



Partnering To Strengthen the U.S. Produce Industry

Robert C. Keeney

We at the AMS Fruit and Vegetable Program work every day to provide the practical tools and resources you need to conduct business in a challenging environment. But, we can't do it alone. Each day, we proudly partner with produce industry groups, universities, and government agencies to support you on a local, regional, national, and global basis. We work with industry organizations to overcome marketing barriers here and overseas to increase consumption of your products. We work with U.S. and international governments to help establish protections as you sell your products in the global marketplace. Here are a few of the ways we are working with our public and private-sector partners to help you succeed in today's dynamic marketplace.

Fruit and Vegetable Dispute Resolution Corporation (DRC). Produce trade among the United

States, Canada, and Mexico has expanded greatly over the last few years, thanks in large part to the implementation of the North American Free Trade Agreement (NAFTA). This growth in trade has, unfortunately, been accompanied by an increase in disputes about a variety of issues, from product quality to breach of contract and other disagreements. These disputes hindered your business and highlighted the need for a dispute resolution program similar in purpose and strength to the one USDA administers under the Perishable Agricultural Commodities Act (PACA).

In 2000, we worked with Canada and Mexico to establish the DRC. This private commercial dispute resolution

body was developed to help settle disputes between companies engaged in cross-border trade. The DRC has helped to resolve disputes, but U.S. companies selling produce to Canada and Mexico still lack financial protections similar to those available under PACA.

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Additional Resources for the Produce Industry

Web-Based Supply Chain Management

If you are interested in selling produce to USDA's National School Lunch Program, check out the information and online training resources available to help you navigate the new Web-Based Supply Chain Management (WBSCM) system.

WBSCM is a fully integrated, Web-based ordering and procurement system. WBSCM is home to all commodity orders, solicitations, bids, awards, deliveries, invoices, and payments, and all of our business partners in the commodity programs are required to use the system.

Additional information about WBSCM is available on the Commodity Procurement [website](http://1.usa.gov/lyBq2i) (<http://1.usa.gov/lyBq2i>). To learn about and register, click on Web-based training (<http://1.usa.gov/HAiReR>).



Helping To Feed America's Heroes

Richard Boyd

You may know AMS Fruit and Vegetable Program for our inspection, grading, and other services and the resources we provide to support the marketing of fresh and processed fruits and vegetables. Do you also know we work every day to help feed our country's military heroes?

For more than 30 years, our Processed Products Division (PPD) Operational Rations inspection team has been partnering with the U.S. Department of Defense (DoD) to ensure that our military warfighters have a steady supply of safe, wholesome, and nutritious operational (i.e., combat) rations, including DoD's flagship Meals Ready-to-Eat (MRE) ration. PPD inspectors evaluate

Military Feeding Factoids

- There are 24 different MRE menus!
- The average MRE has 1,250 calories.
- Three MRE meal bags serve 1 troop for 1 day.
- An MRE has a 3-year shelf-life at 80° F.

and certify hundreds of food components produced by military contractors at more than a dozen plants around the United States and its Territories. Our inspectors serve as DoD's in-plant Government quality assurance representatives,

verifying that daily production meets military requirements. Among their many duties, PPD inspectors monitor plant sanitation and plant adherence to Good Manufacturing Practices; evaluate product quality and confirm compliance with DoD-approved standards; sample products for various nutritional and microbiological tests; and inspect and verify package integrity. The food items we inspect and certify are then shipped for assembly with other components into finished rations.

New items are continually being added to the various rations menus. PPD works with DoD during the development of new products and provides input on quality provisions, packaging requirements, and quality assurance protocols to ensure that the best quality products are being produced.

During times of increased military mobilization and surges in rations production, PPD has stepped up to provide increased inspection services. At peak periods, our inspectors have delivered uninterrupted inspections to support as much as a five-fold increase in production.



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An Ounce of Prevention

Robert Parker

My mother always used to say, “an ounce of prevention is worth a pound of cure.” That’s good advice to help prevent sickness but it’s also good advice for buying and selling produce. We are happy to introduce a new column about trading under the Perishable Agricultural Commodities Act (PACA) into this newsletter -- “The PACA’s Ounce of Prevention.” We have found that most of the problems fruit and vegetable traders experience on a daily basis involve 10 commodities. To help provide an ounce of prevention, we are going to talk about the commodities that are the most common cause of problems so you can keep your business healthy.

