



Statement of the American Farm Bureau Federation

**Testimony of the American Farm Bureau Federation (AFBF)
before the
Horticulture, Research, Biotechnology and Foreign Agriculture Subcommittee
of the House Agriculture Committee
Specialty Crops in the 2013 Farm Bill
April 24, 2013**

**Presented by: Barry Bushue, AFBF Vice President and
President, Oregon Farm Bureau Federation**

Chairman Scott and Ranking Member Schrader, thank you for the opportunity to testify on behalf of the American Farm Bureau Federation and Oregon Farm Bureau Federation. Farm Bureau is the nation's largest general farm organization and is the first (and, so far, only) agricultural organization to offer a comprehensive farm bill proposal in 2013. I will not cover details of that proposal today, but will instead hit a few highlights and then focus on our thoughts on the importance of the farm bill to fruit and vegetable producers. Specialty crops accounted for approximately 17 percent of the \$391 billion in U.S. agriculture cash receipts in 2012.

I am a horticultural producer. I grow a variety of specialty crops including pumpkins, flowering baskets, strawberries and tomatoes. In Oregon, we are fortunate to grow more than 240 commodities. In 2011, Oregon ranked number one in the production of blackberries, boysenberries, youngberries, hazelnuts, loganberries, raspberries, peppermint, Christmas trees and onions. We ranked second, third or fourth nationwide in snap peas, hops, garlic, pears, blueberries, sweet cherries, strawberries, green peas, cranberries and wine grapes. Based on value of production, 22 of the top 40 commodities produced in the state are specialty crops. We are proud of what we do and we do it extremely well.

In Oregon, as in other specialty crop states, the industry appreciates Congress' recent focus on the importance of such commodities. It is our belief that a strong agriculture industry depends on a healthy variance on types of commodities grown as well as production styles.

The specialty crop block grant program helps to achieve that goal. In Oregon, more than \$6.5 million has been distributed for a multitude of programs between FY 2009 and FY 2012. These program funds have been used for outreach and training on Good Agriculture Practices (GAP), programs aimed at improving food safety, traceability and productivity. Several programs that bring more Oregon-produced fruits and vegetables to Oregon schools have been implemented as have trade, education and marketing opportunities for the Asian market. Last, but certainly not least, pest and plant disease initiatives and direct retail opportunities for producers have been highlighted.

A thriving agricultural economy benefits all Americans, and depends on a sound farm bill. The Farm Bill helps farmers and ranchers deal with the risks that threaten their ability to produce the food, fiber and fuel we all need. As the Agriculture committees in Congress begin to draft a 2013 farm bill against a backdrop of decreasing government funding, Farm Bureau has put forward a farm bill proposal that is financially responsible, provides a measure of equity across crop sectors and helps farmers and ranchers deal with the weather and market risks they face.

American Farm Bureau Federation policy supports strengthening crop insurance and offering farmers a choice of program options to complete their "safety net." In addition, AFBF supports providing programs that encourage farmers to follow market signals rather than make planting decisions based on government payments. Farm Bureau also supports extending some of the programs generally "reserved" for farm program commodities to producers of fruits and vegetables.

We developed a proposal recognizing the budgetary environment of today and tomorrow. Agriculture has been singled out by numerous congressional leaders. Whether we like it or not,

Congress is sending a clear message that the federal dollars that were there in the past are simply not going to be there tomorrow. Farmers should not expect to receive the same level of support as they have—even as recently as three or four years ago. Our proposal recognizes that fact and makes every effort to try to use the limited resources we have available in the best way possible.

Farm Bureau is a general farm organization. Individual commodity groups are obviously able to push for their own crop's interest. Farm Bureau stretches across all of agriculture, and providing significantly higher benefits to one crop would mean that other crops would be forced to take a larger hit. We worked diligently to spend scarce dollars wisely and to treat farmers of various crops equitably.

The top-level recommendations included in Farm Bureau's proposal are:

- Support the lower Senate budget reduction number of \$23 billion;
- Structure the farm bill proposal to achieve this level of cost reduction and, if funding is further reduced, to proportionately reduce the safety net programs as necessary (rather than require a total rewrite);
- Allow program crop producers to choose either a Stacked Income Protection Plan (STAX) or a target price program, on top of participation in crop insurance and marketing loans, as the three legs of a safety net;
- Establish a STAX program for all program commodities, as well as for apples, potatoes, tomatoes, grapes and sweet corn; and
- Provide a target price program for all program commodities, with the exception of cotton.

The Stacked Income Protection Plan (STAX) is an insurance product designed to provide a fiscally responsible and effective safety net for program crop farmers and growers of tomatoes, potatoes, apples, grapes and sweet corn. The program would be administered by USDA's Risk Management Agency in a manner consistent with the current crop insurance delivery system. It is designed to complement existing crop insurance programs. It does not change any features of existing insurance policies. If we can use STAX to cover these five specialty crops, fruit and vegetable producers in 44 states will benefit. The five crops were selected based on the following criteria:

- a. Crop insurance is currently available for the crop;
- b. The crop ranks in the top 13 in value of production for the country and represents at least 2 percent of the country's value of production; and
- c. The crops are all grown in at least 13 states.

We would like to cover additional fruits and vegetables under the STAX program in the future.

