



UNITED  FRESH
PRODUCE ASSOCIATION



Blazing a Unique Path for Specialty Crops

2021 USDA Agriculture Outlook Forum
February 19-21, 2021

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The logo for the United Fresh Produce Association, featuring a background of fresh green leafy vegetables like lettuce and spinach. The text "United Fresh Produce Association" is written in a bold, white, sans-serif font across the bottom of the image.

United Fresh Produce Association

Today's Discussion

- A little bit about United Fresh
- A look back at 2020 and its implications
- What is happening today
- How do we learn from the challenges over the last year



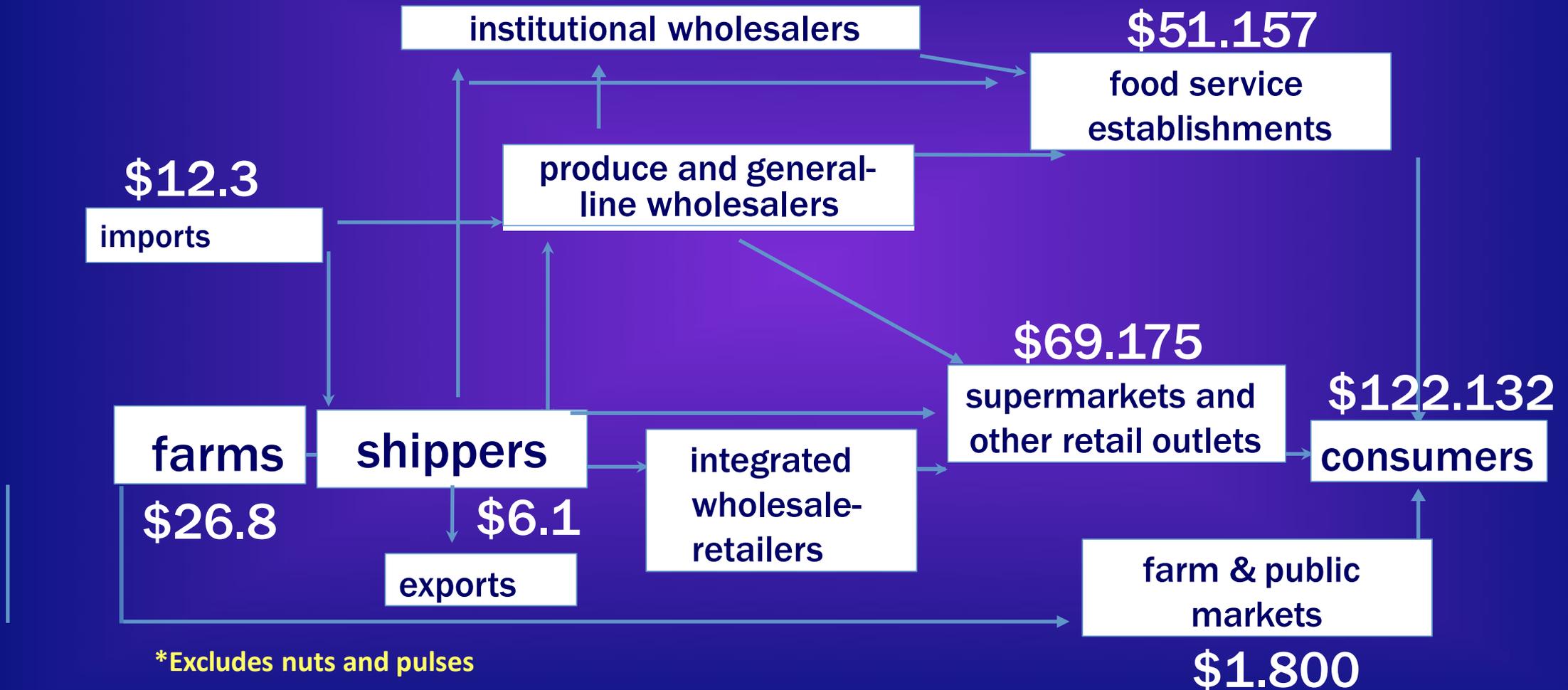
About United Fresh

- Founded in 1904
- Headquartered in Washington DC
- 1,700 companies; 10,000 individuals
- More than 140 commodity boards; local, regional, national, international associations
- Members in every state, 25 countries
- 300 volunteers on boards, councils
- We bring together the total produce industry supply chain
 - Growers, wholesalers, fresh processors, distributors, retailers, restaurants, service providers, allied associations



