal for you all on the Fruit and Vegetable Market News.

So three pretty big IT initiatives coming your way here just in the next six months, seven months.

The market news piece is already done for dairy. It's done for cotton. We're working on livestock and the fruit and vegetable piece will be last but not least. So lots going on.

We want to hear from you all. As we come to you all as you meet we'll put some initiatives in front of you that we've identified and ask for your opinions and recommendations.

But we'd also love to hear from you all what are the priorities, what are the things going on in the industry that maybe the folks back here in Washington, DC haven't heard about, or haven't prioritized enough. And that's what we really need to hear from you about.

We are excited that you're here. We
have been working on this for months and it's
nice that the day is here. I think it's a great
group that's been put together.

    Again, I want to congratulate you.
It's not easy to get appointed to these boards.
I will tell you that Sonny Perdue scrutinizes and
I won't say agonizes, but he might agonize Sonia.
But really, it is -- I don't want to undersell
how big a deal it is that the Secretary has
appointed you to this board.

    He takes these very seriously. He
wants to hear from you. The recommendations you
make will go to him. And we will respond to them
and act on them.

    So again, thank you very much. I'm
going to give Sonia back her time.

    I can't stick around because I've got
to go to a meeting with the Secretary's office on
hemp at 9:45. So I appreciate you guys adjusting
the schedule and letting me talk for a few
minutes. I really wanted to just say hello and
say thank you. And I'm looking forward to seeing
what you all come up with.

    I think we have a little bit of time.

Are there any questions, any comments before I cut out, anything I can answer for you all, wondering what's going on DC? Nothing going on.

    All right, well thank you very much.

    Really appreciate it.

    MS. JIMENEZ: Thank you, Bruce. Well, I wanted to welcome you also. I think I introduced myself to some of you, not all of you, so I'll take a break to introduce myself one on one at the break.

    But I really appreciate -- thank you, Bruce, for coming over and take care of my hemp meeting.

    MR. SUMMERS: I will. I'll try not to embarrass you.

    MS. JIMENEZ: You never do. So welcome.

    I want to stress again that it is a big deal that you are sitting here. We received over -- I can't remember, but it was way over 100
nominations and the Secretary went through them and picked you. So it's a big deal.

I'm also very excited because we had to postpone this meeting once and I was so disappointed that we were almost there and had to postpone it. But finally the day is here so I'm very excited about that.

What I would like to do right now is I'm sure some of you had the opportunity to introduce yourselves to the rest of the members. Maybe not everybody knows everybody. So I would like to go around the table and give you the opportunity to say your name, your company, your state, any other brief remarks that you want to say today.

And then afterwards we're going to go around the room and introduce all the guests that we have here. Will that work? Perfect. Let's start over there. So we can just go around the table.

MR. BELL: Good morning. David Bell with Cherryfield Foods, Maine Wild Blueberry
Company from Maine, down east Maine.

We are a grower and processor of wild blueberries, primarily IQF frozen, but we do some other value-added products.

For decades we've been exporting around the world, starting off in Japan and Europe and expanding from there.

MR. BOWMAN: Richard Bowman. I'm the VP of farming and growing development for J&J Family of Farms. We're located in Loxahatchee, Florida which is southeast. I'm also a grower for them.

We have grower relationships from Mexico to Canada and mainly serve the east coast. We have a little bit of distribution out west.

MR. CARR: Good morning, Chalmers Carr. I'm the owner of Titan Farms in Ridge Spring, South Carolina.

We're a grower of fresh peaches, broccoli and bell pepper, and then we also got in the processing form about three years ago.

MR. CHANDLER: I'm John Chandler from
Chandler Farms out of Selma, California, just outside of Fresno.

We grow a variety of crops, peaches, plums, citrus. We do some almonds, raisins, wine. So all the good California crops.

MS. ELLOR: Tina Ellor, Phillips Mushroom Farms. We grow a variety of mushrooms, white button, crimini, portabella, maitake, shiitake, all the specialties.

I served on the Organic Standards Board and it's a tough gig. This one is way more pleasant and also I did serve on this one before and it's a wonderful opportunity to work within the programs at AMS and figure out how they can work better for us. And also just to get our issues directly to the Secretary.

So I'm really proud to be here and glad to see you all.

MR. ELY: K.C. Ely with FreshPoint. We're a fresh fruit and vegetable distributorship. Thank you for letting me be here.
MR. ERICKSON: Bret Erickson, senior vice president for business affairs for J&D Produce. We are a grower, packer, shipper based in McAllen, Edinburg, Texas area, down in the Rio Grande Valley.

We deal in fresh greens, melons and sweet onions. We farm about 6,000 acres in Texas. We also have growing and packing operations in New Mexico, Georgia, New Jersey, Peru and Mexico.

MS. GLEASON: Molly Gleason. I'm with Illinois Stewardship Alliance. We are a statewide non-profit organization. We work mostly on policy organizing and advocacy for fruit and vegetable growers and some larger grain growers in Illinois as well.

So we did pass industrial hemp last year in Illinois right before the federal Farm Bill came through so really happy about that.

I grew up on a corn and soybean farm, but I work mostly with fruit and vegetable growers right now.
MS. GORDON: Hi, I'm Julie Gordon and I'm with the Cherry Marketing Institute. We do research and promotion for tart cherry growers, U.S. tart cherry growers. And I handle the finance and export program for them.

MS. HARPER-LARSEN: Good morning, my name is Kiley Harper-Larsen. I'm the owner and operator of NK Lago Farms and the Ag Safety Lady. We have a boutique plantain and banana operation. It also is in the nursery business. And my farm is one of the premier produce consulting farms that specializes in food, environmental, workplace and crisis management for all of you.

MR. HUCKABY: Good morning. My name's Jeff Huckaby. I'm the president and CEO of Grimmway Farms. We're located in California, but we farm in seven different states. It's a family farm, but pretty large. We do about 85,000 acres of row crops and 40,000 of it is organic that we do ourselves. We do about 65 different items and happy to be here.
MR. JANIS: Good morning, I'm Michael Janis. I'm the general manager of the San Francisco Wholesale Produce Market.

We provide critical food infrastructure for our 28 wholesalers that have been operating in San Francisco from well beyond 1963. And along with Bruce and Tina we're fortunate to be back again. So really honored to be back around this table. Thank you.

MS. JIMENEZ: Great. I think you know who I am. I'm Sonia Jimenez. I'm the deputy administrator for Specialty Crops.

I've been in that position for a couple of years. But I tell everybody when I came back to Specialty Crops that that was home because that's where I started and where I have spent most of my career.

So I told Bruce when he asked me to move to Specialty Crops, I said absolutely. I love that industry. I'm coming back. I'm glad to be here.

MR. HUGHES: I don't know who I am --
no, I'm kidding. Darrell Hughes.

I've been with the USDA since July of 2015. I joined the AMS Specialty Crops Program at the top of this year. And it has been very exciting working for Sonia and Charles Stephens who's over there in the corner in the gray suit.

I'm originally from Detroit, Michigan. So go green, go white. I've been in DC about 15 years or something like that. Started off as a business writer and went into communications, did some nuclear crisis work and a whole bunch of other stuff. So that's my quick background.

MR. LIPETZKY: Good morning, I'm Tom Lipetzky with the Colorado Department of Agriculture. I head up our Markets Division which covers everything from size and grade inspection to working with our statewide marketing program Colorado Proud.

One of the things that we also do is we're really a partner with AMS in delivery of a lot of the programs that Bruce talked about. Some of the size and grade inspections, specialty
crops, working with some of the market order type
programs. It's really an honor to be here to
work with the committee today.

MR. ZEA: Good morning, Donn Zea. I'm
executive director of the California Dried Plum
Board. We're a state marketing order in
California.

Represent about 800 growers, 28
packers of California prunes. Premium market
around the world.

We export about half of what we grow
every year and the rest stays here in the U.S.
Also ingredients, concentrated juice and a number
of other things.

And we're involved in marketing,
promotion, nutrition research, crop science,
sustainability, issues management.

MR. WINGARD: Good morning, I'm
Charles Wingard from South Carolina. I'm part of
a family fresh vegetable operation, primarily
leafy greens, about 12 or 15 products total.

We're a grower, packer, shipper,
processor and on the farm processing plant. I have operations in four states and grower relations in a few more.

Glad to be here and look forward to working with everybody for our industry.

MR. WILKINS: My name's Tommy Wilkins. I'm the director of business development for Grow Farms Texas in McAllen, Texas.

Forty-fourth year in this business. I followed my father into this business. Roughly half of my time has been at retail and the other half has been on the growing side.

Really feel like I've got a chance to maybe revitalize Texas and the growing industry and identify its place on the Tex-Mex Corridor as we see significant, more and more product coming out of Mexico through our borders down there.

I have such a passion for this business and I just feel humbled to be able to maybe give something back for all it's given to me. Proud to be here.

Wheeler. I work for Michigan Blueberry Growers which is a blueberry marketing cooperative out of Grand Junction, Michigan.

We market blueberries and blackberries in 13 states including British Columbia. We represent about 300 growers. We market under the Naturipe Farms label.

We're also about 75 percent fresh and about 25 percent IQF.

MR. TISON: I'm Greg Tison. I'm general manager of the Jacksonville Farmer's Market. We're located in north Florida. Some of us call it south Georgia.

It's a wholesale retail operation that we run.

MR. TALBOTT: I'm Bruce Talbott. Like we mentioned I have had the opportunity to come back for another round. It was a lot of fun before and I look forward to it now.

We grow -- we're out of Colorado. We're a grower, shipper, packer of peaches and wine grapes and a few other things. And then we
process sweet cider and more recently hard cider
and we got into wine as well.

MR. SMITH: Good morning. I'm Steve
Smith, senior direct of agriculture for Red Gold.
We're a tomato processor in Indiana.

If you haven't seen our branded
product buy any canned tomato it's very likely
that we had something to do with it, particularly
ketchup. We do 95 percent of all the ketchup
that's not Heinz or Hunt's. So if you're buying
anything we probably had something to do with
that.

Glad to be here. I think it was my
fourth attempt to get on the committee so I'm
glad to finally make it.

MR. SIEVERT: Hi, I'm Reade Sievert.
I'm vice president of produce for Associated
Wholesale Grocers. We're the largest member-
owned coop in the U.S. We service about 3,800
stores in 38 states. Full on distributor, take
care of everything a member would need from site
development to all the product that goes in and
out of the stores.

   Basically from dirt to key we turn it

over, have the marketing behind everything.

MS. POWELL-MCIVER: Good morning,

Kelly Powell-McIver representing the North
Carolina Sweet Potato Commission.

     We have approximately 400 growers,
packers, shippers. We have a lot of industry
that we represent, everything from policy,
research for any type of practice management,
variety management as well as marketing, both
domestically and internationally.

MR. PALMBY: Good morning. My name's
Paul Palmby. I'm executive vice president, chief
operating officer at Seneca Foods Corporation.

We're the largest vegetable processor in the
country. If you eat canned vegetables, Libby's,
Green Giant or private label we probably had a
hand in it. We produce over 50 percent of the
vegetables sold in the country.

     I'm also delighted to be here. I've
been here twice before in '02 and '04 and was
part of the PACA discussions which I think Bruce characterized very well. It was an interactive feel and I really look forward to seeing what we accomplish this time.

MS. JIMENEZ: Thank you. We're going to start -- oh, that's Heather.

MS. PICHELMAN: Hi, good morning. My name is Heather Pichelman and I'm the director of the Promotion and Economics Division within the Specialty Crops Program.

My division oversees 13 of the 22 research and promotion programs. In addition, my economists also help with the economic analysis for procurement purchases including Section 32 purchases.

MR. BROMLEY: Hi, I'm Gerald Bromley with the Food and Drug Administration Office of Regulatory Affairs. I'm the director of the Division of Domestic Human and Animal Food Operation.

My umbrella covers the ORA Produce Safety Network that works out in the field. And
I also cover all the other domestic stuff except for dairy and shellfish.

MR. HUDGINS: Good morning, I'm Rich Hudgins, president and CEO of the California Canning Peach Association.

We're a grower-owned marketing cooperative representing approximately 80 percent of the peaches grown in California for processing use.

You'll hear more from me later during the public comment section of the meeting.

MS. PHELPS: I'm Laura Phelps. I work at Watkinson Miller and represent the American Mushroom Institute. And I'm here today to have Tina Ellor's back.

MR. BOYD: Good morning, everyone. I'm Richard Boyd, acting director of our Specialty Crops Inspection Division, part of the Specialty Crops Program.

We provide grading services, inspection services and audit services. And you'll hear later this afternoon from Ken.
Petersen, our chief of Audit Services Branch on an update on our audit programs.

Mr. Davis: My name is Jeffrey Davis.

I run the business development office here with the Specialty Crops Program.

Many of you -- I see smiling faces from the time I was with PACA as well as working in concert with the National Association of Produce Market Managers.

Basically my primary roles are webinar and outreach activities. If you see any of our webinar emails -- first, I apologize if you don't like them. But also our industry newsletter that goes out basically every other month.

By the way, for those of you that have coffee that doesn't taste good I promise you it's my fault. I never know how to make coffee.

Mr. Purvis: Carl Purvis with the AMS Public Affairs Office and I support the Specialty Crop Program.

Ms. Skelton: Good morning, I'm Leanne Skelton. I work on Sonia's staff at Specialty
Crop Program area.

I'm the liaison from the USDA Specialty Crop Program area for the Food and Drug Administration mostly regarding produce safety rule kind of things. And you'll hear me yammer later this afternoon.

I had nothing to do with the coffee per se. The cream, for those of you who wanted milk or cream, needs to go that way.

(Laughter.)

MR. STEPHENS: Good morning. I'm Charles Stephens. I'm the associate deputy administrator in the Specialty Crops Program. So I assist Sonia on anything that we need to do with the program.

I just want to welcome you all here. I'm very glad to see everyone. And I echo everyone else in saying congratulations on your appointment. I look forward to getting to know all of you over the next two days. Thank you.

MS. BENNETT: My name is Patty Bennett. I'm the director for the Marketing
Order and Agreement Division so I kind of mirror
Heather's group.

My staff takes care of 27 commodities
throughout the United States. And in addition to
that we are also supporting Charles and Sonia
with the initiative -- the regulations together
and we'll get the program started.

MR. LONG: Good morning, I'm Terry
Long. I'm the director of Specialty Crop Market
News, the eyes and ears of American agriculture.

You heard Mr. Summers talk about some
of the new things we're doing relative to putting
data in your hands in the way that you have asked
us, the portals that allow you to go through
large blocks of data maybe from the time we
started recording markets in 1950.

So we're going to put data in your
hands. Mr. Summers did a nice job of summarizing
that.

MS. JIMENEZ: I think that's it. All
right, great. Welcome, everybody. I see some
familiar faces. Greg, welcome.
And I'm going to go over -- well, first of all, did everybody get their coffee? I apologize we didn't have the coffee outside, but I promise for the break there will be coffee outside.

The other thing I wanted to also note is if you do not receive our newsletter, and thank you, Jeff, for mentioning that please sign up for it because we put out a newsletter with the latest and greatest things that we're doing or things that are happening in the industry.

So if you're interested in getting that please let us know if you're not getting it. Give Jeff your email address and believe me, you will get it. He makes sure that everybody that wants it and some that don't get it. So please give us that information.

I'm going to go really quick through a presentation. I can tell you that Bruce stole some of my thunder because some of the things that he mentioned I have in my presentation. But I'll probably just go through it a little bit
quicker and then I'll ask for more questions and answers.

This is in your binders, that presentation, under the AMS Overview tab, what I'm going to talk about.

But you also have some organizational charts that I'm going to mention. Most of this, the organizational charts and so forth are probably not new to you, but I wanted to make sure that everybody is familiar where we sit within the department because I think it's important once you start making recommendations and thinking about things that we can do for you that you keep in mind what's the scope of USDA work and where things may fall within USDA. So I thought it would be good to do a little quick overview of that.

And I apologize up front that today's meeting is very administrative in nature because it's our first meeting. So I want to get into real business real quick. And I know you too. But we have to go through certain administrative
matters first so I apologize for that, but it's part of being in a committee that hasn't met for two years. So I'll try to go through it as quickly as I can.

First of all, I'm going to refer you to the USDA organizational chart. And the reason I'm doing that is because I want you to see where we fall within USDA.

If you go to the last side of that org chart, the bottom line, the second from the left is the under secretary for marketing and regulatory programs.

And under that there are two agencies. There's APHIS, you're probably familiar with APHIS, and us.

So APHIS and AMS are the two agencies that make up the marketing and regulatory programs. And that's where Mr. Ibach is. You probably met him last night when he came to the reception.

Excuse me, I also apologize I have a cold and I'm trying to get rid of this cough.
Within AMS, the second org chart, and you have this for later if you want to study it a little bit more.

Within AMS you see the Office of the Administrator which is Bruce Summers. He just introduced himself and spoke to you.

And we have 12 program areas. AMS unlike some other programs in -- agencies in USDA, we are divided by commodity. We think that's the best way to do it, to have everybody that deals with cotton in one place, everybody that deals with fruits and vegetables in one place and so forth.

So I don't know if you're aware that last year we combined with what used to be GIPSA and now we have -- GIPSA is no longer. They're part of AMS. So we took over some of the -- well, all of their programs and they're all into AMS.

So AMS got a little bigger and I think more efficient. It made a lot of sense to have those programs in AMS because we served pretty
much the same customers and so it made a lot of sense.

Within Specialty Crops we would see that then -- this is my world here. We have four divisions and I think Bruce talked a little bit about each one of them.

We have the market news. We have the marketing orders. We have the research and promotion and economic division and the inspection of course and auditing division.

So we also have Leanne, she introduced herself, that is our liaison with FDA for food safety matters.

So that just gives you a little bit of where we are within the organization. You have copies of those for your nighttime reading when you can't sleep.

So anyway, I'm going to go through this like I said really quickly because Bruce talked a lot about it.

We have within AMS like we said a lot of programs. And we work together a lot.
For example, the commodity procurement which a lot of you are familiar because your industries participate in those programs.

We are in constant communication with them because Heather's group does the economic analysis for the purchase of commodities. And also anything that they buy they consult with us because we have the pulse on the industry or we should, as much as we can, on what makes sense.

Sometimes we work with the boards and ask what makes sense in terms of a buy. So we work very closely with the commodity procurement, especially during this mitigation phase that we just finished I guess part 2. We're going into the third quarter.

We've been working with them very, very, very closely in trying to make sure that we meet the requirements of the program but we also most important meet the requirements of the industry and can be as helpful as possible with the industry. We sometimes apply for a little bit of money from the other programs. Just to
make sure that fruits and vegetables get their fair share of the monies available.

We also have the cotton program. Cotton has a very similar program to ours as dairy and the livestock programs. We would call it the Four Amigos instead of three because the four programs have very similar work within our program, the market news, the marketing orders, the R&P programs, marketing orders and so forth. So we're very similar. The inspection is very similar.

Then we have the federal grain inspection. I'm going to say that's one that came from GIPSA, that's one of the programs that came from GIPSA. But they also have a lot of the inspection which is very similar in that regard to the inspection work that we do.

Science and technology is our scientists. They have labs. They test. They put out all kinds of good information out there.

But we work closely together with them as well. In some of the requirements for
marketing orders when there's testing that needs
to happen sometimes it goes to their labs or labs
that they approve for those inspections.

We're closely working with them right
now with the hemp program. I don't know how much
you know about the hemp program, but we have to
set aside probably more than you want to.

We have to set some standards in terms
of sampling and testing for the product. And
we're working very closely with our science and
technology program because they're the
scientists.

I'm like I don't know anything about
sampling or testing, but I know where to go. So
that is a service that is available to us when
any of our programs need help in that area.

And the transportation and marketing.
That's where the grants programs are. So we also
work very closely with them when they get
requirements -- I mean, grant applications.
Sometimes they run things by us, does this make
sense and things like that. And we want to make
sure they understand what the needs are from the
industry standpoint.

We also have what Bruce mentioned, the
PACA.  PACA is under the fair trade practices.
And that's a very important thing.  It hurts me
deeply that PACA used to be part of fruits and
vegetables, or I should say Specialty Crops
Program.  I'm from the old group that we used to
be fruits and vegetable program but we're
Specialty Crops now.

PACA used to be part of us and with
the reorganization when we took over the GIPSA
programs it was decided that they fit better in
fair trade practices program.  So they're there.

But I just -- it hurts me that we lost
PACA from the Specialty Crops.  But we work
really closely with Judy and her team.  And
you'll hear from her later today.  Because it
makes sense.  I mean, they're servicing you, our
fruit and vegetable industry.  So she's only down
the hall like three or four doors down from me so
we usually see each other in the hallway or just
run into each other's offices and talk about things.

So I'm glad to say that even though they went to fair trade practices we still have the same relationship. They're also helping us right now with some of the requirements on the what -- hemp program for licensing because of course they do licensing. Who better to guide us on licensing than PACA.

So I have to say the work that AMS does, we're not separate programs. We always work together. And that's a great thing.

I did work for some time in FAS. It was a great agency. But my heart was always in AMS because it's just a great program and of course the specialty crop industry.

You do have a little handout. I'm not going to go through it, that explains a little bit about each one of those programs, the organic program. Oh, I forgot to talk about the National Organic Program.

It has a little blurb about each one
of those programs. And it also talks a little bit about our market news because it's kind of important to us.

But in Specialty Crops like I said we have four divisions. You're probably very familiar with the inspection and auditing. I call that's our bread and butter. It's a user fee program for the most part except for the standardization. It's probably what you see the most out there in addition to the market news folks.

Those are our people that are in the field working with you, working with the industry to make sure that when a tomato says it's a tomato is a tomato is a tomato and it is what it's supposed to be. I say tomatoes because we're working with Commerce right now on the back and forth on the agreement with Mexico. So that's in my mind.

But anyway, our inspection services. That is a user fee program as you know. Most of AMS is actually -- about 70-75 percent of AMS is
user fee. So that's -- people just get a little surprised. You have an agency that 70-75 percent of the money comes from services that we provide, is not appropriated. So that gave us a great advantage -- I'm going to talk a little bit about that -- during the shutdown because most of AMS was working. We pride ourselves that our customers for the most part did not see a stop in services. We were still providing market news information. We were still inspecting. We were doing most of the things that we do. In Specialty Crops we actually were at 90 percent. So most of Specialty Crops Program is user fee.

A segue to that, one thing that Charles did not tell you is that he used to be the AMS budget officer. So I'm very proud to have the budget guy with us. That's what I call him, the budget guy.

And we look at numbers very closely all the time because we want to make sure that we provide a good valuable service to you at the lowest cost possible while still recovering our
cost because we don't get any extra money for it.

Specialty Crops also has the market news like I said. You probably know them as well, especially at the markets where they on a daily basis put out a lot of information.

I'm very proud to say that we also can't wait to have the specialty crops part of the market news system out.

Bruce mentioned that cotton and dairy are out already, and that parts of livestock is being put out as we speak.

Unfortunately specialty crops is last, but we are the biggest so I think that's going to make the most impact.

I know that there's a lot of work being done right now behind the scenes. My staff is working on getting that system up and running.

So I'm very excited. Sometime next year we're going to start rolling out some of the new My Market News.

I know that you're familiar with the portal right now, or some of you are that
includes the market news information, but this
new system should provide a lot more
possibilities for you as a customer. So I'm
excited that specialty crops is coming up.

The market notice and agreements of
course and the R&P programs. I kind of put them
all together. They're similar but they're
different kind of thing.

You're probably familiar with some of
those programs. We have some sitting on the
board. So we're very proud of those programs as
well. They fit some of the needs of the
industry.

The marketing orders mainly on some of
the volume controls and quality controls and the
R&P's mostly on the promotional part of it. And
we have some that have a little mix of both. And
also our economic analysis like I mentioned
before.

Our audit are under the inspection
part. And you probably have heard -- if you do
receive our newsletter you have heard about it
because we've been announcing a lot about our new GFSI certification last year which we're very proud. Petersen is going to be here, Ken is going to be here this afternoon.

He works really hard to get the certification. And some of you were instrumental in that as well so I appreciate that. I think it's a good service that we're going to be able to provide -- we're already providing to the industry.

And he's going to give you some ideas on some things that we're doing with that to try to alleviate the cost of those audits. But he'll talk about that this afternoon. I don't want to steal his thunder like Bruce did to me.

Anyway, you also have the last page there has contacts for every single one of our divisions. I want you to keep this page because if you ever have any problems of course you can call me. I'm there every day. I'm available anytime. I try to return emails the same day or phone calls. And of course Charles is there as
well and we have Darrell now is your designated federal officer.

