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Updated: Industry agrees with PMA-United Fresh co-CEO assessment

By

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April 6, 2021

In announcing the blockbuster merger of the United Fresh Produce Association and the Produce Marketing Association, the leadership for both associations, which includes the co-CEOs that will be running the new merged organization in 2022, have emphasized that “Better Together” is both its

mantra and its marching orders. The industry seemingly agrees.

PMA and United's top staff and volunteer leaders [outlined their vision March 31](#) and then reiterated their goals with the industry's press corps in a Q&A session on Thursday, April 1. At the same time, *The Produce News* reached out to many industry observers and leaders to weigh in on what the merger might mean to them. Overwhelmingly, the industry expressed support for the merger and expressed very little downside. The consensus opinion seemed to be that it was long overdue.

In their press briefing, United Chair Michael Muzyk of Baldor Specialty Foods and CEO Tom Stenzel, along with PMA Chair Dwight Ferguson of the California Agricultural Leadership Foundation and CEO Cathy Burns, took a more measured approach indicating that timing just wasn't right when earlier efforts over the past couple of decades failed to result in a merger. But they left little doubt that the success this time occurred largely because the two CEOs work well together and have a great relationship. The latest effort began about six months ago when the two CEOs began discussing the possibility. They apparently quickly worked out the staff leadership issue, which has long been rumored to have been the major stumbling block during the earlier efforts. The new organization will formally begin its life Jan. 1, 2022 with Burns and Stenzel acting as co-CEOs for one year. On Jan. 1, 2023, Burns will move forward as the sole CEO. Stenzel told the press that his focus over the next 21 months is on making the resulting organization the best it can be, and he will consider 2023 and beyond at a later date. He did say that if Burns wanted to keep him on in some capacity, he would be open to that.

Burns endorsed the concept of a one-year co-CEO transition period, noting that it is much better than the typical scenario of one CEO exiting the building before the next one comes in. She said she planned to use 2022 to rely heavily on Stenzel's experience and garner all the knowledge she can from his more than quarter century at United's helm.

The colorful Muzyk did note that the new association, which has not yet been named, will be new. "It will be a new donkey," he said, "not the same donkey with a different saddle."

Over the next nine months, the new association will be designed, and governance issues worked out. Stenzel expressed hope and optimism that the two future CEOs can be standing together on the stage during PMA's Fresh Summit in October in New Orleans and announce the details together. They were clear that the new organization will represent the global produce industry, but that it will maintain a strong government affairs program in Washington, DC, specifically representing the needs of the U.S. fresh produce industry to legislators and regulators.

Collectively, the industry appears to agree that the merger is an excellent idea. The major concerns expressed were about how the new organization would operate and if indeed it would result in added value to the industry. Below are some of those comments, edited and paraphrased for brevity and clarity. The Produce News continues to collect industry comments on this subject. ***If you'd like to weigh in, please email your thoughts to tim.linden@ymail.com.***

Kevin Moffitt, president and CEO, Pear Bureau Northwest

"Having followed this for decades, I can recall three different attempts to make this merger happen. The last time, I was serving on the United board during the negotiations. I believe that each have strengths and a merger should eliminate duplication in some areas. If they recognize and eliminate the overlap, the merger should better represent the industry and lower overall costs to the industry. Overall, I believe it is a positive development. "

Jan DeLyser, vice president of marketing, California Avocado Commission, Irvine, CA

“Having been active and part of the leadership of both organizations, I can say from experience that both have made significant positive contributions to the produce and floral industry. I believe that creating a combined association that builds on the strengths of the two organizations is an excellent action to take. It should create a more powerful industry voice, reduce costs and encourage change for the better. I hope that the merger will eliminate industry costs by streamlining overlapping programs. We’ve seen over the last year that life — and business — can carry on without certain activities such as huge conventions. But many of us also have missed the personal connections that happen at trade shows and in-person events. As we move beyond the pandemic the key will be to find a balance. I hope that the combined organization will deliver the key activities and opportunities the industry needs while making the totality of programs affordable and accessible. Perhaps one global convention and domestic policy forums in the countries where they are warranted?”

“Bottom line, member value should be the driving force in the strategy that will move this new organization forward. The announcement of the merger is just the beginning and a lot of hard work will be necessary to guide how the combined association is organized.

