UNITED STATES DEPARTMENT OF AGRICULTURE

FRUIT AND VEGETABLE INDUSTRY
ADVISORY COMMITTEE

TUESDAY,
OCTOBER 25, 2016

The meeting came to order at 8:00 a.m. in
the Potomac V Conference Room of the Hyatt
Regency Chrystal City, 2799 Jefferson David
Highway, Arlington, Virginia, Beth Knorr, Chair, Presiding.

COMMITTEE ATTENDEES:
BETH ANN KNORR, Chair, Cuyahoga Valley
   Countryside Conservancy
ROBERT NOLAN, Vice Chair, Deer Run Farms, LLC
MARK ALLISON, The Cheesecake Factory
CHRISTIE BALCH, Crossroads Community Food Network
VIRGINIA BARNES, Barnes Farm, LLP
CATHERINE BURNS, Produce Marketing Association
CARLOS CASTANEDA, Castaneda & Sons
HELEN DIETRICH, Ridgeview Orchards
KRISTINE ELLOR, Phillips Mushroom Farms
RICHARD HANAS, A. Duda & Sons, Inc.
MICHAEL JANIS, San Francisco Wholesale Produce Market
HOLLIE MANIER JOHNSON, Bay Baby Produce
ROLAND McREYNOLDS, Carolina Farm Stewardship Association
MARK NICHOLSON, Red Jacket Orchards
DANIEL SUTTON, Pismo Oceano Vegetable Exchange
HARRY (BRUCE) TALBOTT, Talbott's Mountain Gold, LLP
JORGE VAZQUEZ, Latin Specialties, LLC
LUCY WHITTEMORE, WP Distributor, LLC
THOMAS WILLIAMS, Coborn's
DAVID YANDA, Lakeside Foods, Inc.
USDA STAFF:

GREG ASTILL, ERS
DEVONIA BETTS, Management Analyst, FVIAC Travel and Expenses, AMS Specialty Crops Program
LINDA CALVIN, NASS
MICHAEL DURANDO, Director, MOAD Division
ANDREA HUBERTY, Ph.D., Senior Policy Analyst, Livestock, Poultry and Seed Program
TERRY LONG, Director, Market News Division
RANDY MACON, Associate Director, SCI Division
JODY McDANIEL, EED Branch Chief, NASS
TRAVIS MINOR, ERS
CHARLES PARROTT, Associate Deputy Director, AMS/FVP
KEN PETERSEN, Branch Chief, USDA SCP Audit Programs Branch
PATTY PETRELLA, Associate Director, PED
CARL PURVIS, AMS, Public Affairs
JUDY RUDMAN, Director, PACA Division
PAM STANZIANI, Designated Federal Official
ELANOR STARMER, AMS Administrator
CHIP TAYLOR, Associate Director, SCI Division
SUZANNE THORNSBURY, ERS
ANDREW TOBIN, Assistant Director, USDA Office of Ethics
LORENZO TRIBBETT, Director, SCI Division
NATHANIEL WARENSKI, ERS
SHAREEFAH WILLIAMS, ERS

GUEST SPEAKERS:

STEPHEN HUGHES, Fresh Produce Branch, Division of Produce Safety, Office of Food Safety, CFSAN, FDA
MICHAEL MAHOVIC, Ph.D., Fresh Produce Branch, Division of Produce Safety, Office of Food Safety, CFSAN, FDA
JENNIFER THOMAS, Director, Compliance, Policy, Staff, Office of Compliance, Center for Food Safety and Applied Nutrition, U.S. Food and Drug Administration, Co-Chair, FSMA Produce Safety Workgroup
ALSO PRESENT:

MICHAEL J. AERTS, Director, Production & Supply Chain Management, Florida Fruit & Vegetable Association

DIANE CURLEY, U.S. Apple Association

SARAH HOSTETTER, Regulatory and Technical Affairs Specialist Intern, American Frozen Food Institute
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MS. STANZIANI: Thank you everybody for coming. We have predominantly new members, welcome. And we do have a sprinkling of some of our existing members. The rest of them, of course, will come at 10:30 because this is your orientation to the Fruit and Vegetable Industry Advisory Committee.

I'm Pam Stanziani. If I haven't introduced myself, here I am. Chuck Parrott, he's the Deputy Administrator. He is the Committee Manager. And we are going to start right off because we've got a lot to get in before our Administrator, Elanor Starmer, comes and gives a few welcome remarks.

Beth Knorr, she was our Vice Chair last session and she is serving as our Chair for at least the afternoon, this morning and then the afternoon. And basically the Chair and the Vice Chair will be voted on by the committee after lunch. And that's why you all have to have lunch
together so you get to know each other a little more.

But for now, Beth is going to keep us in line basically. So I'm going to actually turn this meeting over to Chuck for now, Chuck Parrott.

MR. PARROTT: Well, good morning again everyone and welcome. You know, I know I sent you a letter. But I really want to congratulate you on being selected. You know, this committee, you probably know, consists of 25 people so that's not a whole lot.

And really the charter, you know, you're here to advise the Secretary in the Department of Agriculture on how we can better serve the fruit and vegetable industry. And each of you represents -- you know, with only 25 people in the whole produce industry, the Secretary works very hard to try to make sure that we select, you know, everyone is represented to some extent.

So we have big growers, we have small
growers. We have wholesalers, we have retailers. We have food service. We have restaurants. We have brokers. We have importers, we have exporters. And we have all parts of the country represented. And you know, big and small.

So you know, you bring something unique to the table and that's important to us. Because we're here to serve the whole industry. You'll hear from people who work for me later today, kind of a brief presentation on what we do.

But let me just kind of go over really quickly --

MS. STANZIANI: Chuck, can I just ask you --

MR. PARROTT: Yes.

MS. STANZIANI: One thing that we need to do is make sure that because we have the meeting minutes recorded --

MR. PARROTT: You need to be speaking into the microphone.

MS. STANZIANI: Everybody needs, when
they do speak, to speak into the microphone. And
these are a little different than the others.
You have to press the button in the front there.
They're mobile so we all share them. But just
make sure when you're speaking at any time, you
press the button and you speak into the
microphone.

MR. PARROTT: Great.

MS. STANZIANI: Sorry about that.

MR. PARROTT: Now you can hear me.

And plus I get to sit down so that's a good
thing. So briefly I oversee the Specialty Crops
Program. It used to be called the Fruit and
Vegetable Program. But we changed it because we
deal with a number of commodities that aren't
necessarily fruits and vegetables, things like
honey and spearmint oil. And softwood lumber we
have now. And it goes on and on.

But the bulk of what we do, about
probably 95 percent are fruits and vegetables.
And within that spectrum, I oversee the
inspection and grading service. So you know, we
have graders out there at terminal markets. We
have them at shipping point, other places doing
grading loads of produce. We do auditing, things
like gap auditing, other types of audits to
verify that things are what they say they are.

We oversee the market news division
which reports, you know, market prices every day.
It's available, it's free, it's online. You can
get prices at shipping point. You can get prices
at terminal markets. You can get prices at
retail.

And we keep expanding that because
there's a lot of demand for that information.
And it's so important because it provides
transparency to the marketplace which really
creates a more fair trading environment.

I oversee the PACA, the Perishable
Agricultural Commodities Act. That's a Fair
Trade law that regulates the fruit and vegetable
industry. And ensures that people live up to the
terms of their contracts. That, you know, if you
sell a load of produce and you don't get paid or
they cut your invoice by $5,000, you can file a complaint under PACA. And we resolve millions of dollars' worth of those claims every year.

   A few other things I deal with, marketing order. They're a little bit more obscure but we have 28 of them, 29. We just started a new one for pecans. But they allow producers and handlers to overcome some marketing problems by working together that they couldn't individually.

   We also oversee research and promotion programs. Those are the generic advertising programs. You're probably familiar with some of the big ones like the milk mustache or, you know, beef it's what's for dinner.

   But we have 17 of them for fruits and vegetables. There's the blueberry, Highbush Blueberry one. There's a watermelon one. We have one for avocados which is our biggest one.

   In fact, the Mexican avocado group has a Super Bowl ad this year. So they have some money. But you know, the purpose of those programs is to
generically promote the product to increase consumption.

So that's -- and then we also purchase like a half a billion dollars' worth of produce every year for school lunch and for a number of other domestic feeding programs, food banks.

We do, I was talking to some folks earlier, we do what are called bonus buys. So if an industry is in excess one year because of, you know, a variety of issues, our economists analyze the situation. And if it's warranted, the Secretary can use what are called, it's not tax dollars, it's called Section 32 funds to purchase some of that product to put supply and demand back in balance. It's all domestically produced product. And that gets donated typically to food banks around the country. So we do that as well.

So that's kind of in a nutshell who we are and what we do. But again, from you the Committee, you know, you're here to really provide us not only with input on those programs but really anything that the government can do to
help the fruit and vegetable industry.

And different committees choose
different topics. It's really up to you as to
what you see as an issue that needs to be
tackled. You have a lot of flexibility here. So
we're just here to ensure that you operate, you
know, within the parameters of the -- what does
FACA stand for? The Federal Advisory Committee
Act. There we go.

But again, Pam and I are always here.
Our administrator, Elanor Starmer, is going to be
coming by later this morning to greet you all.
And then we'll have an opportunity for a photo.
And then this afternoon, really we get
down to business and start forming, you know,
what topics you want to cover. You'll also get
to vote for the Chair of the committee. That's
up to you all to decide.

So I think that's it. Pam?

MS. STANZIANI: Did you talk about the
charter?

MR. PARROTT: Well in your packet, I
will mention there is a charter. It's very easy
to read actually. But it just, you know, this
kind of outlines who you are as a group and what
you do.

MS. STANZIANI: It'll be on the right
side. Should be on the right side at least.

MR. PARROTT: And again, just to
reiterate, the purpose of the committee is to
examine the full spectrum of fruit and vegetable
issues and provide recommendations and ideas to
the Secretary on how the U.S. Department of
Agriculture can tailor programs to better meet
the needs of the U.S. produce industry.

So that's really the -- I think if I
had to pick out one sentence from the charter,
that's the key thing. But again, you all have
been selected by the Secretary. It's quite an
honor. And I look forward to working with all of
you.

MS. STANZIANI: All right. I am just
going to give you a little extra and then we can
move on, just some logistical things. First of
all, in your packet you have the agenda that should be for both days. Of course, tomorrow we will probably only meet for at the most an hour here before we take our educational field trip.

So make sure that you do bring your packet with you tomorrow as well just in case. You can leave them here in the room when we leave.

Also there is a list of the members that should be behind that on the right side. Again, I think I sent a note out but please make sure that I have everything correct. I know I've received a few corrections. So once I get everybody's corrections I will make those. So please take a look at that and make sure that the correct information is listed.

Behind that you will see Up Top Acres. That is where we'll actually be going tomorrow. Up Top Acres is an urban garden. They have one of several in the Maryland, DC, and Virginia area. Several of them are a couple acres.

So it'll be very, an interesting thing
to see how we're trying to fulfill the food
desert issue in the urban areas. And just give
everybody, because we bring everybody throughout
the entire spectrum of the fruit and vegetable
industry, this kind of gives everybody an idea a
little bit about other people's worlds and how
they live.

Because I know we all have a lot going
on in our businesses. And sometimes you're just
focused on that one issue or one thing that's
really, you know, you need to get solved. But
this gives you a better overall feeling for a lot
of the issues that are going on.

Behind that, again, I have attached
the travel guide. I know I probably inundate
you. You might be thinking why does she keep
giving these things to us? Because at the end of
the meeting in about a week, I'll get five phone
calls saying how do I do my expenses?

And this is very important for you to
hold onto. Devonia Betts will be here to give
you just a very brief administrative overview.
Some of you may have talked to Devonia on the phone. She handles all of our travel, our expenses, everything. So she'll just go through that briefly with you.

On the left side of your packet are the minutes from the last meeting. These are here basically for the new members just to give you an idea to read through and hear a little bit about the process of how we do things here, how we develop recommendations and vote on them.

These will be voted on by the existing members via email. We're not going to take the vote here at the meeting. I just wanted to make sure that everybody had a chance to review them first.

And then behind that are copies -- I know some of you have asked me about what recommendations did come out of the last committee. And so the documents that you have on the left side behind the previous meeting minutes are the recommendations that were forwarded to the Secretary from this committee over their last
two year term. So that should give you a little
reading to do too.

All right. I think that's it. I do
want to introduce Andrew Tobin. Andrew is the
Deputy Director of the USDA Office of Ethics. We
have to be very careful that we follow strictly
the FACA rules and regulations which includes
training on ethics. I'm going to let Andrew go
through everything with you. But if you would
welcome Andrew forward.

MR. TOBIN: Good morning everybody.

Is this supposed to work?

MS. STANZIANI: No. I guess I'm going
to have to do it for you.

MR. TOBIN: Good morning everybody.

My name is Andrew Tobin like Pam just said. The
Office of Ethics for USDA is a group of 21 that
essentially serves everyone from the Secretary on
down including our committee members and you
folks. So we have a relatively large charge.

Since you guys have a very broad
portfolio but you're going to be making broad
based recommendations on policy changes, you're not one of the sort of high risk committee that we have around here which tend to involve committees that are making decisions on grants or recommendations on how to move forward with contracts, those kinds of things.

So what I sort of want to do is just give you a general overview of what a federal advisory committee is. And kind of how the ethics rules work. This won't take very long. But if you have questions as we go, please don't hesitate to raise your hand. And we can kind of walk through them with you.

Here's what an advisory committee is. It has a sort of -- our executive branch officials have sort of a lot of leeway to establish one on their own. Or they can be established by statute, by act of Congress.

And the idea is that advisory committees are here to give us perspective we wouldn't have on our own here in the federal government. So we'll move to the next slide Pam.
More specifically, what the Government Accountability Office which is the sort of watchdog wing of Congress that sort of looks at executive branch programs and how they’re being administered.

In 2004 they came out and basically said that the executive branch agencies were not doing a good job of making sure that advisory committees were being established appropriately. The ethics rules weren't being applied. And you'll see there's sort a tripartite structure for appointing folks. And that we just weren't doing what we were supposed to be doing.

Thankfully we've gotten much better, I believe, at USDA especially. And now the ethics office is at these kind of meetings to meet with you.

Going backwards, during the Kennedy administration basically the Kennedy administrative felt that as talented as federal employees are and, you know, how many different perspectives we bring, often times it's really
important to bring in experts and representatives
from the private sector to come tell us how to
best administer our programs.

Like Chuck said a few minutes ago,
that's really your job here. Is that you're
representing sort of a very broad swatch of the
ag industry. And your job is to sort of let us
know how we can better serve you folks as
industry representatives and ultimately, the
American public. So it's a very broad mission.

But essentially, in 1962 the Kennedy
administration devised sort of this tripartite
structure you'll see on the next slide.
Basically for federal advisory committee members,
you can sort of go into one of three doors.

The first are your federal employees
like Pam, Chuck, and I. Second are
representatives like all you folks here on this
committee. And the third is sort of a hybrid
category. We'll talk about it a little bit just
so you have some background.

But these folks are special government
employees. They are experts in a particular field here to solve a particular problem and represent their own interests. So go to the next slide.

Federal employees, these folks, like I said, are those of us who work on a full time basis. We are compensated for our work by the federal government. We work more than one half of the year. And therefore, we owe a duty of loyalty to the U.S. Government because you're serving in public trust positions.

That means that we have conflict of interest rules we need to abide by. We have a whole standards of ethical conduct that we need to abide by in terms of gift rules and rules on outside employment and all these different things.

Representatives are the folks in this room. You're committee members. You folks are not considered to be federal employees obviously. You are not compensated from the federal government but for reimbursement for expenses.
So we really do appreciate you taking time out of your busy lives and full time jobs to be here to provide that perspective to us that we wouldn't otherwise have.

And again, you're here to represent the interests of your outside group as specified in the charter, the produce industry. And again, the purpose of representatives is to represent that outside group and to provide outside perspective for folks.

Although you folks may be experts, you are not here to provide your independent expertise. You are here to represent the views of the industry. You're here to represent.

Although you may be experts in your field and I'm sure that you are highly educated and have very sort of expert level knowledge in your industry, you are not here to speak on your own behalf. You're here to speak on behalf of the industry itself and sort of how USDA can better deliver services to you.

And again, the idea here is that
you're providing a perspective that we don't
otherwise have. Often times the federal
government can be something of an echo chamber in
that, you know, a lot of times we're focused in a
particular geographical area. We may meet with
each other.

And this is a means to really have a
focused and specific set of time for your folks
to come here and provide us a perspective, let us
know how we're doing. It sort of opens up the
communication channels.

And the work you're doing here is
very, very important. And like I said, we really
do appreciate your taking the time out of your
busy lives to be here.

In terms of the ethics rules, since
you folks are here to sort of present a biased
perspective, we don't expect you to be unbiased.
We don't expect you to serve sort of the
government first the same that we are, even
though you are ultimately here to make sure the
government is delivering services in the best
possible way.

But as representatives you are not subject to the criminal conflict of interest statutes. You're not subject to the representational statutes. You don't have post employment bans. All these things are good news for you.

But essentially we'd like you be aware of sort of any potential appearance concerns associated with your service. Where this comes up occasionally is that for advisory committees, you folks are here during these meetings to provide your perspective. You're going to make recommendations at the end of your service to the Secretary on how we can deliver services.

That is kind of the limits of your duty here. So be very careful. We've seen folks sort of fall into hot water in the past by doing some extracurricular stuff representing the advisory committee up on the Hill or to other groups.

I would encourage you to sort of stay
within those bounds. And focus your activities on making recommendations to the Secretary to make the programs better if that makes sense.

In terms of appearance, again, this is not the kind of committee that we get worried about having any conflicts of interest because you're really there to make broad based recommendations on behalf of the produce industry. So even if you wanted to engage in some self-dealing, I don't think that would even be possible.

But if you're concerned about appearances, please let Pam know. She's your designated federal official. She is in charge of administering the committee and making sure everything runs on time. She's doing a great job so far.

They're not required -- we may recommend a recusal in certain cases. And like I said, this is not the kind of committee that's really going to be a problem from our perspective.
Here's an example of the kind of thing we might make a recommendation for recusal on. Let's say Susan serves on the Advisory Committee on Minority Farmers which is administrated by the Office of Advocacy Outreach.

In that capacity she is asked to review grant applications for the outreach and assistance for socially disadvantaged farmers and ranchers competitive grant program which is actually a program that exists with a very long name.

Let's say her husband applies for such a grant. We would recommend that Susan, obviously, recuse herself from consideration of that application. Because the appearance is she's using her position on that board to benefit someone very close to her, obviously.

So that's sort of the first two categories. The third one, like I said, is sort of a hybrid. It's a special government employee. This is a class of employee created in Title 18 of the U.S. Code. And we'll sort of talk about
what that means on the next slide.

An SGE is someone who is here to provide independent advice based on their personal expertise. A lot of times this comes up for medical experts in HHS. If there is a particular disease outbreak, we may not have the expertise in house. We bring in these folks to provide their expert opinion on this particular matter.

In that case, they're representing themselves and not any sort of outside organization. They're speaking based on their education and their particular experience that we need here.

We have a few in USDA, not too many. Some of them work on crop insurance issues. Experts in that particular field, they'll come in for a few weeks at a time and work for the Federal Crop Insurance Corporation Board.

But the vast majority of our advisory committees here at USDA are representative based. Because they really are focused on having folks
in come in from industry and make recommendations
to the Secretary as to how we can better deliver
our programs to benefit the folks that are coming
before us.

In terms of Special Government
Employees, the Obama administration said that,
especially, lobbyists cannot be appointed as
Special Government Employees. They can still
serve as representatives. That was something
that was a little bit unclear in their initial
guidance. Again, it doesn't really affect you
folks but something to generally be aware of if
you're interested in serving on other committees
in the future.

SGEs are required to fill out
financial disclosure reports. They're required
to receive annual training. And these folks are
subject to the ethics laws while they're serving
on duty.

So again, Special Government Employees
are sort of this weird hybrid net. They're not
full time employees. But they're also not
representatives that are not subject to the ethics rules. They kind of fall in that middle ground.

For SGEs we say that be very careful working on matters that affect the interests of someone close to you who are worried about any overlap between your official duties and financial interests. Again, not a concern here.

In terms of relationships that are considered to be so close to you that they are your own, we're talking about your spouse and minor child, your employer, or prospective employer if you are negotiating for employment, a general partner in a general partnership, and any organization where you are an officer, trustee, or general partner.

So for those Special Government Employees we make very sure to vet not only their financial interests that they hold but also the financial interests of those of their family members, of their employer, those kind of things.

So we often hear that those are
invasive forms. I don't necessarily disagree.
But thankfully, not ones filed by you folks here.

In terms of what kind of things to be concerned about, these are the kind of matters that if a committee is working on these kind of things, we get a little bit worried. And want to make sure that we vet them very thoroughly for conflict of interest.

Because we're talking about grants and loan applications, contracts, litigation, judicial proceedings, requests for rulings or determinations. Basically those kind of things where you can tell exactly who you're impacting by your work. Those are the things we get worried about as ethics officials. But thankfully, not here.

Here's an example. Jim is a member of the NUCFAC committee which is a committee administered by Forest Service. And their charge is to, essentially, administer a grant program for urban forestry.

And let's say that City View, the
company for whom his wife is President of, submits a new application for such a grant. Should Jim evaluate and score the City View application? The answer is obviously no, as you'll see in the next slide, because it involves the interests of his wife.

Second rule is that for SGEs, essentially if you work on a matter like a contract, grant, loan, et cetera, you cannot serve as that outside organization's representative back to the federal government to try to expand the scope of that particular grant or loan. So as the rules that follow with you if you are a Special Government Employee. Again, not an issue for you folks.

Gifts, one thing I would caution you is that if you're receiving gifts or being offered gifts based on your work here, which I can't imagine you would be, but if you are be very careful of that. Any gifts, obviously, given to you for reasons other than your service here are not going to be a problem.
Teaching, speaking, or writing, this comes up occasionally for some of our other committees. But the idea here is that Special Government Employees may generally not receive compensation for teaching, speaking, or writing about what they're doing on the committee.

So again, sort of stay within those bounds in terms of your ultimate goal is to make recommendations. And to have sort of robust discussions within this organization before making your recommendations.

To determine whether or not something is related to your official duties, we look at this. Basically you teaching, speaking, or writing about the work you're doing here. If you're not, you're in good shape.

So here's basically the upshot. Again, this is just to give you a point of contact in our office. If you have any questions about anything, feel free to give me a call or send me an email.

But the idea is that you folks are
really here to benefit us and to benefit the
American people. You're going to be making
recommendations on very important issues. And
really do appreciate the time that you're giving
to us and your attention and your willing to be
here. So let me thank you very much. I really
wish you the best for the rest of your work here.

One other thing, I think I touched
briefly on it before but Pam wanted me to talk
about lobbying. Again, make sure that the work
you're doing is sort of kept here within the
advisory committee. And that the ultimate
product be made as a recommendation.

You shouldn't be up lobbying members
of Congress or other institutions in your
capacity as a member of this committee. Anybody
have any questions now before you get on to your
action packed schedule for the next couple days?
If not, thank you very much. I hope you have a
great day.

MS. STANZIANI: Thank you very much.

MR. PARROTT: Thanks Andrew.
MS. STANZIANI: He told me that the technical way is just to cover it up. I'm going to just elaborate a little bit on that last point that Andrew made. We don't want you to feel as if you can't go up on Capitol Hill as a, you know, an industry representative, you know, representing your business or organization.

It's just the one thing that you cannot do is go up on the Hill or even your local member of Congress' office and represent yourself as a member of the advisory committee.

I'm going to go through just a couple little things here for you too. Because it has to do with how we operate here. The advisory committee, first and foremost what will probably happen later on this afternoon, we basically decide what issues are important to you guys right now.

And that's kind of the reason why we have new folks coming in every two years, is to kind of get an influx of, you know, how are you viewing USDA's programs and services? What is
affecting your industry in general or specifically?

And what areas, we usually pick five areas or six areas, it just depends on, you know, the scope of work that's involved and how many people are really interested. But the majority of the committee would have to vote on each focus area that's determined.

To give you an idea of the previous committee's work, we have the food safety and FSMA working group. That is chaired by Cathy Burns and vice chaired by Lorri Koster who won't be able to, unfortunately, join us this meeting.

Second group is the research and grant funding working group. That is chaired currently by Roland McFarland. And we have the agricultural labor working group that is chaired by Carlos Castaneda.

And what will be interesting -- and we'll have to talk a little bit about it because we've got a new administration coming in. And I know that that's probably on a lot of people's
minds right now is ag labor.

We also have rural broadband and internet connectivity. And I think Beth is the current chair right now. There is issues with broadband in the rural communities and the farming community in general. I know that farmers markets are having a tough time with some of the SNAP and WIC electronic equipment compatibility. So those are some of the issues that are being discussed there.

We have a working group on food deserts and food waste. And then we have a working group on new farmer advocacy, education, and mentoring. That was a new working group as of the last two meetings. And we've actually had some recommendations come out of that working group already that have started to be implemented by the Secretary.

Now to give you an idea of -- let me backtrack here a little. We do have two working groups that are dormant right now. And they were voted to not be disbanded but just to lay
dormant.

The education and branding working group, they actually were very active with a recommendation on GMO and GMO labeling. And then the ports of entry inspection delays which was chaired by George right over here. And they actually had several recommendations that went out that I think they're still working on. We work very closely with the transportation and marketing program which is a sister program to the specialty crops program. But right now they've been determined as dormant right now. They can be reactivated if this group chooses to have that occur.

So one of the things that we will do is not only have the working groups and topics decided, you will have to vote within that working group who is going to chair and vice chair if you don't want the current folks doing so.

And then you'll have to determine within that focus area -- sometimes as you can
see, like for example food safety, that's a pretty broad focus area. So there will need to be a couple sub topics within there that.

You'll see within the recommendations that you have there's a couple real specific recommendations to the Secretary on educating the industry, educating the different sectors of the industry on their specific elements that are related to FSMA, just for example.

The working groups, the working groups will meet probably about five or six times each term, maybe more. You meet by teleconference. And we probably, the Chair will send out an agenda. And we will actually at this meeting determine what kind of research needs that you do, that you need for that group which comes from me.

Tell me what to do basically, what you need, and I'll facilitate that. That could be anything from bringing in a speaker from the Food Nutrition Service or the Foreign Ag Service or, you know, any of the other programs. We have
subject matter experts who have spoken from private entities, the American Farm Trust, the American Farm Bureau.

We have folks, as you can see today from the agenda, coming in from the FDA who will provide us with updates on the implementation of the two rules that have come out already. So that's something to think about.

And then, of course, I will be in constant contact with everybody via email. And I emphasize making sure that I do have your correct email address. Because that is how we pretty much do all of our communications now. It's faster and it's on the record. And it just makes it easier for us to do things a little more quickly.

Working group meetings must, I must be present or Chuck must be present. The group cannot meet independent of one of us. That makes anything that you do a problem with regard to ethics. And it's in the FACA I can probably forward you.
It's too long for me to -- thousands of pages. And you're not going to want to take that on the plane home with you. So what I'll do is I'll email you a link to the FACA if you have interest in taking a look at it. It will give you some of the rules, you know, the dos and don'ts with regard to what you can do and should do. And my role and Chuck's a little more in detail.

Let's see if there's anything else I need to cover. Attendance to the meetings and to the working groups, you as an appointed member of this committee are expected to attend all of the meetings. We do have, typically, a minimum of two in person meetings per year. And then we, again, have five or six or seven teleconference, whatever the need is, teleconference meetings.

You're expected also to attend those, attend them based on, of course, the working group will decide what works best for them as far as timing and meeting dates and times. But you are expected to.
If you miss more than two meetings of the physical meetings, you potentially could be replaced and asked to step down. Same with the working group meetings.

So we want to make sure that everybody -- there's a reason why we have every sector of the industry represented here on this committee. And it's important for you as that representative to bring your group's focal, you know, your group's perspective to whatever is the issue.

So if you're not available and you're never there and then a recommendation is made and it's not something you would have wanted to be a part of, that's a problem because you didn't attend the working group meetings.

So the working groups, as I mentioned before, we'll do a lot of research. You'll get a lot of presentations or subject matter experts coming to speak to you. You'll be able to ask a lot of questions.

The work that is done in those working groups is done by you. That means the minutes
are taken by the members. The recommendations
are physically developed by the members. I am
there to help guide you. You know, maybe you
want to say it this way. You know, do a little
bit of wordsmithing.

But this is a hands on committee. So
just to make sure you're ready to work.

MR. PARROTT: And you may want to
mention that when we start full committee at
10:30 we'll do introductions once everybody is
here.

MS. STANZIANI: Oh yes. Well once
everybody comes -- we had the new members come
for the orientation first. The existing members
have heard all this before. But at 10:30 we will
have everybody joining us. And that's when we
will have a full round of introductions. But I
think we do want to have everybody introduce
themselves here initially, our new members, just
so you guys get to know each other.

MR. PARROTT: We're doing it twice
then.
MS. STANZIANI:  All right.  Nevermind.  Okay.  Well I'm going to stop at that.  And I'm going to introduce, I see Devonia has joined us. And she's going to give you an overview on the administrative matters, the travel. And some of the stuff that you guys will have to do to get reimbursed if your money is reimbursed.

And please, if you have a question, you know, as it. If you don't think of something, email her later. She's very helpful. Devonia?

MS. BETTS:  Good morning and welcome. It's always good to put a face with the names with the emails and everything. So I appreciate you all being here.

Hopefully you found the travel guide helpful. And it was easy to make your reservations. Just want to highlight a couple of reminders. If you could please keep your receipts except meals. We do not need receipts for your meals. But for your parking, for your taxi, and your hotel we do need those receipts.
The receipts along with your reimbursement forms to be submitted to me by November 18th. I will then prepare your travel voucher. I will email or fax it to you for your signature.

Once it's returned and input into our electronic system it'll be approved. And you should receive your reimbursement within 10 business days. It will be a U.S. Treasury check. And it'll be processed within 10 business days from the approval in our e-travel system.

Are there any questions on the travel guide or the reimbursement process?

MS. STANZIANI: The travel guide is that last page -- or the expense form, excuse me, is on the last page of your travel guide. You have a physical copy and you should have an electronic copy of it as well.

MS. BETTS: Yes. It's very simple. It's just basically recording your mileage, parking, and attaching your receipts. The hotel tax is reimbursable. Once you submit your form I
will process your voucher within two days. It's very important that we turn these around quickly and get you your reimbursement so you can pay your credit card bill for your hotel.

But if you have any questions at any point in time, you can email or call me. Thank you.

MS. STANZIANI: Any further questions? No? Okay. Great. Thank you Devonia. Do you want to introduce our Division Director? Why don't we have Judy go first?

MR. PARROTT: Yes, sure. Okay. So the next point in time, I mentioned earlier you were going to get to hear from our Division Directors to talk briefly about what their programs do. I kind of went over them very quickly. But you'll get to hear a little bit more detail.

So why don't we start with Judy Rudman? Judy is the Director of our Perishable Agricultural Commodities Act division. And as I mentioned, PACA gets a lot of people paid. And
ensures that people live up to the terms of their contracts.

So it's a very important program. It's been around since 1930. It works really well. But we're always, like everything else, we're always looking to fine tune things and make them better. So Judy, I'll turn it over to you.

MS. RUDMAN: Thank you. Thanks Chuck, Pam. Thanks for having me. I am new to USDA. I came here last December. I had a 25 year career at the Commerce Department where I did anti-dumping and countervailing duty trade cases. So I did fair trade on a global perspective.

