

Prepared Statement  
by  
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on behalf of  
United Fresh Produce Association

Development of 2007 Farm Bill

Committee on Agriculture  
United States Senate

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## INTRODUCTION

Good morning, Mr. Chairman and Members of the Committee. My name is Maureen Torrey Marshall. I am Vice President of Torrey Farms, an 11th generation family-farm operation specializing in the fresh marketing and processing of vegetables and grains. For the past 200 years, our family has been farming in this area. It is my hope that the 12th generation of Torrey family members will carry on that tradition. I am the current chairman of the United Fresh Produce Association, and today, I am providing comments on behalf of United Fresh who is a member of the Specialty Crop Farm Bill Alliance. More than 100 organizations representing growers of specialty crops have indicated their support for the policy priorities developed by the Specialty Crop Farm Bill Alliance. A list of those groups is attached to this testimony.

## INDUSTRY OVERVIEW

The specialty crop industry is a dynamic industry characterized by constantly changing supply and demand conditions. Yet, we work hard to remain profitable, satisfy consumer demands, and develop new technology in order to be competitive in the domestic and the global market place.

Most of our crops are highly perishable and are characterized by high costs of production, high crop value, and generally inelastic demand which can result in large price decreases based on small amounts of excess production. Markets for specialty crops are highly volatile, yet our growers have never relied on traditional farm programs to sustain our industry. While it clearly is the intention of our industry to be more actively involved in establishing policy in the 2007 Farm Bill, there continues to be consensus from United Fresh members and coalition partners to continue to reject direct payments to growers as a policy option.

The marketplace in which we operate is growing more difficult. Meeting the demands of consumers is increasingly complicated and requires growers to address challenges in logistics, product packaging, and changing lifestyles and preferences. Regulatory challenges from state and local governments have also become exponentially more challenging. The threat of crop loss or trade disruption from the accidental or intentional introduction of pests of concern has expanded as the volume of trade has increased.

As the policy discussion for the 2007 Farm Bill takes shape, we look forward to working with

you to develop new programs and enhance existing programs that will improve the competitiveness of the specialty crop industry. Over the past two years, the coalition has been working with members of Congress to develop specific legislative language consistent with our priorities. The culmination of that work came last week, when Senators Debbie Stabenow and Larry Craig, along with 17 co-sponsors, introduced the Specialty Crops Competition Act of 2007, S. 1160. We believe this legislation is a comprehensive farm bill package providing the necessary framework to enhance the competitiveness of the specialty crop industry. We expect this legislation to begin a constructive discussion of specialty crop farm policy and allow our industry to play a significant role in the farm bill debate. We congratulate and thank these two Senators along with their colleagues who cosponsored this bill on supporting the efforts of the specialty crop industries across this country.

#### TIMING OF THE NEXT FARM BILL

United Fresh Produce Association along with the members of the coalition believe that government policy should provide incentives for private investment, tools to increase profitability, help to those producers who are committed to better serving consumer needs, and assistance to maintain environmental quality. Ultimately, the goal of specialty crop farm policy should be to enhance the tools necessary to drive demand, increase consumption, and not distort the production of those products with respect to domestic and international markets. The Alliance believes that Congress should complete the process of establishing U.S. farm policy prior to the planting of the 2008 crop. We should develop policies based on the needs of our growers and not on the expectations of future developments in bilateral or multilateral trade agreements. The Doha round setbacks should not dictate either the timing or the policy options for U.S. agriculture. To the contrary, now is the time for policy makers to take the lead and demonstrate commitment for programs that benefit all domestic producers. Modernizing the farm bill remains a top priority for specialty crop producers. Domestically grown specialty crops need better access to overseas markets, and the delay in WTO agricultural talks likely prolongs that inequitable trade situation. Additionally, specialty crop producers face ever-increasing competition from imports, as well as challenges that threaten the viability of producers - making a revision of farm bill programs that address these needs essential for the specialty crop industry.

