

**Statement of Jerry Lee  
Before the  
House Agriculture Subcommittee on Horticulture and Nutrition  
Hearing on  
Specialty Crop Farm Bill Programs  
May 8, 2012**

Chairwoman Schmidt, Ranking Member Baca, distinguished Members of the subcommittee, and guests, thank you for the opportunity to testify today on how the specialty crop provisions of the 2008 Farm Bill have worked, and thoughts about the next Farm Bill. I am Jerry Lee, of Monrovia in Cairo, GA. This division of Monrovia began as Wight Nurseries in 1887 and in 2001 merged with Monrovia, which started operation in 1926. Monrovia is a national grower of nursery and greenhouse plant material, supplying 48 states and Canada from our four production facilities located in Georgia, North Carolina, Oregon and California.

The priorities outlined in my testimony reflect those of the American Nursery & Landscape Association (ANLA) and the Georgia Green Industry Association (GGIA). ANLA, our national organization, represents all facets of the nursery and landscape industry, including growers, garden retailers, landscape design and installation professionals, and industry suppliers. ANLA is an active participant in the Specialty Crop Farm Bill Alliance. Our industry is the third largest plant crop in production value, behind corn and soybeans but ahead of wheat, cotton, and tobacco. It produces crops valued at \$16.7 billion at farmgate, contributes to over \$175 billion in economic output, and sustains 1.95 million full- and part-time jobs. GGIA represents the “green industry” within our state, which accounts for a \$7 billion annual economic impact and employs 70,000 Georgians. GGIA is our state trade association and our membership includes wholesale nurseries, retail garden centers, greenhouse growers, landscape contractors, irrigation contractors and allied organizations.

Today I will speak to several sections of the 2008 Farm Bill that have proven to be of particular importance to our industry. Title X, Sec. 10201 provided funding for critical plant pest and disease initiatives. Sec. 10202 funded the National Clean Plant Network, or NCPN. These sections of the Farm Bill acknowledge that devastating foreign plant pests and pathogens present enormous threats to U.S. specialty crop producers, and they are funding vital programs to address the threats. I will also touch on the specialty crop block grant program. Finally, I will offer a few thoughts about relevant programs included in other titles of the Farm Bill – the Specialty Crop Research Initiative, and the Biomass Crop Assistance Program – and discuss a few implementation challenges and lessons learned.

**Section 10201 – Plant Pest and Disease Program**

Sec. 10201 has funded an array of programs and initiatives in partnership with collaborators including industry and the states. Funded programs have been suggested, organized, prioritized, and implemented under six broad goal areas:

- Enhance Analysis and Survey
- Domestic Inspection
- Enhance Pest Identification and Technology
- Safeguard Nursery Production
- Outreach and Education
- Enhance Mitigation

Important work has been accomplished under each of these goal areas, and is summarized in USDA-APHIS' periodic reports to Congress. Goal 4, Safeguard Nursery Production, recognizes that nursery stock can be a vector for moving serious pest threats around the country and globally. Several projects funded under this goal are contributing to the development of innovative systems for managing pest threats, modernizing the nursery certification system, and avoiding the spread of disease threats like *Phytophthora ramorum* (the cause of so-called Sudden Oak Death) on nursery stock. Another initiative established the National Ornamentals Research Site at Dominican University of California, where work on disease prevention, detection and mitigation strategies for quarantine pest threats is now underway in a "real-world" nursery setting.

In March, 2004, *P. ramorum* was detected for the first time in nursery stock originating at Monrovia and two other nurseries. That year the pathogen was found in retail operations in 22 states and 177 individual sites. The pandemonium that followed had individual states enacting various protectionist regulations that devastated interstate commerce. The fact is, the typical U.S. nursery derives 70% of its income during a thirteen week period in the spring and any disruption during that window has severe repercussions to our industry. Losses to our company from *P. ramorum* positives were estimated at \$6.9 million, something few businesses in our industry could survive. In addition, disease scouting and testing probably costs us \$30,000 a year or more. Beyond the direct impact to our industry and the consumer, enormous public and private sector resources were consumed to contain the pest and prevent the spread of this previously unknown threat.

