

Testimony of Paul J. Van Konynenburg
U.S. House of Representatives – Committee on Agriculture
2012 Farm Bill Hearing
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Fresno City Hall Council Chambers, 2nd Floor
Fresno, CA

Chairman Peterson, Ranking Member Lucas, Congressman Cardoza and distinguished members of the Committee,

Thank you for the opportunity to address the committee in advance of the 2012 Farm Bill. My family has been growing fruit and nut tree Specialty Crops in California for over 100 years. We currently grow almonds, apples, cherries, peaches and apricots in Stanislaus County.

Let me first say to the committee how much we appreciate the Specialty Crop provisions that were included in the 2008 Farm Bill. Thank you for recognizing the contribution and importance of Specialty Crops to our overall farm economy. Specialty Crops account for nearly half of all U.S. cash crop receipts, play a vital role in our economy and are important for our health.

Before I get to my comments on the 2012 Farm Bill, there are two items of importance that congress needs to address immediately: Estate Tax Reform and Agriculture Labor Reform.

Estate Tax Reform

- In 2009, the estate tax rate was 45 percent with an exemption of up to \$3.5 million. The tax expired on December 31, 2009, but a new rate of 55 percent and a \$1 million exemption is scheduled to take effect on January 1, 2011. The estate tax can be unusually hard hitting on farmers who need substantial capital assets to generate income. USDA's Economic Research Service (ERS) estimates that proposed 2011 estate tax could result in up to 10% of farm estates owing taxes, a marked increase from the 1.5% of farm estates which owed tax in 2009. An immediate legislative solution is required.

Agricultural Labor Reform

- The Farm Bill presumes that Specialty Crops will be harvested and available to market. However, labor intensive agriculture, including all fresh market tree fruits, from coast-to-coast is faced with a long term labor problem.
- It's not about wages; many of these jobs pay well above the minimum wage (\$12 to \$15 per hour national average). But the work is physically demanding and seasonal. It is next to impossible to find American workers who are capable and willing to do the work.
- Growers need a sufficient, sustainable, and legal supply of workers to produce, pack and market specialty crops to consumers.
- Without reliable and legal labor, our industry will eventually be forced offshore – outsourced - to where labor is available.
 - This would greatly impact our food safety and reliability.
 - At a time when the nation's health community is encouraging us to eat more fruits and vegetables, we should do everything possible to encourage their production here and discourage greater dependence on imports.
- This is a problem Congress can fix by passing agricultural labor reform with improvements to the H 2-A guest worker program and the opportunity to earn legal work status by continued work in agriculture. Please approve the AgJOBS bill.

Looking forward to the 2012 Farm Bill, please consider the following:

Overall Recommendations

- Tree fruits and nuts are vital to the good health of the American diet. The next Farm Bill should support foods which the nation's medical community believes will enhance health and help fight disease.
- Improving the Specialty Crop provisions in the Farm Bill that addresses nutrition, increases food safety, expands exports, fights invasive pests and disease, and expands research is not just good for farmers, but it is a victory for every American's health.

Expand Specific Priorities from the 2008 Farm Bill

- **USDA Fruit & Vegetable “Snack” Program:** This program is important since it develops life-long healthy eating habits for children through consumption of fruits and vegetables.
 - The current program is particularly effective with crops that have long storage life (apples) or a long growing season (table grapes) and with school districts that have modern and efficient logistics and distribution infrastructure.
 - However, this program needs greater flexibility in order to assist school districts that are not equipped to handle large volumes of fresh produce. For these districts, allowing the inclusion preserved items – such as peach snack cups or a box of raisins – would allow the districts to meet the goals of the program.
- **Specialty Crop Research Initiative (SCRI)** is helping improve production efficiency, lower costs, and enhance taste and quality for our customers. The SCRI has supported collaborative projects already impacting specialty crops, including the apple and stone fruit industry. Particularly exciting to our operation has been the research into engineering and automation technologies to improve the safety, efficiency, and sustainability of apple and stone fruit orchards. Thanks to the SCRI, we were able to work with Roger Duncan at UC Extension to test the *Darwin String Thinner* in peaches. We must continue research into technology that will reduce labor and enhance the quality of Specialty Crops
- **Specialty Crop Block Grants:** This program provides federal help to meet crop specific problems with localized solutions. This program is funded by the USDA but operated by state departments of agriculture to focus on regional and local needs for specialty crops such as improving food safety, increasing the consumption of home-grown specialty crops as well as pest and disease research.
- **Market Access Program:** Let’s continue to grow the export market, where much of the world’s future population expansion will occur. Exports are a bright growth market for almonds, apples and cherries. We need to enhance critical trade assistance and market promotion tools to expand international markets for apples and other specialty crops.
- **Pest and Disease Prevention Programs:** Please continue to support the USDA’s work with the California Department of Agriculture to implement prevention and mitigation protocols to combat invasive pest and diseases, which cost the economy billions of dollars per year.
- **Section 32 Program:** We need to be serving more fresh and canned fruits and vegetables to our children. Please recognize their importance and therefore emphasize these items over fried or less healthy processed foods.

New Programs for the 2012 Farm Bill

- **Expand the USDA Germplasm Repository.** We need a global DNA database/registration system for the purpose of cultivar protection so that plant breeders can adequately defend their Intellectual Property. The USDA Germplasm Repository is the right agency and program to develop a global repository that would be the first step of strengthening the Intellectual Property rights of American plant breeders around the world. Once fully established, a global recognition of cultivar protection could be enacted.
- **Expand crop insurance guarantees for all Specialty Crops.** Crop insurance in Specialty Crops is affordable and workable in some crops and completely unaffordable and unworkable in other crops. While there have been significant improvements in cherry and apple insurance programs over the past 10 years, crop insurance programs for other crops remain nonviable.

Thank you for the opportunity to testify today. I’d be glad to answer your questions.