The Fruit and Vegetable Industry Advisory Committee met in Potomac 1 and Potomac 2 of the Hyatt Regency, 2799 Jefferson Davis Highway, Arlington, Virginia, at 8:30 a.m., Beth Knorr, Chair, presiding.

MEMBERS PRESENT
BETH KNORR, Chair, Executive Director, Cuyahoga Valley Countryside Conservancy
ROBERT NOLAN, Vice Chair, Owner/Operator, Deer Run Farms, LLC
CHRISTIE BALCH, Executive Director, Crossroads Community Food Network
VIRGINIA BARNES, Manager, Food Safety and Public Relations, Barnes Farm, LLP
CARLOS CASTANEDA, Principal, Castaneda & Sons, Inc.
HELEN DIETRICH, Owner/Human Resources Manager, Ridgeview Orchards, LLC
KRISTINE ELLOR, Mycologist/Technical Director, Phillips Mushroom Farms
RICHARD HANAS, Vice President and Chief Operating Officer, A. Duda & Sons, Inc.
JOHANNA HERRON, Marketing Manager, Alaska State Department of Agriculture
MICHAEL JANIS, Market Manager, San Francisco Wholesale Produce Market
MARTIN MALDONADO, General Manager/Supply Chain Director, Pure Fresh, LLC
ROLAND MCREYNOLDS, Executive Director, Carolina Farm Stewardship Association
MARK NICHOLSON, Co-Owner/Manager of Fresh Sales, Red Jacket Orchards
PATRICK ROGERS, Owner/Operator, McAlister and Rogers Farms
DANIEL SUTTON, General Manager, Pismo Oceano Vegetable Exchange
HARRY TALBOTT, Vice President of Farm Operations/Co-Owner, Talbott's Mountain Gold, LLP
JORGE VAZQUEZ, President/CEO, Latin Specialties, LLC
THOMAS WILLIAMS, Director, Produce and Floral, Coborn's
DAVID YANDA, President & CEO, Lakeside Foods, Inc.
OTHERS PRESENT

MARLENE BETTS, Acting Designated Federal Official
GREG ASTILL, Economic Research Service, USDA
SAMIR ASSAR, CFSAN, FDA
RONALD BATCHER, AMS, USDA
JAN CARLSON, CFSAN, FDA
SASHA BARD CHAMBERLAIN, FNS, USDA
LORELEI DISOGRA, United Fresh
ERIN GREther, United Fresh
ERIN HEALy, FNS, USDA
ANDREW JERMOLOWICZ, Rural Development, USDA
ED KALEIKAU, NIFA, USDA
KEN KECK, AMS, USDA
TRICIA KOVACS, USDA
TERRY LONG, AMS, USDA
JULIE MANES, United Fresh
MAXIMILIAN MERRILL, National Farm to School Network
TRAVIS MINOR, Economic Research Service, USDA
ERIN MORRIS, AMS, USDA
ARTHUR NEAL, AMS, USDA
KEN PETERSEN, AMS, USDA
LAURA PHELPS, American Mushroom Institute
CHRISTOPHER PURDY, AMS, USDA
CARL PURVIS, AMS, USDA
LEANNE SKELTON, AMS, USDA
BRUCE SUMMERS, AMS, USDA
NATHANIEL "CHIP" TAYLOR, Specialty Crop Inspections, USDA
LORENZO TRIBBETT, AMS, USDA
KIMBERLY THOMPSON, Food Directions
SHONTAI VANCE, Schramm, Williams & Associates
JESSICA WASSERMAN, Wasserman & Associates
C-O-N-T-E-N-T-S

Call to Order. .................................................. 5
Agenda Overview
Introductions
Acceptance of the October 2016
Meeting Summary

USDA Reports ....................................................... 41
Public Comments. ................................................. 60

Full Committee Convenes ........................................ 69
Beth Knorr, 2016-17 Chair
Bob Nolan, 2016-17 Vice Chair

Food Safety Working Group
  Ken Petersen .............................................. 71
  Samir Assar ................................................. 97
  Jan Carlson ................................................ 136
  Tricia Kovacs ............................................. 147
  Roland McReynolds ...................................... 169

Produce Consumption Working Group
  Sasha Bard Chamberlain .................................. 195
  Erin Healey ................................................ 229
  Christie Balch .......................................... 249

Research and Grants Working Group
  Roland McReynolds ...................................... 256
  Ed Kaleikau ............................................... 261
  Arthur Neal .............................................. 281
  Michael Janis ............................................ 283
  Andrew Jermolowicz ................................... 286
  Ken Keck ................................................... 295

Market and Infrastructure Grants .......................... 304
Market News Working Group ................................. 331
What's New in AMS Market News -
Terry Long ................................................... 333
Questions and Comments .................................... 333

Closing Remarks ................................................. 358
Adjourn .......................................................... 359
(8:37 a.m.)

MS. BETTS: All right. Well, David's kind of getting situated. I know we kind of squeezed some people in. I just would like to say, welcome. My name is Marlene Betts. I'm the acting Designated Federal Official.

As you all know, Pam Stanziani has taken on another position. So, thank you so much for, you know, all of the craziness that's gone on for the past few months of me trying to get up to speed, and figure out what the working groups are, and who everybody is, and all of the crazy emails, and all of that kind of good stuff.

But we just want to thank you, and thank you all for coming. Welcome to Washington. With that, I just want to do just a few housekeeping items.

As you see we have a court reporter here, and all of the mics. I know lots of folks don't like to talk into the mics. But that helps him. So, anytime you need to speak, just press
the button and speak into the mic. If the folks
along the side of the room, if you could step up
to one of the mics and ask your question, or make
a comment that would be much appreciated as well.

Bathrooms are outside. The men's
restroom is straightaway. The women's is down to
the left. You can't miss it. Take a left, and
it's on the right hand side.

We do have some more coffee coming.
Water in the back of the room. Let's see, what
else do we have for housekeeping? We do have
some space set aside upstairs at the lunch room
upstairs for the noon hour. Everybody has to pay
their own way. But we do have some space set
aside.

Also, after hours in the lobby we do
have some space set aside for cocktails if folks
want to gather at the end of the day to kind of
unwind, or what have you. Again, everybody pays
their own way. But they will have a space set
aside for us upstairs as well.

Let's see. In your packets in front
of you, I just wanted to kind of go through that. There's a lot of information in there. There's the agenda for the day.

There's the travel guide. I gave you a copy of that, which, between Melissa and I, we're going to be kind of bouncing around with us here, USDA staff. We'll go through that here in a little bit for what you need to do for your travel voucher and your guide.

There's another handout that Tricia Kovacs, who will be speaking later this morning, asked me to put in your packet, that has kind of the supply chain information in there. There's a charter in there that talks about what we're all here for.

On the right hand side there's draft recommendations that have come through the Food Safety Working Group, that we'll be discussing either later this morning or early this afternoon.

There's a roster of the full Committee. Unfortunately some people could not
make it for this one. But that is the full roster. We do have 25 people at this point in time.

And then there's also a working group roster. And I know we have three new folks. And that was the, what I would like to welcome to the Board. Patrick Rogers is new, from Tennessee. Johanna Herron, I think she's farther down. And Martin Maldonado is our three new members to the Board.

And I don't think they have signed up for a Committee. So, if you could let me know before the end of this meeting which one that you might like to partake, that would be awesome. And if there's any movement as to the working groups or whatever, just let me know.

And then of course there's an AMS handout that's in there, that kind of gives folks a little background of what AMS is all about. So, with that, I just want to kind of hit some highlights from the charter, and then I'm going to turn it over to Melissa Bailey who will walk
us through the agenda.

But as you know, this is a federal advisory committee. We meet about twice a year. We're governed under the Sunshine Act. So, this is a public meeting, open public meeting. And it's supported by all of these smaller working groups, which we will hear about here in a little while.

The nomination process is pretty much, we put out a notice in the Federal Register. And basically the industry nominates everyone that sits around the room. We go through the vetting process. And basically the Secretary of Agriculture appoints you.

And also in the charter it lists all of the different sectors in the fruit and vegetable industry. That's represented, so I won't bore you with all that.

The charter does expire in July. We are working on trying to get that done. As you know we have been in transition. So, we're trying to work through the transition, and try to
get the charter renewed. And once that gets renewed we will start the nomination process.

I believe there are ten members whose terms expire in July of this year. I think that's on the roster, whose term expires. So, as soon as, that kind of package is all moving together. So, once we get some movement, now that we have a Secretary, we will let you all know. And that will be going out in the Federal Register.

As I said, I'm the Designated Federal Officer. And Erin Morris is the Executive Secretary, providing the leadership. I provide the administrative support basically.

And basically the expectation that we have for the Committee is that you work as a team, and try to determine the issues that are important to the industry. And then hopefully at the end of the day that you may establish some recommendations, as there are some drafted in your handout. And/or some statements that we can bring forward to the Secretary.
We want you all to participate. So, hopefully the mics won't be prohibitive of everybody speaking and providing feedback. We all really want you to hear your perspective. I think that makes for a great meeting, and a great product at the end. So, please, participate.

Like I said, we have I think five or six working groups. And if you feel like we need to create another one, or maybe we need to put one on a shelf, or whatever, we can do that as well.

Again, this is kind of your meeting. We're here to help facilitate. And I think that is pretty much what I wanted to say. And so, with that I think I'm going to turn it over to Melissa Bailey.

She is our Associate Deputy Administrator for Specialty Crops. And she's going to walk us through the agenda and some other items that she may have on her list. So, Melissa.

MS. BAILEY: Great. Thanks, Marlene.
So, I'm Melissa Bailey. I'm one of two Associate Deputy Administrators with the Specialty Crops Program at AMS.

I have met a number of you when I've popped in at some of the past meetings. So, I've had some involvement in things you've worked on before.

And it's great to see some familiar faces, both from those meetings, but also, I've worked with Roland before on some issues. Used to work with Tina on a previous advisory committee. So, it's nice to see everybody. And welcome.

So, I also want to just take a minute to really thank Marlene, because just with all the transition she's been great at jumping and learning a whole lot at once about how this advisory committee functions. And so, just thank you for all of your efforts.

And so, you may note that the agenda is slightly different than how we've structured it in the past. I think what we're trying to do
is keep focus on the three areas that the Committee seemed most interested in after October.

That's not to say there aren't other areas. But for the purpose of this meeting we've sort of structured it into those three areas. So, after I go over the agenda we'll do introductions of the Committee, as well as anybody from USDA who hasn't yet introduced themselves.

Marlene's already covered the role of the Committee and charter, and the meeting process. We will do -- Marlene, did we send the 2016 meeting summary out? Or are we not doing that?

MS. BETTS: I did not do that.

MS. BAILEY: Okay.

MS. BETTS: I was trying to feverishly do it through all of the transcripts that are posted on the website.

MS. BAILEY: Yes.

MS. BETTS: It looks like the basic
thing that came out of it were the working groups from the last meeting.

MS. BAILEY: Yes.

MS. BETTS: So, but I can certainly send that out after. I kind of put something together yesterday really quickly.

MS. BAILEY: Yes.

MS. BETTS: But we haven't had really a chance to look at that.

MS. BAILEY: Yes. So, that's the meeting summary from the 2016 meeting. We'll go ahead and circulate that to the Committee just by email.

Essentially the last meeting was fairly organizational. And just getting sort of structured into your working groups. But as Marlene said, the transcripts from that meeting have been posted on line on the advisory committee page.

Then we'll move into USDA reports. We have our Acting Administrator here to give you an update from the Agency, USDA perspective. Erin
will also provide some commentary. And then we'll just go over briefly the travel reimbursement information.

At that point we have a brief period of time for public comments, should there be any. And then we will somewhat pass the meeting to our Chair and Co-Chair of the Committee, Beth and Bob, to facilitate for this, later this morning and this afternoon.

So, moving into sort of the first focus area is going to be the Food Safety Working Group. We have a number of speakers, both from USDA and FDA. And I won't go through. But you can see exactly who will be coming, and what topics they'll be covering, based on feedback from that working group.

That will bring us right up to probably lunch time, given the number of people that are speaking, and the focus that this Committee has had on that issue, particularly given the Food Safety Modernization Act.

So, we'll have lunch. At 1 o'clock
we'll come back. And there are three draft recommendations from the working group. And Roland will be sort of spearheading walking through those with the Committee.

And that's mainly just to give an initial presentation of those, so you can hear it right after you've had the context from FDA and USDA, and start thinking about as a committee if the content of those draft recommendations are things you'd like to vote on as a final recommendation from the Committee.

So, there will be an opportunity for more discussion on that tomorrow morning. Then we'll move into, from 1:30 p.m. to 3:00 p.m., our Produce Consumption Working Group, which has been led by Christie.

And we have two speakers from Food Nutrition Service coming. One had actually given a presentation on one of the subcommittee calls that we felt would be helpful for the whole Committee to hear. Really with the charge of, are there ways to increase fruit and vegetable
consumption in the school feeding programs.

And then we'll have another speaker talk about farm to school. And then there will be some opportunity for any discussion. They don't have a draft recommendation at this time, but may have some initial ideas to share with the Committee.

At 3 o'clock we'll move into the Research and Grants Working Group, which has been chaired by Roland. And we have a number of speakers, again, based on the interests of the few subcommittee calls that we have had since the last meeting, to talk about a range of things from plant breeding and support for plant breeding programs, wholesale markets and infrastructure funding. And we'll have both Rural Development from USDA, as well as some ag marketing service representatives.

And again, an opportunity for discussion right after those speakers, in the event that that working group would like to bring anything forward tomorrow.
At 4:30 p.m. we will have our Director of Market News for Specialty Crops, Terry Long, come and bring a brief overview of kind of what's new in AMS Market News for you.

This Committee has always been a great support of Market News information. And I think that's something that Tom wanted to bring forward, just and update. And if there's any further recommendation from the Committee at that time, with the plan to recess at 5:00 p.m. today. So, that sort of outlines the plan for today.

Moving in to tomorrow, Wednesday morning, we wanted to provide an opportunity for some of the other working groups, who maybe haven't been quite as active, leading up to this meeting, new farmer advocacy and mentoring, ag labor. I think there was a mention at one point of some broadband, interest in broadband and increasing that.

So, we'll leave some time, about an hour, for general comments from the folks on those subcommittees who might want to start
thinking about future recommendations. And then
we'll have an opportunity for the working groups
who do have recommendations, or want to continue
formulating things, to meet.

And a lot of tomorrow is really
centered around giving you guys an opportunity,
face time, to further develop, and put any final
recommendations forward to the Department.

And then at 1 o'clock we will adjourn,
and make sure we get our famous advisory
committee group photo, which is always the
highlight for everybody. And so, basically
that's the agenda.

One other thing I have shared, I think
with Bob and Beth before, and I would like to
share here is, we would like to, moving forward,
get into kind of routine of, when the Committee
makes recommendations, providing sort of a formal
response back on those.

So, any, I think our commitment would
be, anything coming out of this meeting, that we
would then circulate back at some point, you
know. It may take a little time. But a memorandum or response to kind of, what are USDA's next steps with regard to the recommendations that you've made?

We would like to get into a better system of being able to track all the recommendations, and kind of where we ended up on things. As I know that's come up a few times at past meetings.

So, we do have a plan for that, following after this meeting. And welcome any feedback as we kind of roll that out to see if that works for everybody. So, that's something that's on our radar. Yes.

MR. McREYNOLDS: Melissa, Roland McReynolds, Carolina Farm Stewardship Association. Very much welcome this idea of the sort of formal response back. Is that going to retroactively apply to our past recommendations?

Or is this just a going forward?

MS. BAILEY: I think, this is Melissa again. I think initially we'll start with going
forward, so that we can get a system in place that makes sense.

And then, if there are particular recommendations that, you know, the folks here have known, they've worked on, and kind of wondered what happened.

I think we would like people to bring those to our attention, as we kind of get a handle on those past ones. So, sort of a combination approach is kind of how I would envision that working.

Great. That is all I have on the agenda. Marlene, unless you have anything else?

MS. BETTS: No. Maybe now is a good time to have everybody introduce themselves around the room. And maybe say your name, who you're representing, and maybe a fun fact that you want people to know about you, you know, whether it's a hobby, anything.

So, with that I'm going to let Mark get us started. Okay. I'll start. We'll go this way around the room then. Okay. Marlene
Betts. I'm obviously with USDA. I'm Acting Designated Federal Official.

My everyday job I'm with the Promotion and Economics Division in the Specialty Crops Program. We work with the Research and Promotion Programs. I'm currently working with some, one of our newer programs, the Paper and Packaging Board, which has been quite interesting, working with the paper industry, and helping to get people to use paper again, which I'm a very big advocate of, as you can see. And I'm also working with the avocado industry as well.

I enjoy traveling. Just got back from vacation in Myrtle Beach. And just like to travel throughout the U.S., and trying to do some more traveling overseas. Looking at possibly getting back to New Zealand next year, hopefully. So, really enjoy traveling. So, with that, I will pass it on.

MS. BALCH: Hi, everyone. I'm Christie Balch. I'm the Executive Director of the Crossroads Community Food Network. We're
based in Tacoma Park, Maryland, right outside of D.C.

On this committee I chair the Produce Consumption Working Group. And we are, we would love more members. So, new members, you are welcome to join, and old members too.

And a fun fact, in my spare time I'm a volunteer EMT and firefighter at my local fire station.

MR. JANIS: Hi. Good morning. I'm Michael Janis. I'm with the San Francisco Wholesale Produce Market. We're in San Francisco, obviously, California.

I sit on the Food Safety Working Group, as well as the Grants and Research. And I want to thank Roland for all his leadership on those committees.

A fun fact, I actually grew up not far from where Bob grew up, on Long Island, even though I've been down in San Francisco a long time. I'm sure that's it. All yours.

MR. WILLIAMS: All right. I'm Tom
Williams. I'm the Director of Produce and Flora for Coborn's. We're a family ran, employee owned group of grocery stores in Minnesota, Wisconsin, North Dakota, South Dakota. We have 50 stores.

And a fun fact. Well, I also love to travel. And our kids got that same bug. And so, our middle son has announced that he's going to do a destination wedding next year.

And it's going to be in a place where we love, which is in Maui. But that is a true destination wedding. The fun fact will be the expense of the destination wedding. That's it for me.

MS. BAILEY: Melissa Bailey, Associate Deputy Administrator with Ag Marketing Service. I've been with USDA for about seven years now. And worked in university and private sector before. Also worked for the National Organic Program before coming to Specialty Crops Program, which is how I know Tina.

And I work primarily at USDA with the Perishable Ag Commodities Act Division, Marlene's
group, the Promotion Economics Team, as well as
the Marketing Order and Agreements Division.

And my fun fact is, this fall I did my
first half marathon. So, and now I have the bug.
So, hopefully that will last. And, I don't know,
my running group keeps telling me maybe I'll do a
marathon. But that seems a little extreme to me.
So, thanks.

MR. SUMMERS: Good morning, everybody.
I'm Bruce Summers. I'm the Associate, one of the
Associate Administrators in AMS. But I'm
currently pretending, or acting as the AMS
Administrator.

Fun fact is, when they, in January
when they said you're going to be Acting
Administrator, that could last an hour, or it
could last a few months. Well, we blew through
the first hour, and it's still going.

MS. MORRIS: This is going to be fun
all day. Hi. I'm Erin Morris. I am currently
the Acting Deputy Administrator of the Specialty
Crops Program. And I'm the other Associate
Administrator. So, Bruce and I are having fun wearing multiple hats these days. A good time.

I've been with AMS for just over 18 years in a variety of different places. And have loved every one of them. So, thanks so much for allowing me to participate in this meeting today.

A fun fact for me, I'll keep the travel bug going. We love to travel. It's either Disney World, or Europe. Those are pretty much the only two places that we go. But it's a good time.

MR. YANDA: Good morning. I'm Dave Yanda, recently retired, and CEO of Lakeside foods in Manitowoc, Wisconsin. We have 13 plants, pretty much throughout the Midwest. And been on the Committee for, I know many of you have been here for a couple of years. So, really enjoy seeing everyone.

A fun fact is that we left Siesta Key, Florida last week, Sunday morning. And it was in the high 80s. And I left my driveway in Wisconsin yesterday, and it was 29 degrees. A
little culture shock.

MS. HERRON: Hello. My name is Johanna Herron. I work for the Division of Agriculture in Alaska. I run the Market Access and Food Safety Section, which covers specialty crop, country of origin, marketing, farm to school, a bunch of different things.

Let's see, a fun fact. I could tell you a bunch of Alaska fun facts maybe. So, we have communities that are as far apart as San Francisco to Chicago.

And I would say some of the most unique things that grow up there, I've seen somebody starting a variety of cactus that's going well. And grapes, kiwi, some interesting different, different things creep up there, just not in good volume.

MR. CASTANEDA: Good morning. My name's Carlos Castaneda. I'm out of California. I'm been a farm labor contractor since 1991, although the past few years I've turned into an H2A labor contractor. Now the ratio's about two
to one.

Fun fact, last night I got the most sleep I've had in many years. I have four children, 7, 5, 3, and 1. So, you can do the math.

MR. TALBOT: Bruce Talbot from Palisade, Colorado. We are peach and grape producers. We are about halfway between Denver and Salt Lake, to give you a feel, on the Colorado River. And fun fact, I still referee soccer, though I take ibuprofen before I start.

MS. DIETRICH: Good morning. I'm Helen Dietrich, from Michigan. We grow apples, asparagus, and cherries. Fun fact, I'm on our Library Board. And we just increased the size of our library. We doubled it. And it will open next week. So, we're really excited about that.

MR. PURDY: Hi. I'm Chris Purdy. I'm one of the other Associate Deputy Administrators for Specialty Crops Program, with Melissa. I work with the Inspection Division, Market News, the Food Safety Audit Program.
I'd also like to put a little commercial in. I work with the produce industry to help encourage sales of produce to the Commodity Procurement Program within USDA.

We buy about a half a billion dollars' worth of various forms of fruits and vegetables. And so, if you're interested in learning more about it come see me.

MR. SUTTON: Good morning. My name is Dan Sutton. I'm general manager of Pismo Oceano Vegetable Exchange. We are a grower/shipper of fresh produce in California.

A fun fact, my family is from England. And we applied several years ago, and found out about a year ago that I had been given the title of Count in England. I know that doesn't mean anything here in this room to any of you. But when I go back to England the title Count does mean something.

(Off microphone comments.)

MR. HANAS: Good morning, everyone.

I'm Rick Hanas, formerly with A. Duda & Sons for
46 and a half years, as Executive Vice President and COO. I just retired in February. But I'm still going to do some consulting work for the company. So, I'm going to be part of some other associations that we're involved with.

Fun fact, one of them is my wife loves to travel. So now I'm going to be traveling with her. We're fixing to go to Stockholm, and then go up, and then go over to Russia.

And the other fun fact is I've got two grandchildren. And now I get to spend as much time as I want with each one of them. They're 5 and 1 years old.

MR. VAZQUEZ: Good morning, everyone. I'm Jorge Vazquez, President of Latin Specialties in Houston, Texas. So, we are a family owned produce distribution and fresh cut operation.

I've been with the Committee for, this is going to be my third year, I think. And my term's about to expire. But it's fun and, you know, I love all of the time, spending time with all of you guys.
Fun fact, I like to scuba dive. Used
to run a lot. So watch out for your back,
because -- but you can definitely do the
marathon, you know. So, go for it. Thank you.

MS. BARNES: My name is Virginia
Barnes. But I like to be called Gin. Virginia I
feel like I'm in trouble. I work for my family's
fifth generation farm in Florida. And right now
we are growing solely cabbage, 1,000 acres, which
is a lot.

And a fun fact, I used to travel with
a Blue Grass festival. So, I've been to every
state except Alaska. And I'm going next June.

MR. MALDONADO: Good morning. My name
is Martin Maldonado. I am from Miami, Florida.
Don't hate me. We grow and market berries,
mostly blackberries, raspberries, and
blueberries.

A fun fact, I grew up right across the
river in Washington, DC. And I want to go look
at the house where I grew up 35 years ago,
tomorrow afternoon. So, I'll let you know how it
looks.

MS. KNORR: Good morning. I'm Beth Knorr. I'm the Director of Summit Food Coalition in Peninsula, Ohio. And a fun fact, I really love pie, did not get enough of it in my life. So, I have decided to tackle the art of making crusts in 2017.

MR. NOLAN: I'm Bob Nolan, owner of Deer Run Farms. It's a fourth generation vegetable farmer from Long Island. Former Long Islander here.

And we grow lettuce, like eight or nine different types of lettuce, spinach, escarole, chicory. We got into some of the herbs, basil, arugula, stuff like that. So, trying to market more locally, and take advantage of that.

Fun fact, I used to referee high school basketball, but I gave it up. So, I don't need ibuprofen. So --

MR. MCREYNOLDS: Good morning, everybody. My name's Roland McReynolds. I'm
Executive Director with the Carolina Farm Stewardship Association.

We're a member organization, representing farmers and businesses in North and South Carolina that are in the markets for local and organic foods, and especially crops, major products that our folks produce. We're based in Pittsboro, North Carolina, in the Raleigh, Durham, Chapel Hill area.

And a fun fact, I lived in France for a year with my family, back in 2005. My daughter was actually born while we were over there. And my son went to preschool over there. So, he used to speak French.

MR. ROGERS: Hi. My name is Patrick Rogers. I prefer to be called Mack. I'm from Tennessee. After hearing your nice operations I realize I'm the minority representative on this Board. We're probably the smallest farmer around.

But we're here, I'm here because of the United States Sweet Potato Council. And
that's what I've been a part of for several years. And we're here basically to make all our potato farmers rich.

             Interesting fact about me, we were doing great until about two weeks ago. Our family was on CBS news. We received five and a half inches of hail, and six inches in 15 minutes, and six inches of rain in 24 hours.

             So, count your blessings when you see a hailstorm at somebody else's place. That's our biggest claim to fame lately.

             MS. ELLOR: Tina Ellor, Phillips Mushroom Farms. I think this is my last meeting, unless we re-up, which I guess we have the opportunity to do that if we want to.

             I worked with the American Mushroom Institute, the whole time of it in the mushroom industry. Fun fact, I'm also married to a mushroom grower. Mushrooms 24/7.

             MR. NICHOLSON: Good morning. I'm Mark Nicholson with Red Jacket Orchards. The farm's located in Geneva, New York. I'm third
generation. I have a twin brother in the business.

People who attend industry meetings, or even USDA staff, way back when, when I was an intern in college, I was followed the immediate summer by my brother in the exact same branch, which created a little confusion. And they still remember us.

We're 450 acres of fruit. And we have a juice processing facility as well. I guess my fun fact is two things. One, if you see me waking around in a Cub Scout uniform later today, it's because I have, I'm the Cub Master for a local pack here, even though I live, even though the farm's in New York, I live here in Mt. Vernon, Virginia. So, after this meeting I will be running that in uniform.

The other fun fact is, let's see, my daughter stole my phone, and I can't figure out how to get the, you can't see it now because a text came up. There's a chubby unicorn on here. So, if anybody knows how to get these changed,
let me know.

   MS. BETTS: Well, thank you, everybody. And I think we might as well take the time to go around the room. So, if you guys, Leanne, if you could go to the mic and introduce yourself, and Laura, and everybody kind of peel off and just introduce yourselves. That would be awesome.

   MS. SKELTON: Yes. So, good morning, everybody. I'm Leanne Skelton. I'm with Specialty Crop Program. Worked in Erin's office. And I'm the liaison to FDA on FSMA kind of stuff.

   If you still want a fun fact, I am a sports fan. But that's not really the fun part. It will be fun later this week. But, yes, when the Cavs win. I'm actually a shirttail, or shoestring relation to Red Skelton.

   MS. PHELPS: I'm Laura Phelps. I'm with the American Mushroom Institute. And I'm chairman of the Tina Ellor fan club. And to follow on Tina's remark about 24/7 mushrooms, I just got back from a three week trip to Africa.
And we went on a safari. And the
guide one night looked at me. And he said, can
you put me in touch with someone who can teach me
how to grow mushrooms? And I'm like, oh, why
can't I get away from this? But anyway.

MS. MANES: Hi. I'm Julie Manes with
United Fresh Produce Association, here in D.C.
Thanks.

MR. PURVIS: Hi. I'm Carl Purvis.
I'm with the AMS Public Affairs Office.

MR. ASTILL: Hi. I'm Greg Astill.
I'm an economist with the USDA Economic Research
Service. And I've been there just over a year
now. I got thrown into a lot of stuff about
produce and food safety. And I've been really
enjoying it.

Last year we went on a trip to
Michigan, talked to growers there. And I've just
been planning a trip to southern California, and
then we're going to go to Florida also this
summer.

MS. VANCE: I am Shontai Vance. I am
in intern on behalf of Schramm, Williams and
Associates. A fun fact about me, I have been in
D.C. for less than a week. And so, I'm also new
in town. And I also can speak Chinese.

MS. BETTS: I think that's everybody
around the room. The other guy behind me that's
running all the show is our court reporter, Sam.
So, thank you everybody for introducing
yourselves. And I think with that I'm going to
pass it over to Erin Morris. And she will be
introducing our next speaker.

MS. MORRIS: Yes. Maybe I can just
yell from here. So, anyway I know we just did
introductions. But I will take a moment just to
introduce Bruce Summers again, who is no stranger
to the produce folks in his little over 20 years
with AMS.

He spent most of it in what was
formerly known as Fruit and Vegetable, now
Specialty Crops. I still have to work on that,
by the way. I'll be saying that five years from
now.
But we feel very, very fortunate to have Bruce in both of his roles as Associate Administrator, and certainly Acting Administrator. He's very familiar obviously with most of the issues that are near and dear to your hearts. So, we find that that's really helpful to us. And without further ado, Bruce.

MR. SUMMERS: Thanks, Erin. So, Erin and I both have the same title. So, you know, I'm the Associate Administrator, she's the Associate Administrator. And so, I like to say, I'm Darryl, and this is my sister, Darryl. If you're old enough to remember that show on TV, right.

So, hey, it's really good to be here with you. And I appreciate the invite from Melissa and Erin to come over and talk to you. There's probably a word you're going to hear a little bit this week, or the next two days. And Melissa already said it once. And that's transition.

So, you know, we are in the middle of
a transition. And I imagine as you talk to a
number of the other career Government folks who
are going to roll through over the next day and a
half, you're going to hear a lot about
transition.

And we are very much in the middle of
the transition, or towards the end of the
transition, or at the beginning of the
transition. We're not really sure. But we are
definitely in transition.

You know, I started my job as the
Associate Administrator basically the 1st of
November. And a week later we had an election.
And then the transition started, as we started to
work to, you know, move the folks who have been
here, a lot of them for eight years, out, and
then in January the new folks in.