And when this opportunity came along, I jumped on it. So at Commerce I had several cases on agricultural products and I liked the industry. And in my mind, it was a perfect shift.

I moved from promoting international trade on a broader scale to fair trade in produce. So I'm really happy to be at USDA. I feel like I won the lottery. Ten months in it's
been a really good move for me.

So looking at your backgrounds and
profiles, there's probably varying levels of
knowledge of what PACA does. So I'll give a
quick overview. And PACA is always there to
answer questions.

The Perishable Agricultural
Commodities Act has been around since 1930. And
we work in partnership with the fruit and
vegetable industry to facilitate fair trade
practices through education, mediation,
arbitration, licensing, and enforcement.

Under the law buyers and sellers of
fresh and frozen fruits and vegetables in certain
quantities have to be licensed by PACA. There's
a licensing fee. We are user fee funded. We're
not appropriated. So everything we, all of our
revenue comes from our licensees. We're there to
serve the industry. So if, this is why it's
important for me to make these kinds of contacts.

We provide a variety of services, a
forum to investigate, mediate, and arbitrate
contract disputes. And what PACA was, the Congress has great insights in 1930. They wanted to protect American farmers.

   So if a seller does not get paid, they can call USDA. They can file a complaint with us, an initial informal complaint for $100 filing fee. And PACA works to achieve a successful resolution of that claim.

   So we're there for the industry. So you don't have to go out and pay the legal fees. If you can get your disputes resolved through PACA, it's a win-win for everybody.

   We have a mechanism for recovering damages when buyers and sellers of produce fail to meet their contractual obligations. We can issue orders that stipulate how much the buyers has to pay the seller based on our analysis of the claim.

   If they do not pay up at that point, there are certain sanctions that PACA can impose. We can suspend licenses. We can impose civil penalties. We are there to ensure fair trade in
produce.

We have provisions to sanction produce sellers that fail to pay obligations or misrepresent the products that they're selling. We have a misbranding office. And we handle hundreds of complaints every year where people are misrepresenting what they're selling to their receivers.

PACA also provides a mechanism to monitor the activity of PACA violators. So when entities, individuals or entities are sanctioned we follow up on them. We work to ensure that there is a fair environment to buy and sell fresh and frozen fruits and vegetables.

Since I came onboard, I have established some priorities. We are working to achieve these. We want to continue to provide the highest level of customer service. As I said, we are user fee funded so we're accountable to the industry.

We have a 1-800 line. I'll show you the number at the end, and some of you may be
familiar with it, where we're staffed 12 hours a
day with people to answer your questions. We're
there to address the needs and concerns of
industry stakeholders. That's why we're here.

I'm trying to expand PACA's presence
in the industry through outreach efforts. I have
been to several large -- I was at PMA last week.
I spoke to Western Growers, spoke to the Fresh
Produce Association in Nogales.

We're trying to get out there so that
the industry is aware of the services that we
have to offer so we can be responsive to industry
needs.

One of the things, our highest
priorities right now is to enhance our PACA
licensing system. For those of you that are
familiar with PACA, you know that we currently do
not have online renewal or online licensing.

We're working on making that happen.
We want to get to the point where you can renew
your license at pay.gov, pay your 995 on a credit
card and your $600 branch fees and make it all
happen easier. That's one of our top priorities.

We also are trying to increase the
emphasis on PACA licensing to ensure that
everybody is in compliance. We have some -- if
you're interested in filing a PACA claim, for our
enforcement PACA can only take enforcement
actions when we receive written notice from
outside the department.

There is an informality there. That
written notice can come in an email, a letter,
anything. When we get notice of a claim and a
problem we keep it confidential who sent it in.
And we immediately look into it and follow up.

When I was at the Commerce Department
in charge of the Mexican tomato suspension
agreement, I used this provision quite frequently
where I would funnel information to PACA and ask
them to look into it where I thought there were
PACA violations.

Examples of the unfair trade and
practices that we look to eliminate are fraud,
false and misleading statements, non-payment,
misbranding and mislabeling, and employing people under employment restrictions.

Our enforcement highlights for the last three years, and these are just updated, we addressed over 131 enforcement actions to sanction firms and individuals who violated the act. And we captured almost $280,000 in civil penalties that were paid directly to the U.S. Treasury.

We're user fee funded. But when we impose civil penalties on violators, that money does not come to PACA. It goes into the U.S. Treasury.

Some more general highlights for the last three years, we assisted over 8,000 callers with issues valued at approximately $140 million. So these are the calls that come in. We have marketing specialists who stand ready to answer questions as the industry members are trying to figure out if they have a claim and what to do. You can get immediate guidance by calling our 1-800 line.
We resolved approximately 3,500 claims involving more than $58 million. And again, this is all to ensure that sellers of produce get paid. And we settled roughly 90 percent of our informal complaints within four months.

We have an informal and a formal complaint process. Our goal is to settle as much as we can so that you get the more immediate relief. We know that in some cases whether or not a seller receives $7,000 on a payment can be the difference between when they open the doors the next day.

So our informal mediation process is key. It's where we start. It's where we try and resolve things so that we can ensure that both the buyer and seller reach a happy settlement.

When we can't get resolution that way, we have a formal complaint process where we -- it's a much more involved process that can take longer. But hopefully, again, will resolve in a satisfactory method to all the parties involved.

So that's our 1-800 number. If you
have any questions, again, PACA is here to serve
the industry. And thanks for listening.

MR. VAZQUEZ: Hi, this is Jorge
Vazquez with Latin Specialties. So we know that
PACA licensing applies to probably most of us in
this room. But how does it apply to end users
such as restaurants or retailers? Does it apply
to them at all?

MS. RUDMAN: Well it can apply. They
can be the respondents in the cases. I mean, if
they're the purchasers, they could be on the
other end. We know that when buyers and sellers
are, when sellers are looking for -- excuse me,
when buyers are looking at their sellers, buyers
are often to look to see if they're PACA
licensed. It's sort of a quality seal of
approval shall we say. You know that everybody
is operating.

Depending on the volumes that the
restaurants and all of the entities involved in
the process are buying and selling, they may be
subject to license. So that's all stipulated in
the law and in the regulations.

And if they don't pay, we do have the authority to follow up and to continue with our claims. But it all depends on the volumes that people are buying and selling in.

MR. PARROTT: Just to clarify, I think to be subject to PACA you have to buy and/or sell 2,000 pounds in any day. So if you're an individual restaurant, you probably don't meet that criteria. Many of the chains, of course, do.

So that's what kind of it comes down to as to whether you're subject.

MS. RUDMAN: And if you're a broker, you're subject under first transaction. So you know, there are some different nuances there. If it's frozen it's 230,000 pounds in a year if it's frozen product.

But yes, again, it all depends on the particular circumstances. So that's the nature of the questions that we get a lot of times on the 1-800 line. People will say well, you know,
who is subject on this one? Do they need to be licensed?

MR. PARROTT: And PACA has a really good website too. I know a lot of times people, if they get a call from a new buyer and they say, you know, we want to buy a load and you don't really know who they are, you can go on the website and check to see, you know, do they have a license? Is it current? Has it been suspended? Are there complaints filed against that company already? You know, you can do things like that ahead of time.

MS. RUDMAN: And one of the things we put up for the industry is on our main PACA webpage, we're updating it monthly, our license book. That's a new feature that shows, and it's pdf searchable.

You can put in anything, you can search by state. And you can find out who is licensed right there. Within a month that's real time data.

MS. WHITTEMORE: How does it apply to
overseas growers that may not be PACA, members of PACA perhaps?

MS. RUDMAN: And we get this question -- I mean, certainly I dealt with this a lot in this Mexican tomato suspension agreement that their buyers and sellers, if they were in the United States, were PACA licensees.

A U.S. based entity that is operating in the subject, dealing the subject quantities that make you subject to license can be licensed and should be licensed under PACA.

So in other words, if you have a distributor in Nogales, Arizona who is selling Mexican produce, that distributor is a PACA licensee. And that covers the international, the product coming from Mexico.

So it's the buyers and sellers of produce in the United States. But to get a PACA license, you have to be subject and you have to be a U.S. based entity.

MS. WHITTEMORE: Right. But if you are not, like if you're buying from somebody in
Costa Rica, for example, it's a grower there.
You're bringing the product into the U.S. but
they are not under the PACA license, I guess
under the PACA rules.

MR. PARROTT: Right. So the Costa Rican shipper wouldn't have to have a PACA license. If they sold to a wholesaler in the U.S. let's say, they would still have recourse if they didn't get paid. They could file under PACA.

MS. WHITTEMORE: What about the other way around?

MR. PARROTT: No.

MS. WHITTEMORE: Thank you.

MR. PARROTT: Yes.

MR. VAZQUEZ: One more question if I may, you keep mentioning the Mexican anti-dumping tomato, how is the situation with that? I mean, has the problem abated a little bit? Or can you give us some examples of some of the actions that you guys have taken against companies?

MS. RUDMAN: I worked on it for 20
years. PACA in the 2013 agreement it was written in that a violation of the agreement may be a violation of the Perishable Agricultural Commodities Act. If it meets the willful, flagrant, and repeated criteria, it can be a violation of PACA.

There's a case out there now. We had issued a press release where we're looking into one company where a violation of the agreement is also possibly a violation of PACA. And that's proceeding.

But PACA and Commerce are working together on enforcement. It didn't change the way that PACA operates at all. But it did help to give some teeth to the Mexican tomato suspension.

MR. PARROTT: Any other questions for Judy on PACA? Okay. Judy thanks very much for being here. Okay. Our next speaker, Mike Durando I'm going to call on you. Mike is the Director of our Marketing Order Administration Division or MOAD as we call it.
We have 29 marketing orders currently.

I got it right. So Mike is going to give us a 10 minute presentation on what marketing orders do.

MR. DURANDO: You bet. Thank you.

I've got some handouts there for everybody. Good morning everybody. Nice to see you all. Mark, welcome back to Washington. Some folks may not realize Mark used to work for the fruit and vegetable program which was the specialty crops program a ways back. And always good to see him.

Great to be here.

Let me just say as one division director, and I'm sure Chuck has already said this, but we thank you for your service and the time you put in on this committee. It's very important to all of us in the program including at the division level. The recommendations that you make, suggestions you develop there, they're all very good for us and help us grow.

The Marketing Order and Agreement Division has a very simple mission. It's to help fruit, vegetable, and specialty crop producers
and handlers achieve marketing success through industry driven programs. And that's really the key.

There are 46 programs that my division oversees. All of them are programs that, at one time or another, either through the Congress and/or subsequently through the Department of Agriculture the industry asked for.

Uncle Sam didn't come to the industry and say you're going to have to have this program, congratulations. You came to us and said we would like this program pursuant to this federal law and we put them in place.

The primary statute that we are responsible for is the Agricultural Marketing Agreement Act of 1937. So we've been around since 1937.

We currently have 29 federal marketing orders under that program one of which is brand new. We'll talk about that in a minute. We'll take a quick look at it. And that's the marketing order for pecans. I guess we could say
we're through birthing it. We're about ready to
get it up and walking within the next few weeks.

Under that law we also have 14 sets of
import regulations for commodities that are
regulated under those federal marketing orders
where we have the ability to hold imports
accountable for the same minimum grades and
standards as domestic product. And level the
playing field for American producers.

There are three other statutes that
we're responsible. One is the U.S. Peanut
Standards Act that really sets in place the
minimum standards for peanuts in this country
both domestically produced and those that are
imported, not only for minimum grade but also to
ensure that the aflatoxin level is within
tolerance.

We also oversee the Export Apple Act
and the Grape and Plum Export Act which, in
short, ensures that every fresh apple that is
exported from this country meets a minimum U.S.
Number 1. And that every table grade that's
exported from this country in most cases meets a
U.S. Number 1. There are several exceptions to
that. And that requires mandatory inspection for
those two commodities for all exports.

We're very proud of the fact that
every day our people come to work knowing that
they serve 90,000 producers of these products in
the United States representing about $23 billion
a year in value of production.

In doing that, one of our primary
activities is regulatory action. And I know in
the big scheme of things, regulations are
perceived as bad. Nobody wants the government on
their back and all these types of things.

Well the regulations that we do, these
are all published in the Federal Register, these
are all regulations that are asked for, once
again, by our industries primarily through any of
those 29 boards or committees or councils as they
seek to either change their assessment rates,
modify their grade standards, add additional
authorities, perhaps for quality regulation in
their programs, or make any other adjustments.

The regulatory process is a critical component to ensure transparency not only to everybody in the industry but really everybody in the United States. Everybody can see what's going on. The public has the opportunity to comment through these regulatory actions.

We do this every day with 45 staff. About half of us are located here in our headquarters office at the USDA South Building across the river. The other half are almost equally disbursed among three regional field offices in Fresno, California, Portland, Oregon, and Winter Haven, Florida just south of Orlando.

Let's take a little closer look at marketing orders and agreements. These are very complex animals as compared to the peanuts, the table grapes, and the apple programs which are pretty straightforward minimum standard and inspection programs.

Marketing orders and agreements, we like to advertise -- think of it as a big tool
box. And within that box you have a variety of tools that are available to those in the industry who choose to put themselves under a federal marketing order.

These programs can require and provide for generic, that is industry wide, non-proprietary promotion activities, marketing activities, paid advertising activities. They can use industry monies that are collected through assessments upon handlers to fund market research targeted at the trade, consumers, and for product development. Production research as well, newer varieties, pest resistant varieties, varieties with better flavor, better shelf life.

Volume control is a feature of our marketing orders in some cases. Where really, particularly for those commodities that have a little time on the shelf, so to speak, primarily a nut crop or maybe a dried fruit crop or something like that or cherries or cranberries. They have the ability to regulate the flow to market to sort of even out the supply. So you
don't have a big surplus followed by a
significant deficit.

And what that does over the long term,
it means not only stable pricing for consumers
but also for producers. And a reliable supply
for customers of that product.

Through marketing orders the industry
can also collect and publish market data that's
very useful for producers and for handlers. And
in some instances ties right into our USDA market
news program. You'll be hearing more about that
in a minute.

We can require minimum or official
container and pack requirements relating to size,
capacity, weight, dimensions, or pack of the
product. This again assures a commodity a place
in the marketplace without overcrowding it with
too many types of cartons or packages.

Minimum standards I've alluded to are
relative to size, quality, grade, and maturity.
These drive in term mandatory inspection.
Because anytime you have a minimum standard or a
container or pack requirement, you're going to
have to have an inspection program to verify and
ensure compliance with those requirements.

And then last but not least, on the
import and commodity regulation there are
currently 14 commodities. And there are others
listed in the statute as well. But there are 14
active ones where we impose the same regulations
on imported product as we do on domestically
produced product. Citrus, tomatoes, dates, and
the list could go on with a number of others,
potatoes and onions.

And again, it levels the playing field
for American producers. And basically ensures
that if a domestic industry is setting the
quality bar up here, the import competition can't
come in and undercut with a subpar quality.

Some current activities, a little look
at where we are, the things going on, we have a
brand new pecan marketing order. In fact, we
just have a selection order signed. Chuck knows
that. It just got taken care of yesterday.
So we'll be informing the new members of the American Pecan Council this week. And we're hoping to have our first meeting of that group sometime in November.

This is a marketing order that stretches 15 states, coast to coast across the country from California to North Carolina. And basically draw that line and take it everything south.

We think there are about 3,500 producers. This is a group that, through their testimony as indicated, they want out of the chute come in with about a $10 million program. And they want to grow up to be like the almond guys and the walnut guys and the pistachio guys in terms of marketing players from a generic standpoint in the marketplace.

On the technology side, my division is a leader for the agency in working with Customs and Border Protection to implement for AMS the International Trade Data System.

And what this actually looks like in
every day usage comes through our compliance and enforcement management system which is a major information technology interface that we have built. We're still in the process of finishing it up.

What this technology is going to do for the very first time is going to position AMS with the ability to determine whether or not an imported product regulated by any of our 14 regulations is allowed to enter in the United States.

Up until this time Customs and Border Protection was in full control in terms of whether an imported lot was either held, held in tact, or released and may proceed into the channels of commerce to the United States.

Through ITDS 54 different government agencies are now tied in. So any particular commodity, let's say it's a load of imported citrus, there may be several agencies wanting to take a look at it, AFS, maybe from a sanitary standpoint FDA from Food & Drug, and certainly
AMS from the standpoint of our import regulations.

Well in our case there's an electronic signal through this system that now is going to be automatically sent to our special crops inspection division. You'll hear more from them in a moment. These are our inspection forces.

And basically setting up that group for inspection of this product. And then we have it on our screens on not quite a real time basis. But rather than the two week to two month away that we've had, it's going to be at most a day or two days.

We'll have information on every single entry of our regulated products into the United States through all ports. And then we'll have corresponding, or next to that an indication of whether each one of those entries has obtained an inspection and has met the requirements.

If that does not occur, the entry remains in what's called a holding taxed status and CBP does not release it. And the legal
liability continues to rest with the importer or
the filer until that occurs.

This is very new, very different. And
we think it is going to dramatically expand
compliance or improve compliance with our import
regulations.

Food Safety Modernization Act, I think
you're going to be hearing about that during your
meeting while we're here. Very interestingly,
FDA has recognized marketing orders as a very
effective tool to put in place various
requirements in the areas of handling, GAPs at
the producer level, training for the industry, or
recall and traceback programs.

And, in essence, FDA has said hey, you
know, if you're an industry operating under a
federal marketing order and you're doing things
that are achieving the objectives of FSMA and
meeting our criteria, well guess what, as FDA we
have very limited enforcement resources, we're
going to be focusing elsewhere.

Why? Because they have big faith in
these programs. And they know AMS has strong
legal compliance enforcement capability and that
we'll take care of it. So this is an area we're
becoming more active in with our groups.

And then we have a lot of strategic
relationships. We work with a United States
trade representative all the time. Our import
regulations all have to be vetted through them.
And then also there are ongoing discussions,
always discussions from folks around the world
about our marketing orders, our import
regulations, and the compliance with our
agreements pursuant to the World Trade
Organization, WTO.

We work with FDA not only on FSMA but
with FDA and FTC as well, Federal Trade
Commission, on marketing communications. Part of
our role is to assure that every message that our
boards, committees, or councils put out there
advertising or promoting their product is
compliant with those two agencies laws and
regulations. You can't just go out there and
make any kind of claim you want about a product. It has to be a legitimate and properly backed up.

Foreign Ag Service is a close collaborator of ours. A lot of overlap between our 29 programs and FAS. A lot of them are also FAS program cooperators. And we share compliance information and audit information. And then collaborate as well on international trade issues.

Specialty crops inspection, again, you'll be hearing from them. Not all of our 29 programs but many of them have mandatory inspection requirements which drives a tremendous amount of activity for SCI.

And then finally, science and technology program within AMS that is responsible for a lot of laboratory testing work that we do for salmonella and aflatoxin and other pathogens, in particular in our nut crops.

Internally we have a three year strategic plan that we have in place. It runs through 2018. We have five goals that you can
see there that really are designed above all else
to not only improve our functionality and our
efficiency and our effectiveness, but basically
make sure we're doing the very best that we can
to help farmers help themselves through our
programs.

They include performance measures and
an annual operating plan that is adjusted as
necessary to reflect priorities and resource
capabilities.

And so, that's us. And that's what we
do every day. In the handout that I provided to
you you've got the contacts for our three
regional field offices. This has just been a
real fundamental overview. We were given 10
minutes. So I think I've done it which is an
amazing thing for me to get it in under 10.

And certainly, I can remain available
during the break. If any of you have any
questions, I'd be happy to visit with you
further. Okay. And we do have time now. So we
can take questions now as well if you have any?
MR. PARROTT: Thanks Mike. Any questions on marketing orders through that program?

MS. KNORR: Good morning Mike. Thanks for being here.

MR. DURANDO: Sure.

MS. KNORR: I have a question. Our last session we had a group that was focusing on food waste. And so, I'm wondering through the market orders, when there are produce standards and that kind of thing, are there any marketing orders that acknowledge or proactively address waste streams that may be created during that process?

MR. DURANDO: Great, terrific question. Everybody heard the question about food waste? Okay. So the answer is yes. In fact, I'm proud to say that all of our marketing orders that have any kind of a minimum standard requirement in them do have the capability to provide an alternative outlet to product that does not meet those standards. So that we
minimize the potential or virtually eliminate the
potential for food waste.

Actually very interesting, the one
marketing order that remained that didn't have
that kind of an outlet was within our table grape
marketing order for southeastern California.
This is the Coachella Valley for those of you
that know the grape business.

And it didn't have the ability for
product to go to charities or to food banks or to
those kinds of outlets if those grapes failed to
meet their standards. So we amended the
regulation. So we completed that. And that's
now been in place for -- I know we're in the
first year but it may be more than a year old at
this point.

Sidebar to that or interesting little
factoid, we were pulling some data the other day
looking at imported table grapes and the
disposition of those and whatnot. And low and
behind found that there was a lot, or a load if
you will, 11,000 pounds of table grapes that had
been imported through Philadelphia that failed,  
must have failed to meet because they were  
diverted to a food bank.

So that wouldn't have been able to  
happen a year or year and a half ago without our  
change in the regulations. It now could happen.  
And all of our orders have that capability of  
some kind.

MS. ELLOR: Hi, Tina Ellor from  
Phillips Mushroom Farms. Could you say a little  
bit more about your -- is the relationship you  
have with the FDA sort of a formal one in regards  
to FSMA or an informal?

So you said that they will be less  
likely to target industries that have GAP  
programs in place. Could you say more about  
that?

MR. DURANDO: Sure. Not that I want  
to steal the FSMA thunder and I think food safety  
thunder that's coming up maybe through some of  
the discussions here.

But going back a number of years to
when Michael Taylor was running the program there
at FDA and overseeing a lot of the FSMA work and
everything else. And it was published even in
some of the regulations.

What they're basically saying is if
there is an industry out there -- and let me just
say there's not a formal agreement. There is not
an MOU in place on this. This is just sort of
FDA's, I guess, logical prioritization of
resources.

They're acknowledging A, they've got
limited enforcement resources. And then B, if
you're operating under a program, in this case
I'm addressing federal marketing orders, that are
achieving these things -- you've got handling
requirements in place that, you know, in fact
meet or exceed whatever FSMA they may be
requiring.

Or you've got handling requirements
that, in fact, are affecting the behavior of
producers so that what they're doing through GAPs
or other activities are somewhat de facto
compliance -- I use that term very carefully here.

They're achieving, they're meeting the goals of what FSMA is trying to do. Then FDA is going to look at that, through no agreement or whatever, but they're going to have an understanding that that's happening. They have a high degree of awareness of our programs as it is.

And they'll understand that isn't an area of risk for us in the food safety arena. Because that is an area that has very good controls in place. And a lot of that has to do with the FDA audit, pardon me, the USDA audit and inspection programs that are run by SCI and overseen by them.

It has to do with the compliance and enforcement capability that our program through my division has. And the legal teeth that we have in that which we do. We can take people all the way up through the federal court system.

So those are the reasons why. But
there's no formal MOU between us and FDA on that.
Randy did you want to add something to that?

MR. MACAN: Yes I do.

MR. DURANDO: This is Randy Macan from
the Specialty Crop Inspection division.

MS. STANZIANI: Randy you'll need to
use one of the microphones.

MR. MACAN: While we're on the topic
so we can just clarify, AMS has an agreement, an
MOU with FDA. The USDA has had, a working
agreement with FDA goes back to the 1940's
whereas that we have established a relationship
working with the regulators.

And we have an individual, Ken
Petersen, about our working relationship with
FDA. And then with FSMA implementation. And he
can go into a little bit more detail.

But yes, we have an agreement. All of
us AMS from poultry to meats and all of our fruit
and vegetable inspection services have signed
that agreement.

MR. DURANDO: Yes. And Randy, just to
add onto that, I appreciate that because -- but
that agreement doesn't specifically name, it
doesn't say in the agreement if you have a
marketing order we're going to do this. Right?
It has much more to do with the other side of the
business. Does that help Tina?

MS. ELLOR: It does, thank you.
MR. DURANDO: I think we have a
question here. And then we'll come back down the
line.

MR. VAZQUEZ: Good morning Michael.
Thank you for your wonderful introduction. Just
can you elaborate a little bit more on the status
of the ITDS? Is it already fully implemented?
And just expand a little bit more please.

MR. DURANDO: Well ITDS, I mean,
that's a big category. But the International
Trade Data System and very specifically the
Automated Commercial Environment, the ACE, that
is fully up and running by CBP. That's a CBP
owned product.

And they are now calling for all
filers to be using the ACE. In fact, they turned off the old legacy system called ACS. And they've pushed everybody into ACE.

Now they very recently have announced some deferment of the deadline dates until, I think, into the end of December or early January on certain aspects of filing that really go outside of the USDA activities.

For AMS and for the programs that I was addressing, they are the 14 import regulations, we're currently in a pilot status on that. And in that regard, we've now expanded to the point where we have L.A. Long Beach, Miami, and Philadelphia.

Those ports are open for all filers to file in ACE. And to file for their Section 8E compliance. Those are our import regulations through ACE. And we're running that through those three ports as we speak.

We'll be piloting those still for a little bit as we're continuing to debug our system. There's a lot of technology going on
between Specialty Crops Inspection Division and
their FEARS program that automates the inspection
process. It reports into our Compliance and
Enforcement Management System or CEMS that I
referenced earlier. And that's all working
through.

But I can tell you that our goal or
our target is that by pretty much mid to late
November, by then we hope to have our system open
to all ports of entry. And so that we have a
full month of service under our belt, that would
be the month of December, before we hit the
December 31 deadline which is called for in the
President's Executive Order.

So does that clarify it for you?

MR. VAZQUEZ: Yes. Thank you.

MR. DURANDO: Okay.

MR. PARROTT: Okay. Any other
questions for Mike?

MR. SUTTON: So just another question
regarding FSMA and the marking orders. Is AMS
looking to get a written agreement that that will
be the compliance arm for marketing orders?

MR. DURANDO: With FDA?

MR. SUTTON: With FDA.

MR. DURANDO: No we are not.

MR. SUTTON: Okay.

MR. DURANDO: No we are not.

MR. SUTTON: But it is of the assumption that through AMS regarding a marketing order that you guys can verify compliance for that marketing order?

MR. DURANDO: It should be assumed because it's our job that we have the ability to verify compliance and enforce compliance with the terms and the requirements of a federal marketing order.

If those terms and requirements happen to align or achieve the goals or requirements of FSMA, FDA is going to look at that very favorably in terms of how they choose to allocate their enforcement resources.

It isn't by any means an automatic pass. You're not "exempt" from FSMA or anything
like that. It doesn't mean FDA couldn't come looking at you. But in terms of allocating their resources, they're going to be focusing elsewhere.

MR. PARROTT: Thanks Mike, appreciate it.

MR. DURANDO: Thank you very much.

MS. STANZIANI: I'm just going to do a little interpretation. Because as the federal government, we have a tendency to use a lot of acronyms. And we try, you know, we do our best but when we're talking every day to the same people, everybody knows what we're talking about. It doesn't necessarily mean that the general public does.

So when Mike referred to a selection order, the selection order is actually the call for nominations for the board members. And a selection package is the appointment package which related to the new pecan board. They have gone through that whole selection process.

And CBP is Department of Homeland
Security Customs and Border Protection. Just to give you a little update there. I'll continue if we need to.

MR. PARROTT: Okay. Let's move right along. Terry I'm going to ask, Terry Long is our Director of our Market News Division. And again, Market News reports prices every day all over the country. And helps maintain a transparent marketplace which is really important. So Terry, thanks for being here. And I'll turn it over to you.

MR. LONG: Good morning and thank you for this opportunity. You're going to be the operator and I'll be the pointer? Okay. Got it.

Well first off Market News, I will mention that Market News is actually older than the Agricultural Marketing Service. Market News was established in 1915 before there was an AMS. Market News was later merged into AMS when AMS was created later.

Anyway, Market News is the eyes and ears of the American agricultural industry. In
fact, I'd say we were the eyes and ears of agriculture worldwide. A mission very simple, provide timely, accurate, and unbiased information on agricultural markets, very simple.

Our motto get it, get this information, get it right, it's got to be accurate, and then get it out. Again, three things here. One, the information, it's out there and you have to collect it.

Secondly, if it's erroneous, we have an obligation to not use that information. Our saying is if you're in doubt about the information, check it out. If you're still in doubt, leave it out. Again, this information becomes prima facie in court cases. So again, these market reporters have to be competent in the information they're collecting and disseminating.

Again, market levels covered, shipping point, terminal markets, retail advertised weekly specials. And I'm going to pause there and hand these out if I may. And we'll come back to this.
Retail, again, we're only checking the advertised weekly specials not every day regular prices. And a few farmers markets and the growing trend in direct marketing farmers auctions.

Again, some other products you may not be aware that Market News covers, apple juice concentrate, grape cold storage and, again, the volume in cold storage, apples for processing, international markets of interest, Paris, London, all over the world.

And things you might not expect us to cover honey and beekeeping. And it's not up there but cut flowers is a huge industry that we track.

On the movement side or volume, again, one of our important sets of data for the industry is movement, shipments, domestic, truck, rail, it doesn't list air but if there's any there, crossings from Mexico every single day. Trucks, air, and boat, all of those we're tracking. And then imports from all the other
countries, 63 other countries beyond Mexico that we're capturing imports on mostly on a daily basis.

Again, part of our role here Mike alluded to in this ITDS, the new system. We'll be getting that data as well. Currently we're using other means to collect this. We're going to be part of that same mechanism. So everyone will be using the same data set, ITDS, for the imports.

Key reports, the National Shipping Point Trends is a weekly report. We'll glance at that in a minute. The retail report I just passed out. Those are only the first four pages of the most recent retail report. Once a week it's about 35 pages long in great detail.

The Truck Rate Report is very popular. Most produce moves by truck except boats coming into the country. How is the supply? What are the rates? You know, where are they moving? Shortages and surplus are very closely tracked, very widely supported by the industry, Truck Rate
Report.

Daily Movement Report, again, we're aggregating all of this volume, shipments, crossings from Mexico, and imports into that daily rate. The universal supply is available to us. Again, a specialized component of that is the Mexican crossing, again, specific.

And again, the recent summary we've added for the organic markets that we continue to add, grow, and report. Again, this is done on a daily basis, the National Special Crops Organic Summary. We're rolling all of the organic into one place, the shipments, post sale shipping point, retail all rolled up into one report.

Obviously, the retail is a weekly feature.

Now this is what I handed out to you. I wanted you to look at this again. We are tracking, I think the number is 360 chain stores with over 29,000 outlets. Again, we're pulling these ads off the internet for these individual stores by region.

So again, we are capturing almost the
entire nation's weekly advertised specials for fresh produce on a weekly basis. Very big data. Almost every reporter in America collects part of these stores.

We distribute them out so everyone has a feel for what their, say they're covering mangoes, they get to cover the market at shipping point, in other words the point of import, as well as tracking these retail ads. So you can see how they link together. So it's been a boon for us both in our reporters and in the products that we make available to the industry.

Again, I spoke briefly about the truck report, Truck Rate Report. I just wanted to give you a glance at that. Again, broken down by all of the major shipping districts. And again, all the truck brokers, the individual shippers are very cooperative, I would say, on a national basis over 90 percent cooperation, extremely high.

