



## Agricultural Marketing Service

# AMS Welcomes New Administrator Anne L. Alonzo

*Charles W. Parrott, Deputy Administrator, Fruit and Vegetable Program*



*Chuck Parrott*

Welcome to *AMS Fruit and Vegetable Program News*. We have a number of exciting topics to cover in this issue. First among them is to introduce Anne L. Alonzo, the new Administrator of the [U.S. Department of Agriculture's](#) (USDA) [Agricultural Marketing Service](#) (AMS). Ms. Alonzo came on board May 6, replacing former Administrator David Shipman upon his retirement.

Ms. Alonzo comes to AMS with a noteworthy and wide-ranging career as a global policy leader with a unique and diverse background in the public, private, and not-for-profit sectors. She has held positions in the areas of food and agriculture, trade policy and promotion, sustainability, and the environment. Most recently, Ms. Alonzo was the Vice President of Global Public Policy for [Kraft Foods](#), where she led all of Kraft's global corporate affairs work in the areas of sustainability, tariffs, tax and trade, and health and wellness. She also directed its global issues management team. During this time, Ms. Alonzo was elected Chair of the [World Cocoa Foundation](#), a membership organization focused on creating a sustainable cocoa economy and improving the lives of cocoa-farming communities worldwide. Ms. Alonzo looks forward to working with you and plans to visit with many AMS stakeholders during her tenure.



*Administrator  
Anne Alonzo*

I also want to take this opportunity to update you on the AMS's [Fruit and Vegetable Program's](#) (FV) current budgetary status. Because many of our services are funded by user fees, we are seeing less of an impact than other USDA agencies. While [Market News](#) and other divisions do receive appropriated funds, our ongoing cost-saving measures have reduced the impact felt by our stakeholders. In recent years, we've optimized our efficiency by consolidating organizational units and closing offices to anticipate your changing needs so we can continue to improve service delivery to you. Be assured that we are unwavering in our commitment to identify additional efficiencies and manage our resources effectively.

*Continued, see **Welcome** on page 2.*

## In This Issue

- Market News Introduces a New Feature
- PACA's Ounce of Prevention—Oranges
- Developing New Markets for Mushrooms
- Expanding Almond Exports
- Buying Foods for Schools

# Market News Introduces the New Custom Average Tool

*Fred Teensma, National Reporting Technology Manager, Market News*

the Fruit & Vegetable Market News Portal home page. This Tool is a supplement to the detailed Custom Reports and is best used to observe price trends over time. For a description of features that the Custom Average Tool offers, please click [here](#).

**Run a Custom Report**

Category: Terminal Market (including Organics) Go

**Run a Custom Average Pricing Report**

Report Type: Terminal Market Averages Go

**Popular Reports**

- Shipping Point High/Low Highlights
- Daily Movement Report
- Mexico Crossings Report
- National Shipping Point Trends
- National Fruit and Vegetable Retail Report
- National Fruit and Vegetable Organic Summary
- National Honey Report
- Tomato Report
- Plum Tomato Report
- Tomato FAX Report
- Asparagus Report

[Fruit and Vegetable Market News](#) is excited to introduce a new feature on our web portal. In response to numerous customer requests, our new [Custom Average Tool \(CAT\)](#) is now up and running.

Market News Custom Reports provide very detailed price information by commodity or location. The CAT allows users to condense the data provided in the detailed reports and create average price summaries specific to their needs. A CAT report supplements the detailed reports and is best used as a tool to observe price trends over time.

## CAT Features

- Filters data from a broad parameter selection for a general average to a narrow, specific average
- Provides a simple Overall Average Price for the criteria selected
- Presents data in a dashboard format for easy viewing of price trends over a period of time and allows you to view the average at each price point
- Aggregates data in table format in a downloadable CSV file that can be opened by spreadsheet programs such as Microsoft Excel

The CAT was developed in partnership with the USDA's [Risk Management Agency](#), [National Agricultural Statistics Service](#) and the [AMS Promotion and Economics Division](#).

To use the CAT, click on "Run a Custom Average Pricing Report" on the Market News Portal at [www.marketnews.usda.gov/portal/fv](http://www.marketnews.usda.gov/portal/fv).

To learn more about using the CAT, please see the [Custom Average Tool \(CAT\) Dashboard Users Guide](#) in the "Help" section of the CAT or contact me.