So, I really have no idea what my real
job is going to be like. Because I've been in
transition since about the sixth day I got the
job. So, but you're going to hear a lot about
transition.
And I have a few remarks I thought I'd provide. And I'm not used to giving a speech sitting down. And I'm not used to giving a speech where I can't see everybody. So, if I get up and start pacing you'll understand why.

But, you know, I have a few remarks I wanted to give. If you have questions, I'm happy to try and answer them, as far as what's going on at AMS and at USDA.

But it is an interesting time. It's been the first transition I've been at a level where I really noticed. And it's kind of been a kind of fun process. But it's interesting to see how the U.S. Government works in the middle of transition. And it works.

You know, we are across the board USDA. But with respect to AMS, you know, we're out there. We're creating product. We're issuing Market News reports. We're holding advisory committee meetings.

We're doing this one this week. A couple of weeks ago we did the National Organic
Standards Board. You know, the point is, you know, we're operating, you know. It's up. It's running. We're doing things we have to do.

There's some things we're holding off on while we wait for the political leadership to get in place. That makes sense. They get to, you know, set priorities and establish some of the things that they want to do.

But the long and short of it is we're still delivering the services that are kind of the bread and butter of what AMS does. So, I think it's important that everybody knows that that's what's going on.

So, two weeks ago, two weeks ago today actually, you know, we marked a really important milestone in the transition, because Sonny Purdue arrived at the USDA on the Tuesday morning. And he talked about, in his remarks to the staff, how important it is for USDA to provide high quality essential services and products to our stakeholders.

He talked about the need to make
everyone, or make sure that everyone has a seat
at the table. And I don't think he was
necessarily envisioning this advisory committee
when he said that. But that's really what this
advisory committee is about, making sure that
everybody has a seat at the table.

And that's why it's really important
to have an advisory committee like the USDA Fruit
and Vegetable Industry Committee that you all are
a part of. You're representing diverse
backgrounds, interests. You provide an insight
on to how USDA can best help the produce industry
running vital, right. That's what we're about.

AMS is about facilitating, marketing
of agricultural products. This committee is part
of helping us do that. We need to hear from you
all, so that we can provide the best products
possible, the best services possible to help the
produce industry remain vital.

So, I don't necessarily think he was
looking at you all when he said that. But that's
really what he was talking about. So, I want to
congratulate you all for being a part of this committee. I want to welcome the new members. And I want to thank all of you for your service.

A little bit about my background, you know, as Erin alluded to. I spent a long time in the Fruit and Vegetable Program. And then after I left they changed the name. I don't know why. So, I left, they changed the name.

But I was, years ago I spent a lot of time with this committee, different people, but this committee, when I was working running the PACA program, the Perishable Agriculture Commodities Act.

And when I was the director of that program we received a ton of support from the advisory committee. We were, at a time that we were trying to kind of right size the program, there had been a lot of changes in the industry, not a lot of changes in the bureaucracy, so to speak.

And so, we were looking at, you know, what's the right size that the PACA Program
should be with respect to number of employees,
number of offices? We kind of had the same setup
for years and years. And what should the fee
levels be? Because we were looking at, you know,
trying to address funding issues.

And so, we spent the better part of a
year, maybe a year and a half with the advisory
committee. And meetings like this, and
subcommittee meetings, and lots of discussions.
Came up with a plan that was really instrumental
in what the PACA Program looks like today.

Again, could we have done it without
the Committee? Yes, maybe. Probably so. Would
it have been a good plan as it was? No,
absolutely not. We really, really, really,
relied on the industries' feedback, suggestions,
ideas on what it should look like.

And if you, you know, how much this
committee has looked at the PACA Program as it is
today. But it's basically, what you have today
is what that Advisory Committee helped us design
about ten years ago.
The funding level hasn't changed. The offices, it's a very stable program now. And a lot of that has to do with the decisions that were made and influenced by the Fruit and Vegetable Industry Commodity, Fruit and Vegetable Industry Advisory Committee.

So, what you're doing is important. What you're doing can have long lasting impacts. I want you to know that.

I just want to kind of step back and talk a little bit about Agriculture Marketing Service. You know, we take a lot of pride in working together with our industry stakeholders to craft solutions to problems that you all bring to us.

You won't often hear AMS going out to industry and saying, we figured out what you all need. It's usually not how it works, almost never works that way at AMS. If you look at what AMS does most of our programs are voluntary.

They're user fee funded.

And to the extent that they involve
regulatory requirements, it's usually another agency or another country that's imposing the regulatory requirements. And generally what we're doing is trying to help the industry demonstrate that they're in compliance with those requirements.

An example of that would be, you know, our export verification programs. So, we have worked with industry to develop export verification programs from everything to dairy, poultry, meat, and for you guys, almonds, pistachios, peanuts, and orange juice.

Again, those are all requirements we didn't impose. Those are, for the most part, requirements imposed by foreign countries.

The industry will come to us and say, boy, we need to get a product into Korea, say for example, orange juice, which was a big one we worked on a few years ago. And there was a huge tariff on orange juice going into Korea if we couldn't demonstrate that all the orange juice we were exporting was from the U.S.
We worked with the industry. We set up a program. South Korea now takes U.S. orange juice at very, very low import duties. Again, a problem brought to us by industry. We worked with the industry to try and solve that problem, so they can facilitate their products, or their movement of their product.

So, those are some of the specific ways, you know, we like to work with industry, we like to work with the Advisory Committee. But there is beyond just specifics.

If you just think about other import and benefits of a committee like this, you know, the more you know about us, and the more we know about you, the better we can work together.

So, even if we're not, I mean, just what we did right now, going around the table and introducing ourselves, and fun facts. The more you know us, and the more we know you, the better we can work together.

And so, even if we don't have a specific issue to work on this morning, coming
together, meeting, letting us hear about your concerns, your challenges, us tell you about the services we can provide, and how we might be able to help is still very, very, beneficial.

I want to open it up for questions. But let me just finish by saying, thank you, thank you, thank you, for taking time away from your businesses, your families. At least you still get to go to your Cub Scout meetings.

You're cheating.

But I just want you to know, you know, we take the input and the advice that we receive from the Committee. And we really, really do rely on it. And so, we really thank you for your time. Appreciate you coming all the way to Washington, DC for those who traveled, well, a pretty long way from Alaska. But we really do appreciate it.

So, before I introduce Erin, are there any questions? Anything folks are wondering about what's going on in Washington, DC? What is going on in Washington, DC? How's that for an
open ended question?

(Off microphone comment.)

MR. SUMMERS: No. But Erin does.

MR. NOLAN: I just have a quick question.

MR. SUMMERS: Shoot.

MR. NOLAN: Last week I was -- last week or two weeks ago. I don't know. Time flies. There was some farmers met with the President and the Secretary. Would you be able to tell us, you know, what came out of that meeting, or just some of the highlights? Or, you know, a status?

MR. SUMMERS: So, here's a fun fact about that meeting. So, the Secretary, you know, went over with a handful -- a pretty big handful of industry over to the White House, and met with the President.

Two people in that group were former Fruit and Vegetable Industry Advisory Committee members. So, that's pretty cool. So, you guys could be with the next President.
Now, I didn't get any specific feedback on that. I think it was kind of a general discussion of the challenges, you know, the things they had to talk about, right, labor, trade. The AG was there from California. You know he talked about water, right.

But I think it was a fairly general discussion. But it, I mean, the important thing is, hey, day 1, new Secretary, you're in at the White House. Pretty cool, yes. And I think that may have played into some of the discussions about what happened with NAFTA last week, as in not pulling out.

MR. NOLAN: Okay.

MR. NICHOLSON: Just a quick question as well. Mark Nicholson. It's probably one you can't answer. But is there a sense of timeline for getting in the political leadership at the levels, and allowing you to return to you day to day?

MR. SUMMERS: No. There isn't a timeline. I mean, you know, getting the
Secretary onboard, obviously hugely important.
And we're looking to see what happens with the
Deputy.

You know, we're not yet, if you go
back eight years, we kind of got spoiled over the
last eight years. Because at USDA is was really,
really a stable political workforce, you know.

The Secretary was one of the longest,
well, in modern time he's the longest serving
Secretary, you know, the full seven years, or
whatever it was.

But we're really not that far behind
on things like appointments for the
Administrator. At this time eight years ago we
did not have an AMS Administrator. So, but we
don't have a timeline. We're not panicked yet
either. Well, I'm not, they are.

MR. VAZQUEZ: I got a question. How's
the funding looking for the USDA under the new
administration?

MR. SUMMERS: So, we did really well
in the FY '17 budget. You know, we were
operating under what they call a continuing
resolution for the first half of this fiscal
year. So, we got our final numbers for Fiscal
Year '17 a week ago, two weeks ago.

And we're funded right where we need
to be. The administration's proposal for Fiscal
Year '18, and our Fiscal Year starts on October
1st. Probably everybody knows that now, because
of all of the discussions about shut downs over
the last ten years.

But those numbers will come out on the
week of May 22nd. And the Secretary will be
testifying on the Hill about that either that
week or the week after. So, we're waiting for
those final numbers for Fiscal Year '18. Won't
be long now.

MR. MCREYNOLDS: And for, Roland
McReynolds. Just to follow up on that, the
President's skinny budget is a pretty hefty cut
from current funding levels. Obviously that was
done without Secretary Purdue in place to sort of
talk, advocate, you know.
Any sense of Secretary Purdue's stance about the cuts that were proposed, and how me might address that in the final version of the budget?

MR. SUMMERS: I mean, he has made some public comments. And certainly I think supportive of what the administration proposed. Not too surprising.

I would say, with AMS the thing to remember, and I kind of alluded to it in part of my remarks. Two-thirds, almost 70 percent of AMS's budget is generated through user fees.

So, you know, when we're talking about the budget for AMS, the appropriated amount, the discretionary amounts are a much, much smaller portion of AMS's operating funds. So, we tend to be a little insulated at AMS from some of the ups and downs of the appropriation process.

So, you know, inspection, the GAP Programs, things like that, all user fee funded. So, not impacted by the budget discussions on the Hill.
All right. Good questions all. I really appreciate your time. And, what time is it, 9:30 a.m.? I think I'm, I think I used up all of Erin's time.

MS. MORRIS: That's okay. I'll be brief.

MR. SUMMERS: So, I get to introduce Erin. So, my other colleague, Darryl. So, there are other associate administrators. So, Erin and I work really closely together in helping to run this big organization called Agriculture Marketing Service. And Erin has worked in a number of different program areas, livestock, poultry --

MS. MORRIS: Dairy.

MR. SUMMERS: Dairy. And as part of the transition last fall Erin agreed to help out. We were trying to cover a lot of different things at one time. So, Erin moved over and started helping with the Specialty Crop Program.

And it's been almost six months now. And I think she's gotten her written notes. Now
that you've seen all of the other commodity programs, no pressure. But Specialty Crops is pretty good, right?

MS. MORRIS: Absolutely. It's the best.

MR. SUMMERS: There you go. Had to push that out. Anyway, so Erin, I'll give you the floor. And if you want me to move a seat, sit comfortably at that microphone? How about that? I don't think that cord's going to reach.

MS. MORRIS: I'm not nearly as funny as he is. But I'm sure if you have any questions after I talk he'll be happy to answer them.

So, again, just welcome to everybody. And I just want to echo, we can't thank you enough for really investing your time and energy in this Committee. It really does make a difference.

And we really do look to this Committee to give us the valuable input that we need about our programs and services, and just making sure that each and every day, that we out
there sort of making a difference, and helping
you all solve some of your challenges.

And I want echo Melissa's thanks to
Marlene. She really has just stepped into this
role seamlessly. And we can't thank her enough
for all the time and energy, in addition to her
day job, that she has put into this.

So, as Bruce alluded to, you know, the
Specialty Crop industries is so keenly important
to USDA's overall success with fruit and
vegetables representing over $45 billion dollars
in annual sales, which if you stop to think about
it for a minute, you know, that's really
incredible.

As Bruce alluded to with Mr. Purdue
just being onboard now for just a couple of
weeks, we haven't yet had the chance to sit down
and talk with him, and learn more about what his
interests are.

But he has certainly hit the ground
running. And has already made a few visits to
various places. And has indicated that at USDA
we're going to be literally rolling up our sleeves, and trying to ensure that we have a customer service focus.

I like to think in AMS that, more so than any other agency, not that I'm biased. We really, really do have a customer service focus. And we're very fortunate with the statute that we have that that really does give us a lot of latitude to do a lot of incredible things, and really work with you all to help solve problems and challenges.

I always like to joke that if there's something going on in the Department, some kind of need that's identified, and it doesn't have a stated home, then it almost always comes to AMS.

So, we like to think that we have built a culture and environment of having staff and employees who are really willing to go above and beyond whatever is necessary. And to really come up with, as Bruce said, some creative solutions.

So, I just want to talk for a few
minutes to his some highlights about what's going
on in the Specialty Crops Program. Bruce talked
a little bit about PACA. We have five divisions,
including PACA, that, and we have about 1,000
full time, full and seasonal employees who help
us carry out that work.

We are well represented here today by
most of our divisions, as Marlene mentioned.
She's from the Promotion and Economics Division,
which kind of has two parts to it.

One is overseeing 17 Research and
Promotion Boards, which Marlene can attest to,
keeps our folks very, very busy. All of those
Boards have a lot of great programs going on that
are trying to help their various industries.

And there's also an economic piece to
that, as Chris mentioned. A lot of that group's
time is spent helping to do some economic
analysis for the various industries. Certainly
when folks are coming in and asking for surplus
removal requests, and then also doing some other
general things to help provide support.
We also have our Marketing Order and Agreement Division, which is helping to oversee all of our Marketing Order Boards and Committees, which again is chiefly important.

And when you look at the MOAD Boards and the Promotion, Economic, and Research Boards, the Research and Promotion Boards, I think a lot of times, you know, we still work on the education component with folks, to just help them understand what those programs are all about, how they're similar, how they're different, how they're funded and structured.

As Chris mentioned, we also do purchase about a half a billion dollars in fruits and vegetables for our surplus removal programs, again which is a great opportunity for the Specialty Crops industry.

And obviously we have a great story, in that, you know, these foods provide such a nutritionally valuable component to our school kids, and a number of our other nutrition assistance programs.
And then at PACA, as Bruce mentioned, is another one of our, I think great stories where, you know, we're out there each and every day helping to, you know, settle disputes, working with folks. And I think we give kudos to those folks on a daily basis for really being of value to the industry.

So, looking at this particular Committee, and as Melissa said, we want to get sort of more structured in terms of responding to your recommendations.

I did want to just touch on a couple of the things that we have been working on in part, because of the previous input that we've gotten from you all.

So, part of that is working on the implementation of FDA's FSMA. As Leanne introduced herself, we do have that liaison position, which, you know, we hear time and time again how the produce industry values that position, and really trying to provide some of the technical expertise to FDA as they work to
implement their rule.

We're also, on that vein, taking steps to help with training and education. Making sure that all the industry members are getting the training that they need to help meet FSMA's requirements. We've hosed a myriad of different webinars, again, trying to really promote education.

I think as most of you know we are a key cooperator with the Produce Safety Alliance, along with FDA and Cornell. And training has really been a huge focus. To date PSA has almost 950 PSA trainers, and well over 100 PSA lead trainers to support this effort.

So, again, we recognize that this is of key concern to the industry. And we're trying to make sure that everyone feels like they have the opportunity to participate in some of these training sessions, so that they can truly understand what they need to do to comply.

Another way we're working to help producers of all sizes is through our group GAP
Program. And as Melissa mentioned, we will have Ken Petersen here talking with you all later this afternoon, who is the head of our audit program.

We've talked about group GAP with you all in the past. I'm pleased to report, so, in 2016 we certified eight groups, which represents just over 300 growers. In 2017 we've had four new groups apply, which represents another 55 or so growers. And then, we still expect to get another seven, sort of over the course of the next year or two.

So, we've seen some incredible growth in that program. And again, that's just another way that, you know, we've tried to identify solutions of how we can help the produce industry.

I also want to touch briefly in ITDS, the International Trade Data System. Hopefully you all are familiar with that. I know sometimes in the Government we do have a way of getting carried away with our acronyms. So, forgive us.

But over the years we've heard from
the Committee that you really wanted us to strengthen our relationship with the Customs and Border Protection folks. Obviously there are a lot of different fruits and vegetables that are imported. And that number continues to grow.

And with all of the requirements that are out there, this is a keen example of how we have tried to be more efficient to cross Government, and kind of moving with the digital age.

So, we did have a successful pilot program using our, I'll spell it out, and not use the acronym, Compliance and Enforcement Management System, otherwise known as CEMS, as we call it. And CBP's Automated Commercial Environment, otherwise known as ACE.

And again, you know, we're trying to facilitate electronic reporting there to meet the different requirements. And trying to make things more efficient. And we will continue to work in that effort.

I did also want to just briefly touch
on our user fees. Bruce mentioned our agency is predominantly funded by user fees. And again, based on a 2015 recommendation that came out of this Committee, just last week we sent to you a notice indicating that we were raising our fees again this year.

We did have another increase the year before. Hopefully that should take care of us for several years. But we did find ourselves in a position, after really not raising our fees for the previous ten years, that we had some catching up to do. So, we appreciate your support in that effort.

And lastly, I just wanted to close by saying again that, you know, the work that you all are going to do here over the next day and a half is really, really important.

We're invested and committed to your success. And we know that you are too. And that you all are here, again, representing the entire fruit and vegetable industry. And through the Committee's work we'll continue to make sure that
producers across the country are more successful.

I think, you know, this Committee and our partnership really helps ensure that we do have those direct ties, and kind of the direct voice to what's going on out there. And again, trying to make sure that, you know, the things that we're doing in AMS are relevant, and are what's needed.

So, thank you again for coming. And with that, I think we'll continue along, so we can hopefully keep you guys on track and on time today, so we can get you out of here on time, and off to your Cub Scout meeting.

I'll digress and say that I have two Boy Scouts now, so thank you for your service. It's not easy, I know. I've been there.

MS. BETTS: Okay. Well, thanks, Erin. I guess next on the agenda we will do a little bit more housekeeping, in terms of travel. I know Devonia Betts normally does that. But she entrusted Melissa and I to tag team if needed, to walk you through the travel information.
So, if you could pull that information out of your folder, there's some basic information in there. And then the standalone page that it is clipped to is your travel reimbursement form.

So, we ask that you keep your receipts, except for the meals. But, you know, any parking receipts, taxis. Make sure you get your receipt for the hotel. And submit all of those receipts with this form to Devonia by the 26th, as it says at the very bottom.

Her email address is there. Her phone number is at the bottom on Page 2, if you need to contact her. Or, I know some folks have gone through me. And I have forwarded information to Devonia.

But if you fill all of that out and submit all of your receipts, and get that to Devonia, she will complete the voucher and email back to you. Because I think you have to do some kind of an electronic signature.

And once that gets returned back to
Devonia, then you should receive your reimbursement within I think ten business days, I believe she said. So, if you have any questions, or need any walk through, the Betts ladies will take care of it, either myself of Devonia. We got you covered.

So, I know it's real quick. I think it's very basic information that we need. Just be sure to keep any receipts. And then we'll circle back. And if you have any questions, again, don't hesitate to let us know.

So, I think with that, that gets us to what, public comment. Does anybody have anything around the room? Or are there any comments that need to be spoken? Okay. I guess, hearing none, I guess at this point in time we turn it over to Beth, who's your chairperson, to kind of chair the meeting.

I don't see Ken here yet. So, I will let Beth and Bob either introduce themselves, or we can take a break. Or I will leave it in your capable hands. But thank you so much. And if
you need anything I am here and at your service.

MS. KNORR: Thank you, Marlene and Melissa. We really appreciate all the help that you've given us since the fall meeting. And look forward to the next couple of days working with everybody.

I don't really have any comments to start, other than to again thank everybody for taking time out of your busy schedules to be here, and to make recommendations and statements to the Secretary. I really do hope that we can formulate some recommendations that we can all feel confident in over the next couple of days.

One thing I would suggest with regards to the agenda, is that tomorrow a lot of time is set aside for working groups. So, I think between now and then, give some consideration, especially to new members, what committees you want to participate in.

But also, if there are other committees, or other areas that you're feeling need to be discussed, give that some thought, so
that we can raise those as potential additional committees, and start forming groups around those to discuss recommendations and/or statements.

So, that's all I have. Bob, do you have --

MR. NOLAN: No, I'm good. I'll yield my time to the good of the order.

MS. KNORR: All right.

MS. BETTS: Okay. I don't think, Ken Petersen is our first speaker out of the block.

So, why don't we take at least a ten, maybe 15 minute break. There's coffee, there's water. As I said, the facilities are out in the hallway if you need anything.

And when Ken gets here we'll get things loaded up, and we'll get started. So, thank you so much.

(Whereupon, the above-entitled matter went off the record at 9:44 a.m. and resumed at 10:13 a.m.)

MS. BAILEY: Okay, this is Melissa, we're going to get started in just a minute. If
you came in since the break and you have not signed in, there is a guest sign-in sheet outside the door. If you can please put that in your affiliation, that would be helpful to us as we keep the record of whose attended.

MS. BETTS: Okay, I guess with that we will go ahead and get started working into the Food Safety Agenda. And our first speaker is Ken Petersen.

And he's going to give us a status of the Global Food Safety Initiative. And so we'll have Ken speak and answer any questions and we'll kind of go from there. So, Ken, take it away.

MR. PETERSEN: Great, thank you very much. I'm not used to standing at a podium here.

So as Marlene mentioned, I'm providing an update on where we're at with the global food safety initiative project. So certainly I've got some news to share since the last advisory committee, GFSIs made some decisions and is moving forward with some different things.

So, just to give a quick background.
We have been engaged with GFSI over the past five
years, to gain some sort of recognition of the
USDA GAP&GHP Program.

And unfortunately, there were some
significant challenges for government owed
systems, due to the incompatibility of how
governments operate, versus what GFSI had in its
benchmarking requirements. And we just weren't
able to come to any resolution on resolving those
particular issues. But we certainly stayed
engaged with GFSI.

And really the marketplace has evolved
over the last several years. And GFSI has made a
conscerted effort to reach out to governments, in
looking at ways that they can partner and
collaborate with government entities, in the
realm of food safety.

So back in June of 2015, as I had
reported at the last advisory committee meeting,
GFSI had developed a taskforce that was looking
at providing a recommendation back to the board
of directors, on a way to recognize government
based programs.

And really the impetus behind that was the China HACCP Program. GFSI was trying to make in-roads within China, and essentially China said, you need to work with us or we're not going to do anything with you. So that really kind of kicked them into gear and, like I said, put the taskforce together in developing that recommendation.

In early 2006 that taskforce came out with a draft of technical equivalence for government certification programs. That was shared with the Board.

They looked at a number of other options as well. And they kind of took the tack that they were going to incorporate those requirements into the developing revision of their benchmarking document, Version 7. Which is what the schemes under GFSI have to abide by when they go through the benchmarking process.

So that, unfortunately, took a lot longer than they had originally anticipated. Due
to a number of different thing.

They were reaching out to FDA on trying to align with some of the FSMA requirements. They were working with the schemes to try to make sure that they incorporated a lot of the changes that they were looking for.

In particular, around primary production. GFSI really got its start as a manufacturing processing system and they tried to kind of shoehorn in the primary production, which in some cases didn't really work well.

So, they tried to make a concerted effort to incorporate those requirements into Version 7 as well.

So I'm pleased to say that in March, at their annual conference in Houston, they officially released Version 7. And have since then released Version 7.1.

But in that Version 7, there is a section on technical equivalence for government certification programs. Which outlines what government based systems need to do in order to
align with their requirements and go through the
technical equivalence process.

And really, the requirements are
similar to those used by the current
certification program owners. A little
vernacular here, I called them schemes a little
bit early, at March they changed it from schemes
because in North America scheme intends to be a
bad world, so they went to certification program
owners, which I'm still getting use to saying and
doesn't roll off the tongue.

So those requirements for technical
equivalence are similar to what the certification
program owners go through. The major difference
being that the technical equivalency only
assesses the governments food safety standard, it
does not address the operational management, the
governance of the certification program. Any of
the kind of the nuts and bolts portion of the
GFSI benchmarking process.

Because they realize that it's hard to
tell the government program how to run their
business.

There are regulations, there's laws and things like that, that put a lot of what we do in place. And those were some of the things that we weren't able to overcome previously.

So again, it really just focuses on the food safety standard. And for AMS, that's going to be the produce GAPs harmonized food safety standard.

The other big piece, with the technical equivalence, is that buyers may choose to recognize technical equivalence or not. It is ultimately up to the buyer to determine whether or not they want to take that technical equivalence in lieu of a full certification under one of the GFSIs benchmark schemes.

And we have been talking with a number of the major buyers in the U.S. about whether or not they would accept USDA technical equivalence. And every indication that I got from Walmart, Wegmans, you name it, that they are going to be accepting the technical equivalence through the
USDA.

   Matter of fact, I've got a meeting in
two weeks with Costco to talk to them about
recognizing the technical equivalence as well.

   So really looking at next steps, we're
in the process of performing a GAPs analysis of
the food safety requirements within Version 7.1
of the benchmarking document. In making sure
that the harmonized standard aligns with those
requirements.

   We have identified a couple of areas
where the harmonized standard doesn't quite go
far enough or doesn't explicitly address those
particular issues. Especially around the areas
of food fraud and food defense.

   So those are things that we got to
look at on how we're going to incorporate those
into the USDA harmonized standard audit that
we'll be offering. So we're doing that GAPs
analysis, we're going to then identify a plan on
how we're going to address those, as well as a
timeline for potential implementation of those
changes.

Ultimately that will be run up through the program, to the agency, when the agency is fully staffed with the appropriate level administrator and everything, to get the sign off on moving forward. We can then submit an application to GFSI to go through the technical equivalence process.

So the steps, and these are kind of high level steps, we would submit a formal application to the GFSI. At that point, they would post our application on their website for public consultation.

It's up for 30 days and really anybody has the opportunity to comment on the applicability of accepting that application, within the GFSI system. AMS would need to sign an MoU with GFSI that outlines the terms of technical equivalence, of how it's used, that kind of thing.

GFSI then convenes an expert panel that reviews the application and essentially goes
through and looks at it line-by-line. What’s the GFSI food safety requirements, how does our standard meet those requirements.

They then get back with us and give us an opportunity for corrections. Based on that analysis and that review, we have the opportunity then to provide additional documentation to make our case on why we think it aligns.

Or in the case that it may not align, we have the opportunity to make changes, in order to get it aligned. Go through that review process again.

And then ultimately, that expert panel will make a recommendation to the GFSI board of directors on whether or not to accept that application.

So that’s where we’re at with the GFSI process. Again, we’re excited. This has been a long time coming and a log slog.

I know Lorenzo and Chip, at times, have kind of questioned whether or not this has been worth the effort as we’ve gone along in the
process, but ultimately, I think, with the
industry support and certainly the support of the
Advisory Committee over the last couple years to
keep this moving, I think the goal is within
sight and we're going to be able to do this.

So with that, I'll open it up to
questions. Yes.

MS. ELLOR: Tina Ellor. So was it
your impression that the large buyers will wait
for this process to go through before they start
accepting the GAP or will some of them, based on
your interactions with them, go ahead and start
accepting the GAP --

MR. PETERSEN: Yes. So certainly,
many of them already accept a USDA GAP audits,
under certain conditions. Generally it's in
their small developing supplier program where
they'll take that, our audit.

Some will take it for what they would
consider low risk commodities. If it's a fresh
cut salad facility they're going to look for a
GFSI audit, but if it's a whole potato or a whole
onion or something like that, they've made the
decision that our audit is acceptable for their
purposes.

So again, we've worked with Walmart,
with Target with Aldi's, Wegmans, Cisco. There's
a number of the big national and regional buyers
that we've, over the years, cultivated
relationships with in recognizing our program.

And many of them are also now on the
GFSI board of directors and have been supportive
of us getting this technical equivalency so that
they can accept our audit for more than just what
they're currently utilizing it for.

MR. MCREYNOLDS: Ken, Roland

McReynolds. You mentioned food defense as one of
the things where there's a potential kind of GAP
analysis there. And it's also one of the things
that, from a farmers' perspective, is perhaps the
least applicable about GFSI to their operations
because it's unlikely the terrorists will come
out to Fayetteville, Tennessee to poison anyone's
crops.
So any, I mean, obviously you're early in the process, but any insights on how you'll go about that analysis, how you'll kind of work with industry to come up with appropriate ways to handle those GAPs?

MR. PETERSEN: Certainly. Thank you, McReynolds.

So currently we do offer a food defense audit that is used at the farm level. And you're right, I mean, when you look at food defense, you've got this big open field, how are you possibly going to protect that.

So really, for farming operations, production operations, when we look at food defense, we tend to look at things that are within your control. You know, if you've got a packing house, if you've got facilities where you're storing your chemicals and other types of things, to ensure that those are being protected.

And ultimately, it's not just a terrorist, it also could be a disgruntled employee that is an insider that could
potentially do harm. So what are your controls on the farm to ensure that you're taking that into consideration as well.

MR. MCREYNOLDS: Thank you.

MR. NOLAN: Ken, I have a question.

Bob Nolan. It's not really on this topic, but group GAP, I think you're the guy for group GAP. Can you just give me a quick explanation, a quick overview of what that is and how that works?

MR. PETERSEN: Certainly. So as many of you are aware, last April of 2016, we formally launched the group GAP certification program. Which really is just an extension of GAP certification.

I just looks very specifically at, as opposed to single farm getting a GAP audit, it's a group of farms that undergo certification.

And the way it works is that there is some sort of a central entity. Whether it's a, it could be a food hub, it could be a cooperative. There is really any number of central entities that could be considered the
manager of the group.

But then that central entity then develops a quality management system on how they want their group to work, how their producers will comply with food safety requirements. And again, using one of the standards that USDA audits do.

And as well as the requirements for their internal auditors, verification that their internal auditors are properly trained, meet our requirements. And then the application of that food safety standard on all the growers.

How the group is going to handle nonconforming product, members that may not comply to the food safety requirements. You know, it's a pretty comprehensive quality management system that they develop.

So then the group does internal audits of all of its members to verify conformance to the food safety standard. And then we come in and audit the group.

So we look at their QMS. Are they
doing what they said they were going to do in
their QMS, are they meeting the requirements that
we've set forward in the group GAP certification
requirements. If there are nonconformances, how
are they addressing those nonconformances.

And then we go out and look at the
square root of the number of growers in the
group. So if there's a hundred growers in the
group, we go out and spot check and look at ten
of those growers.