And the trends. Again, we're aggregating up the berry market broken down by
the varieties underneath, the citrus fruit, the
varieties underneath, as well as the shipping
point districts. We're showing you the movement
over three weeks, three weeks ago, two weeks ago,
last week, and the current market. Again, a
glance at that shipping point market for the
United States and for imports into the U.S.

Just briefly, we cover 1,453 markets,
over 4,000 buyers and sellers interviewed every
day, total commodities 411. Again, that includes
things like honey and the various varieties of
cut flowers, for examples. Or types, excuse me,
not varieties.

Now how broadly is this information
accessed? The most recent count we did, we get
54,000,000 e-views. This is people going to our
site to pull information off. So these aren't
just, you know, visits if you will. Because you
know, you can get a lot of those automated.
These are all where they've actually gone in and
pulled data out of our site 54,000,000 times a
year.
Again, what's next for Market News?

We talked about the ITDS system we'll be integrating into that and collecting that data more efficiently and more comprehensively. So that's a big boon.

One of the other things we're doing is an overall replacement of our platform. We're operating in an Oracle environment that was first deployed in the '90s. You can imagine a system that's still operating that was deployed in the '90s.

So the market MAR system, Market Analysis and Reporting, modern technology getting rid of the old MNIS, our database if you will. The communications system that links all of our offices, we have our own communication network. Again, MAR will replace that.

And then lastly, on the sheet I handed out there it talks a lot about our portal and how to access this information our customers are using. This system will replace the Market News portal as well.
One attribute of the MAR system is the API, the Automated Protocol Interface I believe is the term. This will allow our customers for the first time, instead of having to go run reports, you know, for a two year period, for certain markets and then try to roll them up, this new feature in MAR will allow you to pull everything we have.

If you say I want every bit of data you have on mangoes, you can pull this out through this giant pipe of the API. That's just one example of the new functionality you will get with MAR.

Modern technology, a big pipe to allow you to pull vast quantities of data. And again, our database goes back to the early '90s. So it's pretty comprehensive data.

Organic Data Initiative, this was a farm bill. We have been allocated money for a two year project to grow organic reporting in Market News. Our primary focus -- well we're adding up to 10 new reporters. Again, mostly in
our existing Market News offices.

The focus is on growing our organic reporting primarily at the shipping point. And again, when we capture a market we're looking at volume and prices. So those are our two big focuses here, MAR and the Organic Data Initiative.

Within the international realm, Market News AMS serves as the Chairman of the Marketing Information Organization of the Americas. Again, 33 member nations that are basically doing what Market News.

Some countries this is a quasi-private organization that has been set up. You know, to sort of separate them from the government so that people would have more confidence depending on the countries.

So of these 33 members, we met last month, well actually it was this month earlier, in Guatemala. Twenty eight of those members nations were in attendance.

So again, the desire to have good,
reliable, timely agricultural market information is not, you know, unique to our group here today.

And again, the focus of this thing is to improve these systems. And also to promote the concept that market transparency like we promote in Market News and you see here through inspections and marketing orders, this transparency is, we consider it a critical public good.

As a planner for the government, you need to know these things. As a private sector trying to enhance your business to support your family, these are all information that should be, we believe is a public good, market transparency. And again, that's all I had for today.

I appreciate your time and would answer your questions if you have them.

MR. PARROTT: You know, one thing, just to tag onto what Terry said about it being a public good. I always think back to the mid 1990s after the Soviet Union broke up. It amazed me how many of those former Soviet countries came
to the U.S. looking -- because the first thing
they wanted was market news.

You know, we take it for granted
because we have this transparency. They didn't.
And Terry mentioned the Marketing Information
Organization of the Americas, you know, with the
33 countries. But just having that information
available to everyone, not just the people who
subscribe to it just is a tremendous public good.

MR. LONG: Well thank you Chuck. I
wanted to mention that we often refer to
ourselves as the first responders. And that's
true.

When they said, you know, the wall has
fallen, Russia is an independent nation, what did
they need? Well the first thing seemed to be
these market news reporters.

In the '50s we went and worked in
South Korea. To this day they have a very good
market information system. In the '70s we worked
in other countries. Like you said Chuck, in the
'80s we helped Mexico set up their system.
In fact, we helped Mexico set up a database before we had one in the U.S. But learned from that experience and came back and built a database in the U.S. So it's not a one sided effort, if you will. And Chuck's already mentioned the former Soviet Union nations.

I would say, I would tell you that we currently have four nations that have either written or verbal requests to Market News to come help them improve their marketing information system, Mexico, Brazil, Argentina, and Columbia.

In some cases these have come to us in a formal letter from the Ministry of Agriculture requesting our assistance. So this is a project for the next year and beyond, is to continue to help our key trading partners improve the information. And we both get to rely on that.

So it seems to be a win-win situation.

MR. VAZQUEZ: Good morning Terry.

Jorge Vazquez with Latin Specialties. What's the timeframe for the MAR full implementation?

MR. LONG: Full rollout is January of
'18. Some parts of it like the early parts of it like feeder cattle and some of those are being done and phased in fully. But for full implementation it's January of 2018.

MR. VAZQUEZ: And one more question, if I may. Do you happen to know the name of the Mexican database?

MR. LONG: I know the name of the organization, SNIM, the Servicio Nacional de Informacion de Mercados. And they are part of the Secretaria de Economia. Their database I can't call to mind. I'm sorry. There's 33 of them, it's hard to keep them all straight.

MR. VAZQUEZ: Thank you.

MR. LONG: Yes, sir.

MR. PARROTT: Mark, did you have a question?

MR. LONG: Yes, sir?

MR. SUTTON: How do you verify that the information you collect on pricing points and things like that, what checks and balances do you have in place to make sure that information is
accurate?

And the reason I ask is I have

salesmen and I know they report to you all. I

wished I was getting the prices they were

reporting to you.

MR. LONG: You know, we rely on

several things. One of them is a culture of

training where we realize that highliers and

lowliers exist out there. You have to take the

highliers, the lowliers, cross check them against

their customers, the people that are buying this

product.

So we're often trying to capture both

sides of these transactions. So again, the fact

that you tell me the market is 12 and I know it's

9 to 10, I'm not going to write 12. I might have

cover you and say occasional higher.

But just because you tell me that's

the market, unless I can confirm it and it

matches up with all the other contact points, I'm

not going to use it.

So again, when in doubt we leave it
out. If you can't check out and make sure it's correct, we don't use it. And I will mention that sometimes there are special circumstances.

Like I'm doing a season long contract at the 1st of the year. It's going to be under what you think the market is going to be. You know, it's 10 to 12 and I'm taking the season long contract with so and so for $8.

Well okay, that's a valid transaction at that point in time. Start of the season, on that day there was an $8 transaction. Now the $8 transaction only happened one time. It extends over the season. But as far as a spot market sale or a sale, it only happened once.

So in that first part of the season your $8 is a key part of the market. But after that, the market goes to 10 to 12. We're not going to relate back to that and say, by the way, so and so $8 at the start of the season.

We may have something in there like previous sales lower. So that people understand when they hear that $8 out there, it's not
current market. So we will try to utilize that
information to sort of paint a picture.

MR. ALLISON: My name is Mark Allison.
I just wanted to make a comment that I've been
using this on and off for probably more years
than I want to admit to on and off again. But I
just thought you guys over the years have really
done a great job of, you know, especially keeping
current.

I jumped on it just a couple years ago
after taking a hiatus for half a dozen years.
And when I came back and visited your website,
you know, I was really impressed with the
progress and the detail and the reports that are
available. So I just wanted to just say I think
you're doing a really great job on keeping ahead
of it all.

MR. LONG: Thank you very much.

MR. PARROTT: Okay. So next I'll
Lorenzo Tribbett up. Lorenzo is the Director of
our Specialty Crops Inspection Division. They do
inspections and audits on fruits and vegetables
and some other commodities as well.

MR. TRIBBETT: Good morning everyone.

Again, my name is Lorenzo Tribbett. I'm the Director of the Specialty Crops Inspection Division.

We were created in October of '12. This is our four year anniversary. We were merged from the original fresh products branch and the processed products branch to service the fresh and processed industry from farm to fork.

We are over 700 strong is what I like to say. We are the largest division within AMS. Our budget annually is $60 million. Of that, $58 million is all user fee. Judy was mentioning that also. I have another saying for that, if we don't churn, we don't earn. When the government is down like Judy for anything, we're still working. We do get $2 million of appropriated money for our standardization branch but that's it. Other than that, it's $50 million.

We are quickly approaching our 100th year anniversary which we get in January of this
year, excuse me, January 2017. So like I said, 
we've been around for a long time. 

Today with me -- and I'll step back 
and just give you a little bit of my history 
background. I've been with AMS Specialty Crops 
fruit and vegetable program and PACA for the 
last, over 14 years now. Started out in PACA as 
a Training Officer and then moving up to Deputy 
Director. And prior to that, I'm an Air Force 
retiree. But very great career here so far. And 
looking, again, to be the future to be even more 
successful. 

But today with me I have two of my 
Associate Directors here. First being Randy 
Macan. Stand up Randy. He's the Associate 
Director for Inspection Services. Tell them a 
little bit about yourself Randy. 

MR. MACAN: Good morning. Again my 
name is Randy Macan. As my Director said, I'm 
Randall Macan, Associate Director of Inspection 
Services. 

Inspection Services covers the
training aspect, the standardization of brands, contract services, and our auditing services that we provide. I also handle budget and I play relations and human resources issues for the division.

As he mentioned, I myself have been with the department for 35 years actually this past year. So that's one milestone. And so mostly with the processed fruit and vegetable side. That's from the former processed products division that we've had.

And so, basically from our standpoint we handle the, I make sure that the training, all of our inspectors are trained. And basically, so that they are ready to go for when you need that service that we provide.

We also have about, for our standardization section, we have food technologists and experienced marketing specialists that cover 400 standards and another 300 or 400 CIDS. That's Commodity Item Descriptions which are government buyer
specifications. So we maintain those.

We also are in charge of their operational rations which is our relationship contract with DOD where we cover the inspection service of all the MREs for the operational feeding programs for our soldiers around the field. So we have over 13 or 14 suppliers that we have actual personnel in the facility making sure that the DOD contract requirements are met.

On top of that we're presently working with USAID. USAID is in the process of trying to expand their humanitarian rations program where we are setting up a type of service similar to DOD where we can help them develop their humanitarian rations that are presently used for several instances either for disaster relief here in this country or for refugee situations around the world.

We're working with the UN on that also. It's going to be a meeting later on where we're going to expand the humanitarian rations program so that they can have enough supply to
1 meet the demand.

2 And so that's generally what it is.

3 I'll have Ken Petersen, my auditing branch will
4 be up later to talk about more detail on the
5 audit side.

6 MR. TRIBBETT: Okay. And also Chip
7 Taylor who is our Associate Director of
8 Operations.

9 MR. TAYLOR: Good morning everyone.
10 As Lorenzo and Randy said, my name is Chip
11 Taylor. I'm Associate Director for Inspection
12 Operations.

13 So basically I oversee all the
14 inspection grading and certification activities
15 for both the fresh and processed inspections that
16 we do.

17 Randy mentioned the MREs. We inspect
18 everything from A to Z or soup to nuts, whichever
19 you prefer, and all things in between. We do the
20 MREs.

21 Our largest programs are peanut
22 inspection, raisin inspection in Fresno,
California followed by orange juice. We have more than 700 full and part time graders at more than 60 locations in inspection offices nationwide.

Additionally we have cooperative agreements with 41 states and the Commonwealth of Puerto Rico to license state and commonwealth employees to do inspections on our behalf. We train them, oversee them, and license them to issue our certificates.

So that's the real condensed version of what I do. And it sounds pretty straightforward but it doesn't seem to end up that way. Lorenzo?

MR. TRIBBETT: We had a little technical difficulty so I don't have anything to pass out. I was going to give you a little short film that we had that really entails exactly what we do within a minute and 20 seconds actually.

So I'm going to ask Pam, as you're going through the meeting here, maybe tomorrow she can show it to you to show you exactly what
we do all the way. Like I said, you'll pick up
on it right away.

But a couple of the things that we do
that people don't even realize is we're in olive
oil also. We're into Subway and all the big
companies. We have our hands, we're either
grading, inspecting, or doing customized services
for them. So we have a lot.

And our big thing right now is the
group gap as Randy mentioned about that. Ken
Petersen will be talking to everyone about that
later on today or this afternoon. I'm quite sure
that's high on your list of things outstanding.

He's been carrying the torch for that
for us for, I know for me for the last four
years. And prior to that when I knew him when he
was just a one man shop. So that'll be a good
when you do hear that presentation from him.

But for right now, we'll open up to
any questions that you may have about specialty
crops inspections.

MR. PARROTT: If I could just tack on
a couple of things before we get to questions. A
few things I wanted to highlight. One is Chip
and Randy talked about training.

You know, we have a lot of inspectors
out there all over the country. We work, we have
a training center that's a couple hours or one
hour south of here in Fredericksburg, Virginia.
It's a great facility.

We work really hard to ensure that we
have consistency in our inspections. So you
know, if you call for an inspection on a load of
tomatoes in Los Angeles, it's going to be done
exactly the same way as if you called for it in
Boston or Milwaukee.

And you know, that takes a lot of
training and effort to make sure that people are
looking at things the same way. But that's
really important to what we do.

There was something else I was going
to mention and now I don't remember what it was.
Blackboard, yes. So we just recently -- you
know, obviously it costs money to bring in
inspectors and state inspectors from all over the
country to Fredericksburg to get them trained and
certified and brought up to speed.

But we just recently got the
Blackboard system. Those of you that, you know,
kids at university or, you know, younger are
probably very familiar with it. But Blackboard
enables you to do distance training really well.
It also enables us to track, you know, who is
doing what, how they're performing, all of those
kinds of things.

So it's a great system. So we're just
now getting that available. So that's going to
help us reduce some of our training costs.

MR. TRIBBETT: Especially travel
costs. And again, as Chuck was saying, it
standardizes our training system and formalizes
our training system. So we know at any given
point in time how many people we have in
training, who may be not doing so well, and how
we can go about correcting that.

So like I said, it's a great tool. It
goes down to any type -- it can go down to your phone if you're having a class or whatever it may be. And you can do it. When we've got some down time perhaps in some of our offices, then our guys can go and train on specialized courses.

So we're very proud of that system.

We're going to really -- I think next month we really release it. We're doing a lot of individual work right now. But it's going to be a great system for us that we'll be able training to, even out to the industry.

That's another big thing. Instead of having to come in to our training development center -- I don't know if anybody has ever sent anybody in here to do anything. But we'll be able to come out to your location via this Blackboard system and provide that training to you.

MR. PARROTT: One other thing if I just could tack on. You know, obviously there are federal grade standards. So you know, if you get a load of apples in, you know, does this load
grade US.. Number 1? That's what we do.

But we also do customized inspections.

So if, you know, if Walmart had their own grade
for, you know, what their buyers were looking
for, we can do inspections to any level of
certification that you want. So that's a
customizable feature that we offer.

MR. TRIBBETT: Yes, ma'am?

MS. WHITTEMORE: What type of training
is offered to the inspectors in terms of tropical
products or exotic products?

MR. TAYLOR: Well we've got some
standards. The mango standard was just issued
five or six years ago I believe. We do a fairly
comprehensive on the job training program. We
can inspect any commodity whether it has an
official grade standard or not.

And the tropics are an emerging
sector. When I started back in the early '80s,
tropical fruits consisted of bananas and
pineapples and that was about it. That, of
course, has expanded greatly.
A lot of that is through the OJT. But we have handbooks or guidance manuals that give general direction on those types of commodities.

MR. PARROTT: But if someone wanted to get, let's say a load of starfruit inspected. There's no grade standard for starfruit. But you guys would do the inspection and basically describe what you're seeing.

MR. TAYLOR: Oh absolutely. We can quantify what the defects are. We know what soft is or what flabby is or what shriveled is. So we have the ability to inspect any commodity.

MS. WHITTEMORE: I would like to volunteer, if it's possible, with some of that training.

MR. TAYLOR: Absolutely.

MS. WHITTEMORE: Because we import a lot of tropicals. And sometimes you bring products and you ask for an inspection. And to be honest, the inspectors don't know what those products are. And I mean, I understand. These are things that they've never seen. But it
should be some type of training.

Like I had a shipment of canepes. And they look at me like, what is this? What it should look like when it's good or when it's bad? So this person is making a determination of whether I'm going to lose my head on this product or not with something that they have never seen perhaps.

MR. TAYLOR: That is entirely possible. What we try to do in most instances is if it's close to another similar commodity, we tend to use those instructions. A dragonfruit, I'd never seen a dragonfruit before three or four years ago. But I can look at it, see the textures, it's soft skinned, hard shelled, what's the internal quality like. And base it on a commodity that I already know and have a standard on.

But certainly, we can develop any kind of specialized training that industry may need or our inspectors may need.

MS. WHITTEMORE: My offer still
stands.

MR. PARROTT: Any other questions on inspection? Okay. Thank you.

MS. WHITTEMORE: One more. I'm sorry.

I've got one more.

MR. PARROTT: One more.

MS. WHITTEMORE: So if the standards for -- I have an example. So a shipper, a grower sends three containers of avocados from the Dominican Republic. Two goes through a port in New York, one goes through Miami.

The one through Miami goes through no problems, fine. The one through New York they stop because the fruit should be all the same size which is almost impossible. They demanded that they all should be the same size.

So that importer is stuck with two containers of avocados versus the one from Miami went right through. How is that possible if it's the same standards?

MR. TAYLOR: There are maturity requirements for green skinned avocados coming
into the country. So based on what type of year
and where that cutoff date is --

    MS. WHITTEMORE: Same time.
    MR. TAYLOR: If that's a specific
type, I can find out for you.
    MS. WHITTEMORE: Okay. Same time of
the year, same time. It was a little odd.
    MR. TAYLOR: Okay. Was that stopped
by us or by --
    MS. WHITTEMORE: You guys.
    MR. TAYLOR: Okay. Because we don't
really have the authority to stop anything.
    MS. WHITTEMORE: That's what I was
told.
    MR. TAYLOR: We verify quality and
requirements. But we don't have any police
authority. So we can't hold a load. All we can
do is fill out the certificate and say whether or
not it met.
    MS. WHITTEMORE: Mine was the one that
went through so I'm okay.
    MR. TRIBBETT: Well if you do have
those questions, you can give us all the data
that you have and the information. We can
definitely check it out. But like he said, when
you said that I was saying we have authority to
do that? We can find out though. That's not a
problem.

MR. PARROTT: So just adding onto
that, it wouldn't be SCI that would stop you. It
would be Customs and Border Protection or CBP.
And we're now at a point, we talked about ITDS
earlier, where because all the filing is coming
through ACE, even if that port isn't part of our
pilot program yet, CBP now has a much -- the
system will not let product in today if, what we
call the old stamp and fax system, if the
importer doesn't present that stamped copy of a
fax from SCI indicating that they've got the
inspection scheduled.

And then that puts it on CBP's screen.
And now electronically, probably what's happening
is the load failed, you know, it didn't meet.
And my guess is ACE locked it down and wouldn't
release it. So it wasn't these guys or it wasn't SCI who was holding the load. It would have been CBP.

But just to add on, I mean, they'd have to look at the particular incidents. But it could have been that you had different varieties in those other containers. All the varieties are regulated on different maturity times under our regulations.

So there could be a number of factors at play there why one entered Miami okay and the other two did not. It could have been different product or something.

MR. PARROTT: Like I said, any questions we'll find out. Give us the data.

MS. STANZIANI: And I just want to say that it was my miscommunication, I apologize. But I will make sure that you do get a copy or see a copy of that video. It's a great animated video. They're kind of the pioneers for us, our program in this. And it actually, you'll be able to go online and grab it too. But I would like
you to see it here.

MR. TRIBBETT: And it's in English and Spanish also. So you know, we try to cover just about everything else. And next, I guess, we're going to try to do Korean as we continue to develop.

MR. PARROTT: Okay. Thanks Lorenzo and Chip and Randy. I know everybody is probably ready for a break. But we've got one more speaker. And then it's break time. So Patty Petrella is here. Patty is the Associate Director of our Promotion and Economics Division. And then we'll hear from her. And then we'll take a break. And then we'll come back with the full committee meeting.

MS. PETRELLA: And I'll be quick.

MR. PARROTT: While Pam is pulling that up, just a couple of housekeeping things. I think everybody knows this but we have coffee and water and tea that's up here. Water is in the back. Please help yourself.

And then the restrooms are, the
women's room is straight across the hall. And
the men's room is to the right just a little bit
and then it's on the left.

MS. PETRELLA: Good morning everybody.
My name is Petty Petrella and I am the Deputy
Director of the Promotion and Economics division.
My supervisor Heather Pichelman is actually out
at an industry board meeting for the paper and
paper based packaging program today.

I know all of you have heard of beef,
it's what's for dinner and got milk. These are
tag lines from federally enacted research and
promotion programs otherwise known as commodity
checkoff programs.

In the Specialty Crops Program, our
division oversees 13 of the 22 research and
promotion programs for various fruit, vegetable,
nuts, and forestry programs. They include
avocados, blueberries, mangoes, Christmas trees,
honey, mushrooms, peanuts, popcorn, potatoes,
paper and paper based packaging, raspberries,
watermelon, and softwood lumber.
Our two newest programs are the fresh
cut Christmas tree program and the paper and
paper based packaging program.

But first, let me tell you about the
interesting organization of our division. We are
made up of a team of marketing specialists that
oversee the 13 research and promotion programs.

And a team of economists that compile,
process, research, analyze, and report economic
and statistical information on fruits,
vegetables, and tree nuts and related
commodities, other specialty crops including
forestry products, and organic products.

PED economists also support activities
related to various AMS SCP functions and other
USDA agencies with emphasis on commodity
purchases for feeding programs, particularly
school lunch, marketing order and agreement
programs, research and promotion programs, and
other programs as needed.

Our marketing specialists work on the
research and promotion programs. All national
research and promotion programs are designed to
maintain and expand domestic and foreign markets
for agriculture commodities.
These programs are created and funded
entirely by industry stakeholders. The
assessment payers can be producers, handlers,
processors, manufacturers, and importers of the
commodity.
Under a program a commodity board is
established. And board members are nominated by
the industry and appointed by the Secretary of
Agriculture. No tax payer monies are used.
These are user fee programs. They can be
national in scope.
There are mandatory assessments on the
programs that choose to be part of a RNP program.
All the programs combine for approximately $1
billion annually.
AMS has been given oversight authority
by Congress. AMS oversees how they money is
spent in accordance with their laws. Some of the
activities we oversee include budgets, contracts,
review promotional ads, research projects and promotional campaigns, to name a few.

We are the fiduciaries for the producers, importers, processors, handlers, manufacturers, and others that pay into the programs.

And that's all I have. If anyone has any questions about our research and promotion programs or what we do, what our economists do, I'll be happy to take them. And Chuck is on the economist staff.

MR. PARROTT: You may want to just give them a little bit of a feel for how much of a review -- like when one of the boards submits an ad to, you know, they have to get it approved first. What are we looking at and what do we ensure that it has to do?

MS. PETRELLA: Right. Any of the material that the board generates, promotional material, our specialists have to review that material. It's all considered government speech.

So we're looking at it to make sure
that it is in compliance with, we have
guidelines. And also we review them under FDA
guidelines and also FTC guidelines to make sure
that they are compliant.

MS. WHITTEMORE: How do you decide, I
mean, the committee decide what campaigns to
target or what products to promote?

MS. PETRELLA: Well the board kind of
makes that recommendation. They decide, they
kind of steer I guess the whole strategy on what
they're going to promote. And then most of the
boards, they may have in house people that do
that. Or they'll hire a contractor, PR firm or
whatever to work on that strategy.

MS. WHITTEMORE: But is it based on a
specific product that needs -- like for example,
when it was the milk. Was it because milk was
low and they want to promote more of the
consumers using more milk because that will help
the producers? What is the rationale?

MS. PETRELLA: Yes, I guess. I mean,
these are all industry driven. So they come to
USDA. And if they decide they have, I guess, a
problem or they want to promote their product,
they come to USDA to develop a program.

MR. PARROTT: Yes. That's an
important distinction. We don't say people need
to drink more milk so let's get a milk -- no.
The dairy industry comes to us and says hey, you
know, we want to promote our product generically.
So we oversee that program. But it's completely
up to them whether they want to have one or not.

MS. WHITTEMORE: So any industry could
come up to you guys?

MR. PARROTT: Could, yes.

MS. WHITTEMORE: And what is the
mechanism to do so, to present an idea for a
promotion?

MS. PETRELLA: We actually have some
procedures on our website. I'd be happy to
direct you to the website. Usually a proponent
group comes to us and we help them kind of
develop the program. And that's usually how it's
done.
MS. WHITTEMORE: Thank you.

MS. STANZIANI: I'll make sure that you get any information that you need from any of these presentations.

MR. MACAN: Thank you very much for the presentation. I guess just a couple of questions with respect to marketing orders and marketing agreements. There was the lawsuit on the raisin marketing order which, you know, pretty significantly called into that question that order.

I'm just wondering, you know, is that having any repercussions in terms of the execution of other marketing orders? Or are there changes in policy that you all are having to pursue in order to come into compliance?

MS. PETRELLA: Well I'll let Mike answer that. He's actually the Division Director for marketing orders.

MR. DURANDO: Thank you. Nice to see you. Sure. I think I can say right now the litigation that was going on in marketing orders
I don't think has really spilled over to research
and promotion programs at least politically or
programatically or anything like that. They're
really two separate animals although we have a
lot of overlap in the things that we can do.

With regard to the raisin litigation,
again, that was a very narrow decision by the
U.S. Supreme Court relating to the grower held
reserve for raisins as part of their volume
control program.

As a result, the repercussion or the
result of that decision has been that the
Department of Agriculture has made it clear to
the Raisin Administrative Committee that oversees
that program that it will not, we the department
will not implement any form of that reserve
program as it is currently constituted in the
regulations.

It has not spilled over to other
marketing orders. And there are currently no
agreements on the books. The reason being the
reserve provisions in any of the other orders
that have reserves are materially different than what was in the raisins.

And so, when you get in there and start splitting all the legal hairs, if you will, the applicability doesn't flow over to those if that makes sense.

The final repercussion, and I can just report it from a process standpoint, we are actually have been working with the raisin committee to go through formal rulemaking. This is with public hearings and public comment and final notices.

The order is in the process of potentially being amended. A recommended decision has not been published yet. But the Department of Agriculture did propose in that hearing to completely strike all of the volume control provisions in the raisin order.

So if this process proceeds, that could likely occur. But other than that, no other hit on the other programs. We're in good shape.
MR. MACAN: Thank you Mike.

MS. MANIER JOHNSON: I was just wondering, so the campaigns such as Got Milk, are they then funded by the industry themselves?

MS. PETRELLA: Yes.

MS. MANIER JOHNSON: Okay.

MS. PETRELLA: And so are the ones in our program too. Yes, they're all industry driven. That is industry funded.

MR. PARROTT: And I would add, that would be the same for the marketing orders as well. If you see California almonds promoted or Florida tomatoes or Texas citrus or cranberries or any of those things, that's all industry funded. Any other questions?

Thanks Patty. So at this point we'll take a break. Let's take 15 minutes. That takes us to about 10:35. And then please be back and we'll have the full committee and we'll get underway.

(Whereupon, the above-entitled matter went off the record at 10:19 a.m. and resumed at
10:40 a.m.)

CHAIR KNORR: Good morning, everybody.

Okay, welcome. It's great to see so many returning faces, and I think I can speak for the returning members, we're excited to welcome all the newcomers to the Committee at this time.

We're going to go ahead and call the meeting to order here, and first thing, I think we're going to go around and do a round of introductions. So, if you could state your name, the organization you're with, that will help us get to know one another a little bit better.

So, I'll start, since I have the microphone. My name is Beth Knorr. I'm with Countryside Conservancy, located in Peninsula, Ohio. I'm involved with managing farmers' markets and also, Summit Food Policy Coalition, where organizations come together to deal with policy issues related to sustainable agriculture, as well as healthful food access.

MS. BURNS: Good morning. I'm Cathy Burns, President of the Produce Marketing
Association, taking over as CEO of the Produce
Marketing Association in January, January 31st,
to be exact. Bryan Silbermann is retiring, after
a 33 year career.

I've been with PMA for three years
now. Prior to that, I spent my first 30 years in
grocery retail, 20 years at Hannaford up in the
Northeast and 10 years at Food Lion, where I was
blessed to run the company the last three and a
half years I was there. Welcome to all our new
members.

MR. ALLISON: Hi. My name is Mark
Allison. I'm with the Cheesecake Factory
restaurants.

MS. DIETRICH: Good morning. I'm
Helen Dietrich. I'm an apple grower from
Michigan, and we also pack fresh asparagus.

MR. CASTANEDA: Good morning. My name
is Carlos Castaneda. I'm in California. I'm in
the labor business, 25 years this year, and happy
to be here, and welcome to all the new members.

MS. BALCH: Hi. I'm Christie Balch.
I'm with the Crossroads Community Food Network in Maryland, and we run the Crossroads Farmers Market, which was the first market in the country to do a double-dollars for federal nutrition benefits program. So, healthy food incentives.

MS. ELLOR: Tina Ellor, Phillips Mushroom Farms.

MR. YANDA: I'm Dave Yanda with Lakeside Foods. We're based out of Manitowoc, Wisconsin. We have a number of plants across the Midwest, where we freeze and can a variety of vegetable products, and then we do some other food products, as well.

MR. WILLIAMS: Good morning. My name is Tom Williams. I'm the director of produce and floral for Coborn's. We're a family-owned and employee-ran group of 50 stores, operating in Minnesota, Wisconsin, North Dakota and Iowa, and happy to be here again.

MR. NOLAN: I'm Bob Nolan, a fourth-generation vegetable farmer from New York, 30 acre farmer, lettuce, spinach, cabbage, some
herbs, basil, arugula, stuff like that. I have a roadside stand. Also sell to other roadside stands and sell to supermarkets, fresh-direct to New York City and also to Hunt's Point. I'm glad to be back. This is my third go-around. So.

MS. BARNES: My name is Virginia Barnes. I work for my family's fifth-generation farm in Hastings, Florida, and we grow a variety of fresh produce, and this is my second go-around.

MR. NICHOLSON: Thank you. Mark Nicholson, Red Jacket Orchards in Geneva, New York. We're a third-generation orchard and juice company. So, we both grow summer fruits and apples, as well as process apples into cider, and then a line of 100 percent fruit juices.

I recently served as the chairman for the U.S. Apple Association, and my history way back, at one point, I was a USDA employee. We're talking 1998 and 1999, and then even another stint after that for a bit. So, it's nice to be able to come back and see the operation here.
MR. HANAS: Good morning. Rick Hanas
with the Duda Company.

I'm COO, Senior VP for the company.

We're a family-owned farming concern, with two
major -- with farms in Florida and California,
and subsidiary growing activity in 11 other
states in the United States, and it's a pleasure
to have the new folks that are here, to be with
us.

MR. SUTTON: Good morning. My name is
Dan Sutton. I'm the general manager for Pismo
Oceano Vegetable Exchange, a grower shipper out
of the central coast of California. We have a
co-operative that markets products for its
members throughout the United States, producing
leafy greens and oriental vegetables.

MR. McREYNOLDS: My name is Roland
McReynolds. I'm executive director with the
Carolina Farm Stewardship Association, a member
organization, serving farmers and value-added
food producers in North and South Carolina, that
are principally focused on the markets for local
and organic foods, and welcome to all the new
members.