But if you have any other issues I want you to have our director's name, number, email because we are here -- we pride ourselves in AMS of being a customer service organization. And as a user fee we have to be too. We're here -- most of our workers are voluntary so we want to make sure that we run this more like a business than anything else. So please don't hesitate to contact us.

I also included here Leanne Skelton as our FDA liaison because I know a lot of you sometimes have questions on that -- in that area. And she's always available as well to try to help. So keep that page handy anywhere you need to have it. But I want to make sure that you have all our contact information.

With that I want to open it for some questions and comments.

MR. HUGHES: So real quick. This is Darrell Hughes speaking. For Q&A remember to
always state your first and last name so that the audio picks up exactly who's speaking.

MS. JIMENEZ: Yes.

MR. ZEA: Donn Zea. Can you explain a little more the difference between the commodity procurement and international procurement, how the budget is allocated between the two?

MS. JIMENEZ: The international procurement. You got me on that one.

MR. ZEA: I'd never heard it before, so.

MS. JIMENEZ: Yes. That is a little part that came from FSA I believe it was. It was in FSA. And they buy mostly for military and there's one other one. You know a little bit about that.

MR. STEPHENS: Yes. The international --

MR. HUGHES: That's Charles Stephens.

MR. STEPHENS: Charles Stephens. The international side comes from crop service
agencies, the Commodity Credit Corporation budget, CCC. And it's used for military. And it's also some feeding programs that we have on the international side.

They primarily buy for that purpose. Where the Section 32 trade mitigation is 100 percent domestic purchases.

MR. ZEA: Okay.

MS. JIMENEZ: So the budgets are separate.

MR. ZEA: They are.

MS. JIMENEZ: It's good to have my budget officer.

MR. ZEA: Okay. So for those customers they can cite from both international sources of U.S. product and from domestic sources?

MR. STEPHENS: Correct.

(Simultaneous speaking)

MR. STEPHENS: Yes, because when you're dealing with DoD especially you're in all the parts of the globe where a lot of times
domestic is just not possible to get there. So they have the ability to tap into other markets.

MR. ZEA: Okay, good. Thank you.

MS. JIMENEZ: I think I have the priority of USDA product, but sometimes it's not feasible or possible to do that. They're separate budgets. The Section 32 is much larger than the international.

Any other questions? Comments?

MR. HUGHES: All right. Darrell Hughes back speaking. It looks like we're trending a good hour and maybe 10 minutes ahead. So the next two agenda items is going to be me going over the committee leadership overview with you and then a break.

But I think that based on time we may go from committee overview and then get into leadership voting and potentially the results or postpone the results until after we have a 15-minute break. So just to let everyone know we may adjust the agenda flow based on us trending ahead of time.
So, we're moving on to providing a committee overview of leadership.

Actually, the first thing we should do before I get into talking about the chair, vice chair, secretary and how the committees should function we should adopt the policies and procedures manual that was shared ahead of time.

And so if everyone has already reviewed the manual is there a member that would like to move that we adopt the policies and procedures manual?

MS. HARPER-LARSEN: This is Kiley Harper-Larsen. I make a motion we move to approve the policies and procedures manual as provided to us prior to the meeting in email and also in printed version in our notebook.

MR. HUGHES: Is there a second?

MR. WILKINS: Tommy Wilkins, second.

MR. HUGHES: It has been moved and seconded. Using general percentage is there any objection? If no objection the motion is carried. Policies and procedures manual is
adopted as of May 9, 2019.

So, overview of leadership positions and duties. So the chair is essentially responsible for assuring the integrity of the committee process which includes making sure your meetings are effective, making sure the committee adheres to their own rules.

The chair may delegate tasks to other committee members which includes the vice chair and secretary. The vice chair will act in the absence of the chair and the secretary will work with the chair, the vice chair and yours truly, the designated federal officer unless I'm replaced by someone unknown.

And that secretary will work with all of us to assist in maintaining the integrity of all the committee documents. So if there's research reports that are requested we make sure that it's shifted right, or if we have to maintain minutes we all keep the correct version and so on and so forth.

Page 7 of the policy manual outlines
specific tasks that's associated with the chair. So keep in mind that the chair can divide those tasks among the vice chair, secretary, any other members that is part of the committee.

And so that structure allows you all to decide how you want to operate which is great.

So with that -- well, actually, no we're not going to move to recess. We're just going to skip. We're just going to go directly into voting. Yes, nominations.

And so I'm going to now turn it back over to Sonia so that we can talk about the voting process.

MS. JIMENEZ: So, I don't know if you had the chance to also read what was submitted to you in terms of the duties and responsibilities of the three positions we're going to be needing today, but they're in your book if you need to take a look at them real quick.

We're going to be filling three seats, the chair, vice chair and secretary. Those like Darrell said would work with Darrell to work with
the rest of the committee and subcommittees as well.

So, we're going to vote for each seat at once. So we'll get the chair first, we'll get a vote, and then we'll go to the vice chair and vote, and then we're going to go to the secretary and vote.

After all the votes are counted we would announce who the new chair, vice chair, secretary are. And then the chair and the vice chair and secretary would take over the meeting. Yay. It's all yours.

So, we can have as many names as you want to submit forward for each position. It could be one, it could be five, it could be seven. But of course the more numbers, the more difficult it is to pick one because then the votes would be distributed among more people. But it is up to you.

To help we printed your bios in the binders. And we're going to start with the chair, right? Is there anyone who would like to
serve as chair or anyone that wants to nominate a person for chair?

            MR. PALMBY:  Paul Palmby.  I'd like to nominate Chalmers Carr of Titan Farms for chair.

            MS. JIMENEZ:  Okay.  Is there any other -- oh, I have to say we will have a ballot and then we'll collect all the ballots and count.

            Anyone else that would like to be nominated or wants to nominate someone as chair?

            MR. JANIS:  I move Tina for chair.

            MR. HUGHES:  Your name for the record?

            MR. JANIS:  Michael Janis, I apologize.

            MR. HUGHES:  Can you state who you nominate?

            MR. JANIS:  Tina.

            MS. JIMENEZ:  You raised your hand?

            Oh okay, all right.  Anyone else --

            MR. HUGHES:  One point of clarification.  Darrell Hughes.  Were you

            nominating Michael Janis or raising your hand for yourself?
MS. ELLOR: For myself.

MR. HUGHES: Okay.

MS. JIMENEZ: Do we have any other nomination?

MS. HARPER-LARSEN: I would like to throw my name in the hat. Kiley Harper-Larsen for chair.

MS. JIMENEZ: All right. Any other nominees?

MS. GORDON: Julie Gordon. I would like to nominate Derrin Wheeler, please.

MS. JIMENEZ: Any other nominee?

MR. HUGHES: All right.

MS. JIMENEZ: Yes.

MR. WINGARD: This is Charles Wingard. I've got a question about the process.

MS. JIMENEZ: Okay.

MR. WINGARD: If we have four names it's entirely possible we don't get a majority on the first vote for one person. How will that be handled? Or does it matter, just the top vote here gets it?
MR. HUGHES: We do it again, right?

MS. JIMENEZ: Yes. Yes. I think

under the book that you all got a copy of we have
to have a majority. So not one person has the
majority we would probably -- we would take the
bottom person and then have a revote.

PARTICIPANT: I think the policies are
silent on a majority.

MS. JIMENEZ: Oh, they are?

(Simultaneous speaking)

MR. HUGHES: The policy may be silent

on it.

(Simultaneous speaking)

MS. JIMENEZ: I apologize. Page 8

says that the larger number of votes will be
elected. I apologize. That's my fault. Thank
you. Thank you.

So the person receiving the largest
number of votes will be elected. I apologize.

So we have the four names being
written on the board there.

MR. HUGHES: I passed the ballots out.
Darrell Hughes speaking. I passed the ballots out to everyone. So just grab the first card that says committee chair and go ahead.

MS. JIMENEZ: Yes, I think we're -- go ahead. We're running with plenty of time so I think it would be fair to give each one of the candidates an opportunity to say why they want to run. Or first of all, if they accept the nomination. I didn't hear anybody say no, but I just go through that.

And also to be able to speak to the committee on why they want to serve, why they're the best candidate for chair. Yes.

MR. ZEA: Donn Zea.

MS. JIMENEZ: Don, you get all the procedures.

MR. ZEA: I'm typically not into this. I don't know why. But I think my original statement was correct. If you look at the last two bullets on page 8 the candidate receiving the largest number of votes will be elected so it's not a majority. In the event of a tie then -- so
it's a little confusing actually. In the event of a tie there will be a revote until a nominee obtains a majority.

So it is only the largest number of votes unless there's a tie.

MS. JIMENEZ: Yes.

MR. ZEA: Okay.

MS. JIMENEZ: Thank you.

MR. ZEA: You're welcome.

MR. WHEELER: I'll start. So although I do appreciate Julie's nomination I would like to decline and not be nominated just because I'm new to this organization and new to the policy, I mean new to the procedures and I just think it would be unfair to this committee right now for me to serve. But Julie, I do appreciate you nominating me and I do decline.

MS. JIMENEZ: Well, so I'm glad I asked. Well, thank you.

MR. HUGHES: Just for clarification that was Derrin Wheeler speaking.

MR. WHEELER: I'm sorry.
MR. CARR: Chalmers Carr. I appreciate the nomination. I do accept the nomination.

Through my tenure I've worked in many different organizations. I've been president of the National Peach Council, currently president of USA Farmers, a national organization of H-2A employers.

But more importantly I also serve on the USDA NAREEE Board and in that role I served as chairman of the Specialty Crops Committee.

My life as a first generation is produce and agriculture so representing this industry is very important to me. It's why we dedicate our service. So I'd be honored to serve if elected.

MS. JIMENEZ: Thank you. Next?

MS. ELLOR: Tina Ellor. I just thought it would -- since I just cycled off the board two years ago I thought it would make an easy transition to this newest set of members just to sort of keep things flowing through.
I've served on this board I think for three years or four years. I served on the National Organic Standards Board. I've worked with a lot of people in the USDA in the past and I just thought it would ease us into this new iteration of the board.

MS. JIMENEZ: Thank you.

MS. HARPER-LARSEN: Good morning, again. Thank you for the opportunity to speak to all of you.

If I was chosen as your particular chair I believe I would bring a well-rounded approach, but also an open-minded approach with diversity not just for particular commodities but across the nation.

I bring a knowledge base not just in compliance but also from the soil. I'm a second generation proud American grower and I'm hoping to harness the experience that I have coming into this committee and also the experience that are around this table to help formulate and expand and improve the policies that will keep American
agriculture particularly fruits and vegetables on
the forefront.

MR. HUGHES: And for the record that was Kiley Harper-Larsen speaking.

MS. JIMENEZ: Okay. So I think we have three great candidates. I would like to go for the vote.

And the way it's going to be, you will write the name.

MR. HUGHES: And I'll walk around and collect and count quickly and then we'll repeat this process twice more for vice chair.

MS. JIMENEZ: Now that we know the procedure.

MR. HUGHES: Yes. Any ballots ready?

MS. JIMENEZ: Counting 24 votes is not that difficult so I'm sure it won't take that long.

MR. PALMBY: While we're waiting how many states are -- so I'm on the board of the Wisconsin department of ag so I'm a little familiar with the hemp thing. I think there was
1,500 applicants. The emergency rules have been put in place for hemp.

So are there many states like that you are overseeing, or what is the purview of your department on hemp?

MS. JIMENEZ: The Farm Bill tasked us with approving state plans. And also to develop a plan for those states and tribal nations that don't have one. So we have a dual.

MR. PALMBY: How many states have plans?

MS. JIMENEZ: We don't know yet.

MR. PALMBY: I know Wisconsin does.

MS. JIMENEZ: Yes. I think -- we don't know yet. We have around 9 plans already, 12 by now. It changes every day. Twelve plans between states and tribal nations that have submitted to us. We're not looking at them yet because we don't have the regs out.

But I think we're going to have probably the majority of states submitting a plan to us. And then we're going to have a plan that
we're going to have for everybody else that wants
to have one.

MR. PALMBY: Surprising demand for

sure.

MS. JIMENEZ: Yes. We were caught by
surprise. We did not know that there was going
to be so much interest in this commodity. But
yes, we're working as quickly as we can to get
regulations by the fall.

And some of you that know about
regulations know that that is a huge task.

MR. WINGARD: This is Charles Wingard.

What's your idea if you have two state plans that
are somewhat conflicting?

MS. JIMENEZ: Can we just talk about
that after -- I want to talk about that, yes.
But let's just -- do you have.

Okay, so we have a winner. It's
Chalmers Carr is your new chair.

(Applause)

MS. JIMENEZ: So we want to get
nominees for vice chair and then I'll answer
while he comes around. How about that?

   MR. WINGARD: Perfect.

   MS. JIMENEZ: Good. Do we have nominations for vice chair?

   MR. BOWMAN: Richard Bowman. I'd like to nominate Kiley Larsen for vice chair.

   MR. CARR: I second that.

   MS. JIMENEZ: Any other nominees?

   Going once, going twice. Any other nominees for vice chair? Do we need to have a vote?

   (Simultaneous speaking)

   MS. JIMENEZ: That was easy. So congratulations, Kiley.

   (Applause)

   MS. JIMENEZ: I guess I'll have to answer your question after the secretary. Any nominees for secretary?

   MR. WILKINS: Tommy Wilkins and I'd like to throw my hat into the ring for secretary.

   MR. CARR: I'd like to second that.

   MS. JIMENEZ: Any other -- Tommy.

   MR. WILKINS: Tommy Wilkins.
MS. JIMENEZ: Any other nominees for secretary position? You guys are very easy. Any other nominees for secretary position? We don't have to vote. Tommy, congratulations.

(Applause)

MS. JIMENEZ: I'm going to answer your question even though that's not on the agenda. But we are still ahead of time, right?

MR. HUGHES: Yes, we're like still an hour ahead of time.

MS. JIMENEZ: The question was if there are two different states that have different plans.

MR. WINGARD: This is Charles again. The idea was if you have two adjoining states that have conflicting plans, or if you've got a state that's in conflict with the federal government's ideas.

MS. JIMENEZ: Right. Well, that's why we need to put the regulations out. We're going to give you guidance on certain areas that the Farm Bill requires to. So if there is as much
similarity in those areas between states.

    Now, the states can still be more
stringent on their requirements than what we put
out. So I'm sure there will be some differences
between states. There are differences right now.

    But at least the basic things should
be pretty equal. And they have to abide by the
regulations that we put out.

    So things on sampling, testing and
some other areas, we're going to put some
guidance out there on what the state plans should
have. And at least in those areas there should
be -- they should at least meet the minimum
requirements within the regulations. Does that
answer your question?

    MR. WINGARD: It does very well.
Thank you.

    MS. JIMENEZ: Okay, good. Any other
questions, comments? Yes.

    MS. HARPER-LARSEN: We were discussing
hemp, continuing the conversation and looking at
the fact that the impact, the amount of acreage
grown with fruits and vegetables, how is AMS
already looking at that?

And also looking at the regulation,
looking at minimum requirements, the conversation
about how that's going to work into edibles. How
hemp production is going to work into the
edibles.

MS. JIMENEZ: Good question. I'm
going to start with the last part of the question
because it's the easiest.

Food and medicine is FDA still. We
are not going to get into that part. USDA
understands the Farm Bill, it's very clear in the
Farm Bill for us that we are dealing with the
production part of hemp.

But anything that goes into food or
medicine or any products, good luck, FDA. It's
going to be FDA.

We are in talks with them and we are
working together with them as well as with EPA,
DEA, many other agencies just to coordinate
efforts.
But we are trying not to step on each other's toes and make sure that we know where the lines are and who's doing what.

We're also working a lot within USDA with the other agencies like FSA and RMA for loans and insurance and things of that nature. So just to make sure that we kind of move together.

They are eager to see our regulations because it's going to impact how they change their insurance policies and their loan policies and things like that. So we're working together with them as well to make sure that everything is in place where it needs to be.

I think for loans and insurance they're going to have to be a little bit after our regulations because they have to -- it's more complicated than our part just to bring the regulations out.

But yes, there's a lot of coordination but we're trying to make sure that everybody knows where the lines are.
The first part of it is yes, we do know that a lot of acreage is being taken out of specialty fruits and vegetables to grow hemp.

I did tour a tomato greenhouse in California like a month ago or so and it's a very big operation. And they were like this is the last one. We're taking this out and we're putting hemp here.

So we do know that there's going to be a lot of that. But as always it's the purview of the grower on what they do.

We're trying to make sure that as much as we can people understand that this is a highly risky business right now. There's a lot of unknowns in the industry.

We know that there are issues with you might have the best of intentions and do everything right and put down the right seeds. And because of soil or other conditions you might end up with something that tests higher than the 0.3 percent required by law. And that's a risk, especially until some varieties are tested,
further tested. There's a lot of research that
is needed in this industry.

So, every time we talk to somebody we
say great, but you know that there's a lot of
risk involved in this. A lot of people are still
saying we're going for it. So hopefully it will
work for everybody. Yes.

MR. CARR: Sonia, Chalmers Carr.

Question for clarification. So the Farm Bill
deals with hemp, but it's industrial hemp,
correct? It is not marijuana or anything of that
nature.

MS. JIMENEZ: No, it's not marijuana.

No. And the way it's defined is -- I've been
touring some of the plantings and I can tell you
the smell is very strong.

And it looks just like marijuana. The
plant is just marijuana. That's one of the
things that DEA is having a little trouble with
because just by looking at it you won't know.

And a dog that is trained to smell is going to
smell like marijuana.
But the details is in the testing of it. If it tests more than 0.3 percent THC level then it's considered marijuana. So it has to test 0.3 percent or lower in order to be considered hemp. And that's why we're putting some regulations out, just to make sure that there's consistency in the testing methodologies.

There's a lot of different tests out there and what we are learning, we've been learning a lot in the last two or three months about hemp, is that not all the tests are the same and will give you the same type of results.

So we're trying to come up with some guidance on what would be the best methodology that would actually be recognizable between states and between different people buying.

Because that's one of the things we learned is if I'm buying I want to make sure that I'm getting the right thing. So how do we assure or at least help in that area. We're trying to address that in the regulations.

MR. CARR: Follow-up question to that.
Chalmers Carr. So states that are -- like our state, South Carolina, has put in a pilot program and they're controlling how many producers are able to -- and actually controlling acreage.

But with it being in the Farm Bill and accessible to all farmers are states going to be able to govern that or are farmers going to be able to --

MS. JIMENEZ: Each state can put restrictions on their plan, yes.

MR. PALMBY: Paul Palmby. Chalmers, yes, there was a deadline in Wisconsin about when you had to actually apply to be able to do it. They're working through the plan how many we're going to allow and all of that.

As Sonia mentioned the opportunity for mischief in something that looks exactly the same and smells the same for a little patch of something that's not supposed to be out in the middle of a 40 acre field it's of concern.

So the testing is really the biggest thing of how you get to that level.
It is many multiples of interest beyond what we had expected.

MS. JIMENEZ: We were asked to provide technical assistance when they were writing some of the language for the Farm Bill. And we provided technical assistance. But we had no idea how big this was going to be until we actually got the Farm Bill.

We couldn't work on it until after the shutdown because we didn't have funding for it. And when we started receiving -- I mean, I think we have talked to more than 200 organizations or individuals. I don't know how many meetings we have taken.

The other day we were trying to look at how much time we have spent and I'm spending about 70-75 percent of my time on hemp.

So it is because of the deadline right now. The Secretary promising we would have the regulations by the fall. So it would be on time for the planting for the 2020 season. And we're trying to meet that. And writing those
regulations is not easy. And all the clearance process that has to go through.

So we're on schedule. We have a schedule, a very tight schedule. Everybody knows what their part is and when it needs to happen. So far we're on schedule. And I hope to remain on schedule and get it done.

But yes, we're still amazed of how much interest there is.

MR. WINGARD: This is Charles Wingard. Is hemp going to be considered a specialty crop?

MS. JIMENEZ: Yes. That's Bruce's fault.

(Laughter)

MS. JIMENEZ: He made that call. AMS got the program and then Bruce decided it would go to the Specialty Crops Program. He called me and said hemp is yours. I'm like oh, thank you very much. So yes, it's considered a specialty crop.

Let me tell you, we have -- and those of you that are familiar with some of our R&P
programs we have paper, lumber, Christmas trees, honey, popcorn, things that are definitely not a fruit or a vegetable. I tell everybody whatever doesn't fit in livestock, cotton, or dairy it's ours.

MR. ERICKSON: Bret Erickson. So with hemp being considered a specialty crop will that compete for the same research dollars for -- that we typically set aside for fruits and vegetables? That's added to the mix now?

MS. JIMENEZ: Like I said most of our services are user fee. So for those absolutely not because it's just whatever service we provide we charge for.

So if they want an inspection they come up with an inspection program. I can't think of that. But if they do we would charge for those services. There's no resources to be divided.

MR. ERICKSON: Well, I'm talking about for research dollars, especially crop research grants.
MS. JIMENEZ: Absolutely.

MR. ERICKSON: That pool of money.

MS. JIMENEZ: Absolutely.

MR. ERICKSON: Hemp is going to be added to the mix so it could potentially dilute the dollars that are currently going to fruit and vegetables?

MS. JIMENEZ: Yes.

MR. WINGARD: This is Charles. You're talking about through the Specialty Crop --

MR. ERICKSON: Yes, sir.

MR. WINGARD: SCRI.

MS. JIMENEZ: Yes. They're added.

Yes.

MR. LIPETZKY: Tom Lipetzky. Just a couple of questions for you.

I know there are a number of states that have kind of been out in front of the industrial hemp. Were there some best practices you were able to glean from states in developing your rules and regs?

And then the second part, you kind of
piqued my interest here with calling industrial
hemp a specialty crop. So going forward will
that qualify under the Specialty Crop Block Grant
Program?

MS. JIMENEZ: Yes. And they still
have to -- well, the block grant program has very
specific regulations. I'm not sure that right
now it's one of the commodities under that
specific program. But it could be very easily be
that is added. So watch for that. And the other
part?

MR. LIPETZKY: What's best practices
from some of the states?

MS. JIMENEZ: Yes. We have been
talking to everyone that wants to talk to us.
And believe me, there are a lot of people that
want to talk to us from states to private
companies to labs. I mean, we've been talking to
a lot of people and trying to learn what's being
done, what has worked, what hasn't worked.

We've been -- between Patty, Charles
and I we've been traveling to meet with different
states and different organizations to try to
learn as much as we can.

So we also have one of our economists
and some of the science and technology program
people go to a couple of conferences just to try
to learn and talk to scientists and talk to as
many people as we can to learn.

Because this was a crop that USDA was
not very knowledgeable about. Because it was a
controlled substance so we didn't touch it
because of that.

There's also not a lot of good
information because we weren't collecting
information on it because it was a controlled
substance. So we're trying to make up for all
that in a very, very short period of time.

I did not think you guys were going to
ask about hemp.

MR. ERICKSON: Of course we were.

Bret Erickson. I'm digesting what information
I'm receiving right now, but I would just like to
toss it out there that I personally find it
concerning that we -- we'll be taking away
research dollars that were allocated specifically
for fresh fruits and vegetables, and now that's
going to be lumped in with hemp and that's going
to dilute those dollars which we have fought
really hard for as an industry.

There's a number of people in this
room, Charles, we've done a lot of work over the
years working on getting those dollars for fruits
and vegetables. Through the United Fresh Produce
Association, through our state association.

So I'm just tossing it out there. I'm
still digesting this information, but I find that
concerning.

MS. JIMENEZ: Well, I think that might
be something that once we seat the new officers
that might be something that this organization
might want to discuss and address. And maybe
have a little committee look into it and get more
information. We'll be glad to assist you in that
and then maybe you can make a recommendation.

This is the perfect venue to look at
those issues.

MR. WINGARD: This is Charles. I want to build on what Bret just mentioned a little bit because I think that the specialty crops title in the Farm Bill has been very successful with the way it was designed, the way it was written, the way it's been implemented. The SCRI, the Specialty Crop Research Initiative, the state block grants have worked very well.

And there's numerous examples of successes across this industry, across this country. And we need to protect that.

I don't have a thing against hemp. I'm glad we've got something new coming in agriculture. That's great. But if the country wants to do it the country needs to provide the funding to get the hemp program going somewhere other than that title or be ready to supplement money to that title.

So that is a great comment there because we worked long and hard to get where we're at.
MR. CARR: Chalmers Carr. Just to follow up on that. So serving on the NAREEE Board, we actually reviewed the process on the grant funding and how that went. And just knowing that process and knowing the popularity of the hemp subject going on. Our land grants are going to be bombarded by requests. And these young researchers are going to go to where the money is. I can see this being diluted very quickly.

And it's not enough money already. So I don't know that we really want to share a whole lot.

