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USDA files action against two Texas companies for \$900K

PACA violations

May 23, 2024

The U.S. Department of Agriculture has filed an administrative complaint against CFG Produce Inc. and Red Wagon Groves Inc. for alleged violations of the Perishable Agricultural Commodities Act.

CFG Produce, operating from Texas, allegedly failed to make payment promptly to six produce sellers in the amount of \$505,218 from September 2022 through February 2023.

Red Wagon Groves, also operating from Texas, allegedly failed to make payment promptly to 12 produce sellers in the amount of \$402,982 from August 2022 through April 2023.

The companies will have an opportunity to request a hearing. Should USDA find that they committed repeated and flagrant violations, they would be barred from the produce industry as a licensee for three years, or two years with the posting of a USDA-approved surety bond. Furthermore, its principals could not be employed by or affiliated with any PACA licensee for two years, or one year with the posting of a USDA-approved surety bond.

In the past three years, USDA handled more than 2,340 cases valued at \$126.3 million. PACA staff also assisted over 5,600 callers with issues valued at \$146.7 million.

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