“Suppliers will not lose their collective voice as long as they participate in the merged organization. We need to speak up to have a voice.”

John Anderson, chairman, CEO and managing partner, The Oppenheimer Group, Coquitlam, BC

“We thank PMA and United Fresh for taking the initial steps to combine resources to create one global trade organization. I think I speak for most of us at Oppy that we see this as an exciting move. Each of the associations have done great work over the years and we look forward to supporting the transition to an even better collaborative approach. All of us at Oppy are happy to do our part to support the consumption of tasty, nutritious and safe fresh produce. We look forward to being part of the journey PMA and United Fresh is about to embark on. They can count on our support.”

Paul Kneeland, vice president of fresh operations, Gelson’s Markets, Encino, CA:

“I believe this is great news for the produce industry! In a year in which collaboration was vital and resources were in high demand, it makes total sense to bring together these two organizations, their unique knowledge bases and their incredible talent. It is just what the industry needs right now as we forge forward into an unknown future. I am confident that this connection between United Fresh and PMA makes the produce industry stronger and better equipped to make the future better and brighter for all the segments they represent.”

Bruce Peterson, president of Peterson Insights, Bentonville, AR:

“I'd like to applaud PMA and United Fresh for their vision and efforts in bringing this merger to fruition. It's been discussed and tried many times over the years and to see it finally accomplished is a testimony to the leadership of both organizations. I'd specifically like to commend Tom Stenzel and Cathy Burns for creating an environment of cooperation and trust to make this come about. Both United and PMA have been highly successful and respected organizations in their own right and have a deep and rich heritage. Change is never easy, but the worst thing that can happen to any organization is to keep doing what they have always done when society and business continues to evolve around them. And the new organization needs to be a reflection of the evolution of the produce industry.

In the short term, this should definitely produce some financial efficiencies. As with any merger, the combined resources will be leveraged. But the merger itself is really only the beginning. The next

effort will be centered around the value proposition that the new organization will provide. Said simply, what does the industry need and how will it get paid for? Anyone who even remotely follows the produce industry KNOWS that it is changing. Every aspect of the produce supply chain has been witnessing rapid evolution. And the pandemic only amplified the speed of that change. Products, services, trade shows, and issue management are all being looked at differently by today's buyers and sellers. And while many of us remember "the good ole days" with respects to how we did things, those days are fast disappearing. I think the challenge with this merger is not so much one of structure but of the value that is offered. Having a new organization will be a wasted effort if the value proposition is not strategically thought through. But I'm sure the leadership is up to that challenge and I look forward to the value that the new organization will bring to the industry."

Dick Spezzano, Spezzano Consulting Service, Monrovia, CA:

"I'm glad they are bringing the two organizations together. It should definitely save the vendors money as I suspect there will only be one big show. I think they should continue to have United's Washington Policy Conference and PMA Foodservice show in July."

"As far as the structure of the new organization, I hope they keep the strong committee system that United has always had. That gives all segments of the industry a strong voice. There was a time when United served a and PMA represented retailers but now the issues are largely the same. Both suppliers and retailers have the same issues such as labor and immigration."

"There will be downsizing as that always occurs with a merger. I do applaud Cathy and Tom for getting this done. The leadership was always one of the issue in the past that prevented this merger from occurring."

Matt Seeley, CEO, Organic Produce Network /OPN Connect, Monterey, CA:

"It is a positive move and an opportunity to make the industry stronger as we address issues central to the future of produce by speaking with one unified voice."

Dan Vache, Vache Ventures, Redmond, WA:

"The merger creates a great opportunity to have both organizations BOD's start with a clean sheet of paper and identify what the current and future needs for the total industry. 'It is about time' is the most common refrain from some of my industry friends. There have been multiple attempts to bring the two national/international produce associations together to form one collective voice of the industry specifically dealing with current and future government regulations that impact the entire produce supply chain from the ground to the consumer. With the current top leadership at both associations including senior staff, board of directors and deeply engaged members, it seems they are poised to put the past behind them and come together to form one great industry voice."

"The merger can reduce duplication in several areas including various member programs in the areas of leadership development, education programing and some industry events. Perhaps the greatest opportunity is to redefine the industry conventions and expositions. Education is vital to the industry as is a convention and exposition."