MS. HARPER-LARSEN: This is Kiley Harper-Larsen. Having completed quite a few of those Specialty Crop Block Grant Programs through Florida and Georgia the states have their own programs where they establish priorities which are filtered down from the USDA for each year for that program.

And I think as we take over our officer positions it might be helpful if staff
could present previous priorities of that Specialty Crop Block Grant Program over the last 10 years to us and what is proposed for the next year so that we can give Secretary Perdue a recommendation related to those priorities.

I know that food safety and the buildup of grower-owned cooperatives going into value add has been extremely successful across the southern part of the United States. And many of us have benefitted from that in the room.

And I know we want to see continuous improvement with that. And also the research dollars going into fighting pests and disease and developing the new commodities.

But I think it would be great for the whole committee to understand those priorities and what they have been.

MS. JIMENEZ: Tomorrow you are going to have a full session --

MR. HUGHES: Maybe today.

MS. JIMENEZ: -- or maybe today, a full session where you're going to have
committees and you're going to work on your objectives and what you want to work on for the next few months or year.

And I think that would be a good opportunity for the chair, vice chair, secretary and the chair of those committees to include this as a discussion point and one of your objectives to look into.

MR. WILKINS: Tommy Wilkins. I just want to add a little bit more to it. You know, the consumption of what I think everyone in here represents, the more we can increase consumption of fruits and vegetables and the impact on health and wellness in this country is huge.

And if we hiccup for a moment we're opening the door for more global intrusion into competition of our markets.

I'm pro-trade and obviously am heavily influenced through the Tex-Mex corridor. But any competition that would slow down the progress that we're making in domestic grown fruit and vegetables is very concerning and just opens the
door for more global competition coming into this country.

So I guess I'm preaching to the choir, but it's very important. I think that could be one of the surprises so far this morning just how important that is.

MS. JIMENEZ: It seems like you already have issues that you want to start working on which is great. I love this committee already.

MR. HUGHES: And so with that in mind, this is Darrell Hughes speaking. What I want to do now is do a quick -- what do you call that game? Musical chairs.

We want the chair to get over here, Mr. Carr. Because he's going to take over the meeting with some guidance.

All right, Darrell Hughes speaking. So in anticipation for this very moment I developed a script for the chair. And so there's portions that you will essentially ready. There may be like little notes there where I'll jump
We're about 30 minutes out from the next break and so what we'll shift to is discussing work groups. And so I'll hand it over to Chair Carr to read that little section there.

MR. CARR: Let's see. So we'll be starting some working groups and appointing by the chair to lead these working groups.

We've received suggestions from the working groups in advance of today's meeting. I don't know how we're going to do that. And we will follow the representation of Brian Kirschenmann, a suggested working group to us via email.

A total of four working groups are for consideration. We will discuss each suggested working group here at the table and at the end of the discussion we will use general consent in voting to establish the working group.

After each working group is established we will record who wants to serve on the working group. After that each working group
will huddle and have more room next door to come
back with recommendations from the working group.

MR. HUGHES: So, just to -- this is
Darrell Hughes speaking. Quick bullets on what
he was speaking of.

Before today's meeting I shared three
suggested working groups via email with the
committee. And your fellow representative Brian
Kirschenmann proposed a trade working group. And
so those are the four that we have that are
suggested for you guys to consider.

In the back of the briefing packet, in
that very back pocket, the first page should be a
printout of the proposed working groups.

And the fourth one, that trade group,
is essentially Brian's email I cut and pasted and
retooled so it was easy for everyone to digest.

Some quick insights as you're thinking
about creating the work groups. Each member
should serve on a work group. That means it will
be difficult or one person to be in multiple
places at a time.
So it's important that you keep the number of work groups in mind. We suggest a max of 3 or 4 just based on the numbers and dividing 25 by 4, or 6 members, so on and so forth.

Also keep in mind the type of work group you create and the scope of the Department of Agriculture.

If you want to create a work group on let's just say agricultural labor or rural broadband those are topics that get outside of USDA's center of influence.

So as you go about creating the work groups you want to think about our center of influence.

The proposed work groups that were sent or suggested work groups that were sent, it was based on me just tapping -- not really -- I didn't call you all, but I got the sense by topics raised or questions asked that these were hot topics for you all. And so in making these suggested work groups is just fine or if you want to add to it or not. That's totally up to you.
Be sure to check out page 10 of the policies and procedures manual. That discusses the duties of the work group chairs.

So each work group chair I believe that would be responsible for making sure the work group provides some recommendations or statements that are submitted to the full committee.

And once those recommendations or statements are submitted to the full committee the full committee will discuss and decide whether or not to adopt or reject or ask for more to be done. And so that's how it will work.

One sort of administrative comment. I need to be included as DFO on all communications with each of the work groups. I'm sort of thinking about which maybe I'll get with the chair once the work groups are established we can huddle later on.

But I'm thinking that maybe what I'll do is create an email thread for each work group.

And then the work groups when they have questions
can comment only on that email thread. That way
each work group is organized based on a single
central thread.

And the reason that I propose that is
because everything that we do should be
accessible by the public. And just thinking
about how we provide information and post
information I'm thinking of how we are organized,
how we can stay organized which is what I've done
this entire meeting.

So, with that I'll give it back to the
chair.

MR. CARR: Chalmers Carr. I'll take
it from there.

First of all, just reviewing this
list. And I'm going to actually call on some
members that have served on this committee
before.

Is there something missing here? Is
there committees that have been here before that
are not represented?

MR. ERICKSON: Well, I mean -- Bret
Erickson. Darrell mentioned it and I know it's kind of outside the purview of USDA, but ag labor is such a critical issue for us. I hate to miss an opportunity to have a direct line to the Secretary to continue to beat that drum.

I'm preaching to the choir with you, Chalmers and a lot of the folks in this room, but I would like to find a way for us to have that as part of our discussions.

MS. ELLOR: Tina Ellor. I wholeheartedly agree and I spent some time last night looking through past recommendations from a labor subcommittee.

And from hearing some of the members of the committee speak yesterday I feel like there's things we can do in small enough chunks tinkering around the edges to make the programs that we rely on work, work a little better.

And it looks to me like the first two, safety and audit work group and the inspection standardization work group, that might be combined. They look very similar to me. Does
anyone else have that impression? Making room
for possibly an ag labor subcommittee.

MR. ERICKSON: Without labor none of
this matters.

MR. CARR: I agree.

MR. WILKINS: Tommy Wilkins. Is this
where we would bring up the conversation we just
had about the research dollars? Would this be a
potentially fourth or fifth group that we would
have working on that?

As a concern I'd really like to add
that to the pile.

MR. BELL: David Bell. I was thinking
along the same lines as Tommy. I guess one
suggestion I have for a working group might be
fruit and vegetable sector development working
group.

It could take on block grants and
SCRI. This may be a stretch and you don't want
to have too big of a scope, but if we don't want
too many working groups and we thought it was
reasonable ag labor could be part of that to the
point that was just made earlier. We can't
develop the sector, nothing works unless we have
the labor.

I do think in light of the hemp
discussion we should have some mechanism such as
a sector development where we can make sure some
of these key programs for our future are enhanced
and protected.

MR. CARR: So let me ask the group
then. Concerning the first suggestion to
combining the first two on here, the inspection,
the food safety, does everybody have the
consensus on that, of combining those two to make
that one committee?

By consensus everybody agrees with
that?

MR. WINGARD: This is Charles Wingard.
I was making some quick notes here and very
quickly -- I'm sure I didn't get this exactly
right, but if you pull all our issues down into
three topics what I've got is food safety, trade
and then domestic production. And maybe we could
think about that as we develop these work groups
or name them or whatever and then domestic
production could go to the hemp funding or the
hemp. That discussion we had on that research.
And labor and other things could go into that,
into that pot maybe. That seems like an awfully
big pot, but if we want to just keep it to three
then I was thinking about that.

MR. PALMBY: Chair, Paul Palmby. I
actually was going to nominate Tommy to be chair
of the trade work group because of his comments
on domestic production.

So I sort of had domestic production
fitting in under that trade thing which then
would open up -- because labor would be a pretty
big topic to kind of lump that in with. Just
throwing it out there as another.

MR. CARR: Any other views on that?

MR. WILKINS: You know, when you talk
about trade this one's very dear to my heart. I
grew up in west Texas, come from the dirt and I'm
seeing maybe us being out hustled by other
countries.

And I think this is maybe why I'm so gratified that I'm here, that we can maybe help communicate what's going on and how we might can help.

I maybe agree that maybe that would be -- you've got to fine-tune it because we don't want to throw too big of an umbrella over it, but I think those would fall under each subcommittee as some important things to do.

I agree with everything. I like the direction that we may be going to maybe give a broader situation.

I think trade and ag labor quite honestly trumps the three. I think food safety has got momentum and direction, and I think that we constantly are watching what's going on.

But today trade and ag labor are the top two things that I believe we should focus on.

MR. CARR: One question, let me ask Darrell. The issue committees are not permanent and they can change as topics and situations
change, correct?

So you could have a committee now and
then eventually that committee can do its work
and then you could form another committee. Is
that correct?

MR. HUGHES: Yes.

MR. BOWMAN: Mr. Chairman, Richard
Bowman for the record. I think trade and labor
are two of our most important issues and they
shouldn't be lumped together. They should stand
on their own.

MR. WILKINS: I think it's very
important. I would have to agree with you on
that one. Because I think it's really two major
issues that are going to be vital.

MR. CARR: So going back to Charles'
suggestion of having just basically three groups
with broad topics, food safety, trade as its own
and the domestic production which could cover
labor, research funding and stuff like that. Is
that a consensus of the way we want to go? Is
there opposition to that?
PARTICIPANT: I like that personally.

MR. PALMBY: Paul Palmby. I'm fine with that. But when I think domestic production I also think buy American, American produced. And maybe there's a little overlap with trade.

I too have spent a lot of time on tariffs and trade matters. Yesterday I had meetings on the subject with Japan and China and others.

I think that trade is a big enough piece. But I kind of lump that together, keep it separate from the labor piece.

MR. CARR: I agree with that. Chalmers Carr. We don't have to just do three. We can do four.

So domestic production worries me from the standpoint it's a very broad topic and then that group may get weighted on one subject like labor and never touch on anything else.

So if we can agree on food safety and trade standing alone how can we subcategorize domestic production maybe under two groups.
MR. WILKINS: We just kind of re-looked at his. I agree with the direction we're headed, but I'd propose we do trade, labor, production and food safety as the four. Trade, labor, production and food safety.

MR. HUGHES: Darrell Hughes speaking. One comment for insights. As far as the structure it is possible to have a subcommittee and then work groups within a subcommittee. And so if you go the route of having this big bucket and then have work groups within it that is possible.

MR. WILKINS: Tommy Wilkins again. And I think it's going to fracture into subcommittees.

I think the key we owe this committee is that we find the four hot pockets. And I think trade, labor, domestic production and food safety are the four things that I came into this meeting hoping we would have some impact on.

MR. BELL: So food safety, trade, ag labor I think are pretty well defined in most of
our minds.

MR. HUGHES: Name.

MR. BELL: Oh, sorry. David Bell again. On the domestic production idea for a working group what are the key areas or topics people are thinking about that that group would tackle?

MR. CARR: Just listening to comments earlier I would definitely think research funding would be under that group right there.

MR. BELL: Block grants.

MR. CARR: So do you want to put that in the form of a motion or do we need a motion on this?

MR. WILKINS: I would format that as that we do our proposed working groups for this committee to be trade, labor, production and food safety. Tommy Wilkins.

MR. TISON: Greg Tison. I second that.

MR. CARR: We have a motion and a second. Is there any discussion further on this?
All those in favor say aye.

(Chorus of ayes)

MR. CARR: All those opposed. Hearing no opposed the motion passes.

It's the next role to appoint work group leads. And so it says that it should be appointed by the chairman if I read the policy right. Not knowing everybody's background and everybody on this committee getting started I'm going to ask for volunteers of people that are interested in a particular --

MR. HUGHES: Sorry, Darrell Hughes. The first thing to do is decide who would like to be on the subcommittee. And so it may be better to figure out who wants to serve on one of the subcommittees and then because everyone is new and getting to know each other get in a quick huddle and figure out amongst themselves if they want to come back and recommend a lead to you if you want to go that way.

MR. CARR: So can we get somebody to help us with the chart up there at the front of
the room.

(Simultaneous speaking)

MR. CARR: But if we could list the four committees and then we could just ask for volunteers that want to work on each committee. Again, you can only serve on one committee, is that correct, or that's the recommendation?

MR. HUGHES: That's the recommendation.

MR. CARR: I know it's a logistical nightmare, but could we move that to the center of the room?

MR. HUGHES: Yes, that's that I'm doing right now.

MR. CARR: If you just go across the top and put food safety, trade, labor.

MS. HARPER-LARSEN: Darrell, if I could suggest -- this is Kiley. If you'll separate those into quadrants then you'll put your names underneath pretty easily.

MR. HUGHES: Trade.
MR. CARR: Labor. And just put production. So do we have any volunteers to work on the food safety working group? Keep your hands up.


MR. JANIS: Michael Janis.

MR. HUGHES: And who else?

MR. CARR: Tom.

MR. HUGHES: All right. That's six members.


MR. ERICKSON: Can we volunteer for two?

MR. CARR: Yes, you can. But I was going to -- keep your hands up. I was concerned this would happen because when you have everybody that's putting their hand up for labor you're going to have hardly anybody left for production. I'm not so sure we're not going to go back and combine labor and production back together.
MR. HUGHES: Let's go ahead and do the names up first. Did I skip anyone before Huckaby? Kelly, right?

MR. CARR: Darrell, put me on that.

MR. HUGHES: What's your name?

(Laughter)


Darrell Hughes, quick insights. You have the authority to appoint a member to a committee. Brian Kirschenmann is not here with us. He did email about trade. It's up to you if you want to.

MR. CARR: Yes, put him on trade.

MR. HUGHES: For trade.

MR. ERICKSON: As you look at this list I know based on discussions we've already had there's two areas I want to be in. I'd really like to see them combined back to Mr. Wingard's suggestion. I'd like to see if we could consider bucketing that as domestic and
consolidate that.

MR. CARR: So production and labor? Or combine which?

MR. ERICKSON: Well, I mean labor and the research dollars are two highly concerning pieces to me. If we could create or find a way to come up with the right definition of what that group is called, whether it's domestic.

MR. CARR: Well, labor is a focus of production. We can't produce anything without labor. So rolling it over under that and just having a broad reaching, that way the committee members could have an impact on conversations. I think if you want to put that in the form of a motion.

MR. ERICKSON: Yes. I'd like to make a motion that we consolidate production and labor into the production bucket.

MR. CHANDLER: This is Chandler. I second.

MS. GLEASON: I have small concerns about that.
MR. HUGHES: Speaking?

MS. GLEASON: Sorry. Molly Gleason.

Most of the growers I work with are very small local markets, direct to consumer. And labor -- so production and the research dollars is really important, but labor doesn't really matter as much to those producers.

And I would like to be in the production conversation, but I'm not sure I could contribute very much to the labor conversation. So I mean, this is just from my own personal standpoint.

MR. BOWMAN: Richard Bowman for discussion purposes. We said you could only be on one meeting at the beginning because at this meeting today we're going to fracture out into different groups.

But can we organize it as we go in the future where the meeting times don't conflict with each other so people that want to be on more than one committee can and we don't have to bring two groups together? It seems to me this is an
organizational issue.

MR. HUGHES: Darrell Hughes, provide some insights. The plan is at some point to organize a teleconference, so calls where they're not grouped at the same time. So in the future you will be able to if you want to be a part of different working groups and subcommittees you will be able to participate. But when you come together as a group it's being able to collaborate together that makes it difficult.

MR. CHANDLER: Chandler. One thing you made a mention. If you do combine them you could have subcommittees where you would then have that sub focused more on the issues specific while still maintaining the combination.

MR. HUGHES: Darrell Hughes. Just a clarification. We called these working groups working groups and subcommittees for the purposes of FACA. They're essentially the same.

But if we're going to create a tier then subcommittee would be top and then working group on the bottom. So it would be the domestic
production and labor subcommittee and then labor
working group and production working group.

MR. CARR: So is everybody clear on
that we could combine it? The motion to
combine the two together and then under that
point would be that we make subcommittees.

But Darrell, to your point you're
saying now it would be the subcommittee and then
there would be these working groups underneath
that subcommittee.

MR. HUGHES: Right. Darrell is
speaking. That would only be for the purposes of
combining labor and production. We would call
food safety a subcommittee and trade a
subcommittee, but it just wouldn't have any work
groups which is totally fine.

MR. ERICKSON: And production would --
this is Bret Erickson. Production would be a
subcommittee and then there would be working
groups of labor, research.

MR. HUGHES: Yes.

MR. BELL: David Bell again. This is
getting down into the weeds on organization. I originally suggested the production and maybe having labor into it, but kind of listening to the discussion here I have no problem with the working groups within a larger subcommittee. But I think we should just keep the four.

And if people want to serve on two that's fine.

MR. CARR: I think the challenge for the committee members if I heard it right is when we're having in-person meetings you won't be able to participate in both meetings because they'll be happening simultaneously.

So when we're working outside of this at our home and working on these it's easy to do. Am I -- that's pretty much the consensus there?

MR. HUGHES: Darrell Hughes for some quick insights. One of the things that you can also do is when we are together in person and you pick your favorite work group is provide a fellow representative with more than enough written information and go about it that way. That's one
option, one path.

MR. CARR: If I can I'd like to call on some of the former committee -- Tina, could you maybe talk us through some of your experiences with the working groups? What have been the successes and what have been failures, and are we walking down a road we don't want to walk down?

MS. ELLOR: Actually, we have served on more than one subcommittee working group before, and it's possible to go between them. As the different groups are deliberating you can go between them and make contributions. It seems to have worked fine in the past that way.

MR. HUGHES: Dip in and help.

MS. ELLOR: Yes.

MR. PALMBY: This is Paul Palmby. I'd agree with that. You're only meeting a couple of times a year together. My recollection, it's been awhile, but two or three conference calls in each working group was not unforeseen in the course of a year. We go back and forth.
And as Darrell said you can always provide your insights to somebody who's actually sitting in the face to face meeting while we're all here together.

And everything comes back to the overall board anyway. So you get your opportunity for comment then as well.

MR. CARR: Bruce?

MR. TALBOTT: I would concur with what's been said.

MR. CARR: So with those last comments a little bit counter to the motion at hand, do you still want to keep the motion?

MR. ERICKSON: Whatever is the flavor of the committee.

MR. CARR: Well, then we'll just a vote on it. We have a motion, we have a second.
The motion was to combine labor and production into one group. I don't know that we have a clear consensus. I'll ask by a show of hands who supports that motion. The opposite would be to keep these two groups separate as two working
groups. So all those in favor of the motion to combine them raise your hand.

(Simultaneous speaking)

MR. CARR: I think at the end of the day you're going to find that everybody is very passionate about it. They're going to find the time to get their comments in on both of these subjects.

So with that being said these will be our four working groups. And we will ask them to -- can we go ahead and meet? They huddle and may come back with a recommendation of a working group lead?

MR. HUGHES: Actually, that's the perfect time. Darrell Hughes speaking. We're four minutes away from our break so I think we could go ahead and kick off the break a little early and then you guys can chit chat while you're on break and then we'll come back if more time is needed. Continue.

MR. ZEA: Mr. Chair. Donn Zea. Just an observations really. First of all you see
what's driving agriculture and everybody in this room is concerned about things that were not on this original list for the most part. Food safety being an exception.

And I'm glad, really glad to see that because I know some of us were concerned on the email thread about trade not being on there for instance.

These are areas except for specific things that tuck inside some of these categories these are areas that AMS may or may not deal with directly. Is that a challenge for you, for us to advise on these things?

MS. JIMENEZ: A good question. We see our role here more broadly, USDA. USDA, what we can actually -- because we can bring in other agencies within USDA to work or to advise you on issues.

Remember that these recommendations are to the Secretary. So of course he has the ability to do things all over USDA.

Outside of USDA that's a different
story. But anything that deals with USDA programs, yes, absolutely. Doesn't have to be specific to AMS only.

MR. HUGHES: Darrell Hughes speaking for insights. There are recommendations and then there are statements. So any statement that is crafted could be provided to the Secretary and those statements or position statements could be on topics that are not necessarily within the USDA center of influence, but can be provided to the Secretary.

And the only reason why I make that distinction is so that if you provide a recommendation and me as your DFO I submit it and then try to follow on to see how that moves along. If it's outside of USDA's scope there may not be anything that I can do to report back on the progress of that recommendation if it's beyond our department.

MR. CARR: Did you have a question?

MR. WHEELER: I did. I just simply would determine that if we can work with two
committees I'd like to be added to the labor committee as well. Derrin Wheeler, yes, sorry.

  MS. POWELL-MCIVER: Kelly McIver here.

  Mr. Chairman, I would also like to be added to trade.

  MS. HARPER-LARSEN: And on that note I would like to be added to trade. That's Kiley.

  MR. CHANDLER: Mr. Chairman, I'd like to be added to production.

  MR. CARR: Chalmers Carr. I'd like to be added to production as well.

  MR. WILKINS: Tommy Wilkins would like to be added to production as well.

  MR. CARR: Anybody else want to put their names on there?

  MS. GORDON: Actually, Julie Gordon for production as well.

  MR. CARR: Going once, going twice.

  So, we can break up into different rooms now?

  MR. HUGHES: Fifteen-minute break now.

  MR. CARR: Okay. And do you want -- so we're going to take a break and then we're
going to go into our separate groups to come out
with a working group lead, is that correct?

MR. HUGHES: Yes, that's correct.

MR. DAVIS: Real quick. Carl Purvis
is with our AMS Public Affairs Office. We want
to get some photographs. We'll take some of your
elected leadership, but we'd also like everyone
to come together for a group photo on an outside
patio just one level down over there. I want to
do it now so we don't get caught up in the rain
possibly later today.

So what we'll do is as you finish your
break Carl will kind of herd all of us out there
for that picture and Carl Purvis will get this
knocked out as quickly as possible. And then
when you return directly into your rooms.

MR. CARR: So I would ask everybody to
stay on schedule. Be back in 15 minutes and
we'll go from there.

(Whereupon, the above-entitled matter
went off the record at 10:31 a.m. and resumed at
10:49 a.m.)
MR. CARR: This is Chalmers Carr. I reconvene our meeting here. I'm going to call on Darrell to kind of go a little bit more into the working groups, what are the -- kind of going back to the statements versus recommendations and kind of the year-long plan. Basically what is the scope of work that is the goals of these working groups and how should that product be delivered back to this committee.

MR. HUGHES: Okay, Darrell Hughes speaking. On page 10 of the policies and procedures manual it talks about procedures for completing work group recommendations.

And so each work group or in this case we'll say subcommittees -- there's one -- they're all work groups. Never mind.

Each work group will meet at least twice via conference call. The work group chair who's selected will work with myself, vice chair, secretary or chair on timing. It depends on how you guys want to figure that out.

But you'll work with me to schedule at
least two conference calls for you guys to
discuss as a working group any of the research
items or any items that you want to put forth to
the full committee.

And so you come together, the work
group, develop recommendations or position
statements. When the full committee reconvenes
our current plan is for the committee to
potentially reconvene in person around August.
We have to vote or decide on two potential time
slots, dates.

You come together then and discuss and
decide whether the recommendations or if a
working group puts forth only one recommendation,
or one statement, or two recommendations, or two
statements, reconvene at that time to accept,
adopt, reject, or ask for additional work to be
done.

And then after that there would maybe
be one additional conference call, full committee
conference call which is at the beginning of
2020, maybe around that time, to not finalize the
recommendations, but finalize the package that
would be put forth to the Secretary for the '18-
2020 committee group.

Recommendations or statements that are
put forth, it may take longer than 2019 or 2020
to get completed and that's totally fine.

You don't need to feel the pressure of
putting or having a recommendation that provides
research and steps and a clear and concise action
for the Secretary. You don't need to worry about
that if it turns out that whatever recommendation
or statement that you're putting forth will take
a longer period of time. Just craft your
language to explain that.

Did that cover?

MR. CARR: What is the difference
between a statement and a recommendation if you
can?

MR. HUGHES: Okay. So, this -- a
recommendation is going to be something that is
with the committee requesting action be taken by
USDA that we can actually perform. And that we
can track.

And the concept of a statement is that you are requesting the Agricultural Secretary to look into something or you want to provide feedback on a topic that is important to agriculture but beyond the scope of USDA.

Now, how we determine what's recommendation worthy and what's statement worthy, the chair, vice chair and the rest of the group.

It may be that the working group puts something forward and -- as a recommendation and you ask for insights from USDA is this something that's within your center of influence and we confirm whether we can actually do whatever may come about from that work group. Does that make sense? On the right track?