CUCUMBERS	Peppers
Asparagus	Stone Fruit
Lettuce	Strawberries
Onions	Tomatoes
Oranges	Watermelons/ Cantaloupes

Talking about each of these commodities at one time may be more medicine than you want to take at one time. For that reason we are going to concentrate on the issues involving only one commodity at a time in an upcoming series of question-and-answer articles. We are going to kick-off the column with **CUCUMBERS**, so read on!

Q. I called for an inspection on a load of cucumbers that I had specifically ordered as “Super Select.” When I received a copy of the inspection, it stated that the lot had “Failed to Grade U.S. No.1” and makes no mention of “Super Select.”

A. The term “Super Select” is commonly used in conjunction with the sale of cucumbers. However, there is no uniformly accepted written definition of “Super Select.” AMS’ fresh products inspectors use standards for commodities that have been accepted by the industry. Standards for cucumbers can be found on our [website \(http://1.usa.gov/HzPzqJ\)](http://1.usa.gov/HzPzqJ) for fresh fruit, vegetable, nut, and specialty crop grade standards.

Q. If the inspection states “Fails to Grade U.S. No. 1,” the shipper has to grant me an adjustment, right?

A. Not necessarily. Because you bought these cucumbers as “Super Select” under PACA, this transaction has a “no-grade” contract and only considers the condition defects to determine if there is a breach of contract and allowable damages. In the event you ordered U.S. No.1 cucumbers and did not receive them, your recourse would be to hold the shipper liable for your provable damages.

Q. What if the shipper and I agree on what constitutes a “Super Select cucumber”; can the AMS’ fresh products inspector perform an inspection based on our particular specifications?

A. Absolutely. If you provide the inspector with clear specifications, then an inspection can be performed tailored to your individual requirements.

We hope this sheds some light on issues that come up frequently when buying or selling cucumbers. Of course you can always reach PACA at our customer service line at (800) 495-7222. Keep an eye out for the next dose of prevention for problems with a commonly traded commodity.



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AMS Launches Fruit and Vegetable Webinar Series

Christopher Purdy

To better serve you, the Agricultural Marketing Service's (AMS) Fruit and Vegetable Program is launching a new webinar series covering everything you want and need to know about our fruit and vegetable programs and services. We're even putting names with faces and introducing you to our staff members who support you and your business!

We have the answers to many questions you have posed to us — Why should I get my fruits and vegetables inspected by AMS? How do I get an inspection? What kind of inspection should I get? What kind of quality monitoring programs and other customized services are available? How does the Perishable Agricultural Commodities Act impact me? How can I get the most from the fruit and vegetable

market news reports? What is a marketing order and how will it benefit me?

These webinars have helpful tips and information for everyone involved in the fresh and processed produce marketing chain, including growers, packers, processors, wholesalers, distributors and retailers and restaurants of all sizes of operations, as well as representatives from academia and government.

Webinars are free, but registration is required. Visit our [webpage](http://1.usa.gov/lgHBoa) (<http://1.usa.gov/lgHBoa>) for complete information on the webinars, including content, dates, times, bios on speakers, and online registration. If you missed a webinar, just visit our [webinar archive](http://1.usa.gov/lrKanf) (<http://1.usa.gov/lrKanf>) to watch it online.

Take a look at all we have to offer. We'll see you online!



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Recently, we partnered with Cornell University's Charles H. Dyson School of Applied Economics and Management to conduct a study tracing the establishment and evolution of the DRC. The study's purpose was to highlight lessons learned to better inform policymakers on the advantages and limitations of the privately run dispute resolution mechanisms. Cornell has completed its study, titled *Origin, Creation, and Evolution of the Fruit and Vegetable Dispute Resolution Corporation*. The full report is available for download (<http://1.usa.gov/lgFAs4>).

Marketing Orders and Agreements, and Research and Promotion Programs. Partnering with industry groups, we help growers and handlers establish programs that allow them to combine resources to improve product marketing and overcome trade barriers. Currently, there are some 30 of these self-help programs in place.

- **Marketing Orders and Agreements:** Handlers choose to operate under self-imposed rules to enhance the marketability of their commodity. These rules can provide for standardized packaging; minimum quality requirements; maximum quantity provisions; and industry-funded research, promotion, and advertising programs (<http://1.usa.gov/lbZVx>).
- **Research and Promotion:** Industry participants choose to form generic programs that allow growers, handlers, importers, and others in the marketing chain to contribute resources for initiatives leading to increased consumer awareness of their product and, in turn, increased consumption (<http://1.usa.gov/Hx8kAC>).

Our partnerships with these and other industry and educational groups help us further strengthen the U.S. produce industry as we provide healthy and tasty products to consumers here and abroad. Please contact me if you would like to hear more.



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