Many of the provisions of S.1160 address these concerns. I would like to highlight today nine (9) key areas of S.1160, which we believe Congress should incorporate into the 2007 Farm Bill because they will enhance the foundation of policy tools available to this important segment of U.S. agriculture.

##### 1. Prohibition of Planting Fruits and Vegetables on Contract Acres

As referenced in S. 1160, the Alliance strongly supports maintaining or strengthening the current U.S. planting policy, which restricts producers from growing fruits and vegetables on acres receiving program payments. Fruit and vegetable producers are concerned that any alternations in this provision would allow commodity producers to mitigate any start-up costs or mitigate risk inherent to fruit and vegetable production resulting in unfair competition. Current market conditions and potential for disruption that has led the industry's support for this provision since 1985 has not changed. If anything, they have worsened and the need to retain this provision has become even more important. If the restriction is lifted by Congress,

the industry believes hundreds of millions of dollars of negative economic impact will be felt by the fruit and vegetable industry.

## 2. Nutrition Policy

The specialty crop industry has the good fortune to offer consumers a healthy and nutritious product that is recognized as critical to preventing cancer and other chronic diseases, reducing obesity and diabetes, and maintaining overall good health. The Dietary Guidelines for Americans call for the consumption of 5 to 13 servings a day of fruits and vegetables as a cornerstone of good health. Yet, on any given day 45 percent of children eat no fruit at all, and 20 percent eat less than one serving of vegetables. While nutrition policy is not solely a Farm Bill issue, we have a unique opportunity to ensure that policies are carefully considered so that the new Guidelines are fully implemented.

Therefore, the Alliance supports expansion of the School Fruit and Vegetable Snack Program as noted in The Specialty Crops Competition Act. This 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 great taste of fruits and vegetables and thereby has the potential to build lifelong healthy eating habits. We also support increased funding of Section 32 purchases and the DOD Fresh Program so that school meal purchases better reflect USDA's 2005 Dietary Guidelines. This is an important policy priority for the Alliance that was not only part of S.1160, but was also recommended by Secretary Johanns' as part of the Administrations 2007 farm bill proposals as well.

## 3. State Block Grants

The Alliance also supports continued expansion of the State Block Grant Program for Specialty Crops that was authorized in the 2004 Specialty Crops Competitiveness Act. This program allows states to invest in programs and projects that support production-related research, commodity promotion, food safety and other programs that enhance the competitiveness of specialty crop producers. Due to the variety of crop production among states, the "state grant" nature of the program is essential to the success of the program and benefit to local producers. For instance a program funded in New York by the 2001 block grant included an intergrated fruit production protocol to help the apple industry in New York maintain their markets in Europe.

## 4. Research Policy

Federal investment in agricultural research dedicated to improving the competitiveness of the U.S. specialty crop industry has been shrinking in real terms and is not adequate to meet the needs of the industry. The Alliance supports expanded federal investments in research and development for fruit and vegetable crop production, including plant breeding, pest management, production, physiology, food science, mechanization, marketing, product development, food security, food safety, and processing. For example, S. 1160 and the Administration's 2007 farm bill proposals both call for an increase of research funding in order to establish a Specialty Crop Research Initiative, which would provide science-based tools for our industry. We support these proposals as both address our industry's need to improve its competitiveness.

## 5. Conservation Policy

Today consumers want an agricultural production system that not only produces abundant, affordable and safe food and fiber, but also conserves and enhances the natural resource base and protects the environment. The public benefits of working land conservation programs are a more stable and productive farm economy and an improved environment. Protecting the environment and productivity today will mean less cost for producing products in the future and will therefore assist in ensuring sustainability in the years ahead.

For the produce 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, the industry supports expanding cost share and incentive programs such as the Environmental Quality Incentives Program and the Conservation Security Program that encourages producers to invest in natural resource protection measures they might not have been able to afford without such assistance. There is also a need for targeted technical assistance to help fruit and vegetable producers' access conservation programs - providing both education on available programs and technical assistance in preparing documentation and farm assessment that are necessary to apply for the conservation programs.

