



Thank You!

Robert C. Keeney

As many of you may know, in October of this year, I will be retiring from the Agricultural Marketing Service.

I have genuinely enjoyed and appreciated working collaboratively with you on many issues of importance to the produce industry over the years, both here and during my tenure at the United Fresh Produce Association. With your input and support, USDA has been able to respond and adapt to your evolving needs, and to provide the cost-effective services and information you have needed to provide the world's consumers with the highest quality product. Working together, we have brought about innovative change and improvement in Government's support of our dynamic industry. In recent years alone, we streamlined the Perishable Agricultural Commodities Act (PACA) Division; consolidated the Fresh and Processed Products Divisions; creat-

ed a web-based portal providing you with the ability to customize Market News reports and information for your exact needs; developed audit-based programs to meet your buyers' needs in terms of quality and food safety; and launched an educational and outreach effort that includes industry training, new media outlets that keep you informed of the many services we have to offer, and much more.

I will miss working with you. But I leave knowing that you will be in good hands after I depart. The dedicated staff at the AMS Fruit and Vegetable Program will continue to provide you with excellent, responsive service and support.

Thank you for allowing me and Program employees to be valued members of your industry.



Robert C. Keeney is the Deputy Administrator of the AMS Fruit and Vegetable Program.

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An Ounce of Prevention--Strawberries

Robert Parker

Welcome back to another edition of “The PACA’s 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 about “preventative medicine” for your produce business. As mentioned in our previous article, PACA has identified certain commodities that, while being traded, have a tendency to result in disputes. In the case study below, we are addressing common problems encountered when trading strawberries. Strawberries are primarily produced domestically in California and Florida. They are typically pre-cooled to as close to 32° F (0°C) as possible immediately after harvest.

Cucumbers	Peppers
Asparagus	Stone Fruit
Lettuce	STRAWBERRIES
Onions	Tomatoes
Oranges	Watermelons/Cantaloupes

- Q. We bought a load of strawberries freight on board (f.o.b) from California for delivery to our warehouse on the East Coast. When the load arrived at our dock, we noticed that the strawberries did not look good and we called for a USDA inspection. The results of the inspection showed 8 percent decay and 10 percent bruising. The pulp temperature on the inspection showed 41° F. With this amount of decay, we usually get a price adjustment from the shipper but, in this case, the shipper was not cooperating. The shipper claims that the pulp temperature on the inspection is too high and the shipper is not going to honor any claim. We’re confused.
- A. Strawberries are extremely perishable and highly susceptible to decay by fungal rots and molds. In an f.o.b. sale, the shipper is responsible for providing product that will arrive at the agreed-upon contract destination without abnormal deterioration, and with the understanding that the buyer will provide normal transportation service and conditions. This is what’s known as the warranty of “suitable shipping condition.”
- Q. The truck delivered the strawberries in 5 days, and the transit temperatures ranged between 32° F and 35° F. Isn’t this normal transit time and temperature?
- A. Yes. Transportation time and temperature appear to be normal. What is abnormal is the amount of decay reflected on the USDA inspection. In this case, the pulp temperature of 41° F on the inspection would indicate that the strawberries have abnormally deteriorated and were not in suitable shipping condition.
- Q. So do we have a claim against the shipper or do we have to pay the amount on the shipper’s invoice in full?
- A. Based on the information provided, you have established a breach of contract on the part of the shipper and would be entitled to deduct your provable damages from the invoice.

This has been an “Ounce of Prevention” when it comes to issues that come up frequently when buying or selling strawberries. If you have more questions, you can always reach PACA at our customer service line 800-495-7222. Keep an eye out for the next dose of preventative medicine on a commonly traded commodity.



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What Kind of Inspection Should I Get?

N.W. “Chip” Taylor

A load of produce you ordered has just arrived. After looking it over, however, you are not satisfied that it lives up to the agreement that you negotiated with the shipper. You know you need to call the U.S. Department of Agriculture’s Specialty Crop Inspection Division (formerly Fruit and Vegetable Inspection Service) to order an inspection. An official USDA inspection will help you resolve a possible dispute with the shipper under the rules of the Perishable Agricultural Commodities Act (PACA). So do you know what kind of inspection you will need when the inspector shows up on your loading dock?

The two most common types of inspections are “grade and condition” or “condition only.” If your agreement calls for a specific grade, you should request a “grade and condition” inspection, which reflects both the quality (permanent) and condition (progressive) defects affecting the commodity you purchased. If your agreement does not specify a grade, a “condition only” inspection may be sufficient, unless you feel that the permanent defects (scarring, misshapen, mechanical damage, etc.) would make the product difficult to sell at any price.

