

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