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USDA restricts PACA violators in Minnesota and New York

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The U.S. Department of Agriculture has imposed sanctions on two 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. 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:

- Produce Depot USA LLC, operating out of Bronx, N.Y., for failing to pay a \$42,540 award in favor of a Texas seller. As of the issuance date of the reparation order, Gaetano Balzano was listed as member and/or manager of the business.
- J&J Distributing Co., operating out of St. Paul, MN, for failing to pay a \$19,655 award in favor of a California seller. As of the issuance date of the reparation order, New Harvest Foods Inc. and Jason Jaynes were listed as the officers, directors and major stockholders 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.

In the past three years, USDA resolved approximately 3,625 PACA claims involving more than \$104 million. PACA staff also assisted more than 7,600 callers with issues valued at approximately \$166 million.

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