MR. CARR: Anybody have any questions?

Again, a working group can come forward with more than one recommendation because these groups are pretty broad and their scope of what they're covering. So that is correct?
MR. HUGHES: Yes. Yes. There's no limit.

MR. LIPETZKY: Tom Lipetzky with a question. Darrell, obviously there have been past advisory committees. Are there any statements or positions from previous groups and how would those play into our working groups or do they not?

MR. HUGHES: In the back of your briefing packet right -- there should be a table, packet of recommendations from the 2015-2017 group.

That was a completely different administration. This was already on the website. I included it just in case -- at the bottom.

But I mean from my standpoint because I'm new to this committee and many members are we are looking at that as information only. We're starting fresh.

MR. LIPETZKY: But when you say we're starting fresh would any of those recommendations made in that last group, did any of those need
any follow-up with us or reporting back to us on what has been done from those recommendations?

MR. HUGHES: Because it's a different administration --

MS. JIMENEZ: Let me answer that question. You can look at that list and decide, hey, we still want to do this or want to work on this area. Or we want to see what the status of this is.

So it would be up to you to decide of those recommendations that were made back then which ones you want us to follow up or look into.

MR. CARR: Any other questions on the working group structure and what the expectations are over the next year?

So with that being said we would like to see if we can convene in four different spots. So maybe, Darrell, you could direct us which groups could go where.

We're looking for a working group lead that will work within the group to foster out any suggestions, recommendations from that group and
bring that forward through that working group
over the course of the year and then be able to
come back and present that to this whole
committee for either adoption or ratification.
Is that correct?

MR. HUGHES: Yes.

MR. WHEELER: Mr. Chairman, Derrin Wheeler. If you are on two committees at this
point are we going to float around?

MR. CARR: If you so desire to be the
lead I would go to the one you want to be the
lead at. I don't think we have time to have
different meetings. So, again, if you do have a
particular interest in being a lead on the
committee then I would definitely ask you to
attend that group now.

MR. HUGHES: And quick insights.
Darrell Hughes speaking. We're 20 minutes out
from public comments and we want to stay on track
for public comments.

And so if it turns out that there's
more discussion needed on work group leads the
chair can allow that to happen after public comments.

MR. CARR: So what you're saying is we need to be back in this room in 20 minutes, correct?

MR. HUGHES: Less than 20 minutes. Seventeen minutes.

I'm going to propose that food safety this side, labor this side and the other two work groups go into the room right around the corner because you're the biggest ones.

MR. CARR: If we can do that and you all can work together to come up with a lead and come back and report to us.

(Whereupon, the above-entitled matter went off the record at 10:57 a.m. and resumed at 11:09 a.m.)

MR. CARR: So as we reconvene for the record Charles Wingard has asked to also be put on labor. And is there anybody else that wants to be put on another committee? I think we did this, but just checking again.
MR. HUGHES: Wingard on labor and --

MR. LIPETZKY: Tom on trade.

MR. HUGHES: -- Tom on trade.

MR. CARR: All right. So the food safety working group. Did you all come up with a working group lead?

MS. HARPER-LARSEN: I'm the food safety lead and I'll be assisted by Molly. And this is Kiley Harper-Larsen for the record.

MR. HUGHES: And the food safety assistant is?

MS. HARPER-LARSEN: Molly.

MR. CARR: Trade?

MR. WILKINS: Tommy Wilkins.

(Simultaneous speaking)

MR. CARR: And labor was Bret.

MR. ERICKSON: Assisted by Tina.

MR. CARR: Production?

MR. WINGARD: This is Charles Wingard.

I am honored to announce that Steve Smith --

(Laughter)

MR. WINGARD: He needs no assistance.
MR. CARR: So we're going to have working group meetings tomorrow, is that correct?

MR. HUGHES: Well, probably today.

MR. CARR: Probably today as we're moving along. So at this point in time are we going to go do the photo now? Or no, we have public comment.

MR. HUGHES: Public comment starts at 11:15 and we're four minutes ahead so we can just go ahead and get started with public comments.

MR. CARR: So Darrell, is there anything the committee should know about when we have public comment periods and everything?

MR. HUGHES: Darrell Hughes speaking. We did not receive any written comments in advance of the meeting. If there were written comments I would typically provide them to the committee in advance. We didn't receive any for this meeting.

We request the public to register if they're going to attend to speak. We give them two minutes to speak. Because there are only
three, possibly four people registered to speak we can extend that a few minutes based on your judgment, whatever you would like.

Darrell Hughes speaking. The first speaker will not be Paul, but it will be a representative from his association. So you just call out that association.

Actually you know what, we should probably read the rules for public oral speaking, for those people who are going to be speaking. It's right down in this section.

MR. CARR: Okay, so public comments. Members of the public wishing to speak at the meeting or who wish to arrange special accommodations to contact the DFO Darrell. Comments and registration to speak must be submitted by April 17 and I see that's announced. Does that go to the Federal Register when it's done?

MR. HUGHES: We publish the meeting notice in the Federal Register and that's how they receive my name, email and number to speak.
MR. CARR: There are two opportunities to provide oral comments to the committee. One of the two is face to face meetings. Walk-in comment slots may be available on a first come, first served basis at the meeting if the schedule allows.

Each person has signed up for only one speaking slot. Comments will be allotted two minutes or longer depending on the people who are here. And each commenter must say his name, organization or affiliation for the record, begin their comments.

So, I'm going to first call on the Apple Processors Association who have asked to speak before this group.

MS. GENTILE: Good morning. Mr. Chairman, my name is Maggie Gentile and I'm pleased to represent the Apple Processors Association.

APA is an industry trade association representing companies and farmer-owned cooperatives that manufacture quality apple
products from whole apples.

These APA members produce a majority of the nation's freshly processed apple products.

Our association was founded in 1987 to represent and enhance the unique responsibilities of companies that process and market food products from whole apples working closely with the food industry and government regulators.

Each of our members grow a portion of their apples in local orchards. Our suppliers coordinate with their fellow association members to ensure convenient and safe packaging and storage capabilities for these food products.

We are pleased to provide the federal government with the highest quality and nutritious apple juice, applesauce and special apple products for their feeding programs including WIC, school lunches, staff and related initiatives.

Our members carefully pasteurize their juice products, hot fill their food containers, and perform continuous research and food safety
checks to ensure safety and nutritional value.

Because our food products are processed fresh in packaged shelf stable containers they're ideal for remaining safe and nutritious for very long periods of time.

As our government improves and enhances its nutritional guidelines it's important to support and recommend processed food products especially for families without adequate refrigerated storage.

We ask that the advisory committee consider and support shelf stable food products for food and feeding programs of the federal government. Thank you.

MR. CARR: Thank you for your comments.

MR. HUGHES: Darrell Hughes. Just a point of insight. We do have a hard copy of that statement. I can scan it in and send it to the full committee for you guys to review.

MR. CARR: Are we allowed to ask questions of the commenter if there is questions?
As a group. If someone speaks and you want to do it do we need to wait till they all speak and call them back up here? If that's okay with everybody.

MR. HUGHES: Darrell Hughes speaking.

Rich Hudgins from the California Canning Peach Association. Rich, did I pronounce your last name right?


The issue I'd like to bring to the committee's attention this morning is the buy American provision for school food purchases.

This legislation was first passed by Congress back in 1988. And to be clear all of the food products that AMS purchases are 100 percent domestically sourced.

AMS purchases represent about 20 percent of the food products served in school feeding programs.

The other 80 percent of the food items
are purchased by school districts. They go out
to bid and receive bids from distributors and
make their own purchase decisions using taxpayer
funds.

And it is in this area where we have
seen inroads being made by foreign sourced food
products into the school feeding programs.

Specifically I'm talking about Chinese
canned fruit, apple juice sourced from Chinese
apple juice concentrate. FNS's own data would
indicate that 80 percent of the apple juice being
served in schools today is of Chinese origin.

Egyptian frozen strawberries, another
example finding their way into the school feeding
program.

And even fish sticks, fish that is
caught on Russian trawlers, processed in China
before being shipped into the U.S. for
distribution into the school feeding programs.

Let me be clear. The buy American
provision reflected the original congressional
intent.
The regulatory language that was developed by USDA over 10 years ago to implement this legislation does contain two exclusions. The first exclusion being for products that are not domestically produced. So think bananas.

The second exclusion is more problematic. The second exclusion calls for an exception for products with a significant cost differential. And as everyone around this table knows the competitive landscape has changed dramatically since this legislation was first passed in 1988.

There have been a coalition of organizations led nationally by the National Council of Farmer Cooperatives and the American Farm Bureau, but also including many individuals that are seated around the table today that were successful in securing language as part of the 2018 Farm Bill directing the Secretary to fully enforce compliance with the buy American provision and to report back to Congress within
six months on actions taken by USDA in accordance with congressional direction.

While there's been a lot more attention paid to this issue in recent years we continue to believe that meaningful change in school purchasing decisions will require more than just a few more webinars, or a few new pictographs going to schools prepared by USDA.

We can point at this point to decades of memos and guidance information and letters to distributors pointing out the language that was contained in the original buy American provision.

I would say that the National School Lunch Act was first passed in 1946. In 1946 President Truman highlighted two coequal goals, feeding nutritious meals to students and supporting U.S. farmers and ranchers.

I would suggest that we need to continue to adhere to the original congressional intent of the National School Lunch Act supporting U.S. farmers and ranchers with school feeding programs where taxpayer dollars are
involved.

And at a minimum if we leave the significant cost differential language intact at a minimum let's require schools to publicly disclose if they are taking advantage of the exclusion to spend taxpayer money on foreign sourced food products going into the school feeding program.

So Mr. Chairman, it's my hope that this committee as you move forward in your working groups can spend some more time addressing this issue knowing that the department has two more months before they have to report back to Congress on the direction given in the 2018 Farm Bill. Thank you very much.

MR. CARR: We'll hold the questions till last and let everybody speak if that's okay. Because I want to make sure we have time to get everybody in that has a comment before we go to that. So Darrell, who do we have next?

MR. HUGHES: All right. Darrell Hughes. Is there a representative from ERS here?
Economic Research Center? No.

ERS provided some research links and reports that I sent to the committee in advance of the meeting. And I just wanted to present the opportunity for them to comment on that if they were here. It doesn't look like they're here.

And the other potential speaking opportunity is a representative from United Fresh that's here. And I don't think there is anyone in the room. And so that would conclude the public comments portion.

MR. CARR: We'll go back now and anyone who has a question, if you'd address it to who you want to address that question to.

MS. GLEASON: Yes, this is Molly Gleason speaking. I had a question for you, sorry. What was your name?

MR. HUDGINS: Rich Hudgins.

MS. GLEASON: Rich Hudgins. My question is, and I'm ignorant about the process that schools use to bid on products, but how are foreign companies allowed to place a bid to
MR. HUDGINS: Rich Hudgins. The school in many cases has specs that they put out to a distributor. Some of the specs actually specify domestically sourced product.

In some cases the distributor discloses the fact that they are providing a bid on a foreign sourced food product and they document a cost differential and that falls within the exclusion that's provided in the USDA regs today.

In some cases the school food service director simply assumes that I'm buying a domestic product.

There was an example in California two years ago, the Ontario school district awarded a bid to a distributor for canned peaches under the label California grown, California being the source of virtually all of the shelf stable canned peaches in the country made the assumption that that was a California product. It was not. It was Chinese.
MS. GLEASON: So there's a lack of transparency on the distributor end.

MR. HUDGINS: In some cases. There is also -- let's also recognize that schools are under severe budget pressures as well. Schools have been given mandates to serve more fruits and vegetables, but haven't necessarily been given funds to fulfill the mandate. And so there is a budget constraint on the school. There is a profit motive on the part of the distributor. They have a better margin obviously if they're providing a lower cost foreign sourced food product to that district. So it is challenging.

MR. BELL: Yes, this is David Bell also for Rich. Please clarify the buy American provision for me. Does that say a school district is supposed to buy American, or is it just when a school district is using USDA dollars to purchase food and if they are purchasing food from the revenue that comes from the children to buy American does it or does it not apply?

MR. HUDGINS: The buy American
provision applies for all meals served in schools. So whether it is a direct AMS purchase or whether it is taxpayer money that the school spends on that bid.

The exact language in the buy American provision says that schools shall to the maximum extent practicable source domestic food products for the school feeding program.

But, two exclusions. That does not apply in the case of a school documenting a significant cost differential. And that's the avenue by which this is occurring today.

MR. BELL: So it's the total meal.

MR. HUDGINS: Correct.

MR. BELL: I believe you keep saying tax dollars, and there are sometimes local tax dollars, but I know where I come from in a lot of the rural districts there's not a lot of local tax dollars that go to the meals. A lot of money then comes from the students.

MR. HUDGINS: Rich Hudgins again.

Federal reimbursement to the school district.
They are receiving federal funds.

MR. BELL: Right, I understand that.

Yes. There's three sources of revenue. It's supposed to be all buy American even if a part of it is coming from the students themselves.

MR. HUDGINS: That's correct.

MR. SMITH: Steve Smith. Rich, do you have any suggestions about what a significant difference would be defined as?

MR. HUDGINS: Rich Hudgins again. A significant cost differential is undefined today. I can say that significant cost differential in the case of canned fruit would have to be 40 to 50 percent to close the gap relative to Chinese pricing that's available in the marketplace today.

In the case of fish sticks it is a similar magnitude.

MR. SMITH: I've got one more. How are foreign operators -- Steve Smith. How are foreign operators held to auditing standards from food safety?
MR. HUDGINS: Rich Hudgins again. At this point there is no federal oversight on product that's being provided by a distributor. Obviously the distributor has liability in the case of a food-borne illness. The Egyptian frozen strawberries that I referenced two years ago were recalled for concern over potential hepatitis A contamination. And that recall burden was borne by the distributor.

But the procurement decision on direct school purchases stands in stark contrast to the requirements for a vendor selling products to AMS.

So in the case of a vendor selling products to AMS there's actually a pre-award inspection. You as a vendor aren't even eligible to bid until you have had your facility inspected and pass muster with regard to food safety concerns by AMS prior to participation in a bid process.

MR. WILKINS: Tommy Wilkins. As
president of the school board in Texas for a year and I feel your pain. And I was told directly that we had no input on this. Zero.

So, and I'm chairman of the trade committee so this hits right in what I think we need to talk about.

But in order for us to be effective we need some help on the solution. Aramark is a third party distributor that probably oversees 90 percent of Texas which is where I know.

And they had no interest to even hear this complaint.

MR. PALMBY: I'm sorry, what was that again?

MR. WILKINS: They had no interest to even hear my concern about this as president of a school board that was contracting them.

So, you know, we need to help you with a solution. And so any input you have on that would help us.

One of the questions that I asked that I got no answer was who enforces what the 1988
document put out.

MR. HUDGINS: Rich Hudgins. The monitoring of school feeding programs is done at the state level. Actually, again, two years ago the state of California did an audit of six school districts within the state. Picked at random. Large and smaller ones as well.

And none of the six were found to be fully compliant with the provisions of the buy American program.

But again to be clear, had they documented a significant cost differential on their purchase decision many of those would have been found to be in adherence to the documentation required to take advantage of the significant cost differential exclusion.

MR. WILKINS: Tommy Wilkins following up on that. So is that part of a solution that may come to us that if we just started with the documentation that would help the states put some pressure on them to at least explain the decisions being made for the children?
MR. HUDBINS: Rich Hudgins. The comment I made in my remarks about at a minimum requiring public disclosure in the case where a school district was taking advantage of the exclusion for significant cost differential.

At the end of the day I believe sunlight is the best disinfectant. When you have to answer to the parents in that district.

And again, go back to the example of the Egyptian frozen strawberries. I don't think the parents of children in that school district really care how much money the school saved buying those Egyptian frozen strawberries.

So I think disclosure at a minimum should be required.

The other broader question though would be did the -- in hindsight did the regulatory language adopted by the department undermine the original congressional intent. The original congressional intent was very clear, support U.S. farmers and ranchers.

In 2019 significant cost differentials
abound throughout specialty crops in particular. Any product that's got a large component of labor in the production cost is either dealing with this issue today or soon will be.

MR. CARR: This is Chalmers Carr. To

follow up on that, when you're looking at a solution if I'm clear there was the legislative language, but then there was regulations adopted many years later by this agency.

So why particularly when you look at regulations can change by administrations. And the fact that this current administration supports this very language, why aren't we seeking to just reverse the regulations that USDA adopted 10 years ago to take that one exclusion out?

MR. HUDGINS: Rich Hudgins. That request has been made. I believe that it will need more voices.

MR. CARR: Well, hopefully our trade working group can discuss that as something that needs to go forward. It seems the easiest
solution in today's world is to work on changing the regulations within an agency, and an agency that is pro American farmer.

MR. ZEA: Donn Zea. Rich, is it possible with respect to food going to schools from offshore to be able to require some kind of inspection that would then be similar to the facilities that have to go through inspection with USDA purchases?

MR. HUDGINS: Rich Hudgins. I certainly think at a minimum that a foreign food facility should be held to the same standard of review as a domestic food facility for a vendor selling to AMS.

MR. ZEA: Is that possible?

MR. CARR: I think we have an answer to that right here.

MS. HARPER-LARSEN: We also have a representative from the FDA in the room. Kiley Harper-Larsen for the record.

The foreign supplied verification program under the Food Safety Modernization Act
has a provision for requiring almost any
distributor of any food product into the United
States to participate in the foreign supplied
verification program.

However, currently this isn't really
under the purview of the USDA but rather the FDA.
It's a bit unactionable. It's highly
documentation in a database and very few
inspections are occurring.

So if we're looking for an immediate
solution outside of just increasing the amount of
documentation that a school system may or may not
have the ability to do under our purview for a
statement or recommendations in the trade
subcommittee should it be the requirement that if
food is going to be sourced for a lunch program
or a grant program where funds will come from
USDA or taxpayer dollars that that all the way
going back to a farm just like in the United
States their supply chain must be inspected or
audited under the provisions that are dictated by
the foreign supplied verification program which
all of you guys will be familiar with because those loop in the produce safety rule and the preventive controls rule as well as the third party accredited auditing agencies, ISO accredited laboratory organizations, and also the prevention for adulteration that's intentional.

MR. SMITH: One more question. Steve Smith. Does that extend to residue tolerances on food, what's coming in? Not just the plant inspection, but is there any program for testing for chemical pesticide residues that might not be legal in the U.S. but is legal in the country of origin.

MR. HUDGINS: Rich Hudgins. I'm not aware of the answer to that question.

MR. CARR: I think for clarification there we might need USDA or FDA. Who has -- if it's already a consumer -- it's not fresh, it's further processed. It's now food so I don't know if USDA has any jurisdiction over that.

And when you're looking at pesticide residues on I guess a further processed product
that is ready for human consumption. Is that correct? Would that be under FDA?

PARTICIPANT: I'm sorry, I did not.

MR. CARR: So, talking about a prepared food. Fruit cups as an example that's coming into this country. USDA doesn't regulate that in terms of pesticide residue or anything because now it's food. So that -- is it correct that FDA would have I guess any kind of oversight on that?

MR. BROMLEY: As far at the imports coming in regarding pesticide residue we would and that would be handled by our import operations.

MR. CARR: Did you get an answer?

MR. SMITH: Steve Smith. I just didn't know whether that was ever even tested.

MR. BROMLEY: And I don't know enough to comment on everything that our import operations is testing.

MR. HUGHES: Can you state your name for the record?
MR. BROMLEY: Gerald Bromley.

MR. PALMBY: This is Paul Palmby. We participate in a lot of these programs given our business. But I think it needs to be understood that there's -- distributors are like any other business, they're buying products from where they can buy them affordably.

There's foreign supply verification on their supply chain. The school districts are not going to be subject to what -- so there's hundreds of thousands of cases of canned peaches and applesauce and other things come into New York ports that are brought in by traders that are able to substantiate foreign supply verification requirements and get all the things they need from the supplier to be able to do that.

And where it loses it is then school districts are just -- a lot of small school districts in particular are buying just from a distributor. It might be a local distributor. They have no idea that they're getting product
that might be from a foreign country.

And so unless they stipulate in a bid which some of them aren't even big enough to have their own bid process for a product. They're just sort of buying it as they need it.

And if their supplier happens to be sourcing -- maybe the U.S. market was short a product and then sourced from a foreign supplier for a period of time. And it just comes in and it's just transparent. It's not even noticeable to the school districts.

I think the challenge becomes it needs to be the school district's responsibility that if they're receiving USDA funds to buy domestic product. And I don't think that's been clear enough or enforced enough on them.

There's an enormous amount of foreign product coming in in these channels as Rich has said.

MR. CARR: Chalmers Carr speaking.

This seems to be a discussion of what a working group would probably take on and everything. So
if there's more topics or more discussion on this
I would recommend that the trade group actually
have Rich on one of the calls to further discuss
this and start working on this issue along with
others I'm sure you have.

I don't want to cut off conversation,
but it seems like we're going down a road
actually going into working on that.

But was there any other questions of
the other speaker? Okay, at that point --

MS. HARPER-LARSEN: This is Kiley
Harper-Larsen. I would just like to note from
the Apple Processors Association perspective if
you're echoing the same thing that we are hearing
from the California Canning Peach Association.

MS. GENTILE: Yes. Maggie Gentile.

People brought up the issue around Chinese
concentrate, apple juice from Chinese
concentrate. We are seeing that certainly impact
domestic sales and product going into the school
meals program. So it is also a challenge for our
association.
MS. HARPER-LARSEN: Question for you.

Kiley Harper-Larsen for the record. Does your organization have the ability if asked with its representation to provide the volume that the USDA would require to feed its population in the United States for school children? Because that will be a question that will be asked by the White House.

MS. GENTILE: Sure. Maggie Gentile. I will go back and get an official answer on that. My understanding is we would be able to. But I'll double-check that with my membership before getting you a formalized answer.

MR. PALMBY: Paul Palmby. I can address that as well. USDA procurement of apple products is almost 100 percent subject to small business set asides which means they can adequately source all that they need without larger businesses participating.

So if they needed more there's other suppliers that would be able to step in. For the last year or so it's been almost 100 percent
small business set aside on applesauce, apple
slices, that sort of thing.

       MR. CARR: Chalmers Carr. Paul, for
clarification, so when you have 100 percent set
aside you're saying there is enough small
producers or under the definition of small that
can cover that whole need. So therefore they
don't have to put it out to all the broader,
bigger companies.

       MR. PALMBY: Paul Palmby. That's
correct. Which has a fairly negative impact on
the larger suppliers believe it or not.

       (Laughter)

       MR. CARR: Understood. Anything else
for public comment?

       MR. HUGHES: So now we can recess for
lunch. And then onto the picture.

       MR. CARR: All right. So we're going
-- where are we at with our schedule?

       MR. HUGHES: At 1:15.

       MR. CARR: So we will go to lunch.

       We'll first of all go down to have a picture on
the second floor on the patio.

    MR. HUGHES: I believe there's a bank
of elevators right over here. We go to the
second floor and go out on what is it, like a
terrace. A patio. We'll go out on the patio for
a group photo.

    MR. CARR: And then where do we go for
lunch?

    MR. HUGHES: Lunch is on the second
floor as well. So we'll come back in and just
walk around to the restaurant. And there are
yellow tickets in the back of your packet for
your order number to give to the server.

    If you didn't put in an order it's
fine. You can order there. They will serve you.

    If you sent me an email with an order,
I think it was only you, Charles. And so that's
that.

    MR. CARR: Well, before we adjourn.
This is your committee and everything. We are
way ahead of schedule. So if you all would like
to come back at a later time like 1:30 instead so
you have some more time to catch up on email and
everything it's whatever your all's pleasure is.

      Stay on this current 1:15 or move to
      1:30?

    MR. BELL: I would suggest that we
just adjourn early if we get through the agenda.

    MR. HUGHES: Darrell Hughes speaking.
I don't think we can adjourn early because we
have three guest speakers. So the guest speaker
starts at 2:35. We have two of them.

    MR. CARR: So we'll stay on the 1:15
time frame of coming back. And if everybody can
adjourn and meet out on the terrace we'll have a
picture.

    (Whereupon, the above-entitled matter
went off the record at 11:43 a.m. and resumed at
1:18 p.m.)

    MR. CARR: So this is Chalmers Carr,
chairman, calling the meeting back to order at
this time.

    MR. HUGHES: 1:20.

    MR. CARR: Can you introduce our first
speaker for the record?

MR. HUGHES: All right. This is Darrell Hughes speaking. The first guest speaker is Leanne Skelton. She's going to be providing a food safety update.

