

## Testimony of Bret Erickson

Senior Vice President, J&D Produce Inc.

House Agriculture Subcommittee on Livestock and Foreign Agriculture

Hearing on “Safeguarding American Agriculture from Wild, Invasive, and Non-Native Species”

November 14, 2019

Hello and Good Morning Chairman Costa, Ranking Member Rouzer and committee members. My name is Bret Erickson and I am Senior Vice President at J&D Produce Inc. I have worked in agriculture my entire career. Prior to joining J&D, I was President & CEO of the Texas International Produce Association for almost 6 years and I am quite familiar with the challenges you are exploring here today, specifically as it relates to the fresh produce industry.

We are a family owned business headquartered in Edinburg, Texas in the Rio Grande Valley. Our owners, Jimmy & Diane Bassetti moved from Vineland, New Jersey to Texas to start the business in 1986. J&D is truly an American Dream story. We are a grower/packer/shipper of fresh greens, sweet onions, cabbage, and melons. To give you an idea of the diversity of crops we grow, we produce almost 40 different types of greens such as kale, chards, collards, beets and herbs to name a few.

We farm approximately 6000 acres in the Rio Grande Valley. We also have growing and packing operations in Deming, New Mexico, Vidalia, Georgia, Vineland, New Jersey, Peru, and Mexico. We are a year-round operation and we employ approximately 180 full time employees in the US. That number will swell to over 500 when you include our seasonal employees when we are in full production, as we are right now. This number is closer to 750 when you include the harvest crews that are managed by Farm Labor Contractors.

Our business is quite complex, and we have several serious challenges that prevent us from growing the business as quickly as we would like to, labor being number one, but trade, water, food safety, and transportation are not far behind. I would be remiss if I did not mention how badly we need labor reforms and I must take this opportunity to ask you all to support the “American Farm Workforce Modernization Act.” We desperately need these changes as our business and many others like us are suffering from a severe labor crisis that threatens our ability to maintain let alone grow a sustainable farming business.

As I mentioned, we have growing and packing operations in Peru and Mexico. We own farms in Peru and we have grower partners in both Peru and Mexico who we provide seed, supplies, and funding to grow some of our crops when our domestic operations are not in production. This is an important distinction, as we use imports to complement our overall business to supply our customers with product year-round when we are not in production in our domestic locations.

Our customers include wholesalers and foodservice companies, but our primary business is dealing with retailers who sell direct to you, the US consumer. Some of our customers include HEB, Wegmans, Publix, Meijer, Kroger, Albertsons and Wal-Mart to name a few.

We also export a fair amount of business to some Canadian retailers, such as Loblaw and Sobeys. We are truly an international farming and packing operation and because of that, the flow of our product, and consequently the quality and freshness of our perishable commodities are in the hands of the federal

agencies who are responsible for inspecting product as it crosses the border. Additionally, the security of our domestic farms, particularly in Texas, are at risk of being attacked by invasive pests and diseases.

In Texas, we have seen double digit increases year over year for the last decade for volumes of fresh fruits and vegetables. This is a bittersweet figure. J&D has increased the volumes of our own imported products for several reasons. One, that our business is growing and demand for fresh fruits and vegetables continues to grow, why? Simply because the population is growing and there are more mouths to feed. But we also have to import more product because we don't have the labor to harvest the volumes that are demanded by our customers.

The increase in imports does create a positive economic impact for our country. It also means that US consumers are able to purchase whatever item they want, be it strawberries, celery, cilantro, or cantaloupes every single day of the year. The downside is that the ports are overloaded with product, which has grown by leaps and bounds. Not only have the volumes exploded, but the variety of products, new exciting items that we have not seen before, which are coming from new regions of Mexico and other parts of the world bring with them new pests and diseases that we have never seen.

And while this exponential growth in import volumes has occurred, federal agency staffing levels have not grown accordingly, creating bottlenecks and delays that can range from a few hours to 4-5 days, at times rendering entire loads of product useless or headed to the food bank as a donation because the quality has deteriorated to the point we can no longer send it to our customers without it being rejected.

With respect to this hearing today, I am here to ask the committee to find a way to secure additional resources that will put more manpower at our ports of entry. Specifically, we need more USDA APHIS Insect Identifiers and CBP Ag Specialists. Furthermore, I would like to request that more time and attention from USDA APHIS be directed towards training CBP Ag Specialists on insect identifications AND that USDA grant more authority to well-trained CBP Ag Specialists to make identifications and make a determination if an insect is "good" or "bad".

There have been some improvements over the years as USDA has trained and authorized CBP Ag Specialists to make identifications, but we need more of this, and we need more insect identifiers and more CBP Ag Specialists. Trade volumes will continue to grow at fast pace because the demand for food will continue to grow as the population grows. And as the population grows, that means that farms turn into subdivisions and shopping malls, not to mention the struggles we as growers face to find labor and remaining cost competitive in a global market place where we pay \$12 an hour versus our competitors in other countries, who pay \$12 or less per day.

The challenges I detailed above are just some of the reasons I and the produce industry strongly support the Protecting America's Food and Agriculture Act of 2019. This legislation (H. R. 4482/S. 2107) sponsored by Rep. Filemon Vela (D-TX), has the support of Chairman Costa, Chairman Peterson, Senate Chairman Roberts and Ranking Member Stabenow and it recognizes the challenge the fresh produce industry faces. As you may know, the bill authorizes U.S. Customs and Border Protection to hire, train, and assign 240 new agricultural specialists a year until they meet the requirements established by the Agriculture Resource Allocation Model. The bill ensures that the assignment of such specialists be done based off need and the predictable surges that occur at certain ports of entry during certain times of the year. This legislation represents a significant step in the right direction.

As a domestic based grower shipper, it is unfortunate, but it is a fact that our ability to grow the business is limited to some degree by what happens here in Washington DC. I am here to ask for your help to be part of a solution to help keep American fruit and vegetable growers in business and to ensure that American agricultural interests are protected from the threat of invasive pests and diseases.

Thank you

**Table 1. U.S. Imports of Fresh Fruits and Vegetables from Mexico by Truck, 2007 - 2018**

*40,000 Lb. Units*

	<u>Texas</u>	<u>Arizona</u>	<u>California</u>	<u>New Mexico</u>	<u>Total</u>
2007	101,025	112,327	43,264	4,378	260,992
2008	105,522	115,609	45,713	4,304	271,147
2009	123,777	113,495	49,417	6,938	293,627
2010	133,039	136,031	53,849	6,462	329,381
2011	148,331	118,389	54,479	6,496	327,694
2012	158,968	130,019	60,006	10,154	359,147
2013	171,064	134,168	58,638	10,355	374,224
2014	172,648	130,549	57,989	9,594	370,779
2015	209,817	147,191	64,882	9,484	431,373
2016	221,662	160,602	68,237	13,254	461,505
2017	236,397	159,355	73,166	10,581	479,499
2018	246,143	156,380	70,490	11,008	484,021
<b>1-Year Growth Rates</b>					
2018/2017	4.1%	-1.9%	-3.7%	4.0%	0.9%

**12-Year Growth Rates**

	<u>Texas</u>	<u>Arizona</u>	<u>California</u>	<u>New Mexico</u>	<u>Total</u>
2007 - 2018 Growth	143.6%	39.2%	62.9%	151.5%	85.5%
Average Annual Growth Rate	12.0%	3.3%	5.2%	12.6%	7.1%

Source: Agricultural Marketing Service, USDA

# U.S. Imports of Fresh Fruits & Vegetables from Mexico by Truck

Source: Agricultural Marketing Service, USDA