Work now underway, thanks to the 2008 Farm Bill, is contributing to the development of integrated measures, or systems approaches, for safer certification and movement of nursery crops interstate and internationally. We participate in one such program, the U.S. Nursery Certification Program (USNCP), which has existed for several years as a pilot. In its current form, the USNCP facilitates trade with Canada, our largest trading partner for nursery and greenhouse plants. Participants develop detailed pest prevention and management policies and procedures, documented in a manual and reinforced through ongoing training and record-keeping on pest control and best practices. Participation allows us to self-issue the documentation needed to ship our product, avoiding the costs and delays of waiting for a government inspector to certify each load. Work to streamline and expand this program is now underway thanks to the Farm Bill.

With respect to the Pest and Disease Program, USDA-APHIS has done a generally good job of managing a broad-based and inclusive process for soliciting and receiving funding suggestions from cooperators including the states, industry, and other federal agencies.

### **Section 10202-National Clean Plant Network**

The National Clean Plant Network stands out as a shining success of the specialty crop title of the 2008 Farm Bill. Farm Bill funding has enabled expansion and strengthening of mostly established infrastructure and expertise to safely import and distribute clean material to producers of nursery stock for high-value and "high-risk" crops such as apples, peaches, cherries, grapes, citrus, and berries. Commercial growers of these crops benefit from access to healthy stock of the newest varieties that enhance U.S. competitiveness and grower profitability. Robert Woolley, of Dave Wilson Nursery, Hickman, CA, testified last year before the Senate Agriculture Committee, and covered the program and its accomplishments. I have attached an excerpt of Mr. Woolley's testimony to my statement.

It is worth noting that the Farm Bill recently marked up in the Senate would consolidate the Pest and Disease Program and the National Clean Plant Network. We are supportive of consolidation if the work of the NCPN receives the priority it deserves. NCPN has accomplished a lot with limited funds. Expansion of the program to additional crops may require additional funds.

### **Specialty Crop Block Grant Program (Farm Bill 2008 - Section 10109)**

The Specialty Crop Block Grant program provides state departments of agriculture and U.S. territories with funds to support local, regional and statewide programs that enhance producers' ability to compete in the marketplace and provide consumers with safe, abundant plants and food. This recognition of states' individuality and niche markets is important in facilitating advancements in marketing, pest control, food safety, and production efficiencies of specialty crops. My industry would encourage this Committee to support your Senate counterparts' efforts to expand funding for this program and allow the opportunity for multi-state proposals, so that relevant specialty crop priorities can be approached on a regional basis where that makes the most sense.

A few success stories may be useful. Close to home, Georgia has faced serious long-term drought conditions in recent years. Specialty crop block grants afforded the Georgia Green Industry Association the outreach funds for four consecutive years to bring desperately needed water conservation and irrigation training to many locales in Georgia. Through this outreach, GGIA has developed local chapters to help disseminate information and provide training to nursery and landscape professionals throughout the state. This vital outreach and its positive impact on the horticulture industry in Georgia would not have been accomplished without the assistance of specialty crop block grants.

Another success story began in Arizona two years ago, and has grown into a six state unified promotional campaign for the nursery industry entitled "Plant Something". Through the website [www.plant-something.org](http://www.plant-something.org), consumers are introduced to the monetary, environmental and health benefits of planting and installing a landscape for their home and community. After identifying the state in which they live, they are linked to specific state information about appropriate trees and plants and shown the garden centers nearest them. Participating states to date include Arizona, Colorado, Idaho, Minnesota, Massachusetts and Washington. This project is a stellar example of the purpose of these block grants which is to increase the consumption of specialty crops, and the competitiveness of the specialty crop industry. After all, my industry's products are a discretionary purchase, and we need to convince consumers to choose plants and landscape enhancements over other home improvements or leisure activities.

One potential concern regarding the 2012 Farm Bill mark reported out of the Senate Committee on Agriculture, Nutrition and Forestry has to do with the new formula for state allocations of Block Grants, which includes acreage in the calculation. This change in approach under-appreciates high value specialty crops that require less acreage. In addition, it may undervalue intensive farming represented by crops that have multiple "turns" in a calendar year. Removing the acreage component or deemphasizing it somewhat in the funding formula may allow for funding to be allocated in a more equitable manner.

## **Specialty Crop Research Initiative (Farm Bill 2008 - 7311)**

Since its inception in the 2008 Farm Bill, The Specialty Crop Research Initiative has played a vital role in foundational research on production efficiencies, food safety, pest management, and crop characteristic improvements through breeding. While specialty crops make up approximately 50% of U.S. farm gate receipts, programs to support and sustain the sector receive less than 5% of the crop related dollars in the Farm Bill. However, even this modest investment shows the capacity to have had significant impact on the specialty crop industry. Projects that develop food safety metrics for leafy greens and tomatoes to protect consumers, precision irrigation and nutrient management strategies to protect waterways and prevent disease outbreaks, and management strategies for pollinators like bees that are threatened by an unexplained decline, benefit both growers and consumers.