Again, it's to verify that those
growers are adhering. Also, to look at how those
internal auditors apply the standard to ensure
that it's being applied properly.

We use our audits and compare it to
the audit that internal auditor did as a kind of
a check and balance to verify that they're doing
their job properly. But then ultimately, if they
meet all of our requirements and do everything
that they need to, then we would issue
certification to the group.

So last year we had eight groups that
applied -- underwent certification. We issued certification to seven of the eight.

MS. HERRON: I just have a follow-up to that. Johanna Herron.

So in your situations where you're looking at groups or pockets in communities that are so small, that they have maybe five growers in a food hub, I assume you didn't, are you inspecting one or is there a threshold that a minimum is just not worth it for group GAP?

MR. PETERSEN: So that's a great question, and it's something that we've been working with groups on. We don't limit the size. I mean, if it's a group of five and they want to undergo group certification, they certainly can do so.

We certainly share with them some of the research that's done by some of the external certification programs and the Wallace center and others, that kind of show that breakeven point of how many growers you need a group to really offset the costs of developing the group and
going through the training and everything else
that's associated with that.

And that number, it depends on which
study you look at, but that number is somewhere
between 20 and 30. Again, just depending on the
size and complexity of the group.

So those smaller groups, it is a much
longer return on investment that you're looking
at. As far as the up-front costs and developing
the program and everything.

(Off microphone comment.)

MS. KNORR: Sure, but could you come
up to the mic please?

MS. WASSERMAN: Have you ever run
across the issue, it's more of a legal type
question, but when the government would be
competing with the private auditors, is that ever
an issue?

MR. PETERSEN: Well --

MS. KNORR: Sorry, can you just please
introduce yourself?

MS. WASSERMAN: I'm sorry. Jessica
Wasserman, Wasserman & Associates.

MR. PETERSEN: Yes. So our program is
offered on a voluntary user fee basis. So
growers are free to choose to utilize us or other
private certification bodies that are out there.

You know, ultimately, yes, it's a
decision by the grower. And in looking at what
typically their buyers are asking them to do.

There are some buyers out there that
don't accept our audits, so the growers then
would use one of the approved certification
bodies that that buyer has put in place.

But we got into this space, originally
back in the early 2000's, at the specific request
of the industry. Because they valued our
impartiality and the ability to provide this
service.

MS. WASSERMAN: Yes, maybe. It's just
an odd coincidence that I represented when I was
at a law firm, into it. This was a number of
years ago and they were in the tax business, you
know. Tax.
And when the government got into, the IRS, got into that same business, there was a huge kerfuffle about all of it. And so it just reminds me of that. But maybe it's different because voluntary. I'd have to think it through.

But anyway --

MR. PETERSEN: Yes.

MS. WASSERMAN: -- thank you very much.

MR. PETERSEN: You're welcome. I think, Roland.

MR. MCREYNOLDS: Sure. Ken, this is always not subject of your presentation, but to follow-up on the new audit fees, which we made a recommendation in the past about recovery of cost and that sort of thing, so maybe that was up, I didn't see that listed as something you'll talk about, but if that's what you're going to talk about, then tallyho.

(Laughter.)

MR. PETERSEN: Just that I am an Eagle Scout so I am prepared. So certainly, as I think
MR. MCREYNOLDS: I'm sorry --

MS. KNORR: Hold on one --

MR. MCREYNOLDS: -- if I'm skipping around and, if we have --

MS. KNORR: -- second, before you get into --

MR. PETERSEN: Yes.

MS. KNORR: -- I think Tina wanted to do --

MR. PETERSEN: Okay.

MS. KNORR: -- GFSI before you get into the --

MR. PETERSEN: Yes.

MS. ELLOR: This is my third year on the committee and I think for the first two years we did have recommendations surrounding the USDA being more of an advocate for your food safety, I'll call it a scheme because I can't remember what that was --

MR. PETERSEN: Yes. Certification program owners.
MS. ELLOR: -- certification program owners.

MR. PETERSEN: Yes.

MS. ELLOR: So, it sounds like, going out to see those large buyers, that you're really fulfilling some of that original intention and recommendations of this group. So is that part of what you're doing?

MR. PETERSEN: Certainly, yes. I mean, a lot of my time is actually devoted to outreach and on the phone with buyers. Whether it's on the phone, whether it's at meetings that I'm at. Talking with the buyers if they come into D.C., being able to sit down and talk with them.

But we, again, the grower community asked us to do that. You have asked us to do that. So we want to make sure that our services fulfill the need of the industry. Because that's ultimately what we're here for is to facilitate marketing of products.

All right, so I'll take just a couple
of seconds to go through the financial update.

And again, I kind of thought this was coming so I put together just a few slides.

So as Roland mentioned, back in September of 2015, this committee made a very specific recommendation to the Secretary that we needed to setup a fee structure that allowed us to recover the cost of providing this service. Because up to this point we have not.

So looking at the AMS fee formula that was published in November of 2011, the agency did an analysis in the Federal Registry Notice, that came out yesterday and today, the hourly rate for audit services is going up to $108 an hour. It was $92. So it's about a 17 percent increase. That will go into effect on October 1st of this year.

The other piece that we have talked to you about, over the last year, is part of our challenge is that, particularly with our fed/state partners, when the state employees go out and do audits on our behalf, they charge for
their time and expenses to do that audit, but they don't charge for my staff's time in the audit process. You know, reviewing the audit, making certification decision, posting the information on the web, issuing a certificate and all that outreach and everything that we just talked about.

So we are going to be working with our states here over the next month and letting them know that we plan to implement a four hour charge that covers all of those activities that I just mentioned, in addition to any of the pre-audit and onsite activities that are happening.

And by doing so, that allows us to completely recover the cost of providing this service, so that we can remain a viable option to the industry. Because ultimately without this, we couldn't continue to sustain the losses that we were incurring, to manage and run this program.

MR. MCREYNOLDS: And so that's a $432 fee that will be in addition to the 17 percent
increase?

MR. PETERSEN: Yes.

MR. MCREYNOLDS: That farmers will pay.

MR. PETERSEN: Yes.

MR. MCREYNOLDS: Okay. That wasn't as clear from the materials that were shared with us before. Thanks for -- that's a lot. That's a big jump.

MR. PETERSEN: Yes. We've incurred close to a million dollars in loses each of the last three years. So in order to make that up, this is the number that we need to collect in order to recover those costs.

We looked at this the last two, three, four years. And no matter which way we ran the math, it basically, this is the number.

You know, we work with our states. After our meeting with our states back in December, we formed a technical advisory group that was made up with representatives from AMS, special crops program and 12 of our state
partners that are heavily involved in auditing.

And again, we looked at the numbers, we looked at a number of different options that we could consider. But ultimately it came down to this was the only way that we could make this work, within the scope of the fee structure that we operate in.

MR. MCREYNOLDS: This is Roland. So in our area, typically it's about $900 to $1,000. Now we're talking about $1,500 to $1,600. A 50 or 60 percent increase.

That's pretty substantial, especially for the smaller scale producers who've been trying to take advantage of the program.

MR. PETERSEN: Yes. So one of the things that we'll be doing, in working with our states is, certainly we can't dictate to the states what they do, but encouraging states through specialty crop block grants or other types of cost share programs, to implement some changes.

There's a number of other types of
groups that are outside of AMS, are looking at potential ways that they could find sources of cost share money and things like that, to help offset the burden, to the small producer.

But ultimately from our perspective, on the back-end, when we receive an audit, it generally takes the same amount of time for us to process an audit of a one acre as it does a thousand-acre farm. We've got some pretty set fixed costs on our side.

So again, this was really the only way that we could make the math work to be able to keep this program viable and operating.

Any other questions? All right.

Well, thank you very much.

MS. BETTS: Thanks, Ken.

(Applause.)

MS. BETTS: Go ahead, Melissa.

MS. BAILEY: This is Melissa. I noted, between the break and now, we've had a number of new visitors that came in the room. So for those who have not introduced themselves
previously, so we're not going to go around the
table here, but for those that did arrive, if you
could just go around the room and have folks
speak into the mic and introduce who they are.

There is a mic at the end of the table
or there is mine right here that you can use.

Thanks.

MR. MERRILL: Yes, I'm Maximilian
Merrill with the National Farm to School Network.

MS. GREther: Erin Grether with the
United Fresh.

MR. MINOR: Hi, my name is Travis
Minor, I'm with USDA's Economic Research Service.

MR. ASSAR: Good morning, my name is
Samir Assar. I am the director for the Division
of Produce Safety at FDA.

MS. THOMPSON: Good morning, my name
is Kimberly Thompson, I'm here with Food
Directions.

MS. CARLSON: My name is Jan Carlson,
I'm with CFSAN at FDA.

MS. KOVACS: Hi, I'm Tricia Kovacs
with USDA and you'll hear from me shortly.

MR. TRIBBETT: Lorenzo Tribbett,
director of Specialty Crops Inspection Division.

MR. TAYLOR: Good morning, Chip Taylor, associate director of operations,
Specialty Crop Inspections, USDA.

MS. BETTS: Okay, I think with that,
Samir, if you're ready, the floor is yours.

MR. ASSAR: Good morning, again. I think this is the third time I've had the
opportunity to talk to the advisory committee. I appreciate another opportunity.

And I'm here to talk about the produce safety rule and kind of where we are now and
generally where we're going.

I think a lot of you are in-tune with some of the press that's come out with respect to the rule. Hopefully a lot of you are hooked into our Listserv, our Food Safety Modernization Act Listserv.

Through that Listserv you can get regular updates on our progress on various
things. I would encourage you to sign up for that Listserv if you're not already signed up for it.

So where we are now. We issued the rule, as you know a few years ago, and our first compliance date hit with respect to sprout production or sprout requirements, that sprouters are subject to.

And before that first compliance date, we issued a draft sprout safe guidance, that is currently open for comment. And we've received a number of comments to that guidance so far.

The sprout guidance is very much heavy on the sprout section of the produce safety rule. And although sprouters are also subject to other areas of the rule as well.

In addition to this guidance, we have a compliance and implementation guidance that's in the queue for other produce besides sprouts. And we're aiming to issue that guidance, ahead of the first compliance date that's associated with other produce, if you will. Which will be coming
up in January '18.

Now, most of you have probably heard that we are reconsidering or considering revisiting water, based on some visits that we did after the final rule. We also, through other engagements, such as meetings that were held that we were part of, we had heard concerns about the water requirements and the burden that growers would face in implementing the water requirements.

So we're carefully looking at those water requirements and considering whether or not to revise the watering requirements based on the concerns that we've heard.

And I would say some of the top concerns are around the methods that were included in the final rule. And the fact that a lab, some labs are not able, a lot of labs are not able to accommodate that method. So we're looking at that.

Also, the sampling regime that's associated with the produce safety rule. The
frequency of sampling.

And tailored or around the issue of that growers can have multiple water sources. And in order to develop a water quality profile, as the rule is written, the profile would need to be representative of the water that's used. So there is a lack of clarity about what that means exactly.

Does that mean that you need to collect water samples for every single water source that you may use on your farm? And we've heard cases where there are, you know, we've even heard cases that there are hundreds of water sources that farmers could utilize on one farm. So we're looking at that.

Also, with respect to the complexities associated with calculating the geometric mean, which is one of the criteria. The other criteria is the statistical threshold value that's aimed at measuring the variability in your water source.

There were concerns that this would
not be a straightforward calculation for farmers
to do.

So, again, looking at how all of that
can be readdressed. Moving forward, whether it's
readdressed through more specific guidance or
detailed guidance, exploring the flexibility
that's in our rule or possibly going through
rulemaking and putting forth a new set of
proposed requirements. Water requirements.

And those proposed requirements would
be open for comment as well. So it's not like we
would jump right into a final rule.

So one of the, we recognize that
compliance dates associated with, even for water,
even though there's a delayed set of compliance
dates associated with the water requirements,
those dates are fast approaching and growers want
to know, what can I do now? What can I do now?

And we recognize that. And so we
recognize that it will take some time to think
through what we need to think through to revise
the water requirements. Along with that, we
understand that growers want to know what they need to do.

So that will also be considered as our approach rolls out. And I would just say, stayed tune.

And again, the FSMA Listserv will be a valuable resource to get an update on our progress, with respect to any developments with respect to water.

We are, throughout this process, I've mentioned the methods issue, and throughout this process we've understood that there are stakeholders out there that are meeting on a regular basis. And we had the opportunity to participate in meetings around water.

There was one meeting that was held by the Center for Produce Safety a month ago, or so, maybe a month and a half ago, to talk about the methods issue. And again, the complexities associated with methods.

And one the purposes of the meeting was to determine whether or not further research
is needed to provide more options for growers to use to comply with the rule as it currently is.

And again, we were there at the table to provide technical assistance. It was a very fruitful engagement.

They of course, CPS hosted the conference, and we look forward to any products that are generated through that forum. And of course, that will be valuable information, as any information is that is emerging on this topic, as we consider rulemaking.

So as we're, talked a little bit about compliance dates and guidance and rulemaking, I want to get into, while we're doing all of this work, we're also moving forward with developing strategies for implementing the produce safety rule. This is as important as the rulemaking itself. As the rule, itself.

How is this going to play out, what are the enforcement strategies, how are we going to view this deviation, if you will, or this factor versus the other factor in terms of what
we might find out on the farm.

And so that's all being strategize and
developed. And we have a cooperative agreement
with the National Association for the State
Departments of Agriculture, to help us develop
implementation strategies around the produce
safety rule. We meet on a regular basis.

And so, again, we are committed to
making sure that, as we move forward with
implementing the rule, that it's done in a right,
in a proper way, that accounts for the diversity
and the multiple factors that need to be
accounted for in developing such approaches.

We have started to move forward with
some of the strategies that have been developed
through this workgroup. One of the areas that
we've implemented is that we formed a produce
safety network.

And this network is comprised of 18
members that include field staff, as well as
staff that would do, provide technical assistance
to the community in complying or supporting
compliance with the produce safety rule.

And so the field staff would be more focused on investigations and would primarily focus on the foreign arena in doing inspections of a foreign production areas, whereas the subject matter experts, or the technical experts, would be participating in various meetings that are held throughout the regions. These are set up as regional PSNs, so they're housed throughout various regions within the U.S.

And the goal is for them to be in-tune with the on goings, with respect to produce safety within those regions, identify the needs through meetings/discussions forum, and then raise those needs to a higher level so that those needs can be addressed through our policy making, through our educational efforts, research, all of the tools that we have to address the needs out there.

And so we're really excited about that. There's a lot of great relationships that are already forming through the produce safety
network.

They've done a good job of, first, connecting with the state authorities, also cooperative extension that exists within those regions. And they're starting to extend beyond and really connect with the industry in those regions as well.

And this again, is all about supporting compliance with the produce safety rule. And we've always said that that's our first focus, is educating before and while we regulate.

We don't want to, and it's not appropriate for us to go out with a regulatory hammer on this. We want to help growers comply with the produce safety rule.

And we've dedicated also resources in that regard. Not only with respect to forming these PSN, but also in the various education and training cooperative agreements that we've also instituted.

And some of you may know about these
cooperative agreements. We are working with USDA to address the needs that are out there.

And we understand, just like with rulemaking, that one size does not fit all.

Training is also another situation where one size does not fit all.

So, we've developed cooperative agreements with entities that can educate target audiences that have special requirements or special needs, that are not part of the normal training regime. They're just a different target audience. There are cultural differences, there are regional differences.

And those we understand should be accommodated in training. Moving forward with training.

I won't get into that a whole lot because I know you'll hear from Tricia about that. And she's heavily involved in what we're doing on training, with respect to working on a collaborative food safety, FSMA food safety training forum. And she's one of the chairs for
that.

But we're really excited about how all of that is ramping up. Primarily the education training groups that we've provided funds to, are still working on setting up infrastructure to do training.

I would say for the most part that's what they're doing. And hopefully within the next few months there will be more conversation over to actual training.

Training that is happening currently is being done through the produce safety alliance. And they've made a lot of progress in the number of training the trainers that they've done. And obviously they train the trainers, lead to grower trainings, all throughout the U.S.

There have been about 26 train to trainer sessions and 110 grower trainings held. And now there almost 827 trainers and close to 100 certified lead trainers that are able to do training, all throughout the U.S., and abroad as well. We've got some trainers that are from
international communities that are doing
trainings as well.

So we're really excited about the
progress that's going on through the PSA. The
Produce Safety Alliance.

And so I'll just quick close about
another very important implementation aspect that
we're undergoing currently. Which is consistent
what we've said, again, from the very get go of
working on a regulation.

You know, we can't do it on our own.
We know that there is an existing landscape out
there. We need to work with an existing
landscape to make all of this happen.

And we know that the states have a lot
of institutional knowledge on produce safety.
And we've setup cooperative agreements with 42
different states to utilize their ability to have
more of an on ground, or a closed presence, to
the farming community that they serve actually.

And so we've provided funds to these
states to do inspections and education. And for
the most part, so those funds currently are being
dedicated to infrastructure development as well.
Currently.

And then in the next year there will
be more work towards actually getting to do
education and some of the things that need to be
done as part of the Corps of the cooperative
agreements. And eventually they will be doing
inspections as well.

We're going to be relying on them to
be doing inspections. And we're, domestically,
we are only going to inspect under for cause
situations, or situations that involved an
imminent public health concern, or if in the case
that a state doesn't want to do their own
inspection or we don't have a cooperative
agreement, in those cases we might do inspections
as well. Our staff would do inspections. FDA
staff.

But we really want to reply on the
states. We've provided a lot of funds, we're
working with them to make sure that inspections,
and anything that they do, is consistent and uniform.

The goal of the rule is a level playing field that includes our domestic arena as well as international. It's across the board. We want to establish a level playing field. And a consistency and uniformity with respect to how this program rolls out is critical. We get that.

So that is my talk. Are there any questions? Yes, Dan.


I was just curious if you had an update on the financials? I know that I had heard, or thought I heard somewhere that, for the cooperative agreements, that you may not have the funds there for both regulatory competition A and B moving forward. I'm just wondering if you have an update on that?

MR. ASSAR: I don't have an update that I can share at this moment. Sorry.
MR. SUTTON: Dan Sutton. Can you, and your best guess would be fine, but what kind of timeline are we looking at for some type of closer to final guidance on the water issue?

I know there's a lot to look at. I mean, I --

MR. ASSAR: Yes.

MR. SUTTON: -- and I guess, I'm asking for your best guess.

MR. ASSAR: Yes.

MR. SUTTON: Is it three months, six months, a year, when do you think there will be some conclusion to all that?

MR. ASSAR: And I definitely appreciate that question. And I understand the concern.

We're kind of in an awkward state right now. And it's all of us, quite frankly. We're looking through the water requirements, we're developing options. We want to make a decision, the appropriate decision, as quickly as possible, to
get that information out there. So, growers know
what they need to do to move forward. I mean,
that's really what they're looking for at this
point.

And so I'll just say that, if we were
to go through the rulemaking process, I hate to
put it like this, but we can control we can
control. Meaning, FDA can control what we can
control.

And our timelines are maybe, you know,
even if we included an ambitious timeline, we're
just not certain that we could move forward with
that timeline. Just given the other clearances
that need to happen before something would issue
through the CFR.

So it's tough to say. I can tell you
one thing, we are absolutely taking this very
seriously. We want to make this work.

And we are working very hard. I have
a staff that's, I mean, every single day we're
working through this issue and we're trying. We
want to get it resolved as quickly as possible to
kind of figure out a way to move forward on water.

And so I would, again, stay tuned.

Because there's a lot that's around water. Not just the requirements, there is compliance dates and so forth. So just, I would definitely stay tuned.

And hopefully soon we will have something for you to work with. I apologize though. Yes.

MR. MCREYNOLDS: Roland McReynolds.

Samir, thanks very much for being here with us and taking through all this.

MR. ASSAR: Certainly.

MR. MCREYNOLDS: A couple of questions, if you'll permit. First, on the water.

In terms of the issues that you highlighted --

MR. ASSAR: Yes.

MR. MCREYNOLDS: -- that you're looking at, you talked about the issue of the
complexity of calculating the geometric mean and
the statistical threshold value, but what about
the actual benchmarks for those, is that part of
the analysis as well?

MR. ASSAR: We are looking that as
well. The actual criteria is what we call it in
the rule. The values, yes.

And we've received a lot of comments
during the rulemaking process. And there were
other considerations that came about after the
final rule was issued. And so we are taking a
look at, I would say across the board, the water
requirements.

There's nothing in that set of
requirements that we're not looking at very
carefully.

MR. MCREYNOLDS: Terrific. Thanks for
that clarification.

The other piece, or question I had, in
terms of implementation. And your work in the
cooperative agreements right now, with the
states, as far as their development of these
foreign inventories.

MR. ASSAR: Yes.

MR. MCREYNOLDS: The information that you're asking the states to collect, and share with FDA, I mean, it goes to the level of dollar value of sales of crops grown, of markets into which people sell and to actually, I mean, it's like the senses of agriculture in terms of its scope.

So it's more than just name and place of the farm. You know, people fill out their ag census knowing that there is confidentiality in protecting that. But this is going to FDA for your all sort of big list of farms.

So it's, I would say there probably would be some concern, from the farming community, about the scope of what's being requested, to be supplied to FDA. Can you comment on how that process is developed?

MR. ASSAR: Yes. So, as you point out, one of the elements that needs to be achieved, through the cooperative agreement, is
to develop a farm inventory. And for a variety
of reasons.

And the level of detail is not
actually specified within the cooperative
agreement, it's just, you know, there are needs
that the states have themselves to be able to
implement the inspection or education programs.
And that's based on their kind of vision or view
on how to move forward with implementation of the
rule.

So we recognize the need, just
broadly, to have some semblance of, what are the
farms that are out there. And that's not only
for purposes of inspections, it's also for
purposes of understanding how to dedicate our
educational training resources as well.

But in terms of moving forward with
inspections, by the states in this case, since
these are states that are asking for this
information or looking for this information,
they're looking for a level of information that
will allow them to dedicate their resources to
where they need to focus their inspectional
efforts.

They want to ensure that they're not
focusing on farms that are exempt or not covered
by the produce safety rule. They want to make
sure that they target those that are covered by
commodity or other. So yes.

MR. MCREYNOLDS: So it's the states
that have been asking to collect this level of
detail?

MR. ASSAR: Well, there's flexibility
in the cooperative agreement, from FDA, as to the
level of information that would be needed to
satisfy the cooperative agreement. And the
states can, they each are handling it in a
different way.

I mean it's, there is some, you know,
we want to institute uniformity and consistency,
but some states are looking for information that
other states are not looking for.

And I would just say that we're still
kind of in the early discussions on farm
inventory with the states, through the cooperative agreement. And we're going to be working with them on what they've obtained so far.

I don't know about any specific requests that have been made by the states, to fill out their farm inventory obligation, but that's something that I can, I will find out as we move forward with this cooperative agreement.

MR. MCREYNOLDS: Yes, I think that would be very much appreciated.

MR. ASSAR: Yes.

MR. MCREYNOLDS: Because certainly the impression I'm getting from states, is that they are having to move forward and implement. And the cooperative agreement is, their outreach people are now being charged to start coming up with this list --

MR. ASSAR: They do. They do, yes.

MR. MCREYNOLDS: Yes.

MR. ASSAR: That is true. Yes.

MR. MCREYNOLDS: So for them to be
capturing data about acres of production and particular practices and dollar value of sales, you know, sensitive information for --

MR. ASSAR: Right.

MR. MCREYNOLDS: -- individual farms, it puts them in an interesting position to be out there in people's fields and asking for this.

MR. ASSAR: Yes. No, I definitely understand that.

MS. HERRON: Just a follow-up or clarification. Johanna Herron.

So, 99 percent of the growers in my state will probably fall into the qualified exempt, and that puts the two, or however few that is, at a very clear, clearly everyone in Alaska knows who they are, and we do not export any covered commodities from our state. I guess, could you speak to, with the farm inventory then, if they're qualified exempt, does that mean that they do not need, we do not need to collect the farm inventory information on that, just the covered farms?
MR. ASSAR: So, and again, and this is a discussion that we're having currently with the states, in terms of what exactly they're collecting and what needs to be collected or what, I guess, what their vision is for collecting information or what would be useful to them and what will satisfy the cooperative agreement, I can't say definitively.

You would need to know, have some understanding of whether or not the farm is exempt or not, right. It meets that qualified exemption.

So if there was information outside of like farm inventory information that could support that so and so many farms are qualified exempt, then perhaps that would, there would be no need to collect their farm inventory. But I can't speak to the specifics on that.

MS. HERRON: So if they don't export outside of the state, then that would be one, correct?

MR. ASSAR: Actually, the rule does
cover intra-state commerce.

MS. HERRON: Within 275 miles?

MR. ASSAR: Actually, even --

(Off microphone comment.)

MR. ASSAR: Yes. So there is the exemption that you're talking about, within 275 miles, but outside of that, if there is a farm that is of a greater size than the exemption, and they're doing intra-state commerce, then they are subject to the produce safety rule.

There is no intra-state, like flat out across the board intra-state exemption. We do have intra-state authority on produce.

MS. HERRON: Okay, thank you.

MR. ASSAR: Yes.

MS. ELLOR: Tina Ellor. So, from the FDA's point of view, what is the minimum, or what is the requirement that you have for cooperating states? What's a requirement for the information they need? What do you ask them for?

MR. ASSAR: So it's a very --

MS. ELLOR: The minimum.
MR. ASSAR: So we discuss, in the
cooperative agreement itself, that farm inventory
information needs to be collected.

MS. ELLOR: And what would that, would
that just be the name of the farmer and the
address?

MR. ASSAR: I'd have to go back and
look exactly how else we described that
particular item in the cooperative agreement, but
it's a very, very high level.

And it's up to, the next step is for
the state to determine, they do a needs
assessment, they determine what is the farm
inventory information that they need to carry out
their cooperative agreement, to do inspections
and education and so forth.

MS. ELLOR: And that's different for
every, that can be different, potentially, for
every state?

MR. ASSAR: It can be potentially
different for every state. Yes.

MS. ELLOR: And the farmers would not
have the option to opt out of any of that state
requirement, just to go with the FDA requirement,
because that would --

MR. ASSAR: I'm not clear --

MS. ELLOR: See what I mean?

MR. ASSAR: -- no.

MS. ELLOR: So if there's a minimum

that the FDA is asking for --

MR. ASSAR: Okay.

MS. ELLOR: -- across the board --

MR. ASSAR: Right.

MS. ELLOR: -- can farmers just supply

that? Do they have the option to?

MR. ASSAR: So for the -- well, yes.

There's no requirement.

The state cannot, okay, I don't want
to get too far ahead here because this is kind of
developing. Again, the states are more focused
on kind of ramping up and developing strategies,
I don't want to speak too far ahead of what
they're doing.

But one of the areas that they're
exploring, and looking to develop, is the authority to do produce safety inspections. Some of them don't have that authority currently. Some do, some don't. Some have certain aspects of it.

So they're all over the place on that. And again, to get a level playing field, they're supposed to, if they are being awarded funds for doing inspections, they either have to get that authority or they have to work with us, be commissioned to be able to do the inspectional work.

And so in the case, I'm not sure where their authorities are with respect to collecting information from the farms. We don't have a registration, FDA does not have a registration requirement for farms. For unregistered or facilities that are not required to register. And farms, your traditional farm, is not a facility that's required to register.

So we won't require that. But I'm saying states, I don't know where they are with
their authorities and so forth. And I'm not sure what they can require and can't.

MR. MCREYNOLDS: But just to follow-up on that point. I mean, if the FDA doesn't have a registration list of farms, but the cooperative agreement does require the states to --

MR. ASSAR: Collect them.

MR. MCREYNOLDS: -- have an inventory --

MR. ASSAR: That's correct. Yes.

MR. MCREYNOLDS: -- and share that with you.

MR. ASSAR: That's correct. Yes.

MR. MCREYNOLDS: So I mean, the distinction between whether it's a registry, like for food facilities and not --

MR. ASSAR: Right.

MR. MCREYNOLDS: -- I mean, is that really the point?

MR. ASSAR: Well I mean, again, it depends on what you're looking for, in both cases. In the case of registration versus
inventory information, we take a very light, light touch with respect to the cooperative agreement on what is minimally required I guess.

And so, you know, I'm not sure how to address that question quite frankly. They are different, in my view, because one is, a registration requirement is a requirement and you need to provide information, in advance of an inspection, that you are doing this level of business and other information as well.

Whereas the inventory information that could be collected by the states and could satisfy the cooperative agreement, may not need that, first of all, it may not be a requirement, as I've just discussed, by the states. So even if the states wanted the information, they couldn't get the information because they don't have the authority to get the information. FDA doesn't have the authority to get the information, so they get what they can get to satisfy the need.

And so it's just one of the challenges
in instituting a program that covers so many
different farmers and so many different states,
that have different levels of purview and
jurisdiction. But we do think this is the
appropriate approach, I mean, to work with the
states.

We don't want it to be all about us.
We want to spread it out to the states and work
with the states to make all of this happen.

And I think that it's a different
model than other, some of the other FDA programs
that aren't instituted as cooperative. You know,
true cooperative programs.

MR. NOLAN: Bob Nolan. As a small
vegetable grower, I'm kind of interested in the
timeline and what are the requirements that I'm
going to have to have to comply with the produce
safety rule?

I understand about the water, but the
other requirements, is there a timeline --

MR. ASSAR: So --

MR. NOLAN: -- and are there guidance
documents out there as to what I'm going to have
to do?

MR. ASSAR: So the timeline for the
rule, the first compliance date is for large, it
starts January 2018. And then the next
compliance date is 2019, for what we call small.
There's, yes, small. And then 2020 for the very
small.

And then on top of that, currently, we
have staggered implementation compliance dates
associated with water. So tack on two years,
additional years, to meet the water requirements
associated with those dates.

So for the large, they wouldn't need
to comply with the water requirements until 2020.
For small, 2022, so on and so forth.

And one, in terms of complying with
the rule, I would say water is certainly an area
where we understand there's a lot of guidance
needed to understand how to comply and implement
the rule.

And however, in some of the other
areas, provision areas, there is a lot of
information within the rule itself. It's very
direct, it's very JMP like. It tells us, this is
what you need to do, this is what.

And in the areas where we talk about
adequate, nobody likes the word adequate. In the
preamble of the rule, which is like the part of
the rule that kind of rationalizes the
requirements and addresses the comments
associated with the rule, that's where there's
information about our thinking with respect to
what adequate could mean. Examples of what
adequate is or what adequate isn't.

So a lot of the information is within
the rule itself. And I would encourage you to
look at that. Yes.