MR. TALBOTT: I'm Bruce Talbott from
Palisade, Colorado. We're a family organization.
We're a grower, shipper, packer, processor of
mostly peaches, wine grapes, sweet cider and
recently hard cider.

Ms. MANIER: My name is Holly Mainer. I
work Bay Baby Produce and we are a grower,
shipper and packer of pumpkins and organic
squash.

MR. VAZQUEZ: Good morning, everyone.
My name is Jorge Vazquez. I'm the president of
Latin Specialties in Houston, Texas. We are an
import outfit, import from South America, Mexico
and other countries, and distribute into retail
and food service. We recently added a fresh-cut
division, as well as a re-pack department.

MS. WHITTEMORE: Good morning, all.
Lucy Whittemore. I am with W.P. Distributor. I
am a co-owner of the company. My brother and I
own it, and I'm super, super excited to be here
and make a contribution to the industry, after 10 years of being around, I can't be any more excited. So, just keep on growing.

We sell tropical produce, with is a growing market for the Latino community in the U.S. So, happy to be here.

MR. JANIS: Good morning. I'm Michael Janis. I'm with the San Francisco Wholesale Produce Market, and in addition to providing food infrastructure for our 30 businesses, as well as services, we're very engaged in food policy and food access work in San Francisco Bay Area.

MR. PARROTT: So, thank you, everyone, and as you can see, we have a really impressive group of people, and again, we've worked very hard to make sure that the whole industry is represented, and I think you heard that, as we went around.

So, at this point, it's my please to introduce Elanor Starmer to you. Elanor is the administrator of the agricultural marketing service. She's been with USDA since 2011. She
came in originally to work with the Deputy Secretary Kathleen Merrigan at the time, and then she became a senior advisor to Secretary Tom Vilsack.

Prior to joining USDA, Elanor worked in non-profits and as a consultant on rural development, agriculture and water policy issues, both in the United States and Latin America.

She holds two Masters degrees, and she's originally from a farming -- small farming community in New Hampshire, kind of near the White Mountains, up there.

So, with that -- and I will say just on a personal note, for me, it's been wonderful because Elanor has such a strong interest in fruits and vegetables. That's integral to what she does and how she thinks. So, she's been a real strong advocate for all of us. So, Elanor, I'll let you speak.

MS. STARMER: All right, thank you so much. It's great to be here and Chuck, I appreciate your words, but it is absolutely true
that the produce work is very close to my heart.

As Chuck mentioned, I grew up in a small farming community in New Hampshire, just south of the White Mountain National Forest, and my next-door neighbors are vegetables growers, and I grew up working on their farm, and throughout a lot of folks in the community who are dealing fruits and vegetables, and it's been really neat to be here, during this administration, where I feel like all the way the from top at the White House, there has been such an emphasis on the opportunities presented by -- through the fruit and vegetable industry, opportunities not just for our farmers and our businesses, but also for consumers, in terms of healthy eating, and that's been a great emphasis, something that I've been really thrilled to be part of, and something that I know will continue to be front and center, because I don't see this work going anywhere, and I imagine all of you will help make sure that that's the case. So, it's great to be here.
On behalf of Secretary Tom Vilsack and the rest of the department, and all of AMS, I'd like to welcome all of you here. I thank the returning members for coming back and continuing to put your work and your minds, into this effort, and to welcome those of you who are joining the committee for the first time.

I think that you will find that this is a very important forum for bringing issues relevant to the industry, in terms of your needs and priorities to forefront, and really plugging those into the Department at various levels.

As I was thinking about this work, last night, as I was reading through the agenda, it struck me that the work that you're doing is integral to the way that our programs and policies function, and it is also really critical to the functioning of our democracy, which I realize sounds a little bit overblown perhaps, but when we think about it, committees like this are one of the ways in which we ensure that our programs and our services are reflective of the
needs of a very diverse industry, and that
they're meeting the priorities and that if
they're not working, it gives us feedback that
allows us to make them work better.

So, as we think about sort of the idea
of having a system in which our policies and
programs truly reflect your needs, the work of
this committee and other FACA committees is
incredibly important to that, and we have other
mechanisms as well, like our notice and comment
rulemaking processes and other things, but the
work that you all are doing is really critical to
helping make sure that we're constantly able to
be responsive and aware of the needs and the
priorities of your industry.

So, I thank you for being here, and
I appreciate all the work that Chuck and his team
have done to bring together a committee that
truly represents the diversity of this industry.

I think it's very exciting, as I hear
you all go around, to get a sense of where
everyone is coming from and just the breadth of
work that you're doing. So, thanks for being here.

I think you've got a very exciting agenda before you over the course of the next day and a half, and many of these issues are issues that have been raised by the committee last term and that I know you will continue to keep front and center.

We'll have folks in later this afternoon talking about the Food Safety Modernization Act. This is an issue that I worked on for the Secretary, when I was in his office, and that I've continued to keep a very keen focus on, as I've been in my role at AMS.

It's not our rule, right. It's FDA's, but USDA plays an incredibly critical role, in terms ensuring that the -- that the interests of the ag sector and sort of the reality of what it is to be a fruit or vegetable farmer and how these rules will impact those producers is at the table with FDA, and that's something that we have tried to do throughout the process.
So, very, very early on as they were conceiving of these rules, we took a very -- a very strong role in bringing the interests of the industry to the table in those discussions.

At this point now, we're looking ahead at implementation, and I know you'll get a lot more detailed information this afternoon, about the landscape of training opportunities and education and technical assistance that will be available.

It is a broad landscape. I think there is still a lot of work that needs to be done, to bring together all of those different options that are going to be available to the industry as these rules roll out, and help folks understand what's there for them.

So, that's a challenge that we have before us, and one that I know you're very engaged in, as well.

We have done a lot of work to date, to begin a process with FDA, to look at our good agricultural practices, or GAP program, alongside
the FSMA requirements, and you see how they can
better be aligned, because we know that there are
a lot of folks already using GAP and we would
like for that program to serve as -- as a tool
that growers can use to be able to know that
they're sort of looking through the list of
what's going to be required under FSMA and
going closer to meeting those requirements.

So, we've had FSMA/GAP alignment
process underway with FDA for a number of months.
I think we're in a very good place on that, and
you'll hear more about the time line for that
process this afternoon.

As we have been engaged on that, and
even prior to starting that process with FDA, we
did recognize that the GAP program is a really
important tool for growers to help them
understand food safety best practices and be
certified to be meeting those best practices.

We also recognize that for a number of
the smaller growers or folks who are looking at
scaling up, who really need that certification to
access markets, that the cost of that
certification program is a barrier, and so, I'm
very proud that AMS saw that, sort of looked
ahead at what the need was going to be, and over
three years ago now, piloted a group GAP program,
where we allowed groups of growers, doesn't
matter what size, but I think it's particularly
useful for some of the smaller growers and others
who were -- who were coming together, to
participate as a group, to get audited and
certified as a group, and that allows them to
share the cost of that process across the group,
but also, to show growers -- to show buyers that
they are all in compliance with the GAP best
practices.

We rolled that out as an official
permanent program earlier this year, and I was
just talking with Ken Petersen, who you'll hear
from later, who has really been heading up this
work.

We've already got 10 grower groups
that we anticipate to be certified by the end of
this year. Around 300 growers are part of that. So, that's 300 new growers who are now going to be able to access grocery stores, institutional markets and other higher-volume buyers that they may have never had the option to sell to before.

So, that's very exciting, and it's just one example of the way that we want to be listening to you, hear what some of the needs are, and trying to adapt our programs and our services to meet those needs. So, that's something that you'll be hearing more about.

I believe you also have a presentation today on GMO labeling. I know this is an issue that some of you are really interested in. It's one that is going to be quite a process for the ag marketing service, my agency. We are the ones charged with implementing the law that was passed by Congress this summer, and we have worked very hard to put together a process that is going to allow for a lot of opportunity for public input. It's going to be very transparent and -- but we'll try as best we can to engage folks on all
sides of the issue.

So, I'm very pleased with where we are, in terms of that planning. We are still waiting on funding. Unfortunately, Congress has not yet provided that, although they do have a very aggressive time line that they're asking us to meet with no resources.

So, I am hopeful that that will change in the coming months, because it's something that there is a lot of interest in, and I think it's in everyone's best interest to ensure that we can run a process that does have a lot of opportunity for public input. So, we are working on that.

I know that one of the issues that many of you are interested in as well, is the various USDA grant programs that are out there to support the fruit and vegetable industry, and there are a number of them. Just, I guess it was last Monday, I was up in New Hampshire for an event with the Ag Commissioner there and he announced the roll out of $62.5 million in specialty crop block grant funds, which as I'm
sure you know, go to the states, but then
redistribute those funds to grantees.

There is so much interesting work
happening through that program, and because -- I
believe because it's a block grant program, it is
able to be responsive to different needs and
different regions of the country, in a way that's
pretty unique.

Everything from research and to crop
pests and diseases, to feasibility studies to
look at new market opportunities for produce, and
it's very, very exciting. So, we were thrilled
to roll that out.

But there are a lot of other tools in
the toolbox, as well, that I know you'll be
discussing today, and again, I hope that this
forum can really be a place to talk about what's
working well, where do you see holes, in terms
what's being supported through some of these
programs, and to the extent we are able to adapt
them, you know, not always the case depending on
how the law was written, but when we look at some
of our research agencies, they do have a lot of
discretion over how they're targeting that
funding.

So, having this sort of interactive
opportunity with all of you to talk about what's
working and where the gaps are, I think can help
ultimately direct those funds in a way that will
benefit the industry, which brings me to the Farm
Bill, because many of these programs are offered
through the Farm Bill, and as I'm sure you know,
we've got another one coming down the pike.

Those conversations are already
starting fast and furious, and the agency plays
an interesting role in that process.

Obviously, Congress is the one that
writes the law, but we are often asked for
technical assistance, as they look at that. You
know, what do you think of this idea? How would
this actually work? Would you be able to
implement this as written?

That's another place I believe, where
the input that you all are providing is going to
help inform our agency, as we're having those conversations with Congress about the upcoming Farm Bill.

So, again, your work is very important in helping direct Congress's work, even though we don't have, you know, the jurisdiction to actually write the Bill ourselves. I know sometimes we wish we did, but.

I think the other thing that's on a lot of folks' minds, certainly on my mind, is the upcoming transition in administrations.

AMS is a very lucky agency, relative to some of our sister agencies within USDA, in that we only have one political appointee and it's me.

So, the good news is that our very strong career leadership, including Chuck and other Deputy Administrators for our programs are not going anywhere, and my two associate administrators are not going anywhere.

So, you will be able to instead, in the sense that you have a very stable leadership
structure, career leadership structure within my agency, but that doesn't mean that there aren't going to be challenges associated with the transition.

I was having coffee this morning with someone who told me, anyone who thinks that they know how this is going to go is lying, and I think that's that case, I've heard lots of different stories about what the transition will be like.

But I do know that we will have a new team of folks coming in, a transition team first and then new political appointees coming in after January 20th, and again, there is a real opportunity to be putting things on their radar screen that are priorities for the industry and really make sure that the things that you all have been working on and talking about don't lose steam, but we keep them front and center, that folks know that it's important, and that we're really getting them briefed up on the discussions that we're having here today.
So, I have asked, and will continue to ask our AMS team to keep these on the list and to -- as soon as folks start coming in, to begin having those conversations and getting them up to speed on the work of this committee and the recommendations that are coming out of your -- your conversations. So, that's another great opportunity.

I know in looking through the recommendations that have come out of the committee meetings, that not all of them are things that my agency can necessarily do, and that's okay.

There was a big focus in the last meeting on challenges facing beginning farmers and ranchers, and I know this is an area that I very important to the Secretary and to the Administration, and also looking at land access for fruit and vegetable growers, which is an issue that, I think across the spectrum of commodities, folks are facing, but it's particularly a challenge with some of our fruit
and vegetable growers who are, you know, located closer into areas that are being really pressured by development. That's certainly the case where I come from.

You know, those aren't necessarily issues that AMS has the ability to fix, but we are in a very good position to be able to act as your ambassadors, if you will, to other parts of the department. Whether that is taking your recommendations and talking to some of my colleagues, fellow administrators in our research agencies or FSA, or other folks who can help on the land access side, or making introductions for you, as you look at how you want to move your work forward and just have the capacity for this committee to engage with the department.

So, that is also something that I'm very committed to doing, and I think one of the things I love about working at AMS is that we do have these really strong ties with the industry, and we can in many ways, act as ambassadors in other parts of the department and sort of help
you understand the structure, how decisions are
made and how to plug in.

So, that will certainly be something
that we'll be thinking about, moving forward,
through the transition and beyond.

So, with that, I wish you a really
productive and enjoyable day and a half. I think
it's a great group of people. I can't wait to see
what comes out of your conversations. I wish I
could stay to be part of them, but my schedule
won't allow that, but I certainly want to welcome
all of you, thank those of you who are returning
and wish you the best over the next day and a
half, and I will read very closely, the write up
of the meeting, and look forward to doing
everything that I can do, to support you in the
months ahead. Thank you.

MR. PARROTT: Okay, so, the next thing
on the agenda -- thank you Elanor. We have
certificates from the Secretary, appointing each
of you to this committee, and I'm going to let
Elanor pass those out, and we'll get photos too,
okay.

MS. STARMER: Okay, so, how do you want me to do this?

MR. PARROTT: Why don't we do it up here?

MS. STARMER: Okay. All right, so, Mark Allison, come up. All right, Christie Balch. Virginia Barnes. All right, Michael Janis. All right, Holly Johnson. Beth Knorr, and Beth, thank you for your leadership.


Thank you so much. Thank you, everyone.

PARTICIPANT: In case you're wondering, these letter are given out to those whose terms are beginning this time. So, if you have a three year term, and this is your final year, you won't have received on this time around.

A couple of announcements. First of all, if you haven't signed in already, this goes
for both the observers, as well as the Committee members, we need to keep a good record of who is attending the meeting.

So, if you haven't done so already, please make sure that you sign in. That goes for today and tomorrow, as well, please.

We're going to -- speaking of observers, have the observers around the room introduce themselves, because these are public meetings. We often do have observers and commentators who are attending to see what the Committee is discussing and ask questions, where they have an interest.

So, we're going to invite them now to stand up and introduce themselves to the Committee.

MR. PURVIS: I'm Carl Purvis. I'm with AMS Public Affairs. I'm here to take photos.

MR. ASTILL: I'm Greg Astill. I'm with the Economic Research Service at USDA.

MR. MINOR: Travis Minor. I'm also with ERS.
MS. HOSTETTER: I'm Sarah Hostetter.

I'm the Regulatory and Technical Affairs Specialist.

MS. CURLEY: Diane Curley.

MR. PETERSEN: Ken Petersen. I'm the Chief of the Audit Services Branch.

CHAIR KNORR: Okay, next we are going to be taking a group photo out in the open area outside. So, if we can all go ahead and head out that way.

(Whereupon, the above-entitled matter went off the record at 11:13 a.m. and resumed at 11:19 a.m.)

MR. PARROTT: Okay, so, now that everybody is back, thank you for that.

We're running a few minutes ahead of schedule. So, what we thought we'd do is, since many of you have businesses to attend to, you're probably looking -- this is a great time to make some phones.

At 11:45 a.m. we're going to meet upstairs in the lobby level for lunch. There's a
restaurant up there called Cinnebar. Is that correct?

PARTICIPANT: I think it's the second.

Take the elevator up one.

MR. PARROTT: Okay, so, one level up from here. The lobby, yes.

So, we're going to do that. So, make sure you're there by 11:45 for lunch, and between now and 11:45, again, you've got some time, you can chat amongst yourselves. You can catch up on the email or phone calls, whatever works for you.

So, we'll see everybody then upstairs at Cinnebar at 11:45. Thank you.

(Whereupon, the above-entitled matter went off the record at 11:20 a.m. and resumed at 1:07 p.m.)

MS. STANZIANI: Good afternoon, everybody. I think we're going to get started. So, we can stay on schedule here, and I'm going to hand the meeting over to Beth.

CHAIR KNORR: Welcome back, everybody. A couple of items.
As we go throughout the meeting, make sure that you are using your microphones and speaking clearly, and also, state your name for the minutes, so that they can get a good record of the comments and who is making them.

I think we covered the sign in sheets and --

PARTICIPANT: Yes, I think that's it.

CHAIR KNORR: Yes. So, just make sure you're speaking into your microphones and stating your name, before you ask a question or make a comment. Yes, go ahead.

MS. STANZIANI: Yes, at this point, now that you've all gotten to know each other, we will be electing a chair and a vice chair. We need to do this every time we have a new group come in.

So, at this point, I think the duties of the chair and vice chair are pretty self-evident here.

You're leading the meeting. I work with you as the Designated Federal Officer, in
putting the agenda together, or if we have any
issues that we have to discuss, with regard to
problems. It's up to the chair and the vice
chair, and Chuck and I, to smooth them out.

It's actually pretty, you know, easy,
except you have to not mind being the center of
attention, I guess, and be a little bossy and run
the meeting.

But so, I am going to -- at this
point, I guess we could just take nominations for
chair. Is anybody -- Cathy?

MS. BURNS: Cathy Burns. I would like
to nominate Beth Knorr for chair of this
committee. Do I have to say why, because I could
go on for a long period of time, but obviously,
Beth has served -- I think this is your fifth
year now or -- and on this Committee she has --
she was ran -- she has run the last two meetings,
and just a great advocate for this work and would
love to see her as chair.

MR. VAZQUEZ: Jorge Vasquez. Latin
Specialties. I'd like to second that.
MS. STANZIANI: Okay, then do we have any other nominations for chair? It doesn't look like it.

So, all in favor say aye.

{Chorus of ayes.}

MS. STANZIANI: Any against?

{No audible response.}

MS. STANZIANI: You are the chair, officially. Beth Knorr. Congratulations.

Now, as vice chair, what we typically like to do is somebody who is a new member, to assume that role, mainly because you will be continuing that role after this last group of members -- unless they get re-appointed, of course, leaves the committee.

So, is there anyone who is interested in the vice chair or would like to nominate someone as vice chair? Tina?

MS. ELLOR: How about you, Bob? Would you be willing to do that?

MR. NELSON: Yes, I don't mind serving as vice chair, but I'm not new to it.
MS. ELLOR: But you are new. You were just re-appointed.

PARTICIPANT: That's true. You're on another two year term.

MR. NELSON: That's right.

MS. STANZIANI: Okay, so is that a yes, Bob?

MR. NELSON: Yes.

MS. STANZIANI: Okay, do we have a second?

MR. YANDA: Okay, that's Dave Yanda, seconding the motion. Any others? Any other nominations for vice chair? No?

All in favor, say aye.

{Chorus of ayes.}

MS. STANZIANI: Any against?

{No audible response.}

MS. STANZIANI: Congratulations, Bob Nolan. You are now the vice chair. Now, you're really going to get it.

Okay, I think we can resume now. I'm going to turn it back over to our new chair.
CHAIR KNORR: Thank you all very much for your vote of confidence.

So, next up we have Andrea Huberty, the senior policy analyst, who is going to share with us, information on the USDA GMO regulations.

DR. HUBERTY: Hello, everybody. Can you hear me okay? I'll just move this a little bit.

So, thank you for having me. This is -- we're doing our like, dog and pony show, going around to all sorts of organizations to talk about the GMO disclosure law.

So, as you may be aware, so the President signed into law, the National Bio-Engineer Food Disclosure Standard on July 29th, 2016. That happened on July 29th. I started work at AMS on August 7th.

So, this has been going at a pretty lightning speed, and what I'm going to run through is, I'm going to take you through some of these pieces here, these nine points in the law.

So, when Congress went through in
developing this, this standard, this has been in the works for a couple of years on the Hill, and what they ended up doing is essentially providing the USDA with lots of discretion about how to implement the law.

So, these nine points here are some of the points that we are dealing with as an agency, to develop the implementation and the regulations for the National Bio-Engineered Food Disclosure or the GMO labeling law.

So, you are, I'm sure, very familiar with this structure. So, just to remind you, AMS is in the marketing and regulatory programs within USDA.

So, the GMO disclosure law is both a regulatory law or regulation, because it is a mandatory disclosure requirement, for those that are subject to this standard, and as well, it's also a marketing issue.

So, we view the GMO disclosure piece as informing consumers, giving them more information about their food. This is not a food
safety issue. It is much more of a marketing issue. It's informing consumer approach, the GMO disclosure.

So, this is the first part of it. The law goes -- I'm going to take you through these nine pieces.

So, one of which is the definition of bio-engineered food, and so, here it's food for human consumption. That's what the disclosure stands -- requires -- is subject to. So, food for human consumption, and it contains materials that were generated through genetic engineering or bio-engineering, as it's described in the law.

The key point here is, for which the modification in the -- in this case, in the plant, could not otherwise be obtained through conventional breeding or found in nature. Okay, so, those are -- we'll talk about that.

But this -- those are two points of discretion that the agency has, in terms of deciding how -- how broadly or how narrowly the definition is going to be, and additionally, the
other piece of this definition is essentially what we're calling the threshold.

So, the Secretary also gets to determine how much of an ingredient that is bio-engineered creates a bio-engineered food product and thus, requires disclosure? All right, so, there's two points there.

Additionally, so, for those animals where we get products, so, meat, poultry and egg products, that if those animals consume GMO feed, those products that come from those animals are not considered bio-engineered. Doesn't mean that they're non-GMO. But they're not considered bio-engineered, just because of the -- solely because of the food that they eat, and feel free to pop up with questions, if you have any, as I'm going through.

So, one of the biggest points of this law from the Hill's perspective was that this preempts any other state or disclosure laws, both in terms of food or seed, and this -- the development of this law was -- was one of the
factors that -- for this law, to come to fruition, was the Vermont labeling law.

So, the Hill was concerned that there would be many different states, with many different types of disclosure requirements. Some of them may or may not conflict.

So, the overarching -- one of the overarching purposes of this law was to provide a consistent standard across the United States for GMO disclosure.

So, no other state -- other laws that were on the books were discontinued, and they are not allowed to have any new laws, except that they can't actually put this law as a -- as identical as it is, into their own state law.

So, they can put in their own law, as long as it's identical to the national standard.

So, this is some examples of what the Vermont labeling law did.

So, over there, there is -- is partially produced with genetic engineering.

That was the text that was required under the
Vermont law, and also under this -- the
difference -- one of the differences between the
national standard and the Vermont law is that it
actually -- the national standard covers 25,000
additional food products.

So, one of the inconsistencies just
within the Vermont law, was that any meat product
was exempt from disclosure.

So, for example, if a cheese pizza was
created with some of those ingredients that were
bio-engineered, that would require disclosure.

But a pepperoni pizza would not, even if they had
the same ones.

So, the national standard does rectify
some of the inconsistency that was in the Vermont
law, as well.

So, to create this disclosure standard
we have -- we are required by law, to enact this
-- or it's enacted now, but to develop the
implementation regulations, as well as the
program itself, within two years from enactment.

So, this law the implement -- into it
-- implementing rules will be published in July
of 2018.

So, within the national standard, companies have -- food manufacturers have three choices for disclosure for those products that require disclosure.

They can have on-package text. They can have a USDA-developed symbol, that we're developing, or they can use an electronic or digital link disclosure, and the food manufacturers gets to choose which one of those options that they have, and the electronic link is -- have an example here, it's the QR code.

So, the QR code will -- if you access it with your smart phone, it will bring up a webpage that will have the information about the bio-engineered disclosure on it.

These are the other examples. We had the Frito-Lay. These are actually already labeled, disclosed just by the company's choice, through the on-package text, and this example here is Brazil, has their own symbol. It's a
yellow triangle with a 'T'.

One of the pieces of the legislation requires USDA to develop a symbol that is not disparaging to the technology.

So, Brazil's symbol 'T', that kind of looks like a warning symbol, is not allowed. So, it won't look anything like that.

So, back to this -- the QR code. So, when -- so, we have a -- what we've been hearing most from the public is they're -- they're unhappy with the ability for food manufacturers to use electronic or digital disclosures, and the law requires USDA to conduct a study, to evaluate the technological challenges of consumers accessing bio-engineered disclosure information via their electronic or digital or QR code, and this -- again, we have one year to conduct this study, and we are putting this to the professionals. So, we are contracting this out.

We put our -- what's called a request for information, in early September, and we put it -- what's essentially a draft scope of work,
to get feedback from both the public, as well as
other vendors, to see if -- what the felt about
the study and the study design itself, and we
received information from that, and we actually
just published our request for proposals, to get
a contractor. That went out on October 19th, and
we are receiving proposals until November 22nd,
and we anticipate awarding a contract for this
study in mid December, and that's contingent on
funding and the Appropriations Bill.

There are quite a few exclusions
within the standard itself. Any food that's
served in a restaurant or similar retail food
establishment, which we will decide what that is
within rulemaking, they are not required to
disclose.

Very small food manufacturers, also
defined through rulemaking, are not required to
disclose.

As explained earlier, meat, poultry
and egg products from animals that can food --
consume GMO feed are not -- do not require
disclosure solely because they consume the feed, and finally for your mental twister for after lunch, and I'm just going to read this one.

So, this is food that contains meat, poultry or egg products, if the predominant ingredient would not be independently subject to the Federal Food, Drug and Cosmetics Act, food labeling requirements is excluded, or if the predominant ingredient is broth, stock, water or a similar solution, and the second most predominant ingredient is not independently subject to FFDCA food labeling requirements.

So, this -- here, I have examples. So, first one is Spam. First ingredient is pork. If that's the predominant ingredient, then that -- doesn't matter if the sugar is from genetically engineered sugar beads or they're potatoes from a potato, Spam would not require disclosure.

Bottom example here is soup. So, the first example -- the first ingredient is stock. Second is chicken fat. It's a poultry product. Doesn't matter if the soy -- soybean oil or the
canola is from genetically engineered plants. That soup would not require disclosure either.

So, small food manufacturers get some additional, both time to implement their regulations, as well as some additional options for disclosure. They get an extra grace period of at least a year from whatever the effect date is, to be determined, once we put in the final rule, and they get an additional option of a telephone number or an internet website for their disclosure. So, they have five options for their disclosures, and again, small food manufacturers will be defined in our rulemaking.

I mentioned this earlier. There is a piece within the legislation that talks about the food safety implications of disclosure. It reiterates that any labels or anything that we develop, in terms of on-package disclosure text, must be done in such a way that it cannot create an environment where the bio-engineered foods are treated differently than their non-bio-engineered counterparts.
The law does specifically to organic foods within -- and it talks about that food certified as organic under the NOP may not be labeled as non-bio-engineered, non-GMO, and similar language. So, third-party verification there.

Finally, enforcement. Failing to disclose is a prohibitive act. USDA has the ability to require records and conduct audits, and if we do find that there is an instance of disclosure that was not provided to the public, we do not have recall authority over that product.

So, where we are now in our two year quest to get these final rules in place.

USDA has developed or has put in place, an inter-agency working group and it involves members of the different USDA departments including -- as well as FDA and USGR, and what this is, is essentially an informal policy group, and they're helping us vet these documents, so they go faster through the formal
clearance process.

    We've done a lot for public

engagement. Besides these talks that we've been
giving, we also have GMO labeling email site,
which actually, I think might be over 1,000
comments, because we just had a big push from one
of the advocacy groups today. So, we had a lot
of emails today, as well as at our website, we
have the ability for you to sign up for email
updates. We have almost 1,000 subscribers to
that -- that service, as well.

    There you will find, when we have --
when we reach milestones in terms of rulemaking
or anything changes on that website, in terms of
documents that are posted, and as I mentioned
before, the study itself is actually going
through the contracting process.

    So, what's next? So, the first part
of rulemaking is our advance notice of proposed
rulemaking. I'm going to speak about that in a
second, but that's where all of those -- those
nine pieces of the legislation that I went
through, as well as many others, will be asking for public comment.

That is scheduled to be published by the end of the calendar year. So, end of December 2016.

The electronic disclosure study is to be completed by July 2017. We're anticipating our proposed rule will go out Winter -- Fall/Winter of 2017, and then our final rule, no later than July 2018.

So, a little bit back to the ANPR. The Advanced Notice on Proposed Rulemaking.

So, again, I spoke a little bit about the numerous policy discretion areas that are in the legislation. We've identified those and laid them out and -- in this document, in the ANPR. There is over 30 of them, and we posed the questions essentially, to the public, give a brief idea about what the agency's current thinking is, along well, how we might be posing this in the proposed rule, and we asked for comments.
So, again, it's scheduled for publication at the end of the year, and we're also going to be conducting public listening sessions, concurrent with the ANPR and this provides a face-to-face opportunity for anybody who would want to join. We will have at least two and up to eight public listening sessions, depending on funding, and again, these issues include things that -- some of the ideas that we talked about here in this talk.

The definition of bio-engineered food, what is conventional breeding, what does it mean to be found in nature? Are highly refined food products like oils and sugars, are they considered bio-engineered?

What is the amount of bio-engineered substance that a food product needs to have, in order for it to be considered bio-engineered? What do the text -- what are the -- what are the -- what's the language that needs to be on the product? What kinds of symbols are we going to have on the products, as well as some questions
around our non-compliance investigations and
enforcement processes.

So, that's kind of where we are for
the disclosure law, and I will be more than happy
to take any questions that you have.

MR. McREYNOLDS: Roland McReynolds.

There is already the independent third-party non-
GMO verified program and label. It's got a
symbol. It's got standards very -- you know,
addressing these same questions.

What is the impact of this law on
private third-party, you know, independent
schemes for this sort of labeling?

DR. HUBERTY: So, this label goes for
positive disclosure and not any negative claims.
So, we view them as very different.

So, non-GMO, either through non-GMO
project or our process verified program for non-
GMO claims, that's a separate issue. This is
focusing solely on what is bio-engineered. So, a
positive claim.

We anticipate that the use of some of
the third-party verifications for it not being non-GMO, to play a small role in determining whether or not it should be disclosed. So, if they have a third-party verification, then they're safe, or if they disclose, they're in compliance with the law.

So, but there is a dividing line between those two.

MR. McREYNOLDS: Thank you.

MR. ALLISON: How does -- how do we line up with, for example, the European community, as far as the definition and what we're doing?

DR. HUBERTY: The definition itself, if you go to just about any country, and even within the sister agencies within the government, they all have different definitions of bio-engineer, genetically engineered, genetically modified.

So, that's one of the issues that we need to consider, as we're developing this law, so, and then in terms of thresholds, there is 64
different countries that have these types of laws
in place, and they just about have different
standards, in terms of thresholds.

European Union is .9 percent by
ingredient. The Vermont labeling law was .9
percent by weight. South Korea is three percent.
So, it kind of goes across the definitions,
thresholds, the whole bit.

The law does require us to be
consistent with our international obligations, as
we move forward in developing this Bill. So, we
have members on our interagency group from USTR,
Foreign Egg Service, to help us kind of walk
through and develop and -- and make a rule that
is consistent to the best -- to the extent that
we can, with all of those different purposes.

MR. AERTS: Michael Aerts. Food and
Vegetable Association.

How is the department is going to be
looking at the transfer and editing approach?

DR. HUBERTY: Yes. So, our general
counsel actually responded to a question from
Senator Stabenow, regarding that particular
issue, and so, in that letter, he talks about
that this law gives us the authority to evaluate
essentially the new breeding techniques, but that
is one piece of a very complex definition.

So, it's -- whether or not it's
commenting on technologies and is it -- can you
get the same things through conventional
breeding? Can it be found in nature?

So, there is -- it's a big more
complex. But this law does allow us to consider
those techniques as eligible, as one part of the
puzzle.

