

## NATIONAL LEAFY GREENS MARKETING AGREEMENT

My name is: Drew McDonald

My testimony is in support of the National Leafy Greens Marketing Agreement.

The intent of this Agreement is the national standardization of requirements and best practices for all phases of the Leafy Greens industry.

I support the National Leafy Greens Marketing Agreement.

**Testimony for Drew McDonald of Taylor Farms**

My name is Drew McDonald and I am Vice President of National Quality Systems for Taylor Farms in Salinas California. Thank you for allowing me the opportunity to testify today. I have held my present position for the past 6 years and have been in the industry for the last 15 years. Taylor Farms is the world's largest salad and fresh cut vegetable processor with 10 processing plants operating in 7 states and Mexico. We source approximately 800 acres per week of leafy green vegetables through our valued network of local, independent, family-run farms who supply conventionally and organically-grown produce to us. Our source of leafy green vegetables extends across more than 13 states including California, Arizona, Oregon, Washington, Colorado, New Mexico, Michigan, New Jersey, and Florida as well as from outside the country in Canada and Mexico. We provide fresh, healthy products to 100 million Americans each week to provide enjoyment and promote healthy lifestyles. I oversee all aspects of our quality activities which include the food safety programs for our suppliers (growers) and our processing operations.

As a participant in California's Leafy Greens Marketing Agreement for the last three years, I have seen this program in action. The California LGMA

has resulted in a new focus on food safety in which we as growers/handlers abide by best practices that are consistent, specific, measurable and verifiable in the field. Historically, without uniform safety requirements, we are dependent on the safety practices of all other growers and shippers in the county, state and beyond. Outbreaks such as the *E. coli* outbreak in September 2006, affect the entire industry. That particular outbreak shut the industry down. We destroyed crops and experienced financial loss when consumers lost confidence in our industry to put forward the safest products possible. To this day there are still customers who have permanently removed spinach from their menu offering.

Customers lost confidence in the safety of spinach and leafy greens across the entire system. We were all looking for something that could provide confidence in our supply once again. The leafy green marketing agreements, governing fresh leafy greens in Arizona and California respectively assisted us in doing just that. While they are voluntary programs; the requirements of those agreements are mandatory for all signatory handlers/shippers. Signatories undergo regular and random audits conducted by their state's department of agriculture based on specific good agricultural practices that are both protective and practical. Participation is renewed on an annual

basis. Those enrolled handlers agree to purchase only leaf greens grown according to the accepted good agricultural practices.

As a signatory to the California Leafy Green Agreement, we believe we are less likely to be detrimentally impacted by the safety performance of another grower or shipper. We also believe we are effectively minimizing the potential for contamination and that the state LGMA positions the industry to engage directly with FDA and state public health agencies to facilitate the rapid identification and mitigation of any contamination as well as to refine the program with an eye towards continual improvement. These refinement activities and efforts towards continual improvement have established an unprecedented collaborative effort between industry, academia, and ~~industry~~ <sup>regulatory agencies</sup>. Moreover, the marketing agreement represents the culmination of over a decade of industry effort to improve food safety. The fresh produce industry has been at the forefront of developing comprehensive food safety programs for many years. Based on some of the testimonies this week it is probably important to note and maybe surprising to some that for almost all segments of the food industry most regulatory guidelines and eventual mandated regulation is based on, derived, or otherwise developed from industry best practices. In fact, with produce the first Food Safety

Guidelines for the Fresh-Cut Produce Industry were published in 1992, and recently updated by FDA in February 2008. The industry also developed Good Agricultural Practices (GAPs) in the mid-1990s to minimize on-farm microbiological food safety risks for fruit and vegetables, and worked closely with FDA as the agency published its overarching GAPs document in 1998. Just prior to the spinach outbreak in 2006 the industry had worked with scientists from government, academia and industry to develop extensive commodity-specific food safety guidelines for tomatoes, melons, sprouts, and leafy greens. These were of course based on the original published GAPs. It was the leafy greens commodity specific guidelines that served as the foundation for the Good Agricultural Practices standards that were accepted by the CA/AZ marketing agreement. This process reflects yet another step in the evolution towards useful and meaningful contribution to regulation development efforts as well having the ability to incorporate existing guidelines or regulation issued by FDA. In the discussion of regulation the topic of mandated food safety standards often comes up. There is often a gap in the discussion between having mandated standards and the method of ensuring compliance with those standards. The LGMA and the proposed National Marketing Agreement serves as a method to ensure compliance with standards through state inspections and audits by

government personnel. On top of this the LGMA specifically has also added the ability to quickly get information that was previously not gathered and/or not uniform throughout the industry which is valuable to trace back as well as information in the event of a food safety incident. These include ranch/farm lists, GPS, water testing, etc.

The implementation of the California and Arizona Leafy Green Marketing Agreements provides our buyers with a science-based safety program. They now know the full scope of what we look for, test and monitor when implementing food safety programs and can have confidence that our efforts are consistently and constantly verified by state government inspectors.