And I would say, one of the first
stops would be to find a rule with the preamble
information, where we have addressed comments.
People are asking, how do I, they ask questions
like, how do I comply with this. And we may
address it in that area. Or, what is your
thinking about complying with this or how would
this carry out. We would address it in the
comment response, possibly.

There's a chance we could also defer
some of that to guidance as well. But we
understand the importance of guidance, we want to
get that out there as soon as possible. Ahead of
the first compliance date. The 2018 compliance
date.

Yes, Jessica?

MS. WASSERMAN: Hey, Jessica
Wasserman. Just wondered whether you could do
the water issues through guidance instead of the
--

MR. ASSAR: That's certainly an
option.

MS. WASSERMAN: -- rulemaking?

MR. ASSAR: That's certainly an
option. And I'm, yes, that's certainly an
option. How to do address the water requirements
in guidance.

MS. KNORR: Not to keep you in the hot
seat too much longer, Samir, I appreciate your
time and --

MR. ASSAR:  Sure, no problem.

MS. KNORR:  -- your willingness to --

MR. ASSAR:  I'm used to it.

MS. KNORR:  -- field these questions.

But going back a little bit to the farm inventory
information, is there any way that we could
receive the information?  Like the minimum
required information that the FDA is requesting.

MR. ASSAR:  So the cooperative
agreement is, I believe that all that information
is publicly available.

MS. KNORR:  Okay.

MR. ASSAR:  I'm not a grants person
or, but I believe all of that information is
publicly available.

MS. KNORR:  Okay.

MR. ASSAR:  And so --

MS. KNORR:  Yes. If we could get a
copy of that, I think that would be very helpful
for our information.
And also, is there some sort of a confidentiality agreement that's part of these farm inventories and that kind of thing?

MR. ASSAR: I'm not exactly sure about that.

MS. KNORR: Okay.

MR. ASSAR: I am not the best person, I am not in charge of the cooperative agreement so I can't answer that question.

MS. KNORR: Okay.

MR. ASSAR: I believe there would be.

Yes.

MS. KNORR: All right. And then finally, I mean, I understand that states are probably excited to be able to use this as a vehicle to gather information for their educational programs, I'm just wonder whether or not this is the appropriate vehicle for them to do that?

I mean, if they are gathering this information for food safety requirements, then perhaps FDA should be encouraged to encourage the
states to look at separate vehicles for gaining
the information that they want to --

MR. ASSAR: Yes.

MS. KNORR: -- obtain for their
educational purposes and their service purposes.

MR. ASSAR: Yes. And I should say
that, and again, I'm not the expert on this, but
we have granted an award, and we are working with
a certain organization, I believe I can announce
that, Dan & Bradstreet, to collect a level of
information. They don't have, I mean, it's
really information that they already have. It's
not any new information. So, yes.

MS. BETTS: Okay, seeing no more
questions I guess we will thank you, Samir, for
your time.

MR. ASSAR: Certainly.

(Applause.)

MS. BETTS: With that, we'll ask Jan
to come up. And she's going to give us a little
status on some of the other produce rules. The
foreign supplier and the third-party rule.
MS. CARLSON: So good morning, my name is Jan Carlson and I am a special assistant in the Office of the Center Director at CFSAN at FDA and I'm happy to be with you today. Thank you for having me.

I am here to talk about non-produce rule topics. My subjects are more import related. It's the Food Safety Modernization Act Rules on Foreigner Supplier Verification Programs, or FSVP, as well as the third-party certification program.

So I'll start with FSVP, as that's a slightly, has slightly broader application. The foreign supplier verification programs will play an important role in the risk-based prevention oriented approach that FDA is implementing under the new FSMA statute.

And FSVP is particularly important, because for the first time it requires importers to take certain actions to verify that the food that they're importing, into the U.S., has been produced in a manner that meets the applicable
FDA food safety standards.

And the FSVPs are risk-based in so far as they take into account different types of hazards, different types of importers and different types of suppliers.

So under FSVP, the importers are required to develop these verification programs to provide assurance that their foreign suppliers are using processes and procedures, that provide at least the same level of public health protection, as are required under the FSMA preventative controls and produce safety regulations. As well as that the food is not adulterated or misbranded regarding allergens.

And again, the requirements in the FSVP program apply to importers. The importer is the U.S. owner, or consignee of the food, at the time of entry.

Which means it's the person in the United States, who at the time of entry, either owns the food, has purchased the food of has agreed to purchase the food. And if there is no
U.S. owner or consignee of the food at the time of entry, then the importer is the U.S. agent or representative of the foreign owner or consignee.

The salient point here though is that the importer is someone in the United States, who bears responsibility of the safety of that imported food.

So what does an importer have to do under the foreigner supplier verification program? First, they must analyze the hazards in the food that they are importing. And once the hazards are identified, they have to evaluate the foreigner suppliers' performance.

For example, what does the foreigner supplier have in terms of food safety procedures, what is their history of compliance, have they been the subject of an import alert or a warning letter. And then the importer also has to analyze what risk is posed by the food.

So based on their analysis of the hazards and their evaluation of the supplier and the risk, the importer than determines what
verification activities will be appropriate and how often those activities have to be conducted.

So possible verification activities include onsite auditors of the suppliers, sampling and testing, as well as review of the suppliers records.

And note that the regulation makes annual onsite auditing the default approach, when there is a hazard that can result in serious adverse health consequences or death to humans or animals.

So once the verification activities are complete, the importer has to review and assess them. And if the results don't provide adequate assurance, that the hazards are being controlled, then the importer has to take certain corrective actions.

For example, working with their supplier to correct whatever problems there are, or if need be, discontinuing use of that supplier, until the problems are resolved.

So that's a little about the FSVP in
terms of compliance dates.

The date by which importers have to comply with a new FSVP regulations varies, depending on the size of the foreigner supplier and the nature of the importer.

But speaking generally for importers, whose foreigner supplier is not subject to the preventative controls or produce safety regulations, their compliance date is coming up at the end of this month. It’s May 30.

For importers whose foreigner supplier is subject to the preventative controls or produce safety regulations, the importers compliance date is six months after the supplier is required to meet the preventative controls or produce safety requirements.

And as Samir said, with regard to produce safety, the same is true for FSVP. FDA is taking a soft launch approach to FSVP compliance, as we are with all the FSMA regulations.

We intend to work with stakeholders as
we go forward. And our philosophy is to educate before and while we regulate.

So in terms of FSVP guidance documents, we recently issued a draft guidance document on the unique facility identifier that importers have to provide at entry. And the guidance states that the DUNS number is appropriate to use for that purpose.

We are working on a broader draft guidance on FSVP more generally. And I am unable to comment on exactly when the broader guidance will issue, but it is in progress.

And we will also be issuing a guidance document informing small businesses how to comply with the FSVP.

So let me quickly move on to the third-party certification program. Another regulation established under the FSMA.

The third-party certification regulation establishes a voluntary program for the accreditation of third-party certification bodies, or auditors, to conduct food safety
audits. And the auditor may then issue a certification of the foreign facility and the food that the foreign facility produces.

And the certifications issued under this program have two potential uses. The first is a voluntary use for importers bringing food into the U.S. They may participate in what we call the voluntary qualified importer program, or VQIP.

VQIP is like a best importers program. It requires a higher level of food safety performance. And in exchange for that higher performance, the importers receive expedited entry at the border.

The other use for the certifications under the third-party program would be much more limited. There will be a mandatory use.

Under FSMA, FDA was given the authority to make a risk-based determination at the border that a food offered for import has to be accompanied by some sort of an assurance that that food complies with our requirements. And
certifications issued under the third-party certification program, will satisfy this FDA requirement. However, these situations are expected to be very limited and their use rare.

And I want to stress quickly that the third-party certification program is really entirely distinct from FSVP. There are two tools in our toolbox, but the FSVP audits do not have to be conducted by an auditor accredited under the third-party program.

And the FSVP requirements, there's no requirement for importers to use third-party accredited auditors to get certification. So it's not like you have to have one of the third-party certifications to get your goods in at the border. They really are separate programs.

Let me speak just a minute about the framework of the third-party certification program. There is really four levels of actors for that program.

The top level can be considered FDA. We're obviously establishing and organizing the
program. And we will be accepting applications
from accreditation bodies who we will review for
criteria such as competency and impartiality.

So if we're the FDA, at the top, then
the next level down are those recognized
accreditation bodies that have satisfied the
requirements for our program.

Those accreditation bodies will then
go out and accredit the certification bodies or
auditors. And then at the base of the tiers are
the actual individual facilities that the
auditors will go out and assess and give out
certifications for.

In terms of compliance dates, the
compliance dates for this program are also fast
approaching. We're targeting June, so next
month, for the rollout of the third-party
program. And at that time, we will begin
accepting applications from accreditation bodies
for FDA recognition.

And after we recognize them, those
accreditation bodies can go out and start
certifying auditor, or I'm sorry, accrediting auditors. And we believe that by early 2018 we will have accredited auditors in place, ready to start assessing facilities and issuing certifications.

So we believe that the VQIP will be up and running early next year.

There are some guidance documents associated with this program as well. In November of last year, we issued our guidance on the VQIP program.

In December, we issued a guidance on model accreditation standards for the auditors under the program. It addresses things like quality assurance, conflict of interest and technical competency.

The model standards were developed using ISO standards as well as industry best practices.

And I did want to note that the FSMA requires a user fee program for us to establish a user fee program so that FDA gets reimbursed for
its work, setting up and running the third-party program.

The fees will be collected at the time that an accreditation body applies for recognition from FDA. They will also have an annual fee. And there will also be an annual fee for the accredited auditors in the program.

Are there any questions? Yes?

MS. WASSERMAN: So when you said that there's a May 30 deadline coming up for importers, if the foreign supplier, I guess you would say, is not subject to either produce or preventative controls, what would that be?

MS. CARLSON: What would that be?

That would be, I think, goods that fall outside those rules for whatever reason. Maybe the supplier, for whatever reason, doesn't, you know, goods that aren't under the produce rule.

I have to admit, I'm having trouble thinking of any right this second, but there certainly are. I can get back to you on that.

MS. WASSERMAN: Okay, thank you.
MS. CARLSON: Anything else?

MS. BETTS: Any other questions?

Okay, thanks, Jan.

MS. CARLSON: Thank you.

MS. BETTS: Appreciate it. All right, next up is Tricia Kovacs. And I'm going to pull up her presentation, so.

MS. KOVACS: So while she's doing that, I think there's research out there that says you can't possibly pay attention for any longer if you've been sitting here this amount of time, so I encourage you to stand up, get your water, refresh your coffee. Not take a break necessarily, but move around a bit in the room if you want to do that so that you can still think.

I hope I haven't opened too much of a can of worms by asking you to stand up, but I really do think that you'll be able to think better. And I'm short, so I'm going to make one big crackle sound while I fix this. There we go. How's that work, can you hear me? Okay.

So, some of you may recognize me, I
talked with some of you on a rooftop last time we met, at Up Top Acres down in Navy Yard, about our local and regional food systems work at USDA.

As part of that work, I also work with others here in the room about how food safety standards, whether they are market requirements or FSMA rules or voluntary audit programs, effect producers and how we can help them be ready.

Great. So, I'm going to take these notes away because I keep wanting to read them and they're not mine.

(Off microphone comment.)

MS. KOVACS: So, like I said, what my role and my relationships in this are really about, how do we help farmers and other producers and food businesses be ready to meet the food safety challenges and requirements that are made of them. Whether those are mandatory or voluntary or buyer driven or what, and how are they going to be ready to meet those changes in their market places.

One of the ways that I do that is by
working with FDA and with NIFA, which is part of USDA, to convene the FSMA collaborative training forum. And as you heard from Samir, there are a number of people who are in organizations that have cooperative agreements out there to do training.

So we know that training is a critical piece of FSMA implementation. We know that USDA, as the agriculture department, and FDA, both play a role in making sure this all works as smoothly as it can, and that there are lots and lots of training options out there for producers. And there have been for a long time.

Some of them have been funded by USDA, some of them are now funded through cooperative agreements with FDA and with USDA. And we just wanted to make sure that we are committed to whatever it takes to make sure that those are coordinated and communicating with each other, so that people get what they need.

So we're hosting the forum. So the training forum is really just a place for all
those folks who are funded by USDA and by FDA, to implement training programs, to come together to have a dialogue, talk about their programs, what they're doing, how they're doing, where they are in that process, and any issues of common concern.

So the goal for that is to eliminate duplication and to make sure that we're using the limited resources as well as we can, across those programs.

So I'm going to start by telling you who is in this forum and then I'll tell you a little bit about where we are with it. The short version is that we've just finished our first four calls to hear from each other. And know kind of what we think we need to do going forward.

So I'm not going to go into what all these different partners do, but I wanted you to see who's in this group talking to each other about the implementation of training programs.

So we have the alliances. The Produce
Safety Alliance, the Sprout Safety Alliance and
the Food Safety Preventive Controls Alliance.
These have developed standardized education
programs that are now being offered across the
country.

We have JIFSAN, Joint Institute for
Food Safety and Applied Nutrition. And they, in
our talk so far, have talked about their
international work.

One of the things that they brought to
the table, that I thought was interesting, is
just some experience with online trainings and
translated materials versus interpreter given
talks. So some perspectives on how those have
worked for them.

And then we have the national
Coordination Center. And this is the
International Food Protection Training Institute
Based in Battleground, Michigan. And they are,
oh sorry, my slides show here and here and I'm
sorry guys.

So anyway, NASDA. As you've already
heard, again from Samir, they are bringing
together, working with the states who have their cooperative agreements to do planning and implementation at the state level, in those 42 states.

But also, ideally to help all the states kind of know how to move forward in this. Some of their resources will be available to all states, whether or not that have that.

And then they're also working on-farm readiness review. So they have a national consortium for produce safety that allows all those states to talk to each other.

Right now, those states are in a planning year, so right now, that will get to be, I think, more robust as they learn from each other, as they start to really implement the rules.

They're also working on on-farm readiness review. And again, that will have sort of a document that will be available, a method that they use, and that will be available to
states across the country.

And also, one of the things I'm most excited about, is that the on-farm readiness process will provide them some real on-farm experience to feed back into the training programs, that all these other cooperators and other partners around the country are developing.

Now we come to the National Coordination Center at the International Food Protection Training Institute in Michigan. And they are tasked with training and education for small and medium sized producers, small producers, small fruit and vegetable wholesalers, and to provide coordination among the regional centers, and others, as we will see.

I believe their initial mandate was to work with the regional centers, which are here.

So these are the four regional centers around the country and the universities that house them. Each of these has multiple partners.

The southern region and western region are funded through USDA and the other two are
funded with FDA. But they all come together.

The national coordination center has monthly calls and reporting methods to kind of keep those regional centers coordinated in their work going forward.

And then there are a couple of other cooperative agreements that were initially outside. So NCC has a specific regional center coordination role.

One of the things we found in our first calls is that the local food safety collaborative and the Native American Food Safety Training Group were not necessarily participating in that, and now they are. Because at the forum we realize that there are a lot of things happening that they also need to be tied into. And that they need the visibility that is offered by being officially connected to that coordination center.

So I think that was one early outcome of it that, even within these cooperative groups, they're coordinating better.
So the local food safety collaborative
is led by the National Farmers Union Foundation,
and they have multiple partners across the
country to help them deliver, develop and
deliver, training and technical assistance and
support to those in the local food markets around
the country.

Like many of these, like the states
and like many of the regional centers, they are
in the process of doing some needs assessment and
planning for this. One of the things that I
learned from this, is that all these cooperative
agreements and cooperator groups, are sort of on
different timelines.

A lot of these agreements came onboard
at different times, and so being able to talk to
each other was challenging because they were all
at different places. And now they're starting to
get to a place where they kind of know what
they're about, they know what their, at least
their needs assessment is starting to go and look
at aligning timelines for different resources
that they're developing. And different outreach mechanisms, assessment tools, so that they can talk to each other about that.

So the local food safety collaborative is in that place of looking at needs assessment, developing partnerships and really starting to plan going forward.

Similarly, at University of Arkansas Fayetteville School of Law, we have the Native American Tribal Center for food safety outreach, education training and technical assistance. And they are offering training and technical assistance in all regions of Indian Country, which spans 35 states.

So they have the task of figuring out how to delivery trainings that are relevant and appropriate and recognize the different levels of jurisdiction that tribes work, tribal producers and food businesses are working under. So the forum has been really useful for them, to let everyone else know that they are there, that they need to partner with them in the different
regions and in the different states, and with different kinds of producers.

They'll be doing some webinars and they'll have a hotline interface as well, for producers and food companies in their region. And again, they're one of the ones that is now tied into the monthly calls with the national coordination center.

And then we have, and I won't go into each of these projects, but I mentioned that, so I'm based in AMS, I work across USDA, and one of our partners is NIFA, the National Institute of Food and Agriculture.

And they are important in this arena because they are funding the food safety outreach program. So they fund some of the regional centers, but they also fund this grant program. And that grant program has three different types of grants to reach different audiences and different needs. Generally, they are customizing trainings for different audiences.
Small to mid-size farms, beginning farms, socially disadvantaged farmers, small processors and small fresh fruit and vegetable merchant wholesalers.

So under the three types we have pilot projects, which are for new and potentially high risk, high impact food safety and outreach programs and local communities that reach specific targeted audiences. Whether they're non-traditional niche, hard to reach audiences that for some reason, maybe it's culture or language barriers, need some specific training developed for them.

And then we have community outreach projects. And those are to expand or add additional audiences to existing programs and then multi-state education and training projects.

Which are interesting because they are, it doesn't necessarily mean like the pacific northwest is all going to get together to do a multi-state training, it might be that California and Arizona and somewhere else have similar
products or climate needs, or food safety concerns that affect them, and they can coordinate together to try and address those through some training and outreach programs.

And here's the exciting part, that's all open right now, so I wanted to highlight right now NIFA's food safety outreach program requests for applications was announced last month. The deadline is June 6th.

And I put up here the new project focus. It's the same three categories, the same overall goal as they've had in the past.

But then they've got just a little bit of additional target here for pre-imposed harvest, water testing and sampling. Which we know, we've talked about quite a bit today, that we don't know exactly what that's all going to look like. Developing supply chain programs and/or food safety plans.

And that they continue with some of the goal to reach bilingual and provide culturally appropriate training resources for
folks. So make a note about that.

I have some information here about eligible applicants and all that. It's a pretty broad grant program that many types of entities can apply and get those grants to do that.

And while I'm not talking about all the different things that are happening out there in these, this is an area where a lot of the work that's been happening for years, to reach certain audiences for GAP or other food safety, some of those are funded here, under this, to expand those programs and make sure they're FSMA compliant.

And it really gets at the diversity that we know we need in the training around the Food Safety Modernization Act. And I'm happy to see that we'll be doing, funding some more again this year.

And one of the other things that happened through the forum is, at least for me, a better understanding of how all of these are going to fit into the coordination of this. They
do connect with the regional centers, but for
instance, the folks at Arkansas, who are working
on the tribal outreach programs, have said, let's
make sure that we're connecting to them too
because we are across regions, the same for the
local food one.

So, all of this has to come together
in some kind of a knowable thing. Which is
challenging.

So, I'll tell you where we are with it
all now. So, we just completed our initial call
series.

So, throughout April we had four, two
hour WebEx calls with all the entities I've just
mentioned. And each of them had a chance to give
a presentation on what they're doing. They also
provided sort of three-pagers, two-pagers so that
we didn't have to go through all the detail of
what they're doing in our phone call, but could
instead use that call to talk about things we
have in common.

Whether that is the assessments.
People are doing different needs assessments. What are they doing, what have they found, what do they need. Where are areas of four collaboration. Similarly, evaluation, metrics, data collection, reporting.

Those things where we know everybody's work has some similarities. Program development, training development, tools, resources.

How are they being shared out, where are they being stored. All of those kinds of conversations.

So we started to identify some of those themes. And then also highlighted some outstanding questions for FDA and USDA.

So these sessions are for them to talk to each other, and for us to kind of get a better picture of how it all comes together. But what we find is that we pull out questions for USDA, some of which you all have raised today, and we take those back to USDA and FDA, to then be able to inform the broader community and these folks, later on.
But that it's not a discussion to tell the federal agencies what they need or where they're going, it's more to understand what's happening in each of their different funded programs.

So, we found that we are starting to get a better understand of each other's projects and timelines. And like I said, the timelines are starting to line up a little better, since they have all had their agreements for a little bit of time now. They're starting to get their feet under them.

Several ideas for aligning outreach and assessment strategies, and then also just learning from each other's experiences. So I'm trying to think of a couple of examples.

So in one case, for instance, there are trainers who are maybe not ready to be lead trainers yet, because they don't have the confidence of the experience in a certain piece of it or a certain part of it. And some regions are pulling together lead trainers from
somewhere, almost in a mentorship program, so that the trainers that they have in their region can hear, watch a lead trainer from somewhere else do it and learn from them and then be able to come lead trainers themselves.

So it's not all within its regions, a lot of this work is to make sure that we are using the best resources we have in the different areas. So an expert from one region might be helping another region or another cooperative agreement to what they're doing.

And also working to improve outcomes and metrics. We talked a lot about capturing, I think we've all done a lot of capturing the activities that we've done and the inputs that we've put into programs, whether they're grant funded or cooperative agreements, but thinking about how do we get at, are the practices improving, is the food safer, and are we doing what we want to be doing with all of these different programs out there. So starting to think about all of that.
We will have an ongoing forum, which we think will be quarterly calls. And some coordination and communication between the group.

And we had so much conversation around the specific presentations that we had that our four, two hour calls ended with, and now we need to have our first quarterly call to be able to process what was got out of this and what we want to do to coordinate. And what we want to do to share out information about what we have learned from each other and what this looks like to the outside world.

And then, like I said, the one change that's already happened is that those national coordination center monthly calls now include some of the cooperative agreements that are reaching specific target audiences.

So that's what I have today. I don't have a clock so I don't know where we are with time, but I'm pretty sure we have time for questions. Great.

MR. SUTTON: I know one of the
challenges in the training has been developing
the resources for other languages, rather than in
English. I know the PSA has been fairly strict
about opening that particular training up,
because they didn't want anything lost in
translation.

Is a little bit of what your program
is going to do, is that going to make that
happen?

Because honestly, I take my foreman to
that training. It's in English, they're losing a
lot more in translation because they're hearing
it in English, so what are we doing to bridge
that gap, is that what these programs are about?

MS. KOVACS: Well, I think there are
a couple of answers to that. I know that the PSA
folks are trying to figure out what they can do
about getting materials available in other
languages. I don't know for sure about the
trainer aspect of that. What the status is of
that.

But the food safety outreach program
grants can be part of bridging that gap. They can provide language specific or culturally relevant or culturally available programs.

And those are, it's a grant program. So it's a matter of chosen among the ones that are proposed there. But I think due to things like this collaborative forum, the projects that are developing the materials and programs, will be shared back out with the rest of the group and available in multiple ways through different programs.

And I think, I mean, PSA is definitely part of this collaborative and I think it will feed into the way they're approach it too, but I don't have a specific answer from them. Samir maybe?

MR. ASSAR: I can probably, this is Samir, so I can perhaps help. Yes, so PSA is working on the translations and they are looking to issue a Spanish translated curriculum and materials very, very soon.

They have the translation, they
piloted the translation, translated materials. So hopefully within the next week or two those translated materials will be live.

Also, I mentioned in my talk that some of, there are international trainers training the trainers and lead trainers that have been certified, and so, yes, the hope is that they will go out and train others and they'll be more lead, international lead trainers and the magnifying effect will start happening. So, it's all starting to roll.

In terms of future translations outside of Spanish, we are kind of triaging to prioritize what are the other languages that need to be translated.

You know, French is up there. Not because France is producing produce, but there are so many French speaking countries. And there are other translations that are in the queue as well that are being considered.

MS. KOVACS: It's interesting, one of the things that I learned from listening to
JIFSAN in these calls is, their experience was that people wanted translated materials, but not interpreted trainings or trainings in their own languages, but that is because a lot of those are training the trainers where their trainees are university educated trainers. And so I do think that there may be more need when we're training producers, informant and farm workers, to meet their needs. Other questions? Yes.

MR. MCREYNOLDS: Thanks very much for being with us, Tricia. In terms of lead trainers on the produce safety lines, I know that list is starting to get out, actually be public, and so we know who they are.

I guess I'm aware of people who are not working in extension, but with ten years of experience training farmers in food safety, working with USDA to develop the group GAP program, but who are not getting approved as lead trainers and having to spend more money and go through another train the trainer and this sort of thing.
Certainly, anecdotally I feel like this is a trend and a concern from a lot of stakeholders who already have track records of working with these very populations, limited resource populations of producers.

Can you speak to anything about how the PSA lead trainer approval process is, the transparency of it and how some of this might be addressed?

MS. KOVACS: I am not directly involved with that process so I'm a little bit out of the loop on that right now. I do know that trainers and lead trainers are being approved sort of more quickly at this point.

And I guess I would the ask the questions, Samir may be able to answer this or others, but I am not the direct liaison to PSA, except through this.

I know that they're also sending back feedback to some of those lead trainer lead applications. And so I don't know, I would be interested to see kind of what the barriers are
to those groups. And I am sure that the PSA
folks would as well. Samir, do you want to add
to that?

MR. MCREYNOLDS: I mean, I've seen
some people's feedback and it was dubious. As
the term to the reasons for, based on the
person's resume.

MR. ASSAR: Yes, thank you for asking
the question. And we are certainly aware of that
issue and we want to work with PSA to get as many
lead trainer certified as possible.

There is an application process, as
you know. And the application process not only
gauges your ability to train and your experience
in training, it also gauges your ability, or your
knowledge, around the produce safety rule.

And what we've seen, even from
experienced trainers, cooperative extension, is
that there have been a number of issues. Whether
it, in some cases they have not completed the
application form to the extent that they should,
to get confidence that they know the rule.
It's evident that they have training experience, but it seems like they're, it's not clear whether they understand the rule itself. So there is a process to kind of circle back with those lead trainers to find out, to find out whether or not they know the rule or not. Because that's critical. If you go out and do training and you don't know the rule and you're doing the usual thing, we're convinced you can do more harm than good.

And the FSPCA is running into a situation where they've basically opened the gates for a lot of leech trainers to go out there and do training. And now they're having to do, you know, they're seeing inconsistencies and issues, with respect to the training that are being offered. And they're going through a kind of retroactive process to take, to kind of decertify trainers that are not appropriate trainers. So we're working with PSA to get that
balance. That right balance. But the bottom line is, we absolutely want to get as many lead certified trainers as possible.

And we're trying to, that list of trainers that are, or potential candidate trainers, lead certified candidate trainers that need to be followed up on, that's taking some time. And we're trying to get that quickly resolved as quickly as possible so that we can get those trainers out there.

MR. MCREYNOLDS: I appreciate that. And certainly recognize the importance of maintaining consistency and everything. With 350 words to answer these questions is not a lot to really demonstrate your knowledge of the rule.

And I think that's the concern is that, well, you have these very short answers and then who gets the follow-up. If you're an extension person it seems like, well, you don't get follow-up, you're approved. If the answers are close enough.

Whereas with private or community
based trainers are getting, well, we need a longer answer from you. And like I say, I'm certainly aware of at least one case where the response back, as to why what areas of the rule they didn't know was, from the legal perspective, not sound.

MR. ASSAR: I think I might take that back with the PSA. I do know that there were experience cooperative extension applications that did not get approved.

MS. KOVACS: Anyone else?

MS. HERRON: I have a question.

Johanna Herron. Hi, Tricia, thank you for everything. I can't imagine that this is an easy task. There is a lot of duplicity. You see that with funding events.

So you've got specialty crop, and you've got all these different funding sources, the FDA agreements. And it's unclear sometimes, I think for states, and I don't know if this is totally a question or a comment, but for states, on who is allowed to be doing what.
Certainly, from the farmer perspective, it's all the same to them. Where you have farmers that may be larger and GAP certified or have gone through that process, are now the target. Or not target, but they are the recipient of the new FSMA attention.

And so to them they are wanting the two regulatory needs to be met, but their buyer still requires that GAP. And I know they're working together and moving forward together.

Is there any end in sight where they would be compatible or one covers the other?

I know ones' buyer driven and ones not, but they do overlap so much. I'm just curious if you can speak to that.

MS. KOVACS: Well, the GAP standard is a voluntary standard, as you mentioned. It is an audit program and it will never be the inspection for the Food Safety Modernization Act rules.

But there is a currently ongoing process to align the standards that they are auditing to, with the FSMA expectations in the
produce safety rule. So that's where we are with that. I think that's where it will continue to go.

MS. BETTS: Leanne, did you want to comment too?

MS. SKELTON: Yes, let me weigh into this. So, as Tricia said, there's an alignment project going on between, for example, USDA GAP. I'm sure other audit service providers are doing the same work.

But what I know, from my work with FDA, is that, I would say in the best of circumstances, you all might say in the worse of circumstances, FDA just does not have the bodies. Nor do the state departments of agriculture have the bodies that would be sufficient in number to inspect, that's an FDA term of art, not a USDA term of art in this respect, to inspect every farm.

And so they'll never have the right number of people, whatever that is. And so they're looking at whatever else is out there,
that's considered credible, to balance where the,
either the state FDA or the federal FDA needs to
go.

So while, as Tricia said, our GAP
audit, for example, from the USDA perspective, is
never going to be a compliance function of FDA,
we don't want it to be, they don't want it to be,
the information from that work could be useful
as, whether the federal FDA or the state FDA,
figure out how best to use their limited
resources. So it's not a guarantee.

Any other work that's being done out
there is not a guarantee that you'll never see
FDA, but it kind of changes the risk profile. If
you're doing something proactive, a GAP audit is
proactive. A solid educational program is kind
of a proactive kind of thing.

So not a guarantee, but it helps FDA
better figure how to use their limited resources.

MS. KOVACS: But it also, we've also
seen already that buyers are getting ahead of the
compliance dates for FDA and starting to ask
producers already, about what they're doing and
are they in compliance. And to some degree, with
the water standards and things, that it's not
always clear, even to the producer yet, whether
they're in compliance.

But the audit programs being more
closely aligned over time will help them answer
that question with, I haven't been inspected and
I'm following the rules and I did pass this
audit. So it will help with some of that where
the buyers are getting out ahead of the farmers.

MS. BETTS: Okay, I think I'm going
to, I know there's some good discussion, but I
think I need to shut it down because it is noon
and we do have a reservation upstairs at the, I
think it's called the Cinnabar, up on the second
floor.

So you can take the elevators up to
the second floor or you can take the series of
escalators up to the second floor. And just tell
them you're with the Fruit and Vegetable
Industry.
They have plenty of space up there so if any of our guests along the outside need a space, there is amply space. So please feel free to do that, or go wherever. But we could like to start back at 1 o'clock.