PARTICIPANT: Any other questions?

MS. WHITTEMORE: So, if I go -- moving
forward, right, with this law and the GMO, I
could go to a restaurant and order salmon, right,
and they don't have to disclose that it's a
genetically modified piece of salmon, basically?

DR. HUBERTY: So, salmon is actually
under the labeling authority of the FDA. So,
that is -- that is a -- that is a different
issue, and we are actually talking with FDA about how to handle that, and there is nothing set in stone about one way or the other about how that's going to be labeled, because we are at least two years out from actually implementing any of these regulations.

But genetically engineered salmon is required by FDA to be labeled, as it's been put in an Appropriations Bill in the past, separate from this standard, and so, we're working with them, as to how to -- how they want to implement it and how it can interact with this law.

So, that GE salmon is a special issue. However, if you were to go in and have a potato --

MS. WHITTEMORE: Yes, okay.

DR. HUBERTY: Okay, how about a potato?

MS. WHITTEMORE: Yes.

DR. HUBERTY: Okay, potato. According to this law food -- restaurants and similar establishments do not required disclosure.
MS. WHITTEMORE: Are you guys also considering other options? I think I've been reading about Thailand. I think it's another option for -- instead of grow -- for produce, instead of the GMOs, it's more expensive, but it's less complicated.

DR. HUBERTY: That --

MS. WHITTEMORE: I think it's Thailand that it's called. There was a big article on the blue book magazine about it.

DR. HUBERTY: Oh.

MS. WHITTEMORE: No? You don't know?

DR. HUBERTY: I'm afraid I'm not familiar.

MS. WHITTEMORE: Okay, thanks.

DR. HUBERTY: Thank you.

CHAIR KNORR: Any other questions?

MR. VAZQUEZ: Just one more question, just to keep you busy. Jorge Vasquez, Latin Specialties.

So, if the USDA does not have the power of enforcement for recall, then what's
going to be the mechanism for enforcing this law?

DR. HUBERTY: Well, just because we
don't have recall authority, again, it's not a
safety -- it's not a food safety issue, so,
therefore, we don't have recall authority.

But we do have the ability to audit
their records, conduct hearings and then what
we're calling publicly shaming them.

So, that is kind of laid out in the
law, that we have the ability to provide public
notice that these folks are the bad actors, in
terms of bio-engineer disclosure.

PARTICIPANT: Okay, thank you, Andie.

DR. HUBERTY: Thank you.

PARTICIPANT: It sounds like there's
going to be a lot of opportunity for public
comment on these.

PARTICIPANT: It looks like we are a
little early.

PARTICIPANT: Okay, so, the folks for
the food safety presentation -- we're a little
bit ahead of schedule, so we -- our food safety
presentation is not going to happen just yet.

Instead, we're going to invite Ken Petersen, Branch Chief of the audit programs branch, to speak with us.

MR. PETERSEN: All right. Well, good afternoon, everybody. I feel like being here all morning, you know, I got quite the buildup between some of my other colleagues and the administrator, talking about my presentation. So, I'm a little jittery here.

My presentation was going to build off of what FDA was presenting. I was supposed to be at the end of it, so I apologize if some of this refers to some of the things that they're talking about, but I'll try to reference that, and when FDA does get here, you can follow up with questions that you may have, specific to FSMA.

So, just as a quick primer, the audit services branch is part of the Specialty Crops Inspection Division. We provide voluntary inspection and audit services to the food and vegetable industry. Lorenzo talked this morning
about that, so I won't get into a lot of detail here.

But you know, we offer a number of voluntary services on a user fee funded basis.

Within the audit services branch, there are a number of different audit programs that we work with. The largest by far, being the good agricultural practices program and its various iterations between USDA gaps, harmonized gaps, tomato gaps, mushroom gaps, etcetera.

Good GAP, which I'll talk about a little bit later, are qualified through verification program. Domestic origin, verification, which is primarily used within the School Lunch Program purchases, to verify product is of domestic origin.

Our plate systems audit, which is a GMP-type audit, that is used primarily in processing facilities and places like that, and our identity preservation program which is used primarily to identify unique characteristics in a
product that they want to bring out and ensure
that that product integrity and identity is
maintained throughout the growing, marketing and
supply chain.

So, I'm going to talk a little bit
about AMS/FDA activities and how we're working
together on a lot of these issues. Some of this
is a little bit redundant from this morning. So,
I'll try to go through this quickly, but just
wanted to highlight them.

As was mentioned this morning, we've
had a long-term relationship with -- at this
point, with AMS, or sorry, with FDA, in regards
to FSMA and with Leanne Skelton being over at
FDA.

The Produce Safety Alliance, again,
I'll talk about that in a little bit, as we go
through. Preventive Controls Alliance, and are
involved with that. Sprout Safety Alliance. The
AMS/FDA GAPS review project and the on-front
review project.

So, I believe many of you know Leanne.
Some of you have asked if she was going to be here today. She is on the road, I think, this week, if I'm not mistaken.

PARTICIPANT: She is.

MR. PETERSEN: Yes, on travel doing -- doing some outreach with FDA, but she remains our liaison with FDA. She's in contact with the FDA folks, you know, at times, maybe on an hourly basis, it seems like. But remains that conduit for our two agencies to pass information back and forth and coordinate activities and different things like that. So, that relationship continues, and it is really wonderful tool for us to be able to have that direct access to the FDA folks.

So, the Produce Safety Alliance, over the last six years, FDA and AMS have provided $5 million in funding to Cornell University, to manage the Produce Safety Alliance, and the Produce Safety Alliance has a number of different goals, primarily to serve as a resource for on-farm food safety issuance -- issues for producers
all across the country, whether they're covered
by the rule or not.

I mean, the goal of the Product Safety
Alliance is to provide that knowledge, provide
that information that is needed to address food
safety issues through their network.

The other piece is, as we've mentioned
in previous meetings, is to develop that formal
FDA recognized training curriculum for the
produce safety rule.

The PSA curriculum was finalized and
approved by FDA on July 1st. So, relatively
recently, and the Produce Safety Alliance, since
then, has been working furiously to start getting
both train the trainer sessions, as well as
grower training sessions scheduled throughout the
country, so that they can start getting this
curriculum out there.

From September through Christmas,
their first priority has been trying to get out
and do as many train the trainer sessions as they
can, because obviously with 186,000 produce farms
across the United States, we need to build up a
cadre of trained trainers that can go out and
offer the curriculum.

So, they've been working a lot on
that, but also there has been industry groups
that have said, "Hey, we want grower training
sessions, as well."

So, I don't have their schedule up
here, but I just saw their schedule the other
day, and those four or six people from the
Alliance, their travel schedule, you know,
they're going to earn gold status on United by
December, pretty quickly here. So, they're
traveling all over the place.

If you want to see what is scheduled,
both for the train the trainer sessions, as well
as grower training sessions, if you go to the
Produce Safety Alliance website, I apologize, I
didn't put it up on my presentation, but if you
Google Produce Safety Alliance, it will bring you
to their website and you can look at their
training schedule, and they're adding grower
training sessions to that website almost on a daily basis, as the trainers get trained, and you know, those extension agents or trade association groups in particular are starting to offer that curriculum. I know PMA has been very active in doing some of the Preventive Controls training already, and is looking at the grower training, as well.

The Preventive Controls Alliance. AMS is really working to ensure that our programs and services align with the requirements of the Preventive Controls for Human Food rule.

So, when our inspectors are out in those processing plants and in those frozen food plants, or were on terminal markets, providing inspection services, you know, we want make sure that our policies and procedures are aligning with what the requirements of FSMA are.

So, if we're in a processing facility, whether it's, you know, for the MREs that we've talked about earlier in the day, or we're in warehouses or in manufacturers that are producing
frozen foods or juices for the school lunch program, we want to ensure that our policies and procedures align.

So, again, that those producers and those manufacturers have some assurances that yes, they're meeting the requirements of the rule.

One thing that we do, in all of our programs, whether it's on the inspection side or the audit side, if we see any immediate food safety risk, you know, we see a leaky sewer pipe leaking on product or something like that, our MOU with FDA obligates us to report that to public health. So, both the local public health as well as FDA.

So, a lot of what we're going to be doing here over the next six months is providing training to our inspectors and our auditors, so that they understand A) what their roles are, and B) what those eminent food safety risks are, and talk about what our policy is for how to report those and the process for doing that.
So, again, there is that confidence in -- that the public has, that facilities that are under USDA inspector or USDA audit-type programs are looking out for public good and public health.

So, the big project that I've been working on with our FDA colleagues, that are walking in the door, hello, FDA colleagues, is the AMS/FDA GAP's review project, and really, this is an effort to ensure that our GAPs program is aligning with the produce safety rule.

Again, we heard from the industry loud and clear during the listening sessions that FDA held with FSMA, as well as just our regular interaction with our customers, that they wanted our program to align, so, again, it gave those growers some assurances that if they were meeting our GAP's program requirement, they were meeting the requirements that were in the produce safety rule.

So, we went through a fairly exhaustive review process, a number of conference
calls with -- between our FDA colleagues and my staff, as well as some of our state partners. As well, we met at the FDA building for basically, a three day, you know, eight hour a day, going through line by line, out GAPs audit and looking, comparing those requirements to what's in the rule, and identifying where there were differences, and the good news is, is that many of them, there weren't differences.

Some of them were a little bit of interpretation issues that we need to square out, but we found that by and large, a lot of it did align, and in some cases, where the rule is absent and industry has set a best practice that may be higher than either what's in the rule or they wanted something to look at, our GAPs program is, in some cases, is even higher than what's in the rule in certain instances.

So, we took the results of that GAPs review project, went back to the produce GAPs harmonization technical working group, presented those findings to the technical working group,
and we're in the process of getting the produce GAP's harmonized standard updated to include those as we move forward.

Clearly, the next stage in the GAP's review project is to identify some audits that we can get our FDA colleagues out on farms, so that we can kind of go through this now, hopefully revised checklist and ensure that yes, what we're looking at is what FDA is looking for when they have language in the rule, make sure that we're on same par, as far as terminology, if we're saying things one way and they're saying it a different way, that we kind of come together and understand what's meant, you know, and quite honestly, there are some things that FDA is still looking to draft guidance on.

So, we're hopeful that part of getting out on some of these audits is, they can get some practical hands-on experience of what farmers are going through, so that it helps them as they may be drafting guidance for some of the particular components of the rule.
Another project that we're -- we've been involved with, FDA and NASDA, National Association of State Departments of Agriculture, have a project to develop a process for states -- helping producers and their states perform informal assessments of their operations in accordance with FSMA.

This is really kind of like a self-assessment tool, kind of, you know, it's a non-regulatory, it's supposed to be kind of a low-key assessment for these operations, and they've been working on that project now for about a year, I think that's been going on, give or take, and this past August, they participate -- they held their first field trial of that assessment tool in Michigan, and they asked AMS to participate in that, and I had one of my senior auditors out on that assessment, providing feedback on the assessment tool and the process, and I believe there's a couple of other field trials scheduled here in the next three to six months. I'm not 100 percent sure of the schedule on that, at this
point.

So, you can see there has been a lot of collaboration between both agencies on these.

So, I'm going to take a few moments to provide you an update on the USDA GAP's program, as I reported out in previous Advisory Committee meetings, on a number of issues that I thought you might want to get some information on.

Global food safety initiative and where we're at with that. General buyer acceptance of the USDA GAP's program and improve GAP.

So, I'll start with GFSI. This has been basically one of those crosses to bear of mine, for the past six-plus years now, trying to work with GFSI. You know, approached by industry back in 2010, to try to gain some sort of recognition with GFSI, and through fits and starts and changes in GFSI board leadership and everything I think I'm starting to see light at the end of that tunnel, which is, you know, certainly is a good thing for our program and
American agriculture in general.

So, I serve on one of the GFSI technical working groups for primary production. So, I've been involved with that for about the last 18 months, and as a result, when I go to those technical working group meetings, the Board members are -- from GFSI are typically there.

So, I've had the opportunity to talk with a number of the Board members. I've had the opportunity to talk with the technical working group that's looking at their benchmarking process, as well as the Government standard equivalence that they're trying to develop.

So, this past October 4th, GFSI released Version 7 of its benchmarking document for stakeholder feedback, and you know, that's kind of like when we put out something for open comment period. GFSI does something similar. So, they are right now, asking for feedback from stakeholders on the newest version of its benchmarking document.

I was hopeful that Version 7 would
have the piece that is the technical equivalence for government-based standards. It wasn't in there.

I quickly followed up with GFSI and said, "Where is it?" They said, "We need a few more weeks. We're still trying to wrinkle out some issues with that," but I've been assured, you know, any day now, they're going to be coming out with that government-based or technical equivalence for government-based standards requirements.

So, once we get that, we'll be able to get a much better handle on what they're going to require, what we're going to need to do to meet those technical equivalence requirements.

Additionally, the GFSI Board of Directors is going to be in Washington, D.C. for a stakeholder meeting in the morning, with a lot of industry reps, and in the afternoon, with a lot of the different government agencies, as well as Embassy reps here in D.C. Chuck and I are going to be going to that meeting in the
afternoon, but the day before, on November 14th, we've got the GFSI chair and vice chair of the Board coming in to meet with Elanor, Administrator Starmer and Chuck and a number of people from the agency, to very specifically talk about what AMS would like to accomplish and what GFSI sees our role in the -- kind of the GFSI umbrella.

So, you know, I think we've made a lot of good progress in the last six months, and again, hopefully, we'll get over that last hurdle. But I think a lot of the outreach that we've done and our involvement with the technical working groups, there's a lot of support from the GFSI Board, especially from the North American Board members, to make something happen, so that the USDA programs can get some sort of technical recognition.

Moving onto buyer acceptance. You know, we continue to provide outreach. If there are buyers out there that don't current accept our audit programs, to try to talk with them,
find out what their needs are, what their concerns are. Are lot of it is GFSI related. They are only accepting GFSI level type audits. But for those that don't have that requirement, we'll meet with them. We'll have conference calls, phone calls. In some cases, if we see that we're getting close to them basically accepting our audits, we'll go out and meet with them face to face.

This past Spring, I traveled up to Minneapolis and met with representatives from Target and now, Target is accepting USDA harmonized GAP audits for its local suppliers and its low-risk suppliers. They are for their, what they consider high-risk commodities, still requiring a GFSI, but this is good news for a lot of our small local producers that are supplying into the Target stores and stuff like that, where they're now able to use our audit.

We continue with industry to gain increased buyer acceptance of our program, and again, I think once -- if and when we get the
GFSI piece, that's going to kind of open the
flood gates and we'll see a lot of other buyers
coming onboard, as well.

All right, last thing I want to
discuss with you is Group GAP. You know, this
has kind of been the feather in our cap, I think
the last year, with the audit programs, and this
was really something that -- that the industry
came to us. I mean, the small farmer community
in particular came to us, back in 2010/2011, and
said, "Hey, we love the USDA GAP's program. You
know, we like what it does. We have some issues
with the challenges with costs."

In some cases, it's just cost
prohibitive or we don't have the resources to
develop food safety plans and the things that are
necessary to implement a GAP's program at the
grower level.

So, we conducted a feasibility study
in 2010/2011. Group GAP kind of came out as the
best option in that feasibility study, and we ran
a three year pilot, looking at how we could do
As Administrator Starmer mentioned, this past April, we officially launched Group GAP and we have -- and my numbers are even off here from what Elanor had this morning, but we've got 12 groups initially said that they were interested. It's actually 10 that are out going through certification, representing 306 growers. I've got 250 here, but it's actually as of this morning, I checked with my staff, it's 306. So, you know, that's a good number of growers that the majority of those growers hadn't gone through individual GAP certification. So, this was the first time that they were going through any type of GAP certification.

Two weeks ago, I was actually out in Idaho, doing a Group GAP audit of a potato cooperative out there, and when the industry -- potato industry in Idaho heard that I was coming, ringing my phone off the hook, "Hey, if you're out here, can we meet with you? Can we meet with you?"
I didn't have a lot of time to meet
with a bunch of them, but I did meet with a
couple of groups, of potato groups out there,
that are interesting in going into group
certification next year.

So, you know, as I travel around the
country and field phone calls, this is certainly
becoming an option that a lot of grower groups
are looking to go through, and not just the small
growers, but you know, even some of the larger
associations and things like that.

Moving forward, we already know that
we have just about a dozen groups that said that
they're interested in Group GAP, didn't have the
capacity to get in the program this year, but are
working towards it, and are fully preparing to go
through group certification in 2017 growing
season, which you know, brings us up over 20, 24
that we're aware of for next year already and
puts us, you know, well over 500 growers.

So, again, a very good program that
really starts, the grass roots, with growers
coming to us and saying, "Hey, is there something that can be done to help us better achieve certification and look to eliminate a lot of the costs that are involved?"

Over the last several weeks, we've actually fielded, I think it's three inquiries from Capitol Hill, Congressmen, Senators calling in where their growers have been calling them saying, "Hey, we're suffering audit fatigue. We're getting all these audits that we're required to go through," and you know, so, people on Capitol Hill are looking to us, to provide feedback and information on what we can to do help eliminate some of that audit fatigue and things like that.

So, you know, again, this program is growing by leaps and bounds. We're well over 4,000 audits for this past fiscal year. You know, I tend to count audits by growing season, because it makes things a lot easier, but you know, we're -- we've grown number of audits, last fiscal year to this -- well, 2015 to 2016 fiscal
year, by over 10 percent, and we've been growing
at 10 to 15 percent a year over the last five or
six years. So, see a lot of good movement in
that program.

So, that's what I've got. I can
certainly take your questions now, and I'm sure
once my FDA colleagues get done, you may have
some other questions, that we can circle back
with after theirs, but would be more than happy
to answer any questions you have now.

CHAIR KNORR: Just a reminder, if you
do have questions, please name sure you state
your name before you ask.

MR. NELSON: Hey, Ken. Bob Nolan here
from New York. I have an apple grower from New
York, was asking me about the harmonization of
GAPs. Will there ever be just one food safety
audit for them, because they just get done with
one. One company requires one, you know, food
safety audit, and then the other company requires
another one, and it's like -- it seems like it's
so meticulous and repetitive.
Is there any move by the Government to make just one, or is it up to the industry and -- and you know, people have their favorites and that's the way it's going to stay?

MR. PETERSEN:  So, certainly, we've been involved with the GAPs harmonization initiative, which is -- is really an industry-led initiative to harmonize the number of the different GAP audits that are out there.

That was United Fresh, led the charge back in 2010, and that -- that particular audit is becoming increasingly large percentage of the audits that we're doing. It's about neighborhood of 33 percent, but the total number of audits that we do now is the harmonized audit.

So, that has relieved some of that pressure because, you know, we've tried to harmonize a number of the different audit standards out there.

But ultimately, you know, it's a buyer driven system, and you know, buyers are going to dictate what type of audit they're going to take
and accept and there's not really a whole lot
that we can do for that.

I mean, certainly, we can -- we can
work with buyers to try to get them to understand
our programs and services and see if they'll
accept, but you know, at the end of the day,
buyers going to do what they feel is in their
best interest.

MR. NELSON: So, then I would like to
ask the buyers in the room.

Tom, this is Bob again. What's your
take on it? Do you think it's good to have one
harmonized food safety program, or do you think
that that's never going to happen?

MR. WILLIAMS: This is Tom Williams
from Coborn up in Minnesota.

I think it's actually -- I could speak
as having been a wholesaler, and currently as a
retailer, that a lot of times, it's what's being
sold to you is what you need to do, to sell it to
somebody else, and I know on the wholesale side,
especially when I was in the fruit service side,
one company would take SILIKERS (phonetic) audit. Another company would -- I mean, it was -- it was like whatever the customers had been sold was the best, most up to date audit. That's what generated and kind of drove what audit they would then accept, because we had one of our warehouses, that we literally had probably seven audits in a row, within like a two week period, which was good because we had all of our documents all together and everything.

It was time consuming, and it was very expensive. So, I think it's -- it's ultimately, Ken, the industry, which ultimately would be the consumer industry, whether it's in the restaurant business or in the grocery stores or wherever, if we can all say yes, this is what we're going to accept, and I don't know if we'll ever get to that point.

But I think the more that we're educating them on how effective the audits that you're doing are, the easier it will be to eventually get to that point.
MR. NICHOLSON: Mark Nicholson. Is there -- you know, with regard to harmonized -- the harmonized process and where you're at on it, what's the anticipation of the impact of FSMA with -- you know, you've gotten to harmonized, and now, you've -- you've got a whole new regime, to some degree.

MR. PETERSEN: So, as I mentioned earlier, once we sat down with FDA and went through and identified those -- those differences between our program, and we used the harmonized standard kind of as the benchmark of what we were looking at.

We identified what needs to be updated. I presented that back to the harmonization technical working group, which I serve on, and we're in the process of making those changes to the harmonized standard. Those are actually open for public comment through November 20th.

If you go to United Fresh's website, who is the secretariat of the harmonized
standard, those changes are -- are posted up
there. You can take a look at them, provide
feedback.

But barring any significant push-back
from the industry on that, after November 20th,
we're looking probably sometime in January, for
those to go into effect.

So, we have done a lot to get the
harmonized standard aligned with FSMA. We've
still got a little work to go on and some
interpretation and guidance and stuff like that,
that we'll be working on from USDA's perspective.

But ultimately, the good news is,
we've got until January of 2018, before the first
growers have to comply with the rules. So, we've
got -- you know, we've got a little window to
work with here yet.

MR. NICHOLSON: And just a quick
follow up. Again, Mark Nicholson.

Is there anticipation then that
because of, you know, what you've done with
harmonizing the harmonize with FSMA, that you'll
see a greater use of that by the buying community?

MR. PETERSEN: I would hope so, and again, as we meet with buyers, that's one of the things that I've talked to them about is, hey, we're aligning our program with FDA. You know, we've got through that -- that process.

So, you know, that is, I think a selling point, but you know, any private scheme that's worth their salt, is going to basically do their own analysis and make that same claim. But you know, we certainly have the inside track, because we're the only ones that have actually sat down with FDA. So, I think that's certainly a good thing.

MR. McREYNOLDS: Roland McReynolds. I'm just going to say, my understanding, the FDA has a pilot project going with third-party certifiers, as well, to develop project, right, simultaneously with this, and that there will be standards out, you know, a harmonized to FSMA standard for private certifiers.
MR. PETERSEN: I'll defer that to my FDA colleagues, after their presentation. I'm not 100 percent sure of that.

MS. BURNS: So, Cathy Burns from PMA, and maybe as a follow up to that. First of all, thank you for all your leadership and getting a harmonized standard. I know that's -- sounds like it's a been a six-plus year journey, and the industry certainly appreciates that a lot.

So, the question is, will the FDA recognize USDA's audit scheme, because that will help, both on the buyer side, especially if you can get the GFSI issue resolved, and then you can go out and say, you know, if FDA, and the states, quite frankly, recognize the USDA audit scheme, that will help some of the fatigue that Bob highlighted.

So, I think we really need to push for that to happen, and that might be something that this committee can look at, going forward.

Two other quick points. We need USDA to continue to fund the Produce Safety Alliance,
and we need continued funding for Leanne Skelton's role.

MR. PETERSEN: Well, thank you. I appreciate it, and at this point, I think we'll turn it over to FDA folks.

CHAIR KNORR: I actually have one more question.

MR. PETERSEN: Okay.

CHAIR KNORR: This is Beth Knorr. I have a question about the Group GAPs, and you mentioned that there was a cooperative of potato growers that were participating in that.

Is that typically seeing with the group GAPs, that they're all similar, items like tree fruit or what have you, or are you seeing groups of growers with somewhat desperate products, coming together, banning together to participate in the audits?

MR. PETERSEN: We've actually seen both in the groups that are in this year. The majority of them are actually multi-commodity groups. They're true small farmers that, you
know, have, you know, an acre of this or acre of
that, you know, half-acre of this, whatever.

We've only got two, maybe three groups
that are commodity-specific type groups.

CHAIR KNORR: Okay.

MR. PETERSEN: But you know, the
groups as we've seen them now, I mean, we've got
a -- we've got a group of organic growers. We've
got a couple of groups that are plain farmers,
Amish Mennonite farmers. We've got the potato
group.

We've got, you know, a number of
different groups that vary their formal groups,
or in one case, it's a group of growers in a
particular county that came together and said,
"Hey, we want to develop our own group,"
specifically for the purpose of group
certification.

So, we tried to build the Group GAP
requirements flexible enough, so that we didn't
pigeonhole groups into having to meet Title I
model, you know. We built it fairly broad, so
that different types of groups could come
together and go through group certification.

MR. PARROTT: Ken, one thing, if I
could just throw something out, just in case --
sometimes, people get confused.

They think -- they hear Group GAP, and
it's an easier way for small growers to get GAP
certified. In their minds they think GAP like,
or something, and I just wanted to emphasize that
that's not what I means.

It has the same degree of rigor as any
other GAP audit. It's just the way that it's
structured, so that it's -- it's -- allows small
growers to kind of pass the costs, and make it
easier for them to get GAP certified and get
those larger buyers.

CHAIR KNORR: Next up we're going to
welcome the FDA presenters. Jennifer Thomas,
Michael Mahovic and Stephen Hughes will be
speaking about the Produce Safety Rule.

MS. THOMAS: Good afternoon. Thank
you all very much for the opportunity to come and
speak with you. I was here about a year and a
half ago, I think, and so, I'm very happy to be
back to talk about the progress we've made.

Before I start, I'd like to introduce
my colleagues, both from Center for Food Safety
and Applied Nutrition, from the Office of Food
Safety, Division of Produce Safety.

First we have Mike Mahovic who is the
branch chief for the fresh produce branch, and
Stephen Hughes who is the team lead for the new
product safety network, which I'll talk about in
a few minutes.

So, just as a reminder, FDA's approach
to FSMA implementation. We're looking at it in
three phases. So, the Phase I being the standard
setting phase. Phase II being the implementation
of those standards, and then Phase III being the
monitoring stage.

So, Phase I is the stage where we're
doing all rulemaking, guidance development, that
kind of thing, setting policy all around the FSMA
rules, and Phase II, that's the part of the
program where we are thinking about, how are we going to implement these rules?

So, now that we have them, we need to do the work to bring them into our program. So, that means setting up inspection programs or what kind of other requirements we're going to have to really bring those programs into the work that we do every day.

Then Phase III is the monitor stage, where once we are in the compliance periods, that's the point at which we're looking to see how all of those implementation programs we designed are actually working, once the rules are in effect.

Then throughout the whole process, we feel that stakeholder engagement is really key. So, we -- you've probably noticed that we've done a lot of public meetings. We've had a lot of invitations for folks to provide feedback, because we really think it is critical to the success of our FSMA implementation.

So, Phase I, the standard setting,
very happy to report that we have published all
of our seven foundational rules, the two
preventive controls rule, the produce safety
rule, our import rules, sanitary transport and
then attentional -- intentional adulteration,
which was our last one that published in May.

So, they're all out and we are
actively working on guidance documents related to
all of them.

We are now in the compliance period
for the Preventive Controls Rules. For
Preventive Control Human, the large facilities
are now subject to being in compliance with all
aspects of the Preventive Controls Rule.

For Preventive Control Animal Food,
the large facilities are subject to the
modernized GMPs, and then next up will be sprouts
in January 2017, and the rest to follow.

So, where are we with produce
guidance? We have published one guidance
document to help explain kind of the -- where the
split is between who has to comply with
preventive control aspects and who has to comply with the produce rule, that is out in draft. Opportunity to comment on that.

The agency is working on a number of additional guidance documents related to produce, such as an overall compliance guide. They come out in multiple pieces, but it's going to be -- provide more information about basically, how to comply with the produce rule.

We're working on a sprout guidance, very similar, sort of how to comply with the sprout rule. A small entity compliance guide, we are required to do those for all of the rules, and it's more like a -- sort of a -- a little bit simplified version of the rule itself, and then we are also working on updated GAPs guide, that's a little bit behind the other documents.

So, just in terms of compliance dates, I mentioned that we are in the compliance period for some of the preventive control rules, the large firms. We have produce safety, the first compliance dates, other than sprouts, would be
2018, as Ken mentioned, and then the FSVP rule follows, basically six months after the compliance dates for the other rules for firms that are subject to those rules, or 18 months after publication. FSVP is incredibly complicated.

So, there's a great chart on the website of all the compliance dates, if you have any questions about that.

All right. So, Phase II. Phase II governance structure. We do have four work groups that are working on the implementation program, because they are very far-reaching. So, we have an intentional adulteration group, import controls, a preventive controls group, which is dealing with both human and animal food, and we have a produce safety group. All of those groups are overseen by a steering committee, and then the steering committee reports up to our high level FDA senior leadership.

All of the groups have representation from both the -- the responsible center. So,
usually CFSAN for animal foods and CVM, and then also, our Office of Regulatory Affairs, which is our inspection staff, and they also all have state representation, because like I said, we feel like having some of that representation from our partners, because we're going to have to be working with them to implement these rules, we need to get their input as we're moving along. So, we do have state regulators on all of our implementation groups.

Obviously, the groups are at different places, because the intentional adulteration rule just recently published, so their implementation program is a little bit behind. Preventive controls' is -- being the first one out of the gate, their implementation program is much further ahead, but so they're all in various stages of figuring out what their implementation programs will look like.

So, we do have an operational strategy for FSMA overall, and it was published in May of 2014, and basically, the overall goal related to
produce would be to have broad collaborative
effort to foster awareness and compliance,
through guidance, education and technical
assistance.

So, this broad statement is really
kind of the guiding principle and one of the big
guiding principles for us, as we design our
programs.

We do have some key principles that we
-- that each of the work groups has been charged
with dealing with, in designing their
implementation programs.

So, the first one I think that's
probably at the top of everybody's list when they
think about FDA and regulation is inspections.
So, what will the inspections look like? How
will compliance work? We talk a lot about
specialization. That's a project that ORA is
going through to specialize their investigators.
So, that's a key aspect.

The second piece is training,
regulator training. We know that having
consistency is so critical to make these programs work, and so, we are engaging in a great deal of thinking about what training will look like, both for our staff and for the state staff, to make sure that those programs are consistently implemented.

We have committed to having subject matter experts available to the investigators, as they're on inspections. So, if questions come up in the inspections, they have resources available to them.

We are looking at data analytics. We have done a ton of work to think about what metrics we want to have, and then design our data systems around those. How do we collect the data? Another opportunity for working with our partners, because we know that we're not going to be the ones who are going to be necessarily generating all of the data that we might want to look at, to see how these roles are working, or how the role is working.

Then finally, to work closely with our
government counterparts and our other stakeholders, in putting these programs together. Ken -- one of Ken's staff members is working -- has -- is embedded with us on the produce side, to make sure that we're thinking about the USDA perspective, and we -- we also have the states, and we also have a number of other stakeholders we're working with in various capacities.

All right, so, I'm going to focus on a couple of these key principles through the rest of this talk.

So, the first one I want to focus on is the skilled workforce.

So, as I mentioned, specialization, particularly in produce, we think is really important. You know, a lot of our investigators have experience in manufactured foods. But we don't have a lot of people who have that much experience in produce.

So, we feel like because it's such a specialized area, that we need to make sure that we have folks who are specially trained in
produce and understand it, understand ag science, understand the different growing conditions. So, that's going to really be key to our implementation of the produce rule, and we are developing what we call the Produce Safety Network, and this is a map of the Produce Safety Network, sort of identified where -- current thinking, as to where they might reside.

