

2009 Government Relations Priorities

December 11, 2008



Dear United Fresh Members:

United Fresh Produce Association is headquartered in Washington, D.C. for one reason – to provide the fresh produce industry with unparalleled access to and representation among federal policy makers! Our goal everyday is to deliver unmatched value to our members in shaping legislative, regulatory, political and legal solutions to challenges threatening the industry's growth and profitability, while developing opportunities for success in your business. With a membership that reaches from the smallest fresh produce growers and family businesses to the largest multinational produce companies and retailers, United Fresh has the unique ability to unite the entire produce community into a common voice before our nation's elected leaders.

Each year United Fresh works with our Board of Directors, Government Relations Council, members and industry partners to evaluate and set our overarching government relations priorities for the upcoming year. It is critical to focus on a core group of issues for maximum impact, while still allowing for some level of action on a wider variety of public policy issues affecting the produce business.

With clear priorities established by our membership, we then devote more than \$1 million annually to a team of government relations, legal and legislative experts with more than 200 years of collective advocacy experience. This commitment to represent your interests is unparalleled in the produce industry. This document outlines the core policy issues that United Fresh will address in 2009.

Fruit & Vegetable Promotion – United Fresh leads the produce industry in shaping nutrition and health policy to drive increased consumption of fresh fruits and vegetables. 2009 promises a multitude of opportunities to build on our past successes and increase future consumption.

- **Shape 2009 Congressional Child Nutrition Reauthorization, setting school meal regulations and food policies for the next five years.** In 2009, Congress will reauthorize all Child Nutrition (school lunch/breakfast, summer food service, child and adult care food program, etc.) and the WIC Program. This legislation will drive child nutrition policy for the next 5 years. United Fresh, in collaboration with the National Alliance for Nutrition and Activity (NANA) Coalition and the Child Nutrition Forum, will work aggressively to secure policies that will increase the availability of fresh fruits and vegetables in all child nutrition programs and increase children's consumption.
- **Ensure that USDA and the states implement the School Fresh Fruit and Vegetable Snack Program effectively, maximizing its impact to increase consumption.** It is anticipated that USDA will issue a proposed rule for the Fresh Fruit and Vegetable Snack program in 2009. United Fresh will collaborate with stakeholders in drafting and commenting on the proposed and final rules.
- **Ensure that USDA, states, local agencies and retailers effectively implement the new \$500 million in Fruit and Vegetable Vouchers in WIC.** After a decade of work, WIC moms and children will finally receive vouchers for fruits and vegetables as part of the WIC Food Packages starting in 2009. WIC moms will

receive a voucher for \$8/month, fully breastfeeding mom's \$10/month, and children \$6/month. All State WIC agencies must implement the new WIC Food Package rule by October 1, 2009.

- **Work with USDA to reform federal food procurement programs to include a greater percentage of fresh fruits and vegetables.** Important changes are occurring with Section 32 funding including increases in minimum purchase requirements (Farm Bill), fresh-cut pilot program for apples, and DOD allocations. Therefore, United Fresh will be implementing a regulatory strategy for procurement requirements that enhance the ability for fresh fruits and vegetables to secure access and funding.
- **Support the 2010 Dietary Guidelines Committee in recommending greater consumption of fruits and vegetables.** The *Dietary Guidelines for Americans* has been published jointly every 5 years since 1980 by the Department of Health and Human Services (HHS) and the Department of Agriculture (USDA). The Guidelines provide authoritative advice for people two years and older about how good dietary habits can promote health and reduce risk for major chronic diseases. They serve as the basis for Federal food and nutrition education programs. The 2005 Dietary Guidelines already recommend the increased consumption of fruits and vegetables, and United Fresh will remain engaged to ensure this language of "eat more fruits and vegetables" remains in the 2010 Guidelines. United Fresh will also focus the attention of the committee on supporting the increased consumption of fresh fruits and vegetables.
- **Develop education and outreach programs for the members to help companies take advantage of the school snack program and WIC fruit and vegetable vouchers.** As with other programs through the Farm Bill, United Fresh will be embarking on a nation-wide education program that will provide important information to produce industry members on how best to participate in providing fresh fruit and vegetables to these important nutrition programs.
- **Work with USDA and states to implement \$20 million pilot program to incentivize food stamp recipients to purchase and consume more fruits and vegetables.** The 2008 Farm Bill provided \$20 million to test methods to incentivize SNAP (formerly food stamp) recipients to purchase and consume more fruits and vegetables. USDA will develop a Request for Applications (RFA) during 2009 detailing the scope of the research. United Fresh will engage with USDA in development of the RFA.