We've asked Samir and folks to stay for any discussion for the afternoon, and they need to leave by 1:30. So we are trying to stay to that time schedule. So if you could be back by 1 o'clock, we greatly appreciate it. And we appreciate all your questions and attention.

Thank you, Tricia, for a great first half of the day. And you can, yes, I'll be here in the room. They're going to come in and do a refresh, but I will be here, I have to upload some more presentations and what not.

So don't leave purses and phones and stuff like that, but certainly papers and pens and things of that nature, because I'll be kind of in and out. So don't leave anything of great value.

(Off microphone comment.)
MS. BETTS: Yes. Thank you, and we'll see you all at 1:00.

(Whereupon, the above-entitled matter went off the record at 12:05 p.m. and resumed at 1:08 p.m.)

MS. KNORR: Okay, thanks for coming back. We have a couple people here that can only stay until 1:30, both Samir and Jan, so I'd like to move the Food Safety Working Group discussion forward so that we can ask them any questions while we still have them available.

So, Roland, I know that you and your group have been diligently working on some draft recommendations, so if you would like to share a little bit about those with us I would appreciate that.

MR. MCREYNOLDS: Thank you very much. And, you know, both our Committee Chair, Cathy Burns, and our Vice Chair, Lorri Koster, were not able to be at this meeting today, so I am your third string committee chairperson.

So, you know, I think just by way of
background for folks new to the Committee, you know, food safety has been a top issue for this Committee since 2015 when this Board was reconstituted.

We have had recommendations over the past two years on many of the things that we have heard about being reported on already today, audit harmonization, GAP/GHP fees, GFSI recognition of the USDA program, support for extension in industry to do food safety training, inclusion of USDA GAPs in FDA's implementation strategy, education about the value, education to buyers about the value of the USDA audit program, because it is, you know, friendly and useful for producers, especially the small and medium sized producers.

So there is a long, you know, sort of history of engagement on FSMA and food safety in general.

So in terms of what our Committee has been working on since our last meeting, the issues that we sort of tagged at our last meeting
as areas of investigation for possible future new recommendations were the issues of training and that the training programs for FSMA, in particular, that are available, the importance of continuing the USDA/FDA liaison position that Leanne has so ably fulfilled over the last how many long years at this point. Since 2007, '06?

MS. SKELTON: Three months, eight years.

MR. MCREYNOLDS: Okay.

(Laughter.)

MR. MCREYNOLDS: And then the water rules, which, again, we discussed, got an updated briefing on earlier.

So you have copies of the draft statements that our Committee reviewed or discussed at our last working group meeting and this, you know, we sort of researched, engaged, talked among ourselves, and sought out other, you know, expertise to lead to the development of the proposed recommendations that you've got in front of you.
So I will just quickly try to summarize the main points here and, first, looking at the training recommendation.

You know, the fundamental question, or concern, that I think a lot of producers, you know, surfaced, and have surfaced, you know, to members of this Committee as time has gone along, is that you've got an 8-hour PSA curriculum that is the required curriculum, or that is the only curriculum that's been approved so far for FDA to demonstrate compliance with the education and training requirement for a supervisor on your farm.

The challenge is that it is a generalized training. The challenge that we particularly discussed in the Committee is that it is not specific to particular commodities and that -- So, therefore, it is not necessarily ideal for some producers to have to spend eight hours of their supervisor's time and money to go to a training that isn't going to give them the specific information to help them handle the
particular food safety and FSMA issues with their particular crops.

So our recommendation is, and, again, this is in the context of sort of our charge as a Committee, as the Fruit and Vegetable Industry Advisory Committee, to make recommendations to USDA about things that are within its power to do.

And part of being within USDA's powers is they are represented as part of the Produce Safety Alliance. They are serving on the Produce Safety Alliance.

Leanne is a representative, Tricia attends those meetings as well, and so our intent with this recommendation is to encourage USDA as a part of its interaction with the Produce Safety Alliance to, number one, collaborate with industry to develop specific trainings that will be recognized as equivalent to PSA so I don't have to take a training on peaches and take a training on the PSA.

So, you know, actually having one
training that is FSMA for peaches, for example, that would allow a producer to save the time and money of a training that is not, not specific to the concerns of their farm.

So equivalency, the PSA working with industry to establish some equivalent training types. Second, the PSA, as the question that we talked about earlier, a variety of languages. We feel like it's -- I am very glad to hear about the progress on Spanish, you know, Hmong, and various Burmese languages, and French.

There is a huge other range of languages that is going to be important to have these curriculums available in to ensure that farm supervisors across the country can get benefit out of this training.

So we want to encourage, and that USDA, too, continue to engage with PSA to diversify the language options and, of course, do all this, you know, quickly, because farmers need to get this training soon.

At the beginning of next year large
farms will have the obligation to have this
supervisor, someone who has gone through this
training.

Dan, do you want to offer any further
comments about this particular recommendation?

MR. SUTTON: Thanks, Roland. I mean
Roland covered most of it, but, you know, I think
what partly was eluded to in the conversation
this morning was is that even though the training
has been rolled out in English here for a while
they are running into some obstacles with that
and as we look to expand these into different
languages and other things like that it's going
take time, but we are nearing a compliance date
for a large sector of our industry in six months.

And I will speak on behalf of the
industry that I am in and I represent, we're kind
of -- There is a push and I have sent Hispanic
folks to this training and they are not getting
the information, but it's all that is available.

So part of this is is we want to try
to get this in a very timely manner to get this
rolled out and to get these curriculums a little more industry-specific and language-specific so that we are better prepared as an industry to meet these obligations that are coming.

MR. MCREYNOLDS: So I know we want to have discussion but we are on a tight timeframe, so I am just going to continue just overviewing the recommendations, if that makes sense, and we can kind of do questions after or at a later part of the meeting if that is what is necessary.

So secondly I would address your attention to the USDA food safety liaison position recommendation and, you know, the fundamental issue here being that, you know, FDA, the Food and Drug Administration, is coming up with, has come up with, is in charge of enforcing these rules, but it obviously directly impacts a stakeholder to USDA, the fruit and vegetable industry in particular.

And, indeed, FSMA does specifically require that FDA coordinates its enforcement efforts with USDA, that USDA has a role, and the
role of the USDA/FDA liaison position has been
critical to USDA's ability to stay involved in
FDA's regulatory processes and guidance
processes, and that is crucial for our industry
to continue to have that designated and high
level, you know -- I don't know if Leanne was
describing it just to a few of us or to
everybody, but, you know, she sort of sits
outside of other divisions of USDA and so it is a
high-level pipeline into FDA's processes.

So we recommend the strongest possible
terms that this continue to happen, that the work
continue to happen, and that USDA and FDA
prioritize a continuation of this staff position
at least through 2022 when the current compliance
dates are expected.

And, you know, we would encourage USDA
to get funded by FDA to receive funding by FDA,
from FDA, to extend this charge. So that's the
liaison position recommendation.

Finally, we have the water
recommendation. As we had, you know, an
extensive conversation earlier about the concerns and the problems that people are running into in the practical implementation or conceiving of the practical implementation of the water rules.

Again, given that Congress has authorized USDA to be involved and be coordinated with in the development of rules and given that FDA has come out and said, and as we heard some here describe, you know, all options are on the table in terms of how the water rule might be reshaped, including potentially revising or publishing a new regulation.

And our Committee's recommendation, you know, based on the key points that we outline in the background information, including the question of are the microbial water criteria valid at all or sufficiently valid, are the testing frequencies scientifically valid, are the processes for farms to get valid samples and get sent in, all of these are scientific questions that are not established right now.

And when you talk to water
researchers, when you talk to the scientists who are part of the regional centers who are charged with doing this training and who have been researching water quality in particular they will tell you that none of these issues are scientifically defined, you know, determined to be the right approach, the right approaches aren't known.

And, also, you know, we heard about the fact that the laboratory testing protocol is not even one that is widely used in the water testing industry, so it's a major problem.

So based on these conditions what our working group wants this Committee as a whole to consider is this recommendation that this USDA input on the implementation of the rule advocate for the withdrawal of the current water standards, to go back to the drawing board, and to follow the same process that they are doing with soil amendments, of actually waiting until they research what the right things are to do before writing rules that tell us what the right
things are to do.

   You know, that process is already
underway with soil amendments of animal origin.
The rule recognizes the need to have a process
because the scientists have determined the same
issue exists here in water and so we would
strongly urge that USDA advocate for, as part of
its interaction with FDA, for the withdrawal of
the rule as it is and undertake a scientific
process drawing on USDA's technical resources to
demonstrate, okay, what should be, what is the
real science that we can be certain of when it
comes to the use of agricultural water and the
risks that it does or doesn't present in
different parts of the country.

   So I think we've got a little time for
questions, to start having questions before we
get to our speakers, so I think our Committee
would be glad to field any questions. I would be
glad to field any questions on any of these
recommendations or we can move to a vote.

   MS. HERRON: I had one. I feel like
I am talking too much. This is really awesome.

I am amazed at all the great work that has gone behind this.

Two comments on the, or thoughts, I had on the liaison position. Typically you are going to want to just name the position instead of the person because that can change and I think what's going to be important is the quality of the person in that position and what they would entail. That was one thing I noticed.

And then, also, just that, you know, if FDA has a mission, USDA has a mission, you see that at the State level, too, with the differing missions and the FDA's reliance on the States to create a program that is going to be successful with the State I wonder if it could also be a recommendation that States follow suit with that liaison role because I think there is a number of States that are struggling with that, because I think that's going to be critical for the success of it at a State level.

MR. MCREYNOLDS: So I appreciate both
of those points. Can you elaborate a little bit on what USDA's, what we should be recommending USDA's role be in having those State liaison?

MS. HERRON: I don't think you can do a lot to mandate or anything like that, but I think with the fact that there are these cooperative agreements out there, a strong recommendation or advisory point would be that the States also follow suit and have an advisory role or liaison between the Departments of Ag versus their Health Department.

MS. KNORR: Do we have any other questions or comments from anyone at this point?

(No audible response.)

MS. KNORR: I feel like given the scope of all of these recommendations, you know, we should allot some time in tomorrow's agenda to have a little bit more of a robust conversation about all of them so that we can get all of the Full Committee's questions answered and then take action on them tomorrow.

MR. MCREYNOLDS: Terrific. Well, that
concludes our report then but we'll look forward
to having a more in-depth conversation tomorrow.

MS. KNORR: Any questions or comments
from any of the observers? I don't know if any
of our FDA friends here want to chime in on any
of them.

(No audible response.)

MS. KNORR: No, okay. All right,
thank you. Thank you, seriously, for all of the
hard work. Clearly, a lot of it did go into
these recommendations and we appreciate that
work.

Next up is our Produce Consumption
Working Group and Christie has chaired that group
and we are going to do a little flip-flopping of
our speakers there. So Sasha Bard --

(Off microphone comment.)

MS. KNORR: Hi. Is going to be our
first speaker this afternoon to talk a little bit
about Team Nutrition. Thank you.

MS. BETTS: Come on up, Sasha, I'm
trying to get you set up here. Okay, and so you
Hi, everybody, thank you for having me here after lunch. My name is Sasha Bard Chamberlain and I work with the USDA Child Nutrition Programs.

Earlier this year I had the opportunity to speak with the Subcommittee, so I am excited to have the opportunity to come here today and address the Full Committee.

What they were interested in learning about was USDA's nutrition education efforts and how that might impact fruit and vegetable consumption in the K through 12 setting.

And I am definitely passionate about
nutrition education. I am a registered dietician by trade and before working with the USDA at the national office I was a SNAP Ed Nutrition Educator out in Washington State, specifically in Snohomish County working with a lot of tribal communities.

I have now been working with the USDA for almost five years. My first four years was at the Center for Nutrition Policy and Promotion, and so CNPP if you are not familiar.

I did mostly nutrition marketing and communications for My Plate, so material development, outreach, and partnerships.

I moved over last May, so May of 2016, to the Child Nutrition Programs, and am now the team lead in the Nutrition Education and Promotion Branch, which is known to the public as Team Nutrition, and you'll learn a lot more about Team Nutrition as I go through my slides.

I also wanted to share that I spent six months at the White House as the Associate Director for Let's Move in the office of First
Lady Michelle Obama.

And in that role I managed programs and partnerships, a lot of cross-agency collaborations throughout the federal government as well as private and public partnerships.

So, let's see. I might actually juggle things just a little bit. All right. So this slide tells you a little bit more about what Team Nutrition is, and, again, it's okay if you haven't heard of us.

Team Nutrition is an initiative of the USDA child nutrition programs and we support the child nutrition programs by providing resources free of charge to schools, childcare centers, and summer meal sites that participate in the USDA programs.

So we develop everything from curriculum to posters, digital interactive games, stickers, parent handouts, you name it. So if you are a school that participates in the National School Lunch Program you are eligible to receive our resources free of charge and many of
our materials are available to the broader public through our website.

Child Nutrition Programs you are likely most familiar with are the National School Lunch and School Breakfast Programs, and the stats here on the slide give you an idea of their scope and reach.

And the call-out box is a good reminder that many of the meals that are provider through the National School Lunch Program and School Breakfast Program are provided at little to no cost to the family.

So in Fiscal Year 2016 73 percent of school lunches were free and reduced price and 85 percent of school breakfasts were free and reduced price.

USDA also operates a special Milk Program and a Fresh Fruit and Vegetable Program. These are our two other school-based programs. So the Fresh Fruit and Vegetable Program would likely be of interest to this group and FFVP operates nationwide in elementary schools that
have a high rate of free and reduced priced
lunches.

And the funding through FFVP is
awarded to States and it helps schools purchase
fresh fruits and vegetables that are used outside
of the typical meal time, so not during breakfast
and not during lunch, but typically provided as
snacks.

This, of course, expands the variety
of fruits and vegetables that kids are getting
exposed to during the school day and studies have
shown that children participating and schools
that are part of FFVP have an increased
consumption of fruits and vegetables.

So a sample school day, you think a
child might go to breakfast and have a banana
with their breakfast meal and during lunch they
might choose sweet potato and go to the salad
bar, and then in the afternoon they might be able
to sample blueberries as part of the FFVP snack,
so lots of opportunities for kids to try
different fruits and vegetables.
USDA also operates community-based programs through the child nutrition programs, Child and Adult Care Food Program, CACFP, is for our youngest kids in the childcare setting, and then the Summer Food Service Program, which hopefully you are familiar with as well, which helps to fill in the gaps during the summer months. So, again, you can see the reach of these programs.

So I think, again, it's important to remind everybody of the breadth of the programs that child nutrition operates, but for our conversation today, again, we are focusing on the K through 12 settings, so mostly school lunch and school breakfast.

Again, as most of you likely know, the updates were made to meal patterns and nutrition standards for our school meal programs as a result of the Healthy Hunger-Free Kids Act of 2010, and these updates support an increase of fruits and vegetables in both school lunch and school breakfast.
So the new policies weren't implemented until School Year 2012 and 2013, which means we are in our fifth year of implementation now, and today over 90 percent of schools report that they are successfully meeting the updated nutrition standards.

And I know there has been some, you know, things in the news, which I am happy to talk about. You know, none of the announcements that the Secretary made directly relate to fruits and vegetables, but if you saw in the news there were some updates regarding flavored milk, sodium limits, and whole grains, and when we get to Q&A if you want to talk more about that I am happy to.

So how exactly are we providing more fruits and vegetables in our meal programs? Under the new meal patterns the USDA requires that schools offer both fruit and vegetable choices at lunch.

And previously it was fruits and vegetables as a single component, so by
separating out those components we are making
sure that there is more variety offered.

Schools are now also required to offer
one cup of fruit or vegetable instead of a half a
cup at breakfast, so we increased that amount,
and USDA sets weekly requirements for vegetable
subgroups to make sure kids are being served a
variety of different types and colors of
vegetables throughout the week.

So by increasing variety and quantity
of fruits and vegetables within the program we
have positively impacted the amount of fruits and
vegetables children who participate in our
programs are selecting and consuming.

And according to the Dietary
Guidelines for Americans, I was looking at the
stats this morning, potatoes and -- Let's see,
potatoes and tomatoes are the most commonly
consumed vegetables, accounting for 21 and 18
percent of all vegetable consumption.

Lettuce and onion are the other
vegetables that make up more than 5 percent each
of total consumption. And so as you can see while those are great choices we want to make sure that there is more of a variety, you know, that kids are being exposed to through the school meal patterns.

So things that we require now are dark green, red, orange, beans and peas, starchy, these are some of the vegetable subgroups.

So let's look at some of the statistics. According to the CDC 80 percent of schools are offering two or more vegetables at lunch as a result of the updated meal patterns.

A study by the Harvard School of Public Health shows that vegetable consumption has increased by 16 percent and the same study by the Harvard School of Public Health showed that 23 percent more students selected fruits at school meals.

And so while students -- Let's see. While students may not be consuming more fruits, if more students are selecting fruits and the consumption rates are the same that were across
students then we are seeing an overall increase in consumption. I had to talk that one through a little bit.

But good news, the meal patterns have impacted both fruit and vegetable consumption positively, which was the goal, but even though this is great news we want to continue to see those numbers rise.

As the Dietary Guidelines show, you know, kids are not meeting the fruit and vegetable requirements. So children age 4 to 18 are not getting the required recommended amount of vegetables with the lowest consumption among boys 9 to 13 years and girls 14 to 18 years, and only children in the 4 to 8 age group are consuming the recommended amount of fruits.

So we still have a lot of work to do, and these were the 2015 2020 Dietary Guidelines that just came out.

So what is FNS doing to support the new standards? We are doing a lot. Within my division we provide training and technical
assistance to child nutrition professionals to enable them to prepare and serve meals that appeal to children.

So it's not just enough to put it on the menu, but we want to make sure that the staff that is preparing those meals know how to make it tasty and that it's something kids want to eat.

We also want to help children have the knowledge, skills, and motivation to make healthy food choices, and we do that through nutrition education, which is going to be mostly what I will focus on in these slides.

And we want to build support for healthy school environments that encourage nutritious choices, and we'll talk more about what that school environment looks like.

So here is one slide. When we think about the school environment, you know, it's not just the food that is served at lunch and at breakfast.

That's a piece of it, but then there is other food that is available throughout the
school day, so through vending machines, through
school parties and events, through fundraising
opportunities.

You also think about the nutrition and
health messages that kids receive at school.
This is, you know, a good piece of where
nutrition education comes in.

And then you have got food and
beverage marketing. So according to a study by
Robert Wood Johnson Foundation 70 percent of
elementary and middle school students are exposed
to some kind of food and beverage marketing
through school and many of these advertisements
are for less-healthy products.

So the local wellness policy
regulations now make sure that any food marketing
to students during the school day meet consistent
nutrition standards.

And then, again, we've got physical
activity opportunities, recess, PE, sports, so
these are all inputs that are going to influence
a child's eating habits and physical activity
Another way to think about the school environment is to consider all the ways that kids receive messages about food and physical activity. So in the cafeteria, in the classroom, and through school events, at home, community, and through the media.

So in Team Nutrition we use multiple communication channels and target a variety of settings and audiences with our messages so that we can increase the number of times and the number of ways that children receive nutrition messages, and the more times kids hear these messages the more likely they are to act upon them.

Another thing we strive to do is ensure that we are putting out high quality nutrition education materials. Research shows that quality nutrition education programs include some or all of the following elements, that it allows children to practice new skills, that it builds self-efficacy, that it includes
observational learning, is interactive and
inquiry-based, includes positive reinforcement
and includes taste testing and food preparation
elements.

We also do early concept testing and
test our resources through focus groups
informative research to make sure they resonate
with the target audience.

So we are not just creating something
and putting it out there. We are being, you
know, we are looking at the latest research to
make sure that it is impactful and we are testing
it with our audiences.

All right, now let's jump into some of
the materials that we produce so you can see some
of them. We talked about nutrition education in
the classroom being one place for this.

So we want to make sure that nutrition
education is easy for schools to provide.
Teachers have a lot on their plate, I think we
are all aware of that, so we want to make sure
nutrition education isn't just one more thing
that they have to do, but that it helps teachers meet the goals and standards that they are already being held accounted for.

So when possible we integrate the nutrition education into core subject areas, like math, English, language arts, and science, and this is really easy to do. We also work to align our curriculums to national education standards.

And so even at the youngest level we are able to integrate nutrition education into core subjects. This slide shows a young student with one of our emergent readers, and this is part of the Discovery My Plate curriculum for kindergarteners, and there is six emergent readers offered through that curriculum.

So these easy-readers are common in kindergarten classrooms and are characterized by the repetition of simple sentences. They feature kindergarten-level sight words and help students build literacy skills, which in this case they are learning about the five food groups and My Plate, so a win-win, nutrition education
literacy.

This shows, you know, a highlight of one of the books. So illustrations are used to help the children learn new vocabulary. At the end of the lessons the emergent readers are sent home so kids can continue practicing their reading skills with their families and the teachers have a large, full-size version of the book in the classroom when they are reading aloud to the students.

Serving up My Plate is another one of our standards-based nutrition education curriculums. It is available in three level, Grades 1 and 2, Grades 3 and 4, and Grades 5 and 6, and each comes with these elements that are listed on the slide.

We even have a CD of original songs all about healthy eating and nutrition. So I can distribute copies if you are interested.

We also develop a lot of garden-based nutrition education curriculums. So garden-based nutrition education is a great way to offer
hands-on experiential learning that supports the
science, the math, the language arts, and the
health studies.

And a recent review of garden-based
nutrition interventions with kids suggest that
these programs have the potential to improve
students' vegetable intake, willingness to taste
a wider variety of fruits and vegetables, and
preferences for them.

It also works with adults. I started
gardening with my husband and now he eats way
more vegetables than he did when I first started
dating him.

We talked about the cafeteria being
another setting in the school environment where
there is an opportunity for nutrition education,
but, again, cafeterias can be a little hectic.

If you have been to one recently
during a lunchtime there is a lot of kids that
are coming through those doors, so this isn't the
setting where you are going to do a full-on
activity or a nutrition education lesson, but
there are moments and there are opportunities to engage students and reinforce nutrition and health messages.

These are examples of some of our posters. So posters and signage are an easy way for schools to reinforce nutrition messages and the meal standards.

Another great one that we see in cafeterias is doing taste tests, that's a real easy thing as kids are coming through the door.

Okay, another topic when we think about cafeterias is food waste, which is why Team Nutrition developed this brochure, you'll see it here on the slide, that addresses the concern and offers tips for school staff, parents, and students to help reduce food waste at school.

For school nutrition professionals, some like ideas of content you will find in here, we encourage that they engage students in menu planning and taste test new menu items.

We were just talking about that, it was a great way to get the buy-in from the
students about the new foods.

Cutting fruit into smaller pieces, and this may not sound like a novel idea, or maybe it is, but especially for the younger kids, eating a whole apple or having to peel that orange is going to take them a lot of time when they've got a short lunch period. It's things like this that will increase the consumption and help prevent the waste.

Giving kids a choice, so using a salad bar is one technique that we found gives kids a wider variety of fruits and vegetables and they are able to select the ones that they prefer.

For school administrators some tips to help prevent food waste is to give students more time to eat. Extending the lunch period from 20 to 30 minutes has been shown to reduce waste by nearly one-third.

So we know that's a struggle, but if schools can make it happen then they can help with this food waste, and scheduling recess before lunch.
So this has also been shown to reduce plate waste by as much as 30 percent. So, again, it kind of makes sense, kids get to run around, they work up an appetite, they come in hungry, and more willing to eat a wider variety of foods and try new foods.

Family engagement, we talked about the home being an important, you know, aspect in the big picture here, and so we want to make sure that through our resources we are also engaging the parents and the families.

This is -- So with each of our curriculums we have at least one parent engagement resource. This was with our Discover My Plate curriculum and it just shows some of our parent handouts that the teachers can send home to let the parents know what their kids are learning about in school, help the parents learn about the new meal patterns, and so that they can help reinforce at home as well.

Okay, school-wide events. So Team Nutrition's Popular Events Idea booklet offers
creative ideas and instructions for 20 themed events on nutrition and physical activity.

It is designed for elementary and middle schools and shows easy ways to include these ideas into existing school activities and holiday observances.

So if any of you have kids you know that there is often school events, we want to make sure that schools have ideas for how they can make those a little bit healthier to reinforce the healthy eating and the physical activity.

There is also real life examples of Team Nutrition schools across the country that are in the booklet so that schools can learn from each other about what is working and what they have done.

And one of my favorite examples is from El Monte School District, which is out in California, and they have a bring your parents to breakfast event and it's a superhero theme, so it's called Superheroes Eat Breakfast, Too, and
for the breakfast the parents and the kids, their families, are encouraged to dress up as their favorite superhero, and the school nutrition staff is there dressed up as superheroes as well, and they play games and win prizes and they've got some physical activity stuff.

Of course, they all enjoy a healthy breakfast together, and they get to talk to the families and to the kids about why a daily breakfast is important for their bodies and for their academic success.

Through USDA's local school wellness policy schools are required to engage parents, students, and community members in the annual development and assessment of local school wellness policies.

So these policies guide a school district's efforts and part of that is to set the stage for their nutrition education. States and local communities have the flexibility to develop a policy that best works for them, but we, of course, want to support them in those efforts,
and so Team Nutrition developed a local wellness policy toolkit that is available online, and a lot of this is grab-and-go content that they can customize for their school district of their school.

And so examples of who you would engage, and when you are, again, talking about the larger community, school nurses, PE teachers, the school principal, teachers, you want to have buy-in on all levels and you want everybody to know how they can be a part of making sure that the school environment is healthy for all students.

These are some examples of the content that is provided through the digital toolkit and I thought would be a good slide to end on because it reminds us that we are all part of the larger community that is impacting the school environment for our kids across the country.

So hopefully this quick overview gave you all a better understanding of Team Nutrition and the work we do and specifically how we are
supporting and increased consumption of fruits
and vegetables in the K through 12 setting.

In summary, we provide high-quality
nutrition education materials free of charge to
schools that participate in our programs and we
seek to address the whole environment in the
school setting from all angles.

Oh, and one last thing I wanted to
also say, I didn't create a slide for it, but to
mention that we do all this great work at the
national level but there is so much great work
happening at the local level, too, and we support
that work through Team Nutrition training grants.

And so the applications for this next
grant cycle are due on May 22nd, but we are
expected to award up to $5.6 million to State
agencies so that they can help train their staff,
help implement nutrition education efforts, and
so there is a lot of great ways that the local
States have been using this funding for a number
of years and we want to encourage and continue to
do that.
So I am happy to address any questions that you all have now. My colleague, Erin Healy, is going to follow up and speak about Farm to School Programs, so I can jump back up and answer questions after her as well.

MS. KNORR: Anyone have any questions or comments?

MS. BALCH: This is Christie Balch. Thanks so much for your presentation. I have a couple questions.

So the first is do you have a rough percentage of like what's the percentage eligible schools that participate in Team Nutrition?

MS. CHAMBERLAIN: I think it's about 50 percent currently. So, of course, there are schools that do not participate in the USDA school lunch and school breakfast program --

MS. BALCH: Right.

MS. CHAMBERLAIN: -- but we are at about 50 percent right now.

MS. BALCH: Okay.

MS. CHAMBERLAIN: So we could
definitely use to get more awareness out there.

MS. BALCH: What are the barriers that prevent you from being higher?

MS. CHAMBERLAIN: Probably, let's see, I think awareness is probably one of them. I think there is some States who get more education funding, so they might not think that they need to look for free resources.

But just because they have the money to go buy nutrition education resources doesn't mean that they are getting the quality ones, if that makes sense.

So even the schools where funding is not a barrier could still benefit from learning about our resources and utilizing them.

MS. BALCH: Great. And then a similar question for the Fresh Fruit and Vegetable Program, what percent of eligible schools are a part of that and then what are the barriers to increasing -- I am guessing that one is more funding related, but --

MS. CHAMBERLAIN: Right. I don't know
the percent of that one but I am happy to look
into it and get back to you.

MS. BALCH: Great, thank you.

MS. DISOGRA: Sasha, can --

MS. CHAMBERLAIN: Oh, you can.

MS. DISOGRA: Hi, it's Lorelei DiSogra--

MS. CHAMBERLAIN: Lorelei.

MS. BETTS: Lorelei, can you come up
to the mic, please.

(Off microphone comment.)

MS. DISOGRA: Hi. I am Lorelei DiSogra from the United Fresh Produce
Association. It's great to see you all here and,
Sasha, you did a great job.

MS. CHAMBERLAIN: Thank you.

MS. DISOGRA: And, also, I should just
say that Sasha was our liaison at the White House
for like the last year on Let's Move Salad Bars
to Schools, so we got to work with her really
closely.

For FFVP the program is funded this
year, this school year which is coming to an end, at $184.5 million. Yes, so that in most States that funds the absolutely highest poverty elementary schools in the State.

In many of those States, unless the school is 90 to 95 percent free and reduced, there isn't enough -- you know, that would be the group that would be funded. There isn't enough money to fund the schools from 50 percent on up.

So it is funding just really a small amount of the total, even the total low income elementary schools that could be funded. To fund all of them, the last time I did the math, would scare everybody, it was about $2 billion.

So it's a good question, Christie. You know, the Farm Bill is -- The FFVP is funded in the Farm Bill and this would be the opportunity to try to increase the funding for the program.

So if you guys want to make that recommendation I strongly support you. And I guess there was one other, you had one other
question for FFVP, Christie?

MS. BALCH: Just what are the barriers
to increasing it?

MS. DISOGRA: The barriers are money.
I mean, you know, in every State there is a long
waiting list of schools that would like, even
very low income schools that would like to
participate, so the only barrier is federal
funding. Thank you.

MS. BALCH: Thanks.

MS. CHAMBERLAIN: That was a
lifesaver, thanks, Lorelei.

MS. DISOGRA: I'm always here to help
you, Sasha.

MS. CHAMBERLAIN: Always. Any other
questions?

MS. KNORR: I have a quick question.
What kind of marketing activities do you do to
help reach out to the schools and that kind of
thing to let them know about this program and
what kind of parameters -- I don't know what kind
of parameters USDA has on allowable marketing
activities in terms of, you know, increasing
knowledge about the programs, but I think that
that's been kind of a consistent theme across
various programs in USDA.

You have wonderful programs but people
just don't know about them. So I am curious not
just about your particular program but in general
what are the marketing practices that USDA is
using to help increase awareness of these
wonderful resources for people?

MS. CHAMBERLAIN: Yes, thanks for that
question. You know, at the USDA level as far as,
you know, what's allowable and what's not I
probably shouldn't speak that, I can follow up
with you, but I can just say for our program we
definitely leverage a lot of different channels.