So, you'll notice that there are circles and there are diamonds. So, the Produce Safety Network will have two pieces to it. It will have CFSAN staff and it will also have ORA staff, and the CFSAN staff, we are planning to hire eight technical experts, and then two compliance staff, to follow a little bit later.

We are in the process of hiring them. We do have Stephen onboard now, and we are in the process of hiring the additional staff to fill out the CFSAN members of the Produce Safety Network, and then these circles are where the ORA staff will eventually reside.

We are planning to hire approximately
40 to 50 staff ultimately. Probably, half of
that initially. But you'll notice that they're
spread throughout the country.

So, the intent is that the folks who
are embedded in those parts of the country will
have real direct relationships with the state
regulators, the academics and the other
stakeholders that are in those areas. So, they'll
really get to know the regional practices and be
able to bring that expertise to us, as we
continue to develop our programs.

Some of the responsibilities of the
produce safety network will include technical
assistance, outreach and training, work planning,
outbreak investigations, inspections on the
foreign side, and then enforcement.

So, the inspection piece is, they are
going to be responsible for the foreign
inspections, because we do plan to do foreign
inspections for produce, and they will do foreign
-- they will do inspections in states that choose
not to have an inspection program. But for the
states that choose to have an inspection program, the states would be the lead there, and they will be -- so, they will be directly available to the states, in their regions, understanding the regional considerations. They'll be there to provide the technical assistance, the training if needed, help design the work plan and a lot of other aspects that go into the produce regulatory scheme.

All right. So, moving on a little bit to training. So, we are working with two organizations on training. So, one is the Produce Safety Alliance and the other is the Sprout Safety Alliance, similar sort of portfolios, just -- obviously, produce looking at produce overall, sprout is looking specifically at sprout. So, they are focusing on developing training programs for the industry.

Then on a regulator training side, we are going to have all of our regulators who are working on produce go through the alliance training. If they're working on sprouts, they'll
go through the sprout alliance. If they're
working on produce generally, they'll go through
the Produce Safety Alliance training, and then
they're going to be going through some regulator
training.

This is somewhat in development. I
can't say somewhat. This is currently in
development, and so, some of the aspects that we
know it will include, first of all, will be how
to approach an inspection, what do you look at
during an inspection, kind of general inspection
information.

If we have new reporting tools, the
training will cover that, and then some of the
bio-security aspects that are specific to farms,
and then just how to interact with farms, because
farms are a brand new entity for us, in most
cases. We don't have the short -- a regular
regulatory program on farms. So, this is going
to be new, and so, we want to make sure that our
investigators are really comfortable how to
approach an industry that we have not had a lot
of interaction with.

That sort of leads to relationship building. So, part of what we know we have to do to make this program successful is to make sure we develop those relationships.

So, through our Produce Safety Network, they are going to be the ones who are going to have some of those direct interactions with both the farms and the state. We're going to be looking to our state partners to help us bridge some of those gaps that the interaction that we might not have had. Generally, our interactions with farms are during outbreaks, which is a very high stress, high tension kind of situation. We want to get -- have it -- a somewhat different relationship with the farms, where they understand that if we're coming out to do an inspection or accompany a state on an inspection, we're not there to look for where you had a problem that caused an outbreak. We're just there to see how you're complying with the rule.
So, that's going to be a really important part of what we want to do with our Produce Safety Network, and part of that interaction is going to be attending the training with the industry.

So, we've said that we want our folks who are going through the PSA training to do it with the industry at the same time.

So, that -- I also want to mention our recently announced cooperative agreement program with the states. This was a major effort for us, one of the largest cooperative agreements that FDA has ever done.

We recently announced that we are providing money to 42 states that had applied for -- to be part of this cooperative agreement program, basically, to create an integrated food safety system and to really plan through on a state level, how they want to implement the program.

So, they had the opportunity to apply for one of two competitions. They could apply
either just for education, outreach and training
money, or education, outreach, training and
inspection money.

Some states chose at this juncture,
just to apply for the education, outreach,
training money. Others included the inspection
piece. The states that did not apply during the
first round will have an opportunity to apply
again. So, just the fact that they didn't apply
in this round, doesn't mean that they're
foreclosed permanently.

So, they -- the state cooperative
program, the states will be expected to provide
information to FDA about a number of things,
including how they plan to do their outreach and
education, how they plan to develop an inventory
and what their staffing might look like, how they
plan to execute any information requirements that
they're going to have.

So, it's going to be a very
comprehensive program. It's a big endeavor for
us, but we're really excited to be able to
provide this money to the states, to help them
kick off their programs.

Sort of a companion piece to this
state cooperative program is a grant or a
cooperative agreement that we also have with --
to establish the National Consortium, which is
money that was given to NASDA and they are going
to be working with a number of other
organizations, to bring together a lot of
stakeholders such as AFDO and AFSO and USDA and
FDA and others, to really sort of try and create
some uniformity throughout the states.

We can't require that states implement
any particular program under their cooperative
agreement. But NASDA is going to be able to --
the National Consortium will be available to try
and share best practices and provide information
to the states about maybe if somebody is doing
this brand new, and somebody else has a program
already established, kind of be that sort of
clearinghouse, if you will, for information
sharing.
All right. So, moving to inspections.

So, obviously, you know, an inspection is trying to shape compliance, assessing the state of compliance of the industry.

We want these inspections to be standardized. We've said a lot, that we're going to be educating while -- before and while we regulate.

So, we are looking at how do we incorporate that education piece into our inspection program. We want to do some trend analysis, again, the relationship building, and so, we do have a group right now with NASDA, under our NASDA cooperative agreement, which are looking -- is looking at what does their inspection program look like? How do we prioritize inspections? How do we actually conduct the inspections? What kind of tools do the investigators use to collect data or report out on their findings, and then how do we do the compliance enforcement piece at the end, where -- where needed?
Then so, a point here. The states have been -- if they apply for competition B, they will receive funding to do inspections. The Produce Safety Network will be available to them as a resource, and may accompany them. It will be sort of state dependent. But the PSN will be expected to lead the inspections in states that chose not to do inspections.

So, right now, we have, I want to say 10, somewhere around 10 to 13 states that have chosen not to apply for inspection funding. So, in those states, the Produce Safety Network team will be the ones who will be doing the inspections, as well as perform the inspections.

All right. So, a bit on education, outreach, technical assistance. I mentioned the alliances.

So, we are working with the alliances to set up some technical assistance. We have a number of organizations that we think will play a role in this. We have a number of grants under the NIFA program, and we have the coordinating
centers that have also been funded.

One piece that Ken did mention is on-farm readiness review, and so, we are treating this as sort of an education outreach activity, more than inspection. It might look like an inspection or an audit program, but we're really thinking about it as an opportunity for outreach and education for the farms.

So, just to expand a little bit on what Ken was saying. We have been working with NASDA and USDA on developing this program. We have currently, a tool that we are getting ready to pilot. We are planning some pilots for beginning of January through sort of mid next year, and this will be a totally volunteer program. So, we're still working on how we would get those volunteers, how we would keep track of them, and who is going to do them is really going to be state-dependent.

So, part of the funding that the states get is going to be towards this on-farm readiness review program. So, again, for states
that choose not to do this, the FDA will be the
one that will be doing the on-farm readiness
reviews.

What do we really want to do with this
data? We don't plan to leave any reports with
the farm. We are going to really provide them
the tools. We're going to hope that they do a
self-assessment, and then we're going to sort of
walk through them and maybe point out some areas
where we might look at things differently. But
we don't plan to issue any kind of reports to the
farms or anything. It's really going to be up to
them, to take notes as we go.

But we do hope to do some trending of
the findings. So, you know, we're thinking about
sort of an aggregate of, you know, this
particular state went to 15 strawberry farms.
These are the sorts of things that they found,
and then that will help us when we design both
our inspection programs and also prioritization,
because if we see a particular industry that,
well, this industry did really, really well
during the on-farm readiness review, that might be an industry where we don't maybe focus as much of our inspection attention during the first round of inspections. So, still thinking through how that might work.

So, technical assistance. We do have -- we have established a Technical Assistance Network, called the TAN, and it -- we have -- we are planning two parts to our technical assistance network.

So, the first one is in place. It's web-based and there is also a phone option. So, those are the -- that's a place where people are sending questions, basically rule interpretation questions.

We get questions anywhere from what are the compliance stage for this rule, to very specific questions like, I have this particular facility and we do this, and I need help understanding what this piece of the rule is asking.

We have all of our questions that are
captured in a knowledge management system, and we are working through right now, getting some of those questions and answers up on the website. I know we've committed to doing that, and we are working on that right now.

We're making sure that we're sort of sanitizing the questions, if you will, because we don't want people to not submit questions to us, with the level of detail that helps us answer the question, if they fear that we'll then go ahead and post their question up on the web.

So, everything that's posted is going to be sort of non-specific to a particular farm.

So, the TAN -- like I said, the TAN is up and running. We've had more than 2,000 questions in the first year, and we know that we've been a little bit slow on some of the responses. We are developing some standardized responses for questions that we get a lot, and we are working on some other mechanisms to increase our speed.

The second piece of the TAN is going
to be the regulator TAN, and we are currently working on developing the regulator TAN, and so, this will be the group of people that are going to be available to the investigators, while they're on the farm or while they're in a facility, to answer those types of technical questions that might come up during the inspections, to make sure that they have that technical assistance that they need to really do the best inspection job that they can.

So, this is a little graphic. We had the -- the TAN does include CVM, CFSAN, ORA and our Office of International Programs, and the website to submit a question, and that's all.

Thank you very much. Happy to answer questions and have my other resources here, as well.

So, I light all the way in the back and then I'll -- all the way at the end.

MS. BARNES: My name is Virginia Barnes, and I actually took the train the trainer course with Dr. Ben, from the Produce Safety Alliance. It's awesome. The TAN is awesome and
they also have the phone a friend.

But I was wondering if you could tell me about the state partners. Is there any kind of a site that I can go to for the question I have about the water, you know, the testing and things like that? Is there a state partner already set up for Florida, or is there a website I can go to, to find out? Do you know?

MS. THOMAS: At this point, we have not identified the specific people within the states that are going to be responsible for the different pieces of the program.

We have had some conversations with the states and with NASDA about how to make sure that the folks that needs those kinds of questions answered, have access to that.

So, I would keep an eye out, both probably on FDA's website, and then also on the NASDA site for that kind of contact information.

MS. BARNES: Thank you.

MS. THOMAS: You're welcome. I think I saw Ken. Okay, all right, let me go over here.

So, to me, the notion of how you guys are going to prioritize the inspection seems kind of nebulous, you know.

Is there talks about maybe creating a national database, kind of like the FDA facility registration site where maybe all of us can upload our certifications, and then help your job a little bit easier in choosing where they're inspecting or not?

MS. THOMAS: I wish I could tell you yes, that sounds fantastic.

We do not have authorization to have anything like food facility registration for farms. I mean, farms are specifically excluded from registration, and so, right now we have no way to be able to do that.

We are looking to the states to develop their programs to consider how to collect inventory information and that's going to be one of the responsibilities of the folks who did get
funding, and so, how the states choose to do that will really be up to them.

We hope that we're going to pull all that information into a centralized database that FDA can use to do some of the prioritization and that it has the information that we need to do that.

I can tell you that I understand, it is sort of still nebulous. I like that word.

We are looking at prioritization on a couple of fronts. One is size. So, you know, impact would be if it's particular entity -- or not an entity, necessarily.

Well, you know, on the farm -- sort of at the farm level, what their compliance history would be. At the industry level, what their compliance history is. You know, if it's an industry that's been associated with outbreaks a lot, as opposed to a commodity that maybe hasn't, we might prioritize them differently.

I heard the question about how will FDA use the USDA information. I think that's a -
that's sort of kind of where we're going, and
that's a question that we've had a lot.

We talked about the -- using that
information in the way that we prioritize. So,
you know, if we know that because we've been
working very closely with USDA, with AMS on the
standard, we -- if we kind of know that a company
has had a good USDA audit, then maybe we can
think about, they would be further down on the
priority list. A lot of details to be worked out,
but certainly something that we'll share kind of
as we -- as we make some progress on that. Yes,
sir.

MR. YANDA: Hi. Dave Yanda with
Lakeside Foods. We just had a team of people
over at a large food show in Europe, SIAL,
perhaps you're familiar with it. Our company
does some considerable amount of export business,
and our team came back with some concerns, after
having meetings with buyers, over at that show,
as it relates to the new regulations, and how
they will pertain to us being able to compete in
the international market.

So, my question is, there are some international standards, Codax, which I'm sure you're probably familiar with, on some of these things that globally, I'm told many countries are required to adhere to, and there are tolerance levels for some of the things in Codax, and the concern is that our standards will be held higher than Codax, and that it will eliminate us from being able to compete in the international market, simply from a cost standpoint, and so, I'm wondering if you have any thought, or you could share any insight on that.

Is there any consideration continuing to perhaps, conform our standards with international accepted tolerances, rather than creating our own?

MS. THOMAS: So, we are active in many of the Codax activities. We don't have the authority to, at this point, just accept any of the Codax information. We've always just sort of have to take it, consider it against our
regulatory scheme.

But, you know, we do -- like I said, we do participate. We take the Codex information into account, as we're thinking through our standards. I don't know, Mike if you had anything further to add on that.

(Off-microphone comments)

MR. YANDA: Is there consideration being given to what it might mean to restricting companies' ability to continue to support business?

MS. THOMAS: Certainly. We have -- we are always concerned about, sort of the impact of what we're doing on both the international community, and also, the impact -- or the international requirements on our industry.

We do have two groups. One within food specifically, and then our international programs people, who are very active in working through a lot of those relationships.

(Off-microphone comments)

MS. THOMAS: Right, yes.
MS. BURNS: Cathy Burns with PMA. I'd like to build on that a little bit, both products going out and in.

I think there's an opportunity, and Ken, this is maybe more for you, for USDA, somehow to get involved in the coordination of the training between trade associations, USDA, maybe it's FAS, somebody needs to get involved, to coordinate those activities, so that FSMA training is clear for imports, and I certainly can tag onto the export conversation, as well.

I don't know who owns that between the FDA and USDA, but there seems to be -- there's a gap there on education and training, certainly for products coming in to the U.S.

MS. THOMAS: Our international affairs staff is taking the lead on a lot of the outreach and education for our -- for the international partners. So, I can certainly --

MS. BURNS: We might be able to help to --

MS. THOMAS: Okay, that would be
wonderful. Thank you.

MR. NELSON: Bob Nolan, Deer Run Farms. As a small vegetable grower, I think it's great that the produce safety alliance are going to be having these training sessions for us, to help bring us into compliance.

But I'm just curious, you know, is there a document that shows exactly what we're going to have to do, as far as record keeping? Are we going to have a food safety plan, and how much record keeping are we going to have to do?

The second point to my question is, I see you mentioned enforcement several times. Could you elaborate on enforcement? Is it going to be fines? Jail time? What are we talking about? Thank you.

MS. THOMAS: So, let me start with the first piece. We are -- we -- we'll have two guidance documents that I think will help to some degree.

So, one is the small entity compliance guide. So, that will be, you know, sort of the
guidance that is directed more towards the
smaller growers, and then the general compliance
guide, which may be one piece or multiple pieces,
which will be pretty explanatory about when you
have to keep records.

So, there is no requirement for a food
safety plan for a farm. We did not require that.
So, that is not something we require, although
probably not a bad idea.

Enforcement. So, great question. I'm
in the Office of Compliance. So, enforcement is
sort of near and dear to my heart. So, I hope I
didn't alarm anybody by mentioning enforcement at
any point.

We sort of see this as an opportunity
to do a lot of collaboration. We think the
states are really going to be the front lines of
any type of enforcement that's needed, but we
think it's going to be sort of a very soft sort
of roll out.

You know, I mean, we're not expecting
to come out on day one and do an inspection and
come and shut a farm down. I mean, that's just now how we work, number one, and certainly not our expectations.

But you know, so, yes, but you know, I mean, there may be situations where there is a farm that has major compliance challenges and if we see a public health concern, we are prepared to work with our state partners and consider which tools we have that would make the best sense, in terms of getting that farm into the state of compliance that they need to be.

So, we really -- we have a variety. We don't have civil penalty authority. So, the only fine that we would have would be related to criminal prosecution, which is, you know, for very -- for the most egregious situations.

But we have a lot of, sort of things in between, and we would be very judicious in using our tools. But we really do want -- you know, I mean our -- quite honestly, from my perspective, I want to be out of a job, in the Office of Compliance. I would love for everybody
to be in compliance and we wouldn't have to do anything. But you know, unfortunately, that's not the reality. So.

MR. JANIS: Hi. Michael Janis. I'm with the San Francisco Wholesale Produce Market.

For those of us who either operate or own multi-tenant or multi-use facilities, we're a little unclear as far as compliance in our role, as the landlord or the operator or the manager. Perhaps, where would that sit?

MS. THOMAS: Depends. That's, unfortunately, not an easy question, and it depends on how your particular entity or facility or organization is set up, and it depends kind of where you've drawn a line, in terms of, you know, what you're responsible for or what your tenants are responsible for. So, it's really going to be very situation specific.

If you have sort of a -- you know, in your particular situation, we -- if you wanted to submit a question to the TAN, we would be happy to sort of think through that and provide some
response for you.

MR. JANIS: And perhaps for our segment of the industry, there could be a point person who could potentially work for many of us, from food hubs to terminal markets, to you know, operations that are multi-user, because there is a lack of clarity when we speak to different inspectors in different regions.

MS. THOMAS: Yes, I mean, if it's an issue that you feel like we need to make sure that we address, particularly for investigators, you know, please let us know and we'll make sure to sort of think through that as we're designing our inspection programs. Thank you.

CHAIR KNORR: This is Beth Knorr. Mike, I really appreciate that question and also, think it probably carries over to farmers market managers too. Like, what is their rule? What is their responsibility level for any of the compliance issues that farmers might face?

MS. THOMAS: So, would you make a note of that for your guidance document? Excellent.
MR. VAZQUEZ: Just building up on those three questions from Mike, as well as Beth.

Is there any talks right now of if you're compliant with the rule of the law, and you happen to have some type of incident, to put in place, some type of tort reform or boundaries for, you know, in case you get sued, because some are afraid that the enforcement is going to come more from the legal sector rather than from you guys.

So, can we initiate a conversation about maybe putting some type of limits on the type of, you know, damages that somebody can be awarded, if you are complying with the rule of the law?

MS. THOMAS: That would not be something that would be within our bailiwick, but I would think that maybe the Advisory Committee or other entities, you know, that might be an opportunity. I totally understand the concern.

MR. NICHOLSON: Mark Nicholson. Two questions and maybe answered later. It was
regarding compliance guidance or the guidance
documents, and I guess, you know, I don't know
the exact timing on some of those deadlines. I
know that there is a lot moving forward with
compliance, but there's also then a lot of
questions on the actual guidance.

So, I don't know how you're able to
move forward with certain areas, without the
guidance being done or not.

The other question is probably again,
maybe more related to the guidance, but with
regard to water and the water standards and
methodology for testing the water.

MS. THOMAS: I can tell you, and Mike
can correct me if I get this wrong, that we are
doing a guidance that is specific to the water
standards, and will provide perhaps, more
information that would be helpful to you.

I think if you have some specific
issues that you would like us to consider as
we're developing the guidance, you know, please
submit them to the TAN or through -- I think Mike
would be willing to hear from you about, if you
had some specific scenarios.

In terms of sort of how can we do our
inspection and compliance planning, when the
guidance is still open.

There is a lot that we can do based
just on the rule requirements. So, the guidance
is going to build on the rule, but the rule
really sets the foundation for our inspection and
compliance programs.

So, while the guidance documents may
further explain some things or provide a little
bit more clarity, we think that we can start
designing our inspection program based on the
regulation itself, because you know, that will
tell you where you have to keep records or what
some of the requirements are. So, that's why
we're able to sort of move forward now.

MS. BURNS: This is Cathy again. I'm
curious whether people are volunteering for on-
farm reviews.

MS. THOMAS: We have not put out the
call yet.

    MS. BURNS:  Not yet?
    MS. THOMAS:  Not yet.
    MS. BURNS:  Well, I think if what you say comes true, that if people volunteer and they get -- you know, a commodity has a clean bill, maybe they get audited less, so that the bottom of the priority list, that's pretty good incentive, if they're doing things well. So, I didn't realize it hadn't started yet.

    MS. THOMAS:  Yes.
    MS. BURNS:  When will that start?
    MS. THOMAS:  Great question. The roll out is anticipated for the Fall. So, this year. Next year, 2017, yes. Yes. We do have a couple of pilots going on for the first half of the year, and those have all been volunteers. So.

MR. McREYNOLDS:  Roland McReynolds.

I guess going back to the guidance issue, a couple of questions or points.

    In talking to state regulators, that are going to be responsible, they're very, very
hesitant to be doing inspections without guidance
being out, and feel like it's really, you know,
not appropriate.

So, I guess you know, I would second
my state government partners in that sentiment.
It's really -- you know, there is a lot of
interpretational questions and application
questions that are not -- very much not clear
from the rule.

So, I guess I'd like to understand
more about how you would see that it is possible
to provide effective inspections on these rules,
absent that guidance.

The other question is, are you writing
the guidance in-house or are you contracting with
outside parties, and if so, who are those outside
parties?

MS. THOMAS: So, let me first clarify,
if I mis-spoke or was not clear.

I was not suggesting that we would be
doing the inspections in the absence of guidance,
but we're designing the inspection program, sort
of concurrently with the guidance being
developed.

So, we do fully expect that the
guidance documents will be out in plenty of time
for both the industry and the regulators, to have
some time to absorb them and to figure out what
tweaks we need to make to our programs, before
the compliance states. So, I apologize if I gave
the wrong impression.

The guidance documents are being
developed in-house, and I'm going to ask Mike if
he has any -- the -- are we getting any outside
assistance at all?

(Off-microphone comment)

CHAIR KNORR: Okay, any other
questions for Jennifer?

Thank you so much for sharing the
information.

Because this was kind of an
information heavy piece, I think we're going to
go ahead and take our break. So, it is about 10
til three right now. Let's take a 15 minute
break. Maybe come back at five after three.

(Whereupon, the above-entitled matter went off the record at 2:49 p.m. and resumed at 3:15 p.m.)

MS. STANZIANI: Okay, everybody, if you wouldn't mind taking your seats. We are going to get moving again. We've got a couple of different presentations to get through.

CHAIR KNORR: Okay. So, let's get right back into it. We're going to open up the session for any comments observers might have right now. Anyone?

Okay, so, assuming that there are no comments, we're going to move along and Greg Astill, from the Economic Research Service is going to present some information to us here.

MR. ASTILL: Hi. I'm Greg Astill with Economic Research Service in USDA.

Economic Research Service does all sorts of economic research that has to do with agriculture, and this is some work that I'm doing with my colleagues Linda Calvin, Suzanne
Thornsbury, who is here, and Travis Minor, just recently joined our team.

Also, we have from NASS, the National Agricultural Statistics Service, Nathaniel Warenski and Shareefah Williams, and this has been a concerted effort between ERS and NASS, in producing these food safety surveys dealing with the produce sector.

First, why are these food safety surveys important?

Primarily, better data makes better policy. We need information to inform that. We're looking to document the level of food safety practices already in place, and things that have developed since the last food safety survey that was done at the national level in 1999.

We want to provide a benchmark of practices prior to implementation of FSMA, to estimate the impact that the law is going to have on produce growers, and we're hoping and we expect that the results -- the published results
of these surveys that we'll be producing, will
guide research and the economic impacts of this
law, and also address training efforts and show
where the important parts of guidance documents
and training are.

So, we're looking at the economic
impacts of the Food Safety Modernization Act on
U.S. produce industry, and so, we partnered with
NASS to do two surveys, a grower survey and then
a post-harvest processing survey, and we're
focusing on food safety practices in asking about
questions about those practices, as they line up
with the rules in the FSMA law.

We have a small number of questions
about costs and these surveys are going through
most of the U.S. We're trying to capture as much
of the produce industry as possible.

So, we've covering a lot of
commodities and a lot of farm sizes.

Now, NASS takes -- the National
Agricultural Statistic Service of the USDA, they
take data integrity and data security very
seriously. So, all of these surveys are personally enumerated by NASS staff. NASS ensures that no individual response or operation can be identified by the data that's held in the database, and each person dealing with the data must sign a confidentiality agreement. So, the integrity and privacy of the data is -- is primary.

So, this survey has gone out in two parts. The first part of the survey was combined with the NASS chemical use survey, and in 2015, that went out to fruit growers, and we have that raw data now. I'm going to show you some preliminary example graphs from that.

So, thank you to everyone who participated in this survey. Thank you to anyone who encouraged participation. We appreciate it very much. There were over 6,000 growers who filled out the chemical use survey, and of those, 40 percent filled out the Food Safety Addendum.

Now, the second part of the survey is going out right now, and through January 13th.
It's -- this is an addendum to the vegetable chemical use survey, and it's going out to the big vegetable producing states and for a lot of target commodities, most of them are vegetables.

But there is some overlap. So, some of these vegetable growers will also be growing different fruit commodities, and we see that in our first survey, some of that.

So, these are example graphs of the type of information you will see in our published report, and I am showing you a very thin slice. We've gotten a lot of great information in that first survey, and we're going to have a lot to share.

So, all the graphs are going to have a similar structure. So, let me just explain the structure, and then each graph will be fairly easy to understand.

So, on the 'x' axis, we have broken out produce growers by the amount of produce sales they've had on average in the last three years. So, yearly average sales.
Now, the far left of the graph, we have less than 25,000, then on the far right, we have more than 10 million. In the middle, that middle bar is 500 to 100 -- 500 to one-million, 500,000 to one-million.

So, they are the categories of sales, and then the width of those bars is the proportion of the sample that fits into that category.

So, you can see, we have two percent of our sample are selling more than 10-million a year. Sixteen percent of the sample is selling less than 25,000.

So, you can see we have quite a few mid-size growers, small-ish growers, and then a few, we do have some large growers in there, as well.

Now, on the Y-axis here, we have the percentage of firms in that category that have answered 'yes' to the question. So, here the question is, have you heard of the produce rule in FSMA?
Now, you can see of the large growers, more than 75 percent say, "I have heard of the produce rule." The smallest growers, about one-third say that they have heard of the produce rule, and you can see that trend increase.

Looking at audits. So, we asked, "Do you have an audit?" You can see the large growers, more than 50 percent say they have audits. The small growers, about 10 percent say they have an audit, and you can see that increasing trend, as well.

When we asked, "How many audit standards do you use," the large growers on average have three audit standards that they're complying with and the smaller growers are -- on average, have one, and that trend also increases with size.

Now, we look at marketing channel. So, you have -- we asked four marketing channels, "Are you selling fresh? Are you selling processing? Are you selling to fresh cut? Are you selling direct to consumers?"
Now, very few people are selling 100 percent to one of those channels. So, I've broken that out into are you selling at more than 90 percent to one channel, and then if you're selling less than 90 percent to one channel, you're in this mixed category.

You can see those who are in the mixed category, that's 31 percent of firms in the same, and about two-thirds of those firms have audits. When you look at in comparison, direct to consumer is on the far right. Eleven percent of the sample are selling direct to -- more than 90 percent direct to consumers, and about 10 percent of them have audits.

Now, this is water, and this is one piece of a lot of information we have about water. So, this is specifically ground water that you are using in irrigation or application, that touches the crop. So, overhead irrigation or application of chemical or either.

So, the categories we've broken these up into are the number of water tests. Zero is
the red bar and if you're having four or more
water tests a year, that's the green bar.

So, you can see the -- the largest
growers, those with over $10 million in sales,
about two-thirds of those growers are doing four
or more water tests a year, and about 15 -- 10 or
15 percent don't have a water test. Compare that
with the smallest growers, over 50 percent of the
smallest growers aren't doing a water test on
their ground water, and a very small percentage
are doing four or more, and you can see that
trend, similar to those other trends we saw in --
it's pretty linear, as we go up in size.

So, we would just like to encourage
everyone to fill out the survey if you get it,
and also encourage participation in the survey,
because this information, we fully expect to help
the guidance document writing and the training
that's coming out.

We'd also like to get any information
that you have of suggestions for reaching out to
growers and communicating that the survey is
coming out, and the benefits of it. So, I'm open
to questions.

CHAIR KNORR: Okay, jump on in with
questions, folks.

MS. DIETRICH: So, what kind of return
did you get on surveys sent out?

MR. ASTILL: So --

MS. DIETRICH: So far.

MR. ASTILL: Yes. So, there were
about 2,700 that we got, that were partially
filled out, and about 2,000 that were very clean,
and there were 6,000 growers on the chem use
survey, and more than -- if I'm not mistaken,
more than 90 percent of those people filled it
out, and it's an -- as I understand, it's a
mandatory survey. So, unless -- oh, it's not.

Okay, but yes, it's -- it has a very
high response rate. Yes.

MR. SUTTON: Dan Sutton. Just a
couple of recommendations.

I think one, if you utilize some of
the trade organizations to possibly reach a
greater breadth of growers, and also, I think if
growers really knew that this was an attempt to
help the guidance document, if that point could
be very clear when it's sent out, that the intent
is to help develop the guidance, I think your
response level is going to go up, pretty big.

MR. ASTILL: Thanks.

MR. SUTTON: There is a great contact
in the front of the table right here, that could
probably get you started.

MS. STANZIANI: Can we put that on the
record, please?

MS. BARNES: I was just saying also,
to go through Farm Bureau and Fruit and Vegetable
Associations, because those are people that
farmers really trust, and also know the seasons.

If you call us when we're not busy,
we're more likely to help. I just did it last
week. I just got the call last week and I did it
because I wasn't super busy. But I have gotten
the call when we were in the middle of our
season, at our busiest time, and we just don't
have time to do it then.

MR. McREYNOLDS: And Roland McReynolds. I think other point that which I think we -- might have been made in prior presentations on this.

But in terms of, you know, outreach to organic farmers, the chemical use survey may not be the best vehicle for reaching those growers, in terms of, you know, just their response rate to that survey.

So, other times that you're surveying organic growers, piling it onto that would be --

PARTICIPANT: The chemical use survey, it doesn't discriminate organic growers.

MR. McREYNOLDS: Sure, right, and there are -- there are organic chemicals. My point is, I'm just not sure the response. Maybe you've got some response rate data that you can correlate but I would just guess, lot of the organic farmers that I work with, which see just this survey and go in the round file.

MR. VAZQUEZ: Jorge Vasquez. Are you
guys gathering any data on fresh operations or
any type of -- other type of facilities, other
than growers or just strictly growing operations?

MR. ASTILL: We have information on
whether that growing is running a packing
facility. But then we have another port -- we
have another survey that goes out specifically to
packers, and we do have that information. I
didn't present it here. But the survey is very
similar, but with a few differences.

MR. VAZQUEZ: So, are the findings
kind of like the same, the less you sell, the
less familiar you are with the --

MR. ASTILL: I haven't dug into that
data, as deeply as I have this.

MS. BURNS: Cathy Burns with PMA.

Back to Dan's point. Do you have examples of
feedback that you've received and you've made a
change as a result of it in the guidance, because
I think we need to be able to tell the story.

I mean, it's one thing to say, yes,
we'll take your feedback and we'll listen.
MR. ASTILL: Yes.

MS. BURNS: But if we have a solid example or two, that would help us, in terms of really galvanizing the industry to actually complete the survey.

CHAIR KNORR: A couple other comments.

This is Beth Knorr.

I'm sure you already are working with extension agencies, but those are certainly well received by growers, and I just want to echo what Roland had to say.