A quick read of Leanne's bio. Leanne Skelton in her capacity as food safety liaison, serves currently as the AMS -- serves currently on the AMS Specialty Crops staff and the FDA's Center for Food Safety and Applied Nutrition staff via the Division of Food Safety.

Ms. Skelton, a biological sciences specialist and senior policy advisor for the fruits, vegetables and specialty crops is responsible for maintaining a collaborative working relationship between USDA and FDA relative to produce safety and preventive controls.

In addition to advising leadership on issues relevant to the industry she engages in a variety of FDA Food Safety Modernization Act related activities including the Produce Safety
Alliance and develop strategies on (a) compliance and implementation, (b) outreach and communications, and three, research and technical assistance.

A fuller bio is included -- was provided to the committee in advance and we have a few hard copies for those who would like to read over it. Without further ado I give the floor to Leanne Skelton.

MS. SKELTON: Thanks, Darrell.

Appreciate that. So my biological scientist title is made up just so you know. The one that probably makes more sense is that I'm a liaison from USDA over to FDA. That's made up too but at least that's legitimate. I am a liaison over to FDA.

I've been at USDA for over 30 years. All of my career has been somewhere revolving around fresh produce. I was an inspector, I was an auditor, I was a trainer. I came up through a farm community in upstate New York. So a Buffalo Bills fan. I'll take sympathy now for them.
My dad was a farmer. I had a brother, still have a brother that's a farmer. And my sister still farms in upstate New York.

I joke a little bit about how when we talk about produce safety and regulations at Thanksgiving I get hollered at a lot at that family event. But realistically everybody knows what it is we're trying to accomplish. And even my sister is GAP audited with USDA's GAP program.

So that's a little bit of my background. I started on a detail assignment with the Food and Drug Administration in 2009. It was a three-month assignment. It has not ended. And we keep redoing it year after year which we feel is a good thing for the community that we're all trying to serve.

Before I talk a little bit about an update I want to introduce a couple of my colleagues that are here. You all met Gerald earlier today with the Office of Food -- I'm going to screw it up. Human Enamel Food and Feed and something other.

MS. SKELTON: Got it. So that's Gerald. Also joining us today we've got Joy Johanson. Joy is the chief of the Division of Produce Safety's Processed Produce Branch in the office in CFSAN.

And so if it's processed produce related Joy is the person we want to hook up with and she's got a great staff that works with her. Fresh cut and other things.

And we've got Dr. Jim Gorny in the room. Jim is senior science advisor to CFSAN's center director Dr. Susan Mayne on all things produce. Works a lot of different arenas. Mostly physical related, but a lot of different arenas as well. So the three of them are here with me today.

Tomorrow you are likely to see Dr. Sameer Assar. Sameer is the director of the Division of Produce Safety at FDA. So you'll likely see him tomorrow. Today he had some other
obligations.

So that's sort of the generalization. You probably already know this so it's a bit repetitive, some bit of an update. But I wanted to talk a little bit.

Now you have this packet of notes in your binder. Don't hold me to the order. I might skip over a couple of things here and there.

But really just wanted to give you sort of the lay of the land where things are. There are seven general broad areas that FDA wrote regulations on back in the mid teens starting in 2011, '12, '13, '14, '15-ish. They're basically foundational rules that support FSMA, Food Safety Modernization Act.

You've got preventive controls for human food, preventive controls for animal food, produce safety rule which is where I spend most of my time, foreign supply verification program. We heard Patty mention that a little bit earlier today. Accredited third party certification
program which dovetails into foreign supply
verification program. Sanitary transportation
and intentional adulteration. Those are the
seven foundational regulations that came out of
the law.

And then there's a bunch of other sort
of rulemaking activities and support information
that go along with each of those.

There's lab accreditation, food
registry, compliance date extensions. There's
some work being done on agricultural water which
is probably the produce safety rule but it is
continuing to be worked on, biological soil
amendments of animal origin, also part of the
produce safety rule, continuing to be worked on.
That section of the rule sort of held in
abeyance, most of it's held in abeyance for right
now.

There is -- each of the different
rules have different compliance dates. And most
of the compliance dates are -- we're calling it
staggered implementation based on the size of the
operation.

So in practice the largest operations have to comply first in terms of having compliance and enforcement inspection type of activity. The smaller the operation the longer they've got to comply.

While that compliance time frame may or may not have hit yet what we're trying to make sure is done is providing education, outreach and awareness activities so that whoever the operation is and whatever rule you might be subject to you've got resources available to figure things out.

In addition to just pure sort of education, outreach and awareness type of activities FDA has also got a couple of programs that Gerald mentioned -- I mentioned on Gerald's behalf the Produce Safety Network. I'll talk a little bit about that in a minute.

And there's a technical assistance network. There's different training programs.

Both the Produce Safety Alliance in the produce
world and the Food Safety and Preventive Controls Alliance on the preventive controls rules, and then back to produce for a split second, the Sprout Safety Alliance because sprouts fall under the produce safety rule. So you've got those three training alliances and then a bunch of other activities going on as well. I'll touch upon those.

Initially there are activities like guidance development. So guidance documents -- actually some of them are out now for comment which have actually moved to go final based on the comments that they've received.

There's different fact sheets. The technical assistance network. Just today a constituent update hit the airwaves having to do with frozen berries. There's those kind of things.

And then there's the implementation side of this law. So you've got the standards setting piece and then you've got the implementation side which includes for the
community that's regulated you all are implementing, trying to meet these regulations.

    How do you demonstrate that? One way would be should an FDA or state employee show up on your farm or facility to do a regulatory inspection. And that's where those implementation or compliance requirements kind of kick in.

    The largest farms are just now starting to come into compliance requirements for produce. They've already been in place for manufactured foods and for sprouts. So a lot of different things going on.

    Let me talk a little bit about the relationship that FDA and USDA have and we share, we've shared it for quite some time.

    We are two distinct federal departments. So you've got USDA and particularly in AMS our mission is to help facilitate the competitive marketing of in our case fruits and vegetables.

    Most of our programs as Sonia said
earlier and Bruce mentioned are user fee funded. About 75-80 percent of our programs are user fee funded with the other 20 percent somehow tax base funded.

But even though we're user fee funded in a lot of ways what that -- some folks have commented well that means you do whatever it is whoever's paying you wants to have done.

And others would say and yes I'm still a federal employee. I'm held to ethics standards like all other federal employees and so we have the public trust even though our funding source is from companies, farmers, whatever the case may be. We are still part of the public trust.

The fact that I've got USDA on my business card means something. And it means an awful lot. So we still are beholden to that.

FDA's mission, different than USDA's mission, I'm going to shorthand this, is to protect the public health by ensuring the safety of the nation's food supply, primarily fruits and vegetables. We know USDA's FSIS covers meat and
poultry and egg products.

But you've got facilitate marketing
and you've got protecting the public health. And
I'm going to wear both of those hats at any given
time depending on what's going on.

So we also have a memorandum of
understanding, an official formal document
between the two departments that dates back to
prior to 1975. That's as far as we can find back
the records that talks about information sharing.

So we have historically shared
information. When one organization calls the
other we talk to each other, listen to each other
and provide information as best we can.

We've got from 2009 the reason that
I'm standing here today as a liaison is the
President's Food Safety Working Group was created
in I don't know when, I'm going to guess 2009.
And they decided at that point they wanted
somebody from USDA to hop on over to FDA. So
that's the liaison position that was created back
then on a three-month assignment.
We have an interagency agreement that again covers some of the things that I do.

Then you've got the Food Safety Modernization Act signed into law in 2011. Most of that responsibility is with FDA, but there is some responsibility that comes through USDA, primarily through our National Institute for Food and Agriculture, NIFA in terms of cooperative agreements and grants for things like the regional centers that provide education and outreach. More so on the Produce Rule than anything else, but there's a little bit of crossover to the Preventive Controls Rule.

And then more recently a year ago January Secretary Perdue and former FDA Commissioner Gottlieb signed a cooperation and coordination agreement. And that established a big report group that had three focus areas. Biotech was one of those areas. Dual jurisdiction. So if you've got a facility that is covered both by say Food Safety Inspection Service at USDA and FDA those -- how do you marry
those two things together. And then the part
that's near and dear to me is they had a FSMA
component to that.

Actually Jim Gorny chairs the FDA side
of the house there and I handle the USDA side of
the house from the technical work of that
particular work group.

We have senior officials at each
agency that actually do the muckety muck kind of
stuff.

On that work group though on FSMA we
have three focus areas. One was the alignment of
USDA's harmonized GAP program to the produce
safety rule. That was one area that we tackled.

Second area is outreach to extension
services, educators and others.

And then the third area is
international outreach. We've done the most work
on the harmonization activity or the alignment
activity, but we are touching on the others.

And then sort of the last way that
USDA and FDA play well together is there's a
government wide review process for regulation and regulatory type of action. The regulations, guidance documents, things of that nature. It's managed by Office of Management and Budget, OMB, where when one agency is writing a significant rule they've got to get the other agency to at least have reviewed it before it goes out public. So if there's any significant issues, concerns, comments, that kind of thing. So that's just sort of a normal thing that we've done forever and ever.

Let me jump over to produce safety rule. And really what I want to point out, in your packets there's a couple of different pages that are snapshots of FDA's FSMA webpage for that particular topic.

So there's a produce safety page in there. There's a preventive controls for human foods page in there and there is a foreign supply verification program page in there.

And if I remember correctly Darrell told me you might have a stray page at the end of
that section as a flow chart. And that is the
flow chart that describes for the produce safety
rule if you're subject to the rule or not. You
can kind of run through that flow chart and kind
of figure it out based on what you're doing.

One of the things that we've done to
be responsive to our USDA concerns is as FSMA was
being understood, better understood and as the
produce safety regulation was being drafted and
then put out as a proposal and then a final after
that is USDA and Jeff did -- where did Jeff go --
wherever he managed to disappear to. Jeff led
and organized various webinars. And our FDA
colleagues were the guest speakers at the various
webinars to help our USDA stakeholders across the
country get a better understanding of what at
that time -- what the proposed rule for produce
might look like.

We also did one to cover the
preventive controls for human foods rule. And
Jenny Scott who's not here from our FDA crowd
today, but Jenny Scott at FDA led the technical
discussion on that particular rule. So we've got some folks across the FDA spectrum that can be helpful to you as time goes on.

So yes, so you've got that flow chart and decision tree in there. And all of this information is available on FDA's website. So you don't have to search for it very far.

If you're looking for something, you want to try to find something and you can't give me a holler and I can point you in the right direction or send you the links and all that kind of thing. So you don't have to go out there and get too frustrated.

I will note -- my FDA colleagues might shoot me but I hope not. FDA globally just updated their website. Now I can't find anything. Probably my deficiency, not theirs. So a lot of the links I had are broken and things of that nature. But we'll figure it out. We'll get you to where you need to be, that kind of thing.

The next page in your book is just
again FDA's webpage on the preventive controls
for human food rule. That's your manufacturing,
your processing, that kind of thing. Supply
chain verification program which could be the
farm community verifying to their processor
they've got a program in place. That all falls
under there. So here in that we can be helpful
and guide you toward what you might need to do to
be compliant if that's what your organization
does.

Foreign supply verification program,
Patty mentioned it earlier today. Essentially
this is the rule or the regulation that tells an
importer what they've got to do to meet the same
requirements that a domestic farmer might have to
meet.

It's U.S. importers have to verify
different activities on the foreign grown product
so that we're on a level playing field. So
that's the foreign supply verification rule that
comes into play there.

And FDA's putting in soon that they
fully understand we need to have a level playing field for the industry so we're heading in that direction.

Let me jump ahead a little bit to compliance dates. I think you've got a slide in there that talks about that.

There is -- there's a table on FDA's website that has every single one of their rules outlined in a column and then different activity that have happened or that will happen depending on timing.

It is a challenging document to look at unless you print it out on almost legal or larger paper. But if you are able to do that it's kind of a good visual to show you what's going on where, where you can find different things and that nature. So that might be something you want to look at. I can get you the link to that document.

But in terms of compliance dates probably the biggest thing for produce right now is that the -- we've been waiting and finally
about two months ago I guess maybe got the notice
that the agricultural water provisions were going
to be delayed a little bit longer. They actually
put some time frames in there which is what
everybody was waiting on.

The rest of the rule -- essentially
you've got to comply with it if you're a large
farm. Would have been this spring which started
-- here it started -- my allergies started about
a month and a half ago so that was spring here.

Other parts of the country spring
might have been a little bit earlier or later
depending on if you're upstate New York when
they're still digging out muddy fields. If you
fall into that large category then at least you
know that the clock starts ticking.

The good news is you've got a lot of
resources that can be helpful to you. Your state
departments of agriculture in large part are
going to be great resources for you to better
understand compliance.

The training that's available through
the Produce Safety Alliance and other venues,
it's a wonderful place to get some basic
information and education.

Your cooperative extension, your ag
consultants, those kind of operations have been
working towards pretty much staying up to speed
on what's going on. So you've got some really
good resources out there.

FDA's Produce Safety Network is
designed to be boots on the ground folks. So
what I would say about that particular resource
is if you don't know -- for anybody around the
country, if you haven't plundered through FDA's
website yet to identify the name of the person
that might be a good resource for you I can help
you do that over the next day and a half.

Folks are eager to be helpful. And
they want to learn about your operation. I think
you might want to learn about how they intend to
do their jobs as well. So that's a really good
resource for you.

We've got two parts of the Produce
Safety Network. One is the Office of Regulatory Affairs group and one is the Center for Food Safety and Applied Nutrition group. But essentially they're going to do the same type of thing.

They want to be a good resource for you no matter where you might be in the country. FDA's website has got a listing of names and what regions they cover. Primarily it's mostly a group of states although there are some regions that are a single state just based on the size. Some are split I think. We can get you those names as well.

I know Ken's going to talk a little bit about audits. And the only thing I really want to say about that at this point, I'll end on this note, is one of the things that we've done in our most recent USDA FDA Cooperation and Collaboration Work Group is work on ensuring that the harmonized GAP audit, USDA's harmonized GAP audit is aligned with the minimum technical requirements of the produce safety rule.
It doesn't take the place of an FDA inspection. It does not. Let me be very clear it does not.

But it gives you a really good idea if you're successful in that harmonized GAP audit gives you a really good idea that you shouldn't have any real problem demonstrating that you're in compliance with the rule if an FDA inspector should show up at your farm.

The FDA inspector might be a federal employee or might be a state employee depending on how that particular state has worked its way into FDA's state cooperative agreement program.

I'm going to guess 46 states and American Samoa I think are the states that are currently getting some FDA cap funding to either have an outreach and education program, or that plus a compliance and enforcement program.

Colorado, you've got both activities.

And so in Colorado I'd be probably a little shocked if a federal FDA inspector showed up on the farm. That would be somebody from Tom's
group. And that's likely to be the same kind of
thing across the country depending on where you
might be. A few states haven't decided to play
in the enforcement world and that's okay.
That'll be our FDA -- will PSN do that? Will PSN
do any of the inspections?

MR. BROMLEY: For?

MS. SKELTON: For on farm.

MR. BROMLEY: The produce inspections?

MS. SKELTON: Right.

MR. BROMLEY: Yes, we do that --

MS. SKELTON: Yes.

MR. BROMLEY: Plus you're doing that
in those states that are not cap.

MS. SKELTON: That are not cap B. A
and B. That's a very few. It's not very many
states at all. Primarily you're going to see
state employees do that.

The last thing I'll leave you with is
the last page that says recent updates. That
FSMA webpage in FDA is a great resource for you.

Now, our USDA website is a good
resource as well. I don't want to shirk our responsibilities there. It is a great resource for you as well.

We do have links to FDA's sites, FDA's pages so you can get some questions answered one way or the other.

And as has been the case for a number of years now I can be the resource for you. I can put you in touch with the right FDA body or bodies depending on what the issue might be and we can go from there.

So I appreciate your attention. I'll turn it back over to the chair.

MR. CARR: Would you mind answering questions if there are any questions?

MS. SKELTON: I do not mind at all.

MR. CARR: Does anybody have questions for Leanne?

MS. HARPER-LARSEN: I do have one.


MS. HARPER-LARSEN: Thank you very much for addressing the group. This is Kiley
Harper-Larsen.

There's been more conversation about the produce safety rule and then farmer-owned facilities that have their own product that sometimes will have more than 51 percent of the product coming from another source.

And there has been very little official dialogue to date on that. And so the extension services are trying to do their best to provide resource information from the statute and the guidance documents on that.

But many of us in the room fall into that category with facilities that are farmer or cooperative-owned but when their product is not going through they are serving as a shipping or a brokerage entity.

MS. SKELTON: So, really what you're asking about is what is the definition of a farm. That's really the bottom line what you're asking.

The -- our colleagues that are working the facilities rule primarily is preventive controls for human foods rule, and then that ties
-- that farm definition cuts across every one of the rules. So we want to get figured out and the folks are working on that.

They are taking into account scenarios like you just described and there's dozens of others or hundreds of other scenarios out there as well that to you and me look like a farm but legally fall under a facility definition or a non-farm definition.

FDA realizes the challenge that has resulted from the way that is originally defined in the rules and is looking at that to try to clean it up a little bit.

So there is some -- on FDA's website there is some consideration for whether you're a facility and covered by the PC human foods rule, or whether you're a farm and covered by the produce safety rule. They're looking at what that might end up looking like.

What I can tell you now is stay in your seats, stay in your chairs. Don't get too riled up about it.
Consider yourself whatever it is you actually think you are. And I feel pretty comfortable that when this is clarified in the revised definition you'll be able to see exactly where you fit.

At this point there's enforcement discretion I believe that is -- essentially enforcement discretion means we know we're supposed to enforce this, but because of these conditions we're going to cut you some slack. That's kind of what that means.

So that's why you can stay in your chairs and stay calm about this for now. FDA knows it's an issue and they're trying to get that addressed.

I'm going to take a stab and I don't expect my FDA colleagues to give me a wink, but I'm going to take a stab that it's probably going through final clearances through the legal staff to make sure it buttons up the way people expect it to. And we might ought to see something on that in the next couple of months is my guess.
I could be wrong, it could be longer, but enforcement discretion is your friend. So utilize that for as long as you can.

MS. HARPER-LARSEN: Thank you.

MR. CARR: Any other questions? Thank you, Leanne.

MS. SKELTON: All right. Thanks for having me, folks.

(Applause)

MR. HUGHES: All right. Darrell Hughes speaking. The next guest speaker is Ken Petersen. Kenneth Petersen is the chief of the Audit Services Branch of our agency, of the Agricultural Marketing Services Specialty Crops Program Inspection Division. That's within our region.

Mr. Petersen spelled with an E, not an O, has more than 30 years experience in the area of fruits and vegetable production including good agricultural practices, GAPs, on farm and food safety laws.

He represents USDA on an issue that's
related to GAPs including produce GAP 
harmonization initiative and the global food 
safety initiatives primary production task force 
and has given numerous presentations across the 
country on the USDA's GAP program. 

So without further ado Ken Petersen. 
And obviously the same with Leanne. His bio was 
shared in advance and you have a print copy if 
there is anyone else who would like to look at it 
right now. Ken, the floor is yours. 

MR. PETERSEN: Thank you and good 
afternoon, everybody, and thank you for the 
opportunity to speak with you this afternoon. 

A little bit about myself. Born and 
raised in New Jersey on a farm. After I 
graduated college I worked with Rutgers 
University in the extension service for about 
five or six years working directly with 
producers. 

I spent about five years back at my 
alma mater where I ran the horticulture 
production facility at the college that was used
as a living learning farm. Also did some adjunct teaching before I came over to USDA.

In 2004 I came down to DC where shortly thereafter I inherited what was about that much of a GAP program. And it was me, myself and I for a very long time. As we go through here, we'll talk a little bit, our GAP program is now about this big and we've got a lot of other services that we offer that I'm going to talk about here as well.

So as Leanne talked about a little bit FDA has regulatory authority over fruits and vegetables. So where does AMS fit in and where does the GAP program fit in.

And still to this day I have a hard time understanding the differences. They think it's the federal government and USDA is out there to regulate their produce and that's not the case.

For the GAP program specifically it's all about market access. It's about you've got a buyer that's requiring you to get some sort of a
food safety certification in order to become a
supplier for that company and that's really the
main purpose of our program is to facilitate
access in the marketplace whether it's here
domestically or internationally.

And we've got a number of different
audit programs that we offer. Food safety
verification is obviously our largest program.
Our GAP program falls in that program. We also
offer programs with good manufacturing practices
and some other things where we do food safety
certification.

One area for us right now is export
certification. We've been working with several
of the nut commodities out in California on
meeting EU requirements to be able to export
products over to the EU.

Actually working with Joy and her team
right now on probably in the next six weeks or so
on launching a seeds for sprout export
certification program for seed distributors here
in the United States that are right now shut out
of the EU marketplace because of EU regulations.
So that's a program where again a lot of
collaboration working between the agencies with
FDA and AMS.

We offer a domestic origin
verification program that's used primarily within
the AMS commodity purchase programs to ensure
that the products that AMS is purchasing is of
domestic origin.

And then we do a fair amount of work
as well with other government agencies. The
Defense Logistics Agency, the U.S. Agency for
International Development, our own commodity
procurement group. Where we're doing supplier
verification audits going out with DLA on
suppliers that they've contracted with to provide
fruits and vegetables and other commodities.
Working with USDA or USAID on some of the
international food relief programs and things
like that. Working with Richard Boyd and his
team in his normal day job on that program as
well.
But really the centerpiece and what I'm going to spend most of my time talking about is our GAPs program. Again our GAPs program founded in the early two thousands was a relatively small program for the first number of years and then through a series of food-borne illness outbreaks associated with produce we've really started seeing our program growing again as more buyers were requiring their growers to get food safety certification.

This past year we did over 4,200 GAP audits nationwide in all 50 states. So it's a pretty large program.

We partner with state departments of agriculture primarily where we train and license state department of agriculture employees to go out and do audits on our behalf in those states.

We also have a staff on the federal side that goes out and covers states that either don't have state auditors or in some cases where states get over-burdened with audit requests we'll help fill in with our federal auditors.
there as well.

    And as I mentioned GAP program started
back in the early two thousands. At that time it
was one GAP program. It was the USDA Cultural
Practices Program.

    But over the years we've expanded our
suite of services again for market access
purposes. We have worked with the mushroom
industry on developing the mushroom GAPs program.
We were part of an industry effort with the
tomato industry on the tomato audit program.
Have partnered with both California and Arizona
to provide some technical oversight on their
state marketing agreement programs for leafy
greens, LGMA programs, the California Cantaloupe
Program. Ultimately over the last six years or
so partnered again with industry, United Fresh
taking the lead working with industry on the GAPs
harmonization initiative and really adopting the
harmonized GAPs standard within our audit
program.

    So, again we've really expanded the
services that we provide to the industry.

As Leanne kind of primed up here 2018 was really a significant year for us with the GAPs program for a number of reasons.

(A) we had worked with FDA back in 2006 on -- or 2016, sorry, on aligning our harmonized GAPs program with the technical requirements of the produce safety rule and last June Secretary Perdue was over at FDA with Commissioner Gottlieb where they presented a formal letter to the department recognizing the alignment of our program with the FDA produce safety rule. So certainly a significant piece of work that we did there again to help industry know where they're at.

As Leanne said it's not a replacement for FDA inspection, but it's going to help growers understand where they need to be. And ultimately buyers asking are you FSMA compliant which obviously is a very technical term from the FDA perspective but from a buyer perspective again it gives them some level of assurance that
they're buying from producers that are meeting
the expectations of the FDA produce safety rule.

The other big accomplishment that we
had last year was we were the first government
agency worldwide that went through the formal
technical equivalency through the Global Food
Safety Initiative.

It's a new program that GFSI launched
in 2016 to partner with governments around the
world on aligning their certification programs
for those countries that have certification
programs like AMS to the technical requirements
of GFSI's food safety requirements.

That was a long time coming. We
started back in 2011 where Bruce Summers and I
met with the GFSI board on how could AMS go
through this project. It took us seven years to
get there. I tend to blame my hair loss on a lot
of things but that was probably the number one
thing that drove that.

But certainly with the GFSI technical
equivalency. So again our suite of services.
We've got the harmonized GAP audit. We've got another one that's called harmonized GAP+. And as the name implies it's the harmonized audit plus the GFSI requirements, GFSI technical equivalency. So we all kind of sat around the room and flipped a coin on the name and my suggestion was the only one that stuck. So that's what it is.

Again, that's a great program for producers that are selling to buyers that require a GFSI level certification.

Now, I will point out that technical equivalency is not the same as full GFSI benchmarking for those of you that are the food safety geeks in the organization.

