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Chile pepper grower seeks support for improved grades and standards for category

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A Florida-based grower-shipper of chile peppers is lobbying the U.S. Department of Agriculture's Specialty Crop Division to establish a USDA Grade and Delivery standard for the category, positing that it will benefit the industry at large.



Steve Veneziano, vice president of sales and operations for Oakes Farms, based in Immokalee, FL, said the company grades its own chile peppers as everyone else does Bell peppers, with grades of Fancy, No. 1 and No. 2 quality. He believes that if all shippers followed similar guidelines, the chile pepper category would benefit.

“With no grade contract established, the chile pepper category is fairly stagnant because they don’t have the proper sell-through, they have a lot of shrink, and produce managers don’t want to merchandise them because it’s a high-shrink category,” he said. “And especially during transitional times, some shippers mix No. 2s and poor-quality peppers in the box and they get away with it. Having a grade contract would eliminate that and help the entire industry. The chile pepper category has evolved tremendously over the past five years, and this is what it needs to continue moving forward.”

Veneziano said he recently contacted Jeffrey Davis, business development specialist with the USDA’s specialty crop program, who confirmed that grades and standards currently exist only for sweet peppers, and was told he would need to drum up support from the industry to move forward with his petition.

John Guerra, head of Eastern vegetable sales for S. Katzman Produce in the Bronx, NY, said he is in “100 percent in support of the petition.”

Guerra said the lack of quality standards for various hot peppers has really affected what the consumer thinks a hot pepper or varietal pepper should look like because there is very little restriction.

“Particularly from a terminal market point of view, on a tightly allocated market, everything goes into a box without any consideration on quality or grading, and you pass this along to a consumer who is expecting a certain quality, and it is frustrating,” said Guerra. “We went through a winter of some very unusual weather patterns in Florida, which created some limited availability. While many other grower-shippers were putting anything and everything into a box, Steve was separating them and giving us differentiated product. I feel very lucky that we had Oakes in our portfolio. It’s all about integrity, and Oakes is upholding something that isn’t being followed by all of the industry.”

Guerra said he would be interested in petitioning USDA in support of this movement.

Alan Goldberg, owner of A&B Tropical Produce in Miami, is another proponent of the concept, stating it is “long overdue” to have grading standards for the chile pepper industry.

“When issues come up, there needs to be something solid that people can rely on,” said Goldberg. “The chile pepper category is a growing category and the industry needs this. Really, every item should have a grade standard.”

Asked what benefit the grading standards would bring to the chile pepper industry, Goldberg said, “I think it will create confidence all across the board with both buyers and sellers, who will feel better that there is some protection down the line when it comes to settling disputes. It will limit the grey area. To me, anyone not in favor of implementing grade standards is unscrupulous. Why wouldn’t you want law and order?”

Goldberg said that he, too, is planning to contact USDA in support of this initiative. “I’ll do whatever I can to help promote this situation,” he said.

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