I think the name of the survey is probably pretty off-putting to organic growers. So, if you want get a little bit more input from them, just tweaking the name a little bit might go a long way, to getting them to fill those out.

MR. ASTILL: Thank you.

CHAIR KNORR: Any other questions? If not, thank you so much, Greg, for the information.

MR. ASTILL: Thank you.

CHAIR KNORR: Okay, next up we'll be
hearing from the National Agricultural Statistics
Service and Jody McDaniel will be sharing some
information with us.

MR. McDaniel: Good afternoon, folks.
As was mentioned, my name is Jody McDaniel. I'm
actually the chief of the environmental economics
and demographics branch within the statistics
division for the National Agricultural Statistics
Service.

So, we had a couple of our staff from
census and survey division that joined today,
that support the focus, which would be Nate, and
as well as Shareefah.
The surveys that actually are
conducted go through the process and actually
they end up with my staff, who then do the
publications.

So, to help with the answer of the
chemical use, the nomenclature, that nomenclature
of the chemical use program has been around long
before the organic program really grew, but that
is something that I'll take back and actually
have a conversation about. We'll have to see how
to better utilize that.

We actually focus organic to our
production survey, which any of you interested in
organics, hopefully had an opportunity to see
that data that we released last month.

But another shameless plug, we also
have the local sales or a local agriculture
survey for marketing channels that will be
released in December. So, if anyone would like to
take a look at that.

But for the topic of the day, which is
the ag labor survey, it's -- with anything we do
with NASS, I always like to take the opportunity
just to remind folks that our mission statement
is to be timely, accurate and useful in providing
--

PARTICIPANT: Sorry, it's hard to hear
you back here. Can you use a microphone?

MR. McDANIEL: I think we might have
had a height difference. I always forget that
I'm not everybody else's height, and I don't have
a little voice either.

So, timely, accurate and useful statistics and service to the United States agriculture. That's the mission of NASS, and actually, Greg highlighted very well, that we take the confidentiality around our data very seriously. That's with all of our survey programs.

But specifically the NASS ag labor survey is the one source of data on agricultural workers and wage rates. The publication goes out twice per year. It's informed from a multi-framed sample. That sample is a probability based survey. It's off of a stratified list sample, which is actually geared off of the number of employee or the number of staff employed, as well as the economic size of the operation, to make sure that everyone gets representation, and it's supplemented by the area sample, which is actually each June, if you're not familiar, and some of you may be, we do a June area survey which is what we like to call
the ground truth.

We go out and do segments in every part of the United States, to capture information, and labor is actually a portion of what we do capture.

Together, that actually combines to make up approximately 13,000 respondents. The survey is now done in April and October. For those of you who have been around agriculture and had an opportunity, you might recall this used to be done four times a year.

So, we actually do have reference weeks in January, April, July and October. Those weeks always include the 12th of the month, and then we actually currently release the data twice a year, in April and October, and we collect the data for 10 working days around the reference date.

It's a multi-mode survey. So, rather than personal enumeration, which is what you heard on the chem use survey, this is actually done through a combination of mail, telephone,
web and very limited personal interviews to keep
the cost of the survey product down.

The estimates that we were able to
provide out of that are all hired workers. Those
are those individuals working 150 days or more
days, as well as less than 150 days, the hours
per week those individuals work, as well as the
wage rates, and that's either -- it's for all
hired workers and then also field and livestock.

Also, some annual average numbers that
are produced are the number of workers, those
being all hired, hours worked, which are for all
the hired workers, and again, the field and
livestock hired workers for wage rates.

So, if we're looking at this, to give
you an idea, these are the regions that are
actually supported by farm labor. Those of you
familiar with NASS data might understand that
this does not follow our -- these are not our
agency regions. These are actually DOL regions,
Department of Labor regions, which is what
actually is the purpose behind the survey.
So, again, it actually comes out twice a year, 3:00 p.m. eastern standard time, on the release date. As to not make the presentation very stake, I didn't put release dates in it, but it's also available on Quick Stats II.

For those of you -- does anybody use Quick Stats data product, outside of ERS?

I will be the first to tell you that it has a wealth of information and it's a lot better than what we used to call our IPEDB and I only know that, because I used it in graduate school. That's how I found NASS. But it's still confusing, as I'll get out, to find the data.

So, I gave you a cheat-sheet. If you save the -- the materials out of the presentation, if you ever look for farm labor data, you go under our economic sector, under the expenses and then under the labor section. That will actually get you to the historic data series.

Now, to highlight some of what I would call some of our data uses, or uses, first and
foremost, we provide this data to the Department of Labor. The primary reason why we currently do the survey, it's funded through a cooperative arrangement with them.

We provide the wage rates as a component of the parity index, which is required by law. That is actually used to establish the minimum wage rate for domestic and foreign ag workers. It complements administration of the farm labor recruitment and placement services program, as well as it helps to inform policy.

Just as a point of clarification, much as was discussed with ERS, NASS is non-policy driving organization. We inform policy through our data.

So, you may think when you get one of our surveys it's going to be holistically used to change your world. We are a primary data source for the Department of Agriculture. Our job is to collect and inform all -- everyone at the same time, on the same day.

So, with that, I think I may have
bought you a small amount of time, and I will be
ready to take your first H2A question.

PARTICIPANT: Fantastic.

MR. CASTANEDA: Carlos Castaneda.

Jody, my question on your timing, April and
October, don't you feel that weighs the --
weighted a little unfairly?

For example, in California we're
peaking at harvest between those months, April to
October. Yet, from November to March, you know,
we're thinning and weeding fields at hourly
wages.

So, if you're only grabbing April and
October, you get where I'm going. Your average
is going to be a heck of a lot higher than what
the annual average would actually show.

So, you know, leading into H2A, it
unfairly pushes wages up quite a bit higher.

MR. McDaniel: All right, and just to
clarify -- actually, let's see if we can get this
a little higher, so I have don't have to lean.

Just to clarify, actually, we collect
the data in April and October, but we actually
collect it for four months. So, we're collecting
January, April, July and October. We only
collect the data twice a year now, but we're
collecting it for two reference weeks at a time.

So, we are capturing that span of
time, so it should count that cyclical nature of
agriculture across the United States.

MR. NICHOLSON: Mark Nicholson. Yes,
looking for some clarification on you know,
making adjustments to the survey.

So, I think there's recommendations on
changes of wording or clarifying, you know, H2A
employers should not fill it out, and I think the
direction has been in both kind of directions, in
the sense that DOL may have that control, or NASS
has that control.

So, it -- do you have any
clarification on if these questions or the
survey, you know, has to be adjusted? Who owns
that?

MR. McDANIEL: So, one, I can tell you
every time I hear H2A, I sort of feel like the scarecrow from the Wizard of Oz, where he points in both directions, because the answer you all normally get.

DOL helps to drive the content at this point. At one point in time, NASS owned the survey product. We funded it through our appropriation, at a point in time. We no longer had the appropriation to support it. Department of Labor, because of their need for the data, now supports the program through funding.

They have a very strong voice in what we do and what we collect. We try to maintain the integrity of our data series. So, there is some consistency through that.

We also -- actually, it was the most recent survey period. The State of Washington happened to mail out a survey to H2A employers, at the same time that we were mailing our labor survey.

So, we did a phone call with them, as well as Department of Labor, to try to figure out
if we could actually marry the two, to decrease
the respondent burden, because as I heard someone
mention earlier, it's really great to fill out a
survey, except for when you're in the middle of
harvest, or planting or -- well, pretty much
anything. It's the same way we all feel when we
get a phone call.

So, in that discussion, we going to
continue down that path, to see if we can
actually try to merge the data items and make
that a little clearer.

There is a process where we put out an
OMB docket on a regular basis for the
agricultural labor survey. If you happen to find
that at the time that it's out, you can always
generate any of those comments and they'll be
considered, or my contact information is here.
If you have specific feedback, I'd be happy to
receive it and then get it to my partners over in
our census and survey group.

MR. NICHOLSON: And just to follow up.
To avoid that pointing back and forth, is there -
- is there a working group or some mechanism where you guys sit down at the table and work that out or is it -- is it less formal?

MR. Mc DANIEL: No, it's -- there's money involved. So, it -- imagine this. Government gets really formal when you have dollars.

There is a working group. I can't speak to the working group, only for the sheer fact that I work out of our statistics side of the house. So, my job is more to analyze and disseminate the data, less so than the census and survey group, which does the data collection side.

So, what I can do is, if you'll reach out to the information from here in this slide, I will partner you with my peer in that group.

Yes, sir.

MR. SUTTON: Just seeking your opinion. So, the DOL has ownership of the survey. Do you think that serves its purpose well or would it be better suited under NASS?
MR. McDANIEL: As I smile and say this. As any federal agency will say, we will always gladly take additional appropriation.

I do think for the purpose of where we are right now, and maintaining our current program, given our allocation and appropriation, that DOL is taking good care of us.

MR. CASTANEDA: Carlos Castaneda once again. Another question on the survey.

For example, in California it's, for the average wage rate, which is, as you know, for H2A. So, how is the calculation based, because I get asked this quite a bit at farms.

You know, how is the calculation made, because you know, one -- when it gets released by DOL in January, like, how do they come up with that, because I mean, everyone is scratching their heads saying like, nobody around is paying those wages.

So, is there a percentage that's added to this to make it a super minimum? Is there a certain equation that you could share with us, to
make -- that would help us understand this a bit?

MR. Mc DANIEL: I wish I could share

the equation with you. If I knew it, I would be

happy to discuss it. The honest answer is that

we provide them a certain amount of data and then

they do their calculations.

Again, we inform the statistics that

then they use to set policy.

MR. CASTANEDA: One more question.

So, when you are gathering data how -- your

filter, I'm curious. I mean, are you going from

an irrigator to a harvest to a pesticide

applicator? Are you going like to like, or I

mean, or is it fully encompassing?

MR. Mc DANIEL: The survey would be

fully encompassing. The way we would draw the

sample is, it would be very representative of

agriculture as a whole.

So, and this is not a NASS statistic

when I use this, so please do not quote off of

it, but when you assume that H2A accounts for

probably 50 percent of agricultural workers, that
it's usually very labor-intensive work, and so, we also capture things that include farm labor, that include something as simple as a hired hand versus something as labor-intensive as picking fruits and berries.

So, everything is captured in that process and we actually -- the labor survey is actually -- it's a fairly aged product at this point, so it's fairly stable.

CHAIR KNORR: Any other questions?
No? Okay, thank you very much. Appreciate it.

MR. McDANIEL: Thank you.

CHAIR KNORR: Okay, next Chuck is going to provide some updates on our recommendations and their status.

MR. PARROTT: Okay, thank you. Those of you who are returning members, I want -- Pam and I wanted to give you some updates on kind of some of the recommendations that were made at the last meeting especially, and then kind of highlight some of the things that USDA has done, since those recommendations were made, just you
can -- everyone can kind of be up on to speed, and I'm just going to give you kind of a quick overview.

So, start with, there was a recommendation regarding funding for plant breeding and sustainability research and on May 16th, this year, USDA announced that $130 million in funding is available for research, education and extension projects to support sustainable productive and economically viable plant and animal production systems, including certified organic production.

So, that's something that certainly speaks to that recommendation. Also, on September 29th, USDA released details of up to $48.1 million in available funding to support systems based research and extension activities, that Secretary Vilsack.

Then finally, still on the same recommendation, on August 2nd, USDA announced 19 grants totaling $36.5 million to research and education to support American farmers growing
fruits, vegetables, tree nuts, dried fruits, horticulture and nursery crops, including floriculture.

The next recommendation, we had one about targeting funding for improved pest and disease detection. A few things pertaining to that.

On April 18th, the National Institute of Food and Ag of USDA announced the availability of $4 million to support research and extension efforts to mitigating test issues and increase crop production practices.

Then also, on June 2nd, USDA awarded $14.5 million in grants to support research into plant health, production and plant resilience. So, that was done through NIFA, as well.

So, we had a recommendation regarding funding for citrus green. On April 21st, Secretary Vilsack announced the availability of $23 million in USDA funding to support research and extension products, specifically for producers fighting citrus green disease.
We had a recommendation regarding new farmer networking advocacy and education. This was the group that I think, Bob, you were in charge of -- of this one, too.

You know, we were -- there was concern that the average farm population was -- I think the average of a farmer was 58 point-something years old. So, what was USDA doing to address that?

On August 17th, we announced a new investment of $17.8 million, and this is going to fund 37 projects to help educate, mentor and enhance the sustainability of the next generation of farmers.

So, that's good, and then the other thing, on October 3rd, so earlier this month, the USDA's National Institute of Food and Agriculture announced $17.7 million in grant funding to help train and educate the next generation of agricultural producers through the beginning farmer/ranger development program.

So, I'll pass that along, and then the
last one that we had regarding food safety and
FSMA, just a few days ago on October 19th, USDA
announced more than $4.7 million in grants for
food safety education, training and technical
assistance projects for producers who were
impacted by the new FMSA regulations. So, that
specifically tied to that.

So, those are some of the things that
we put together, and I know Pam, did you have
anything else or -- but I wanted to pass that
along to everybody, so you'd be kind of up to
speed.

MS. STANZIANI: Well, I guess as some
of you probably received, as soon as I get those
kind of notifications, I like to forward them
onto you.

I have printed a few of the press
releases out for -- copies for everybody, but
probably about six or seven of the press releases
that are related to exactly what Chuck was
talking about.

But I will go back and try to make
sure that I have all of them available. But
again, I think I have tried to forward them --
all of that information out to you guys, and I
will continue to do so, of course.

I think standard procedure for anybody
who wants any of the information that was posted
-- any of these presentations, they will --
rather than me sending -- trying to send you
PowerPoints across email, they will be posted on
the website. Everything is public information.
So, it does go on the website.

So, any kind of contact information,
I will have it put up there in the next two
weeks, for anybody that wants that information.
Of course, with the exception of the data from
ERS, because that's not public information right
now.

Let me see. I am just going to give
you a couple -- well, I guess that's it for now.
I think that's it. I'll let you move forward.

CHAIR KNORR: Okay. Any questions for
Pam or Chuck on those updates?
MR. McREYNOLDS: Yes, thank you very much. Roland McReynolds. Thanks very much for the updates. Couple things.

I do get the emails, when you forward those out, Pam, and it's very helpful. I guess just from the position of the research and grants committee, even having the press release is nice, but just like a list and a link to all those ones that you rattle off would also be really helpful to streamline our review.

MS. STANZIANI: Absolutely.

MR. McREYNOLDS: And continued discussion of the subject.

Second of all, with respect to the ERS slides, so, those aren't public, but is that -- can that information be distributed to committee members?

MS. STANZIANI: It can't, because what they do, very similar, is the same as NASS. They distribute it, it goes out, once the report is done, it goes out simultaneously to everybody.

So, they're still collecting data.
They're still doing all of that research and
analysis and I think to keep the integrity of the
information, they have to do it that way.

MR. McREYNOLDS: Well, that would be
really helpful in the future, when we're getting
presentations like that, to advise us beforehand,
that you better write all this stuff down,
because it's not going to be public, if you're
interested. So.

MS. STANZIANI: Well, it will
eventually.

MR. McREYNOLDS: Right, right, but --
MS. STANZIANI: But I just can't give
it to you right now.

MR. McREYNOLDS: Yes. Understood.

Thank you.

CHAIR KNORR: One quick question that
I have for you, Chuck. This is Beth Knorr.

Is there the -- the amounts of funding
that you mentioned, do those constitute an
increase from what has been available previously?

MR. PARROTT: Yes. In some cases,
yes. Some of these funding sources were new.
You know, that didn't exist before. So, in that case, yes.

There is -- there were some funds that were increased.

CHAIR KNORR: Okay.

MR. PARROTT: Yes.

MR. NELSON: And Chuck, I have a question. With those grants for the beginning farmers and stuff, will that be distributed through the state, or how will that be distributed?

MR. PARROTT: Let me see if I have that level of detail here.

Okay, so, the one with the $17.8 million to help educate, mentor the next generation of farmers, that says the investment is made through USDA's beginning farmer/ranger development program.

So, in that case, no, not through the states. It's directly through USDA, and then the $17.7 million from National Institute of Food and
Ag,

PARTICIPANT: We don't have it.

MR. PARROTT: I don't have the information on that. I'm sorry. We could look into it. Yes.

MS. STANZIANI: Bob, I'll make sure that I look into that and send it out to everybody.

CHAIR KNORR: Any other questions about updates? Okay, next up we are going to begin talking about our working group areas, and earlier, Pam had mentioned the groups that had some interest in carrying forward. This when on all -- in a second here, I'll have her reiterate those.

But this is the opportunity for us to share those interests areas that we have some desire to make a recommendation on, that there is a pressing issue that your particular segment of the industry is facing, and you want to discuss it and make a recommendation.

So, now is the opportunity to share
those ideas and start forming working groups
around them, and in the past, people have opted
to sign up for multiple working groups. If
that's something that you're interested in doing,
I think that we have made the recommendation that
you don't spread yourself too thin.

So, perhaps limiting it to two, three
probably at the most working groups is probably
advisable. Keep in mind that not on will we be
meeting here, but we will also be meeting between
our face-to-face gatherings by conference calls
and that kind of thing, to discuss the issues.

So, you don't want to bog yourself
down with many, many meetings, in between now and
our Spring meeting. So, keep that in mind.

So, I'm going to have Pam share those
once again, and then I think we can go around and
ask for, you know, open it up to people making
suggestions on a potential topic area for
discussion.

MS. STANZIANI: Okay. Well, the
groups that we -- at the last meeting, the groups
that we decided to, at least at that point, stay active, was the food safety and FSMA working group, the research and grant funding working group, the agricultural labor working group, I believe we -- from the minutes we re-activated that.

The rural broadband and internet connectivity working group, the food deserts and food waste, new farmer advocacy, education and mentoring, and another one that we had established at the end of the last meeting was the market news working group, and I believe Tom, I don't know if you remember, but you agreed to chair that.

MR. WILLIAMS: I don't know what you're talking about.

MS. BURNS: Do we still have chairs of all those groups?

MS. STANZIANI: We currently have chairs. Cathy Burns is -- and Lorri Koster, who is not here, but she's still a member of the committee, chair and co-chair the -- vice chair,
excuse me, the food safety and FSMA working
group.

Roland, I believe, was handed off the
reins to the grant -- research and grant funding
working group. Carlos Castaneda is the
agricultural labor chair, and Bob Nolan is the
new farmer advocacy, education and mentoring
chair.

We may or may not have a chair for the
food desert and food waste. If you want to even
continue that it's -- again, this is up to this
committee, and then again, of course, the market
news -- actually -- yes, market news, Tom, and
the rural broadband and internet connectivity, I
believe Helen Dietrich was the chair last year,
and several of these groups did not make
recommendations, solely because they were pretty
much brand new, and there still needed to be a
lot more research done.

CHAIR KNORR: Okay. So, I'm
interested in hearing from the group. If there
are other suggested working groups, I don't know
if there is a limit to the number of working
groups we can establish, Pam. I mean --

    MS. STANZIANI: I think it's just a
matter of how much you can put -- you can
dedicate to it.

    CHAIR KNORR: So, I'm going to go
ahead and open it up.

    MR. JANIS: I'm just curious, the ones
that have been ongoing, is there any way of just
understanding, just of just in a snapshot, where
the particular is or work to be done, so we can
sort of understand?

    MS. STANZIANI: Well, in your packets,
that was really the purpose of me making sure
that you had drafts of all -- the final draft --
final draft of each of the recommendations that
were done the last two years by the last
committee.

    At this point, we can just have those
existing working groups meet, and everybody kind
of think about A) if there's anything new that
needs to be addressed, or if that working group
feels that maybe, you know, we don't necessarily need to be active anymore.

I mean, that's kind of the main question right now, and we also have a lot of new people. So, you kind of have to think about what you guys are interested in, or want to look into more, of the existing working groups.

So, do you want to -- I'm trying to think of the best way to do this, because there are quite a few of these.

Well, I guess the working groups that we have chair -- existing chairs for right now, probably should be the groups that meet first. If you are interested in two or more of the groups that are meeting simultaneously, we can make sure that -- I had to do it last time.

I think we had two groups meet -- we had more last time, but two groups meet first, for a half-hour, and then two groups meet again, for a half-hour. Why don't we do that? That way, everybody has an idea.

So, if the working groups that I think
probably would be the best to meet first are the
-- well, it's up to you, actually. Why don't you
guys decide?

MS. BARNES: I just have a question.

If we weren't in a working group before, can we
join that group now?

CHAIR KNORR: Yes.

MS. BARNES: Okay.

CHAIR KNORR: I don't think anybody is
going to say no to extra pair of hands to jump in
on the work there.

MS. BARNES: Okay.

CHAIR KNORR: So, yes. So, folks, let
me hear from you a little bit. What do we want
to do here?

MR. VAZQUEZ: I just have a general
question. This is Jorge Vasquez.

On certain topics like the labor
topic, for example, aren't we kind of like dead
in the water, until we know who is going to come
into the next Administration, or like the ports
of entry, for example. You know?
CHAIR KNORR: Well, kind of taking a cue from Pam here, I think probably the best course of action is to either meet with, or at least -- at the very least hear from the chairs of the committees that were carried forward, to see if there is any interest in carrying those on.

I think there's probably a couple, you know. I think food safety is probably a strong candidate to be carried forward, and research and grant funding.

So, let's -- why don't we take a quick round-robin and just do a quick check-in status with those groups, to see if you have a desire to carry forward, and then we can just go from there.

If that's the case, then we can go ahead and break into those groups and then maybe reconvene after a half-hour or so, and see if there are any other topics that are emerging that we might want to coalesce around.

MR. McREYNOLDS: So, only those two is
what we're starting off with?

CHAIR KNORR: No, no, no. I'd like to hear from all of the chairs who are present. I think the only one that we don't have a chair present for is the food deserts, food waste group. Yes, and we can just set that one aside for the time being, unless there is somebody who really wants to take that up.

But let's go ahead and just do a round-robin with some of those groups. So, yes.

MS. BURNS: So, the Food Safety Modernization Act group has meet for the last couple years. We put seven recommendations ahead of the Secretary, or to the Secretary. Heard back on probably most of them, but given the importance of FSMA and where it's heading, I guess the question would be what more can this group do, as it relates to implementation, as it relates to the USDA.

I don't have the answer to that, but if folks have a strong opinion about our ability to influence what's currently happening around
implementation, I think the group should continue to exist, if not, we put the seven recommendations forward and be happy to sunset the group, as well.

MR. McREYNOLDS: So, as somebody to serve on the food safety committee, and somebody who watched FDA's presentation and saw the very few places where there is actually an input point for industry into these regulations, I would encourage that is it important for us, as a group, through USDA, to influence AMS, which is the agency that's best tied in with FDA's effort. I would encourage us that this is a major priority that we -- that we -- that this is an opportunity for us to brain-storm some better solutions to try to get into the mix of FDA and USDA's policy discussion. So.

MS. STANZIANI: Dan, do you want to mention something?

MR. SUTTON: I'm just going to re-affirm everything I just stated. I think -- I think there is still a lot of unknowns. I think
there is plenty for this group to work on, even if everything were defined. I think there is plenty of things that are going to come forward, that I think having a good group of people dedicated to it moving forward is going to be good.

MS. STANZIANI: And I do recall -- I think it was Mike Mahovic, who mentioned that the guidance -- they will always accept any kind of recommendations and comments on the guidance documents.

So, that's an ongoing process too. So, you're not limited to, you know, time frames.

MR. WILLIAMS: I was just going to add onto that, that if you look at -- it said -- it had all the different breakouts and it said, have you heard of the Food Safety Modernization Act, or the rule of -- the produce rule?

It did not ask do you understand the produce rule, and so, I think until we get clear -- I mean, nobody -- everybody I talk to has a different understanding of it. So.
MS. BURNS: What was a little scary is that the companies at $10 million and above, still, there wasn't 100 percent that people knew.

MR. WILLIAMS: Yes?

MS. BURNS: So, we got a long way to go.

MR. WILLIAMS: So, if we can help influence the guidance of the questions to ask and get the education out there, I think that would be worthy in itself.

CHAIR KNORR: Okay, great. So, it sounds like that group is going to carry it forward, and I just want to state, just in general, even if a group decides that they want to disband for the time being, there's still an opportunity to reform at a next meeting or what have you.

It doesn't mean that you can never convene around that topic again. So, just keep that in mind. If there is not something specific that you feel like you can plug in around or make a recommendation on, it's perfectly okay to table
that for the time being and come back to it later.

So, okay, so, next we want to hear from the Research and Grant Funding Groups. Roland, I believe that was you.

MR. McREYNOLDS: Sure. Yes. So, I think at our last meeting, our -- the committee recommended the continuation of the committee, based on a recognition, first of all, of the vital nature of agriculture research to ensuring the productivity and success of farmers and of the health of our nation, and that there is a -- continues to be a particular important need to make sure that specialty crops and fruit and vegetables get their share of research dollars on the health side and on the production side, and that this is important to serving the -- our stakeholders to this committee, as well as the public, and third, that they're -- you know, things like citrus greening, where you know, the response was -- to the problem was behind the -- was way behind the scope of the problem.
You know, this committee, I think can point to success in guiding more research dollars to that subject or being part of that solution, as highlighted in the press releases here.

But it's even more important for us to -- for our industry to be ahead of the next gigantic pest problem, ahead of the need for breeding of new varieties of crops to withstand new pests, new climate variations.

So, you know, we -- I speaking as interim chair, would certainly encourage that, that is still a highly important and relevant area for continued follow up on the successes we've had and for further advocacy on -- for us -- to encourage addressing the new needs that are emerging, and so, I'd leave it to other committee members to offer their insights on this, as well.

MS. BURNS: So, Roland, this is a really naive question from me.

The Farm Bill is coming, right, in the next iteration. I don't know what the USDA -- what the USDA's connection is to the Farm Bill
and what your group's connection is to the Farm
Bill.

But is there a way to expand your
work, to make it more broadly, to encompass the
Farm Bill, because I think we have the
opportunity to influence it, or is that a
separate group?

MR. McREYNOLDS: Well, I'll certainly
welcome Chuck and Pam to chime in.

But my understanding -- you know from
-- it is certainly the case that the vast, vast,
vast majority of funding for research is
allocated through the Farm Bill.

You know, the programs are chartered
in the Farm Bill, whether they're mandatory
funding or discretionary funding is set in the
Farm Bill, and then Congress acts.

The policy determinations about what
will be studied or not, what will be prioritized
is definitely part of the Farm Bill mix.

So, yes, this bit -- that's another
really great argument for this -- this
committee's work, is to focus on things that we can advance in the broader industry's efforts to improve the Farm Bill's treatment of -- and research on the specialty crop industry. Thank you.

CHAIR KNORR: And that would also be relevant for food safety, as well, and perhaps for many of these.

PARTICIPANT: All of them.

CHAIR KNORR: Yes, all of them.

Okay, so, I hear that kind of as a -- a yes.

Okay.

PARTICIPANT: Why don't we have Bob talk about the new farmer act?

CHAIR KNORR: Yes, okay. Bob, do you want to talk a little bit about your interest in carrying forward the new farmer piece or your status on how you're feeling about that?

MR. NELSON: Well, I'm feeling pretty good, because we got two grants out of it. You know, I shouldn't say just because of our committee, but maybe we did have some influence
on that, you know?

The issue of mentoring and access to land, I think continues to be a problem, and as agriculture changes and new people get into it, there's probably going to still be issues coming up.

So, I don't know if there's any feeling of the committee, any members here, if you'd like to continue. You know, if there's things we haven't done yet or new issues that are popping up, that we need to continue. I'd be more than happy to continue to chair it. So.

MS. MANIER JOHNSON: As a new member, I was just going to ask, in that group, did you look at all of the barriers to entry for women and minority groups in farming or is that something --

MR. NELSON: I don't think so.

MS. MANIER JOHNSON: -- that's in new farmers, that was not looked at?

MR. NELSON: I don't think we looked into that.
MS. STANZIANI: I believe, as specific
to that, no, it was more of a general -- new
farmers in general, just getting the interest,
you know, having people be interested in farming,
and the barriers that occur because of land
access. That was a big one, actually.

Bob, I think that that was one of the
things that you wanted to continue to work on --

MR. NELSON: Right.

MS. STANZIANI: -- was the land
access. I think there was also big concern about
the crops -- crop -- funding for crops, crop
insurance, that type of thing.

USDA has historically given, you know,
money to the rural crops and the specialty crops
has not received -- at least that's what some of
the comments were at the last working group
meeting, is that, you know, specialty crops are
being -- you know, fruits and vegetables are
being pushed by every aspect of, you know, the
government and the health field, yet specialty
crops doesn't get that kind of attention through
the -- monetarily.

MR. NELSON: Yes.

MS. STANZIANI: So, I think that was -- those were the two issues, I believe you wanted to still address.

MR. NELSON: Yes, it's still an issue of access to land. I don't know if Kristine has a comment. She's on our committee.

MS. ELLOR: Yes, definitely, I'd like to see this committee continue, and even just talking with people today, like Holly had this terrific idea about bringing college students onto the farm in some ways, to encourage that, which would also help bring in new farmers.

I mean, if you've never been on a farm, but there's incentive to be on a farm, working a summer job, that brings young people in.

But also, this year in our area, we've been wrestling with planning issues, and what I realized is on the local and county levels, sometimes there are no farmers at the table, and
I don't know -- you know, that has to do with availability of land and land access, because you could preserve farm land, but in our case, you know, the roads are getting so crowded, you can't get equipment up and down the road.

So, there's all these issues. So, how do we -- how do we get agriculture in -- at the table at -- in the planning process? So, that's another issue I'd like to take a look at.

MR. NELSON: So, I guess we'll continue the committee, and those who are interested, I guess when we break up, just come down here and we'll come up with some ideas.

CHAIR KNORR: Okay, great. Carlos, do you want to address the interest in carrying the labor group forward?

MR. CASTANEDA: Sure. This is Carlos Castaneda. I think the committee did a pretty darn good job coming up with some points. Unfortunately, because of the politics, you know, we didn't feel that we had the most optimistic responses as some of the
other committees did, and kudos to those.

But I don't think we need to give up on the fight. I think that there's still delays in processing. I think a lot of us have experienced that this very year, 2016. I think there is still a lot of issues with the H2A program.

So, I think there is a lot of different directions that we can take the committee. Maybe specifically, folks on H2A or maybe go broader, but I think the subcommittee should continue.

On a separate point, I would add, chairperson, that you consider the chaos it creates when we have two or three committees meeting at the same time, because we do have members in multiple committees. So, we may have to take a straw-pole up on the Board, and see which committees should meet at that time, because it makes it a challenge.

CHAIR KNORR: That's a great suggestion. Thanks, Carlos. I appreciate it.
Okay, Tom, do you want to talk about the market news?

MR. WILLIAMS: This was brought up at the end of one of our last -- I think it was actually our last session, and I think it was a result of Ken talking, wasn't it?

The marketing news, is it funded through the Farm Bill, or is it funded -- how is that --

CHAIR KNORR: It's appropriated and I think --

MR. WILLIAMS: Appropriated?

CHAIR KNORR: -- there was some risks there.

PARTICIPANT: It was appropriated.

CHAIR KNORR: Yes.

MR. WILLIAMS: So, the question was -- and so, from a conversation standpoint, it would be, you know, from the wholesale and retail community, we utilize the marketing news and the data, and all of the great information they get to help us -- help influence buying decisions.
So, the question was, is it something that should be continued, and so, I agree to chair this. I don't know that it would require a lot of meetings. It would just pretty much be coming -- a group together, and determining that if it is something that is viable, that should be continued, and then making a recommendation to see that it's funded, is that correct?

