



NEWS RELEASE For Immediate Release, April 17, 2020

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Fruit and Vegetable Industry Targeted for \$2.7 Billion in Financial Relief

WASHINGTON, D.C. (April 17, 2020) – Today, the President and USDA Secretary Sonny Perdue announced some \$2.7 billion in financial support targeted to the fruit and vegetable industry in response to the overwhelming losses from the COVID-19 emergency. That support is divided with \$2.1 billion allocated for direct payment to growers, and \$100 million per month for the next six months in produce purchases.

“From the moment that the foodservice channel was shut down, we’ve worked hard with our members and allied produce associations across the country to formulate a plan for the government to help those who have been hit the hardest,” said Tom Stenzel, President & CEO of United Fresh.

“Working together with the co-chairs of the Specialty Crop Farm Bill Alliance – Florida Fruit and Vegetable Association (FFVA), National Potato Council (NPC), and Western Growers (WG) – we have collectively developed specific proposals supported by the broad fruit and vegetable industry to outline our needs to USDA and the Administration.”

“The damage to Florida producers of fresh fruits and vegetables has been swift, staggering and devastating,” said Mike Joyner, president of FFVA. “Florida specialty crop growers have suffered more than \$520 million in losses for this season. The programs announced today do not reach a level that would benefit Florida specialty crop producers at the level that is desperately needed. This is a first step, but much more is needed to ensure that a key driver of Florida’s damaged economy can return to strength.”

“The U.S. potato industry is \$4 billion annually with 60% of that total involving food service,” said Kam Quarles, CEO of FFVA. “Potato growers appreciate Secretary Perdue’s rapid action intended to stabilize family farms whose survival is threatened due to the mandated food service shutdown. Today’s announcement is a down payment on those efforts that will require additional resources and flexibility to deliver the necessary relief for our great potato industry.”

“Farmers who provide our fresh fruits, vegetables and tree nuts have suffered massive economic damage, triggered by the nearly complete shutdown of the food service sector,” said Dave Puglia, CEO of WG. “This crisis threatens to put thousands of farmers and associated companies out of business. The relief package announced today by President Trump and Secretary Perdue provides a very limited and conditioned first injection of \$2.7 billion in financial assistance for the fresh produce industry until the economy regains its footing. Clearly, far more will be needed with more reasonable limits.”

“We appreciate the steps taken today, but also must reinforce to Congress that the funds available to agriculture are simply inadequate to keep our industry strong into the future. The programs announced today will limit our ability to reach those who were most impacted by the tragic events around the COVID-19 pandemic,” Stenzel said.

These funds came from the bipartisan Coronavirus Aid, Relief, and Economic Securities Act (CARES) passed by Congress on March 29 to support the overall economy. With small business loans being tapped out and other funding inadequate, another financial relief bill is now being considered in Congress.

Details of the fruit and vegetable package include the following:

- \$2.1 billion in payments to growers and grower-shippers of fresh produce for demonstrated losses caused by the COVID-19 pandemic, with a commitment to relieve the debts of PACA-licensed buyers for losses covered by government payments.
- \$100 million/month for the next six months in a new “Buy Fresh” program funded through the Families First Coronavirus Response Act in which the federal government will purchase fresh produce and pay for its delivery to food banks, curbside school pick-up sites, and other non-profit institutions.

“Our coalition has begun to work immediately with USDA and our allied partners to ensure that these programs address the most urgent needs for the industry,” said Stenzel. “Also, we’ll continue our push with Congress to allocate the resources needed to support our industry.”

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