



March 27, 2008

Mr. Vincent J. Fusaro
Section Head
Standardization Section, Fresh Products Branch
Fruit and Vegetable Programs
Agricultural Marketing Service
U.S. Department of Agriculture
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Re:

U.S. Standards for Grades of Table Grapes (European or Vinifera Type)
Docket # AMS-FV-07-0140
Federal Register, Vol. 73, No. 38, February 26, 2008, pages 10185-10187

Dear Mr. Fusaro,

The North American Perishable Agricultural Receivers (NAPAR) is a national trade association located in Washington, DC, representing independent produce wholesale receivers. NAPAR members are predominantly small businesses with combined annual sales in excess of \$4 billion. NAPAR formed an operating alliance with the Food Marketing Institute in 1999, enabling it to function independently while expanding the services to its members.

On behalf of our members, I appreciate the opportunity to submit comments to USDA and hope our perspective is helpful in determining if there is a need to proceed with a revision to the U.S. Grade Standard for Table Grapes.

NAPAR surveyed its members, soliciting their input on the probable impact these changes would have on their business operations. Members responded with very strong opposition to the proposal because it would establish a special 5% allowance for shattered table grapes in consumer containers for en route, or at destination. Its impact would not only affect shatter, this proposal also raises the tolerance level for other defects, like scarring and discoloration. Moreover, the independent wholesale/terminal market segment is disproportionately impacted and the proposal does not take into

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account recent scientific research, indicating shattered table grapes are more susceptible to microbiological contamination, resulting in reduced shelf life. Overall, this proposal will have a negative impact on our members and significantly weaken the U.S. No.1 Grade.

PACA Good Delivery Tolerances

Under this proposal, shattered berries would not be scored against the current 12% total tolerance for defects in the U.S No.1 grade until the amount of shattered berries first exceeds the special 5% allowance, thus increasing tolerance to 17%. An additional tolerance of 3% would be added to the total in situations where PACA “good delivery” tolerances apply, for a grand total of 20%.

As wholesale receivers, our members would be held to the U.S. Grade Standards and have to accept from 17% to 20% shatter at the wholesale receiving point. Additional time would be required for them to resell the grapes to a retailer, during which time the shatter process will continue. By the time the grapes make it through the retailer’s distribution process, several days could pass. It is entirely possible that shatter could far exceed 20% by the time the grapes are purchased by a consumer.

Tolerance Increases for Other Defects Too

Currently, in order to meet U.S. No.1 Grade, the tolerance allows for 12% total defects. Grapes arriving with 5% shatter can also have up to 7% of additional defects like scarring and discoloration and still pass inspection.

Under this proposal, up to 5% shatter wouldn’t be scored, which means that up to 12% (15% for “good delivery”) of the grapes could also have defects such as scarring and discoloration, and the load would still qualify for U.S. No.1.

Independent Wholesale Receivers would be Hardest Hit

A sizeable majority of table grapes in consumer packages are being sold through the larger retail chains and major wholesale companies, which typically have their own specifications regarding the amount of shatter and other defects they will accept. Most of their specifications are far more stringent than those required in the US #1 grade. Grapes not meeting these tight corporate specifications likely end up in the hands of smaller independent wholesale receivers. These receivers, because of market pressures, are held to the U.S. Grade Standards. Therefore, increasing the tolerance for shatter/defects in the U.S. #1 grade will have disproportionately higher impact on independent wholesale receivers. The aggregated volume of the independent-wholesale-receiver channel represents a relatively small percentage of the total volume of table grapes sold in consumer size containers.

More Susceptible to Microbiological Growth and Reduced Shelf Life

Experience has taught our members that shatter table grapes have a shorter shelf life than those remaining firmly attached to the stem. For this reason, loads containing higher

amounts of shatter command lower prices in the market than those with very little. Grapes that naturally detach from the stem are past their prime and beginning their slide toward spoilage and decay. As shatter berries age, we now know they are more susceptible to microbiological contamination, which further reduces their shelf life.

In the absence of any other scientific information on table grape shatter, NAPAR commissioned Deibel Laboratories to conduct microbiological tests on 14 varieties of table grapes to determine any differences in microbiological growth between shatter and bunched grapes. These tests revealed a noticeable difference at refrigerated temperatures and determined that shatter grapes provided greater opportunity for bacterial growth and therefore shortened shelf life. The Deibel Laboratories study is also submitted for your evaluation.

A 5% Allowance Weakens the Standard

Adding a 5% allowance for shattered berries to an existing tolerance of 12%, amounts to a whopping **41.7%** increase in allowable shatter/defects for the U.S.No.1 Grade. An earlier proposal to create a special 10% allowance for shatter was withdrawn by USDA on 6/29/07. In its own statement in the Federal Register at that time, USDA, AMS indicated that a 10% allowance for shatter would “weaken the standard and reduce consumer confidence of the grade.” Although a 5% allowance would only weaken the standard half as much, it still weakens it - by up to 41.7%.

I don't believe proponents of this proposal intended to put independent wholesale receivers at a distinct competitive disadvantage, nor did anyone intend for the proposal to increase the tolerance for defects other than shatter, but those are the consequences. No one benefits by trying to force consumers to accept containers of table grapes with 20%, or more, rolling around the bottom of bag. We all lose when the integrity of the grade is weakened.

I hope these insights are helpful and please feel free to contact me directly if NAPAR can provide further assistance during this process

Sincerely,



Patrick A. Davis
President

Attachment