*Fred Teensma is the National Reporting Technology Manager of Fruit and Vegetable Market News. He can be reached at 510-926-1263 or [fred.teensma@ams.usda.gov](mailto:fred.teensma@ams.usda.gov).*

**Welcome**, from page 1.

Our commitment to being responsible financial stewards is equaled by our dedication to improving our services to you. For example, take a look at the new Market News tool we recently introduced. The [Custom Average Tool \(CAT\)](#) makes it easy to view average price trends over a period of time, select a range of data desired, download data in a spreadsheet, and much more. The CAT is now prominently displayed on our [Fruit and Vegetable Market News Portal](#).

As always, this issue contains a number of articles that we hope you will find helpful to your business. Our goal is to introduce our staff, talk about programs we are developing for you, and highlight new and existing services. Please feel free to contact me at [charles.parrott@ams.usda.gov](mailto:charles.parrott@ams.usda.gov) or the FV staff if you have any questions.

# An Ounce of Prevention - Oranges

*Robert Parker, Assistant to the Chief, PACA Division*

Welcome back to another edition of “An Ounce of Prevention” by the [Perishable Agricultural Commodities Act](#) (PACA) Division. 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 illness, but let’s talk about preventive medicine for your produce business. As mentioned in our previous article, the PACA Division identified certain commodities that, while being traded, have a tendency to result in disputes.

Cucumbers	Sweet Peppers
Asparagus	Stone Fruit
Lettuce	Strawberries
Onions	Tomatoes
<b>ORANGES</b>	Watermelons/Cantaloupes

In the case study below, we are addressing common problems encountered when trading oranges. The pre-shipment handling of oranges varies by production area and season. Generally, the fruit is washed, waxed, treated, and packaged for shipment.

**Q.** We sold a load of “Choice” oranges from our warehouse in California to be delivered to our customer in Baltimore. When the load arrived, our customer was not happy with the oranges and called for an inspection. The results of the inspection showed 12 percent scarring, 7 percent bruising, 1 percent decay, and that they had “Failed to Grade U.S. No. 1.” The customer was aware these were our second-label oranges and should have been inspected on the basis of a U.S. No. 2 Grade. Now the customer wants a price adjustment even though the customer did not buy U.S. No. 1 oranges. We want an inspection based on a U.S. No. 2 Grade. Can you help us out?

**A.** There is no definition of “Choice” in the U.S. Grade Standards for Oranges. There are definitions for U.S. No. 1 and U.S. No. 2 Grades, which can be found on our [website](#), along with other grade standards for fresh fruits, vegetables, nuts, and specialty crops. While it is true that some shippers will reference their first and second labels, it cannot be assumed that such reference is equivalent to a U.S. No. 1 or U.S. No. 2 Grade orange. So more than likely, we are looking at a no-grade contract and would only consider the condition defects reported on the inspection. Consequently, only the bruising and decay would be taken into consideration in determining [suitable shipping condition](#) or what is more commonly referred to as [good arrival](#). Because scarring is a grade defect, it is not factored into the results of the inspection. Therefore, the sum of the remaining defects would fall within the guidelines for a no-grade contract, and your customer would owe you in full.

**Q.** Are there guidelines that the PACA Division provides for good arrival?

**A.** Yes. The PACA Division provides a chart of suitable shipping condition guidelines on its website at [F.O.B. Good Delivery Guidelines](#).

We hope this sheds some light on just a couple of issues that come up frequently when buying or selling oranges. Keep an eye out for the next edition of “An Ounce of Prevention” on a commonly traded commodity.



*Robert Parker is the Assistant to the Chief, Dispute Resolution Branch, PACA Division. He can be reached at 202-720-2890 or [robert.parker@ams.usda.gov](mailto:robert.parker@ams.usda.gov).*

# AMS Commodity Procurement: Meeting the Needs of Schools and U.S. Agriculture

*Sara Hernandez, Agricultural Marketing Specialist, AMS Commodity Procurement*

Each year, the USDA buys and distributes over 900 million pounds of fresh and processed American-grown fruits, vegetables, nuts, and other products. These products are distributed to the [USDA's National School Lunch Program](#), food banks, and disaster relief organizations, among others. These purchases provide healthy food to students and others and encourage American agricultural production by providing a market for domestic products, stabilizing prices, and balancing supply and demand.

The [AMS Commodity Procurement Program](#) and its trained and experienced [staff](#) serve as USDA's buyer of agricultural products. Our mission is to seek out and purchase products on USDA's approved [list of foods](#), as well as to add more products to the lineup and increase opportunities for suppliers.