While some buyers still have unique requirements, the marketing agreement has fostered consistency in safety requirements.

With approximately 90 percent of all leafy greens already being covered by the CA or AZ LGMA, the implementation of a national marketing agreement should bring about nominal incremental costs for both growers selling to handlers and handlers who are signatories of those states' agreements. Involvement in a national program could be financially beneficial with improved buyer and consumer confidence.

I do not expect our costs to increase significantly under the National Leafy Greens Marketing Agreement since we have already made the necessary investments to comply with the California and Arizona Leafy Greens Marketing Agreements. The addition of a national agreement will not result in additional personnel, capital or testing costs. The greater cost is if we do not have this. One of our greatest challenges today is the lack of a consistent and agreed-upon standard for food safety audits. Without that government endorsed standard, different customers demand different food safety audits which are burdensome to our company. Today, the produce industry faces multiple, redundant audits, which in most cases are not interchangeably acceptable to different buyers. Most buyers will only accept the results and certification of certain certification bodies, thus leading to a proliferation of different audits for different buyers. In some cases, the same auditor will visit a facility multiple times to perform different audits to verify compliance with different and potentially conflicting standards. In addition, inconsistencies in audit standards among the different certification bodies have created frustration and confusion, have unnecessarily increased operational costs, and may create an obstacle to training in food safety practices. On top of this, in response to the spinach outbreak specifically

some suppliers and buyers set out to create their own standards. I hesitate to bring up the topic of “super-metrics” which has been part of the discussion over the last few days but it was the lack of a consistent approach that resulted in the many of drastic and potentially environmentally damaging actions. To date, every effort to create a harmonized set of produce food safety audit standards has only added another set of standards to the list. The only approach that has the ability increase consumer confidence as well as drive towards a standardized audit through government sponsored inspection and verification is a NATIONAL Leafy Green Marketing Agreement. We have seen strong evidence of this acceptance in the CA/AZ experience with all of our customers as well as the entire country of Canada who requires LGMA compliance. Furthermore, in the last year there has been a movement represented by several major buyers to not only accept the LGMA but to only accept it.

Additionally, standardizing the requirements through a marketing agreement has the potential to impact costs positively. It is important to note that a cost benefit analysis is often very difficult calculation when it comes to food safety. Often food safety programs are like insurance and especially with produce there is not a single intervention factor that accomplishes the end



goal of safer food. However the goal that everyone can agree upon is the safest food possible. Most often the best measure or only practical measurement for safer food is evidence of compliance. The various produce industry food safety certification programs range in cost (auditor/certification fees alone) from a few hundred dollars per audit (generally by the not-for-profit organizations) to tens of thousands of dollars (generally by the more complex certification bodies like SQF or ISO). Yet, we do not have evidence that the increased costs of some audits result in better evidence of compliance with standards or better evidence of safer food. The tremendous range in audit fees has a significant impact on the ability of particularly small businesses to participate. Without a marketing agreement the increased attention on food safety across the supply chain will result in exorbitant audit fees we fear that many growers would be financially challenged to comply with these requirements.

I have examined the business case study financials as a large grower/shipper and find them to be representative of the costs we have incurred and may incur. As described above we have growers in our system that farm throughout North America. Our growers outside of California/Arizona represent farming operations that range from 10 acres per week to over 300

acres per week. Their growing seasons range from 3 months per year to year round.

Our experience with the California/Arizona Leafy Greens Marketing Agreement has been positive and we would expect the same kind of experience nationally. This national agreement will bring the same standards to all companies growing, packaging, or selling leafy greens across the U.S. This is a huge leap forward for product safety. With national standards in place, industry buyers can now see the issues on food safety much more clearly and thus address these issues with a consistent and cost-effective direction or plan. I can say with direct experience that we as well as most of our customers require that the standards are met no matter where the products are sourced from. Currently all of the leafy greens vegetables that enter our system regardless of where they are produced or regardless of the size of the operation are complying with the standards of the California Marketing agreement without significant difficulty. There are of course regional differences that require slight modification such as areas that rely on rainfall for irrigation. Clearly a useful and appropriate reference point is the CA/AZ model but a key point is that while this is currently required for us in CA/AZ as a major supplier to national and

international chains it is expected that as a national company we follow the strictest set of food safety rules at all of our facilities. A national program will actually promote greater access to growers outside of CA/AZ. We have had the chance to talk to about half of our growers outside of the CA/AZ supply who represent greater than 80% of our supply. They are in support of the LGMA.

We would therefore like to go on record as supporting the National Leafy Green Marketing Agreement which should bring standardization across the country to our industry that will improve all aspects and phases of growing, handling, processing and shipping, thereby allowing consumers, the final end users, confidence and trust in these nutritious products. This we believe will facilitate enhanced marketability of our products.