



**Prepared Statement
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*Opportunities for Specialty Crops and Organics in
the Farm Bill*

**Committee on Agriculture
United States Senate**

July 28, 2011

Introduction

Thank you, Madam Chair and Ranking Member Roberts, for the opportunity to testify before the Senate Agriculture Committee. My name is Charles Wingard and I am Director of Field Operations for Walter P. Rawl & Sons in Pelion South Carolina. Three generations of our family have farmed in this area since the 1920s, and nine family members oversee our operations today in a hands-on manner. We specialize in southern leafy greens such as collards, kale, mustard & turnip greens, and also produce a variety of summer vegetables in season along with a few other year round vegetable crops.

We have farm operations in several South Carolina counties and have farming relationships in Florida, Virginia, Mississippi, and New York. Our produce is marketed and delivered throughout the Eastern United States, and about one-half of our leafy greens are washed and packaged in our own facility and sold as fresh-cut chopped greens, with the rest sold in bulk.

We are also active in our industry's national trade association to lead efforts to help bring safe, healthy, affordable and great-tasting fruits and vegetables to the public. In this capacity I serve as a member of United Fresh Produce Association's Government Relations Council. United Fresh represents more than 1,700 growers, packers, shippers, fresh-cut processors, distributors and marketers of fresh fruits and vegetables accounting for the vast majority of produce sold in the United States. Finally, as a family-owned produce company, we strongly support the efforts of the Specialty Crop Farm Bill Alliance and their 140 organizations that represent the majority of specialty crops in the United States including fruits, vegetables, tree-nuts, wine-grape growers, nursery and landscape companies. All told this important coalition represents over 350 individual specialty crops across the United States.

However, today I take off my industry leadership hat and talk about the state of the specialty crop industry as I see it from a South Carolina farmer that is proud of my southern agriculture roots.

Overview

After nearly two years of debate, Congress passed the 2008 farm bill that has governed the nation's agriculture laws for the past 4 years. For specialty crops, the law makes a tremendous investment in our producers by recognizing the needs and priorities of fruits, vegetables, tree nuts, nursery and wine grape growers in the United States. In particular, this bill dedicates approximately \$3 billion in critical funding for specialty crop, pest and disease, nutrition, research and conservation priorities. Of particular note, is that none of this funding will go to

direct payments or subsidies from the federal government but rather strongly support infrastructure investments and expand market opportunities to build a strong specialty crop industry. As you know, specialty crops represent nearly half of farm income, so to have specialty crop interests included in the last farm bill in such an important way shows that Congress recognizes how important our sector is to the agriculture industry and to the well-being of Americans in general. Much of the success of our efforts can be attributed to you Madam Chair and your leadership during the 2008 farm bill debate.

From a produce grower's perspective, we continue to be driven and experience tremendous challenges in our business environment. We have worked hard to remain profitable, satisfy consumer demands, conform to and develop new technology, and compete in an increasingly global market place. In turn, our products are highly perishable and are driven by a risk taking entrepreneurial spirit that we in the produce industry continue to engage in. We put millions of dollars worth of working capital into the ground with every crop that we plant, never knowing for sure that Mother Nature, retail channels, the market place, or any other number of issues will or will not stand in the way and cause us to lose or gain from the investment that we have made. Our markets are highly volatile, yet we have never relied on traditional farm programs to sustain our industry. Instead, we look to each other to promote efficiency and reward market competition that so marks our industry.

Given the shifts and dynamics of our industry, we therefore welcome the opportunity to discuss with you today how the 2008 farm bill has enhanced the competitiveness of the produce industry and specialty crops more broadly while looking forward to the 2012 farm bill opportunities.

State-Block Grants

One of the key aspects of the 2008 farm bill with respect to specialty crops was the extension of the Specialty Crop Block Grant program through FY 2012 and provided CCC funding for the program – currently, there is \$55 million for FY 2010-2012 provided for SCBG. As you know, the sole purpose of this program is to promote the competitiveness of specialty crops, such as fruits, vegetables, tree nuts, dried fruits, horticulture and nursery 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. For example, in my state of South Carolina, SCBG funds were used to promote South Carolina specialty crops at a variety of trade shows, including ones in which my company participated. Funds were

also used for research to determine the quality and health benefits of locally grown fruits and vegetables. Furthermore, funds were used to create opportunities for vendors through marketing efforts to increase attendance at farmers' markets and improving sales for growers through a state-wide effort to promote South Carolina specialty crops through inclusion in restaurant menus.