#### 6. International Trade Policy

The economic well-being of the produce industry and other agricultural commodity sectors depends heavily on exports which account for one-third or more of domestic production, provides jobs for millions of Americans, and makes a positive contribution to our nation's overall trade balance. This year, the value of U.S. agriculture exports is projected to be a record of \$64.5 billion. Unfortunately, imports are forecasted in 2006 at record levels of \$61.5 billion. With the United States' 2006 trade balance forecasted to be at its lowest point in 20 years, serious attention must be made to our current trade policies which help expand market access. Without improved international trade policies that advance open and fair trade practices in the global market, the U.S. surplus in agricultural trade which has declined over 90 percent since 1996 will continue to fall.

U.S. fruit and vegetable growers face significant obstacles in the development of export markets for their commodities and unique challenges due to the perishable nature of our products. Without further commitment to export market development by the federal government and commitment to reducing tariff and non-tariff barriers to trade, the U.S. produce industry will continue to lose market share to global market competitors. Farm bill programs that have worked well increasing access to foreign markets for domestically produced fruits and vegetables are the Technical Assistance for Specialty Crops and the Market Access Program. These programs should be continued and expanded in the next Farm Bill.

#### 7. Disaster Assistance Policy

The current \$80,000 payment limit on disaster payments is not equitable for specialty crop producers. Due to higher input costs, the loss per acre experienced by specialty crop producers as a result of a disaster is generally much greater, on a per acre basis, than for program crops. The Alliance believes that cost of production and crop value should be used to index disaster assistance payments to allow specialty crop producers to receive more equitable disaster payments.

## 8. Invasive Pests and Disease

Due to the tremendous volume of plant material that moves in domestic and international commerce, the potential for introduction of pests of concern into the United States is great. In addition, many of our potential trading partners are either unwilling or unable to complete the analysis necessary to develop risk mitigation strategies to allow the shipment of domestically produced specialty crops to their countries. The Alliance supports enhancing the structure and resources of APHIS to better identify and prioritize foreign pest threats, provide timely adequate compensation to producers impacted by emergency eradication programs, and create an export division to more quickly process export petitions from U.S. specialty crop growers.

## 9. Labor Needs

The produce industry relies on agricultural labor to harvest fruits and vegetables across the United States. Hence, we support programs that are designed to facilitate lawful entry of farm workers into the United States. As Congress continues to debate immigration reform the produce industry urges Congress to support comprehensive immigration reform which includes a strong temporary worker program that will match a willing foreign employee with a willing employer when no U.S. workers are available.

Congress must pass reforms that include a future temporary worker programs, realistic approaches to the current undocumented workforce in the United States, and reasonable requirements on the business sector dealing with employment verification processes.

## Conclusion

We look forward to working with the committee on the development of the next Farm Bill. Many of the pressures that fruit and vegetable producers face are similar to those of producers of other commodities - increased regulation, high energy costs, transportation costs and input costs, but the perishability of our crops result in different marketing strategies, market requirements and the need to move our products to market quickly. We hope these unique characteristics can be addressed through agricultural policies that drive domestic consumption, and expand foreign market access while investing in research, food safety, conservation and pest exclusion policies that benefit the members of the produce industry. Like producers of program crops, fruit and vegetable growers face significant challenges in the production and marketing of their commodities that must be addressed if they are to be competitive in an increasingly global marketplace. We ask that the Committee continue to work with the produce industry to ensure that fruits and vegetables are appropriately addressed as you move forward in the development of the 2007 Farm Bill. We certainly recognize the fiscal constraints facing the Congress. However, the many challenges facing the fruit and vegetable industry will only worsen if real and adequate policy reforms are not provided through a Farm Bill that appropriately meets the needs of the broad U.S. agriculture community.

I appreciate the opportunity to testify before the Committee regarding the future direction of the 2007 Farm Bill and what role Congress and the Administration will play in shaping policy for specialty crop growers across the United States.

Thank you.