The STAX plan addresses revenue losses on an area-wide basis, with a county being the designated area of coverage. In counties lacking sufficient data, larger geographical areas such as county groupings may be necessary to preserve the integrity of the program. The "stacked" feature of the program implies that the coverage would sit on top of the producer's individual crop insurance product.

The 2008 Farm Bill was the first farm bill that included a title devoted exclusively to our sector.

Specialty crops are defined as fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops, and floriculture. This level of productivity was accomplished on only about 2 percent of the country's crop acres.

Our other farm bill priorities that specifically relate to fruit and vegetable production include:

- Reauthorize and fund with mandatory money the four expired disaster programs. This includes the (a) Livestock Indemnity Program (LIP), (b) Livestock Forage Program (LFP), (c) Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program (ELAP), and (d) Tree Assistance Program (TAP). Due to Colony Collapse Disorder (CCD), many beekeepers have suffered significant losses in recent years. ELAP covers producers of aquaculture, bees, and other species. ELAP provides funds for losses that are not covered by other disaster programs, and USDA reports it has paid out \$31 million from program inception. It has provided substantial assistance to beekeepers whose bees have suffered from CCD;
- TAP is equally important and provides assistance for tree death losses. Nationwide, TAP has paid nearly \$14 million from program inception. TAP and ELAP often provide assistance to producers who may not have access to federal crop insurance, and are critical in this era of widely varying weather events. The four disaster programs expired on Sept. 30, 2011 and permanent mandatory funding, as well as funding for 2011 and 2012 is critical;
- Mandate additional studies on insuring specialty crop producers for food safety and contamination-related losses;
- Improve the Noninsured Assistance Program (NAP). Currently, producers must suffer at least a 50 percent crop loss or be prevented from planting more than 35 percent of intended acreage to collect. For losses above those thresholds, a producer receives 55 percent of the average market price for the commodity. Allow additional coverage at 50 to 65 percent of established yield and 100 percent of average market price. Producers would pay a premium for such coverage;
- Oppose additional payment limits and means testing on any crop insurance programs. This is likely to hit specialty crop producers especially hard since they are often producers of high-value crops;
- Oppose linking conservation compliance with crop insurance programs. Fruit and vegetable producers have little to no experience dealing with conservation compliance. Compliance with wetlands issues can be especially problematic; and
- Expand the State Block Grants for Specialty Crops program and funding for research for specialty crops as well as technical assistance at USDA. The Specialty Crop Block Grant Program provides funding to states to enhance the competitiveness of specialty crops. Each of the fifty states are eligible to apply for these grant funds from USDA and receives the higher value of \$100,000 or one-third of one percent of the total amount of funding made available for that fiscal year. The 2008 Farm Bill provided the \$55 million for each year

until FY 2012. We would like to see the program expanded in this bill. The sole purpose of this program is to promote the competitiveness of specialty crops. Over the life of the program, USDA reports that 2,500 projects have been funded that benefit the specialty crop in all 50 states and the projects have enhanced all aspects of growing and marketing specialty crops including research, plant and pest health, food safety and production.

- Another farm bill program quite popular with our members is the Farmers' Market Promotion Program (FMPP). As you may know, we have more than tripled the number of farmers markets in this country in the last decade. The mission of the program is to improve and expand domestic farmers' markets, roadside stands, community-supported agriculture programs, agri-tourism activities, and other direct producer-to-consumer market opportunities.
- For the specialty crop industry, there continues to be mounting pressures of decreased availability of crop protection tools that can be used to provide the abundant and safe food supply the consumer demands. In turn, environmental regulations continue to put pressure on the industry's ability to be competitive in a world economy. Because of these factors, Congress should consider assistance that encourages producers to invest in natural resource protection measures they might not have been able to afford without such assistance. These programs would include the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP).
- We are also very supportive of Section 32 distributions. Funds are used to encourage domestic consumption of non-price supported perishable commodities and to re-establish farmers' purchasing power through a variety of activities, including purchases of commodities and removal of surplus commodities from the marketplace for distribution to federal nutrition assistance programs such as the National School Lunch Program. When specific commodities are hit hard, this program can immediately relieve some of the pain. According to USDA, they have made Section 32 specialty crop purchases of about \$400 million per year since the 2008 Farm Bill.

We encourage the House Agriculture Committee to continue to invest in our specialty crop producers. This can be accomplished by mandating the availability of a STAX program for some specialty crop producers and watching for every opportunity to expand that program over the next few years, providing additional specialty crop block grant funding, improving our Farmers Market Nutrition Program and expanding the Fresh Fruit and Vegetable Snack Program. We look forward to working with the committee on the development of the next farm bill.

We recognize the fiscal constraints facing Congress and the Committee, but the many challenges facing our industry will only worsen if real and adequate policy reforms are not provided through a farm bill that appropriately meets the needs of agriculture.

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, 2010.

Name: Barry Bushue

Organization you represent (if any): Oregon Farm Bureau
American Farm Bureau

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2010, 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, 2010, 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: B. Bushue

* Rule XI, clause 2(g)(5) 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.

Committee on Agriculture
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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: Barry Bushue
2. Organization you represent: Oregon Farm Bureau, American Farm Bureau
3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
Owner/Operator Bushue Family Farm
4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
Member, Advisory Cmte. on Biotechnology and 21st Century Agriculture, USDA
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, Oregon Farm Bureau
Vice President, American Farm Bureau

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