



Fruit and Vegetable Programs

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Program Information

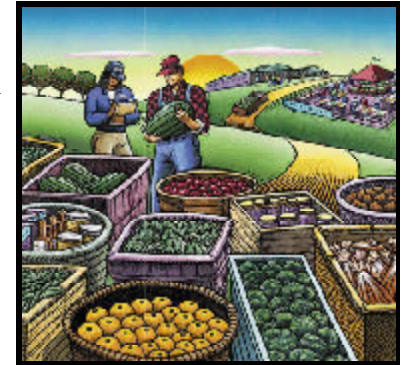
Americans enjoy plentiful supplies of wholesome fruits, vegetables and nuts. To ensure that consumers continue receiving these items economically and with quality assurance, an efficient distribution system is maintained among producers, wholesalers, processors, retailers, and other product handlers in the U.S. food marketing chain.

The Agricultural Marketing Service (AMS) helps to maintain this system by administering programs for industry members. These services, provided in partnership with state organizations, ensure nationwide access and uniformity. They are unlike most government programs because approximately 70 percent of supporting funds are derived from fees paid by users. The remaining 30 percent is appropriated annually by the U.S. Congress.

Market News: AMS' Market News Service provides the timely exchange of information among growers, shippers, wholesalers, and others on product supplies, demand, and prices to aid buyers and sellers in making marketing decisions. Federal and State Market News reporters cover 355 domestic and international markets and report on approximately 400 different fruits, vegetables, ornamental crops, and related commodities. Reports are issued from U.S. terminal and shipping point markets, and are widely distributed by Internet, E-mail, facsimile machines, newspapers and other means. AMS also encourages the increased availability and exchange of market information among foreign countries.

Grading: Certification services provide buyers and sellers with an objective, third-party evaluation of a product's quality and condition. Grading is performed according to U.S. Grade Standards, universally recognized documents that give buyers and sellers a common trade language. Factors such as product color, maturity, sugar and acid content, size, and defects help determine a product's grade. More than 300 standards have been developed

for fresh and processed fruits, vegetables, nuts, and related products.



Grading is voluntary, except when required by specific laws, regulations or government contracts. Anyone having a financial interest in a product may request grading services.

Generic Promotion: AMS oversees the operations of research and promotion boards by industry personnel to ensure they work in the best interest of their grower and handler constituents. Research and promotion programs aim to expand markets for specific commodities on a national basis. Today, active programs exist for cultivated blueberries, Hass avocados, honey, mangos, mushrooms, peanuts, popcorn, potatoes, and watermelons. Boards assess designated segments of the industry to cover costs of market-enhancing activities.

Food Procurement: AMS buys fruit, vegetable and nut commodities from industry vendors and arranges product deliveries to domestic outlets. The program encourages the consumption of healthy food among consumers through the National School Lunch Program and U.S. charitable outlets, and provides relief to farmers and others in periods of product overabundance. In recent years, AMS has purchased around 700 million pounds of product for domestic outlets. Funds are annually appropriated from U.S. Customs Service receipts and other sources.

Marketing Orders: Fruit and vegetable marketing orders give growers of agricultural products the authority to work together to develop dependable markets for their products. Authorized means to achieve this goal include establishing minimum quality standards to keep inferior products from depressing markets, using research and promotion projects, and applying volume controls to stabilize the short-term rate of commodity shipments or allocate supplies between primary and secondary outlets. Currently, there are 35 marketing orders in effect for fruits, vegetables, and related crops -- covering 31 commodities grown in 20 States.

Fair Trade: AMS administers the Perishable Agricultural Commodities Act of 1930 (PACA), a law that prohibits unfair and fraudulent practices in the U.S. produce industry. The PACA program also helps ensure that produce-related assets remain available to pay produce suppliers if a receiver enters bankruptcy proceedings.

Most traders of fresh or frozen fruits and vegetables are required to maintain a valid PACA license, which is issued by AMS. License fees provide the primary means of financial support for the PACA program.

Biotechnology and Identity Preservation: A new service being developed by AMS helps growers, packers and processors assure their customers that conventional and biotech crops were segregated from the time the seed was planted. Federal and state personnel, trained in the latest ISO 9001-2000 principles, will audit a participating facility's operations and records to determine if program standards are met.

Food Quality Assurance: To ensure that the Federal Government purchases food as efficiently and economically as possible, the Government-wide Food Quality Assurance Program coordinates quality assurance and purchase specifications. Working with other Federal agencies, the Fruit and Vegetable Programs manages the governmentwide development, revision, review, approval, and cancellation of Commercial Item Descriptions and Federal specifications for food.

Economic Analysis: Prior to taking program actions that could affect the U.S. produce industry, AMS carefully analyzes economic and market conditions, and considers the impact of those actions. Analysis is done to ensure AMS actions, such as removing product from marketing channels or amending marketing order regulations, do not have negative repercussions on the U.S. produce industry members to whom AMS has dedicated a commitment to support.

Contacts

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