



March 18, 2020

President Donald Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

The Honorable Nancy Pelosi
Speaker of the House of Representatives
United States Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

Dear Mr. President, Speaker Pelosi, and Majority Leader McConnell:

Together, our associations represent the foodservice distribution industry, including the segment delivering fresh produce, which is now facing staggering losses after the sudden shock of restaurant and hospitality closures following the Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak.

Restaurants and other foodservice outlets account for as much as 40% of fresh fruit and vegetable sales. This economically vital segment of food production ensures fresh and perishable agriculture commodities are delivered from field to table. Right now, those tables are empty; these restaurants are closed, and our members are shouldering undue financial stress because they have paid farmers for produce that they cannot deliver and that restaurants cannot pay for.

The closure of these businesses has resulted in immediate and unpredicted losses in distributor sales. These companies operate under normal circumstances with razor thin margins of 2% or less. The sudden disruption of sales is having a deep and potentially irreversible impact. As the employers in the middle of the supply chain, we must meet payroll, pay our suppliers, keep up with leases and continue incurring daily expenses while finding a way to stay afloat so that we can service the rest of our customers such as hospitals and other care facilities.

In speaking to our members, initial estimates are anywhere between 50-90% in lost business overnight, with most distributors at significant risk of having to furlough employees that they will need to resume operations once we are past this crisis. Many others are at risk of bankruptcy due to the inability to collect receivables from restaurants, combined with debts to their suppliers.

While distributors are working tirelessly to assist foodservice operators where possible, there is no opportunity to recapture restaurant, hotel and hospitality business. Our distributors are working with local non- profits, food banks and municipalities to donate fresh food they cannot sell, but it is clear they will not survive without assistance similar to what is provided to their restaurant customers, with whom they are directly linked.

We fully support the creation of a recovery fund at the Department of Treasury that includes foodservice distributors. Such a fund would help the industry meet the immediate needs of paying employees and suppliers while covering company operations. We also strongly support enhanced loan and insurance protections to ensure that these facilities are able to stay in business over the long-term.

We are asking for your attention and assistance now to ensure these businesses remain open during the response to, and recovery from, this national emergency. We stand ready to work with you in this effort.

Sincerely,



Mark S. Allen
President and CEO
International Food Service Distributors



Thomas E. Stenzel
President and CEO
United Fresh Produce Association

cc: Honorable Steven Mnuchin, Secretary of Treasury
Honorable Chuck Schumer, Senate Democratic Leader
Honorable Kevin McCarthy, House Republican Leader