Food Safety – During the past two years, United has monitored and helped block over 100 legislative proposals on food safety in Congress. In addition, United leaders have testified often in Congressional oversight hearings on recent outbreaks, food safety practices and traceability. Yet 2009 promises to bring greater urgency and movement on food safety legislation and regulation that United must address.

- **Shape food safety legislation in the House and Senate to reflect United Fresh food safety policy principles and consensus policy provisions among our membership.** Food safety is the produce industry's top priority. The men and women who grow, pack, and market fresh produce are committed to providing consumers with safe and wholesome foods. However, recent events have led to the produce industry considering what role the federal government should play in managing food safety requirements for produce. While the timing of the

congressional food safety debate is unclear it is critical that the industry deliver a united front on how to best manage produce food safety in what could be a challenging political environment.

- **Ensure that any new regulations proposed and implemented on food safety are based on sound scientific principles and meet produce industry needs.** With the significant role now played by food safety regulatory agencies, United Fresh must continue to shape both current activities and future actions by FDA, USDA, CDC, and state and local food safety authorities. This includes day-to-day interaction on current issues, and longer-term consideration of potential regulatory actions particularly around traceability, third party certification, risk communication, Gaps, industry-regulator interaction. In addition, United Fresh must monitor potential changes to international sanitary and phytosanitary standards and the enforcement of those standards.
- **Work with FDA and CDC to implement a new framework for foodborne illness investigations, applying lessons learned from recent challenges.** We must ensure that industry interaction with food safety regulatory agencies is based on the best scientific, regulatory, legal and risk communications expertise, and that any potential regulatory actions both immediate and long-term are based on enhancing public safety, the safety of fresh fruits and vegetables, and the ability of consumers to enjoy fresh, safe, and healthy products with confidence.
- **Ensure that fresh produce safety research funding is allocated according to industry stakeholders' prioritized needs.** Federal research dedicated specifically to fruits and vegetables food safety is critical in preventing future foodborne outbreaks. With the successful dedication of mandatory funding in the Farm Bill through the Specialty Crop Research Initiative, we have found that the demand outpaces the current funding levels through this important program. However, the Farm Bill allows for appropriators to incorporate additional funding providing an opportunity to enhance research funding targeted for fruits and vegetables. One area United Fresh would like to see additionally targeted funding includes food safety research priorities.

Labor and Immigration – Under President Obama, the industry is likely to face both opportunity and challenge with regard to labor issues. The Obama Administration and Congress are likely to advance some form of immigration reform which will benefit the industry, but at the same time will likely advance union-supported “card-check” legislation that would rob workers of privacy in voting whether to establish a union.

- **Drive new comprehensive immigration reform in Congress, building a new alliance of stakeholders and consensus policies that can actually become law.** We believe comprehensive immigration reform including earned adjustment status with a revamped E-verify program, a temporary worker program and employer sanctions will be considered by the 111th Congress. The industry must push for an immigration reform package that incorporates sound agriculture provisions, pragmatic temporary worker programs, realistic approaches to the current undocumented workforce in the United States, and reasonable requirements on the business sector dealing with employment verification processes. This includes pushing for a vote on the AgJOBS legislation, or as part of comprehensive immigration reform legislation.
- **Join with like-minded stakeholders in opposing card-check legislation.**

The elimination of union employees' right to federally-overseen, secret ballot elections for the purposes of union certification or decertification is a significant issue for the produce industry. The elimination of this right would erode employees' workplace security and upset the important balance between union leadership interests and employers. United Fresh will serve as the leading voice for the produce industry in opposing legislative or regulatory actions that seek to undermine this fundamental right.

- **Continue to address regulatory obligations, such as No-Match, that require employers to act as immigration officials, facing significant penalties from mistakes in social security databases, employee documents, and inadvertent employment of undocumented aliens.** With the impasse of any significant legislative solutions related to immigration reform over the past two years, United Fresh has been working with industry allies to look at regulatory changes that could be implemented to help the produce industry address the current shortage of a viable workforce. This includes recommendations to improve the availability of comprehensive H2-A and H2-B guestworker programs; to ensure the new regulations such as the "no-match" rule is fairly implemented; and help make sure United Fresh members are ready to comply with new regulations related to immigration reform and hiring practices.

Agriculture Policy Issues – During 2009, Congress will conduct a number of oversight hearings and consider technical or substantive changes to the 2008 Farm Bill. These may include reduced funding for important programs or changes in regulations that could burden our industry. United must work diligently to preserve last year's hard-won historic investment in funding to strengthen the produce industry's infrastructure and business competitiveness.

