

**Did you know
that growers and
other fruit and
vegetable sellers
can recover
money owed
them from
produce buyers
who have
gone out of
business or
even filed for
bankruptcy?**



The Perishable Agricultural Commodities Act, or PACA,

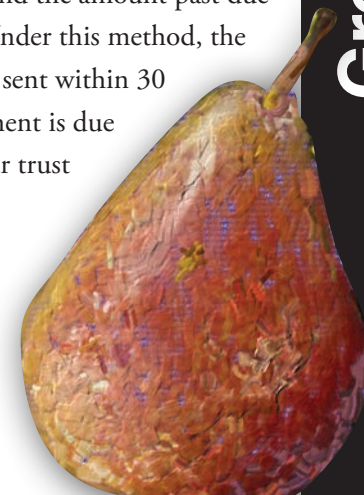
is a Federal law administered by the U. S. Department of Agriculture. It was enacted to ensure fairness in the fruit and vegetable industry. One important tool the PACA provides growers and other fruit and vegetable sellers is the ability to claim priority status in the case of a business failure by a produce buyer. This is called the “PACA trust.” Growers who protect themselves under the PACA trust provisions have a far greater chance of recovering their money from bankrupt and out-of-business firms. In fact, since its creation in 1984, hundreds of millions of dollars have been paid to fruit and vegetable sellers under the PACA. However, growers often are unaware of this law and lose out when a bankrupt firm’s assets are distributed.

There are two ways for you to take advantage of the PACA’s trust protection. The easiest way is to obtain a PACA license. If you are a licensee, the law allows you to simply include the following wording on your invoice:

“The perishable agricultural commodities listed on this invoice are sold subject to the statutory trust authorized by section 5(c)

of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499e(c)). The seller of these commodities retains a trust claim over these commodities, all inventories of food or other products derived from these commodities, and any receivables or proceeds from the sale of these commodities until full payment is received.”

If you do not hold a PACA license, you can send a separate written trust notice to the produce buyer stating your intent to preserve your trust benefits. The notice should include, among other things, the names and addresses of the buyer and seller, the date of the transaction, the commodities involved, invoice price, and the amount past due and unpaid. Under this method, the notice must be sent within 30 days after payment is due or you lose your trust protection.



Grower’s Trust in the PACA

To obtain a PACA license or for more information on how the PACA can help you, call our toll-free number, 800-495-7222, or visit our Web site at <http://www.ams.usda.gov/paca>



**United States Department of Agriculture
Agricultural Marketing Service**

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