GFSI does make a clear delineation between the two and buyers are free to accept technical equivalency or not within their programs. But the work that we've done reaching out to a lot of buyers, particularly here in the U.S. we've had pretty good acceptance and penetration where buyers say yes, they'll take
our harmonized GAP+ audit for their suppliers. We've had a couple of exceptions there. We're continuing to work with those retailers to get full acceptance of our audit.

But again it's providing that marketing tool, that market access tool to the industry so that they can facilitate marketing and gain access to things like that.

Another program that we launched in 2016 is our USDA group GAP program. And that's a group certification program where historically our program had been one farm, one audit. And we were approached by a number of representatives that worked exclusively with small regional food systems, food hubs, things like that that were looking for a more cost-effective method of certification.

If you're a small two or three acre grower getting GAP certification can be a costly endeavor. So they wanted to try to look at some other methods of certification.

And we ran a pilot program looking at
a couple of different options ultimately leading to us developing our group GAP program.

We've started out initially in 2016 with five groups. This year we're either 12 or 13. We've got one group that's still on the fence. But those 13 groups represent over 600 growers. So again it's another tool that the agency is offering to help growers of all sizes achieve the certification they need to access markets.

So I figured there was going to be lots of questions so I left plenty of time to answer any questions that you may have on our programs and services. I'd be happy to go into more detail on anything that I talked about.

MR. CARR: Questions for Ken. This is Chalmers Carr. I want to make a statement to you because I don't think the produce industry has yet realized the impact of this GAP+. But I can give you a firsthand experience and share with the group.

So we were under SQS certification in
South Carolina. We have a farming operation in Florida as well.

Due to a scheduling conflict we could not get SQS to date in a timely manner and our food safety certification was going to be up in the retail space.

Lo and behold we didn't know they were going to back GAP us. We called the Florida Department of Agriculture program. Inspector comes out with a less than two-week notice, does the inspection, of course passes and everything else.

But this was the kicker. Had an 80 percent reduction in cost. So I think the produce industry is really going to appreciate what you all have done in this and just continue to work. Everybody now is not accepting it.

MR. PETERSEN: There's one major retailer that is giving us fits at the moment, but we continue to be engaged with them to work with them on full acceptance.

I will say if you've got either
yourself or growers that you may work with where
there's a retailer that's giving them problems on
acceptance of our program please let me know.

    We have real good success when we
reach out to buyers and educate them on our
program and go through exactly what the technical
equivalence is as well as our auditor training
and credentialing program and things like that.

    So we do -- although we're not
accredited and don't have to go through that side
of the GFSI benchmarking our program is set up
almost identically to what those certification or
accredited certification bodies would go through.
So very rigorous training credentialing program,
review process, things like that.

    MR. WILKINS: Tommy Wilkins here.
Just to clarify, you got global GAP+.

    MR. CARR: Well, it's GAP+.
    MR. WILKINS: GAP+.
    MR. CARR: Which is the -- has the
technical equivalency of GFSI. So every major
retailer that you deal with in the United States
requires GFSI especially in my commodity.

So unfortunately we were running against a deadline because the Florida season is out of synch with the South Carolina season and we were going to lose that certification.

And the number one retailer we deal with was telling us they weren't going to be able to buy. We got into a real panic situation and lo and behold reached out to the department of ag there in Florida and we learned about this program and what it said.

We have to schedule our audits out sometimes a year in advance, or at least six months in advance. This one we got done in less than two weeks at a much reduced cost.

MR. WILKINS: So domestically they accept the plus except for --

MR. CARR: Every major retailer on the east coast has accepted it except for one.

MS. HARPER-LARSEN: This is Kiley Harper-Larsen. I have a success story to share with you guys in relation to his team.
During the government shutdown there were a lot of people who were worried about getting what they needed out of Ken's auditors. And there were a couple of people who were coming online in the controlled environment CEA programs at your indoor greenhouses in the leaf industry.

Retailers are accepting this audit, okay, for this technical equivalency. But his auditors did it in less than a two-week time span at the same reduced cost.

And personnel have been able to take those budget items and apply it directly back into their programs to improve PTI compliance and things like that.

So I think that this is a great stride that USDA made for the endeavor.

I wanted to ask a question. We have a memorandum of understanding between Canada and the U.S. related to FSMA, right, where they're accepting of our food safety programs. Is that correct? Similar to New Zealand.

MR. PETERSEN: I defer to FDA on that.
MS. HARPER-LARSEN: Systems recognition. Within that will CFIA do an MOU recognition of the USDA GAP+ which would then help their retail base to accept your audit.

MR. PETERSEN: It's not anything that we've looked at at this point. So right now the service that we provide is also with our state partners here in the United States. And we've not really delved into the international arena with this yet.

MS. HARPER-LARSEN: I'm just wondering, I deal with quite a few of our clientele who have held back because they want to have the audit that is the once and done. Like Chalmers was talking about. And they've got that one entity in Canada that's holding that back. We're essentially holding back the profitability of our American grower banks. I think it would be a worthy pursuit.

MR. PETERSEN: Duly noted.

MR. CARR: Any other questions for Ken? I'm sure a couple of years ago there was a
lot of questions.

MR. PETERSEN: This is an easy crowd.

Normally I get 25 minutes worth of questions after a 5-minute talk.

MR. CARR: Food safety has become a part of everybody's daily lives in the fruit and vegetable industry so I think it's more now improvements that you could make to it.

The industry has had a longtime problem with different retailers accepting different certifications. The closer you can get to making this harmonized and we can go to this it kind of takes the profit incentive out of the companies and puts it back where it needs to be.

If you're going to be the one regulating the inspections anyway it should be the auditors approving our plans.

MR. PETERSEN: Thank you.

(Applause)

MR. HUGHES: All right. So next up -- actually before we get started with the next guest speaker a reminder for those who are new to
the room. If you provide insights or an assisted comment make sure you give your first and last name for the court reporter in the room.

I know we have a couple of new people. We have provided the court reporter with your names. So Judy, Travis and Robert, if you speak remember to give your first and last name for the court reporter.

Next and final guest speaker, Judith Redman from the Fair Trade Practices Program in AMS.

Judith Rudman is the director of the Perishable Agricultural Commodities Act, PACA division, and AMS's Fair Trade Practices Program.

PACA is committed to ensuring fair trade in the produce industry and offers many services to the produce industry.

PACA protects businesses dealing in fresh or frozen fruits and vegetables by establishing and enforcing a code fair business practices and by helping companies resolve business disputes.
Working in partnership with the fruit and vegetable industry PACA facilitates fair trade practices through education, mediation, arbitration, licensing and enforcement.

There's more about Judy's background but I'm sure that she will probably get into that in her remarks. Without further ado, Judy Rudman.

MS. RUDMAN: Thank you. Thanks, Darrell. Happy to be here. Thank you. I'm Judy Rudman and I'll tell you a little bit about myself.

I came to USDA in December of 2015. Before that -- there's some familiar faces in the room. I know Bret Erickson. If you were still in your old job and I was still in mine we'd be having some really long nights because I was the director for bilateral agreements at the Commerce Department and I did the Mexican Tomato Suspension Agreement. So we're certainly -- that's where I would be.

But glad to be here. A couple of
other familiar faces. I did the California ag leadership program in 2017 and I stayed in John Chandler's parent's house. So that was a great program.

When I came to USDA I'd been at Commerce for 24 years. I really like the produce industry. In addition to the tomato case I did some lemon juice cases, other ag products, did cattle. Really enjoyed it and the opportunity to come over to PACA was a real win-win for me. And I feel like I won the lottery.

I like the industry. I really like these opportunities to meet with members of the industry and to figure out how PACA can better serve your needs.

I know that many of you are affiliated with companies that are licensed under PACA and as you may know the Perishable Agricultural Commodities Act was enacted in 1930 at the request of the fruit and vegetable industry.

We work to ensure that farmers get paid. We deal with whatever point in that
transaction, the contract transaction to make sure that produce is paid for in a prompt and timely -- in a timely manner and in accordance with the terms of the contract.

PACA is unique in that it's 100 percent user fee funded. So you were talking about the furlough before. We worked all the way through it. We were here.

It is the industry that funds us through your license fees and complaint fees. And I think it might be from when we were created in 1930, the industry was lobbying Congress and Congress said yes, we'll protect you. But it's 1930, we're minding our checkbook. We'll do it but it's got to be self-funded by the industry.

So that puts us in a unique position. I can tell you we are responsible stewards of your money. We went out, we had a meeting. Everybody in PACA self-parked. We don't valet park. That's kind of who we are. We represent the industry and we are careful stewards of the funds that we receive.
And it's also that -- we need to have
the money that we get from license and complaint
fees to protect the businesses dealing in fresh
and frozen fruits and vegetables.

As Darrell said, we establish and
enforce a code of fair business practices by
helping companies to resolve business disputes.

We work in partnership with the
industry. We facilitate fair trade practices
through education, mediation, licensing,
enforcement and arbitration.

We respond to hundreds of calls each
week from the industry seeking assistance on
problems that are unique to this produce
industry.

Interpretation of USDA inspection
certificates. Pricing at certain price points.
We use the market news information. We use our
inspection certificates all the time.

Advice on contract disputes and
bankruptcies.

PACA resolves over 90 percent of the
disputes that are brought to us through informal mediation process. That's where we work with the seller and the buyer to seek a resolution that works for both sides.

And this is really important in this industry. When a lot of businesses conduct it on a handshake. When you might have the same buyer and seller working together for years. They happen to get in one bad season or one bad transaction. You need that neutral third party that both of you can be angry at so that it all works out.

So that's what we're there for. We're there to resolve those disputes.

We also are there to protect the industry by sanctioning entities that have committed unfair trade practices. And those might include failure to pay promptly for the agreed price on the contract. Failure to account truly and correctly for produce shipped on consignment, or failure to deliver the contracted produce in a timely manner at the price and
Sanctions for violations of PACA are serious. They can include monetary penalties, license suspension, or in the most serious cases we revoke licenses.

I say that we're often the good housekeeping seal of approval. If you know that you're dealing with an entity that's licensed under PACA they are in compliance with the law and they went through what it takes to get there.

It's been a very busy time for PACA recently. We were moved to the Fair Trade Practices Program in December of 2017. And this was a new program in USDA's Agricultural Marketing Service that's committed to promoting fair trade practices to USDA stakeholders.

The FTPP program as we're called is made up of four divisions, the packers and stockyards division, the warehouse commodities division, the food disclosure and labeling division, and PACA.

We work in partnership with our USDA
stakeholders to advance fair trade across the
board to our respective industries.

    But as you can see by me being here
today we still are a tightly knit group with our
specialty crops colleagues.

    Another big event for PACA recently
has been our -- since our move to Fair Trade
Practices Program deals with information
technology.

    And I know Bruce Summers was here this
morning and mentioned that there were some big
changes coming on the technology front.

    I'm pleased to announce the deployment
of a new ePACA system that is going live today.
Early this morning at about 3 a.m. emails went
out to current PACA licensees whose licenses are
due for renewal 45 days from today.

    Those emails invited the recipients to
renew their PACA licenses online through the new
external ePACA portal.

    As of today PACA licensees will
receive renewal notices via email for everybody
where we have an email address on file.

We'll continue to send paper renewals for those firms we don't have email addresses.
And all of those renewals at least in the month of May we're going to continue to send paper renewals.

And we're getting used to the new system. I have Travis Hubbs with me here today. And Travis is a PACA veteran for 13 years. So Travis was key in helping us to build the new cloud-based platform that includes an external portal.

Before that we were using a behind the scenes Oracle database. Now we're state of the art and it's a really big day for us to have gone online with this today.

So as of today members of the industry can apply for and renew their PACA licenses. They can file reparation complaints and they can make credit card payments through the online secure ePACA portal.

PACA also will be transmitting license
certificates after we finish the renewals through email, getting them out to our stakeholders more quickly and more efficiently.

A press release will be going out shortly announcing the formal rollout of ePACA and it will include information on the system and links to our website.

The development of the ePACA system has been a top priority for AMS and for PACA. It's in line with Secretary Perdue's goal of improving information technology efficiencies and customer service.

PACA licensees now have the option of using that online portal. For those who prefer to fax or mail their renewals or complaints those are -- those mechanisms are not going away. It's just to provide you the industry with more options.

ePACA also includes an improved PACA search function. And for any of you who may have used our search function before to see if an entity is licensed before you choose to do
business with them as of this afternoon there's a new capability on our website that will take you to realtime license information.

It's a new more comprehensive search function that should allow you to make better informed business decisions.

In addition to providing information on whether or not a company is licensed under PACA we're also including information on an entity's complaint history.

This is really new and big for us. In the past you would have to call PACA and find out. This gives you realtime information on what we can provide. The information that is out there is what we are allowed to provide publicly.

With realtime license and complaint information that can be accessed anytime from anywhere we're assisting the industry in making better informed business decisions.

We also sometime this summer expect to roll out an ePACA app and then you would be able to access that same information from the app.
A little bit of an update about where PACA is. We're always ready to serve the industry in our joint goal of promoting fair trade, but as a quick snapshot we maintain approximately 13,600 licenses. Our revenue is between $10 and $11 million annually.

We licensed almost 400 new entities in the last six months alone. And that was through the furlough. We were still licensing. We kept it going. We couldn't get mail in and out. That caused a little bit of a problem. But we figured out some backwards ways to make it happen.

Since January of 2019 PACA assisted the produce industry with over 750 phone calls regarding good delivery guidelines, contract issues and the PACA trust involving over $25 million.

In this era where so much is done by and through technology the fact that since January we have had 750 phone calls where the industry is coming to us with the specifics of their transaction and we're giving the guidance
as to what liabilities amounts due might be. We remain relevant every day.

In the last six months we issued press releases notifying the fruit and vegetable industry that sanctions had been imposed and that the PACA licenses of 33 produce firms were suspended for failing to pay for over $1.8 million in fruits and vegetables.

PACA also imposed employment restrictions on principals of those firms.

PACA has been around for 89 years.

For those of you who don't know Bruce's history he used to have my job. So it's a little intimidating when the administrator used to sit in my chair.

And we are always looking for ways to better serve the industry. We adapt to remain relevant and that's our hope with this data modernization.

It's been the last 18 months that we've actively been building this database and before that it was 2 or 3 years to figure out
exactly what we needed.

The prior system was built in the early nineties as I said on an Oracle platform.

PACA is there to protect you and your business transactions. We have our experts in Washington, DC and we still have our three regional offices, Tucson, Arizona, Fort Worth, Texas and Fredericksburg, Virginia.

We're ready to address your needs and concerns. It's those people in our field offices who are answering those 750 phone calls.

If you have had dealings where you've involved PACA you probably know the people in the regional office that cover your area.

And we're industry funded. We're industry focused. We are there to provide the assistance to ensure that produce is bought and sold fairly.

And if we can ever be of any assistance please let us know. And if there's any questions today I have Travis here as well to help. Travis is the chief of our investigative
enforcement branch. He handles the disciplinary complaints primarily, but before that he spent 11 years in our Fredericksburg office as a marketing specialist handling complaints that affected entities in the eastern region.

MR. CARR: Thank you, Judy. Questions for Judy.

MR. WINGARD: Yes, I've got one. This is Charles Wingard. This morning we talked at length about hemp being classified as a specialty crop. Will hemp come under PACA?

MS. RUDMAN: That's an interesting question. And when we get -- we get those questions on different products all the time and do an analysis and determine.

At this point, I don't know Sonia if you want to -- I don't want to overstep anything. If it's dried herbs -- there's all sorts of things that go into making those calls officially. Travis, any insights on your side that you want to provide?

MR. HUBBS: This is Travis. I would
just say just like Judy said each commodity is evaluated as it comes up either through a case or through inquiries such as yourself.

So we evaluate it. Herbs typically are covered --

MS. RUDMAN: Fresh herbs are covered.

MR. HUBBS: Fresh herbs are covered.

So as they come up we evaluate it.

MS. RUDMAN: So if it's dried and the perishability, all that factors in. But we know it's a significant topic at the moment. Sonia, did you want to?

MS. JIMENEZ: No, I agree with you. I think it's premature to say yes or no. It would have to go through the process of evaluating whether it falls within the PACA block.

MR. CARR: Chalmers Carr. Judy, last year, maybe two years ago there was a major retailer in the country that tried to impose new payment standards.

My question is if a produce supplier
to that company would have gone along with that
would they have forfeited their rights under PACA
because their terms were longer?

MS. RUDMAN: I mean, it would have
depended on the particular circumstances of that
individual thing.

You know we jumped right on that. If
you Google Judith Rudman and Kroger you'll find
all of that. We got that out. Then we had a
similar issue with Campbell's.

I don't want to give a sort of
advisory opinion. It would depend on the
circumstances, but you know under PACA you can --
a buyer and a seller can choose to enter into a
contract that does not -- you can choose to enter
into payment days that exceed what PACA allows
for.

So you could enter into 45-day payment
terms if the buyer and the seller agree. In that
instance you sort of have the David and Goliath
situation.

So what we're mindful of is when
things are being imposed and that's where we found that that was contrary to the PACA.

MR. BOWMAN: For the record I'm Richard Bowman. So if you have a contract -- since we got on this subject -- that states at the beginning of the contract that it's under PACA rules, but down in the terms section it says it's 45 days are you covered?

MR. HUBBS: If you put anything that exceeds 30 days in writing you would negate your PACA --

MR. BOWMAN: Even if it says at the beginning that it's under PACA rules and in the term section later in the contract it states 45 days, for example.

MR. HUBBS: Correct. It would typically be seen as negating your trust rights. Doesn't mean you couldn't file a reparation complaint through the PACA division if you're familiar with that. You file that hundred dollar claim. You could still handle that.

But as far as trust rights being
covered if your customer filed bankruptcy or financially delinquent you most likely would not be able to proceed. But that is typically up to the judge in that civil case proceeding.

But our statutes are pretty clear if you exceed those 30 days in writing then you're pretty much giving up that component of the trust.

MS. RUDMAN: Yes, and I think a lot of that when those go to court it depends on the interpretation of the judge. You can be hanging yourself on that technical language.

MR. BOWMAN: Thank you. That came up a lot after the Kroger deal.

MR. CARR: Any other questions for Judy? Well, thank you very much.

MS. RUDMAN: Thanks for having me.

(Applause)

MR. HUGHES: All right. So it's 2:30 now. On the agenda we have a 15-minute break scheduled. I'm going to say you go ahead and do the break and then after the break since a
representative of ERS is here we can have them speak a little -- for a few minutes after the break since we have coffee and snacks outside.

MR. CARR: And I think United is here if they want to speak. Okay. So everybody, we'll take a 15-minute break. We'll come back and we'll have somebody from ERS speak to us and then we will break up into our working groups.

Right now we're running almost two hours ahead. And looking ahead at the schedule we slotted three hours for the working groups. So if it's all right with this group maybe we do an hour and a half today and an hour and a half tomorrow. It would still get us through by 4:30 today and then would allow people to make plans to leave a little bit early tomorrow. Is that all right?

MR. HUGHES: Darrell Hughes. One quick insight. The directors from our divisions will probably not be here tomorrow.

The last page of Sonia's presentation has contact information for those directors.
Should you have a topic that you want insights on you can email those POCs for information or obviously you can contact me and I'll help you figure it out. But I just wanted to let you know that they may not be here tomorrow. Or they will not be here tomorrow.

MR. CARR: All right. Well, it's 2:30 now so we'll be back at 2:45.

(Whereupon, the above-entitled matter went off the record at 2:28 p.m. and resumed at 2:49 p.m.)

MR. CARR: As I said before we went on our break we have somebody here that is from ERS to speak with us. They asked to be a part of the public comment. Since we have time we're going to recognize them and let them come and speak.

MR. ASTILL: Thank you very much. I won't take much time. My name is Greg Astill. I'm an economist at the Economic Research Service in USDA.

Myself and my colleagues have come to some of these meetings before and shared some of
the work we're doing. Today I brought you beautiful printed reports. A lot of times people just access online now but we're happy to hand these out whenever we can.

    We have Fruit and Tree Nuts Outlook, Vegetables and Pulses Outlook, a report on the availability of fresh market tomatoes.

    These two reports have been long in the making, five years, and the produce growers that participated in the survey really made this possible.

    So this is our survey on produce food safety practices used on the farm that came out last August.

    And then this is a case study talking with retailers and looking at how retailer demands have driven food safety adoption.

    So thank you very much for letting me come up here and plug these reports. All of our work is made for the public. Everything we put out is publicly accessible and downloadable from our website.
So we hope that these reports are useful to you and the information in them really helps you all. So thank you. I don't know if anyone has any questions.

MR. WHEELER: Are these reports in our packet?

MR. ASTILL: I put them out on the table and you're welcome to take whatever you like. Darrell said he also sent you a set of links. All of these are available at usda.ers.gov.

MR. HUGHES: One clarification. I don't know if the links are of the same reports, but nonetheless I'll make sure that whatever I sent synchronizes with that once we're back in the office and are able to reassess all the material that I've shared.

But there are definitely hard copies outside on the table.

MR. CARR: Any questions?

MR. JANIS: Just curious if someone in industry is interested in perhaps pursuing some
sort of study to be done can you maybe just share
with us how you go about that?

    MR. HUGHES: That's Michael Janis
speaking.

    MR. JANIS: I apologize. Thank you.

    MR. ASTILL: Yes. So you're very
welcome to send emails to me and Suzanne
Thornsbury is my supervisor and kind of the team
lead for the small and dedicated team of
specialty crops researchers in Economic Research
Service.

    But yes, if you have ideas of what's
important research that USDA should be looking at
we're very open.

    MR. JANIS: Thank you.

    MR. ASTILL: Thank you.

    MR. ERICKSON: Bret Erickson. You do
all types of different research studies in the
fresh produce industry?

    MR. ASTILL: Yes.

    MR. ERICKSON: What is your take on
for U.S. fruit and vegetable producers for the
next 5 to 10 years, what do you think is the
biggest threat to our existence?

MR. ASTILL: That is a very good
question. We do produce predictions for market
outlook and those are in our ERS reports.

So Congress mandates for budgetary
reasons that we produce these outlook reports
predicting prices, supply and demand. So that's
all publicly available.

In our outlook reports like the
Vegetable and Pulses and Fruit and Tree Nuts
Outlook we address a lot of those issues that are
challenges for specialty crop producers.

MR. ERICKSON: So you're not going to
take a stab at that.

MR. ASTILL: I won't take a stab at
that today. But I will plug one of my special
articles in the Veg Outlook which is romaine
lettuce outbreaks. So I think food safety is a
challenge for produce. I think everybody
understands that.

So there's a special article
addressing that that I think you would like.

MR. ERICKSON: And any thoughts on the relocation of ERS to other areas of the U.S.?

MR. ASTILL: No, I don't have any thoughts.

(Laughter)

MR. CARR: Other questions?

MS. HARPER-LARSEN: This is Kiley Harper-Larsen for the record. Can you give the highlights of your romaine lettuce research?

MR. ASTILL: So using our good friends at AMS's data we looked at the shipments of romaine lettuce. So you can see there's that seasonality in shipments that moves from Yuma to the central coast of California.

And then if you look at the historical trend in outbreaks they typically happen in romaine in the spring and in the fall, in those transition times.

Now of course we don't have any idea of why that seasonality is happening, but we do observe that in the data. And we point other
researchers to that interesting piece of information, that there's a seasonality in shipments and the seasonality in the production and outbreaks.

You stop growing lettuce in California because it gets too hot. Bacteria like it when it's hot. So animals are moving around at different times of the year. There's lots of different things that possibly could be contributing to these issues.

I think it's an interesting piece that we found in the data.

MS. HARPER-LARSEN: This is Kiley again. Was that just trend analysis or is it statistical significance?

MR. ASTILL: That's just trend analysis. We are looking at -- that was a preliminary piece. We're going to do some more in-depth statistical analysis with journal articles.

MR. CARR: Chalmers Carr. When you talk about looking out 5-10 years on industries
and stuff like that, when you get a potential market disruptor like hemp that could be -- how often do you redo these plans? Is it something revisited every year, or when you have something that comes in very quickly and that can have a significant impact on an industry or something like that, how do you deal with that?

MR. ASTILL: I think that's a big challenge for industry. That's a challenge for us as a small team of researchers in the Department of Agriculture.

We try to be as forward looking as possible. I really have to hand it to my colleagues who started this food safety survey before I even came into the department.

They were looking ahead five years and saying okay, this new food safety law is going to be implemented. Right now we have to start doing the survey.

It took two or three years to get that survey implemented, another couple of years to carry it out, another couple of years to process
the data and get this report out.

So we are trying to be forward thinking and anticipate some of these challenges. But it is hard and we're doing our best. And if you have any things that are on your radar that you think we should be aware of you're welcome to hear about it.

