

I am Dennis Holbrook, owner of South Texas Organics. I am also the current chairman of Texas Citrus Mutual, a non-profit trade association of citrus growers and allied industries. Today I am representing Texas Citrus Mutual and the Texas Produce Association. For the past two years these two produce associations have been working with other state and regional specialty crop groups, as well as the United Fresh Fruit and Vegetable Association on recommendations for the next Farm Bill. My testimony today will reflect both the priorities of the Texas produce industry and the national industry as well.

Our proposals with respect to the next Farm Bill are based on the growing importance of the specialty crop industry and the need for fair treatment of this sector in the next Farm Bill. U.S. fruit and vegetable production accounts for 30 percent of cash receipts for crops, and with the addition of nursery and greenhouse production the figure is 44 percent. The value added to the Texas economy by the production of fruits, vegetables and tree nuts is approximately \$635 million dollars.

On August 23, Secretary Johanns released projections that agricultural exports will reach a record \$68 billion in fiscal year 2006. He also estimated that overall exports will break the record again in 2007 at \$72 billion. Fresh and processed fruit, vegetables and tree nuts account for 40 percent of the projected horticultural export growth in 2007.

Due to the limited amount of time for oral testimony, I will focus on the basic principles that provide the foundation for our recommendations.

1. The specialty crop industry is a critical and growing part of U.S. agriculture, deserving of full and equal consideration as other agricultural sectors in the Farm Bill.
2. The specialty crop industry would not be well served by direct program payments to growers. Rather, our emphasis must be on building the long-term competitiveness and sustainability of U.S. specialty crop production.
3. Dietary guidelines for 2005 call for a doubling of fruit and vegetable consumption to address issues of obesity and overall health. Strong support for the fruit and vegetable industry in the Farm Bill is going to be necessary to achieve this goal. The food and nutrition goals of our industry involve every American, and I emphasize that includes every elected official in our country.
4. Specialty crops are a major contributor to the growth of exports but we need help to remove trade barriers that threaten to limit the growth of export markets.
5. Specialty crops face threats from pest, diseases, and bioterrorism that can destroy entire crop industries.

As mentioned I am a citrus grower in the Rio Grande Valley of Texas. Texas grows, if I say so myself, the best quality grapefruit anywhere in the world. The very survival of that industry is now threatened by several citrus pests in Florida, Mexico and other areas close to our borders. We are talking particularly about citrus greening, citrus canker and citrus tristeza virus. The latter two diseases can result in the removal of very large numbers of trees to stop the spread of these diseases. Perennial crops like citrus are not profitable until after they are 5 to 6 years of age. Unfortunately some of these citrus diseases require tree extraction to remove the disease from an individual grove, and in some cases, thousands of trees from many groves. Prevention

is by far the most economical solution to these diseases.

We are calling on Congress to support an effort by APHIS to prioritize foreign pest threats to domestic production of specialty crops, including bio terrorism. By the way, citrus greening is on the Select Agent list for bio terrorism. When disease exclusion is not successful and eradication is necessary, we urge Congress to make Commodity Credit Corporation funds available to the Secretary of Agriculture, without encumbrances, to conduct the emergency eradication.

The Federal School Fruit and Vegetable Snack Program is an effective and popular nutrition intervention program proven to increase fresh fruit and vegetable consumption among children in participating schools. This program allows children to experience the delicious taste of fruits and vegetables and thereby creating the potential to build lifelong healthy eating habits. We are recommending mandatory funding of \$200 million dollars per year or \$1 billion over five years for this program, including \$100 million to the selected 50 schools per state in the current program and an additional \$100 million to be distributed based on the population of each state.

Currently the most discussed thing about the Farm Bill is whether there should be an extension with limited modifications or a brand new Farm Bill. I realize I am in the minority on my point of view in this particular audience today, but the specialty crop industry is opposed to an extension of the Farm Bill. By most accounts the current Farm Bill has worked well in general for the program crops. That is not the case for specialty crops. We do not receive benefits equal to our part of the agricultural economy. As the face of American agriculture has changed and specialty crops have become more important, we believe it is time for our farm policy to match that change. We also believe that by bringing our industry more into the Farm Bill process that we will add support in Congress from more sectors of the society. For example, the food and nutrition provisions we are recommending have very broad support from consumer, health professional and anti-hunger groups.

Because of the WTO ruling on the cotton case, Congress may remove the restrictions on planting flexibility that would have a negative impact nationally on the produce industry, particularly for some vegetable crops. If Congress removes the current restriction then program crop farmers could plant fruits and vegetables on acres on which they receive a direct payment and thereby compete with people in our industry that do not receive such payments. We understand the WTO has ruled that the current restriction is "trade distorting", but as an industry we feel that if this provision is taken away that other assurances be made to maintain a level playing field for specialty crop growers. The bottom line is that prices in our industry are very sensitive to relatively small changes in supply caused by new entrants into the industry. This could have a significant negative impact on the price of certain fruits and vegetables.

Before I close I would like to mention another area of great concern to the Texas and U.S. produce industry. It is the enormous need for labor to harvest and process our agricultural products for the consuming public. The fact is that a large number of undocumented or improperly documented workers are currently providing these services. No one willfully uses undocumented workers but it is difficult for us to know if their documents are fake or real. This spring we saw some limited but serious worker shortages in the Rio Grande Valley. Onion growers in the Winter Garden area of our state experienced very serious worker shortages.

Several of these growers were only able to acquire half of their normal labor needs during this past season. It is critical the immigration issue be dealt with before the end of this Congressional session. We are already hearing about workers not only in Texas but throughout the country who are not showing up for work because increased enforcement is creating fear in the worker community. Lack of labor plus reduced product availability equals higher cost to the nation's consumers. Members of this committee: an enforcement-only policy will be devastating to the Texas and U.S. produce industry as well as disrupt the food supply channels of our nation.

In the next several weeks our industry will be sharing the details of our recommendations with this committee and other members of Congress. Thank you for the opportunity to present this testimony before your committee today.