So social media is one that is great
and that's free, so we have a Team Nutrition
Twitter account and we share messages that way,
promote our resources that way.

A lot of what we do to get the word
out is conferences. So Team Nutrition
specifically attends a lot of conferences throughout the year, so we've got, you know, the Food Nutrition Conference, which is the big one with registered dieticians, we've got the School Nutrition Association, the Society or Nutrition Education Behavior, we go to PTA, we are going to the School Nurses Association, we were accepted to speak at that one at the end of June.

So we try to get into -- And Shape America is another one that is big with physical education PE educators. So we try to hit, you know, not just in the nutrition bubble, but try to hit outside that kind of primary bubble as well so that we are talking to folks in all sectors.

So I think that's a primary channel. So through the expo, you know, exhibit hall booth, and through presentations that we give at various conferences is a great way to promote.

MS. KNORR: So aside from the PTA is there any way that you reach out to parents to help let them know about these programs? I think
that's one avenue to, you know, encourage schools
to participate in these things.

MS. CHAMBERLAIN: Yes, that's a great
question. At the national office, you know, I
think it would be hard-pressed to say that we are
direct to parents.

You know, I'm trying to think of
examples where that might be the case. We have
strong relationships at the national office child
nutrition programs with the regional USDA offices
and so we have liaisons at the regional offices
who are then working with the States and it kind
of filters down that way.

You know, is there room for
improvement in more direct communication?
Probably, but that's kind of how the setup is
right now.

MS. KNORR: Great, thanks so much.
Anybody else have any other questions?

MR. VAZQUEZ: Hi, Sasha, this is Jorge
Vazquez with Latin Specialties.

MS. CHAMBERLAIN: Hi.
MR. VAZQUEZ: Thank you for your wonderful presentation. Do you have any statistics on the average cost of a school meal and what percentage of that would go for fresh fruits and vegetables?

MS. CHAMBERLAIN: Yes, percentage that goes to fresh fruit and vegetables I don't know, and I was just looking at the allowed reimbursement rates for lunches earlier. I'm trying to see if I have it in front of me.

I don't have it in front of me so I will have to follow up with you on that, but it's not a lot. It's, you know, we're talking under $3 for lunch and that's for a free meal, and that would be, the reimbursement I think is $2-something.

I can follow up with specifics and share with the group, but, you know, it's a small budget.

MS. KOVACS: From my former job working in Farm to School the number that we had school nutrition directors telling us was that
they had about 20 to 30 cents per meal for the
side produce, which was the fresh produce in our
conversation, and that was even a little bit
high, that was if they are pushing it a little
bit.

(Off microphone comment.)

MS. CHAMBERLAIN: Yes, and I don't
think at the -- Go ahead, Lorelei.

(Off microphone comments.)

MS. DISOGRA: Yes, so it's pretty
consistent that schools budget between 20 and 30
cents for each serving of the fruit and
vegetable.

So, you know, right now they have to
do a fruit and a vegetable and that amount
increases as the kids, you know, go from
elementary, middle school, and high school.

So right now most schools budget
someplace between 20 and 30 cents. So since they
have to serve both the fruit and a vegetable and
they are supposed to be doubling consumption, you
know, you have to times that by two, yes.
MS. KOVACS: Thanks.

MS. CHAMBERLAIN: Yes, and so, of course, we don't regulate how they divide out their budget at the national level, so that's kind of up to the local school district and school to kind of figure out how they are going to divide out their budget, but that's great insights.

And Erin probably has some great information, too, about how local foods can help with their fruit and vegetable budget. Okay, I will pass the mic to Erin, but, again, if there is any other question I'm happy to pop back up after.

MS. KNORR: Fantastic. Thank you so much, Sasha.

MS. CHAMBERLAIN: Thank you all.

MS. KNORR: And next up we have Erin Healy to speak to us a little bit about the Farm to School Programs.

MS. HEALY: Thank you. Can everyone hear me? Yes. My name is Erin. I am really new
to USDA. I have only been here about 2-1/2
months, I am the new Director of the Office of
Community Food Systems.

    My background is mostly non-profit
work. I was a Farm to School manager at one
point, but public health, international, domestic
work, and then I moved into the food realm about
nine years ago and worked on school gardens, Farm
to School, food justice, and local food system
and food policy change work, but I am here today
to talk about Farm to School.

    So our work in our office has three
main pillars. So we have a grant program, we
provide training and technical assistance, and
then we also do research and data collection, so
I will talk to you about those three pillars of
work.

    And just to give some background,
because I do get a lot of questions about what's
going to happen to our program. So our program
is protected, it's a congressional mandate, it
was through the Healthy Hunger-Free Kids Act of
2010, that we get $5 million every year to give out in grants from Congress and that has to be spread equally across the nation, across urban and rural areas, and goes mostly to schools for planning, implementation, and training around Farm to School.

So I have mostly pictures in my presentation because this work lends itself really well to great pictures. But Farm to School includes lots of different activities, it's not just incorporating more local foods in the school lunch program, it's anything that goes along with the education around where the food comes from.

So the Fresh Fruit and Vegetable Program, for instance, providing snacks, that could be a locally-procured snack, a farmer coming in to talk to kids in the classroom about where their food comes from or what their daily work is like, getting kids to try new types of produce and foods through school gardening programs, nutrition education in the classroom,
going out to visit farms.

So this is a great picture because it is showing the corn, you know, in its natural state, it's not already shucked, so that's just a fun activity for kids to start understanding the natural state of their foods.

And these are actual school lunch photographs, and you can see how nice they look and when you are able to really incorporate some fresh, locally harvested produce it really makes a difference with what the meal looks like and how appealing it is for kids.

As I mentioned, school gardens is a big component of our work, so getting kids outside, getting them excited about where their food comes from, them understanding the full life cycle of a plant, being able to see what they grew in the garden actually go into the salad bar.

Research has shown that this really increases consumption in kids' willingness to try new foods and be excited about eating healthy.
And Sasha mentioned in one of her slides the need to cut fruits up, especially for smaller kids, so any type of tactile hands-on education and activities around local produce and getting them to just handle the food a little bit more and be more comfortable with different types of fruits and vegetables helps.

So this is an example of kids going out to visit a farm and seeing where their food comes from and talking to the farmer.

So we did some research, and I will go into more depth into our census, but some of the benefits that school food service directors have mentioned is that kids are more willing to try new foods when there is a Farm to School program in place.

There is an increased consumption of fruits and vegetables and there is an improved knowledge and awareness regarding where their food comes from.

And there have been some studies that have even linked school garden programs, for
instance, to higher test scores and improved behavior in the classroom.

Summer is a great opportunity for more Farm to School efforts, and this is something where we have been trying to work on and focus on more in the last couple of years.

As you can imagine most of the country summer is when especially produce harvest is at its best and that's when school is out, so we are trying to incorporate or really weave Farm to School efforts into summer meal distribution as well.

And this is also a great opportunity for local producers to have an increased market opportunity and I think, again, exposing kids at younger ages has increased markets throughout the life cycle of consumers.

So the same goes for pre-K, we are trying to do more to get Farm to School rolled all the way down into pre-K settings. Studies, again, have shown that the earlier you introduce young children to new foods the more willing they
are to try different foods and the more willing they are to eat healthy diets throughout their life.

One of our priority areas, especially in our grant program, is working with tribal communities. So they are a priority applicant in our grant program, but tribal communities have a lot of questions about incorporating local foods as it pertains to their particular culture and their geography, so we do a lot of training and technical assistance around these types of questions.

We have a toolkit and we have a fact sheet on our website. It's particularly important for these communities to be able to incorporate this very culturally-appropriate food, such as bison and wild rice and certain traditional and heirloom varieties of corn and squash, and that is all allowed and encouraged.

And Farm to School is very important for these communities because it's also a way to connect kids with their history, their culture,
the way ancestors used to eat, and passing on the knowledge of how to preserve those varieties of fruits and vegetables, how to prepare those types of foods.

So I mentioned earlier research is one main pillar of our work and we do this in a few different ways. We conducted a Farm to School census in 2013 and then again in 2015 and the census went out to school food service directors but through the State agency and questions were answered at the district level.

We got a great response rate, 72 percent actually responded to the survey, and of that 72 percent 42 percent said they participated in some type of Farm to School activity.

So, again, that includes school garden, nutrition education, farmers coming in, going out to the farms, actually increasing local food in the school meals, and that doesn't just have to be produce, it could be meat, it could be seafood, it could be grains.

So the census of all of the people
that responded, it represented over 5000
districts, 42,000 schools, and over 23 million
children.

    It was self-reported data, but school
food service directors did say that in total they
spent over $789 million on local products, and
that was in 2013.

    Over 7000 school gardens were counted,
but we actually think that's an underestimate,
it's probably many more, so we are thinking about
gearing up for our next census, which will
probably happen in 2019, but we are thinking
through a lot of the research collection and
making sure that we are going to be able to
collect the most accurate data, because we are
always asked these difficult questions about
percentages and numbers and it's just very
challenging to get some of that data because each
school district is different and they are not
standardized in terms of the type of information
they are collecting and how they are collecting
it.
But we did find -- So going back to the benefits listed by the survey respondents, and this was really interesting because, again, we hear a lot of about food waste and we hear the myths that increasing fruit and vegetables at school lunches increases food waste, but actually with Farm to School we found that when a school has a program in place food waste is actually reduced.

So 18 percent said that they noticed a reduction in food waste when they started incorporating local and fresh foods.

Lower school program meal costs, this is another myth, oh, it will be more expensive if we use local food. Not necessarily. If it is in season a lot of times it's even cheaper than imported produce.

So these are some of the things that we do in our training and technical assistance is to help those doing procurement to understand that these are myths and that's not always true and we help them understand the regulations and
how to source locally within the regulations.

I always like to include this slide because I think it's really important to show how much interest and support and buy-in there is for Farm to School.

This is an easy win for everyone. It's one of the feel good stories that is never contentious. I mean everyone, no matter what side they are coming from, loves Farm to School.

The schools are buying into it, the schools want to be doing more. It's just the question of there is limited support, there is limited funding available.

So we only have $5 million a year to give out in grants for the entire country, and there is an overwhelming demand for these programs.

There is also an overwhelming demand for more data. this is a fairly new topic, probably in the last ten years. Our office is only five years old and data collection, especially nationwide, it's a huge lift and we
only have five staff, half of whom are new at our national office, and we have seven regional leads out in the different regional offices.

So it's a lot of work and we do need additional support from stakeholders to be doing the data collection and to be providing support to stakeholders around Farm to School.

So this data does not include our current grant cycle, which we just finished selection but it's not yet ready to be announced, it's not yet approved.

So this was just from the beginning of Farm to School from this office and the grant program up until the last fiscal year. So we funded over 300 projects in all States, D.C., and the Virgin Islands, we actually will be funding Puerto Rico this year as well, and we distributed $20 million in funding.

But just to give you an indication of the demand versus supply, there were over 1300 applications asking for almost $100 million. So we're really only able to meet 21 percent of the
demand for this grant program.

And we fund planning grants, we fund training and implementation. We fund schools, non-profits, State agencies, tribal groups, and producers.

And I should mention to you all that producers are among the lowest rates of applications that we receive. I don't know if they just aren't aware that they are eligible for these grants or if they are being funneled to other parts of USDA for grants, but that is an applicant poll we are always looking to increase, to spread the word about our RFA among producers.

So in this current fiscal year we received 1609 applications requesting $117 million and, again, we only are able to give out $5 million.

These are some examples of some programs we have funded. So this is Edible Schoolyard in New Orleans. Has anyone heard of Edible Schoolyard?

(No audible response.)
MS. HEALY: Okay. So it was started by a chef in the Bay Area and it now has affiliates in different cities throughout the country and she basically turned a blighted schoolyard into a huge, beautiful, edible garden that incorporated that produce into the school lunch program.

So now they are trying to do this in different cities. This is in New Orleans so they want to grant from us to basically roll out something very similar in New Orleans at a school that had a high rate of free and reduced price lunches.

So they incorporated school gardens and they had both students, teachers, and parents working in the garden to incorporate that produce into the school meals.

This is an example from Vermont, they were a grantee, and you can see this is a really beautiful school lunch, it's very colorful, lots of variety, and this is incorporating a lot of local produce.
So I think a lot of times school lunch gets a really bad rep and I like to show pictures like this because I would pay for this, I would totally eat this lunch. I think it looks great.

And so there is a lot of food service directors that just need that extra support to incorporate some local and fresh produce into the school lunches, but they are very interested, they are very committed to this, to making this food look appealing, and students really react to this.

So they incorporated -- They actually hired a Farm to School coordinator and they incorporated not only an increase in local food procurement but they weaved it throughout the curricula in the school as well.

And this is a final example, this was a planning grantee in New Jersey, and we offer planning grants because we understand that it's very difficult to suddenly jump into implementation and sometimes schools or non-profits need some extra help and some staff time
to be freed up to do the research of finding
local foods and finding producers and
distributors, to developing new recipes, to
talking to different parts of the administration
within a school to make sure that this works.

And we prioritize grants that work
with multiple schools or districts or even multi-
State grants. We definitely want to have the
most reach as possible for a grant program.

So the third pillar of our work as I
mentioned is training and technical assistance
and we do this in a variety of ways.

We have a lot of toolkits and fact
sheets on our website. We receive a lot of
questions, especially as it pertains to USDA
regulations in the school meal program, so these
fact sheets are directly responding to the
majority or the most common questions that we
receive.

We do in-person trainings, especially
around local procurement. We have a Farm to
School planning toolkit that has a 11 modules and
walks grantees or stakeholders through an entire process of how to start a Farm to School Program.

We also do webinars, so we have a whole series of webinars that are available on our website of well.

And if you are curious about who we are we are five people at the national office and we have seven regional leads located throughout the country and they are really the boots on the ground, they are going to the local conferences and workshops and trainings and meetings and they are doing a lot of the connecting and the partnership building and training and technical assistance.

We have an e-newsletter if you are interested, it's called The Dirt, and our website is USDA.gov/farmtoschool, and as I mentioned earlier we always need help promoting our resources and our RFA among produce groups specifically. That's it. Thank you.

(Appause.)

MS. KNORR: Thank you, Erin. Does
anybody have any questions or comments for Erin?

MS. HERRON: Sorry, me again, Johanna Herron. I have a strong appreciation for everything you just spoke about. My past life was Farm to School, I ran the State program in Alaska and my Master's degree looked at using Farm to School as a health promotion strategy, and so I have nothing but complete support for that as a strategy, I think it does amazing things.

My question is when you are sustaining, and I understand that part of the sustaining of the Farm to School grant program is that a school would receive money and build a relationship, and so when the funds are gone they hopefully can maintain those relationships, but often you do find that they struggle with after the money is gone they can't continue forward with some of that because it is a challenge, they are more likely to sustain it if they are plugged into the State programs that are around that have been around longer than the USDA grant program,
and just like NFSN, for example, the National Farm to School Network, is great for having evaluation success with those kinds of programs, is there any goal or thought about having an accreditation system or possibly using the census data, I know a lot of censuses are used to determine, especially crop funds for a State, for example, is there any goal to moving that direction with Farm to School?

MS. HEALY: Not that I know of but I will mention that State agencies were a priority in our last funding cycle and we will continue to keep that in the next funding cycle because we understood that that helped with capacity building and sustainability.

So that will continue to be a strategy but I don't have any information beyond that.

MR. NICHOLSON: A question, this is Mark Nicholson. The Child Nutrition Re-

Authorization that is coming up is --

MS. HEALY: I don't think there are any plans for it any time soon. That would
probably be at least a year or two, I think, before we hear anything about that. So we have just been on a continuing resolution this whole time.

MR. NICHOLSON: Are these programs managed by that or impacted by that?

MS. HEALY: We are under the Child Nutrition Re-Authorization, but because we are a congressionally mandated program we will continue to receive the same budget every year.

We will continue to be able to do our work. If there are drastic changes in the future I don't know how that might impact our work, but I don't think we are going to see that come to Congress for a while.

I think there may be some impacts within the next Farm Bill, we are waiting to see what might happen with that.

MS. KNORR: Any others with questions or comments?

(No audible response.)

MS. HEALY: Thank you.
MS. KNORR: Thank you. I'd like to turn it over a little bit to Christie for a few moments to share a little bit, the working group on Produce Consumption did get together since our last meeting. So, Christie, if you can bring us up to speed on the conversations there.

MS. BALCH: Sure. So in February -- And if anyone wants to see notes from any of these past meetings I am happy to share them. In February we heard from Dave Tuckwiller of AMS's Commodity Procurement Program and that is where we learned about how AMS buys a lot of produce for schools and a lot of other places as well and that USDA is looking for more produce suppliers.

And we also learned about DoD's Fresh Produce Program and we learned a little bit about the USDA's Unprocessed Fresh Fruit and Vegetable pilot program.

So we might want to discuss those a little bit more, but I don't know, I don't have that many details on them. I'm not sure if I am the right person, so I will just kind of run
through what we have done and then we can discuss it a little bit more.

And we also heard from Cathy, who is on our Committee, about PMA's Eat Brighter campaign, which is what they use Sesame Street characters to market produce.

So that was our February meeting and I think we came out that with not really any recommendation ideas but just learned a lot, which was great.

And then in March we heard from Sasha Bard Chamberlain, who is from FNS, and a lot of it was what we just heard about Team Nutrition and all the resources that they provide for free to schools that participate in the National School Lunch Program, and then I think just adding on to that more today about the Fresh Fruit and Vegetable Program.

So those are the things that we are sort of up to speed on, but some of the recommendation ideas that have been floating around are things like how to help facilitate
more outreach about some of the existing
resources, like Team Nutrition. That's all I
have for now.

MS. KNORR: Yes, thank you, Christie.
I think here is definitely some opportunity. I
don't know if the group wants to take just a
couple of minutes now or if we want to set some
time aside tomorrow to come together and discuss,
you know, what kind of a recommendation can we
actually formulate.

Just talking with my co-chair, you
know, certainly putting together some kind of a
recommendation in support of Farm to School or
even a statement of the importance of Farm to
School with its clear impacts on increasing
consumption of fruits and vegetables could also
be an opportunity there.

So I am going to ask for feedback from
all of you whether you want to tackle that, you
know, just briefly now or just wait until
tomorrow to really get into the nitty-gritty.

MS. BALCH: I did want to just ask a
kind of clarifying question. So we heard the
comment about how the Fresh Fruit and Vegetable
Program is funded through the Farm Bill and my
understanding is that this Committee can't really
make recommendations about that, it's more like
what the USDA staff can implement. Can you
clarify that a little bit more?

           MS. KNORR: I think that's a question
for Melissa and Marlene.

           (Laughter.)

           MS. BAILEY: Thanks, Beth. This is
Melissa. Yes, I mean I think what we were
focusing on in the Subcommittee and, you know, in
terms of advisory committees in general, it's
often the easiest path to affect change is the
things that we have under our direct purview,
right, and at the Department those are going to
be things we can do often administratively to
improve program efficiency.

           One conversation that came up with
respect to this Subcommittee, or Working Group,
was, you know, Ag Marketing Service has a pretty
big reach when it comes to stakeholders and doing outreach and whether some of the work that FNS has done on Team Nutrition could be pushed out through the fact that we have this huge stakeholder base and maybe they are just not aware, as you heard, of the information, only 50 percent of those eligible are participating.

So that's something -- Again, that's sort of like the path of least resistance, things we can get done and deliver on. When it comes to Farm Bill things it's just a more challenging landscape because they are not within our direct control as the Department.

I mean as you know that is Congress is developing kind of what their priorities might be and certainly that is influenced by the landscape we operate in, but a much more difficult path.

MR. NICHOLSON: Mark Nicholson here. But it's in our purview to emphasize areas that we as an industry want to see supported, correct, so that if we find these areas of great interest to the industry we can do a supportive, positive
statement on that and encourage AMS to find ways
to support those programs, is that reasonable?

MS. BAILEY: I think it's reasonable.

I think that it just needs to come with the
understanding that, you know, we can carry that
message as through the charter up through our
Under Secretary for marketing regulatory programs
and I think it does help to understand where the
industry is on many of these programs, which are
set up through, of course, the Farm Bill and the
budget process, but at the same time an
understanding that we don't always directly
control the outcomes of that process, that
sometimes it does take Congress to weigh in and
we are not them, so -- Yes?

MS. KNORR: I do think given that, you
know, our recommendations go to the Secretary it
is very important for us to let the Secretary
know what we feel is of value to the industry
regardless of what that, you know, implies for
the Farm Bill.

If we let the Secretary know that
these kinds of programs and these efforts have a real impact on farmers and, you know, the businesses that operate with fruits and vegetables in our industry, I think that that's something that we are obligated to do.

We have been invited here to share our opinions and, you know, for better or worse, we can offer them. So I think it's important for us to take advantage of doing that.

And, of course, we understand that the Farm Bill process is a long, complicated process, but if we don't let the Secretary know what's important to us as an industry then there is, you know, no chance that those are going to be supported long term. So that's just my two cents on that.

So right now it's about 20 after 2, so we are a little bit ahead of schedule. I don't know how people are feeling, if you all want to take a quick break, maybe.

I was going to suggest getting a cup of coffee, but, you know, maybe running upstairs
to get a cup of coffee, or taking a break, or if you want to just power through and, you know, maybe end a little bit earlier today. Thoughts?

Break, all right. Okay, let's say about -- let's say 15 minutes.

(Whereupon, the above-entitled matter went off the record at 2:23 p.m. and resumed at 2:52 p.m.)

MS. KNORR: Okay, so the next working committee that we're going to hear from is the Research and Grants working group. And Roland, once again, is the Chairperson of that. Roland is, you know --

(Off microphone comment.)

MS. KNORR: So Roland, I don't know if you want to update folks on your conversations before we get into our speakers, or if you want us to just plow ahead with our speakers.

MR. MCREYNOLDS: Yes, maybe it might be helpful just in terms of setting stage for our speakers. So yes, so the research grants and infrastructure working group, you know, has been
again a part of our sort of portfolio of working

groups since 2015 when we reconstituted this

committee.

And our past, you know, our previous

recommendations that came out of this working
group and past and accepted by the full committee

in the past have been around two issues. One has

been the support and investment in public

breeding for regionally adapted plant varieties.

I mean, we just, we know how critical

that is for growers across the country to have

fruit and vegetable varieties that are adapted to

the climate conditions and pest pressures that

exist in specific regions.

And you know, that this is critical

for the continued growth of the fruit and

vegetable industry that public plant breeding

programs that are focused on regional varieties,
you know, continue to thrive.

There's been a lot of atrophy of the

university systems' capacity to, you know, the

number of plant breeders is going down, the
number of plant breeding programs is going down. I don't know if you just saw, I mean, I can't tell, does UC Davis have a strawberry breeding program or not? You know, maybe they do, maybe they only do if they need to sue an exhibit faculty member.

So you know, but the point is it's a primary area of concern for our industry. So we've made recommendations on this in the past. The other has been around enhanced coordination of the USDA and interagency response to exotic plant pest problems.

And really, our key recommendation has been having one point of contact, one agency within APHIS in all likelihood that is responsible for coordinating across multiple agencies the response to novel plant pests when they're developed.

And you know, our cautionary tale that drove this area of recommendation was of course citrus greening and just the very long, long lag time between identifying it's a problem and
marshaling resources to actually address it.

And now, you know, that horse is out of the barn by a long shot, and our Florida citrus industry has been devastated by that. So that is the areas that have been the subject of our recommendations in the past.

The issue of fruit and vegetable marketing infrastructure has been added to our portfolio really from the perspective that, you know, it's also a grant. Often there are grant funding opportunities for enhancing fruit and vegetable distribution infrastructure, and so that made sense for us to incorporate into our work plan as well.

So we got presentations in our working group meeting, and I don't remember the dates and I don't have the minutes in front of me. But we had a conference call where we got, we had two conference calls to set an agenda for speakers and then when we actually got some speakers from AFIS who gave us an update, it's pretty similar to the update that we received back in our
September meeting in terms of the status of the response to our recommendations as far as enhancing coordination and again, accountability for responding to that.

But we wanted to have it in terms of presenting information to the full committee here, we wanted to try to get speakers to address again, the plant breeding priorities and that's why we've got Dr. Kaleikau. Thank you, all right, good, here to speak with us to give us an update on funding priorities with respect to plant breeding, genetics, and genomics.

And then here from both USDA Rural Development and AMS on varieties of infrastructure grants and funding available through USDA programs to promote market infrastructure.

So I'm looking forward to our speakers, and we'll look forward to your comments back about any next areas of response that are committee can continue to look at.

MS. KNORR: Thank you for setting the
stage for us, Roland. And so our first speaker
on these topics is Ed Kaleikau from NIFA. Thank
you so much for joining us this afternoon.

MR. KALEIKAU: Well, thank you for
having me today. It's a real pleasure to be
here. Again, my name is Ed Kaleikau, I'm a
National Program Leader with USDA's National
Institute of Food and Agriculture.

Been with the Agency for a long, long
time, back when it was CSRS, CSRES, now NIFA. So
I've seen the evolution over time. I've seen
some of the changes that have occurred in the
science, particularly in the area of genomics,
genetics, and breeding which is my background.

So really what I wanted to try to
accomplish today was to just give the group a
broad brush stroke of what NIFA is doing in the
area of genomics, genetics, and breeding with
some emphasis more on the breeding component
since that's really what this group is interested
in.

A lot of the work that I'm going to
present, again, is just a brush stroke, but it
represents work that we do collegially with other
national program leaders there at NIFA that
include my colleagues Shing Kwok, Liang-Shiou
Lin, Jeff Steiner, Mat Ngouajio who runs our
organic research and extension initiative, as
well as Tom Bewick which I hope many of you know
runs our specialty crops research initiative.

And if he hasn't spoken to this group,
I think it would be good to have Tom come in and
address the group.

So again, I'm going to give you a
broad brush stroke of what NIFA does. So we
have, within NIFA there are four institutes,
there are the bio energy, climate, and
environment food production and sustainability
which is the one that I'm in.

Each of the institutes has their own
deputy director. Another one is the Youth Family
and Community, and the International Programs
Centers. And there's also Food Safety and
Nutrition which didn't make it up on the slide
because it's covered by some other words up there.

But you know, within NIFA we have about 300 employees. It's led by Sonny Ramaswamy who has been our director for the last three to four years. He's been quite effective, very dynamic speaker. And he's really pushed us, I think, to the next level on where we need to be.

So just briefly, what NIFA's mission and vision is, we consider ourselves USDA's primary extramural agency to advance food and agricultural sciences. So we don't conduct research as I think you know. We fund research, and we consider ourselves to be a science agency.

And our national program leaders and staff, we lead and fund a variety of different initiatives. And over the last I would say five years, we've really heard from our stakeholders that plant breeding is a priority for the exact same reasons that were spoken a little bit earlier, the downsizing of plant breeding programs at land grant universities, the fewer
plant breeders that are coming out of programs
because there aren't programs to train them.

So we have tried to get our programs
aligned with what our stakeholders believe are
important. So we fund initiatives that ensure
the long term viability of agriculture. We
support research, education, and extension
activities.

We partner with institutions across
the US and globally. One of our major partners
of course is the land grant university system.
We also provide support for, work with other
universities, colleges, governments.

One of our main government research
agencies is the agricultural research service
which is a real good coordinating opportunity for
our, to work within their strategic goals. We
work with other governments, private, and non-
profit organizations. We're a $1.5 billion
agency. But our major strength we see is really
connecting partnerships.

Okay, what do we do? NIFA provides
competitive grants. We provide support for basic, from the very fundamental research to applied research in the plant breeding area. We really see our niche as focusing on the translational transfer of information from the basic sciences into application, into the development of cultivars that growers can use, farmers can grow.

And so that's where we see our niche. There are other agencies that do more at the front end work as I call it, the more basic work. DOE, the Department of Energy, National Science Foundation, we work with them as well, jointly.

So we integrate, we fund projects and integrate research education and extension functions. We also provide support for capacity grants. And so those are distributed funds by formula at the land grant universities, schools of veterinary medicine, and other partners to maintain the capacity to conduct research and extension.

Twenty five percent of those funds go
to multi-state research committees, and I'll talk
a little bit more, give you a couple examples of
how we're targeting, or how the capacity funds
are being used to support plant breeding.

And then finally, we also have
programs and non-competitive grants which are
directed by Congress and were designated to
specific institutions.

So we cover many topics. I think
you're familiar with it, we cover advanced
technologies, education, we have an animal
breeding, animal health, animal production which
is really very similar to what we're doing in our
plant sciences programs as well.

We cover work in the environment,
climate, business economics, farming, and
ranching. There are other topics on food
science, natural resources, health, people,
international. We try to work across our
institutes where we see it feasible, able to do
that.

But today I want to focus on that last
one, plants and specifically plant breeding. So we have a number of funding programs that can make awards in plant breeding. I'll go over that.

We feel that our stakeholders are very important. They're the ones that help drive what priorities we have set within our programs. Of course, one of our limits is the limitation in funding that we have.

Many of our competitive programs can only fund in some cases five percent of the awards, others are ten, fifteen percent. I would say on average 15 percent. So you know, we build up a lot of, there's a lot of momentum out there, there's a lot of research capacity to get the work done, but the funding isn't there to support it.

Many of our success stories in plant breeding are typically funded by a combination of funding sources. So we don't say it's just NIFA, of course not. I just said we don't have enough funding to do it all. We work with other
agencies, DOE, NSF, and so forth, but we try to
target our money in areas that can meet our
mission goals.

So here is basically an outline of
what the portfolio, of how the portfolio is
developed. We believe that we're addressing
regional, national, and global needs, and that
primarily it must be in alignment with the 2014
Farm Bill, it must be in alignment with the USDA
RE Action Plan, it must be in alignment with our
internal NIFA strategic plan. And I'll show you
on the next slide what those priorities are.

And then again I said we work closely
with USDA ARS, particularly in the plant breeding
area because of the USDA ARS laboratories that
are working in genetic resources, genomics, and
genetic improvement.

So we believe our investments are
responsive to stakeholder critical needs. We
work hard to ensure that one of the areas that
we're trying to build on is trying to decrease
the time by which a variety is released. And
there are certain ways and methods that can be done.

So we support various innovative breeding methods, we support work on data mining from existing databases, we try to develop bioinformatic tools. We support knowledge in molecular and biological process because it all feeds into the plant breeding process.

But ultimately, our goals are to improve the production efficiency, yield sustainability, resilience, helpfulness, product quality, and value for US agricultural plants.

So this is the basic structure that we build our priorities on. It goes by the Farm Bill, 2014 Farm Bill, priority area and plant health, and production of plant products. It had seven areas that we wanted to try to target.