- **Protect mandatory funds from budget cuts and ensure maximum funding for authorized programs through appropriations.** The next President and Administration will need to propose a detailed budget for all programs to be implemented by USDA including any rescissions (reductions in spending) or proposed terminations of programs. In addition the next Congress will develop budget resolutions which could significantly impact spending because those resolutions will take into account projected U.S. deficit spending and the current financial crisis.
- **Ensure wise and effective implementation of core Farm Bill Programs including State Block Grants, Pest and Disease, and Specialty Crop Research.** With the passage of the 2008 Farm Bill, it is now critical to ensure the integrity of these programs are maintained while working with stakeholders and USDA to ensure a comprehensive regulatory infrastructure is established.
- **Ensure that new regulations implemented under the Farm Bill are applied fairly and meet the policy goals of the produce industry, including country of origin labeling, APHIS rules, research programs, planting flexibility and conservation programs.** Each of these policy areas represents important priorities for the produce industry and it will be critical to work with USDA to make certain these programs are implemented in a way that provides appropriate benefits to industry stakeholders.
- **Develop education and outreach programs for members to help companies take advantage of new Farm Bill programs.** Now that the implementation of the Farm Bill is in full swing, United Fresh will be developing outreach information and

programs that will provide members with critical information that will allow them to benefit from these new opportunities.

- **Continue longstanding support for beneficial agricultural chemical registration and MRL policies.** United Fresh has long been a leader in the Minor Crop Farmer Alliance, which advocates for competitive access for producers to agricultural chemicals at reasonable, scientifically-sound maximum residue limits. This activity should continue, as the demands for these products and regulatory pressures upon them, will likely increase in the coming years.
- **Support trade policies that are free and fair to all while enhancing the competitiveness of the produce industry.** Given the increasingly global nature of the fresh fruit and vegetable industry, United Fresh should continue to play a leadership role in ensuring that U.S. trade policy is comprehensive and produces tangible benefits. In particular, phytosanitary policy should continue to be grounded in sound-science. Additionally, green box programs, such as the Market Access Program, should continue to receive full funding as stipulated in the Farm Bill.

Supply Chain Policy Issues – With the growing and critical importance of transportation, fuel costs, product traceability and other supply chain issues, United Fresh has launched a new program to assist members in supply chain management. Several policy battles in Congress rise in importance in 2009.

- **Ensure efficient and cost-effective operation of PACA, produce inspection, and all USDA AMS user fee programs to meet the needs of the produce industry.** These programs serve as the foundation of government's role in maintaining a strong and commercially viable fresh produce industry in the United States. United Fresh will continue to play an active role to ensure that these programs are strongly supported by the membership.
- **Take an active role in Congressional reauthorization of the Highway Transportation Bill, protecting and advancing produce interests.** The next Administration will likely propose to the Congress a massive highway bill containing issues related to truck border crossings; reducing congestion on interstate roads; truck weight and length requirements; driver safety (such as hours of continuous operation by drivers); truck inspections and permits; uniform rules; and environmental requirements such as average miles/gallon mandates. The current highway bill expires next year and the next one will likely be for five years.
- **Join with like-minded stakeholders in supporting increased truck weights.** In order to maintain the competitiveness of U.S. producers, suppliers and transporters, it is essential to address outdated federal regulations, and uneven state regulations relating to truck weights. The modernization of these regulations should include; allowing states to authorize 6-axle, 97,000 pound tractor semi-trailers, lifting the arbitrary 80,000 lbs gross vehicle weight for five axle combination vehicles, and enhancing the ability of transporters to utilize longer combination vehicles (LCVs) where appropriate, consistent with appropriate safety considerations.
- **Monitor energy policy and global warming/sustainability debates and be prepared to advance produce industry interests if needed.** The Congress is likely to actively consider, and perhaps enact, major cap-and-trade climate change

requirements which will require businesses which emit carbon and other greenhouse gas emissions to pay for those emissions (either through a tax or through auctions to purchase credits or allowances for permission to emit those gases into the atmosphere). This would impose additional costs on companies involved in transporting products (the use of gasoline or diesel fuels emits carbon and other greenhouse gases) or engaged in other activities which emit these gases above levels to be set by the Congress. The next Administration could also propose major legislation in this area. United Fresh will work to minimize the potential negative economic consequences of those initiatives and seek potential benefits for the produce industry (eg; carbon credits derived from sequestration activities).

- **Ensure that traceability requirements are not inserted into transportation legislation.** Despite concerns by some, there is currently a robust traceability infrastructure throughout the entire produce distribution chain which needs to be better understood and recognized by policy officials. In turn, any legislative initiative should support these current traceability programs and focus more on ways to provide effective crisis management operations amongst federal regulators.