TESTIMONY of Charles Wingard, Walter P. Rawl & Co On behalf of the International Fresh Produce Association

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U.S Senate Committee on Agriculture, Nutrition, and Forestry

Subcommittee on Food and Nutrition, Specialty Crops, Organics, and Research Hearing on "How the Farm Bill Works for Specialty Crop Producers"

Thank you to the Chairs and Ranking Members for this opportunity. My name is Charles Wingard, Vice President of Field Operations, for <u>Walter P. Rawl & Co</u> headquartered in South Carolina. We grow multiple crops, including collards, kale, mustard & turnip greens, cilantro, parsley, and green onions in South Carolina, Florida, Pennsylvania, and Michigan.

Today, I am representing the <u>International Fresh Produce Association</u>, and I will also be highlighting our shared support for the work and recommendations of the <u>Specialty Crop Farm Bill Alliance</u>. I am proud to speak on behalf of American producers of fruits, vegetables, tree nuts, and horticultural producers who grow the healthiest, most vibrant products in the world. Domestically, specialty crops account for over 44% of the farmgate value for crops. According to a recent study, the fresh produce and floral industry alone provides 2.2 million jobs across all 50 states and contributes \$120.6 billion to the labor income in the United States economy. These statistics highlight the importance of specialty crops and the need for focused attention and support in the upcoming Farm Bill.

Via the work of the Specialty Crop Farm Bill Alliance, I would like to highlight some key priorities that IFPA and I believe are critical to the success and growth of our sector. Let me begin with our opposition to any attempt to expand the definition of specialty crops beyond the existing definition outlined in the Specialty Crop Competitiveness Act of 2004. This definition includes fruits, vegetables, tree nuts, dried fruits, and nursery crops. Maintaining this definition is essential for consistency and ensuring that the unique needs of specialty crops are addressed. Now, on to my recommendations for the Farm Bill.

Crop Insurance and Safety Net

Crop insurance plays a crucial role in mitigating risks for producers. However, specialty crop operations are underrepresented in these programs. USDA must improve and prioritize data collection and analytics, and the evaluation of a risk management tools designed exclusively for specialty crop growers.

Specialty crop producers face unique challenges with the application of Adjusted Gross Income (AGI) limitations compared to other commodity crop producers for most Farm Bill programs. The current implementation of AGI limitations disproportionately prohibits specialty crop producers from participating in certain USDA programs in a meaningful way and potentially inhibits specialty crop producers from

participating in disaster programs. Although a means test may be appropriate for participation in many USDA programs, AGI is an ill-suited means test for specialty crop producers. USDA programs that require a means test for participation should be based on income derived from farming and be flexible enough to account for the variety of structures, accounting methods and other special considerations for specialty crop producers, not just their AGI. Further, conservation programs incentivize production practices to the broader benefit of society and should not be subject to any AGI limitations. If AGI continues to be utilized as a means test for specialty crop producers, it should revert to the 2002 Farm Bill model and used for the Coronavirus Food Assistance Program (CFAP). That policy being that if 75% of income is derived from farming, no AGI limitation should be applied.

Technical enhancements to programs such as the Tree Assistance Program, Whole Farm Crop Insurance Program, and Noninsured Crop Disaster Assistance Program are also needed to improve their accessibility, value and effectiveness. Greater outreach efforts, improved data collection, and fair pricing mechanisms would foster greater participation of specialty crop growers in these programs.

Conservation and Climate

Like other sectors of agriculture, conservation and climate change represent significant challenges for specialty crop producers. To tackle these issues effectively, we propose an increased emphasis on climate adaptation in conservation programs, along with expanding the activities covered by these programs to more than just carbon capture in soils. Additionally, we need more research, data collection, and agency engagement with our sector on climate change and its impact on specialty crops.

Reforms to enable more specialty crop producers to participate in conservation programs, should include considerations water availability and impacts on other resources. Most immediately, we urge Congress to amend adjusted gross income limits in conservation programs so that middle class specialty crop producers can access cost share funding.

Nutrition

Underconsumption of fruits and vegetables in the American diet is a tremendous, missed opportunity for health of our nation. Only one in ten Americans meets the recommended dietary guidelines, while threequarters of the population are overweight or obese. Children and people living at lower income levels are most in need of dedicated resources for fruit and vegetable access for SNAP participants and the Fresh Fruit and Vegetable Program (FFVP) that has expanded to all states and territories due to its success and popularity. A USDA evaluation found that FFVP increases consumption among low-income students, helps reduce plate waste at school meals, and, most notably, can reduce obesity rates by three percent. The program is oversubscribed, with many more districts (all low-income) applying each year than funding made available. To remedy that, Congress should make FFVP automatically available to any elementary school that currently qualifies as low-income under the Community Eligibility Provision (CEP).

