

March 30, 2020

The Honorable Sonny Perdue  
Secretary of Agriculture  
U.S. Department of Agriculture  
1400 Independence Ave. SW  
Washington, DC 20250

Dear Secretary Perdue:

On behalf of the highly perishable fresh produce supply chain, we urge USDA to take swift action in developing a market stabilization plan for the industry to meet the legislative intent of the CARES Act passed by the Senate and hopefully soon to be passed by the House. As Congress specified, this support is desperately needed by the fruit and vegetable sector that was devastated by the shutdown of the foodservice supply chain.

As you know, a bi-partisan group of House members wrote you earlier this week asking USDA to target relief for our industry so Congressional intent seems quite clear.

As USDA develops specific programs under this provision of the legislation for our sector of American agriculture, we ask that you work together with us on following:

- **USDA should move to aggregate all data on losses by PACA licensees due to the COVID-19 pandemic.**
  - This information could provide one of the most reliable datasets to identify losses for the allocation of government support to those most directly impacted by this crisis;
- **USDA should immediately act to develop a disbursement plan to pay grower-shippers for debts identified from PACA licensees and customers along with other contractual obligations that cannot be repaid due to the collapse of the foodservice sector.**
  - As you know under the PACA system perishable producers are first in line for payment in bankruptcy situations. During the ordinary course of business such bankruptcies would be few in number and non-payments would be handled between trading partners. But, given the potential of widespread non-payment and even business failures in this crisis within the food service sector, extra steps are required. USDA should act to help cover debts, in whole or in part, not covered during the ordinary course of the PACA process. These payments will not only help growers directly, but will reduce the debts of foodservice distributors to the growers, allowing them to continue in business;
- **Development of a plan for USDA to purchase fresh fruits and vegetables for federal feeding programs. In so doing USDA should immediately “step into the shoes” of schools that have cancelled contracts.**
  - While USDA is working with schools around the country to continue meal service while schools are closed, large volumes of product previously contracted for are now left unsold; USDA taking over those contracts could shore up the system in the short term while providing public nutritional benefits. Beyond that immediate need, given the

potential for this crisis to linger for weeks and months, USDA should immediately work to create an expedited section 32 style purchase program. With the duration of this crisis uncertain, and food service sector purchasing ceasing, USDA should contract now for product in the coming weeks to add much needed medium term stability.

- **As we seek to quantify the full international trade impacts of this global crisis, USDA should be prepared to create a program that assists producers with respect to lost international markets.**
- **Use of all resources at USDA's discretion, including carryover funds from the previous fiscal year, must be part of the solution to address the immediate needs of the specialty crop industry.**

These are our industry's initial needs and ideas to help reduce the financial devastation from this crisis. While this crisis continues to evolve, so might solutions that are warranted for consideration. The fresh produce industry stands ready to work with you and the USDA team to implement an effective and aggressive stabilization program. We thank you for your swift attention on these matters to ensure that our businesses can remain open to keep Americans fed during, and after, this national emergency..

Sincerely,



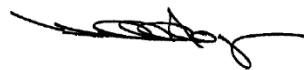
Thomas E. Stenzel  
President and CEO  
United Fresh Produce Association



Dave Puglia  
President and CEO  
Western Growers



Kam Quarles  
CEO  
National Potato Council



Michael A. Joyner  
President  
Florida Fruit & Vegetable Association

#### **Produce Industry Allied Organizations**

American Mushroom Institute  
American Seed Trade Association  
National Onion Association  
National Peach Council  
National Watermelon Association  
North American Strawberry Growers Association  
Produce Marketing Association

U.S. Apple Association  
United Potato Growers of America  
US Sweet Potato Council  
Fresh Produce Association of the Americas  
Gulf Coast Watermelon Association  
Idaho-Oregon Fruit and Vegetable Association  
Indiana-Illinois Watermelon Association  
Maryland-Delaware Watermelon Association  
New England Produce Council  
Northern Plains Potato Growers Association  
Northwest Horticultural Council  
Southeast Produce Council  
Western Watermelon Association  
California Apple Commission  
California Avocado Commission  
California Blueberry Association  
California Blueberry Commission  
California Cherry Growers and Industry Association  
California Citrus Mutual  
California Farm Bureau Federation  
California Fig Advisory Board  
California Fresh Fig Growers Association  
California Fresh Fruit Association  
California Leafy Greens Marketing Agreement  
California Pear Growers Association  
California Seed Association  
California Sweet Potato Council  
Grower-Shipper Association of Central California  
Olive Growers Council of California  
Ventura County Agricultural Association  
Colorado Potato Administrative Committee  
Florida Citrus Packers  
Florida Strawberry Growers Association  
Florida Tomato Exchange  
Florida Watermelon Association  
Georgia Fruit and Vegetable Growers Assoc.  
Georgia Watermelon Association  
Idaho Grower Shippers Association  
Idaho Potato Commission  
United Potato Growers of Idaho  
Maine Potato Board  
Michigan Apple Committee  
Michigan Blueberry Advisory Committee  
Michigan Potato Growers, Inc

Michigan State Horticultural Society  
Minnesota Area II Potato Council  
Mississippi Sweet Potato Council  
Empire State Potato Growers  
New York Apple Association  
New York State Vegetable Growers  
North Carolina Potato Association  
North Carolina Sweet Potato Commission  
North Carolina Vegetable Growers Association  
North Carolina Watermelon Association  
Oregon Potato Commission  
Pennsylvania Co-operative Potato Growers  
South Carolina Peach Council  
South Carolina Watermelon Association  
Texas Citrus Mutual  
Texas International Produce Association  
Texas Watermelon Association  
Virginia Potato & Vegetable Growers  
Washington Apple Commission  
Washington State Potato Commission  
Washington State Tree Fruit Association  
Wisconsin Potato and Vegetable Grower Association