Again, there's limited funding to get all of this done, but we have I think been very successful in plant genome structure and function. Probably ten years ago we emphasized that component quite a bit, and it continued on.
We have now moved more into probably sub-priority three which is conventional breeding. We're focused more on cultivar and breed development within our competitive programs which we weren't doing prior to this.

We focus on work that targets selection theory, applied quantitative genetics, breeding for improved food quality, and so forth. And then there are some other areas that are targeted. But the main one is conventional breeding for cultivar and breed development.

They have to align under the REE action plan. I think all of you are aware that, so REE is the Research, Education, and Economics action plan. We assure that all of our priorities fall under those sub little categories there.

And then it must align under the strategic plan goal one. So for NIFA. So throughout the year we worked together as a collaborative group to try to identify the priorities within a given program area when it's
developed.

So here is just an example of what we're currently doing in plant breeding. It covers everything from applied plant breeding to phenomics, high throughput phenotyping, development of new technologies. It focuses on developing varieties that improve, that show improved resilience to climate change, drought, extreme weather, so forth.

And then we also do a lot of work with international agencies now. Again, stretching our investments, leveraging what other groups can do. We have on in the international wheat yield partnership which we just initiated this year, and that one focuses on breakthrough enabling technologies such as gene editing and unmanned aerial vehicles development of hybrid wheat.

So we're trying to break through on some of, take advantage of the basic knowledge that's been discovered over the years and incorporated into our applied programs.

I'm not sure if you can see that very
well, but this is an example of an AFRI project
on national serial germplasm genotyping. It's
one of our large, multi-investigator, multi-
institutional grants. It was a $25 million
project, it involved over 50 institutions
including ARS.

May of the land grant universities
that are involved in wheat and barley breeding,
they were able to release over 80 varieties in
germplasm lines from the coordination of this
group. They were able to train over 100 students
through their plant breeding training network.

So we were trying to target these
areas where stakeholders said we need to do a
better job at. And so by what we're finding is
that by providing funding in these, in this kind
of research, I think it's reinvigorating perhaps
administrations at the land grant universities
would say there is a place for plant breeding to
get additional funding from.

And so it's not a lot, but it's a good
start. Again, and this is just a brush stroke.
We have special research grants program in potato breeding research which works with state, federal, industry resources to accelerate the development of superior performing varieties that produce greater benefits to the potato industry.

We support multi state research projects that bring together teams of investigators that include the agriculture experiment stations at land grant universities to solve really complex problems.

So this is, you know, self-initiated within the land grant system of experiment stations. So examples are corn breeding research where they're looking to facilitate multi-location testing of breeding techniques.

Now, these multi state projects do not necessarily fund research, but they help to coordinate the research. And by better coordination of the research, then the researchers can come into our competitive grants programs and other programs at NSF and DOE and so forth.
Over I would say the last five years we're starting to invest a little bit more into database resources for crop genetics, genomics, and breeding. The major players in that area have always been NSF and DOE.

And so we're beginning to see that the land grant system, the researchers would like to see more of our resources perhaps targeted in databases, particularly computational informatics to tease out that information and use it for breeding.

And then of course there's a specialty crops research initiative that addresses critical needs for the specialty crop industry. Tom Bewick is our lead on this, and it was authorized, initially authorized in the 2008 Farm Bill.

There is a specific priority within that competitive program on research and plant breeding, genetics, and genomics to improve crop characteristics, and there's a list of characteristics that have been targeted.
Since 2012, SCRI has funded 31 projects. And I believe it's about 35 million have gone into specifically research and plant breeding, genetics, and genomics. Or of these 31 projects, they contained some component that's related to breeding.

So a good example there is the rosaceae breeding coordinated agricultural project where they're looking at combining disease resistance and horticultural quality and new rosaceous cultivars. So again, it's bringing the community of researchers involved in apple, which are the rosaceae family, apple, blackberry, peach, pear, rose, strawberry, sweet cherry, and tart.

And they're working together and sharing resources, building a database, using the most modern genomic and genetic tools in order to develop new varieties that are disease resistant and market essential for horticultural quality.

It involves over 25 collaborators across North America. It also includes
international researchers in Europe and
Australia. And through that sort of partnership
and funding that has been provided by NIFA and
many others, they're beginning to see a real I
think resurgence in this area of breeding,
particularly for these crops here.

So just a few potential future areas
of research. We see that there are still even
more enabling technologies that are coming out.
I had mentioned genome editing as one of them
where specific defined genetic changes can be
made, and it can be used to breed for nutritive
foods for human health benefits, crops that are
more tolerant to adverse environmental
conditions.

There's a lot of emphasis being shown
in remote sensing, unmanned aerial vehicles to
monitor traits in field plots to better generate
more germplasm testing and accelerate their
breeding schedule and improvement.

And then NIFA initiated a new
initiative called FACIT which is the Food and
Agriculture Cyber Informatics and Tools
initiative to again begin looking at big data,
having its impact within the breeding programs
that we're currently supporting.

So again, that's just a real brief brush stroke of what we're doing. We're focusing on sort of high throughput phenotyping and genotyping technologies. We're supporting training and workforce development of breeders, we are supporting multi state coordination projects as well as special grant projects.

And with that, I think I'll go ahead and stop. I would be happy to take some questions.

MS. KNORR: Does anybody have any questions for Mr. Kaleikau?

MR. MCREYNOLDS: Doctor, thank you very much for the presentation. I was wondering, we sort of in our committee have sort of randomly kind of dug through RFAs and RFA announcements to kind of calculate dollars. Do you have, like, current dollars maybe for the plant health RFAs
to sort of give an illustration of the trend of
dollars that are being spent on breeding programs
through various NIFA tracks?

MR. KALEIKAU: Yes, the funding that
is going into plant breeding and genetics has
been going up over the last three years. There
are reports that we have to provide to Congress
who are asking those exact same questions like
how are we redirecting funds to better support
plant breeding.

So we are doing that. In the AFRI
program, those who can remember, we supported
really big projects, the CAP projects. These are
multi, multi-million dollar. We now understand
that that may, that some of that funding could be
redirected to say smaller grants for single
investigators or smaller groups to work.

So I think we're finding that balance
between having large projects, small projects,
and the very large CAT projects will be fewer in
the coming years. And more of that will be
probably directed to smaller size projects.
MR. MCREYNOLDS: So there are, you know, reports that have been shared with Congress. I mean, I guess, you know, is there information like that with the dollar amounts just that we can sort of see these trend lines, you know, the data itself?

MR. KALEIKAU: Yes.

MR. MCREYNOLDS: Terrific. We would appreciate that if we could be --

(Simultaneous speaking.)

MR. KALEIKAU: So these reports are given to the secretary who then reports out on behalf of the Agency to Congress.

MR. MCREYNOLDS: Okay. So maybe that would be something we can get our hands on.

MS. BETTS: Absolutely. You can send them to me if that's public information. This is Marlene.

MR. KALEIKAU: Okay.

MS. BETTS: And I can share it with, at least with the working group, and then they can determine how to go forward from there.
MR. KALEIKAU: Yes, I'll check with our folks first and then --

MS. BETTS: Right, exactly. Okay, thank you.

MR. KALEIKAU: -- we'll do that.

MR. YANDA: Doctor, this group has spent time the last couple of years, a lot of time discussing the citrus problem in Florida. Wonder if you could give us a very brief overview of where you see that today. Do you see any other threats on the horizon anywhere near the scope of that?

MR. KALEIKAU: That is definitely on the radar screen. There's been a lot of investment in that area. Tom Bewick has been leading that for us. And actually, he would be the best person to address where that's at right now.

MS. KNORR: Other questions or comments? Okay, thank you very much.

MR. KALEIKAU: All right, thank you.

MS. KNORR: Okay, next we're going to
be joined by Arthur Neal and his team at AMS. And they're going to take a slightly different format than normal, they're going to join us here at the table and just share what's -- unless you want to --

(Off microphone comments.)

MS. KNORR: Okay, fantastic.

MR. NEAL: Well, good afternoon, everybody.

MS. KNORR: But we need a mic.

MR. NEAL: Oh, they can't hear?

MS. KNORR: Yes, we need the mic for the -- does this mic work?

MR. NEAL: We'll sing a duet or a quartet, whatever. Yes, yes. Can you hear us okay on the mic?

(Off microphone comments.)

MR. NEAL: But I only sing for money now. So we want to say thank you for the invitation to be before you today. We are the four musketeers. And but seriously though, we come to you because we've heard that there was a
conversation you guys would like to have about infrastructure and ways that USDA can support infrastructure development.

So I'm Arthur, Arthur Neal, the Deputy Administrator for the Transportation Marketing Program which is in the Agriculture Marketing Service. I've got Ken Keck here with me who's my Director for Marketing Services in our program. Closer to the mic. And we've got Andy Jermolowicz here from Rural Development. And we've got Ron Batcher here who's our architect in our Marketing Services Division.

So we felt that it was best for us to address you collectively than individual agencies because that's how we're kind of working nowadays. We're working more collectively and collaboratively versus individually.

We recognize that there are a lot of issues that arise across the country, and we can better address those issues together than apart. So what I guess we would like to go is first kind of hear from you, for those who kind of wanted to
hear from us, what were some of the challenges that you would like for us to address.

As we share with you what we have available, we can kind of tailor our responses to make sure that it meets your need. We want this conversation to be active, not us talking to you. We want to have an active dialogue.

We know that you've talked to our grants division I think earlier, and they shared with you about our specialty crop block grant and farmer's market and local food promotion program, and those programs don't necessarily meet your need.

But we've got some other services that we provide that can be supportive, and Rural Development does as well, that's why Andy's here. So without further ado, we would just like to hear from you some of the thoughts that you have about infrastructure challenges.

MR. JANIS: Well, I think I'll lead off. I'm Michael Janis, I'm with the San Francisco Wholesale Produce Market. And Arthur
and your team, we really appreciate you being here. Let me just see if I can move this a little bit.

And in the working group, while the discussion focused mostly on wholesale market infrastructure, I think it expanded really into infrastructure within the fruits and vegetable industry from farming level through distribution, all the way through the markets, be it wholesale markets, be it retail markets, be it food hubs.

And I will speak from, again a way of teeing it up, from a wholesale market standpoint. As many of you know, many of the wholesale markets were of this era were built in the late '50s, early '60s where a lot of land uses changed, where markets moved from urban areas to outside those deep urban areas.

And many of the markets in the country like ours in San Francisco are very, still very, very viable. Businesses are continuing to grow. Probably our biggest challenge is we don't have enough space, yet we have aging infrastructure.
And that infrastructure is aging, and there's demand for the space. So many of us in the country are very engaged in rebuilding our markets or expanding our markets, and we seem to be all sort of reinventing the wheel.

We're all doing this independently, many of these projects are significant dollars. Ours for example is about $150 million project. As we all know, Hunts Point is that times how many points over.

And so we find ourselves all sort of independently within either our cities or our regions working very, very independently, sort of learning to be developers, learning about food infrastructure. And the question we keep raising is is there a way that perhaps through USDA there are some resources that can help us through these journeys together through best practices, learning, thinking about the markets more as a national food resource.

So with that then, I think on the committee level, spreading the conversation
beyond the wholesale markets to that broader fruit and vegetable distribution chain.

MR. NEAL: Thank you for that. Andy, you want to start off?

MR. JERMOLOWICZ: I'll let you.

MR. NEAL: Okay.

MR. JERMOLOWICZ: Okay, no. I'm from rural development, and we work very closely with Arthur and his team, and Tricia over there for trying to collaborate more. We're basically a program delivery agency. We are 47 state offices, 400 area offices.

So one of our strengths in terms of delivery is the connection of people. We have staff in national office who look at more policy type issues, and maybe some national programs. But our strength is in your communities.

So we have that our limitation was going to be here as on some of the terminal markets, some of the urban markets, that we're being by law, by statute we don't work in. We work in rural communities.
So I think by definition our largest community is cities and towns of 50,000 or less which, you know, may seem small but we've had, I think we've always done a lot of fruit and vegetable work, but we probably didn't really start tracking it until the 2008 Farm Bill where it became, the USDA got a challenge to support local and regional food systems.

And so we actually had that as a set aside in some of our programs. So that's when we started taking, doing some accounting. And I think, Tricia, correct me if I'm wrong.

I think RD's number for this past fiscal year was over 350 projects, but the more important piece of well over $150 million of investment into, may not be all exclusively fruit and vegetable infrastructure or businesses, but a sizable chunk of our program dollars have been going into communities to support the fruit and vegetable food infrastructure, value chain development.

We've worked closely with Arthur's
group on developing our background information on food hubs. We put out that series where we're trying to do more of an education piece, a resource piece for people across the country.

One of our more innovative things was last year we again collaborated with the value chain coordinators. So we've got a few dollars that we identified some regions across the country where we have an individual on the ground kind of working with that local regional team to, you know, it's all food system based.

Okay, and again, different areas are going to have different needs. Some of them have more, are far ahead of the curve, some are developing. So really what I'm here is to tell you we have a portfolio I think the rural development overall portfolio is $220 billion, we would be the equivalent of a mid-sized bank.

We have an array of probably between 30 and 40 different programs basically probably starting from our community facilities program which can support, that would be with the
municipality or a local government to support essential community infrastructure which again is, use your imagination.

But where it's relevant here is we've done things with a lot of farmers markets, so we can actually do some of the infrastructure. We can actually do the bricks-and-mortar for and provide the financing for a farmers market.

The programs that are probably more relevant are on our business program side. We start with our business and industry guaranteed loan which is essentially we work with a bank and a project, but USDA can come in there and guarantee that loan and that can be, you know, pretty much for any for profit type business.

And we've done there, again we've done food hubs, we've done aggregation centers, we've done processing centers, we've done grocery stores. So again, we have a wide range of projects that we can support.

We have a program that we very near and dear to our hearts. It's called Value Added
Producer Grant. It actually works with the agricultural producers or co-ops or producer groups that assist people from taking, just from being just supplying, like, being a commodity supplier to taking whether it is turning tomatoes into ketchup, apples into juice, whatever it is, we can provide the planning and working capital to take that in.

There is a portion of that program, it's referred to as mid-tier value chains where we try to support the value chain that we're looking to support that center with or taking on a group of wheat producers who are aggregating and maybe doing some processing, you know, milling the flour, maybe making pizza dough or something and then selling into a much more lucrative retail market.

So there's a lot of little pieces there that we do. We've got, we don't have one program that will probably address many of your needs. We've got a lot of programs. And the challenge, that's what I'm here for too, is to
help you maybe navigate our array, our portfolio
of programs to see where you can plug in for some
financing.

MR. NEAL: Thanks, Andy. So one of
the, for a wholesale market -- oh, Tricia?

MS. KOVACS: I just wanted to
highlight one thing, Andy, about the B&I loan
guarantees. You talked about the programs in
rural development are almost all for rural
communities.

But there is sort of an exception in
the B&I loan guarantee where some of the money,
you can get some of those loan guarantees if
you're working in underserved communities and if
you have a farm benefit or community economic
development benefit. So there are some that can
do urban projects if they meet those criteria.

MR. JERMOLOWICZ: Yes, and I was just
trying not to hog all of Arthur's time. I can
just go on forever. But there is a, that came in
in the 2008 Farm Bill, but there's an exception.
Well, I shouldn't say exception. There's an
opportunity to use the business and industry
guarantee loan program in an urban area if it is
supporting a local and regional food system.

It's usually addressing a food
insecurity issue. It gets a little complicated,
this is something we can, we would be happy to
follow up on. We can do a webinar, we can do
whatever you want to, if there's interest in that
to bring them on.

I should also mention, since you
brought it up, Tricia, the Value Added Producer
Grant program is not subject to the rule of
definition and is subject to the are you a
producer.

So if you are doing hydroponic in the
City of Chicago, or you're doing something there
where you are meeting USDA's definition of
producer, you are eligible for that program. And
since they gave me a little bit of extra time
here, we are also in rule business.

We deliver USDA's renewal energy
programs. And so that can run the gamut where on
the one end we're doing advanced bio fuel,
renewal chemical things. These are major, non-
corn based ethanol type next generation non-
petroleum based fuels, that's one aspect of it.

But we also have a Renewable Energy
for America program we refer to as REAP, or
Section 9007. This is for energy efficiency,
energy improvements. It can be used to do some
energy generations so we've used it to put on
solar arrays in places, sometimes anaerobic
digester.

But the big use of it is, again, it's
for ag producers and rural, small businesses.
But the examples for the fruit and vegetable or
the food system industry are endless. We've seen
solar panels put on greenhouses, they can use it
to, if you've got a facility, you need to upgrade
your heating HVAC system, you're looking to do on
a greenhouse, you're looking to upgrade the fans,
more efficient fans.

Again, eligible purpose. I had a good
one, I dropped it. But just there's just a
number of -- oh, you're doing, you have it there, instead of fluorescent or incandescent lighting, you know, replace all your stuff with LED lighting.

From a production side, if they're looking to more efficient irrigation equipment, all these things are eligible. And again, it's for ag producers and real small businesses. But again, the ag producer, if you're in an urban area, you can meet that definition and you would be eligible for REAP.

MR. NEAL: Thanks, Tricia. I was about to bring him back up to clarify that too. So on our side of the house, ag marketing, as we stated earlier, we've already talked to some of our grants folks and we don't have a lot.

None of our grants can be used at AMS for building. For our farmers market and local food promotion program, we can support the purchasing of equipment, but a lot of those projects are focused on moving locally sourced product into local markets.
However we've got in our marketing services division a plethora of activities and support programs that we offer, and I'm going to bring Ken up to share those with you.

MR. KECK: So our friend in San Francisco, you mentioned capacities and perhaps redundancies that might be out there. So I just wanted to mention a project that we worked on in the last couple of years looking at some of these potential redundancies as the -- has anyone worked closely with the Philadelphia Wholesale Produce Market?

Okay, so essentially with kind of the food hub craze and the food hub building craze kind of going on in the last ten years or so, we wanted to take a look at whether existing wholesale and terminal markets were handling locally identified product already, and could capacity within existing markets serve the purpose of the aggregation purpose and the wholesale purpose that food hubs might otherwise serve.
So in conjunction with market news, we
got up to the Philadelphia Wholesale Market and a
partner there on site to try to identify today
what essentially is moving through that market,
whether they are necessarily valuing the local
designation or not.

Any guesses on a percentage of a total
year's volume that moves through that market?
Just defined as essentially the five surrounding
states. So I'll go ahead and -- what was that?

(Off microphone comments.)

MR. KECK: So it was at 11 percent.
The management of that market of several years
ago wanted to present itself as the source for
local, for restaurants, for grocery, et cetera.

But our study found that there was an
extreme disconnect between the producers that
were supplying the market thinking they weren't
going to get premium pricing, or their local
designation wasn't going to be valued, and then
over on the market side, the wholesale folks
thinking that the farmers weren't going to supply
their best stuff to the market.

So we presented this study to the Philadelphia Wholesale Market Management, and we're ready, willing, and able to take a look at these kinds of questions in the infrastructure and capacity world.

Now as Arthur said, we don't have a lot of money to throw at if you've got crumbling sidewalks and buildings and roofs and so forth, but we can certainly help study some of these capacity issues.

Speaking of buildings and sidewalks and so forth, so Ron Batcher I know, our San Francisco got to know maybe a little bit out at the NAPM meeting.

So we hope to re-engage our architectural services with the terminal and wholesale market community because he's been, or this function has been concentrating on more the local and regional, but certainly ready, willing, and able to get back into as was historically the case into the terminal and wholesale markets.
But Ron, I don't know if you have any thoughts from that meeting. Was it a wild bunch out there?

MR. BATCHER: It was good.

MR. KECK: Okay, what happens in San Francisco stays in San Francisco. But thank you very much for the opportunity.

MR. NEAL: So one of the things that we also do, we try to look at innovations that are current. In the past, I guess our program used to be called Wholesale and Alternative Market Development.

And so there was a rich relationship between AMS and the wholesale marketing community for a number of years where we used to go in and do feasibility assessments, do site assessments and things of that nature.

All of that is still possible. So we may not be able to play the full financing role in helping markets expand, but we can certainly play a role to help alleviate some of the costs.

The other part of it is that we love
to engage in problem solving. We love coming
together with our stakeholders to think through
how can we help you solve this problem. So the
reality is that there are other types of groups
financing projects across the country, not all
federal. Some of them philanthropic.

However, there are always caveats to
things, there are goals that they're trying to
fulfill. How does your operation meet those
goals. How do you fit. It may not be the whole
operation, it may be a component of your
operation.

Thinking through strategies to access
different pots of money, you know, we love to do
that. That's why RD is here as well, because
they have different components. So local is a
part of the Farm Bill, Farm Bill, the 2014 Farm
Bill. That's what some of our programs fund.

The reality, the issue that we're
looking at with Philadelphia Wholesale Market, we
were trying to figure out how do you take
advantage of the local label because we know that
you're moving some product.

I know San Francisco is moving product. I'm not sure who else here is moving local product. But there are programs to support your efforts to move that locally sourced product into local markets that can help you gain access to some infrastructure compliments such as refrigeration, such as lighting and things like that such as IT systems that help you track your product and develop your business procedures more effectively.

We would love to sit down and talk about how we can help you think through those challenges. There's another thing that we love to do because we don't fully understand all of the challenges that you have, we would love to talk to you on a more regular basis.

When you have these types of issues that pop up, just sharing them so that we can be aware of them and engage other people across USDA and other federal agencies. One of the things we're going to be doing pretty soon is engaging
the Small Business Administration so that we can promote their programs to our stakeholders because people may not be aware of them.

So if we become more learned in what they have to offer, we can share them with you as well. So when we talk to them, we'll be thinking about that wholesale market need to expand their infrastructure because their resources can be brought to bear to support that effort.

MS. KNORR: Okay, does anybody have any further questions or comments?

MS. HERRON: This is Johanna. I know that Farm to School a year ago I want to say created this great funding resource that kind of walked you through if you were a state agency. Do you have it with you?

Anyway, I'm just wondering because I know that not all of the grant programs you referenced were in that resource. But is there any sort of one stop shop where you could be like I'm a farmer, these are the ones that apply to me, that kind of thing?
MS. KOVACS: So in your packet you have this one which is a cross agency, all the programs they talked about and more from those two agencies are also listed on here.

This one is USDA programs in the local food supply chain, specifically. And it's organized by where in that supply chain you are. So from land conservation to production to processing, aggregation, distribution, and markets. And then there's a section for research education and technical assistance for producers down at the bottom.

It's color coded by which agency those different programs live in. And we will email it out afterwards. Yes, we can email it out afterwards and it's clickable, so you can get directly to the program pages to learn more about those.

The one you referenced about FNS is organized by who you are and whether you can get those grants for Farm to School. We can send that one out too. It's a little, it's helpful to
look at if you're a non-profit, you qualify for
these, you're eligible to apply.

And we have talked about in my little
working group with local and regional food
systems, doing a hybrid which is essentially all
the USDA local food programs organized not by
where in the supply chain but by what kind of
entity you are. So stay tuned, we will be
working on something like that.

(Off microphone comments.)

MS. KOVACS: Yes, so also this website
at the bottom here is AMS.USDA.gov/localfood. On
that site we also have the local food compass map
which is basically a map of the United States
where we have put several different things.

One is food systems assets. So their
meet processors, farm to school sites, farmers
markets and food hubs, things that come out of
the voluntary local food directories that the AMS
team there works on.

So that's there, and you can kind of
see what's happening in your area. And also it
lists projects and programs that are funded through USDA programs, many of which are here, the grant program specifically, and some that are even with other agencies that are relevant to local and regional food systems.

So you can do that by state, you can also look at tribal zones, you can look at congressional districts, you can sort of mix and match it in different ways.

I use it frequently if someone calls me looking for local resources to see what's happening, who's active there, what funding they have, and what kinds of projects they're working on. So that is also, you find that through the same website. Thanks.

MR. MCREYNOLDS: Thanks again very much for this presentation and for this great handout. And I did note several of the programs that you mentioned that are listed on here, particularly, you know, business industry, guaranteed loans, community facilities grants, cooperative development grants, business
development grants, value added producer grants, which it's my understanding from taking a look at other people's analyses are things that are getting zeroed out in the proposed budget, the President's skinny budget.

And so I was hoping that you could, you know, obviously the actual budget is going to be coming out soon. But that seems to be sort of potentially ripping some pretty big holes in this support effort.

MR. NEAL: That is proposed in the President's budget. Budget hearings will start, we'll all find out what's going to happen in due season. Until then, we're going to continue to operate as we have been.

You know, we've got missions to meet, programs to deliver. And that's what we're primarily focused on. So until we hear clearly what's going to happen, we're operating from the standpoint that these programs are still in play.

MR. JERMOLOWICZ: And I, you know, again speaking from a profit agency that I'm not
sure I'll have a job next year, right now we were very happy with what Congress returned for us for the 2017 full year CR, all the programs that you referenced, all the programs that have been proposed at zero were fully funded.

We took no CHIMP or recision on any of it. So you know, whether I've got a -- you smack me if I'm standing out of the parameters of what I can say. But no, we were pleased with what, and we kind of took it as maybe a little signal from the Hill that, you know, we got your back.

MS. KNORR: Anyone else with questions or comments? Thank you very much, gentlemen.

MS. KOVACS: I just wanted, while we have a second here in between things, I chatted with Ed briefly. Another resource on plant breeding research that I just wanted to mention is the Foundation for Food and Agriculture Research which was also in the Farm Bill.

It partners with USDA and with industry on research that is relevant to industry needs. Those projects are funded half by an
industry partner, or a partner of any kind, and half by FFAR. So that's worth looking at. I don't know a lot, but I do know that they do some research in produce.

MS. KNORR: Thank you. So Roland, I don't know if you all have any draft recommendations at this point to share or what the status is.

MR. MCREYNOLDS: Yes, we had not formed particular recommendations, you know, really been more in a fact finding mode. I mean, I do think this issue of the upcoming budget and the importance of the Secretary, you know, the importance of explaining to the Secretary the importance of these programs to our industry might be something that we want to consider given that, I mean, it was certainly good news that the Congressional budget maintained a level and even increased funding for some of these programs in the current year budget.

But you know, the, again that's, this is halfway through it. I mean, they've already
spent the money anyway, right, to some extent.
So for next year, it does seem like this could be
a significant issue and concern.

So I would, you know, suggest that if
it would be the group's pleasure, perhaps our
working group could work on something brief that
we could bring for consideration tomorrow if that
might be something that we would want to --
because obviously the time is now to get a
recommendation out on negotiations for next
year's budget, and particularly since we don't
know if we're going to meet again. So that would
be one reason perhaps for us to have a
recommendation in this area.

MS. HERRON: One thing often that gets
considered is your level of success at dispensing
your funds. I'm not familiar with -- yes, could
you speak to that?

(Off microphone comments.)

MS. HERRON: Yes, because I know, yes,
do you get rid of all of the funds you have
available, or is there some leftover?
MR. JERMOLOWICZ: We, on an annual basis, get rid of everything. The majority of the programs that I spoke about we refer to as being oversubscribed where that, you know, demand greatly exceeds the supply of dollars. So we are getting every dollar out the door.

MR. NEAL: And that's the same for marketing services programs. For the farmers market and local food promotion program we had $26 million last year. We had a request for $200 million. So we got all of it out the door.

MR. JERMOLOWICZ: Yes, and to give you an example, because I always mention with our business and industry guaranteed loan program, our funding authority on that is probably up to a billion dollars. Just a couple clicks below that we will obligate that full amount this year.

We're already well on our way. And if it's a grant program, you know, yes, those dollars are gone.

MS. HERRON: Thank you.

(Off microphone comments.)
MR. VAZQUEZ: A couple of questions.

When you guys have multiple obligations, you said that the demand exceeds the supply. So how do you guys determine which project is going to get funded, you know, versus the other? And also, how difficult is the application process? I mean, to apply for this grant?

MR. JERMOLOWICZ: For grants I'm sure it's the same with Arthur. I mean, we'll put out a public notice. And in outlining there's a regulation for the program. The notice, the public notice will tell you what needs to go into that application.

It will actually outline for you what the scoring will be, it will give you, you know, that's one thing I think we do fairly well. It's pretty clear that, you know, 20 points for this, 10 points for this. It will give you what it is.

So on a lot of them that for RD we have some programs that are national, so all those applications come in. They're basically scored, ranked, and you just start chopping down
that list until you run out of money.

Some of our programs in rural
development, I mentioned our 47 state offices.
Some of those are allocated where we will take,
you know, Congress will give us a pot of money
that we in turn then take portions of that and
divide it up between all the state offices.

So then there is a competition
essentially at the state office. So they, you
know, again, that's one of the things with rural
development, if you're in a particular state, is
get to know that state office, get to know that
state director.

Let him or her know that you've got a
project or whatever. It can help because in some
cases the, you know, the administrator or state
director could have some, can add some additional
points.

In terms of complexity, you know, I
stand before you and tell you yes, in certain
cases they can be tough. We've tried to work
with Arthur on some of the cases there. It's not
just USDA or rural development. You know, we're
prescribed certain things that you've got to
register with the systems award management, you
have to have a DUNS number, you've got to go
through a lot of hoops to go through.

We try to provide information. We
have some programs that people would say are
relatively easy. One that I am particular very
sensitive to is our Value Added Producer Grant is
frequently, it's overly complicated.

We've worked to try to provide anybody
who's interested a template, a kind of just like
a hand-hold, walk you through, we view it as a
living document. We update that thing every year
trying to take in account where you, someone like
you tells me it's like, you know, Andy, this is a
pain in the butt. This is impossible to figure
out.

So we continue to try. I mean, we
need to hear that feedback from you. I don't
mind. I get beat up on a daily basis about how
complicated the programs are and all the hoops
you have to jump through.

But your voice there is going to get
my undersecretary or the secretary's office to
put a thumb on me and say make that program more
accessible.

MR. NEAL: And so from my perspective
at AMS, we try to make the process as easy to
understand as possible. The documents are fairly
lengthy. And that's because we have to follow
federal regulations, the Office of Management and
Budget.

And the systems that Andy mentioned
earlier that you have to register, we find that a
lot of applicants will say our processes are too
involved because they wait until the day before
the application is due to apply.

That's -- last year we had a very high
rejection rate because they did not get through
the system, because they tried to apply for those
required credentials the day before the
application closed.

So then it became a very complicated
process for them. Because they didn't get in.

But if you start early enough, we
gave, I think, we gave 75 days or something for
people to apply this year. If you start early
enough, I think it's fairly simple.

The primary thing is making sure that
folks connect the project with the mission of the
program. And clearly, because our programs,
we're trying to have an impact on farmers and
ranchers through marketing.

So how does the project enhance the
local marketing opportunities for farmers and
ranchers. So establishing that clear line back
to the farmers and ranchers and establishing the
need.