CHAIR KNORR: Yes, it seems to me that even just crafting a statement, that that's something that the committee could do, is crafting a statement in support of the market news, because of its value to the industry.

I think that that's something that is really appropriate.

MR. PARROTT: And just to highlight, that's where I was going to go too, that a statement might be all you need to do.

You know, the issue that we were having, you know, the Office of Management and Budget, you know, looks at a lot of programs, and if they don't -- you know, they're always looking
to save money, of course, and you know, they
looked at market news and thought, well, ghee,
you know, I mean, how many farmers are there, you
know? Who needs -- you know, why can't we just
have farmers enter their own information?

So, we spent a lot of time with them,
going them to understand who all uses this
information. It's not just farmers. It's
throughout the -- and what's sort of a public
good, I think was Terrie Long's term this
morning, that it provides and why, for really,
not a lot of money, you know, it provides a lot
of public good.

So, that was sort of the -- where we
were going with that, and again, I think a
statement to that effect might be really helpful.
So.

MS. STANZIANI: I can give a little
background on some of the discussion from the
last meeting about this.

Again, I reiterate, market news is
wholly appropriated. It's the only division or
program -- service within at least specialty crops, that is wholly appropriated.

So, they do depend on those dollars, and the reason this was brought up at the last committee meeting, because as Chuck alluded to, there is talk about illuminating or reducing market news appropriations, not just at OMB, but you know, and other levels, because people aren't aware of it. People don't understand that market news gets their information from the relationships they've built on the markets all over, and at the shipping points, and these are relationships that have been built up over the years.

If you look at any of the data that you received, maybe from -- I know that there is different groups, like western growers, and a lot of them pull up data. All of their data comes from market news. Nobody -- if market news went away, all of that data is going to have to be generated from somewhere, and that means relationship building with all of the vendors,
etcetera.

   So, that would be a big -- that would cause a lot of havoc. I think one of the key things was when the government shut down a couple -- two years ago, market news, because it's appropriate, had to cease operating, and that caused a lot of problems, a lot of problems, and that's when people started to realize how important market news was to them.

   Now, livestock market news, I believe is -- is an Act, Chuck? Livestock -- market news for livestock is --

   MR. PARROTT: It's mandatory.

   MS. STANZIANI: It's mandatory,

   whereas, specialty crops is not.

   So, I guess that's part of the impetus to really having this committee address, you know, the importance and really, the awareness and education of how important market news is to the industry, if it is.

   I mean, but I think there's a lot of different sectors that use it, that people don't
realize, and they do still think, oh, it's just - - you know, it's for the growers. But it's not just for the growers.

MS. BURNS: I guess my question would be, is that the only program that's at risk?

MS. STANZIANI: I believe so. I think so.

MS. BURNS: So, you feel everything else in USDA is being funded appropriately?

MS. STANZIANI: Well, what we can deal with.

MS. BURNS: Okay, because I just -- I mean, we happen to be talking about market news, but if there's other things that are at risk, we should know that.

MR. PARROTT: Yes, and market news is really the only one that -- as Pam said, that's funded by Congress.

MS. BURNS: Okay, so that is --

MR. PARROTT: Most of other --

MS. BURNS: Okay, great.

CHAIR KNORR: Okay, so, it sounds like
that one should continue, and my sense is that it
will probably be pretty quickly developed, a
statement for putting in front of the Secretary
there.

Okay, the next one would be the
broadband group. Helen, do you want to speak to
that a little bit, how you're feeling about
carrying that forward or not?

MS. DIETRICH: Well, I wasn't at the
meeting in April. So, and basically it's just
lower -- I'm sorry, Beth -- Beth and myself on
that committee. Did you want to do anything else
with it or --

CHAIR KNORR: Well, I think some of
the issues that were encompassed in that were
related to technology available, and the
challenges with that, with relation to farmers
markets and smaller outlets, such as food hubs
and so on and so forth.

So, given that we have some new folks
on the committee and somebody new also who is
representing the farmers market sector, as well,
there may be opportunities to make
recommendations around those things.

    I'm not sure how you're feeling around
-- about the rural broadband access itself, the
larger issue as opposed to just, you know, the
technological advances there.

    MS. DIETRICH: I think like
Nationwide, as far as the rural connectivity, I
think that's really important. I know there has
been a lot of funding for it, especially in my
state of Michigan, we've had a big push towards
funding it, but I don't know how that has worked	nationwide.

    So, maybe that is something that we
should look into a little bit.

    CHAIR KNORR: Okay, so, it sounds like
that one is going to carry forward, as well.

    So, it seems like that only one right
now that may be tabled for the time being is the
food desert, food waste group, unless there is
somebody sitting around the table right now, that
really wants to take that on, and wants to serve
as chair, to carry that forward. Anyone?

Okay, so, what I'm sensing then is

that -- we'll just continue to table that.

So, we have one, two, three, four,
five, six, six groups that are interested in
being active.

MS. DIETRICH: Laurie -- or Beth?

CHAIR KNORR: Yes.

MS. DIETRICH: Did you want to ask if
there is anyone at the table who has some new
ideas?

CHAIR KNORR: Yes, one of the things
that I thought we might do is go ahead and meet
with those existing groups briefly, and see where
we are, and then come back and see if there are
other people who feel like they have something --
something that was discussed within those groups
or outside those groups, that warrants an
additional working group. Does that make sense?

Okay, so, there was a suggestion that
- I feel like the food safety group was a rather
large group. So, I feel like that group probably
needs to meet on its own. I'm going to toss this idea out there, and feel free to shoot it down. I'm not offended by those kinds of things.

But what if that group met after everybody else, so that folks can meet, and those other groups -- I feel like there was a lot of cross-over with people participating in those other groups, and then we can come back and meet, and then the food safety group could meet after that.

Any other suggestions or ideas on how to handle that?

MS. ELLOR: I just wondered if we had any old committee lists lying around?

CHAIR KNORR: I think it's going to be based on our memory, such as it is, as to what groups we were participating in. Pam may have something.

But I don't think we have anything in our packets, as to who was participating in what groups.

Yes, yes, I think that that's fair. I
think, you know, the law of two feet, if you weren't satisfied with the work that you were getting done in one group, you're free to move about to a different -- a different group.

So, okay. I guess I'm going to suggest then -- what time is it? It's 4:30.

You know, perhaps we don't have enough time to meet and then come back and come up with additional group ideas.

So, let's go ahead and toss out some potential ideas for additional groups, before we separate out.

Does anybody have any issues that they're hoping to address?

MR. CASTANEDA: Chairman Beth, I'd like to bring to the group's attention, a technology.

As a concern in labor, the specialty commodities are not getting enough R&D, and so, we're seeing the stuff that's really hot. Let's take strawberries, for example. There's a lot of money in that industry. So, there's a lot R&D
going into technology, specifically for 
harvesting, and I see the cost to our growers, 
specifically in California, between overtime, 
minimum wage, non-productive time, rest and 
recovery, ACA, as a slew of things that had just 
affect the past three to five years, a lot, a 
lot to stomach.

So, those big industries, such as 
strawberry, I'm not trying to beat up on 
strawberry, I'm just using them as an example, 
since I've seen their equipment.

It's fascinating. They have the 
capital to invest and to come up with equipment. 
But what happens to the special commodities, you 
know, that nappa, for example, bok choy, Shanghai 
bok choy, collard greens, kale, that aren't as 
common nationally.

You're not going to see somebody from 
Silicon Valley putting in $100 million worth of 
research, but they're not going to see one-
billion bucks worth of machines out there.

So, I'm not sure if USDA -- if this is
the route for this, and Chuck, maybe you can
comey on this, but I think it's something that
we should consider, speaking of technology,
because all you have to do is pick up any paper,
any day of the week, and you'll see warehouses
that are now 100 percent automated with forklifts
that are automated, with delivery, etcetera.

So, this is the wave of the future,
and agriculture can't be left in the dust. Thank
you.

CHAIR KNORR: I have a couple of
thoughts on that. I wonder if that might be a
great fit for the research and grant funding
piece or perhaps, the broadband/technology group,
to address those, as well.

I mean, I know broadband is a little
bit different of an -- different kind of
technology, but I -- I do feel, especially with
the technology that's related around farmers
markets accepted SNAP and WIC benefits, it might
have a good fit for that kind of thing, like
where is that -- how can we recommend funding go
into technological advances, particularly for
agriculture?

   Any thoughts on that from others in
those groups?

   MR. NICHOLSON: Beth, Mark here. I'm
familiar with the specialty crop research
initiative, which is part of the Farm Bill, and I
do believe the -- there is a fair amount of
language in there directing funding to automation
research.

   I know for the apple industry, it's a
major area of interest. So, it seems to make
sense to keep that with what is now titled, what,
research grants and Farm Bill? Is that what we
renamed you?

   CHAIR KNORR: Okay, fantastic. I
think that's fair. Okay.

   Okay, other interest areas?

   MS. WHITTEMORE: So, this morning,
when the -- what's his name? Tribbett was
presenting with his team, I kind of volunteered
to do some expansions in terms of the training
for the exotic foods and tropical products.

    I think that's important to my
industry, for sure, okay, the wholesalers, the
importers, distributors, that the inspectors know
exactly what products are we talking about.

    Since I volunteer for him, I talked to
him, after the fact, and I'm planning to follow
through it. I wonder if -- to follow up with it.

    I wonder if I could, you know, take
that on and maybe somebody else here could also
help me and bring that up, and we could, you
know, develop a real program where we could --
doesn't need any funding.

    So, might be able to move forward,
just to be able to -- for them to really know,
you know, what are we talking about when they do
the inspections. So, if it's something that we
could put on the agenda.

    CHAIR KNORR: So, Chuck, I'm
wondering, is developing the standard something
that -- or the reg -- something that this group
has the ability to do, or is it just making a
recommendation that those standards be developed?

Is what we can do -- I'm not really sure what we have the authority to do.

MR. PARROTT: Right. Typically, when standards get developed, it's kind of at the request of industry, and same thing when they get changed.

You know, we have some standards that are -- have still be in place since 1940-something because the commodity really hasn't changed and the way people buy it hasn't. So, any time anybody can make a recommendation that, hey, we need a great standard for star fruit or for you know, whatever, that can be done. So, certainly the committee can make recommendations to that effect, or if there are great standards that do exist, but they need to be updated, that could also be a recommendation.

CHAIR KNORR: Okay. So, I think that coming up with a recommendation around, you know, the need for the grading standards and that kind
of thing would be an appropriate thing to tackle for this group, and that certainly doesn't seem
to fit in with any of the other groups. So, no additional tag-ons with that one.

Anyone else have any ideas or suggestions?

MR. NICHOLSON: I guess I actually have a question, and I don't know if there is anything, Chuck, that the agency is looking for guidance, as they're looking down the road, that we may not have on our radar.

I think it -- you know, a good example was the discussion on funding for market news.

You know, are there other issues like that, particularly with the Farm Bill process, I assume getting underway here very shortly, given it's not -- from a legislative calendar, it's not too far away.

Are there certain things that aren't on the radar or the discussion yet, that you're looking for some guidance on?

MR. PARROTT: Two things come to mind,
and one of these, I think goes back to Roland's comment from -- I think it was the last meeting.

But there was discussion about, you know, with FSMA coming out, you know, growers have to, you know, unless you're exempt, you're going to have to comply with FSMA.

So, you know, Roland, I think you threw out the idea, would it -- wouldn't it make sense for Congress to appropriate some money to assist growers in, you know, getting sort of -- GAP certified or whatever, so that they could, you know, comply with FSMA.

So, that was one thing, and you know, it's -- I'm not advocating for that. It's totally up to you. But that's one thing that came to mind.

The other is our auditing program, and I think we talked about this a little bit too. You know, we have the inspection program, but the auditing program really right now, is losing money, and partly it's because just -- you know, the -- it was started 10 years ago.
The number of audits now, of course, just is skyrocketing, and it -- it's more expensive to train someone to be an auditor than it is to be an inspector. There's a lot more involved.

So, the cost structure isn't really the same. So, for us to recover our costs, you know, we need to look into that more carefully.

We don't want it to -- we don't want to price ourselves so that we're out of -- you know, we want to make sure small growers can still get GAP certified and all of that. But we also have an obligation to recover our costs. So, that's another area.

MS. BURNS: Didn't we address that already?

MR. PARROTT: Okay.

MS. BURNS: For those of you who are on the FSMA group, didn't we make a recommendation that we were going to go -- be at least neutral, and I think that was one of the seven recommendations.
MR. PARROTT: Okay, I'm sorry, yes.

MR. WILLIAMS: I believe that Ken had made that presentation with what the costs needed to go up to, and I thought we had made a presentation on that.

MR. NICHOLSON: And I think that was tied into the cost sharing idea. Farmers can pay more if they're getting some support for having to undergo, you know.

So, I understand you guys can't ask for money to fund the program, as an appropriation, but appropriating an assistance program for farmers to help them hire you, you know, would seem to fit that FSMA group.

MS. BURNS: Chuck, how about consumption efforts? Where does that fall in terms of USDA specifically, and then who owns SNAP-ed? Is what under USDA or is that a whole other --

MR. PARROTT: It is under USDA. It's under the Food Nutrition Service. They oversee the SNAP program. They oversee school lunch.
They oversee WIC.

So, yes, in terms of promotion, that's a thought. I mean, we have a committee that was looking at kind of educational things before, but yes, there's not -- I don't see a whole lot of effort being -- you know, we have the half a plate, but is there a lot of effort being put out to advertise that? Not that I see.

MS. BURNS: So, there is not another Advisory Committee that advises that part of USDA?

MR. PARROTT: Yes.

MS. BURNS: The reason I bring that up is, I remember reading in 2015, $83 million of SNAP-ed money wasn't used, which just makes me sick, to think about that, and how much we could use that --

MR. PARROTT: Yes.

MS. BURNS: -- to market fruits and vegetables.

So, I know we talk a lot about removing barriers --
MR. PARROTT: Right.

MS. BURNS: -- but there's a huge upside on driving demand too.

MR. PARROTT: Sure. Yes.

MS. BURNS: I'm not sure there's anything we can do about it.

MR. PARROTT: Yes.

MR. VAZQUEZ: Chuck, I got a quick question about money and how it's used.

Is there like a concise website where we can go into see how much money is allocated for every program, or on grants, and how much of it went unused?

I mean, is there like just one place that you can go and see how transparent the system is?

MR. PARROTT: Is there one place? No. That would be -- yes, that would be nice. Yes, I -- that's not an easy question to answer.

You pretty much have to look, for any specific program, like if you want to see okay, how many dollars were allocated last year for the
specialty crop block grant program, and you know,
where did that money go to, and what projects
were used to -- or did it fund?

You know, you could look that up for
any specific program. But to sort of get
everything at once, I don't know where you would
find that.

MS. BALCH: I wanted to build on the
consumption -- Christie Balch, the consumption
comment, because I do a lot of work with
nutrition incentives, but that also is often with
F&S or NIFA.

So, just wasn't sure how much of our
work has to be focused on AMS.

MR. PARROTT: Yes, and again, going
back to the charter, your job -- you know, as a
committee, is to advise the Secretary.

So, it doesn't have to be -- I mean,
AMS oversees this committee, but your
recommendations don't have to be AMS specific.

MS. BURNS: Would you be willing to
lead a group on consumption?
MS. BALCH: I'd be willing to co-lead a group.

MS. BURNS: I'm already a group. So, we'll have to get someone else.

PARTICIPANT: I think it's a huge opportunity.

CHAIR KNORR: Yes, and I think also related to SNAP-ed and just SNAP and FMS, the way that FMS and AMS work together or perhaps, don't work together as much as they could, I think that there are a lot of opportunities for some recommendations in there.

MR. PARROTT: I'll throw out one good example. Several years ago, I was working on USDA's farm to school program, and one of the things, as we went around the country and visited schools that were using -- had some sort of a farm to school program, one of the things that was really holding a lot of them up, from kind of going to that next level, was just, you know, the lack of piece of equipment, or you know, could be a table to cut fresh produce on, or you know, it
could be some training, whatever.

But not big dollar things, and so, as a result of that, one of the -- there's now a farm-school grant program, and that's helped funnel money to school districts, to get some of that, which I think has really helped with consumption in education, too.

So, that's maybe something that, you know, could be done.

PARTICIPANT: I also think there's a lot of regional, local programs that are ready to scale up, that we could evaluate and say, you know, let's scan the -- the universe and look at what's working, especially if they have data and research to support it, and then look at ways to fund that. I think it would be great.

MR. WILLIAMS: Last year I was a part of a program, a pilot in Michigan, when I was with Spartan Ash, and it was -- had to do with double-up food bugs, and so, I believe that, you know, how do we encourage children to eat more fruits and vegetables, right.
So, children nutrition, that whole thing, I think can go into the consumption, having it closer to Canada, and you know, from five a day to what?

CHAIR KNORR: So, it sounds like that this particular group is gaining some momentum, so, that's fantastic.

I'm going to reiterate the groups that we have right now, and we can go from there, and certainly, if there are other ideas that people want to throw out there, those are certainly welcome.

So, we have the food safety research and granting funding, the new farmer mentoring, labor, broadband/technology, market news, specialty crop research initiative, which I think that we have lumped together with the research and grant funding.

The grading standards recommendations, and then the marketing and consumption group.

Does that sound right?

Okay, so, right now, it is quarter til
five, and we are slated to adjourn at 5:30. So, we've got about 45 minutes, keeping in mind that we do have to leave a few minutes for observer comments in that.

I'm not sure the best way to go ahead and have us divide ourselves up into those groups, knowing especially that a couple of them are going to draw interest from -- from overlapping participants.

So, I'm going to toss it out there for some suggestions.

MR. VAZQUEZ: Beth, would it be better to maybe just ask for who would be interested in joining which group, and then maybe creating a list, and then you know, that way we have a --

CHAIR KNORR: Okay, if you can bear with my slow writing.

Okay, so the food safety group.

Actually, I'm going to ask the chair of each group to jot those down, instead of asking me to write all of them down.

So, the food safety group, who is --
Roland, is that you chairing now or who is -- okay.

MS. BURNS: And Lorri.

CHAIR KNORR: Great.

MS. BURNS: Lorri is the vice chair.

CHAIR KNORR: So, through a show of hands, who is interested in participating in the food safety group?

PARTICIPANT: Who isn't?

CHAIR KNORR: Even better. Even better.

PARTICIPANT: Thank you.

CHAIR KNORR: You guys are -- okay, so --

MR. CASTANEDA: Now, at what point do we have too many people? I mean, is that something we need to determine?

CHAIR KNORR: Well, I mean, I feel like if you're interested in participating in the group, and you feel like you have something to participate in, I mean, to contribute to the group, I don't think that we want to tell anybody
that they can't participate in it.

Okay, so, let's go ahead and send
around the rest of these. Chairpeople, if you
can send around a piece of paper with your group
name on it.

It seems that a few groups are still
waiting for their lists to be completed. I think
there are a couple that are still going around.

Okay, have those sheets made it back
to their committee chairs yet?

PARTICIPANT: Not yet.

MR. VAZQUEZ: Is this going to
supersede any list that we had prior? Are these
lists going to --

MS. STANZIANI: Yes, it probably
would. It would.

CHAIR KNORR: Okay, fantastic.

Knowing that we don't have a ton of time
remaining in the day, I think I'm going to make
the recommendation that groups other than FSMA,
meet for 10 or 15 minutes, and really start to
brainstorm your next steps.
We don't have any time allocated tomorrow, to convene as groups, although there will be time --

MS. STANZIANI: We can.

CHAIR KNORR: Can we?

MS. STANZIANI: We have a little time, yes.

CHAIR KNORR: Okay.

MS. STANZIANI: I allocated an hour in the morning.

PARTICIPANT: It's a little different than the agenda.

CHAIR KNORR: Okay, we'll scratch that then. But I think it's good to at least touch based with one another and come up with two to three points that you want to start addressing.

We're not going to really have time to dive into those, but start thinking about the information that we're going to need to request, any kind of speakers that we'll request to bring in for our conference calls or at our next meeting and that kind of thing, any kind of
connections that we need, Pam or Chuck to make
for us, for gathering information for those
groups.

We'll meet with those groups for about
10 or 15 minutes. Let's say 15 minutes, and then
-- then the FSMA group can convene, and I think
for those other groups, if you want to continue
talking while the FSMA group is convening, I
think that that's fair.

But why don't we go ahead and break
out into those groups that -- yes.

MR. NELSON: Hey, Beth.

CHAIR KNORR: Yes, sir.

MR. NELSON: The new farmer group will
meet down here, and Carlos, a lot of us are in
your group. Can we meet first for 10 minutes and
then go to your group for 10 minutes? Can we
make a deal? A lot of the guys on my group are
also in your group.

CHAIR KNORR: You know what? Let's do
FSMA in the morning. The FSMA chair has
requested postponing that meeting until the
morning. So, let's do that.

MS. BURNS: Just so you have enough
time.

CHAIR KNORR: Are there -- how many
people are serving on multiple groups? Aside
from FMSA, two groups, other than FSMA?

PARTICIPANT: Is everybody on FSMA?

CHAIR KNORR: Almost.

PARTICIPANT: It's not a working
group.

CHAIR KNORR: Okay.

(Off-microphone comments)

PARTICIPANT: All right, well, let's
not waste time.

CHAIR KNORR: Yes.

PARTICIPANT: We've had --

CHAIR KNORR: Well.

MR. WILLIAMS: Chuck, can I ask a
quick question? On the marketing news, is it at
risk now, before the election?

MR. PARROTT: No.

MR. WILLIAMS: Okay.
MR. PARROTT: No, and they are --
well, of course, we still want to have a budget
yet. We're in a continuing resolution, which
seems to be every year now.
But you know, I don't see it being in
real danger of losing funding for this next year.
MR. WILLIAMS: For next year?
MR. PARROTT: Correct.
MR. WILLIAMS: Because we don't meet
again until April --
MR. PARROTT: Right.
MR. WILLIAMS: -- I believe.
MR. PARROTT: Correct. That's
correct.
MR. WILLIAMS: Okay.
CHAIR KNORR: For those of you who are
meeting in two -- are participating in two
groups, which groups are you participating in?
Virginia?
MS. BARNES: Labor and research.
CHAIR KNORR: Bob, I think you said
that you're --
MR. NELSON: Farm and labor.

CHAIR KNORR: Okay.

MR. WILLIAMS: Consumption and marketing news.

MR. YANDA: FSMA only.

CHAIR KNORR: FSMA only, okay.

MS. ELLOR: New farmer and labor.

CHAIR KNORR: Okay, is there --

PARTICIPANT: Consumption and new farmer.

CHAIR KNORR: Consumption and new farmer.

MR. CASTANEDA: Research and labor.

MR. ALLISON: Marketing and research.

MS. DIETRICH: I have labor.

CHAIR KNORR: Yes, we can do a sidebar conversation, okay.

Okay, so, I think it sounds like the new farmer group and the labor group have a lot of overlap there. It seems like there are a couple of -- multiple people who are serving on both of those.
So, I think if we just pick one, why don't we say research -- or the labor group works -- meets first, and then the new farmer group can meet. That will help alleviate a lot of that.

Yes, I think it's smart to have the chairpeople of those committees stay where they are, and have the rest of the group go to them.

So, let's meet for, I'm going to say 15 minutes, and then -- actually, I'm going to say 10 minutes, and then 10 minutes for the second groups too.

MR. SUTTON: FSMA in the morning?

CHAIR KNORR: FSMA in the morning.

All right? Yes, Christie is acting as chair.

All right, great.

(Whereupon, the above-entitled matter went off the record at 4:57 p.m. and resumed at 5:15 p.m.)

CHAIR KNORR: All right, folks, we are coming up on 5:15 now.

The primary things that Pam needs from you at this point, are the chair and vice chair
names. So, if you have not selected a vice chair, please do so, and then we need to wrap this conversation and switch to our subsequent groups.

(Whereupon, the above-entitled matter went off the record at 5:17 p.m. and resumed at 5:33 p.m.)

CHAIR KNORR: Okay, all right, folks it is 5:30. Let's go ahead and wrap up our groups. Make sure that you have the chair and vice chair named, and if you could turn in your group roster to Pam.

So, Pam does need the list of everybody in the working groups. So, if you can turn those sheets into Pam, so she can at least transcribe that, that would be helpful. She can return those to you, if you need them.

I believe that Pam does have a couple of announcements before wrap up for the day, and she wants to share some information about tomorrow morning, as well.

Just looking at our agenda, we are
scheduled to convene tomorrow morning at 8:00 a.m. So, we'll meet back here at 8:00 a.m., and we'll have about an hour or so to do some work, before we board a bus to go on a field trip, and I think Pam is going to share some details about that trip for us.

Also for dinner this evening, I know that she just put a stack of papers in the back of the room, that have restaurant listings within walking distance of the hotel. So, make sure that you grab that. In the past, informally, we have gathered in groups to go out to dinner, so, we encourage you to do that, so that you get to know one another a little bit better.

But there is certainly no obligation. If you want to -- you know, go to your room and be a hermit for the rest of the day, that's perfectly okay too.

MR. WILLIAMS: So, there isn't a group reservation?

MS. STANZIANI: I did not make that because you've spent a long time together today.
I'm not sure you -- and the other thing is, as I
-- you know, try to do each time, we do have a
meet and greet cocktail set up, upstairs. It's
in the lobby bar. You'll see, when you see the
bar, there's a little area off to the right.
That's where they usually have us gather. It's
exclusively for us. I believe it's a cash bar.
I'm not sure if there will be a sign there. But
that's -- I'm going to run up there as soon as we
adjourn.

But that's what we're going to be
doing from 5:30, or you'll be doing from 5:30 to
7:00, or as long as you'd like.

So, that -- I just wanted to make sure
you knew that was established for you.

As far as tomorrow, I apologize that
I had to be out of the room for a while. I was
just making sure we had someone taking us to
this, to drive us to there.

When you get a message that says
urgent, you leave.

We do need to meet here from 8:00 to
9:00. Little different than what the agenda says, because we do have some unfinished business that we need to make sure we take care of.

We will also talk about the upcoming meeting and the last few things that we need -- you know, tidbits that we need to discuss.

We will meet in the lobby at 9:00. The shuttle will be there to take us to the Urban Garden. It will then bring us back here. They will not have -- because of how many people we have, we will not have any -- you can't bring your luggage or anything, but this room will be locked. So, if you want to check out and put your luggage in here or at the front desk, of course, they will accommodate anything that you need, as far as storage, so, because we will probably get back here around 11:30, maybe 12:00. So, I don't know if you want to have an extended check out, I'll leave that up to you. But this room will be locked and available to store your luggage.

Most importantly, be here at 8:00. I
had -- question? Somebody? No?

MR. JANIS: Attire for tomorrow is casual?

MS. STANZIANI: Casual. I would dress pretty warmly. This is the cold week, for some reason. We had 80s last week. Now, this week we've got 57 as the high tomorrow, and we'll be on a roof, and it will not be the high tomorrow, at 9:00. It will probably be around 50. So, you're probably going to want to dress pretty warmly. I don't mean to scare you, but if anyone is scared of heights, don't worry. Don't worry. We'll see. It's Spring. Yes, that's true.

I think we do have some questions from our observer.

MR. AERTS: Good afternoon, everyone. My name is Michael Aerts. I'm with Florida Fruit and Vegetable Association, and just listening to the conversation today, I had four questions come to mind, that I was wondering if the committee might be able to address.

First question, I was wondering what
the committee might be able to do with respect to additional backing or support of Secretary Vilsack and his ongoing conflict with the U.S. Environmental Protection Agency?

Now, don't get me wrong, we want EPA to be the most efficient regulatory body in the world. We need EPA to be the most efficient regulatory body in the world.

But quite frankly, over the last 18 months, EPA has just run amok with what they are doing. Members of Congress have recognized this and they've written letters to EPA. Mr. Vilsack recognized this and he had a face-to-face with the EPA Administrator Gina McCarthy, that apparently was quite the shouting match, and I don't know the official outcome of that meeting, but everyone has heard rumors along those lines.

But I was thinking there would be quite a shot in the arm, from a support standpoint, if the Secretary's office were to receive some sort of correspondence or whatever from a group such as this, lending their support
to the Secretary saying that yes, we understand what you're doing. We fully support what you're doing.

So, I just didn't know if that might -- is that something that the committee considers along those lines or what?

MS. STANZIANI: Do they have to do with fruit and vegetables?

MR. AERTS: Yes, very much so, because the decision -- the decisions EPA is making are very much having impact on specialty crop agriculture.

MS. STANZIANI: Okay.

MS. DIETRICH: Are you specifically referring to the U.S.?

MR. AERTS: That's one of them. That's one of 20 different things that are ongoing at this point. It's worker protection and they've just run amok with a variety of topics here over the last 18 months, for whatever reason, and it seems to be some sort of an administrative type directive, I guess you could say.
So, but Mr. Vilsack called them on it, and it seems like it would be appropriate for this group to lend its support to what Mr. Vilsack is doing along those lines, or to the Secretary's office, in general.

Second question, and Chuck, this had to do with the update you provided, with respect to a lot of the successes that have been realized, that the committee has been involved with since the last meeting.

But I couldn't help but wonder, and I wonder if some of the other new member might also wonder what sort of ongoing action items still remain from the previous group, from the previous Advisory Committee that still might be out there, just so there is not a lot of reinventing the wheel sort of thing.

So, just maybe an overview of ongoing or previously not completed action items, things of that nature.

Third question, and I know a lot has been discussed along these lines, but I still
can't help but post the emphasis on the fact that we still need more concern, with respect to what's going on with pest and diseases.

    Things have gotten exponentially better over the last couple years, with respect to USDA's involvement with specialty crop agriculture, along the pest and disease situations.

    But to this point, a lot of it has been purely reactive. I mean, it took, literally took eight years for the citrus industry to get any kind of meaningful research funding support for citrus greening. What's going to be the next thing out there?

    Is there going to be some sort of a bio-type of white fly? Is it going to be some new virus? Whatever. What can this committee maybe do to help assist USDA in getting more proactive on the whole pest and disease front?

    I still think that's something that really needs a lot more emphasis, as well.

    Lastly the fourth thing, and I'll just
kind of reiterate some of the support that's been
going around there to this point this afternoon,
having to do with the additional consumer
education. I mean, you ask anybody where their
food comes from, the answer is always going to be
the grocery store.

Consumers still have no idea what is
really going on out there. So, I just wanted to
know what sort of educational things this
committee might be able to suggest or recommend,
specifically, you know, towards the lines of
education for kids, education for just consumers
in general, whatever. But I know some of that
discussion has been taking place today, and we
just wanted to, you know, add our emphasis for
that support, as well.

So, thanks for consideration of those
four points.

PARTICIPANT: Thank you. What was
your name again, sir?

MR. AERTS: Michael Aerts. Florida
Fruit and Vegetable Association.
CHAIR KNORR:  All right. Any final comments for the good of the cause, before we adjourn for the evening? No? Okay.

MS. STANZIANI:  Do we have a motion?

MR. WILLIAMS:  Motion to adjourn.

CHAIR KNORR:  Did I hear a second there?

MR. CASTANEDA:  Second.

CHAIR KNORR:  All right, okay, see you in the morning.

(Whereupon, the above-entitled matter went off the record at 5:43 p.m.)
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Before: USDA

Date: 10-25-16

Place: Arlington, VA

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[Signature]
Court Reporter