Reforming USDA procurement programs to include a wide range of specialty crops is another commonsense way Congress could promote healthy eating habits and combat nutrition-related health issues. Despite Buy American requirements, non-compliant imported products still reach American schools. While we recognize that noncompliance at the school level is often unintentional, violations hurt American

growers so Congress should strengthen and require USDA to enforce the Buy American requirements in USDA school meals programs. Further, Congress should specifically define that a U.S. product must be at least 25% greater in cost to qualify as having a "significantly higher cost" than a foreign product.

Research

Research and innovation are pivotal to the long-term sustainability and profitability of the specialty crop industry. I encourage you to consider sustained and expanded funding for the Specialty Crop Research Initiative (SCRI), IR-4, the Office of Pest Management Policy (OPMP), and increased resources for research focused on compliance with the Food Safety Modernization Act (FSMA).

SCRI addresses the critical needs of our industry by awarding grants that support research and extension that address key challenges of national, regional, and multi-state importance in sustaining all components of food and agriculture, including conventional, contained environment and organic production systems. Because the program is overprescribed and funding has not been increased in several cycles, the specialty crop sector asks Congress allocate an additional \$50 million in annual mandatory spending to SCRI and should prioritize new innovations and technologies, research into plant breeding, genetics, genomics, crop management, and other methods to improve crop characteristics across scales of production and efforts to identify and address threats from pests and diseases.

Since the passage and implementation of FSMA, the produce industry has faced a wide variety of hurdles in complying with this statute, the accompanying regulations, and the obligations that they create. Technical assistance for producers as well as additional research into helping producers comply with FSMA is still needed. If properly funded, the Cooperative Extension Service is well positioned to help producers with their growing FSMA compliance obligations. Comparably, National Institute on Food and Agriculture (NIFA) should be given additional funding to conduct produce safety research focused on helping producers comply with FSMA.

The IR-4 Project serves a critical role for agriculture by facilitating the availability of needed pest management solutions for specialty crops. The private crop protection industry often focuses its product development efforts and resources on large acreage, major row crops where potential sales are significant. As a result, specialty crops are left with few tools for effectively managing pests and the tools made available to specialty crops can lag as to the latest advances in crop protection. The IR-4 project aims to combat these market inefficiencies by advancing crop protection product registrations for the specialty crop sector. Increased IR-4 funding is warranted because the need for the Project's services continues to increase while government funding has been stagnant for 10 years. The result is, over the past three years, the IR-4 Project was forced to reduce its primary research efforts by almost 25 percent. IR-4 currently does not have the resources to adequately address pest management voids for specialty crops. At present, there are more than 200 existing pest management voids, and each year IR-4 receives an additional 100+ new research requests. Based on current funding, IR-4 can only address about 50 such requests per year. IR-4 also performs crop protection work on non-food environmental horticultural crops and florals. This industry has no major support for crop protection activities from other sources and is fully dependent on IR-4 for all new approvals. This segment of IR-4 has been under-resourced long-term and is in desperate need of new funds to address pest management voids. For these many reasons, Congress should increase federal mandatory funding for the IR-4 Project to \$50 million annually.

OPMP is invaluable as a reviewer of EPA-proposed and final pesticide regulations and guidance, as well as for Endangered Species Act (ESA) consultations with NOAA Fisheries and the Fish and Wildlife Service. Despite the small size of the office, OPMP has been very substantively involved in nearly all significant EPA and ESA pesticide regulatory actions that may affect the agricultural community, including specialty crops. The specialty crop industry believes that this role should be supported and expanded to meet the challenges of future workload and asks that Congress allocate an additional \$5 million annually in mandatory funds for OPMP.

And, on the topic of crop protection, I am very troubled about lack of available alternatives for specialty crops. Specifically, our ability to produce our green onion crop – one of the largest in the nation – is at real risk due to EPA's recent announced intention to revoke the registration of a one of the few, key herbicides, DCPA, available for use on onions. We believe that there may be options, but none are labeled for use so our ability to produce green onions is about to be severely hindered. To effectively serve the specialty crop industry and American consumers, we need mechanisms in place that can fast track research and approval of crop protection tools. Both USDA's Office of Pesticide Management Policy (OPMP) and the IR4 Project are key voices for specialty crop producers working with EPA on these issues and I implore you to elevate their mission and ensure their stable and robust funding.