Once you decide on the type of inspection you need, you may request that the inspection be restricted to part of the load that is accessible to the inspector without unloading the shipment or unrestricted to the entire load. Restricted inspections take place while the product is still on the truck or rail car, and are limited to the part of the load that the inspector can easily access. While the results of a restricted inspection are routinely used to determine a breach of contract, an unrestricted inspection is more representative of the entire load

and may carry more weight if a dispute arises. If you want an unrestricted inspection, you will likely be asked to unload enough product to allow the inspector to take adequate samples.

Ordinarily unloading a shipment is an act of acceptance resulting in loss of the right to reject the product. However, you may unload the product so that an unrestricted inspection can be performed without acceptance if you immediately place the unloaded product back onto the truck or rail car after the inspection is completed.

Once the USDA inspector completes the inspection and provides you with the official results, you will have the information you need to resolve any dispute you may have about the product you just received.

Requesting the proper type of inspection will make it easier for you to determine whether or not the product meets your agreed-upon specification.

When faced with the question about what type of inspection to get, refer to the terms of your agreement or call the PACA “Good Delivery” Hotline at 1-800-495-PACA (7222). Contact the Fresh Products Division at 1-800-811-2373 to find the inspection office nearest you.



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Fruit and Vegetable Webinar Series

Christopher Purdy

So far, the Agricultural Marketing Service’s Fruit and Vegetable Program has offered six webinars as part of our ongoing educational series. More than 1,500 members of the U.S. and international produce industry and the associations and government organizations that serve them have logged on to join us.

Based on your feedback, we are happy to report that you have found our webinar series helpful and informative. This is a continuous improvement process – we’re using your constructive feedback to improve future events. For example, many participants, and especially those overseas, have asked that we provide webinars free of toll charges. As a result, we have structured the webinar platform so that we are completely available – including by voice – via the Internet. Today, anyone anywhere in the world can participate in our webinars at no charge. Others have asked that our webinars deliver more advanced presentation content, which we are now developing. Please keep your comments flowing and submit ideas for future sessions.

*Continued, see **Webinars** on page 4.*



Webinars, from page 3.

Webinars are free, but registration is required. Visit our web [page](#) for complete information on the webinars, including content, dates, times, speaker bios, and online registration. If you missed a webinar, just visit our [Webinar Archive](#) to watch it online.

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



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The AMS Fruit and Vegetable Program

AMS' Fruit and Vegetable Program has served the produce industry since the early 1900s. We deliver our fee-based services via a network of expert staff. Our customers include growers, shippers, brokers, receivers, distributors, processors, retailers, and restaurants. Our services include: audit-based programs, commodity purchases, U.S. grade standards, inspection and grading, industry training, international representation, market news, Perishable Agricultural Commodity Act programs, self-help marketing programs, and specialty block grants.

For more information about AMS Fruit and Vegetable Program, go to www.ams.usda.gov/fv or contact Christopher Purdy at 202-720-3209 or christopher.purdy@ams.usda.gov. A narrated overview of the Program's services is online at <http://1.usa.gov/MfF7go> (please wait a few moments for the file to open).

Supporting Fruit and Vegetable Growers and Buyers with GAP/GHP Audits

By Ken Petersen

In recent years, verification of responsible on-farm growing and handling practices has become a primary consideration for buyers before they select a supplier of fresh fruits and vegetables. In response to the produce industry's request for USDA to provide this type of verification service, USDA's Agricultural Marketing Service (AMS) Specialty Crops Inspection Division provides an efficient and accessible audit-based program using Good Agricultural Practices and Good Handling Practices (GAP/GHP).

Large buyers such as Wal-Mart, Subway, Sysco, and Ahold have agreed to rely on USDA GAP audits for fresh produce. In addition, grower organizations such as the Arizona and California Leafy Greens Marketing Agreement and the California Avocado Commission have worked with USDA to establish specific GAP protocols for their products.

In a recent blog post on the [USDA website](#), AMS reported that it was one of the first organizations to perform audits as part of the industry-supported Produce GAP Harmonization Initiative. The initiative harmonizes basic GAP retail and food service sector audits to minimize duplication. Through the Produce GAP Harmonized Food Safety Standard process, AMS works with small and mid-sized suppliers to verify that their on-farm practices meet food safety criteria established by the Food and Drug Administration.

AMS recently created a web-based tool to make it quick and easy to research lists of farms that have met the audit criteria and obtained USDA GAP certification. The search engine on the [Audit Program Services website](#) allows for searches by farm location, commodity, farm name, or audit type.

The AMS GAP program is a key part of USDA's commitment to support local and regional food systems. Last year, USDA performed more than 3,000 audits.



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