

Fruit & Vegetable Program News

Spring/Summer 2014

USDA's Agricultural Marketing Service Is Working for You

Charles W. Parrott, Deputy Administrator, Fruit and Vegetable Program



Chuck Parrott

Welcome to the first issue of *AMS Fruit and Vegetable Program News* in 2014. In this issue, we'll share news about some of the many services and programs that the [USDA's Agricultural Marketing Service \(AMS\)](#) provides in support of the produce industry and share practical information about some of the ways AMS can help in your daily business.

First, I'd like to update you on one of our most significant organizational improvements in years. In October 2012, as part of our ongoing efforts to reduce costs and ensure that we remain responsive to the fruit and vegetable industry's evolving needs, we merged the Fresh and Processed Products Divisions to create the new [Specialty Crops Inspection \(SCI\) Division](#). Today, the SCI Division's more than 800 employees deliver a variety of services to the fresh and processed sectors nationwide. Building on nearly a century of service, the SCI Division continues to provide independent and unbiased grading, inspection, and certification services. It also develops and maintains U.S. grade standards and related guidance and offers voluntary, audit-based services to verify Good Agricultural Practices and Good Handling Practices. Last year, they trained 1,700 Federal, State, and industry participants on everything from inspecting product to conducting food safety audits.

The reorganization enables us to better leverage our staff expertise to provide customized solutions to meet your quality assurance and food safety needs. For example, the Quality Monitoring Program (QMP) allows our inspection staff to customize service to meet any of the variety of ways in which you move large volumes of fresh or processed produce. (See the enclosed article about the QMP.) The SCI Division continues to make additional improvements to ensure our services remain as cost-effective as possible through office space reductions and cross-training our staff. Last year, we co-located five offices for a projected 5-year savings of nearly \$900,000. The office consolidations have allowed us to manage our staff and funds more efficiently and improve the delivery of our grading and inspection services. We will undertake additional office consolidations this fiscal year.

The SCI Division and the entire AMS [Fruit and Vegetable Program](#) are hard at work for you. Take a look in this issue to learn about the Fruit and Vegetable Industry Advisory Committee, "An Ounce of Prevention" for successfully shipping asparagus, the [Hass Avocado Board's](#) Hispanic marketing efforts, new products being purchased by [AMS Commodity Procurement](#), and more. Also featured are articles written by two of our sister AMS programs: [Science and Technology Program's](#) introduction to the [Pesticide Data Program](#) and the [National Organic Program's](#) Residue Testing Requirements.

We look forward to continuing to help you overcome the dynamic challenges of the produce business. Our goal is to remain responsive to your needs and to provide services and support that will help you succeed. Please feel free to contact me at 202-720-4722 or charles.parrott@ams.usda.gov. You can also get in touch with any of our article authors to discuss our programs and services.

Advisory Committee Is USDA's Eyes and Ears for the Produce Industry

Pamela Stanziani, Marketing Specialist, AMS Fruit and Vegetable Program

The U.S. produce industry is incredibly complex and challenging. Market members of all sizes compete to meet exponential growth in demand for a wide variety of perishable products that are available year round. For [USDA](#) to best support the produce industry in this dynamic market environment, the Secretary of Agriculture must be able to gauge the pulse and priorities of the industry and consumers. That's where the Fruit and Vegetable Industry Advisory Committee (Committee) plays an integral role.

The Committee, administered by USDA's [Agricultural Marketing Service](#) (AMS), was established in 2001 to advise and develop formal recommendations for the Secretary on issues affecting the U.S. produce industry. It is an especially important bridge to Washington, DC, policymakers. The 25-member Committee typically meets twice each year in the Washington, DC area to develop recommendations for the Secretary based on the members' direct industry knowledge, experience, and insight.

This can be challenging given the diversity of the Committee. Sitting together at the table are growers and shippers of all types and sizes, processors, wholesalers and distributors, retailers, and farmers market and cooperative representatives. As part of the Committee, representatives from all segments of the produce industry can express their views and opinions among people with different agricultural, business, and personal backgrounds, but who also share a mutual interest in making sure the produce industry has a say in DC policymaking.

"The diversity of the Committee is also its strength," said Chuck Parrott, Fruit and Vegetable Program Deputy Administrator and Committee manager. "Members who represent widely divergent interests work together to shape policy that affects every member of the produce community. By engaging in meaningful discussion, they are able to agree on recommendations for the Secretary that benefit not just one segment or geographical region, but the entire industry as a whole."

