Comment Info: ==========

General Comment:As the controller of a produce receiver and distributor of table grapes, I must express my opposition to the USDA proposal that would establish a special 5% allowance for shattered table grapes in consumer containers for en route, or at destination. In addition to shatter, this proposal also raises the tolerance level by 5% for other defects, like scarring and discoloration. The independent wholesale/terminal market segment of the industry is disproportionately impacted by this proposal and it does not yet take into account recent scientific research, indicating shattered table grapes are more susceptible to higher bacterial counts, resulting in reduced shelf life. Overall, this proposal will significantly weaken the U.S. No.1 Grade.

PACA Good Delivery Tolerances
Under this proposal, shattered berries would not be scored against the current 12% total tolerance for defects in the U.S No.1 grade until the amount of shattered berries first exceeds the special 5% allowance, thus increasing tolerance to 17%.
An additional tolerance of 3% would be added to the total in situations where PACA ?good delivery? tolerances apply, for a grand total of 20%.

As a wholesale receiver, my company would be held to the U.S. Grade Standards and have to accept up to 20% shatter at the wholesale receiving point. Additional time would be required for us to resell the grapes to a retailer, during which time the shatter process will continue. By the time the grapes make it through the retailer?s distribution process, several days could pass. It is entirely possible that shatter could far exceed 20% by the time the grapes are purchased by a consumer.

Tolerance Increases for Other Defects Too
Currently, in order to meet ?good delivery? standards, the tolerance allows for 15% defects. Grapes arriving with 5% shatter can also have up to 10% scarring and discoloration and still pass ?good delivery? standards.
Under this proposal, up to 5% shatter wouldn?t be scored, which means that up to 15% of the grapes could also have defects such as scarring and discoloration, and the load would still qualify for ?good delivery.?

Independent Wholesale Receivers would be Hardest Hit
A sizeable majority of table grapes in consumer packages are being sold through the larger retail chains and major wholesale companies, which typically have their own specifications regarding the amount of shatter and other defects they will accept. Most of their specifications are far more stringent than those required in the US #1 grade, or ?good delivery? standards. Grapes not meeting these tight corporate specifications likely end up in the hands of smaller independent wholesale receivers. These receivers, because of market pressures, are held to the U.S. Grade Standards. Therefore, increasing the tolerance for shatter/defects in the U.S. #1 grade will have disproportionately higher impact on independent wholesale receivers. The aggregated volume of the independent-wholesale-receiver channel represents a relatively small percentage of the total volume of table grapes sold in consumer size containers.

More Susceptible to Microbiological Growth and Reduced Shelf Life
In my experience, shatter table grapes have a shorter shelf life than those remaining firmly attached to the stem. For this reason, loads containing higher amounts of shatter command lower prices in the market than those with very little. Grapes that naturally detach from the cap stem are past their prime and beginning their slide toward spoilage and decay. As shatter berries age, we

now
know they are more susceptible to microbiological contamination, which further reduces their shelf life.

The North American Perishable Agricultural Receivers (NAPAR), a trade association of which my company is a member, commissioned Deibel Laboratories to conduct microbiological tests on several varieties of table grapes to
determine any differences in microbiological growth between shatter and bunched
grapes. These tests revealed a noticeable difference at refrigerated temperatures
and determined that shatter grapes would have shorter shelf life periods. I hope
USDA considers this data in its evaluation of this proposal.

A 5% Allowance Weakens the Standard
Adding a 5% allowance for shattered berries to an existing tolerance of 12%, amounts to a whopping 41.7% increase in allowable shatter/defects for the U.S.No.1 Grade. An earlier proposal to create a special 10% allowance for shatter
was withdrawn by USDA on 6/29/07. In its own statement in the Federal Register
at that time, USDA, AMS indicated that a 10% allowance for shatter
would ?weaken the standard and reduce consumer confidence of the grade.?
Although a 5% allowance would only weaken the standard half as much, it still weakens it - by up to 41.7%.

I don?t believe proponents of this proposal intended to put independent wholesale
receivers at a distinct competitive disadvantage, nor did anyone intend for the
proposal to increase the tolerance for defects other than shatter, but those are the
consequences. No one benefits by trying to force consumers to accept containers of table grapes with 20%, or more, rolling around the bottom of bag.
We all lose when the integrity of the grade is weakened.