SCRI has been a successful program due largely to the spirit of collaboration between industry, universities and government agencies that the program helps to foster. However, like all programs, some modifications should be made to encourage further collaboration, increase efficiencies, and further grow the return on investment. Greater industry involvement in the peer review and merit process would help science reviewers identify projects with greatest relevance to growers. While scientists often recognize new or innovative techniques and tools, they might not always know market needs and industry concerns. Expanding the dialogue between industry and science reviewers would surely improve the quality and relevance of funded projects.

An additional impediment to collaboration and improvements in efficiency has been the non-federal dollar match requirement in the 2008 Farm Bill. This requirement prevented federal agency dollars from being included in fund matching. For example, state and private university faculty can use salaries and fringe to meet their matching requirements but federal researchers, like those in the Agricultural Research Service (ARS) of the USDA, cannot. Removing the non-federal match requirement, as the Senate Committee mark recommends, would create a more even playing field and go a long way to assuring that the scientists best suited, be they in universities, state departments of agriculture, or federal agencies, are able to pursue the needed research.

## **Implementation Challenges and Lessons Learned**

**Pest and Disease Program** -- Congress in the 2008 Farm Bill recognized the need to improve the pest safety net, but the improvements in that important legislation have been threatened because USDA, after the Farm Bill became law, determined that an earlier limit on using funds from the Commodity Credit Corporation for administrative costs applied to many Farm Bill programs. This USDA legal opinion held up money for Section 10201, the Clean Plant Network, the Specialty Crop Block Grants, and other programs. The legal opinion would of course appear to contradict Congressional intent. But it has forced Congress to enact a series of temporary fixes. The programs have suffered from stopping and starting. Many specific projects require advance planning for staffing, purchase of supplies like traps and lures, or very specific timing to target a pest when it can be detected or controlled. A permanent correction needs to be achieved in the Farm Bill.

**Biomass Crop Assistance Program** -- The Biomass Crop Assistance Program had noble intentions of reducing our nation's reliance on foreign and non-renewable energy sources while tapping our agricultural and engineering infrastructure to develop reliable and

renewable domestic energy supply. The program was intended to help incentivize farmers, ranchers, and forest landowners to participate in this new marketplace and by growing new “energy crops” or sending waste products to biomass conversion facilities where they would then be used for bioenergy. However, there were unintended consequences.

One problematic issue identified shortly after the bill’s passage was the potential of diverting softwood and hardwood bark from established markets and uses to bioenergy facilities. Conifer bark is the primary component of growing media used in container nursery operations, and in many greenhouse operations. For context, 70% of nurseries in the U.S. are container operations and 100% of greenhouse businesses are container operations and there really are no viable replacements for bark substrates at this time.

After considerable consultation and thousands of written comments from the public, the USDA established a rule to prevent this specific market distortion by emphasizing that the purpose of the program was to incentivize “...cultivation of new biomass for new markets rather than divert biomass from existing markets.” The rule goes on to define softwood and hardwood bark that has existing markets as a high-value material that is not eligible for BCAP funding.

The current statute defines “renewable biomass” in relevant part as” ...any organic matter that is available on a renewable and recurring basis...”. Although there is an exclusion in the statute for materials from public lands that are used in higher valued products, the exclusion is not explicit regarding such materials from private lands. Byproducts such as bark, sawdust, shavings and woodchips could be considered to be eligible for subsidies in programs promoting bioenergy. Manufactured products such as composite wood used in wood-based furniture, cabinets doors, flooring, architectural moulding and millwork and other commercial products such as landscaping mulch and commercial growing media rely exclusively on these wood by-products as their only available raw material. A definitional exclusion of biomass from private lands for use in higher valued products is needed in order to eliminate the incentive to divert basic raw materials away from existing industries that could be put at risk. At the same time, it would encourage the expansion of America’s fuel supply and the development of new sources of renewable energy. **We ask you to support an amendment to the definition of “Renewable Biomass” that excludes bio-based materials from public and private land that are used for higher value products.**

### **Conclusion**

In 2008, the Farm Bill became extremely relevant to the specialty crop industries which, as you know, represent roughly half the value of all U.S. crop production. Moreover, they generate jobs and economic activity in rural communities well beyond that generated by traditional mechanized row crops. To illustrate, a farming colleague in New York recently shifted 1000 acres out of high-value vegetables, and into field corn, over concerns about labor availability. Her payroll for farming that 1000 acres went from \$2.5 million for vegetables, to about \$70,000 for field corn. This represents a huge decrease in money being generated and spent in a rural area that lacks much economic opportunity.