The AMS [Fruit and Vegetable Program](#) serves as the Committee administrator, providing logistical oversight and guidance to the Committee on processes and procedures required by the [Federal Advisory Committee Act](#). The Committee determines its own agenda, goals, and objectives as led by the Chair and Vice Chair it has elected. The Committee also receives updates from Federal and industry experts on a variety of issues. Once the Committee's recommendations are submitted and reviewed by the Secretary, they are posted on the AMS website at www.ams.usda.gov.

In 2013, the Committee was re-chartered for another 2-year term. USDA made a public call for nominations in November and closed the nomination period at the end of December. Outreach efforts were expanded even more to ensure the make-up of the Committee continues to reflect the diversity of the industry. The response was overwhelming with over 600 people expressing interest in serving on the Committee. The Secretary will appoint members, with the first meeting expected to convene shortly thereafter in spring 2014.



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An Ounce of Prevention - Asparagus

Robert Parker, Assistant to the Chief, Perishable Agricultural Commodities Act Division

Welcome back to another edition of the Perishable Agricultural Commodities Act (PACA), “Ounce of Prevention” for the produce industry. Have you been eating your five servings of fruits and vegetables every day? Have you been exercising regularly? That’s good advice when it comes to preventing sickness, but let’s talk “preventative medicine” for your produce business. As mentioned in our previous articles in this newsletter, PACA identified certain commodities that, while being traded, have a tendency to result in disputes.

In the case study below, we address common problems encountered when trading asparagus. Highly perishable, asparagus requires speed and care during handling and transit to prevent excessive loss of quality.

Cucumbers	Sweet Peppers
ASPARAGUS	Stone Fruit
Lettuce	Strawberries
Onions	Tomatoes
Oranges	Watermelons/ Cantaloupes

Q. I bought a load of New Jersey asparagus from a shipper. I specified size “small” when I placed the order. The load was shipped directly to our customer in California. Upon arrival, our customer federally inspected the load for size. The inspection states, “Fails to Grade U.S. No. 1, small, Account Size.” However, the seller maintains that the asparagus meets the “California Small” specification stated on the sales order and the bill of lading. Can you help me out?

A. Unless you notified the seller prior to shipment of your objection to the size designation stated on the sales order, you agreed to purchase the asparagus at the specific terms stated by the seller. For asparagus, USDA and California size classifications differ. The U.S. standard defines small as 5/16 to less than 8/16 inch in diameter, with the diameter measured at the point approximately 1 inch from the butt. The California classification states size small is not less than 3/16 inch in diameter, with the measurement taken at the widest point of the stalk. Therefore, asparagus that fails to meet the diameter specification for small under the U.S. standard wouldn’t necessarily fail to meet the diameter specification for California Small.

Q. So what should I do now? I don’t want to pay full invoice for something we didn’t order.

A. Since all of the shipper’s paperwork shows California Small, you need to prove the asparagus failed to meet the California size requirements. If this cannot be done, you will have to pay the invoice in full. However, timing is everything. As soon as you became aware of your supplier’s objections to your claim for a breach of contract, you should have immediately had the asparagus re-inspected based on California size tolerances.

Q. Why wouldn’t the inspector automatically inspect the asparagus based on California specifications since he is located in that state?

A. The key here is that when you resold the asparagus, you needed to ensure that your contract documents described the asparagus as “California Small.” This would make it clear to your customer that he/she must inform the Federal inspector to base the inspection on California size specifications when providing the grade statement on the certificate.

According to *USDA Shipping Point and Market Inspection Instructions for Asparagus* (January 2008), when the packages have California asparagus size designations, the inspector will automatically inspect the commodity based on those specifications. In this case, since the size wasn’t found on the packages and the inspector wasn’t instructed to base size on California Small, the asparagus was inspected based on the diameter classification for “small” found in the USDA Standards for Grades of Asparagus.

Q. Even though I have to pay the shipper in full, will I have any recourse with my customer since my contract stated U.S. No. 1 Small?

A. Since you clearly sold the asparagus as U.S. No. 1 Small and the receiver can prove the lot failed on the size criteria, your customer can claim damages on the contract and not pay you the full invoice price.

*Continued, see **Asparagus** on page 5.*



Helping Feed the World's Most Vulnerable

*Bruce Summers, Associate Deputy Administrator,
AMS Fruit and Vegetable Program*

AMS Fruit and Vegetable Program's [Specialty Crops Inspection \(SCI\) Division](#) is working closely with USDA's [Farm Service Agency](#) (FSA) and the [U.S. Agency for International Development](#) (US AID) to feed the world's hungriest children. The SCI Division's inspection service is helping deliver critically needed Ready-to-Use Supplementary Food (RUSF) and Ready-to-Use Therapeutic Food (RUTF) around the world.

