

U.S. House of Representatives

Testimony Before the Committee on Agriculture, Subcommittee on Nutrition and Horticulture

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Hearing on “Formulation of the 2012 Farm Bill: Specialty Crop and Nutrition Programs”

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Mike Jarrard

President and COO of Mann Packing Company

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11.00 a.m.

Chairman Lucas, Ranking Member Peterson and members of the committee, thank you for the opportunity to testify this morning. My name is Mike Jarrard. I am the President and COO of Mann Packing Company, located in Salinas, CA. My company ships field-packed and fresh-cut, value-added vegetable commodities to customers nationwide. We are local and national, contributing to the health and well-being of people in California and across the country. In addition to serving as President and COO of Mann Packing, I also currently serve as Chairman of the Board for Western Growers Association, an agricultural trade association headquartered in Irvine, California. Western Growers members are small, medium and large-sized businesses that produce, pack and ship almost 90 percent of fresh fruits, nuts and vegetables grown in California and approximately 75 percent of the fresh fruits, nuts and vegetables grown in Arizona. Western Growers members produce in – and directly contribute to the economies of – 29 states overall. In total, Western Growers members account for nearly half of the annual fresh produce grown in the United States, providing American consumers with healthy, nutritious food. Indeed, Western Growers’ has long had the slogan: “We grow the best medicine”.

Many decades ago as farm bills were debated here in the halls of Congress, my predecessors in the specialty crop industry used to have one refrain: “just leave us alone, our markets and industry is just fine”. Those days faded away long ago however as our industry began to face enormous pressure that went beyond the capacity of any one grower to handle. Today growers in California face pest and disease concerns on a scale that we have never seen which could cripple entire commodity groups. Our growers must also prepare themselves for food safety concerns, real or imagined, that can destroy markets here or overseas. Growers face natural resource pressures and accompanying regulatory burdens that we could not have imagined even a decade or so ago. Our growers like many in agriculture, also face an unsettled labor situation that constantly creates uncertainty. We face all these threats while we continue to try to grow healthy nutritious food for Americans and people around the world.

As our industry began to face these outside forces, we came together to seek out a new paradigm in U.S. agriculture policy. It took many, many years to get a seat at the table, but

the Specialty Crop Competitiveness Act of 2004 followed by the 2008 Farm Bill provided, for the first time, meaningful investments in specialty crops to enhance the competitiveness and profitability in this strategic area of U.S. agriculture. I wanted to acknowledge that work and the efforts of those of you on this Committee who participated in those efforts. As we look forward to the 2012 bill, we want to build and expand upon those groundbreaking changes—all of which have helped our industry.

### Enhancing the Industry's Competitiveness

No discussion of the farm bill and specialty crops can begin without an immediate conversation about the Specialty Crop Block Grant Program. This is one of the signature achievements in the 2008 bill and we strongly urge you to continue, and even enhance, funding for this innovative approach that creates a federal-state partnership designed to enhance the competitiveness of the industry. Why are producers so interested in this program? Because the program is designed to be responsive and is tailored to meet localized needs—unlike so many federal government programs. As designed the program is administered by state governments who are able, within federal guidelines, to tailor competitively selected projects to the particular concerns of specialty crop producers in each state.

The program's design is thus very flexible. For example in my home state of California last year block grant money was used to fund, among many priorities, several projects at the Center for Produce Safety at UC Davis. These projects addressed ongoing research needs to validate and improve on-farm practices to continuously improve food safety. Last year in California, funds were also used to help socially disadvantaged growers improve production and increase their marketing efforts. California is not the only beneficiary of this approach. Last year in Florida, block grant funding was used to develop the next generation of the pesticides and fungicides for avocados. Work funded in Minnesota helped increase the financial planning skills of specialty crop growers there. Funding in Ohio helped educate producers about the new Food Safety Modernization Act rules. Finally, funding in Oklahoma developed a curriculum to educate pre-K school children about the health benefits of eating specialty crops. All fifty states benefit from this program, and the

Senate Committee version of the Farm Bill enhances funding for this critical program. We ask that the House do the same.