"From my perspective, being a long time member of both associations serving on various committees, a board member of United Fresh for multiple terms and a staff member of United Fresh, the 'new association' must represent the entire industry. The industry requires a strong voice in Washington, DC, and leadership must deal with conflicts between the supply side and customers (retail, wholesale, and foodservice) that may arise. A perfect example is the PACA where the supply side required a strong voice to maintain the PACA structure and others in the supply chain were not

so supportive or did not totally engage in the issue. Other issues such as the need to standardize certain aspects of the supply chain with standardize pallet dimensions, PLU structure and traceability are other examples where they met the common objective to help position the industry for continued growth.

“These types of issues may have common ground where consensus is easier to achieve. When they are issues that result in conflict within the supply chain there will be a need for strong leadership representing what is best for the industry not just one side. That might be the greatest challenge in the merger. Suppliers require a strong voice representing their needs to maintain the ability to grow and ship fresh produce. If their needs are not met, this may open an opportunity for a new association to fill the void.

“I believe one strong industry voice is required to maintain and expand our healthy and vital industry. Congratulations to the leadership of United and PMA in finally taking this bold move for our great industry. Coming together we have an opportunity to expand the consumption of our safe and healthy industry.”

Marty Craner, B&C Fresh Sales, Orange, CA:

“Better Together’ is what comes to mind when I think about the new entity that will encompass the very best of PMA and United Fresh. Both associations have done great work over the years and I think our industry, the entire supply chain and the consumer will benefit from the new improved, energized and brilliant collaboration. I am looking forward to see how far this advances our industry.

Mac Riggan, director of marketing, Chelan Fresh, Chelan, WA:

“It’s about time. This should have happened 10 years ago. As a shipper, our resources are constantly being squeezed and we are asked to do more and get paid less. Industry boards and associations have to do the same thing. United and PMA have to do the same thing. They have to come together and figure out how to do more and get paid less. Unfortunately some people will probably have to lose their jobs but that’s what happens. I’ve been through two mergers and there are haircuts. But there are some great synergies that can come from this merger. In the first place, we don’t need two big shows. Lots of shippers like the smaller, one day shows which are more efficient and we get to see everyone who attends. When you go to these big shows, I often hear, ‘Sorry Mac, I never got a chance to see you.’ Even with one show, I’d like to see a smaller show with only relevant exhibitors and attendees. That’s what I am going to be pushing for. Also, I think we have to keep our presence in Washington, DC. We needed to be represented in Washington and have our voices heard

Cindy Jewell, Jewell Marketing, Watsonville, CA:

“This is a positive and brave move being made by both boards and staff. I applaud them all for taking this leap and keeping the industry’s best interest at heart as they make difficult and challenging decisions and compromises ahead. At the end of the day, these two organizations, separately, have served us very well for decades and we should be proud of where we are as an industry today because of the hard work done behind the scenes by United and PMA. This is a huge turning point and we all have a stake in the ground on the outcome. We, as volunteer leaders serving on the board and committees, share the same goals and will be a clear representation of our entire industry. Both organizations already have that in mind, so the only downside is that we will have fewer “board level” positions representing us since there will be one board instead of two. However, we also may end up with a clearer unified voice and a clearer channel of communication when there is an issue or challenge facing our industry.

“Being on the supplier side, and being a past Chair of United, it is my hope that the new organization adopt the model that United has currently with Advisory Boards and Councils. This structure clearly has volunteer leaders in every segment of the industry that provide direct input, challenges and solutions to the Board of Directors throughout the year. Each of those boards and councils represent their segment with a strong voice contributing to the agenda and mission of the Board. If this structure, or a similar version is continued, then we all will still have a strong voice with the new organization.

“I believe Tom and Cathy, along with their staff will be very diligent in making sure they pull the best capabilities from each of the two organizations to eliminate the duplication of events and programs as they build the new organization. This is an area of concern the industry has expressed for years, so I have every confidence this will be addressed long before the shift has been completed.”

Brian Cook, CEO, Pete’s/Hollandia Produce, Carpinteria, CA:

“This merger has been spoken about for some time and I have always been a big fan. Each association does things well but definitely they have their areas of strength too. Having one voice for the marketing and lobbying of fruits and vegetables is a huge win for the industry! My congrats to Cathy, Tom, and both boards for getting this to the finish line.”

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