Making sure the reviewers -- because
we work with over a hundred reviewers across the
country, excuse me, to review these, as external
reviewers, to make sure that they can see that
there's an established need for this project.
And help them believe that this is important for
the farmers and ranchers. That's what's key.
It can't be about the individual business. It's got to be making sure that we're creating economic opportunities for farmers and ranchers through marketing projects. And sometimes through educational and technical assistance projects.

MR. JERMOLOWICZ: And I just have to echo that. You know, when the notice comes out, it pretty much gives you the guide of how to develop that application.

You know, it's don't read too much into it. I mean, we've -- we're the government. And we've got to go through multiple lawyers and everything.

It has to be clear. If it says do this, do that. Don't try to interpret things. People, I think I've found where people have took the more keep it simple, have had the strongest applications.

We get some in there, they're sending us, you know, a hundred and some pages, maps this. And it's like, you know, it's irrelevant.
You know, you spent a lot of time, you know, just as Arthur mentioned, if it asks you how many producers are you going to help, or can you demonstrate the value here, just put that down and, you know, just -- my recommendation to a lot of people is always just -- just try to keep it simple.

And for rule development programs, really we do encourage people to make contact with that State office. There is program specialists there that they can walk you through some of these things.

A lot of times if they're, you know, not overly stretched, you can shoot by, draft applications. You know, and ask them, it's like, you know, hey do I have all my ducks in a row? They can give you, you know, it's like hey, no. I would do something there.

So we can do some feedback. We're always available again, if resource is existing. If there are some groups, you know, we will do some training on particular programs on how to
apply.

MR. BATCHER: So, aside from the
grants programs, I just wanted to mention that
the Architectural Technical Assistance Program is
not in relation to our grant's program. So that
technical assistance, you can contact our
division and we can supply that without any grant
application.

So you can just contact us directly.
We will assist with local markets, food hubs,
farmers' markets, and of course historically we
dealt a lot with wholesale markets. And we'd
like to reestablish that connection.

MR. HANAS: Rick Hanas with Duda. Let
me ask a question. You all have enlightened me
quite a bit here. And I appreciate it.

Is -- when you talk about filing these
applications, is there a deadline specific for
each one of these applications? And is that
printed somewhere?

Is that on the USDA site? Or where is
that located?
MR. JERMOLOWICZ: It's probably the --
we are driven or to utilize -- you're going to
hate -- I hate -- I can't even believe I'm going
to encourage you to do this.

(Laughter.)

MR. JERMOLOWICZ: But go to
grants.gov. It is the system that all federal
funding that needs to be announced. And the
portal for electronic applications, you can sign
up there for -- on specific programs.

It will give you all that information
on when the program -- or you can get a notice
when the program opens. Get those due dates.

Do we have -- it's actually not a bad
thought. We don't have that in rule development.

We'll probably have a web page for
each one of those programs that will either
probably tell you if the program is currently
open. Here's the amount of money that's
available. Here is the application due dates.
Here is our kind of expected time when we'll make
awards.
So that information is out there. I won't say that it's always the easiest to find. But, that's something we can work with this group. We can, you know, share resources with you.

But, on the question, a lot of those programs, well yes, there will be multiple -- they don't all come due at the same time. Or we actually tried to spread those out so we can kind of try to have a work flow.

If we had the due date all the same for each program, we would just get overwhelmed with having to try to process everything at one time. So we try to parse them out throughout the year.

MR. HANAS: Thank you.

MS. KOVACS: Yes. That's a really good question. And as someone who works across agencies, I get that question periodically.

You do have to basically go to each project site. Because even the same grant program doesn't come out at the same time every
year necessarily.

There tend to be seasons. But for various reasons, a lot of factors go into when -- what the timing is for each one.

I have been asked if I could make a schedule for when they all come out. But it would be a whole job to kind of keep track of them all in one calendar and make sure that it's right.

Because what we don't want to do is put together an annual calendar and have it mislead people and have them miss deadlines. So the closest we could come so far is this document where you can click on the one you're interested in and learn.

And people do make their own calendars for the ones they know they're interested in. But keeping one across all agencies at USDA has so far proven too time consuming for what we have to offer for that.

MR. JERMOLOWICZ: Regrettably, I think there's people who have a profession that that's
their job. Is to follow the Federal Register
and, you know, track when these announcements
come out. And you know, with due dates and all
that kind of stuff.

So, as a taxpayer as well, I apologize
to you.

MR. SUTTON: Dan Sutton. I just want
to circle back around to affirm kind of Roland's
thought.

But, I think it would be good if we
could develop some type of statement to encourage
these programs stay funded moving forward.
However, we can do that in our capacity.

But, I don't know, if we could work
some language up tonight, and maybe all review
that tomorrow. But I think it's important.

Without infrastructure we don't move
any of our products, so.

MR. VAZQUEZ: Could you guys repeat
the dollar value of the programs in general?

MR. JERMOLOWICZ: Okay. For us I'll
say our business and industry guarantee loan
program, typically, you know, we've done well.

We've made good investments.

So that program's typically annually at about a billion dollars. Our Value Added Producer Grant Program, we're probably in the 25 million dollar a year. That's a grant program, 25 million dollar a year appropriation.

Renewable energy is -- again, that's both a grant and a loan program. So, they're in the hundred plus million dollar area.

I can follow up with the lead here and give you some of our program levels. You know, at least what we have, you know, for this year. And kind of it would give you a good example historically of where we are.

MR. NEAL: And for the Specialty Crop Block Grant Program, it's authorized that 72.5 million through '17. And then from 2018, it's been authorized for 85 million in perpetuity.

Then for the Farmers Market and Local Food Promotion Program, it's authorized at 30 million until 2018. So that's just an idea.
MS. KNORR: Anyone else with questions or comments?

(No audible response.)

MS. KNORR: I'd like to make mention of just a couple of things with regards to the grant programs. It does seem to me, with regard to the Federal Register and how they're announced and that kind of thing, for many organizations that I've worked with in the past, if you don't have your partners and your project idea already together to a certain extent when that announcement comes out, you really can't apply. The time frame just doesn't allow.

And I understand that you're on a time frame. But, for anybody who's considering doing those, you really have to have your act together before the grants are even announced. So that you have a good chance.

One of the other things that I hear from smaller nonprofits across our State in Ohio is that, you know, if you're -- you're a small organization, the chance of you getting funding
versus the chance of our land grant university
getting funding is, you know, there's just -- you
don't have a fighting chance.

The universities have professional
grant writers who are spending all of their time
doing this. Is there anything that you all do to
help mitigate to make sure that some of those
funds are disbursed to the smaller organizations
who really are active in the communities and
doing really solid work but don't maybe have
quite the ability to have such a polished
application?

MR. McREYNOLDS: And don't charge 40
percent overhead.

MR. NEAL: Right. No, no. That's a
Catch 22. So, for pretty much the existence of
the Farmers Market Promotion Program and then
even when it came to the local food promotion
component in 2014, we were awarding approximately
320 projects a year to ensure that regional and
national diversity.

That's almost impossible to manage.
Not only that, not everybody can handle the funds. Because they are small.

And so you spend, you know, with a staff of four people you may spend the entire time chasing down money. Because they could never handle it in the first place.

So, we tried that model. And it didn't work for us. So we had to change our model to increase our award amounts.

So we went from one hundred thousand dollars being the max for our Farmers Market and Local Food to five hundred thousand being our max. Because we need impacts. Because if we can't have impacts, we don't keep a program.

So, I understand the need to get the money out to, you know, the people out on the ground. But if the people out on the ground don't give us return on investment, we lose our program.

And so we, I guess in 2014 we also did national trainings to help folks on the ground understand how to apply for the programs. We did
over 126 physical workshops in every State and
some of the territories across the country.

    Just so they knew how to access our
programs. Because our objective is to make sure
it gets on the ground.

    So what we did, we bifurcated our
program. We now have grant projects that are
called capacity built. To still fund the smaller
groups.

    But those smaller groups have got to
have their partnerships in place. They've got to
show that the community is behind the project.
That the local government is behind the project.
Because we want success.

    We just don't want to say hey, we've
got your hundred thousand dollars or 250 thousand
dollars here. That's not what we're looking for.
We're looking for a return on ROI.

    And so we've -- we're in the process
of analyzing the impact of our Farmers Market and
Local Food Promotion Program for 2014. And thus
far, we're showing that for every dollar that
we're putting in, we're getting about a 60 cent return for every dollar.

Which is pretty good. And for the Local Food Promotion alone, just this far, we've still got some more projects, we're looking at 2.40. So that's pretty significant.

And so that's what we're looking for across the country from investments that are being made.

MS. KNORR: Well, and I think those trainings that you've offered are very high quality and very helpful. And I do appreciate the fact that working with some smaller organizations, sometimes that return is not there.

I think my final comment would be to make sure to encourage the universities to partner with some of those smaller scale organizations. Because sometimes universities, while we value the work that they do, sometimes they're not necessarily engaged in the communities that really have the best idea or the
best opportunities for those growers.

So, really encouraging them to forge

their own partnerships with community

organizations, I think is a very important.

Especially in those two programs that you just

mentioned.

MR. NEAL: And just a comment, those

-- some universities get Farmers Market and Local

Food Promotion grants. The majority of them do

not.

The majority of our awards go to the

organizations on the ground, to nonprofits, to

businesses that are working with farmers and to

local governments.

MR. JERMOLOWICZ: And it would be very

similar for rural development. And again, you

know, we've got a -- just a slightly bigger

portfolio of programs.

And so again, it's becoming, you know,

where certain of our programs are probably

directed to some of the smaller organizations.

Whereas other ones maybe, you know, require that
a university or a larger, you know, applicant is going to get there.

Again, it's looking at the notices there. Sometimes it's either through Congress, or it could be the Administration will emphasize some type of priority in a particular program that an applicant that meets certain criteria, or a project that's serving a particular audience will get a priority score for that applicant.

Look for those things. I can't speak on AMS, but I can tell you in our D Programs, that when there are program notices come out where they are indicating that there is a priority, you need to try to get that priority. Because it has a, you know, a significant impact on the score and your probability of being funded.

MS. BALCH: I just wanted to add one comment about the grants. I have found that it's a lot easier to apply under the AMS Grant Programs, the Farmers Market Promotion Program and the Local Food Promotion Program, compared to
some of the NIFA grants like the Community Food
Projects, competitive grants is okay.

But the Food and Security Nutrition
Incentive one is really a pain. So, I just
wanted to say. There's a lot of difference
between the different programs.

MS. KOVACS: And I was going to say in
relation to that that I think several, but not
all, grant programs across USDA have gone towards
having a contract or some trainings around the
country. Webinars, I know the Farm to School
Grants that you heard about earlier, they do a
number of webinars before.

So, if you're watching for the RFAs to
come out, there usually some kind of an education
process that goes with that for each one of them.
And it's true, some of them are more complicated.

And as Andy said, sometimes that's
because that's the way the program is designed by
-- that's the guidelines and authorizations we're
given at the different agencies.

And sometimes it's just because
they're trying to do something very specific. Or
be able to capture the outcomes. And they can
make it pretty complicated. We know that.

MS. KNORR: Great. Thank you so much, gentlemen. We appreciate it.

(Applause.)

MS. KNORR: So we are still running
ahead of schedule. Our next working group is the Market News Working Group.

Tom, do you want to share a little bit about what's been happening in that group? And set the stage for our speaker here.

MR. WILLIAMS: This is Tom Williams from Coborn's. We really as a group, there's three of us on our committee. So, we're always looking for additional committee members.

(Laughter.)

MR. WILLIAMS: And it's a very short term committee. Because really what our intent was, is to be able as a group, to put forth a statement in asking for continued appropriation for the market news.
Because my understanding from the last presentation that we did have, is this is funded through an appropriation. It is not funded through user fees.

And so in order for this to continue, which I believe -- and Terry will be able to speak to this much better then I will be able to, it will -- is the funding through October of this year or next year?

(Off microphone comment.)

MR. WILLIAMS: September 30. So it's September 30 of this year. So, a statement, a timely statement I believe is worthwhile. Because we had new members on here, I wanted Terry to be able to have a presentation for those that had missed it. Or to refresh the memory for those that are here.

There was a webinar that they did have, that the Market News Group did have, for different stakeholders that I did participate on. And it was very, very informative.

And I had asked that Terry come here
and do something similar to give us some more
information about Market News and the importance
of it to us, to our industry. And we are not
prepared at this moment to give a recommendation.
But my hopes are is by tomorrow that we would be
able to.

    MR. LONG: All right. Thank you, Tom.
I told my colleague I was coming here and I'm the
last person on the agenda. And they said, oh
boy, I hope you've got some funny stories.

    Four o'clock, there are no stories
that funny.

    (Laughter.)
    MR. LONG: But I do have one I will
tell you. My mother was 89 the other day. And I
went down this weekend to visit.

    And she says, well, how are things at
work? And I said, well, you know, there was this
application process. And we wanted to apply, but
we didn't get it in on time. But it wasn't our
fault.

    And my mother goes, of course it
wasn't your fault. Okay. Right? Okay. So, my
mother knows it's not my fault.

Anyway, again this is basically the
same presentation we did before. But I did want
to go through it quickly, because again, there
are new people.

And basically, the Market News is the
eyes and ears of American Agriculture. For this
particular group, the eyes and ears of the
produce industry.

Again, our mission is very simple,
apply timely, accurate and unbiased information.
And again, our motto, get it. Get it right, get
it out.

That information, not getting it to
people when they need it, in the form they need
it, is as hurtful as not having any information
at all or even worse.

The main levels of the markets we
cover, we're covering shipping point or FOB,
terminal or wholesale markets, retail. Again,
these are only weekly advertised specials we're
talking, but the retail section.

And farmers' markets and farmers' auction on a limited basis. Other products you may not be aware of, apple juice concentrate, in fact the industry came to us and asked us to create that report.

They wanted to build a futures market. And they needed USDA data to match up against that. So actually, that was a report we created at the request of the industry.

Apples for processing, international markets of interest, I think we're tracking about 16 or 18 international markets. And honey as a product and bee keeping as an industry.

On the movement side, again, a big part of what we do, one of the most tracked, I'd say, shipments domestic. Again, truck and rail, crossings in Mexico, boat, air, and truck of course.

Imports, in our last count we had 63 countries. And we're tracking produce imports or flowers into the U.S. Again, air, truck and boat.
Just an assortment of some of our major national level reports most closely watched, the weekly shipping point trends, we'll look at that. The retail report, we'll talk about that. Truck rate, the same thing.

The daily movement report. We're aggregating all the movement we've captured for the United States for the produce and cut flower industry. Put it in a single report. So if all you're tracking is movement, trucking company for example, it's in one location.

The Mexican crossings report. Obviously this time of year the Mexican crossings are a big part of our fresh fruits and vegetables.

Specialty crops, organic summary. Again, a recent report we added. And again, the summary includes all of the organic data we're capturing, shipping point, any of the wholesale markets, or all of the wholesale markets I should say, as well as the retail. Again, all in one location as well as organic movement where we
have it.

Talking about the national retail report. This is a quick glance out of it. We're tracking 410 major supermarket chains comprising just over 30 thousand individual stores.

We're doing this on a weekly basis. Practically every reporter in Market News is helping to capture this data. And again, weekly advertised specials. Very widely tracked. And continues to grow.

People say, well you know, we'd like some of these lively processed apples -- I mean, products like sliced applies in the store, chopped watermelon, et cetera, et cetera. So we continue to try to grow this report in response to customer demand.

Again, the truck rate report, most of the major shippers in the country, if not all of them, cooperate with this, as do the truck brokers, trucking companies. Very closely watched by the industry.

Again, a very high level of
cooperation nationwide. Again, we're trucking --
I'm sorry, tracking the trucks, the available
supplies by each of the major shipping districts.

And of course the districts change as
the seasons change. So we're following the truck
movement throughout the United States for
primarily the fresh fruit and vegetable industry.

The trends for those of you that
follow that, again, this is a weekly snapshot of
commodity groups and then specific deals. The
berries, blueberries, what are the districts
we're tracking? What are the markets for each of
those districts?

There's three data sets there, the
movement of blueberries from central and northern
Florida, three weeks ago movement, two weeks ago
movement, last week's movement. And here is what
we're seeing trading today, active, slow, et
cetera, et cetera.

So, it gives you a glance now, and
that three-week period. And again, for seasonal
deals that move around, very important and very
closely watched.

Again, this is the most recent count, 1,453 markets. Again, New York City might be five markets, fruits, vegetables, potatoes, and onions, blah, blah, blah.

And all the shipping point deals.

Four thousand individuals separate contacts in the industry. And again, total count, 411 commodities. And again, apples is a commodity. Apples for processing is a commodity.

That list there says we're currently covering 133. I forgot to update. We're at 141 and growing.

EViews. EViews is an aggregation of hits, downloads, accesses, not just views, and not just hits. I'll get it right in a minute, but page views.

Real things they've gone into our sites and looked at data or pulled data out. Fifty-four million times last year they went to the Market News site to pull data. Fifty-four incidences of actually pulling or looking at
What's next? That was our topic here.

MARS is our new data-based system. The system we have is Oracle. It was built in 1992. We're limping along.

We've been several years at this effort. It should be, at least the first phases of it, available in January of '18.

Now the big deal about MARS is, big data, open data. Now, for those of you who used our data routinely and go to the portal, you're limited to doing a couple of years at a time.

Again, you know, it's a 20-year old system.

With MARS you'll be able to pull, okay, I want everything you have on apples. International, domestic, shipments, process. You could pull every bit of that with that one key phrase. You know, so you'll be able to pull vast quantities of data.

It also allows us to capture data.

And I'll talk a little bit more about that. But again, the tool was built to both make big data
available, open data. And, to allow data from other locations to come in and be available to our customers.

Organic data initiative. And again, we've talked about this. We're about, I guess, a year and a half in. I'm sorry, a half a year into the two-year project.

The plan was, in the original write up for that money in the farm bill, we'd add ten market reporters and grow our coverage. With the hiring challenges and freezes, et cetera, we have not yet hired any of those people.

We still have a plan. We still hope to do that. We have the farm bill money. But, you know, we need hiring authority and get those people onboard.

There's clearly data out there. There's markets we aren't covering. Again, resources are the key.

Now this is what I want to talk a little bit about, the Market Information Organization of the Americas. Again, these are
Market News partners in the other 32 countries within the hemisphere.

I was just down at the executive committee meeting in Ecuador. And we have made great strides in building, or working towards standards for how we manage our data.

Now what this leads to is, as we build MARS, we'll be able to start accepting this data freed from our key trading partners. So you as a customer from Market News, going to the portal, will also be able to access these other key trading partners around the hemisphere.

Again, we're doing bilateral capacity building and training in those countries. We're working regionally to develop like in the case of the Caribbean, a cloud-based system.

We'll get them all normalized. We'll have access to that data. And when we have access, of course, we make the public have -- or allow the public to have access.

And again, here we believe that market transparency benefits all market participants.
Level the playing field.

    Again, this is the message we've been
selling throughout the hemisphere. Again, the
better we do at covering our markets, the better
the industry can use the data and make the right
decisions.

    Again, this is my thing. And I
wondered if they had told you that our new
Secretary, Secretary Perdue, has recommended a
new model for USDA. I don't know if you all had
heard that.

    It's do right and feed everyone. So,
that's the Secretary's new motto for USDA.

    So, with that, I would thank you for
your attention. And ask if you have any
questions.

    MS. KNORR: Questions or comments for
Mr. Long?

    MR. NICHOLSON: Well, I guess on the
funding. Just could you talk a little bit about
how you guys are funded?

    And I guess was there a decision made
a long time ago that no one is going to pay for this information necessarily? And that's not the appropriate way to handle it.

MR. LONG: All of Market News money comes to AMS as a block. Something like 33 million dollars, I believe. And that's each of the Market News programs, livestock poultry and grain, dairy, cotton and tobacco, and specialty crop market news.

So, we're a part of that pool that comes to AMS as an appropriation. Several years ago back, well, a couple decades ago, we were mailing, oh my gosh, untold hundreds of thousands of market reports to people.

It was deemed or ruled at that time that having market news, having people collect information, make it publically available, is in the public good. The fact that we print and mail it to your business, is in your good.

So, we went to a user fee basis for mailing market reports. So everyone had to pay a subscription to get their market news.
Now, of course this was before the days of the internet. So, yes, having market news and collecting all this data to boarders and the market, that was deemed by Congress to still be in the public good.

But special services you would have to pay for. So, to this day, if I do a dedicated run for you, go into my database and do multiple years, I am required to charge you like 25 dollars a year.

Interesting thing, when we started charging people for market reports, initially the number of reports we mailed, dropped by 90 percent. I mean, you wanted the information, but hell, you can call market news and get it rather than pay all year long for that time you needed.

Obviously we have the internet and not a lot of mailed reports go out. That number came back up to about 30 percent, you know, dropped to like 10 percent and went back up to about 30.

So, some percentages of people did decide they were willing to pay for it. You
know, listening to a phone recorder of me, my
voice, you don't want to do that too often.

So does that cover it more?

MR. WILLIAMS: And so Terry, it's

September 30?

MR. LONG: Yes, sir.

MR. WILLIAMS: Is when the funding
does go out. Now, in the webinar that your group
did, it kind of talked about all the enhancements
to the online and everything.

MR. LONG: Right. Right.

MR. WILLIAMS: Is that currently
funded?

MR. LONG: Through January '18. We're
-- to that point we're good.

MR. WILLIAMS: Okay.

MR. LONG: At least to the development
of MARS. So, with that I thank you for your
attention. And the one thing we know in Market
News, is we work for you.

So, please cooperate with us when you
call. Call us down when you think we're not
right. And call me if you see things that we can
do to help you. So, thank you.

(Applause.)

MS. MORRIS: So, I just wanted to
clarify one thing about the funding. So, AMS
does have a, as Bruce talked about earlier,
predominantly 70 percent of our budget is user
fee.

And the other 30 percent, including
Market News, is an annual appropriation. So, it's
not that we expect that we're not going to get
any funding for Market News after September 30.

It's just that you know, obviously at
this point, the President's budget for next year
hasn't been released yet. And ultimately as we
all understand, it's up to Congress.

We are expecting, as I think every
federal agency is, some cuts to be made for sure.
But, you know, Market News continues to be one of
the agency's top priorities.

So, you know, while it's fair to say
there will probably be some reduction, I don't
want anybody to be, you know, left with the idea
that we're saying that, you know, we expect
Market News won't be funded moving forward.

MR. WILLIAMS: This is Tom Williams
again. I'll just read something that -- on the
website where it just talks about, where it kind
of explains Market News.

It says for 100 years AMS has provided
free, unbiased price and sales information to
assist in the marketing and distribution of farm
commodities. Each year Market News issues
thousands of reports providing the industry with
key wholesale, retail, and shipping data.

The report gives farmers, producers,
and other agricultural businesses the information
they need to evaluate market conditions, identify
trends, make purchasing decisions, monitor price
patterns, evaluate transportation equipment
needs, and accurately assess movement.

And as Terry did a nice job of
explaining, it's a service to all of us as an
industry. And so what my group is tasked to do,
and would welcome any input that you have, is put
together just a statement proposing and
advocating that we do have -- that we do continue
the funding.

MS. KNORR: Thank you. So, we are
ahead of schedule. But I wanted to share a
little -- some bits of information before we
close for the day.

And if I'm correct, the happy hour so
to speak, is from 5:00 to 7:00 up in the lobby
bar. Is that correct? Okay.

But, particularly for the new members,
I really encourage you to take a look at, you
know, in your packet is the list of the various
working groups. And really decide which one you
feel most compelled to contribute to.

If there's not a group on here that
you feel compelled to contribute to, please give
some thought to, you know, what are pressing
issues that you are facing with your work that
you think others maybe facing with their work, to
form an additional group.
If you choose one of the existing groups, please let the chair or the acting chair know. And then also communicate that information to Marlene so she can add you to the roster.

And make sure that when the conference calls that are coordinated between our in person meetings, that you're on that list and can actively participate. So, again, you know, let the chair know and let Marlene know.

Again, think about the other programs or issues that are of import to you. And how we can make, you know, recommendations or statements in support of those programs. Or to make suggestions about how we think that they could work better for the fruit and vegetable industry.

I am also going to encourage you, you know, with the exception of the food safety group, we don't have any recommendations at this point. So, please get your wheels turning, on how -- you know, what we can pull together.

And we do have quite a bit of time dedicated tomorrow to meet with our groups. But
get your wheels turning now.

    There's opportunities again, over

happy hour. And also, you know, going out to
dinner with our colleagues to discuss, you know,
what we think. What we have floating around in
our minds to make suggestions on.

    Because we do have some draft
recommendations from the food safety committee.
And they are quite meaty.

    If you have not read them already,
please do so this evening. So that we can have a
robust conversation about them.

    And hopefully leave --

MR. McREYNOLDS: I would say they're
pulpy more then meaty.

    (Laughter.)

MS. KNORR: Thanks. Noted. Yes,
please, you know, take some time to read those
over so that we can have a good discussion about
that. And come to some sort of resolution.

    It would be wonderful if we could
leave at the end of tomorrow's session with, you
know, having made some recommendations both with
food safety and with other groups.

Robert, do you have anything to add
before we adjourn today?

MR. NOLAN: I think you've done a
great job, Beth.

MS. KNORR: Thank you. Thank you very
much.

MR. NOLAN: I've got your back.

MS. KNORR: And Marlene, I'm sure you
have a few things to add.

MS. BETTS: Yes. Just one other
thing, Beth. It was kind of a quagmire trying to
find and make sure I got all of the working
groups.

Obviously the ones that we had met
with, they were kind of in forefront. And you
know, I put the other two on for tomorrow
morning.

I don't know if there are other groups
that I may have missed that might want to
participate. I know there was mention about a
broadband technology type of a group.

Again, I don't think there were many people that I saw that were on the working group and got kind of no feedback when I kind of threw out the lifeline to ask what other working groups were.

So, certainly, if -- like you're saying, if there are other groups that I have missed, if people need time to speak or whatever, please feel free in that allotted time. Or I don't know if you want to address that now or whatever.

But I apologize if I have missed any groups.

MS. KNORR: Yes. Helen and I both participated on a broadband working group. But, have not make much headway in that regard. So, we can just state that we're on hiatus for now.

So, yes. I don't have anything else.

If Melissa or Marlene?

MS. BETTS: Oh, and one other thing on working groups. Because I think there was
another working group that was mentioned at the
last meeting.

    I think it was the Tropical Products
Grade Standards Group. Or something of that
nature. And I reached out to Lucy. And I forget
if it was Carlos or George. Jorge?

    MR. VAZQUEZ: Yes. That was me and
Lucy was the chair. And I never heard from her.
So, I -- again, I think it's just kind of like in
limbo at his moment, so.

    MS. BETTS: Yes. And I think that
would be something that could be worked closely
with the Specialty Crafts and Inspection Program.
If there is any specific need.

    So, I kind of dropped that one off.
I don't know if that one's just kind of on hold
or how you all want to handle that one either.

    But that is why I didn't list that
one. Because I didn't hear back from Lucy
either, so.

    MR. VAZQUEZ: Is she still part of the
advisory board?
MS. BETTS: Yes. She had a personal commitment that she couldn't make it to this meeting. Leanne, did you want to say something?

MS. SKELTON: Yes. The only thing I'll say, if you go back probably a decade or more. I'm aging all of you.

(Laughter.)

MS. SKELTON: Thank you. There was a recommendation at that time to review all the different grade standards for fresh fruit and vegetable.

And the way that worked out was essentially the committee, as Marlene just pointed out, the committee said to specialty crop at the time was fresh products branch, take a look at what's still relevant and what's outdated and needs to be updated.

And then one by one by one, go through that and work that process. And so they did that, of course, with the committee knowing what's going on.

In this case you might want to try
that same route. It worked pretty well. A lot of the standards were revised, brought up to date, that kind of thing.

MS. KNORR: And I just do want to give a little bit of a nudge. I think most of our working groups do a good job of this.

But, you know, make sure that you actively reach out to Marlene and to the others on your committee to start scheduling those conference calls and that kind of thing. So that, you know, when we meet next we do have, you know, some idea of what we need to discuss.

And how we can -- if we have drafts to work from, that's usually very helpful to, you know, have the full group discuss those potential recommendations.

So, just encouraging everybody, giving you a gentle, loving nudge, to make sure you're communicating with Marlene, to make sure that those groups are meeting in between. Okay.

MR. NICHOLSON: Beth, I just want to make one quick comment. I apologize. I'm going
to have to leave before the other business
section tomorrow.

And I just wanted to mention a
conversation that's going on. It's more RMA
related. You know, in the east and obviously
other regions, we are facing -- continuing to
face a lot of weather challenges.

Our farm in particular in 2012 lost
three-quarters of our apple crop. This past
season we lost two thirds of our apple crop due
to the drought.

And there's obviously in other
regions, these kind of more frequent losses. The
conversation that's going on right now is, well,
now the east coast apple program may be looking
at not being -- having enough funding.

And they're having to look at what we
actually are paying now in crop insurance
premiums. And they could be looking at a
doubling of those.

So, it's, you know, not AMS, it's RMA.

But it is a topic that affects all of us. And I
just wanted to mention it because I don't know if other regions are having those conversations with RMA.

And that we've got a lot of loss here now in other areas too. So, just a comment, a topic to be aware of. And maybe at some point we'll be having more conversations on it.

I guess that's how we start happy hour.

(Laughter.)

MS. KNORR: Well, before we fully adjourn, I wonder if anybody else has any topics that they've been kind of holding onto that they think are ones that the group should discuss?

The crop insurance? Yes. I think that that's -- yes.

MS. HERRON: I would say that we need to revive the labor committee as well.

MS. KNORR: Okay. Well, if nobody else has anything for the good of the cause, then we should adjourn for the evening. And we'll see everyone back here at 8:30 tomorrow morning.
Check out is at 11:00?

MS. BETTS: I think that is right.

Let me double check.

MS. KNORR: I think checkout is at 11:00. So if you want to do that before you come down here, or during a quick break tomorrow, just keep that in mind.

MS. BETTS: And maybe with everybody having flights and stuff out in the morning, instead of having the photograph at the end, maybe we can do it in the beginning.

MS. KNORR: Okay.

MS. BETTS: Get that knocked out. And then people can get on their way.

MS. KNORR: Yes. Wonderful.

MS. BETTS: We need a new picture on our website.

MS. KNORR: Wonderful. Thanks everybody, have a good night.

MS. BETTS: Thanks for everything.

(Whereupon, the above-entitled matter went off the record at 4:38 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: 05-09-17

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.

__________________________
Neal R. Gross
Court Reporter