RUSF and RUTF are high-energy, high-calorie pastes in single-serving pouches. The formulations can vary, but these items generally include peanut butter, dairy ingredients, sugar, oils, vitamins, and minerals. RUSF is designed to treat moderate acute malnutrition in children aged 6 to 59 months. It is fortified with micronutrients and contains essential fatty acids and quality protein to ensure a child's nutritional needs are met. RUTF is an energy-dense food enriched with vitamins and minerals specifically designed to treat severe acute malnutrition without medical complications

at the community level.

US AID is providing these products to [UNICEF](#) and the [World Food Program](#) to help feed children around the world.

In August 2013, FSA brought the SCI Division into the picture to monitor production to ensure the quality of the product's packaging. Under a formal arrangement developed in collaboration with FSA, the division provides in-plant inspection services of RUSF and RUTF to ensure the products meet contract and specification requirements.

Today, the SCI Division continues to work closely with US AID and FSA to refine the FSA contract requirements to ensure production and deliveries continue to meet the needs of the recipient populations and to keep the procurements as economical as possible. AMS is looking at several ways to optimize service delivery. This includes determining the extent of required AMS laboratory testing, product and package inspections, and requirements for contractors to produce a "start-up" lot for Government approval and to use as a benchmark for future production. Going forward, FSA plans to solicit and award contracts for these products on a regular basis.



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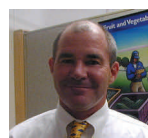
Fruit and Vegetable Program Webinar Series

Christopher Purdy, Business Development Specialist, AMS Fruit and Vegetable Program



AMS Fruit and Vegetable Program hosts an ongoing series of webinars designed to provide practical information about our programs and services and to introduce the staff who support the industry. To date, thousands of industry members across the United States and around the world have participated in these free interactive webinars. Topics covered in 2013 included the Perishable Agricultural Commodities Act (PACA) Trust, the Food and Drug Administration's proposed produce safety rules, how to sell fruits and vegetables to the USDA, the PACA complaint process, and Market News' new Custom Average Tool. To view any webinar you may have missed, visit our [Webinar Archive](#). So far this year, a number of webinars have already been scheduled, including an introduction to PACA in English and Korean, an overview of the PACA complaint process, the basics of fresh produce inspection, and how to

sell to the USDA, with more to come.



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“Saborea Uno Hoy” – A New Hass Avocado Mark and Website

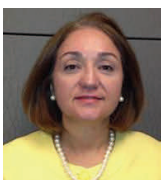
*Sonia Jimenez, Director,
Promotion and Economics Division*

The [Hass Avocado Board](http://www.SaboreaUnoHoy.com) unveiled its new Spanish-language mark and Website, www.SaboreaUnoHoy.com, to offer information to Hispanic consumers in the United States and encourage them to include fresh avocados in their everyday meals. The website, translated as “Savor One Today,” features nutritional and research information, preparation tips, and recipes.

The new mark invites consumers to enjoy Hass avocados’ unique flavor by adding the words “aguacates frescos,” (fresh avocados), and including some of its nutritional benefits such as “naturalmente grasas buenas y sin colesterol” (naturally good fats and no cholesterol).

The mark and Website are part of an ambitious new campaign directed specifically at Hispanic audiences. Although Hispanic consumers are generally more familiar with avocados than their non-Hispanic counterparts, many view avocados as unhealthy due to their high fat content. To reach those consumers and promote Hass avocados as part of a balanced diet, the Hass Avocado Board enlisted nutritionist Malena Perdomo to provide advice and ideas on how to use avocados in nutritious Latin-American cuisine recipes.

The Hass Avocado Board is one of the [research and promotion programs](#) administered by [USDA's Agricultural Marketing Service](#) (AMS). Research and promotion programs are industry-funded, authorized by Congress, and date back to 1966. Today, there are 21 research and promotion boards. They empower agricultural industries by establishing a framework for them to pool resources and combine efforts to develop new, and strengthen, existing markets and conduct important research and promotion activities. AMS provides oversight of research and promotion boards to ensure fiscal responsibility, program efficiency, and fair treatment of participating stakeholders.



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Asparagus, from page 3.

This scenario clearly shows the importance of maintaining consistent contract terms when you are buying and reselling produce that is shipped directly from the shipper to your customer. In effect, your customer becomes your agent for establishing a breach of contract by the shipper and can only support you with your claim for damages by knowing the complete terms of the contract.

In the future, keep in mind that other states also have grade standards for asparagus and, as a practice, you should state in writing which grade applies in your contract to prevent any confusion. Click this link for [USDA Standards and Handbook for Asparagus](#).

