



March 25, 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 Western Growers and our members, I urge the U.S. Department of Agriculture (USDA) to immediately begin taking measures to support the fresh produce industry through the existing and well-established Perishable Agricultural Commodities Act (PACA) of 1930 and its statutory trust provisions (PACA Trust).

The COVID-19 pandemic has already caused severe disruptions to our industry, from foodservice market evaporations and workforce strains to transportation challenges and sanitary equipment shortages. In this crisis, an issue that is of a growing concern is that, given the extremely volatile environment currently in the food supply chain, the likelihood of delayed payments or non-payments and the drain on cash flow will be much greater than could have ever been forecasted. Indeed, many of our members are already facing repeated requests from their buyers for payment extensions beyond the standard 30 days. This concern is especially acute within the foodservice sector.

While PACA has for decades served our members well in safeguarding them from credit risks and lost inventory, we fear the existing process may not be enough to withstand the unprecedented financial losses our growers stand to experience. As such, we request that USDA take action to guarantee the payment of all legitimate PACA Trust claims, to the extent these claims are not satisfied by the available PACA Trust assets. An overhaul of the existing bankruptcy process is not necessary; rather, in the event a legitimate claim has gone through the process but remains unsatisfied, USDA would shore up any shortfall of PACA trust assets to meet 100% the amount of qualified receivables that are due to the claimant.

With these measures, we can ensure reduced financial risks to our nation's fresh produce industry as it continues to push at full capacity to meet the national emergency needs of our country's citizens. I thank you for your work during this challenging time and urge for these additional actions to help support our nation's farmers.

Sincerely,

Dave Puglia  
President and CEO