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USDA restricts PACA violators in California, Florida and Texas

November 30, 2020

The U.S. Department of Agriculture (USDA) has imposed sanctions on five produce businesses for failing to meet contractual obligations to the sellers of produce they purchased and failing to pay reparation awards issued under the Perishable Agricultural Commodities Act (PACA). These sanctions include suspending the businesses' PACA licenses and barring the principal operators of the businesses from engaging in PACA-licensed business or other activities without approval from USDA.

The following businesses and individuals are currently restricted from operating in the produce industry:

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- AM Group Inc., operating out of Fresno, Calif., for failing to pay a \$73,275 award in favor of a California seller. As of the issuance date of the reparation order, Christopher A. Kim was listed as the officer, director and major stockholder of the business.
 - Suncrest Produce Solutions, operating out of Winter Haven, Fla., for failing to pay a \$26,650 award in favor of a Virginia seller. As of the issuance date of the reparation order, Jason D. Turner was listed as the officer, director and major stockholder of the business.
 - Andean Fresh Fruit Corp., operating out of Opa-Locka, Fla., for failing to pay a \$33,456 award in favor of a Florida seller. As of the issuance date of the reparation order, Matias Espinosa was listed as the officer, director and major stockholder of the business.
 - McFooddist LLC, operating out of Orlando, Fla., for failing to pay a \$16,246 award in favor of a New York seller. As of the issuance date of the reparation order, Maurie S. Franco and Galo Franco were listed as managers and members of the business.
 - Valvilla Produce LLC [BB #:341300](#) operating out of Pharr, Texas, for failing to pay a \$19,880 award in favor of a Florida seller. As of the issuance date of the reparation order, Luis A. Valencia Villa was listed as the manager and member of the business.

PACA provides an administrative forum to handle disputes involving produce transactions; this may result in USDA's issuance of a reparation order that requires damages to be paid by those not meeting their contractual obligations in buying and selling fresh and frozen fruits and vegetables. USDA is required to suspend the license or impose sanctions on an unlicensed business that fails to pay PACA reparations awarded against it as well as impose restrictions against those principals determined to be responsibly connected to the business when the order is issued. Those individuals, including sole proprietors, partners, members, managers, officers, directors or major stockholders, may not be employed by or affiliated with any PACA licensee without USDA approval.

By issuing these penalties, USDA continues to enforce the prompt and full payment for produce while protecting the rights of sellers and buyers in the marketplace.

For more information, contact John Koller, Chief, Dispute Resolution Branch, at (202) 720-2890, by fax at (202) 690-2815, or PACAdispute@usda.gov.

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