Each one of these projects met or exceeded project goals, generating either immediate benefits to growers such as increased sales through the restaurant program, or long-term benefits through greater consumer awareness, in the case of increased attendance at industry trade shows and farmers' markets. The SCBG is a much needed effort to help specialty crop producers balance the uncertainties of agriculture production with improvements to their products and the access consumers have to those products. I urge you to maintain this program and work with the specialty crop sector to build on its success.

Pest and Disease Programs

The liberalization of international trade in agricultural commodities and commerce coupled with global travel has greatly increased the number of pathways for the movement and introduction of foreign, invasive agricultural pests and diseases. Economic damages from invasive pests and disease now exceeds \$120 billion annually.

The specialty crop industry continues to support expedited and aggressive actions by the federal government, in cooperation with the industry and stake holders at the state and local levels, to eradicate and protect the domestic market from the increasing threat of exotic pests and diseases entering the U.S. through international commercial shipments of products, as well as the importation of agricultural contraband by vacationing travelers and commercial smugglers.

Section 10201 of the 2008 Farm Bill has provided critical funding and direction for innovative initiatives to identify and mitigate offshore threats, and improve pest detection and rapid response in the U.S., thereby also improving domestic growers' ability to export product to other countries. APHIS has set priorities based upon six goal areas drawn directly from the language of the 2008 Farm Bill. This work is, of necessity, long-term work, and APHIS has worked diligently to involve stakeholders in an open and transparent process for identifying and funding the best ideas to accomplish the six goals:

- Enhanced analysis and surveys
- Enhanced domestic inspection activities
- Strengthened pest identification and technology

- Safeguarding nursery production
- Outreach and education
- Enhanced mitigation capabilities

The pest prevention mission of public agricultural agencies in the United States is to protect agriculture, the environment, and its citizens from the economic and environmental harm that injurious plant pests can cause. Satisfying this mission while, at the same time, providing for equitable and orderly domestic and international trade, is a major challenge. It is vital that the United States maintains its responsibility for the protection of the nation's food supply, our agricultural economy, and plant health. Therefore policies established under the 2008 Farm Bill provide the greatest opportunities for the reduction in risks, establish a consistent and clear communication structure, and provide for problem resolution with built-in accountability. We believe Congress should continue these important programs and build on their successes over the last four years.

Nutrition Programs

The role of investment in federal nutrition programs cannot be overstated. This investment in nutrition programs can increase consumption of specialty crops such as fruits, vegetables, and tree nuts and benefit the specialty crop industry.

With regards to the 2012 Farm Bill, I'd like to highlight the Fresh Fruit and Vegetable Snack Program which will reach more than 4 million low-income elementary school children nationwide this coming school year. This highly effective program provides young students with a fresh fruit or vegetable snack every day at school and increases their overall consumption of a wide variety of fresh fruits and vegetables. My state of South Carolina will receive \$2.7 M this school year to implement the Fresh Fruit and Vegetable Program; this will allow 128 of our elementary schools to participate and 40,000 students to benefit. How does this program translate to my business which is growing collard greens and other vegetables? Walter P. Rawls & Son has been a leader in the Fresh Fruit and Vegetable Snack Program since 2008. We have worked with South Carolina's Child Nutrition Director, Todd Bedenbaugh, to ensure successful implementation, we have traveled to school districts all over our state to promote the program and help local schools effectively implement it, and we have developed fresh-cut vegetables and fruits in kid-friendly packs designed specifically for schools to use in the Fresh Fruit and Vegetable Program and in school lunch. We are South Carolina's champions for the Fresh Fruit and Vegetable Program! This program is a WIN-WIN-WIN for agriculture and the produce industry, our kids and public health.

Therefore, we support a strong continued focus in the 2012 Farm Bill on nutrition programs and increasing access and availability of fruits, vegetables and tree nuts. In particular, we support continued priority on the Fresh Fruit and Vegetable Program, Section 32 commodity purchases, the Department of Defense (DOD) Fresh program for schools, and incentives to help low-income families purchase and consume more fruits and vegetables.

Research

Research serves as both a foundation and a catalyst for growth in the advancement of any industry. For the American specialty crop industry, successful research projects have the ability to reduce the future burden on the federal government through greater public access to healthy products, enhanced exports to growing consumer economies around the world, pest and disease resistant crops, reduced resource consumption and a variety of other beneficial applications. However, in order to offer these benefits and reach these goals, U.S. specialty crops urgently require an enhanced commitment to research and extension activities focused on their priorities.

U.S. specialty crop producers and processors face mounting challenges to their economic vitality and long-term viability in a highly competitive global marketplace: These include high production input costs, extensive need for hand labor, new invasive pests and diseases, escalating regulatory demands, and unique domestic and international market requirements. Unfortunately, federal investment in research and extension addressing those challenges has not kept pace with the dynamic growth and needs of the nation's specialty crop industries.