We hope this sheds some light on issues that come up frequently when buying or selling asparagus. Of course, you can always reach PACA for additional help and explanation at our customer service line 800-495-7222.



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AMS Fruit and Vegetable Program News is a newsletter written and produced by the staff of AMS Fruit and Vegetable Program for the produce industry.

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Quality Monitoring Program: A Flexible Quality Assurance Service

John Lund, Business Development, Specialty Crops Inspection Division

Produce industry leaders have asked the Agricultural Marketing Service's Specialty Crops Inspection (SCI) Division for support in three main areas: market competition, brand development, and brand recognition. In response to these requests, AMS developed the [Quality Monitoring Program \(QMP\)](#).

QMP is a flexible, customizable quality assurance service. Under the program, the SCI Division provides a third-party assessment tool to support brand and product quality, monitor quality systems, measure supplier performance, or meet any unique quality assurance needs. Flexibility is key for the QMP. The program can be tailored to enhance an existing quality assurance program through either of two service levels and a variety of service modules.

The QMP has two service levels. The first tier offers the QMP seal for display on food service and/or retail packaging and is used by customers for marketing and advertising purposes. Companies must first pass a comprehensive qualification process before being authorized to use the QMP seal. The second tier of QMP service is also tailored to meet customers' needs but does not include use of the QMP seal. This level of service is scalable for all operations and adaptable to many product categories. This service tier offers third-party monitoring of product quality and quality systems for fresh, frozen, and processed fruits and vegetables as they are received, handled, and/or produced. For either tier of service, AMS can provide a comprehensive report that details and supports the quality assurance service performed over the course of a year or for the time period the service is provided.

QMP has proven to be a valued and flexible addition to many clients' quality assurance programs for a variety of operations, including greenhouses, wholesale outlets, and processing plants.

QMP CAN BE USED TO VERIFY...

- **Quality Assurance System Performance**
- **Supplier Performance**
- **Packaging & Container Condition**
- **New Brand/Product Assessment**
- **New Supplier Assessment**

...and more



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Pesticide Data Program Helps Mid-Atlantic Growers Repel an Invasive Pest

Ruihong Guo, Deputy Administrator, AMS Science and Technology Program

Each year, the Agricultural Marketing Service's [Pesticide Data Program \(PDP\)](#) tests thousands of samples of fruit and vegetables, as well as grains, catfish, rice, and specialty products for pesticide residues. The statistically-reliable data is provided to the U.S. Environmental Protection Agency (EPA) to evaluate pesticide use in agricultural production. PDP is the only national program that provides unbiased data that reflects dietary exposure to pesticides through food consumption.

Recently, this data was put to use in another way... to battle the brown marmorated stink bug, a pest that is devastating apple, pear, and peach production in the Mid-Atlantic region. The most effective way to combat stink bugs is with the pesticide bifenthrin, which is unregistered for use on apples and peaches. Last year, apple and peach growers requested a special use permit from EPA. Before granting a Section 18 exemption under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), EPA needed data on bifenthrin residue levels to be certain that use of the pesticide would not cause risk to consumers.

Continued, see PDP on page 7.

PDP, from page 6.

Working with USDA's Extension Service, grower groups, and the Brown Marmorated Stink Bug Working Group, PDP developed a sampling and testing action plan. PDP staff trained team members on proper sample collection and shipping procedures. Samples were collected on farms in the affected States after bifenthrin was applied. This was a departure from PDP's routine sampling method at wholesale locations. In addition, PDP laboratories changed their usual methods to meet EPA's specifications. Normally, PDP emulates consumer practices (e.g., apples are washed and cored prior to testing). For this project, samples were unwashed and unpeeled so that residues found would reflect actual pesticide application rates. The resulting PDP data showed no bifenthrin residue levels above EPA's proposed tolerance.

EPA approved the emergency exemption for bifenthrin use on apples and peaches grown in the Mid-Atlantic States. Growers saw a great reduction in the amount of crop damage with this added tool at their disposal. PDP was proud to play a critical role in the bifenthrin-stink bug project.

The United States has 7 percent of the world's population and 30 percent of its arable lands. We produce enough affordable foods domestically to satisfy American consumers and to export products at competitive prices. PDP's scientifically sound, unbiased data helps regulators ensure that there are a variety of crop protection tools available to manage pest threats and protect production.