We continually work to improve how we do business. For example, we launched the [Web-Based Supply Chain Management \(WBSCM\)](#) system, which increases the agility of the procurement process by allowing for customized contracting methods. WBSCM also increases our effort toward more transparency and enhances the reporting of procurement activities and contract administration processes.

To learn more about opportunities to sell to the USDA, please contact me.

*Sara Hernandez is an Agricultural Marketing Specialist with the AMS Commodity Procurement Staff. She can be reached at 202-680-4734 or [sara.hernandez@ams.usda.gov](mailto:sara.hernandez@ams.usda.gov).*



## Commodity Procurement

- Visit the [AMS Commodity Procurement Program](#) website to see all purchase solicitations, due dates, and details on subsequent awards.
- See the types of [fresh and processed produce, and other products](#) that the USDA purchases.
- Subscribe to the [CP News](#) for the latest commodity procurement news.

## USDA AMS Fruit and Vegetable Program

Serving the produce industry since the early 1900s, the Fruit and Vegetable Program's fee-for-service offerings are delivered via a nationwide network of trained and experienced staff. Our customers include growers, shippers, brokers, distributors, processors, retailers, and restaurants, among others. Our services include:



- Audit-based programs
- Perishable Agricultural Commodities Act (PACA) enforcement
- International representation
- Inspection and grading
- Commodity purchases
- Self-help marketing programs
- Market News reports and information
- Industry training
- U.S. Grade Standard establishment

More information is available at [www.ams.usda.gov/fv](http://www.ams.usda.gov/fv), or from Christopher Purdy at 202-720-3209, or [christopher.purdy@ams.usda.gov](mailto:christopher.purdy@ams.usda.gov).



# Specialty Crops Inspection Division Supports the USDA Commodity Purchase Program

*John Lund, Chief, Business Development, Specialty Crops Inspection Division*

In the Winter/Spring 2013 issue of [AMS Fruit and Vegetable Program News](#), the article titled “Interested in Selling to USDA?” by Dianna Price ([Dianna.price@ams.usda.gov](mailto:Dianna.price@ams.usda.gov)) provided information on selling to USDA for both existing and new vendors.

AMS’ [Specialty Crops Inspection Division](#) (Division) conducts the audits and inspections of fruits and vegetables sold to USDA. The Division’s nationwide staff reviews products and shipments to ensure safety standards are met and that products meet U.S. grade standards and other USDA contract specifications.

Here are a few details about the requirements of selling to the USDA:

Any grower or processor interested in selling to USDA must meet established standards and specifications to ensure the safety and quality of the fresh and processed fruits and vegetables we purchase. For example,

- Plants must have [Food Defense Plans](#) that provide for the security of their processes,
- Processing/packing facilities must pass Good Manufacturing Process (GMP) audits,
- Farms providing produce must pass [Good Agricultural Practices \(GAP\) audits](#), and
- All purchased fruit and vegetable products must be inspected for quality and condition.

For more information about the audits and inspections required to sell to USDA, please feel free to contact me.

## The [Specialty Crops Inspection Division](#):

- Provides [grading, inspection, and certification](#) services;
- Develops and maintains U.S. grade standards;
- Provides audit-based services for [fresh](#) and [processed](#) products to verify:
  - Good agricultural and manufacturing practices
  - Hazard Analysis and Critical Control Points systems
  - Traceability
  - Food defense plans



*John Lund is the Chief of Business Development for the Specialty Crops Inspection Division. He can be reached at 202-690-4938 or [john.lund@ams.usda.gov](mailto:john.lund@ams.usda.gov).*

## New PACA Animated Presentation

The [Perishable Agricultural Commodities Act \(PACA\) Division](#) recently released a new animated presentation on the variety of services we provide to the produce industry. Watch the presentation at [PACA Introduction](#) or find it on the [PACA home page](#).



# “Blendability” Builds New Mushroom Markets

*Sonia Jimenez, Director, Promotion and Economics Division*

**Blendability:** *Replacing a portion of ground meat in a recipe with finely chopped mushrooms.*

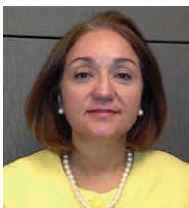


The [Mushroom Council](#) introduced a new concept called “Blendability” that it hopes will expand the demand for mushrooms in school meal programs. Rather than replacing students’ favorite foods, the “blendability” concept develops meal options that blend mushrooms and meat. This concept increases the amount of vegetables in school lunches to help schools meet the U.S. Department of Agriculture’s new [meal pattern requirements](#).