U.S. Fresh Fruit and Vegetable* Value Chain

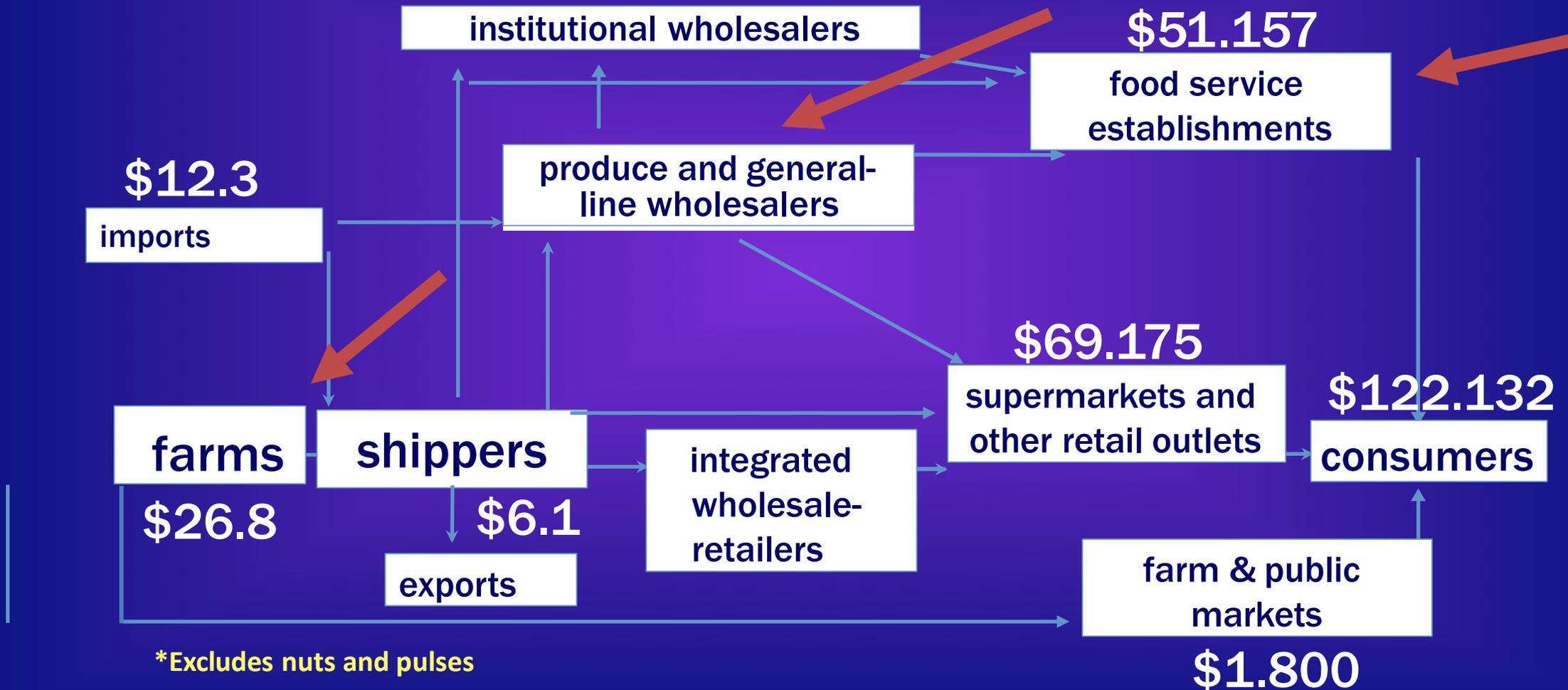
Estimated Sales (Billions)



Source: Cornell and UC Davis compilations based on US Census, ERS/USDA, NASS/USDA and other data. Preliminary estimate.