For more information, visit the PDP website: www.ams.usda.gov/pdp



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Commodity Procurement's Color of the Year: GREEN

*Sara K. Hernandez, Agricultural Marketing Specialist,
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It was another busy year for the AMS [Commodity Procurement](#) Staff (CPS). Each year, AMS purchases 2 billion pounds (nearly \$2 billion) of frozen, processed, and fresh fruits, vegetables, meat, poultry, fish and eggs, otherwise known as [USDA Foods](#). AMS is proud to support domestic producers and processors, and we're pleased that the agency's purchasing activities received special recognition from Secretary Tom Vilsack.

CPS' mission is to maintain programs that support American agriculture and promote domestic production, while meeting the needs of Federal food assistance programs across the Nation. It takes dedication to that mission on the part of everyone involved—AMS, USDA's [Food and Nutrition Service](#) (FNS), industry customers, contractors, and the [Web-Based Supply Chain Management \(WBSCM\)](#) team—to successfully connect quality American products with American school kids and families across the country.

Here's an unlikely USDA Foods success story: BROCCOLI. School lunch directors and school kids are giving broccoli the thumbs up. As one of the newest additions to the USDA Foods lineup, frozen broccoli was first purchased in November 2012 and added to the annual canned and frozen vegetable solicitation in the spring of 2013. In Fiscal Year (FY) 2013, AMS purchased 6.87 million pounds (nearly \$7.6 million) of broccoli, with FY 2014 ordering just as robust. Take a look at the [AMS Purchase Summary Report](#) for up-to-date information on current fiscal year purchases. With overwhelmingly positive feedback about the quality and performance of this product in schools, AMS expects a growing demand for broccoli in the coming school year.

Another green success story is: SPINACH. Like broccoli, spinach was added to the USDA Foods lineup last year. Already under contract, deliveries of USDA frozen spinach began in January 2014; and AMS and FNS are keeping a close watch to see how the product is received.

Both of these green goodies were added to the USDA Foods program lineup in response to requests from school foodservice directors who need the availability of dark green vegetables in order to meet the [Nutrition Standards for School Meals](#). At the same time, it opens up a new outlet for domestic products. It's a win-win!

A new procurement cycle will begin soon, with most of USDA's fruit and vegetable products contracted in the spring. If you are interested in supplying domestic products to USDA, now is a great time to get started. Visit the AMS Website, www.ams.usda.gov/commoditypurchasing, to view our purchase schedule, product specifications, and purchase reports. While there, subscribe to *AMS CP News* to receive emails about AMS program activities.



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Strengthening Organic Integrity Through Residue Testing

Miles V. McEvoy, Deputy Administrator, USDA National Organic Program



Do you ship, distribute, or sell certified organic produce? The USDA is committed to the integrity of organic products and supports the continued growth of organic agriculture in the United States. In 2013, the USDA AMS's [National Organic Program \(NOP\)](#) implemented a strengthened residue testing program to further increase organic integrity and consumer confidence in the \$35 billion U.S. organic industry. Outlined here are a few details about the new residue testing requirements.

Residue Testing Requirements. Each USDA-accredited organic certifier must test products from at least 5 percent of the organic farms and businesses that are certified each year. While testing has always been part of organic product oversight and is required by the Organic Foods Production Act of 1990, the new program specifies the minimum amount of testing that

must occur. This additional testing helps certifiers identify and take appropriate action against farms and businesses that are using prohibited substances or methods, such as prohibited pesticides, antibiotics, synthetic hormones, or genetic engineering.

Additionally, certifiers can use test results to identify and address instances in which organic products may have unintentionally come in contact with prohibited substances. For example, a certifier could require a large buffer zone around an organic farm if test results suggest pesticide drift from neighboring farms or facilities.

Organic-Approved Pest Controls. Most pest control materials permitted in organic agriculture are naturally derived from plants, microorganisms, or other natural sources and are used in conjunction with crop rotation and other pest management strategies. For example, *pyrethrum*—made from certain species of white daisies (*Tanacetum cinerariifolium*)—is one of the oldest known natural insecticides.

Organic standards prohibit the use of most synthetic substances for at least 3 years prior to the harvest of an organic crop. Examples of allowed synthetic pest control materials include elemental sulfur, insecticidal soap, horticultural oils, and copper hydroxide.

Protecting Organic Produce. All organic produce must be protected from prohibited substances (such as boxes treated with fungicides) and methods (such as irradiation) from the field to the point of final sale. Additionally, organic products must be kept separate from non-organic products throughout their life cycles. Individuals handling organic produce must implement practices to prevent commingling and contamination and ensure organic products are displayed appropriately at the retail level.

For more information on AMS' National Organic Program or the new residue testing requirements, go to www.ams.usda.gov/nop.



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