MR. CARR: For the committee Darrell is going to supply the contact information for Greg and everything. So he will send that to all of us and you will have that. Any other questions? Thank you.

MR. ASTILL: Thank you very much.

(Applause)

MR. CARR: I believe at this next stage we're going to break out this afternoon and spend the rest of the afternoon in the working groups. And then by doing that we actually will officially recess this meeting. Tomorrow morning we have to actually come back here and meet to reopen the meeting, and then we'll go back to the working groups.
Did I get that part right?

MR. HUGHES: Yes.

MR. CARR: Okay. So, our objective for the next two days while we're working in the working groups if I understand it basically is to come up -- if you go back to this page where we started with the original topics.

Basically it's an objective statement that the committee needs to come up with, that the working group needs to come up with of what you're planning on covering. Kind of like a mission statement if you will. Might refer back to this. The first time I'm reading this myself.

But the other thing is to also set an agenda for the year of how you -- what topics you're going to discuss under that group, so try to identify the topics. There may be a subtopic under trade or labor or production obviously and you want to touch on those.

Probably prioritize those so that you know going through the year which ones are most important you need to work on. And kind of set a
schedule.

That was the guidance I was given for the groups. You want to update that or change that?

MR. HUGHES: Darrell Hughes speaking.

Just one additional insight I forgot to share.

Keep in mind that we are starting sort of late in the game and that this committee will be going through a re-charter and reorganization by like March 2020.

That means that by the August meeting, potential August meeting we will need to have made some type of progress on the types of statements and recommendations that we may be putting forth.

Like I said they don't have to be final, but some draft things in the works because of our short time frame. It's not like we have a whole two years to come together and work on things. This August.

MR. CARR: So I understand we've got a truncated timetable and everything. As you go
through working with your working groups again
it's to identify the objective of that working
group, try to identify your topics that you want
to address that you feel are -- and then make
sure your schedule can accomplish those to where
we can have recommendations back to the full
committee after the summer in our next face to
face meeting.

It's up to the committee to establish
all your phone calls and everything else like
that. And again, do we want to make all the
members aware of when they're having those
meetings or if -- your email chains would only be
to the ones that have asked to be on those
particular committees?

MR. HUGHES: What I can do is once I
connect with the chair leads I can send out the
planned conference calls to everyone so that
everyone will have the dates.

And I'll try to include the conference
call information. I'll send it to everyone so
that anyone can call in. That way, because there
are multiple people on these and I don't want to
got the point where I'm limiting the
conference call information to just certain
people. So I will just send it out to the entire
committee if that's okay with you.

MR. CARR: Is that all right with
everyone?

So lastly because a lot of us are new
and I think we -- working with group leads that
have not been on this committee. These are some
of the recommendations in the past. They're in
the back of your books. It may be something you
want to look at as they look at the overview and
then they come up with their recommendations or
their statement.

Darrell has also put this form in our
packets. It doesn't have to be used -- it's not.

MR. HUGHES: No, it's that printout.

MR. CARR: Well, then we'll go ahead
and give one to each working group.

MR. HUGHES: Each working group.

MR. WILKINS: It was in the email.
MR. CARR: Yes, it was in the email you sent.

MR. HUGHES: Okay, great.

MR. CARR: But basically -- of course you're not going to fill out all this in this page, but this would be a way to standardize that every product coming back from the working groups would be the same.

So as best you can you would give a summary of this. This is a summary. Of course you can have the full recommendations and everything behind it. But this way we could always quickly reference as a group and we're always looking at it presented in the same format.

So if nobody has any major objections to that we'll use this as kind of our way of reporting back in top level before we get down in the weeds and use this form right here.

So again tomorrow we're not coming back with any statements or recommendations, but hopefully we will identify all the topics within
each working group and have those prioritized so
that that gives us clarity to what we're going to
work on while we're doing meetings and
everything.

So if everybody is in agreement where
do we have to meet?

MR. HUGHES: Right next door. That's
the work group space, all the tables. And
obviously because we're going to be ending early
here if there's a work group that wants to sit on
one side of the table, the other, you can use
this space as well.

You know what? I would actually say
that everyone should use the space over there.
The reason being, keep your name tags where they
are. Since it's a little snug in here my plan is
to have that wall removed and we're going to add
a section so that we can spread out a little bit
and tomorrow when you all come back to the main
table you have elbow room.

So the room right next door is the
room we'll convene the working group sessions.
Sonia right now is passing out little strips with dates on it. Those are the proposed dates for the August meeting. Not a decision that needs to happen now, but by close of business tomorrow or before the meeting adjourns tomorrow we'll pick a couple of options off that sheet of paper for me to take back to whichever hotel to figure out where we could host our August meeting.

MR. CARR: So at this time this committee will be in recess till tomorrow morning. We'll work until 4:30 today within the working groups. If you decide to go longer that's entirely up to you all, whatever the group wants to.

But we won't come back in here whenever you're dismissed from there. And we'll reconvene tomorrow morning at 8 a.m.

(Whereupon, the above-entitled matter went off the record at 3:03 p.m.)
CERTIFICATE

This is to certify that the foregoing transcript

In the matter of: Fruit and Vegetable Industry
Advisory Committee Meeting

Before: USDA

Date: 05-09-19

Place: Arlington, VA

was duly recorded and accurately transcribed under
my direction; further, that said transcript is a
true and accurate record of the proceedings.

[Signature]
Court Reporter
UNITED STATES DEPARTMENT OF AGRICULTURE

FRUIT AND VEGETABLE INDUSTRY ADVISORY COMMITTEE

MEETING

FRIDAY
MAY 10, 2019

The Advisory Committee met in the Fairfax Room of the Hyatt Regency Crystal City Hotel, 2799 Richmond Highway, Arlington, VA, at 8:00 a.m., Chalmers R. Carr, III, Chair, presiding.

PRESENT
CHALMERS R. CARR, III, Chair
KILEY HARPER-LARSEN, Vice Chair
TOMMY WILKINS, Secretary
DAVID K. BELL
RICHARD E. BOWMAN
JOHN CHANDLER
TINA ELLOR
K.C. ELY
BRET ERICKSON
MOLLY GLEASON
JULIE L. GORDON
JEFF HUCKABY
MICHAEL JANIS
TOM LIPETZKY
PAUL PALMBY
KELLY POWELL-MCIVER
READE SIEVERT
STEVE SMITH
BRUCE TALBOTT
GREG TISON
DERRIN WHEELER
CHARLES A. WINGARD
DONN ZEA

STAFF PRESENT
DARRELL HUGHES, Designated Federal Official
SONIA JIMENEZ, Deputy Administrator, AMS
LEANNE SKELTON, AMS, USDA
CHARLES STEPHENS, AMS, USDA
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MR. CARR: Good morning, everyone.

This morning as you know we're going to break back up into our working groups and some of you got through yesterday and maybe you've already accomplished your goal, but you can obviously go ahead and start talking on your topics and stuff like that.

The plan is to do that till about 9:30 and then we'll reconvene. Maybe a little bit later, just by that time.

Darrell, I'll call on you for any housekeeping notes this morning. Anything?

MR. HUGHES: Did you officially call the meeting to order?

MR. CARR: Yes, I did. Is that all right?

MR. HUGHES: All right. So, Darrell Hughes speaking. Housekeeping items. I sent an email out late last night with my availability, the firm ones and tentative ones.
The working groups, you can provide
dates for your working group call today.
However, you can give it the rest of the week for
you guys to organize, check your schedules as
need be and send an email to me using the SCP,
that generic email address that I emailed you
guys on, respond to that with your proposed
dates.

What I'll do is I'll send a
comprehensive email to the elected officers
letting them know what dates each of the work
groups are meeting just so that we're all on the
same page.

So you can get it to me today or we
can handle it within the next week or whatever.
And I'll follow up with each of the work group
leads on their times before the end of the week.

I had a whole list.

MR. CARR: Let me just ask you on that
right quick. So this would only be for the first
meeting of the group because if they want to
schedule other calls they can do then.
MR. HUGHES: Right. At that meeting, yes exactly. So it's only for the first meeting. And then at that meeting or in between you guys can discuss potential follow-up working group meetings.

MR. CARR: And again, for a reminder you've requested that all communication -- all calls you need to be on or invited to and emails.

MR. HUGHES: So the conference calls, I'm going to use a platform called Zoom and it allows everyone to dial into the call from your cell phone, wherever. There's no special -- well, using your phone you just dial into a number.

If you want to dial into a webinar or use your laptop you may have to like go on the application in your browser. But I can walk everyone through that when we get to that point.

But I need to be on all conference calls that we have. And if we attend meetings in person I'll be there.

Any email communication. Like I said
each work group, what I'll do is create a thread and that work group should communicate only on that thread.

I know that we heard from a member potentially about using texting, a group text. That probably won't work, I'll just say that. It won't work. It won't work because everything that we do is FOIA-able and we have to provide our information to the public should they ask.

And I don't know how we could easily create a text thread and provide it in a format that the public can easily digest.

And the last thing I'll do is just do a quick check on our working groups, the names, if I could do that real quick.

All right, so for food safety I've got Kiley as your lead, Molly as the assistant, K.C., member, Michael, Tom and Reade. That's correct?

Trade work group. Tommy is the lead, Paul is assistant, Brian K. who's not here was appointed by chair, David, Richard, Julie, Donn, Derrin, Greg, Tom, Kelly, Kiley, K.C. Anyone
missing from trade?

    All right, so labor. We've got Bret as the lead, Tina as assistant, members John, Jeff, Bruce, Kelly, Chalmers, Derrin, Charles. Anyone missing?

    All right, now production. We've got Steve as the lead, members Julie, Bret, Molly and Donn.

    MR. CARR: There's more. And I do have a list here for you that Kiley had made yesterday. But for production I have Bret, Julie, Molly, Chalmers, Charles, Eric, Steve.

    MR. HUGHES: Oh you know what, I'm sorry.

    MR. CARR: Chandler and Tommy.

    MR. HUGHES: So let me reread my production list. I've got Steve as the lead, Julie, Bret, Molly, Donn, Charles, John, Chalmers and Tommy. I forgot I had two pages.

    And the name of the production work group is just production. Or are we adding domestic production? Do you want to just leave
it as production?

    MR. CARR: Just leave it as production.

    MR. HUGHES: Okay. All right, great.

That is it.

    MR. CARR: All right. So again, I don't like the schedule today because we're running an hour and a half ahead of schedule. We weren't supposed to start working groups till today.

    So if everybody is still comfortable with the plan we laid out we will meet from this morning 9 to 9:45. We will have a break and then we will come back to get the reports of the working groups.

    The assignment today is hopefully to bring back the objective statement, those topics that you prioritized that you want to discuss over time and then kind of talk about your schedule. Schedule your first meeting if possible. If not, do that the next week.

    But then talk about how you want to
have your meetings over the summer and everything
else like that. So that's really our homework
assignment. We will reconvene back here around
10 o'clock.

MR. WINGARD: This is Charles for the
record. Darrell, to reach -- to find the first
meeting date can we use something like Doodle
poll?

MR. HUGHES: You're talking about for
your work groups or for the full committee?

MR. WINGARD: For the work groups.

MR. HUGHES: I don't know if that
would work because I mean that would just be
pulling out random dates for each of the work
groups. I don't think that would work.

Unless you guys gave me the dates and
I put them into Doodle and then sent them to
everyone. That's possible.

MR. WINGARD: Is that possible?

MR. HUGHES: Yes.

MS. ELLOR: Can we set the Doodle up
ourselves and add you on it?
MR. HUGHES: Yes. You can do that as well.

MR. CARR: All right, we're going to break up and have our meetings.

(Whereupon, the above-entitled matter went off the record at 8:09 a.m. and resumed at 10:03 a.m.)

MR. CARR: I'll call the meeting back to order. I hope everybody had a very productive session working within your different working groups.

At this point in time I guess I'll just go around and have each group come up with their objective statement, share it with everybody.

Do we have the opportunity now to comment on that, or do we have discussion on that?

MR. HUGHES: Darrell Hughes speaking. I would say that for each work group have them read what their plan is, discuss it as a group and then either you can approve it one by one or...
wait till the day end and approve it all at once.

MR. CARR: Well, if it's all right
with the group we'll approve one by one to make
sure we stay on topic.

If I can call on trade.

MR. WILKINS: Tommy Wilkins. We
worked on four focus areas that we're working on.

Number one, develop trade agreement
with countries, for example Mexico, Europe, Peru,
Brazil that would protect the U.S. grower where
the U.S. is dependent on supply from other
countries during off season.

Number two, we want to work on the buy
American where you support the American farmer,
rancher and processor especially when taxpayer
dollars are involved with that purchase.

Following the school discussion yesterday.

Third, the USDA should increase its
export market support by doubling available funds
to support promotion and research that is
currently being served by the MAP, the Market
Access Program.
And additionally we're going to look at the USDA should support development of domestic programs to enable specialty crop industries to compete against cheaper foreign imports.

MR. CARR: Did you all come up with an objective statement?

MR. WILKINS: We would like to pursue trade agreements that support the American farmer and buy American.

MR. CARR: Any questions or comments? Under your buy American plan, can you read that one again?

MR. WILKINS: We want to support the American farmer, rancher and processor especially when taxpayer dollars are involved with that purchase.

MR. CARR: Was there any discussion on competing against foreign product that is subsidized by foreign countries?

MR. WILKINS: No, but it's not that we would not have that conversation in our work
MR. CARR: Paul, I may ask you this.
Some of the pushback on this subject has been
really it will have a huge impact on that 80
percent of the school funding that -- their
discretionary money, that they can choose. As we
said, some of these products could be 40 to 50
percent less.

But we also know that they're
government subsidized by the foreign countries.
So a way to maybe do that under regulation is
just add that it can be considerably less but
cannot be from countries that subsidize their
agriculture production.

MR. PALMBY: This is Paul Palmby. So
I was able last night to do a little more
research into the comments that we heard
yesterday.

I think as we heard the buy American
provisions were put in place by 1988 by I learned
Leon Panetta.

And it was after that that the
department actually promulgated the rule on the
notion, this concept of significant cost
difference.

So what we plan to do is put together
the background on that situation for the broader
committee, recognize -- develop an objective
statement along the line of what the chairman
characterized.

And then we didn't want to presume to
get into what the actual recommendations might be
at this point.

I think once that happens you
certainly would expand that into the discussion
about how we deal with subsidized imports.

Because frankly we struggled a little
bit about buy American, whether it really fits in
trade. And I think concluded among the group
that really what it is is it's a non-tariff
barrier is what we're talking about. We're
asking USDA to enforce already on the books rules
that are effectively non-tariff barriers.

So that was kind of the overall
thinking. But obviously needs to be provided in a coherent manner and then to be fleshed out on our conference calls as well as amongst the group in August.

MR. CARR: Chalmers Carr. I appreciate that. I guess I was jumping ahead. The reason why I was thinking that is just like when I questioned yesterday.

USDA actually has the ability to change that regulation. They have to go through the public comment, but they have the ability and under this current administration it's very in line with their principles of what the administration stands for.

The bad thing about doing regulation reform is the next time it comes around they could change it again. But again, that may be the easier way to get this solved.

But also just understand that foreign subsidy because of dealing with the World Trade Organization and everything we've already run into that. So it's already a precedent.
MR. PALMBY: Yes. Paul Palmby again. You're a hundred percent right Chalmers. One of the four recommendations that I know a group of folks that I'm associated with actually met with the Secretary.

And one of the recommendations to the Secretary was to eliminate the significant cost difference standard. There were three or four others.

We didn't want to at this point without having the opportunity to flesh those out with our committee be able to throw those out to the broader group.

I'll speculate that that would be among one of the things that would be presented to the rest of the committee at the appropriate time.

MR. WILKINS: Tommy Wilkins here. I'd like to also follow up that even if it was a point that you had to disclose where you purchased your product from, just exposing that to the public what that would be, we would chase
that avenue down as well.

MR. CARR: Any other questions or comments for trade?

MR. LIPETZKY: Tom Lipetzky. I really appreciate the direction that your committee is going. I had wanted to be on the trade but I was also on the food safety side.

But I really appreciate it from the viewpoint of looking at policy. And then I've always felt the way you dignify your policy work is through promotion. And I think that's great that you've included MAP.

Kind of my interest would be that sometimes we get industries that kind of get caught up, it's not really in gaining market access, it's in the technical world.

And whether or not you considered alongside of MAP the TASC program.

MR. WILKINS: Tommy Wilkins here. I haven't got all of my acronyms down yet, but I'll try to be better informed on those things.

MR. LIPETZKY: That's certainly
important to our potato industry. We're caught up in kind of this long-running legal battle in Mexico and the TASC program has been very, very helpful to the potato industry in that respect.

MR. ZEA: Donn Zea. To add to the promotional discussion the Farm Bill, when the discussion was happening last year there was a lot of traction, bipartisan traction to give $400 million and at the last minute it did not happen.

But the arguments that were being used in '17 leading up to '18 were trade related. There are so many disadvantages and we were starting to see the rumblings of these trade deals falling apart, et cetera.

Look where we are now with those. So that argument has gotten stronger. I think because there was bipartisan support last time there should be even more so this time albeit the politics will likely get in the way.

MR. HUGHES: Darrell Hughes speaking.

A point of clarity. Just to state for the record can you clearly state the objective of the trade
group, working group, one more time?

MR. WILKINS: So we obviously worked on the four points. Tommy Wilkins here. And any of the committee can override me here, but I think what we're -- our objective is to focus the trade to protect the American farmer and buy American when possible.

MR. HUGHES: Okay. Darrell Hughes. One potential guidance point. The proposed trade policy market access work group that was sent, the language that is provided there you might consider looking at that language and rolling what you just stated into that language, getting rid of like the market access and any of the other stuff that doesn't fit that you don't like.

And I'm only stating that so that it's more uniform with some of the other work group objectives that I know will be coming up.

MR. WILKINS: Tommy Wilkins. We weren't prepared to dig into the weeds as much as try to find a direction to head towards. I believe the group will -- we will get into better
clarity as we work together offsite.

MR. HUGHES: Perfect.

MR. CARR: Chalmers Carr. Maybe the first time you all have your meeting go back and review your objective statement and kind of get that more together and then supply that back.

MR. WILKINS: Certainly.

MR. CARR: That would be great.

Labor, Bret.

MR. ERICKSON: Labor. Our objective statement -- Bret Erickson speaking. Sorry. Our objective statement, draft objective statement, to deliver thoughtful and clear ag labor recommendations and statements to the Secretary with intent to preserve the survival and sustainability of U.S. fruit and vegetable production.

For decades the future of ag labor has had a high level of uncertainty due to lack of immigration reform and an inadequate guest worker program. So it's created a competitive disadvantage for U.S. producers.
Because of this disadvantage U.S. dependency on foreign grown fruits and vegetables continues to rise dramatically as demonstrated by record-breaking import volumes. At the same time U.S. production is moving overseas.

Without immediate ag labor reforms the nation's food security will remain at risk and domestic production will continue to decline.

MR. CARR: So that's the objective statement.

MR. ERICKSON: Our objective statement. We can provide that to you in writing.

Focus areas. We selected or we prioritized five primary buckets.

Number one, the future flow of labor. Number two, the current workforce. Number three, wages and benefits. Number four, food security. And number five, technology and innovation.

MR. CARR: Questions of labor? And we're going to do a Doodle poll for our first meeting.
MR. ERICKSON: We're going to Doodle poll for our first meeting.

MR. CARR: Production.

MR. SMITH: Steve Smith. We identified four things but our group was kind of small as a lot of our members were in other groups. So we'll depend upon our first conference call to get more people involved and garner some new ideas and feedback on what we came up with.

But we identified four things we were wanting to propose. Research initiatives is one of them to encourage and -- a lot of the research now is being done in the form of block grants.

And block grants recognize problems that occurred six months ago that someone now wants to do a research project on. It will be 18 months before you get any results. And it's not there.

So we wanted to focus more research dollars on continual availability of researchers and ongoing research at universities so that
daily problems can be addressed and not two years
later. So that was one of our things with
research.

Also with universities staffing going
continually down. Block grants are only
available mainly to public institutions. And we
wanted to allow private groups to apply in the
same manner that other applications are submitted
for research projects as long as all the research
was made public at the finality. So a couple of
things on research.

Our second area that we wanted to
focus on is specifically a problem that's
confronted in the last three years of off-target
movement and contamination of produce mainly by
the introduction of dicamba tolerant crops and
the risk that that imposes to specialty and food
crops.

So we wanted to make some
recommendations to both USDA to work with EPA and
get some better language and restrictions to
protect food crops, pollinator habitats and
organic producers that are at risk of crop contamination.

We also have an area where we're identifying problems with product labels that are not clearly and uniformly written. Examples might be that a particular product is from one generic producer has a label for processing only and another very same active ingredient is labeled for fresh end product.

So that someone using that that bought a different generic product might be in violation of the label unknowingly because the other label has been used and had it on there.

So clear and uniformly written labels for fruits and vegetables is really important.

And then we wanted to address crop insurance. But none of us on the existing group was good enough on that and so we're going to rely on some more input about crop insurance for fruit and vegetable crops.

MR. CARR: Any questions? So you didn't really come up with an objective statement
yet.

MR. SMITH: We have overview statements on three, or two of the things. And Charlie, if you wanted to read any of those you could. Steve Smith. Or it can be --

MR. WINGARD: This is Charles speaking. We kind of worked on an individual on research.

It is our opinion that agricultural research funding has traditionally gone into agronomic row crop research due to market potential.

As a result specialty crops research has lagged and this industry has significant production challenges that are not being addressed. Inclusion of the specialty crop titles in the Farm Bill which initiated specialty crop research initiatives and block grants has benefitted this industry.

However, budget constraints and public universities still are not adequately funded to support this industry such as providing ongoing
extension outreach, addressing producers' daily challenges.

Grants or research projects originate following the discovery of major production problems whereas funding for daily challenges remains insufficient.

Smaller producers lack the experience, ability and resources to address daily challenges and therefore suffer consequences of under-funded research.

Resident expertise has disappeared from university extension departments.

That is our very first go at it. We have not slept on it. I'm sure we'll make it a little better.

MR. CARR: So, Darrell.

MR. HUGHES: Darrell Hughes. I think that's good. The only thing that -- I mean, if you want to add more to it you totally can. The only thing that I would add to it is that the action item. What that objective is providing guidance to USDA, the Secretary, blah blah blah.
MR. WINGARD: So that's the overview for research and then below the overview we have two recommendations in bullet points to address what we think.

MR. HUGHES: Wait, wait. So what you just read, that's only for research. What about the objective statement?

MR. WINGARD: We have not crafted that statement yet because we wanted to see in my opinion only the reason I did not talk about this -- we wanted to see what the other two overview statements do before we draft an overarching objective for our esteemed committee.

MR. CARR: And even the ones released today don't have to be program. They can be modified.

MR. HUGHES: This isn't like anything that's like set in stone right now. It just gives us the first meeting to refine, re-tune what we want to have. Like you guys have got to get work going, you've got to get to work drafting recommendations sooner rather than
later.

And so I mean we're all in the right direction.

MR. CARR: And that was Darrell Hughes speaking.

MR. WINGARD: This is Charles again.

So we worked on research and we worked on chemical overspray and I think our opinion was that we would have this to email to our committee before we worked on the next two bullet points.

MR. HUGHES: Awesome.

MR. CARR: Charles, did I hear you -- I think you go back and look at your documents and you come back with just a more generic objective statement for production over the top that just could say production -- making sure that we have production in this country going forward. USDA should support these areas. And then you talk on each one. More of a general statement.

MR. WINGARD: We actually have one sentence.
MR. CARR: Any other questions on production? And I would be glad to talk about crop insurance when we have the committee meeting.

MR. SMITH: Yes, and Steve Smith again. We do have our meeting set up for May 21 at 1 p.m. So our teleconference.

MR. CARR: Food safety.

MS. HARPER-LARSEN: All right. Well, first things first within the committee that we didn't get to talk about is we're going to have to reschedule our June 7 meeting that was proposed because Darrell needs to attend that meeting. So we'll do a Doodle poll for that.

Our mission, our objective statement is going to be simplified, combining the food safety audit work group and the inspection and standardization work group statements.

So for those of you who want to reference that you were given it yesterday in the back pocket of your notebook. And we're just going to combine those into one simplified thing.
We did not spend very much time discussing inspection and standardization. By the way, this is Kiley Harper-Larsen. But we wanted to leave it in there because we feel like that may come up in future discussions.

Our objectives as they stand. We looked at taking small bites of the elephant to be successful and larger bites.

On the short-term looking at the current exclusions in the produce safety rule for rarely consumed raw commodities and expanding that list for all American producers. So that's the first thing.

And making a recommendation from our committee to FDA. Okay. On additional commodities that should be there.