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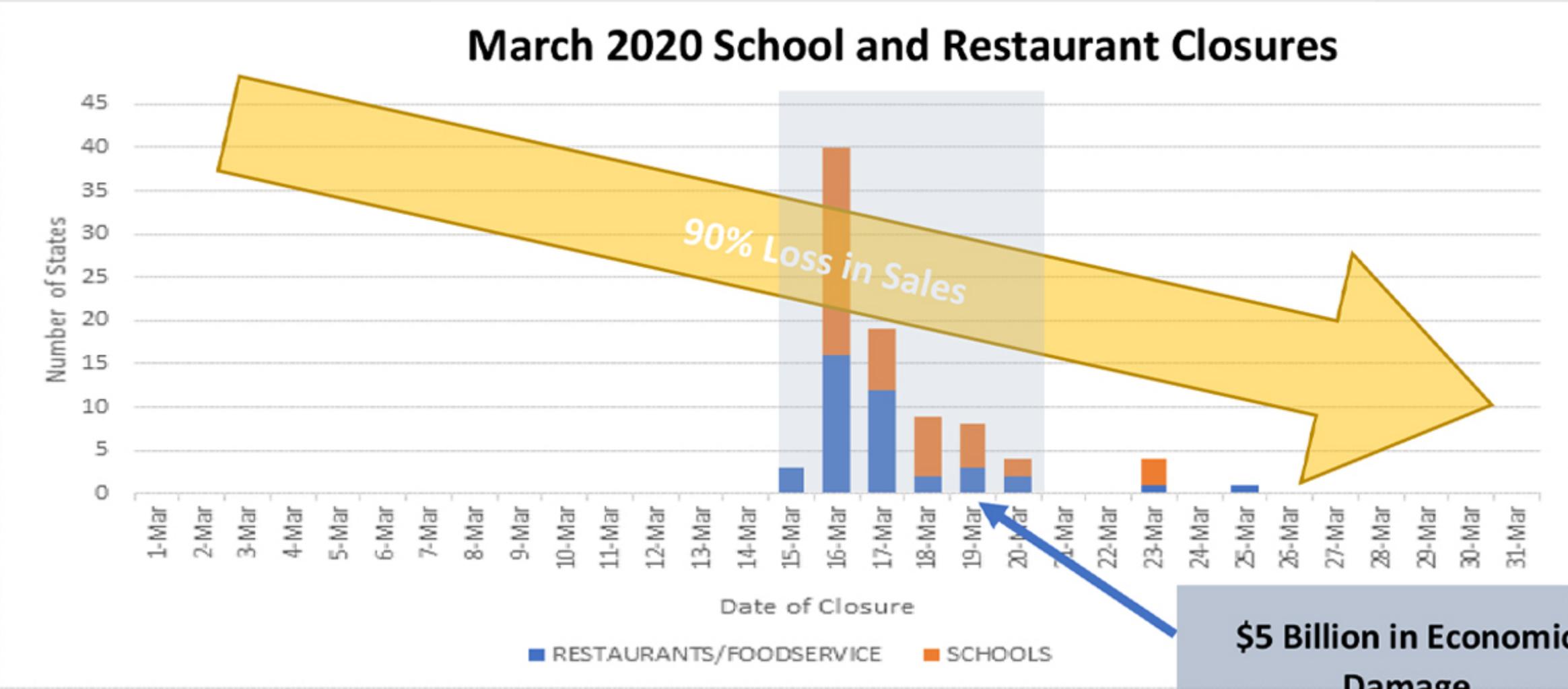


*Excludes nuts and pulses

Source: Cornell and UC Davis compilations based on US Census, ERS/USDA, NASS/USDA and other data. Preliminary estimate.

COVID-19 IMPACT ON FRESH PRODUCE INDUSTRY

March 2020 School and Restaurant Closures



\$5 Billion in Economic Damage

40% of all Fresh Produce Goes to Foodservice

STATEWIDE RESTAURANT CLOSURES
March 27, 2020



● Dine-in closed statewide ● Capacity limit set on dine-in
● Limits by county ● No statewide dining restrictions

Source: Restaurant Business
Data updated March 27, 2020
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**100 MILLION
MEALS A DAY NOT
BEING SERVED**



**\$225 BILLION IN
LOST SALES OVER
THE NEXT THREE
MONTHS**

STATEWIDE K-12 SCHOOL CLOSURES



● Closed for the academic year ● Entire state closed or scheduled to close
● Some districts in state closed or scheduled to close

Source: Edweek.org
Data updated March 26, 2020
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**45 MILLION SCHOOL
MEALS A DAY NOT
BEING SERVED**



**\$22.8 BILLION FOR
K-12 OF LOSS
BUSINESS**

\$1 BILLION IN LOST SALES A WEEK

What We Learned

- Produce industry has distinct supply chains
- Food service product is difficult to divert into retail supply chain
- New sales relationships don't happen overnight
- Retail supply chain could not adapt fast enough to consumer panic buying
- Unpaid invoices still a concern for entire supply chain



Tools of the Trade – Government

- Paycheck Protection Program – \$2.7 billion to over 2,800 produce operations
- CFAP – \$650 million in payments to 13,000 growers
- Farm to Families – 200 growers and distributors delivered over \$1.7 billion in fresh produce to those most in need



Tools of the Trade – Industry

- Diversity of Offerings – Family Packs, Grab and Go, Carry Out.
- New Product Lines – What customers want and need
- Diversification of customers – Can't just focus on one sector of supply chain
- Reduction of Acreage & Certain Crops



What's Happening Today

- Light at the end of the tunnel
- Realization these are long term changes
- Pent Up Demand is there
- Fresh Produce is eaten mostly in restaurant setting



Looking Forward – Making a Difference

Government Partnerships are critical

- Farm to Families – New way to look at government distribution of healthy foods
- Labor Demands – Availability and Safety of our workforce is essential; new technologies
- Reexamining Nutrition Priorities – The impact of acute challenges related to COVID
- Food Safety Practices – We must continue to build consumer confidence



Looking Forward – Making a Difference

Industry Adaptation is Necessary

- How will restaurants recover and what will they look like
- Building back a business model that is sustainable
- Ability to react to sudden changes to the supply chain



Final Thoughts

There is no one size fits all

- Different states, commodities, regions need local, state, regional, broad based solutions
- Expansion of current federal efforts are important
- Moving from company support to worker support
- Long-term research on supply chain, especially in the food service side, is critical



Thank You!

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