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United States Senate

WASHINGTON, DC 20510-3205

September 24, 2019

The Honorable George Ervin "Sonny" Perdue III
United States Secretary of Agriculture
Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Perdue,

I write to request that you conduct a review of the American fresh fruit and vegetable industry in order to ensure the sustainability and profitability of American fruit and vegetable producers. A systemic review of the produce industry was last conducted nearly three decades ago. That report, authored by the Secretary of Agriculture with the support of Agency staff of the Environmental Protection Agency, the Department of Health and Human Services, the Department of Commerce, the Department of Labor, and the Department of Education, served as the foundation for federal policy created to support fresh fruit and vegetable producers and meet the needs of consumers. Since then, we have seen transformational change in farming technologies, nutrition science, market structures, and consumer behavior. What has changed far less are the prices paid to specialty crop farmers at the farm gate. Persistent, low prices leading to the loss of small family farms is unsustainable and poses a risk to our food security as we rely more on the production to foreign nations leading to our current \$2.1 billion dollar fruit and vegetable trade deficit.

My state of New York lost nearly 2100 farms (6 percent) from 2012 to 2017 and nearly 11,000 acres were taken out of vegetable production. A review of US Bureau of Labor Statistics and National Agriculture Statistics Service data shows that prices paid to farmers for many important NY fresh market specialty crops – apples, snap beans, cabbage, and broccoli – have lagged behind the terminal market prices. While there has been a small increase in the number of fruit and vegetable farms during this time, all of this growth has been through the addition of very small farms – less than 5 acres for vegetables and orchards less than 1 acre – many of which sell directly to consumers bypassing the wholesale market entirely.

In the last 20 years, many farmers have benefitted from powerful new tools and expanded market reporting that increased transparency and price discovery. However, the specialty crop industry has lagged behind and an incomplete understanding of structural market forces and limited pricing data has created too much uncertainty for our growers. In short, produce farmers struggle to know if the price offered for their crops is fair and plan for the years ahead. Therefore, I request that the USDA

undertake a comprehensive review of the produce industry, at the farm, middle market, and retail levels with a specific emphasis on the effects of:

- Fewer buyers and brokers at the wholesale market level
- Increased concentration and consolidation in the food retail market
- Incomplete tools for timely produce price discovery
- Changes in consumer demand for new varieties and forms of processing
- Complex labor demand and uncertain agricultural visa policy
- Limited adoption of automating technologies for planting, weeding, pruning, and harvesting
- Integration of packing operations into farm businesses
- Increasing number of market orders
- Expanded food safety and recall notification requirements
- Utilization of new technologies like online auctions by large, integrated retail chains
- Increased production of organic specialty crops

For more than 150 years, the staff of US Department of Agriculture have worked to ensure that farmers have the tools they need to grow, harvest, and market their crops and supported profitable, sustainable farm operations. For more than 100 years, USDA researchers have worked to better understand human nutrition and communicate what constitutes a healthy diet to their fellow Americans. It is time that we reexamine the industry and recommit to ensuring the sustainability and profitability of fruit and vegetable growers and every American's access to safe, affordable, health produce.

Sincerely,



Kirsten Gillibrand
United States Senator