The importance of specialty crop research was first recognized by the Specialty Crop Competitiveness Act of 2004. This legislation modified 7 USC 5925 by adding specific language directed at the USDA: "Research and extension grants may be made under this section for the purpose of improving the efficiency, productivity, and profitability of specialty crop production in the United States." Subsequently, the 2008 Farm Bill included key provisions which for the first time dedicated significant funding to address industry priorities in specialty crop research and extension. The Specialty Crop Research Initiative and the Specialty Crop Block Grant Program are both based on competitive processes, require stakeholder involvement, and have already had significant impact. These investments must be sustained in the 2012 Farm Bill.

International Market Access

As SCGB is designed to identify and increase opportunities here in the US for growers of specialty crops, it is critical to work toward open markets and market opportunities for U.S.

specialty crops in other countries. Most importantly, the economic well-being of the produce industry and other agricultural commodity sectors depends heavily on exports. One-third or more of domestic production is sold to the 95 percent of the world's population living overseas. Agricultural exports funnel money from consumers around the world directly into U.S. agricultural communities, making a positive economic contribution to rural America and our nation's overall trade balance.

In 2010, the value of U.S. agriculture exports was \$109 billion and the trade surplus rebounded to its second highest level, \$30 billion, following the difficult global economic conditions of 2009. Unfortunately, the balance of trade in specialty crops has long been one of deficit. In contrast to the positive growth of the trade surplus for U.S agriculture (148 percent since 1999) the trade deficit for specialty crops has increased 162 percent during that same time and reached a record \$10.2 billion in 2010.

U.S. specialty crop growers face significant obstacles in the development of export markets for their commodities and unique challenges due to the perishable nature of our products. That is why we strongly support the continuation of two key programs that address sanitary and phytosanitary, as well as, marketing barriers to the export of U.S. specialty crops. Those programs are the Technical Assistance to Specialty Crops (TASC) and Marketing Access Promotion (MAP) programs, respectively.

Conservation

Today, United States consumers have affordable access to the most abundant and diverse food supply in the world. However, aside from market diversity and competitive prices, consumers demand that food be held to a very high standard. Likewise, 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.

Unfortunately for producers, investments in natural resource management and conservation are rarely recouped. The short-term economic value for the farmer does not compare to the ecological and fiscal benefits for the public and for future generations. The increased benefits for the public come in the form of 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 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. Such programs would include EQIP, CSP, and WHIP.

Value-Added Grants

Since its inception as part of the Agriculture Risk Protection Act of 2000, the Value Added Producer Grant program has consistently shown that it is a productive, effective program that helps value-added Specialty Crop producers increase income and expand their businesses. Congress continues to recognize the importance of rural community and economic development in Title VI of the 2008 Farm Bill including Value-Added Agricultural Market Development and Program Grants. The ability of the Specialty Crops industry to apply for grants through this program is vitally important for the manufacturing of value added products that increase farm income, improve consumer food choices, and create jobs. Given its importance to rural economic development, rural business expansion, and the enhancement of economic competitiveness of Specialty Crops, the Valued Added Agricultural Market Development and Program Grants should be retained in the 2012 farm bill.

Planting Flexibility

There are a number of reasons why policymakers should continue work on policies that allow the specialty crop industry to innovate and thrive. Specialty crops are important to the good health of Americans and to the efforts in our country to prevent disease, reduce obesity, and improve the well-being of our citizenry. Ultimately, the goal of any specialty crop federal agriculture policy should be to enhance the tools necessary to drive demand, utilization, and consumption of our products and not distort the production of those products with respect to domestic and international markets.

The specialty crop industry strongly supports maintaining or strengthening the current restrictions that prevent the planting of fruits and vegetables on acres receiving program payments and discontinuing the Planting Transferability Pilot Program (PTPP). The PTPP allows program crop producers in select states to shift program acres to fruits and vegetables for processing without penalty, thereby affecting the existing specialty crop market conditions. The goal of any responsible farm policy should be to enhance the tools necessary to drive

demand, utilization, and consumption of specialty crops, and not distort the production and marketing of these commodities in the United States. Unfortunately, the PTPP program has fallen well short of that goal.

Conclusion

We look forward to working with the Committee on the development of the next Farm Bill. Many of the pressures that specialty crop producers and my family farm face are similar to those of producers of other commodities – increased regulation, high energy costs, transportation costs and input costs. However, 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 specialty crops 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 build on the foundation and investment of the 2008 Farm Bill and ensure that our important issues are appropriately addressed as you move forward in the development of the 2012 Farm Bill. We certainly recognize the fiscal constrains facing the Congress, however, 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 the broad U.S. agriculture community.

Thank you.