#### The Farm Bill as a Critical Tool in Addressing Pest and Disease

For specialty crop producers federal dollars spent on pest and disease control represent vital opportunities to strengthen our industry and protect our livelihoods. Every year growers across the country face potentially devastating outbreaks of destructive pests and debilitating disease. For growers in my home state of California for example we face outbreaks of an invasive pest or plant disease on regular basis—often from foreign countries. With no control over the borders in order to prevent an infestation from abroad, we believe it is incumbent upon the federal government to support outbreak prevention efforts and the economic impact of that these events may cause.

Fortunately, farm bill funding in the form of the Plant Pest and Disease program is used for early plant pest detection and surveillance, for threat identification and mitigation of plant pests and diseases, and for technical assistance in the development and implementation of audit-based certification systems and nursery plant pest risk management systems. Farm bill funding through the Specialty Crop Research Initiative is used to help develop the next generation of crops and/or technologies that will be able to better resist threats from pests and disease. This one-two punch of short and medium term efforts of identification and interdiction combined with long-term research is critical to our industry and must be maintained in the 2012 Farm Bill in order to combat current and future threats. In addition, I note that the Senate Committee bill enhances funding for the USDA office of Pest Management. This office acts as a liaison and counterweight on behalf of agriculture with the EPA on various pest management issues—we would ask that the House likewise fund this office.

#### Ensuring that Our Nation's Children Access Fresh Fruit and Vegetables

The 2012 Farm Bill must renew a commitment between specialty crop growers, and America's children and those less fortunate via the purchase and distribution of our produce through the nutrition programs. I know you will later hear from witnesses

regarding the importance of nutrition programs, but I want to emphasize that our growers view those programs as important for both feeding our less fortunate and our nation's children who need assistance, while at the same time benefiting our industry economically. Our growers are proud to be part of those efforts and we want to maintain the increased role that specialty crop produce has had in nutrition programs since the 2008 Farm Bill as we move forward in 2012.

We therefore view the Fresh Fruit and Vegetable program, specialty crop purchases in section 32 and the DoD Fresh program as important to our interests. I especially want to highlight the Fresh Fruit and Vegetable (FFVP) program in that regard. This program by providing students with a fresh fruit or vegetable snack every day at school, increases their consumption of a wide variety of fresh fruits and vegetables, creates a healthier food environment at school and positively affects family eating habits. This program is especially powerful when linked with focused educational efforts and can lead children down a pathway toward healthy fruit and vegetable choices. FFVP provides an opportunity for the produce industry to grow its future while at the same time helping society now. Why? Because today, it is widely recognized that the rate of obesity in our nation's children is drastically rising. Eating habits are developed at an early age and if children can learn healthy eating habits the more likely they are to carry those habits into adult hood. It is well documented that long-term healthy eating can significantly reduce the risk for many chronic diseases. It is for those reasons that the joint USDA and United States Health and Human Services (HHS) dietary guidelines have routinely called for an increase in the consumption of fruits and vegetables among Americans of all ages. The Bush Administration, in 2005, for example recommended a doubling of fruit and vegetable consumption, a call to action the Obama Administration echoed in the 2010 report.

#### The Farm Bill as a Tool to Improve Trade

Federal government investment in our agricultural sector requires a fair, level playing field with international competitors who do not face the regulatory burdens of U.S. producers. To that end, the Farm Bill provides \$200 million annually for the Market Access Program that helps all agricultural sectors in marketing products overseas. Likewise the Farm Bill

also provides \$9 million annually for technical assistance to specialty crop producers as American producers face technical barriers to trade. The latter program is particularly significant to our industry given the numerous phyto-sanitary trade barriers that we face in markets around the world. To pick one example among many, during 2011 China maintained trade barriers against Californian pears, apples, and strawberries. Both of those trade programs help our growers export to foreign markets and I urge the House to maintain those programs at those levels.

#### Improving Resource Management through the Farm Bill

Farm bill dollars assist producers across the country to better and more efficiently use resources. For California's growers these programs help us address a myriad of resource concerns but I wanted to highlight at least one that seems to always be an issue in my state: water. Farm bill programs such as the Environmental Quality Incentives Program (EQIP) provide critical resources to upgrade irrigation systems and improve on-farm water use efficiency through other techniques- this helps address the issue in the short and medium term. Coupled with these efforts are federal research dollars that help our industry plan for the longer-term by developing the next generation of crops that will use less water. For our growers you can see how the farm bill is critical to our industry's long and short- term survival. Ensuring the Farm Bill continues investing in these priorities is especially important to our state in which competition for resources is intense and growing.