For the nursery and greenhouse industry, the plant pest and disease, clean plant network, and block grant provisions have been among the most beneficial. We hope that they will be continued – and improved upon – in the next Farm Bill. Thank you again for this opportunity to testify at this important hearing, and we wish you the best in your deliberations.

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**Excerpt from Testimony of Robert Woolley**  
**Specialty Crop Farm Bill Hearing**  
**Senate Agriculture Committee**  
**July 28, 2011**

*What is a “clean plant?”* A “clean plant” is free of systemic infection by especially injurious or quarantine graft-transmissible disease-causing pathogens. (Graft-transmissible means spread through the most common methods for producing new plants that are essentially copies of the desired variety.) Enabling our nursery industry to produce clean plants is of critical importance because a number of serious diseases--virus and other graft-transmissible agents--can be moved into the United States or to new locations by nursery stock. Once a disease that systemically infects perennial plants has become established in a region, it is usually impossible to eradicate. Infected plants have deleterious impacts on the fruit and nut tree and other specialty crop industries, including:

- Low yields and unpredictable cropping times;
- Poor fruit quality affecting flavor and marketability;
- Premature plant decline and death requiring frequent and expensive replacement and affecting both home owner and grower confidence in our industry and its products;
- Frequent and expensive treatments in the nursery and in fruit and berry farms and orchards to mitigate plant problems;
- Decreased ability to move both plants and resulting crops in domestic and international trade.

Virtually all fruit and nut trees are propagated asexually, via budding or grafting. This allows graft-transmissible disease to spread in nursery stock if plants are grown from infected mother trees. Diseased mother trees often show no signs of infection, even when infected with serious quarantine disease, and once infected with a virus or virus-like agent, the disease can't be removed from an orchard tree. So, to prevent the spread of disease, nurseries rely on various testing protocols to determine if mother plants are clean.

The National Clean Plant Network diagnoses and treats plants against the pathogens that cause serious disease. This prevents the spread of plant disease by enabling nurseries to produce clean plants as well as providing a safe method for the introduction of new varieties from abroad.

The fruit and nut tree component of the National Clean Plant Network is comprised of three regional centers: the Clean Plant Center of the Northwest located at Washington State University, Prosser; Foundation Plant Services at the University of California, Davis; and the Southeastern Budwood program at Clemson University in South Carolina. The National Clean Plant Network provides technical expertise and equipment not available in the private sector to test 'mother' trees to see if they are clean. If no clean trees are available, the NCPN has the capability to eliminate virus and other disease causing pathogens via heat treatment, chemotherapy, and other effective methods that cannot be implemented at the farm level.

In addition to supporting the needs of the fruit and nut tree industry both nationally and regionally, the NCPN also works with other specialty crops such as grapes, berries, citrus, and hops; building broad cooperation among interests that help to provide access to clean high-value crops crucial to nurseries and growers. This year, the network is providing support to

these specialty crops through 18 clean plant centers in 14 states that ensure provide diagnostic and therapeutic services, and to help establish 'mother' plantings from which nurseries can obtain clean material vital to the specialty crop industry. The NCPN maintains mother trees in isolated orchards that are periodically tested to confirm their cleanliness, and serve as a protected source of disease tested plants for use by industry.

The NCPN provides the critically important role of screening new varieties for safe introduction to U.S. producers. New fruit and nut varieties are often considered the "life blood" required to maintain the competitiveness of U.S. producers. Our producers need the safe and affordable method provided by the NCPN to obtain new varieties from overseas sources—without this capability, illegal ("suitcase") importation of plant materials will occur, with the accompanying hazard of the introduction of exotic and destructive disease. The NCPN also plays a crucial role in enabling the exportation of nursery stock and new varieties by U.S. producers by providing testing for required phytosanitary documentation.

NCPN scientists also develop new detection methodologies and provide advice to state and Federal regulatory agencies regarding certification programs. Recent advances in plant

pathogen diagnostic and treatment technologies being supported by the NCPN (such as deep sequencing and cryotherapy) are allowing scientists at clean plant centers to rapidly and more fully understand and treat disease at early stages; namely to be pro-active (rather than reactive) in their elimination of disease causing organisms before they become a problem.