Improving allocations for USDA GAP programs including the GAP+ auditing programs. As we learned yesterday from Ken Petersen and as we have further learned from Leanne those are fee-based predominantly.

And we're having an issue with the
promotion of those programs to our growers to be able to solve issues that we are having within food safety audits and food safety knowledge awareness.

The next objective which is going to be much broader is we intend to help strengthen the understanding of the foreign supplier verification program and its use by American producers to be able to verify sourcing integrity and compliance with the Food Safety Modernization Act.

This will be recommendations or statements that we will provide to the trade committee we think to be able to further your buy American endeavor.

The final objective is to understand and improve the process between the USDA, the FDA and the CDC when the CDC issues overarching advisories that can be market disruptors. We saw that with spinach. We've seen it with tomatoes. We've seen it with cut melons. We've seen it with romaine. And we want our federal agencies
to be able to work more effectively together
before advisories get issues that could destroy,
and potentially permanently disrupt commodities
in America.

MR. CARR: Very good. Any questions
on food safety or comments?

So the committee leads if you would,
if you would make sure that an objective
statement and your topics, you supply those to
Darrell.

There was a form yesterday. I don't
have it in front of me. Darrell, maybe you could
send that to the committee leads. He did. Okay.

You have that in a short narrative but
then you could also attach to it from that
standpoint. But it gives standardization at
least for them to do.

MR. WILKINS: Tommy Wilkins here. I
just want to add to that that several of you,
Bret and yourself show some experience that some
of us don't have.

What we're lacking in experience we'll
make up and be more effective in the next
communique.

MR. CARR: Well look, we all know that
a lot of us are new to this and the process is
new to us. Luckily we have a couple of people
that have been on the committee before so that
helps quite a bit.

I think again it's your committee,
it's how you want to do this. I just think for
understanding Darrell's role coming from the
committees and having it look in the same form or
fashion makes it easier for him.

But each one of you are encouraged to
work on your content all on your own and
participate in as many different working groups
as you can.

So one thing would be, Darrell, is to
make sure that once a committee is having a date
-- they've already decided on a date put that out
there so the other committees won't schedule on
the same time.

And again allow notification to all
members of the committee so that they can choose
to participate or listen in if they choose to.
So if we could make sure those communications get
out.

Darrell, do you have anything else on
the working groups or anything else that needs to
be done there?

MR. HUGHES:  Darrell Hughes speaking.
I would just add that initially what I was
thinking that the committee may like all say we
unanimously support the objectives of the working
groups.

We may back away from that only
because the working groups are still working.
But also to be more flexible you may decide that
for the most part based on what you're hearing
that you are fine with whatever objective
statement or focus items that the work groups
decide on and go about it that way.

MR. PALMBY:  Paul Palmby, just to
comment. I think my experience with this
committee has been that when you come down to the
final recommendations to the Secretary it is a sort of laborious process among the whole committee and that even though there are objective statements that are put forth coming out of the working groups, even those become subject to wordsmithing and tweaking.

I think that -- and you mentioned that earlier, Chairman Carr, that there may be some wordsmithing to the labor one although it's pretty darn good from what I heard.

So I think that's why we sort of backed away from trying to put together something too polished.

MR. CARR: Paul, I appreciate that comment. And I'll ask any of the other committee members.

Hearing that and knowing that we don't come back face to face until sometime in August, we're going to decide where here in a little bit, but would you have a recommendation that maybe two weeks or three weeks prior to that the working groups should have their final product
sent out so that we're not seeing it for the
first time when we get back together so that at
least if you're going to -- a lot of times you
come into a meeting and you're reading something
for the first time. And then we'll spend a lot
of times wordsmithing and the word "is" becomes a
conversation piece.

But would it be a recommendation of
this group that maybe at least two weeks prior to
our coming back together that the final product
from the working groups is shared with everybody
so that they have time to review them?

MR. HUGHES: Darrell Hughes speaking.
I actually now hearing what Paul said, I like
that idea. Just providing your objective
statement and any of your bullets, research, two
weeks before we all come back together.

And one additional point. What Paul
just did was something that is extremely useful
which is sharing insights from his prior
experience.

I'm new to this role. I cannot know
everything. It may seem like it, but I don't. And so if there is -- you're like that isn't going to work say it because it's helpful.

MR. PALMBY: Paul Palmby. Thank you. I think that -- and I think the work groups can put out what they think. And it is helpful if you've got an opportunity to look over.

Now, depending upon the agenda for the next meeting we might have a lot of time allocated to go through that and may be able to do it then as well.

At least me, I like to see it in advance as I know you do, Chalmers.

MR. HUGHES: Darrell Hughes speaking. The next meeting will not be this format. This was a very heavy administrative type agenda. The next meeting agenda I'll work with Chalmers to develop and my thinking is at a very high level there are going to be time slots dedicated for each topic which is your work group and you're going to go through and just discuss everything, refine and come up with a semi final draft.
Work groups go back into their meetings and do whatever the full committee has said. Let's add this, or let's add that. Let's do this. And then finalize leading up into the beginning of 2020.

MR. CARR: Darrell, a question would be for the working groups. If they need resources to help them develop their positions or their statements, whether it's an agency within USDA that they want to talk to. Maybe on trade or something.

But if it's another agency outside of USDA can they coordinate those requests through you and can you help facilitate those requests?

MR. HUGHES: That is my role. And so once my laptop stops going crazy one of the things I'll be doing is I can send an email to Ken Petersen because Kiley mentioned if they wanted to connect with Ken and hopefully he's available the next time the working group gets in session.

I know there is someone --
MS. HARPER-LARSEN: We have a plethora. This is Kiley. We have a plethora of actual names.

MR. HUGHES: The ERS contact, our economist that came, Greg Astill. Some of you may want to connect with him. And so my plan is to get his contact and share it with you all.

But also if there's a meeting, a working group session that you want him to come to I'll facilitate that.

That's all within USDA, but that being said anything outside of USDA. Like my role is to help you all succeed. I don't know all federal government workers, but I'll find out who the contact is and do what I can to make that connection and get them in touch with you as quickly as I can.

MR. CARR: To that point I would recommend to the committees and especially committee leads to try to identify that early on if you think you're going to need some of that expert -- not testimony, but consultation if you
Because obviously schedules are pretty tough and they're not going to be able to answer on a dime. So the sooner you can identify if you want to do that please get with Darrell and make those requests.

And if you don't know the person by name just say you want to talk to somebody in this department that I'm sure you will track down the right person.

MR. HUGHES: And one more tip.

Darrell Hughes speaking. In the back of Sonia's AMS overview for our agency there is a point of contact list. And the division directors, like you know, you guys are talking about research and promotion.

If you think like I want to contact someone in this area but I don't know if something like that exists, emailing Heather or giving Heather a call and saying hey, do you know anything about this so that she can point you in the right direction is absolutely fine and it's
what you should do so that when you come back to me and say well, we connected with Heather and she said there's someone at DoD that you may not get in contact with, but there's someone at DoD that can provide information on XYZ and this is their name. Can you put us in contact with that person.

And so that's just me making an insights comment that beyond just me you have other resources like the directors of our divisions.

MR. CARR: Any other questions or comments on working groups? Just really understand that I'm learning this as a lot of us are that this is really our core function is to delve into these specific areas and see statements or recommendations to the Secretary that he can follow up that will be very impactful in our industry. So I do appreciate everybody's time and consideration of that and your further dedication of time over the summer which is usually everybody's busy time.
This is very important. We all got on this committee because we enjoy the industry we're in and we're here to represent them so we've got to put forth the work. Again, appreciate everybody on that.

Darrell, can I open this now up for just comments and questions? And particularly I would like to get the committee's input on what the next meeting should look like in terms of things you might like to have outside of these working groups. Any guest speakers or any other topics that we'd like to go over.

The format of that or anything like that. We have also got to talk about picking two dates. So maybe we can tie all this into the next meeting. So we can look at dates. But then also suggestions of things that we may want to encompass in that meeting if they're within the purview of what we can do. Any thoughts?

MS. GLEASON: Molly Gleason speaking. I do have a question not specifically related to that. But I am wondering what happens at the end
of August. Is our term up? After we make
recommendations are we done?

MR. HUGHES: Darrell Hughes speaking.
So your terms and the charter is set to expire
March of 2020. So as of Monday I'll be working
on the reauthorization package for the charter.

With regard to the nomination packages
I don't know exactly what approach we will take
with like you know, if we'll want to do a full
new combinations or do a staggered term
membership.

What I'll do is connect with Sonia in
a meeting and go back and look at our charter,
our membership balance rules and figure out what
approach we should take.

But after March you're still working
up until March of 2020. I forget the exact date.
Your term doesn't expire until March of 2020.

MS. GLEASON: Okay. So we're still on
until 2020, but there's a charter being
reauthorized that will decide if we continue to
actually --
MR. HUGHES: The charter gives the committee authorization to function. The nomination package, you know how you completed the nomination package to be a part of the committee. That also happens at the same time.

And so the method that we take with conducting the nominations is what I haven't confirmed yet because I need to work on the charter first.

And so that's what I'll connect with Sonia and other groups may have insights on the approach that we take for the nomination package for the next committee cycle.

MS. GLEASON: Gotcha. Thank you.

MR. CARR: Darrell, can you put the dates up there for the -- dates for the next meeting? And we'll see if we can come to any kind of consensus. Or would it be the group's decision to do a poll outside of today on this.

We have four dates that were provided to us and we can choose two as potential dates if I'm understanding correctly.
MR. HUGHES: Yes, four dates, choose two. And what I'll do is I'll connect with our resource folks and hotels to see which dates are available. All in August.

MR. CARR: So looking at these I see that the second full week in August or the third week in August. And there are Tuesday to Thursday, Wednesday to Friday, Monday to Wednesday or Tuesday to Thursday for consideration.

MR. PALMBY: Paul Palmby. As another follow-up question on Molly's point. I would expect, Darrell, there would be at least -- there would be, not at least, there probably would be one more meeting after the August meeting, is that right? January.

MR. HUGHES: The in-person?

MR. PALMBY: Yes.

MR. HUGHES: No. So August would be the last in-person meeting. And what I'll likely do is have a full conference call that has a video component to it. So like even on your
phones you can dial in and join the conference call via video.

MR. PALMBY: Gotcha. Thanks.

MR. HUGHES: Sort of like a webinar.

MR. CARR: So is there any suggestions for dates?

MR. PALMBY: Do you want to just go around? They all work for me.

MS. POWELL-MCIVER: The first two.

MR. HUGHES: First one.

MS. POWELL-MCIVER: First two options.

MR. SIEVERT: Bottom two.

MR. SMITH: I'm good on all of them.

MR. TALBOTT: Later is better but they're all in peach harvest.

MR. TISON: I'm good with all of them.

MR. WHEELER: Bottom two.

MR. WILKINS: I'm good with all.

MR. WINGARD: Bottom two. This is Charles speaking.

MR. ZEA: Good with all.

MR. LIPETZKY: Preference to the last
two.

MR. CARR: Good with all.


MR. HUCKABY: I can't do the first one, so the last three.

MR. JANIS: Same as Jeff actually.

PARTICIPANT: The last two.

MS. GORDON: Bottom two.

MS. GLEASON: Bottom two.

MR. HUGHES: Okay, so is everyone else going to choose the bottom two? All right, perfect. We have our two.

So what I'll do is I'll connect with --

MR. CARR: Can I make a comment that if we choose between those two a Monday would not be a preference. A Monday meeting is tough.

MR. HUGHES: I agree. I would aim for this.

MS. GLEASON: Monday is just the fly in day, right? Monday is the travel day and the
Tuesday, Wednesday are the meeting dates?

MR. HUGHES: Let me make sure, look at my notes. Yes. We meet the 13th, half day, leave 14th. So Monday would be the travel day.

MR. CARR: Yes, it's just Mondays are Mondays.

Okay, so we have our two dates for the meeting. I'll send that out and then once they confirm that they'll let us know.

But suggestions for the meeting. Whether it's housekeeping like breaks or whether it's topics that you would like to discuss. We don't have to decide today, but if there's any notes or any thoughts that you can share with Darrell I think now would be a good time if there is any in particular.

MR. WILKINS: Tommy Wilkins here. I want to go back. So based on that preliminary dates would we say that by July 31 we would try to have the final documents from the work groups to Darrell?

MR. CARR: Is that good with everybody
by consensus? The working group leads try to
have their final product to present to the
committee done by the end of July and forwarded
to him so that he can send it out to all of us.
Any objections to that? Okay.

So Darrell, if you'll make sure we
have a record of that and then you'll communicate
that with the leads throughout the summer so that
we stay on task with that completion date.

MR. WILKINS: Tommy Wilkins again. Do
we -- will we get all contact information for
everybody, emails, everything?

MR. HUGHES: That's up to you all.

MR. WILKINS: I would like to have
everyone's contact information and email.

MR. HUGHES: Okay.

MR. WILKINS: I understand we do any
business we need to do it with you involved, but
I would like to have everyone's contact and phone
number, email.

Would that be made public? Would it have to be a
part of the public record?

    MR. HUGHES: I don't believe so.

Sonia. I don't believe -- I think that's --

    MR. CARR: The question is if we are
going to share our information with one another,
our email addresses and all that, our contact
information, does that become a matter of the
public record or can that be kept in the confines
of this committee?

    MS. JIMENEZ: Anything that is your
personal information we would not release to the
public.

    MR. HUGHES: It's like a FOIA
exemption.

    MS. JIMENEZ: Yes. If it's your
business information that's probably on your
website already. Your personal information, no.

    MR. CARR: So does anybody have an
objection with sharing our personal -- our
contact information within the confines of this
committee? Not hearing any.

    And I know you were going to set up an
email thread for each working group. But maybe
just do an initial email.

    MR. HUGHES: Yes, just a contact.

    MR. CARR: With the contact
information for the whole committee. That would
be great. Much appreciated.

    MR. HUGHES: And I'll just keep it to
your email, phone numbers and names. That way it
doesn't get into a gray area.

    MR. CARR: So any suggestions on the
meeting? Are we good in the context of the way
we're doing? I know we have the next time is to
go through the working group session, but not
being here before I don't know if there's any
other topics that we'll discuss or can we have
presenters come and talk to us?

    MR. BELL: David Bell. My suggestion
might be that by the middle, end of June if
working groups have come across an expert that
they think might be helpful in the discussion in
August that they can be suggested as a guest
presenter. Helps explain the objectives of what
they're pursuing.

MR. CARR: Chalmers Carr speaking.

One I had yesterday just listening to Greg but maybe just having somebody come and present the economic outlook for fruits and vegetables to this group so we're presented that information, kind of what they're working on and everything else, but we get relevant information that we can go back and share back in our communities and our industry other than just being a pamphlet.

What's the hot topics right then and everything.

So maybe a presenter like that, or if trade continues to be a big deal maybe have somebody on trade as well. As it affects agriculture, especially fruits and vegetables.

We can work on this. As we're developing the agenda over the summer I'll be reaching out to all of you on that. But again if you've got any thoughts please forward them.

Again, we want to make this as informative for every one of us as we come here and participate. And also we've got a work product we've got to
produce.

MS. ELLOR: This is Tina Ellor. It would be easier when we're going through the final edits if we're not finalizing till the next meeting to have them up on screen where we can all see them. Somebody can be making edits in realtime.

MS. HARPER-LARSEN: This is Kiley Harper-Larsen. I can say from previous experience serving on other committees that it's incredibly beneficial for the entire group to be able to make effective and actionable things in our timeline, to be able to present it in front in realtime.

MR. HUGHES: So a projector is what you're saying.

MS. HARPER-LARSEN: Yes.

MR. CARR: Chalmers Carr. Sonia, I direct this maybe to you or Darrell. Serving on the NAREEE Board we've always had different agencies,APHIS and everybody come to speak.

A lot of times they would not provide
-- they might be doing a PowerPoint and sometimes it's just written like yesterday when we had people.

But for us in the room it would be a whole lot better if we had a kind of a PowerPoint presentation in print because a lot of us want to make notes as we're going. Yesterday we were scrambling, flipping through our books. We didn't know where we were at and this, that and the other.

So we did make a request through the NAREEE Board that any presenter has to supply their PowerPoint presentation in an individual packet that we could follow along with to make notes on.

I don't want to be that rigid, but it would be a strong suggestion. Again, it was hard to keep going yesterday and making notes when we wanted to at least for me.

But knowing what they're talking about and following them, especially if presenters have -- if they have it on screen and we don't have
the same thing here you don't have anything to go
back and reference to.

Any other comments? Go ahead.

MR. HUGHES: Darrell Hughes speaking.
So when we talk about the dates and collecting
information and confirming like documented report
that's something that I'll -- I take part in in
making sure that for public information and FOIA
rule stuff we have set and is organized.

The committee will also have some
responsibility to make sure that what I have is
accurate. And so I don't know that you have
already thought about what types of tasks will be
shifted to the vice or the secretary. So I just
wanted to throw that out to make sure that I know
who I need to coordinate with to make sure that I
have someone that I can connect with to validate
and make sure that whatever I have on my side is
correct.

And it may always be you.

MR. CARR: I'm kind of at a loss as to
what -- we're not going to produce any working
product until we get through and we come back
together. So at that point then if we do that,
yes.

If we don't have time at that meeting
to go back and review it before you go to print
then we'll assign that day.

MR. HUGHES: Okay.

MR. CARR: Unless there's something
I'm missing.

MR. HUGHES: I just wanted to throw it
out there because you have three elected
officials and I didn't know what their exact
duties would be.

MR. CARR: Herding cats.

(Laughter)

MR. CARR: For former members are we
missing anything from that standpoint?

MS. ELLOR: This is Tina Ellor. To
think about leaving enough full committee time in
the next live meeting in addition to enough
subcommittee time to make all the adjustments
brought on by both of those groups. So however
MR. HUGHES: Darrell Hughes speaking. Like I said the meetings in the future will be so different from this format because this was a heavy administrative type meeting. What that difference looks like I can't say. But I think the comments you all are providing will lead to the format that is most ideal.

MR. CARR: There's only three who have served before, Bruce, Paul and Tina. Is there anybody else?

So I will reach out offline to you all to get recommendations on the timeline for that and how it's coming about if that's okay. As we work on the agenda for the August meeting. That way I can get your input.

MR. PALMBY: Paul Palmby. Just again spend 15 years, but my perspective would be that plenty of time needed for the full committee. And the notion of having it up on the screen and all of that. There will be some limited on the
working group.

The working groups need to be tasked to really get their work done before they show up at that meeting. And then it's the full committee that then is tweaking and twisting and adding and deleting. So that's my perspective.

MR. CARR: Chalmers Carr. I really wouldn't see us go back within the subcommittees at that point in time. I think we hash it out between us.

Again, it would have been my job if you all start worrying about the word "is" or "than" then, you know, we're trying to stay on task. But if it's substantive then I think it's worth conversation.

I think we're all professionals and we'll turn out products that will reflect this group. So again that's our challenge. As Paul said everybody's got to do their work over the summer and that's when I'll start reminding make sure we get the products out and on time.

At this point in time I guess I'd
bring up there's been a couple of issues people talked about. And Kiley, I guess I'll ask you to talk about the Produce Safety Alliance if you want to make everybody aware?

MS. HARPER-LARSEN: Yes. I will have information shared through Darrell in additional communication, but the Produce Safety Alliance which has been critical to conversations on getting growers all the way through the inspectors, the training that they need and the understanding that they need to fall into compliance with the produce safety rule under FSMA is time limited in its funding.

And so although we did not have that as an objective for our food safety working group we'll be sharing the information with you as a committee as a whole and with my committee I will be adding an additional talking point for us as we relay information.

MS. SKELTON: This is Leanne Skelton. So what Kiley is saying is true. Let me sort of lay out the premise for you.
The funding for the Produce Safety Alliance starts at FDA. They fund it. The funding comes to USDA as a straight pass through. We don't take any overhead, any anything.

And then USDA actually has, maintains the cooperative agreement with Cornell University. That's where the PSA is stationed right now.

So it's 100 percent pass through. We don't take a nickel.

And we are on a currently a five-year cooperative agreement because our department sets cooperative agreement limits at five years. That's just an administrative thing.

At year 4 years 11 months and a half we can extend it, but right now they do have life spans of 5 years.

We are in year number three of the current agreement. So that's the administration of the agreement.

The funding part of the discussion is FDA is on an annual funding cycle. So year to
year we don't quite know until we're close, too
close in my view to the end of the year to know
if there's funding for the following year.

It has come through, it has routinely
come through, but there have been sort of some
angst as part of that. So that's just the
addition I want to provide.

MS. HARPER-LARSEN: Thank you very,
very much for that. But as you can see not just
as a working group -- and this is Kiley Harper-
Larsen. Not as just a focus.

This is a whole committee type of
thing because it affects not just domestic but
also the requirements that we have for education
of any foreign producers as well.

MR. CARR: Any comments on that? Any
other topics that want to be brought before the
group? Sonia, can I call on you to make some
closing remarks?

MS. JIMENEZ: Sure. Thank you so much
for all of you taking from your busy time. I
know it's not easy to just fly into DC and spend
three days here.

I know you do know how important this is. We went without a committee for two years and you can see the results. It's a big gap of issues that we just didn't work on. So I really appreciate you taking your time and appreciate all the work.

I told Bruce this is a great group. They're serious about it. They have issues. They have rolled up their sleeves in the last two days. They just went for it. So that's what we want.

I'm very happy with the group that was selected. And again, Darrell, Charles and I are here to help you with those recommendations and anything that we can do to help you with your tasks, your objectives, we're here to do.

So thank you so much. I really, really appreciate it.

MR. CARR: Thank you. Housekeeping reminder. Our communications especially with the working groups, be sure Darrell is copied on all
emails. And participating in the calls as well.

MR. HUGHES: Darrell Hughes speaking.

I've created my Outlook groups for each work group already. And I was going to send my introduction email but this thing shut down on me.

So probably once this is over and I can get to a different power source I'm going to send emails out probably today or if not today Monday that just starts off the email thread so that each working group, you have your thread all ready.

MR. CARR: Very good. Is there anything else to come before the committee?

MR. TISON: Just a housekeeping. This is Greg Tison. Just I know some others have commented too. How do we go about reimbursement for hotel and things like that?

MR. HUGHES: Darrell Hughes speaking.

That should be in the travel guidance document. But if it's not in the travel guidance document that was emailed early because I don't know all
the specifics of how that happened Devonia Betts
who -- her contact information is in that
document. She's the correct person to connect
with specific questions on reimbursement.

I do know that there's a -- there's
some type of form that needs to be completed.
It's like the last page of that Word document.
And the timeline on when receipts need to be
submitted, I know that's included. I just don't
know the exact dates. But Devonia is lead on all
of that.

MS. JIMENEZ: Darrell, can we just get
some information, send it out to them after this
meeting?

MR. CARR: That's what I was going to
ask. So just put an email solely on
reimbursement and the contact person for that so
everybody knows that.

I think everybody -- on the travel
side of it if you're going to get reimbursement
for that you need to work through the official
travel agent. Is that correct?
MR. HUGHES: So, wait, wait, wait.
Darrell Hughes. The travel Word document provided, did everyone receive that? Okay, so that has all of the information and I can resend that and it has everything you need on travel reimbursement and the process and the timeline and everything.

MR. CARR: If you could resend just that section on the reimbursement.

MR. HUGHES: Sure.

MR. CARR: Because when you get big packets like that it's difficult what you pay attention to. Probably a lot scan it just to see who the committee members are just to see if we'll know the faces and we don't pay attention to everything else. In this particular one if you would send out that guidance that would be great.

MR. HUGHES: Okay. Will do.

MR. CARR: Anything else? I'll entertain a motion -- it's 11 o'clock.

MR. PALMBY: Paul Palmby. So moved.
MR. CARR: All in favor we adjourn?

(Chorus of ayes)

MR. CARR: Thank you all.

(Whereupon, the above-entitled matter went off the record at 11:01 a.m.)
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CERTIFICATE

This is to certify that the foregoing transcript

In the matter of: Fruit and Vegetable Industry Advisory Committee Meeting

Before: USDA

Date: 05-10-19

Place: Arlington, VA

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

[Signature]

Court Reporter
Approved.

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803-480-0545
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Good morning Chalmers:

I’ve attached the meeting minutes for the May 9-10 FVIAC session. Please respond to this email approving the minutes.

One important correction. On page 95, beginning in the third paragraph, I said: “If you want to create a work group on let’s just say agricultural labor or rural broadband those are topics that get outside of USDA’s center of influence.” This statement is partially incorrect. USDA Rural Development agencies work to enhance telecommunication (among other infrastructure) needs in rural communities.

Once the minutes are approved, I will have them posted on the USDA FVIAC website.

Thanks,
Darrell