In partnership with major meat processors, the mushroom industry created a new category of meat/mushroom products available for school and commercial foodservice. Examples of “blend-able” foods include fajitas, chili, sloppy joes, meatballs, burgers, and tacos. Samples of blended dishes were showcased at [School Nutrition Association](#) and [Produce Marketing Association](#) events, where they received high marks.

The [Mushroom Council](#) is one of the research and promotion programs administered by the USDA [Agricultural Marketing Service’s](#) (AMS) [Promotion and Economics Division](#). With a research and promotion program in place, commodity groups establish their own board of industry representatives who conduct promotion, market research, production research, and new product development for the benefit of their industries. Through these self-help programs, AMS helps the produce and specialty crop industries expand domestic and foreign markets for their commodities.

If you have any questions about the [Mushroom Council’s](#) efforts, or other research and promotion programs, please feel free to contact me.



*Sonia Jimenez is the Director of the Promotion and Economics Division. She can be reached at 202-720-9915 or [sonia.jimenez@ams.usda.gov](mailto:sonia.jimenez@ams.usda.gov).*

## Webinars

*Christopher Purdy,  
Business Development Specialist*

**Webinar Series.** To see the 2013 webinars that you may have missed visit our [Webinar Archive](#).

For information about upcoming webinars, please contact me.



*Christopher Purdy is the Business Development Specialist for the Fruit and Vegetable Program. He can be reached at 202-720-3209 or [christopher.purdy@ams.usda.gov](mailto:christopher.purdy@ams.usda.gov)*

[christopher.purdy@ams.usda.gov](mailto:christopher.purdy@ams.usda.gov)

## U.S. Grade Standards

Copies of U.S. Grade Standards are available for free on the Internet.

- Processed produce standards: [www.ams.usda.gov/processedinspection](http://www.ams.usda.gov/processedinspection). Click on “Find a Standard” in the right column.
- Fresh produce standards: [www.ams.usda.gov/freshinspection](http://www.ams.usda.gov/freshinspection). Click on “U.S. Grade Standards” in the right column.

# An Industry and Government Partnership To Expand Almond Exports

*Lillie Zeng, Agricultural Marketing Specialist,  
Marketing Order and Administration Division*

In response to [European Union](#) (EU) concerns about U.S. almonds not meeting EU aflatoxin limits, and to reduce the number of rejected shipments, the U.S. almond industry collaborated with the Federal Government to develop the [Voluntary Aflatoxin Sampling Plan](#) (VASP).

Implemented in 2007, the VASP is a pre-export sampling and aflatoxin testing program developed by the [Almond Board of California](#) (Board), in conjunction with the [U.S. Department of Agriculture's](#) (USDA) [Agricultural Marketing Service](#) (AMS), [Agricultural Research Service](#) (ARS), and [Foreign Agricultural Service](#) (FAS). Under VASP, U.S. almonds undergo testing at any of 15 private testing laboratories approved by AMS to verify that shipments meet the stringent EU regulations. Verified shipments then receive an official certification from AMS allowing them to more efficiently clear EU entry procedures. Although voluntary, the program has 100 percent participation by the industry.

Since VASP has significantly reduced EU rejections of U.S. almond imports, the almond industry has increased the consistency of its EU export shipment volume. The success of the program allowed the almond industry to expand the marketability of U.S. almonds abroad and gain other countries' trust in the quality of U.S. commodities. Presently, 70 percent of the U.S. almond crop is exported, with Germany and Spain among the top foreign buyers.

The Almond Board of California administers the Federal almond marketing order. Since 1950, the almond industry has instituted programs like VASP and carried out industry marketing efforts that helped make the U.S. almond industry a 2-billion-pound global business.

Under a Federal marketing order, individual commodity industries can pool resources, collaborate on scientific and market research, and grow the visibility and viability of their crops. Administered by USDA's [Marketing Order and Agreement Division](#) (MOAD), Federal marketing orders are authorized through the [Agriculture Marketing Agreement Act of 1937](#). MOAD has 28 distinct marketing order programs tailored to meet the specific needs of each industry. We welcome suggestions to customize marketing order programs to meet the specific and advancing needs of the industry. For questions about VASP or Federal marketing orders, please contact me.



*Lillie Zeng is an Agricultural Marketing Specialist  
with the Marketing Order and Administration Division.  
She can be reached at 202-690-3870  
or [weiya.zeng@ams.usda.gov](mailto:weiya.zeng@ams.usda.gov).*

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