The NCPN coordinates regional clean plant facilities into a cohesive and efficient national network, providing a forum for the exchange of technical information, coordinated planning between clean plant centers and the harmonization of certification standards which will allow the safe interstate/inter-regional and international movement of nursery stock. NCPN, working in states such as Michigan, Oregon, and Pennsylvania, is exploring opportunities to more efficiently and rapidly facilitate the movement in the nursery trade of clean plants such as fruit trees, nut trees, and berries.

Select accomplishments of the NCPN for all 5 specialty crops – fruit trees, grapes, berries, citrus, and hops – include the following:

- About 800 plant accessions annually undergo crucial diagnostic and therapeutic services;
- About 5,000 plant accessions of the greatest industry interest are maintained in secure quarantine foundation plantings;
- About 30,000 tests are conducted annually on plants in the field to ensure their continued freedom from disease causing organisms, thus ensuring their safe availability to industry;
- About 200,000 clean buds, scions, and rootstock are made available annually to nurseries and growers, much of this supporting the fruit and tree nut industry;
- Support to five specialty crop industries (fruit trees as well as grapes, berries, citrus, and hops) at 18 clean plant centers in 14 states.

We see the NCPN as one of the very brightest success stories of the Farm Bill. Before the NCPN was formed in 2009, regional clean plant facilities served the orchard and nursery industries with good cooperation and interaction but without the robust coordination and adequate resources provided by the new national network. Continued funding of the NCPN under the

Farm Bill is essential to maintaining and improving the network's role of protecting U.S. nursery and specialty crop producers, the home landscape, and even the environment.

### **Plum Pox Virus – a Farm Bill Sec. 10201/10202 Success Story**

Plum pox virus (PPV), a serious disease of stone fruit, was first detected in the United States in September 1999. Overall, more than \$4.5 million in Farm Bill Sec. 10201 funding from 2009 through 2011 went toward local and national detection surveys to mitigate or manage immediate threats from the disease to U.S. stone fruit growers in Pennsylvania, New York, and Michigan. In 2009, USDA-APHIS and state partners used Farm Bill funding to complete the last stage of intense monitoring to declare eradication of PPV in Pennsylvania.

Without 10201 funding eradication efforts in Pennsylvania may not have been successful. For successful eradication, surveys must be ongoing for several years, even after an area has tested negative. Such programs are expensive to maintain and without additional Federal funding, Pennsylvania may not have sustained its PPV eradication program to completion.

To quote Benjamin Franklin's most famous adage, "An ounce of prevention is worth a pound of cure." The overall cost of the Pennsylvania plum pox eradication effort—including surveys, indemnifications for removal of orchards and impacts to the local community—is estimated in USDA studies to be close to \$50 million dollars. The \$5 million annual funding of the National Clean Plant Network via Sec.10202 of the Farm Bill is a well-spent "ounce of prevention" that will enable the safe importation of plant materials, thereby reducing or eliminating the temptation for illegal ("suitcase") importations and the accompanying risk of the introduction of serious pests and disease.

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## **BIOGRAPHY**

### **JERRY LEE**

**Environmental Services Manager  
Monrovia Growers  
Cairo, Georgia**

- Over 38 years experience in the industry.
- Led the effort to develop “Best Management Practices for the Control of Fertilizer, Water and Sedimentation”, in conjunction with the Georgia Department of Agriculture and Georgia EPD. We are the only company in our industry within the State with a plan of this type.
- Serve as co-chair on Continental Dialogue’s Phytophthora ramorum Prevent the Spread Initiative.
- Serve on the Regional Water Planning council for the Lower Flint / Ochlocknee River Basin. Served as chair of the Ag water forecast subcommittee as well as chaired the Water Quality subcommittee.
- Serve on the nursery committee for the National Ornamentals Research Site at Dominican University of California. This is the only site in the U.S. studying Phytophthora ramorum in ornamentals.
- Serve on the Systems Approach Program Partnership Committee of USDA APHIS.
- Serve on the Systems Approach to Nursery Certification Committee of National Plant Board.
- Served on the Industry Boxwood Blight Working Group to develop BMP’s to prevent the spread of the disease and helped coordinate activities with National Plant Board.

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:     Jerry Lee    

Organization you represent (if any):     Monrovia    

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:     N/A     Amount:                     

Source:                      Amount:                     

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

Source:     N/A     Amount:                     

Source:                      Amount:                     

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

Signature:         

\* Rule X1, 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) of 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.**