Specialty Crop Block Grants

As you may know, the <u>Specialty Crop Block Grant Program</u> has been instrumental in supporting specialty crop producers. Currently, these grants are funding important projects in many states including at my alma mater, Clemson University, and at Penn State, Michigan State, Cornell and the University of Georgia to name a few. We recommend increasing the mandatory funding for this program to \$100 million annually.

Organics

In 2019, 58% of organic sales came from crops, led by vegetables and fruits (including berries and tree nuts) and represents \$9 billion in sales. Organic production is growing in importance for specialty crops and has gained increasing participation throughout the supply chain. The National Organic Program (NOP) should be required to consult with EPA and FDA on all regulatory decisions and include relevant agency information or feedback provided with all Federal Register notices. This should include the public health implications of eliminating any sanitizers from the National List of Allowed and Prohibited Substances. As well, the number and makeup of National Organics Standards Board (NSOB) seats should be expanded, to include more scientific expertise, better account for differing commodity needs and production innovations, and more effectively respond to the growing consumer demand for organic products.

<u>Trade</u>

American growers like me adhere to strict regulatory requirements and private standards designed to protect the environment, ensure safe food, and safeguard workers. Maintaining these high standards is extremely costly, plus American growers pay some of the highest labor costs in the world. My investment is undermined when our foreign competitors do not have the same burdens thus giving them significantly lower costs of production. When Congress reauthorizes the upcoming Farm Bill, the trade title must

recognize this imbalance and provide non-distorting support in the areas of market development, research, innovation, and technology. This support should assist specialty crop producers in maintaining competitiveness, offsetting the cost of production, and ensuring the stable, robust domestic food production.

Through the Market Access Program (MAP), USDA-FAS partners with U.S. agricultural trade associations, cooperatives, state regional trade groups and small businesses to share the costs of overseas marketing and promotional activities that help build commercial export markets for U.S. agricultural products and commodities. MAP reaches virtually every corner of the globe, helping build markets for a wide variety of U.S. farm and food products. USDA-FAS provides cost-share assistance to eligible U.S. organizations for activities such as consumer advertising, public relations, point-of-sale demonstrations, participation in trade fairs and exhibits, market research, and technical assistance. When MAP funds are used for generic marketing and promotion, participants must contribute a minimum 10 percent match. For the promotion of branded products, a dollar-for-dollar match is required. Despite representing over 44% of the domestic farm gate value for crops, specialty crops receive only 25% - 30% of MAP funding allocated with the remaining 70% - 75% going to non-specialty crops. Despite that imbalance, each year more than 37 U.S. specialty crop organizations receive more than \$50 million of the \$200 million currently available from this oversubscribed market development program. MAP has been at the same funding level since 2006, and since that time, fully one-third of MAP funding has been lost to sequestration and inflationary pressures. Compounding the problem is the loss of U.S. market share due to retaliatory tariffs, port congestion, and other supply chain dysfunction. To alleviate these problems, MAP funding should be increased from \$200 million to \$400 million in the next Farm Bill.

The Technical Assistance to Specialty Crops program (TASC) funds projects that address sanitary, phytosanitary, and technical barriers that prohibit or threaten the export of U.S. specialty crops. Eligible crops include all cultivated plants and their products produced in the United States except wheat, feed grains, oilseeds, cotton, rice, peanuts, sugar, and tobacco. TASC benefits an entire industry/sector rather than a specific company or brand. U.S. non-profit, for-profit, and government entities are eligible to apply. This program should be continued at \$9 million annually and it is important that the funds are used exclusively for specialty crops as originally defined in the Specialty Crop Competitiveness Act of 2004.

The International Maximum Residue Limits (MRL) Database contains maximum acceptable levels of pesticides and veterinary drugs in food and agricultural products in the United States, as well as 70 other countries, the European Union, and the Codex Alimentarius Commission. Specifically, the database includes more than 300 fruit, vegetable and nut commodities, as well as more than 270 pesticides approved for use on those commodities by the U.S. EPA. MRL database funding must be maintained due to its critical role in maintaining trade markets for all commodities.

Thank you again for the opportunity to share my thoughts and these recommendations that are crucial to the growth, sustainability, and competitiveness of the specialty crop industry and my operation. I ask that you consider these priorities and allocate the necessary resources to support the diverse needs of our sector so that U.S. growers can prosper and share that health and prosperity with American consumers and the economy.