I did want to address one other specific area of concern with respect to resource management: air quality. As the Committee knows, the 2008 bill provided specific funding for areas that face air quality controls. That provision benefited many growers in the San Joaquin Valley but I understand that this provision is likely to be eliminated and potentially replaced. We hope that if the House chooses to replace those provisions with a new "Regional Conservation Partnership Initiative" model that California and other states', air quality concerns are reflected in conservation spending going forward.

#### Labor Concerns as a Critical Issue

While I know this issue is not directly in the jurisdiction of this committee or the Farm Bill,

I would be remiss if I did not mention the critical need to address labor issues. Agricultural producers across the country want a legal and stable workforce. Not only is agriculture's role in maintaining a safe and secure food supply vital to our economic recovery, it is critical to the strength of rural America. Western Growers members and their employees are members of the very communities in which they grow, pack, and sell products. In 2009, when the California water crisis forced us to fallow 500,000 acres in the Central Valley, thousands of farms jobs were lost, and rural non-farm businesses supported by these jobs suffered. Some communities realized unemployment levels of 40 percent.

Without a workable agricultural program, growers in California and across the country will eventually face similar predicaments. Securing a legal workforce is not a new challenge for agriculture. We've been working towards this goal for over 15 years. But Congress' failure to pass immigration reform, combined with a diminishing labor supply, threats due to I-9 audits by Immigration and Customs Enforcement, and now mandatory E-Verify legislation emerging at the state and the federal levels, it is clear that U.S. agriculture will be decimated without a workable mechanism to hire and continue to employ the labor we need. While this can not be addressed as part of the 2012 Farm Bill I urge every Member of this Committee to work toward a solution.

### Crop Insurance

This has been a hot topic during this farm bill and I suspect that specialty crop organizations around the country have discussed this issue more over the last few months than we have over the last few years, as the safety net for program commodities moves towards revenue based crop insurance products. While we are interested in exploring how crop insurance could be useful to our industry, we also want to ensure that changes to the system do not distort normal market cycles. Why do we have concerns? We are worried that ill-conceived or overly generous crop insurance products might distort market signals. In 1999 RMA authorized a watermelon program in several states—a program that had disastrous national consequences. When that program rolled out watermelon plantings and production in Florida and Texas increased dramatically causing the national watermelon market to collapse in turn adversely impacting many, including producers in California.

While we know that this program was not properly implemented and agency changes have been made since 1999, this example serves as a cautionary tale to us about how an expansion of crop insurance could lead to market distortion and cause a functioning market to collapse. Since it is clear that crop insurance is being expanded going forward, we are pleased that the Senate recently put some boundaries and speed bumps in place. We hope these changes to current law will prevent our concerns from materializing. Indeed, we are interested in seeing how crop insurance might be shaped to help growers deal with food safety and quarantine issues—something crop insurance to date has not fully addressed.

#### Ensuring a Level Playing Field

In previous farm bills, restrictions have been in place to ensure that commodity row crop growers who received government support payments were not allowed to plant specialty crops. To the extent that the 2012 Farm Bill maintains such commodity support program payments, and does not restrict payments to actual planted acres, then we would suggest that planting restrictions must be maintained. Specialty crop growers should not face subsidized competition—federal tax dollars should not subsidize the production of fruits and vegetables grown by our program commodity friends.

On behalf of Mann Packing, and the California specialty crop industry, I am appreciative of this Committee's willingness to examine the issues that affect us and how the 2012 Farm Bill might be beneficial in helping our industry thrive. We look forward to working with you.

Committee on Agriculture  
U.S. House of Representatives  
Information Required From Nongovernmental Witnesses

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Mike Jarrard
2. Organization you represent: Mann Packing Co., Inc
3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:  
President and Chief Operating Officer of fresh produce company in Salinas, CA.  
Employed in fresh produce for 22 years.
4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:  
  
Degree in Agricultural Economics from U.C. Davis.
5. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold: President and COO of Mann Packing Co. Inc. & Chairman of the Board for Western Growers Association – a fresh produce tradde organization.

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF  
TESTIMONY.

Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form

House Rules\* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2008.

Name: Mike Sarrard

Organization you represent (if any): Mann Packing Co., Inc.

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2008, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2008, as well as the source and the amount of each grant or contract:

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Please check here if this form is NOT applicable to you:

Signature: W. Sarrard

\* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.