

**Testimony of Kelly Henggeler
Henggeler Packing Company**

**House Committee on Agriculture
on the
2012 Farm Bill**

May 1, 2010, Nampa, ID

Good afternoon, Chairman Peterson, Ranking Member Lucas, my Congressman Minnick and distinguished members of the Committee. My name is Kelly Henggeler, and I am a third-generation fruit packer and fourth generation grower in Fruitland, Idaho.

Together with my family, I own and operate a fresh fruit packing operation in which we store, package and market apples, plums, peaches and prunes. Henggeler Packing Company, Inc. was started in 1943 and we employ over 75 people during the packing season. We also operate approximately 700 acres of orchards and employ another 100 people during labor intensive times of the year including harvest. Besides packaging and marketing our own fruit, we pack for over 20 growers located in three adjacent counties.

Thank you, Chairman Peterson for holding this hearing and coming to Idaho to hear about what the Farm Bill means to us. Rewriting the bill in 2012 provides a real opportunity to assess the current needs of ALL of American agriculture, and look ahead. As past chairman of the U.S. Apple Association and a current board member of that organization, I keep in close contact with apple industry leaders from coast to coast. I know firsthand that the challenges and opportunities facing the Idaho industry are not unlike those experienced by growers in Michigan, New York, California, Washington, New England and Virginia, to name but a few examples.

First, I want to thank you for your support of specialty crops in the 2008 Farm Bill. As members of the Specialty Crop Farm Bill Alliance, apple growers and packers worked hard in support of programs included in the bill which are enhancing the competitiveness and efficiency of our industry and the opportunity for a fair return to the land. In Idaho, specialty crops represent 23 out of the top 26 commodities in terms of farm gate receipts. Nationally, specialty crops compose nearly 50 percent of the farm gate value of U.S. agriculture and should remain a significant part of the next farm bill.

It's an exciting time to be in the apple business. Demand is growing, especially in the export arena. At home, Americans are seeking fruits, such as apples, which represent good value, good nutrition, and on-the-go convenience in this time of recession. USDA's *Dietary Guidelines* call on Americans to double their servings of fruits and vegetables. Unfortunately, obesity is an even bigger problem today among Americans than it was when the current Farm Bill was written. I believe apples are part of the solution for a healthier nation.

A number of exciting new health research studies have found possible links between the consumption of apples and apple products with a lower risk of breast cancer, heart disease,

asthma, Alzheimer's disease and other serious health issues. New great-tasting varieties and new products, like convenient, bagged fresh-sliced apples, are leading the way to expanding consumer demand and apple consumption.

At the same time, an unsure labor supply, high energy costs, world-wide competition, serious pressure from insect and plant diseases, and ever-increasing regulations present unprecedented challenges for our industry.

Historically, apples and the produce industry have never relied upon direct payment programs to support grower income or market prices. Like a majority of these growers, I don't believe that would be in the best interest of my business or our industry. Instead, we strongly advocate programs to help grow demand and consumption of our products, and build long-term competitiveness and sustainability for our industry. Thank you for recognizing this need in the current Farm Bill and I strongly urge you to continue its important specialty crop programs.

Currently specialty crop producers, including apple growers, are reviewing the successes of the 2008 Farm Bill and developing recommendations for further improvements. The Specialty Crop Farm Bill Alliance will look forward to sharing them with you, as will I, an Alliance member.

I would like to highlight some specific provisions within the current Farm Bill that are important to me as an apple grower and packer.

Specialty Crop Block Grants

The **Specialty Crop Block Grant Program** focuses on regional and local priorities for specialty crop producers. These are being used by growers at the state level and are tailored to meet specific local needs. While there may be ways to continue to streamline and improve the grant process, these block grants fund important projects such as improved food safety, enhanced market opportunities and research aimed at specific local industry needs. One example is the Idaho Preferred Program that was established with the initial specialty crop block grant funds and provides an opportunity for local producers to collaborate with retail partners in providing Idaho products in Idaho stores. Also, thru Idaho Preferred, producers provide school districts in Idaho with local product that has been incorporated into fund raising opportunities. This program has been a huge success with significant increases in the purchase of Idaho products and increased revenue for schools.

Export Programs

Exports are extremely important for the apple industry, with about 25 percent of our crop sold overseas. Important, exports offer excellent potential for further growth. Apple growers use two programs - the **Market Access Program** and the **Technical Assistance for Specialty Crops Program** – to help grow exports. MAP provides critical funding, more than matched by industry contributions, to operate programs which promote American apple consumption around the world. MAP funding should be maintained and where possible, expanded. TASC funding is also helping our industry reduce foreign phytosanitary barriers to apple exports. For example, TASC funding is being used to overcome technical barriers to trade in order to increase exports to Mexico and Taiwan.

Specialty Crop Research Initiative

The new **Specialty Crop Research Initiative** (SCRI) is enabling the apple industry across the country to strategically focus on critical research needs. Positive results so far will enable apples and other specialty growers to produce and process their crops more efficiently and sustainably. Specific projects include:

- Developing new Integrated Pest Management practices to enhance workplace safety and reduce environmental impact.
- Applying modern genomics and genetic technologies to create apple cultivars with consumer-preferred traits.
- Adapting engineering and automation technologies to improve the safety, efficiency, and sustainability of apple and peach orchards.

The SCRI's focus on multidisciplinary, multi-institutional research collaboration has led to close work by the tree fruit industry with USDA, and notable academic institutions across the country.

The **National Clean Plant Network** (NCPN) is another important program in the current Farm Bill. Tree fruit and grape producers, and nurseries, rely on the NCPN as the single nationally-certified source of plant material free of devastating virus diseases. The nursery industry is vital to apple growers since it supplies essential rootstocks upon which different varieties are grafted to produce the wide range of colors, tastes and textures enjoyed by apple consumers.

The SCRI and the NCPN are critical tools to help our industry strengthen its foundation and assure we improve our genetic and technological edge, which is essential to maintaining a competitive position in the global marketplace.

Apples in Schools & USDA Purchases

Now more children are enjoying nutritious fresh fruits and vegetables, including apples, in a "snack" program being expanded to all 50 states. Apples have been an extremely popular item in this program which promotes life-long healthy eating habits. Also, at the urging of apple growers, USDA has purchased over \$18 million worth of apples, apple sauce and apple juice this year as part of the increased minimum specialty crop purchases by USDA established under the current Farm Bill. Given our sizeable crop last year, these buys provided healthy apples to consumers and helped our growers. Funding should be maintained for these programs.

Pest and Disease Prevention

A foreign pest or disease can easily devastate our orchards. The Farm Bill created and funded a new USDA program to combat invasive insects and plant diseases. This program provides for a more thorough and coordinated approach to management of quarantine pests and disease. It is a joint effort between USDA and state departments of agriculture. This increased effort to combat a serious problem should be a priority to continue and fund in the next Farm Bill.

A Strong Farm Bill – But Who Will Pick The Crop?

These specialty crop programs are important because they improve our short and long term competitiveness and strengthen market opportunities. They can only play the role Congress intended if our apples and other specialty crops are reliably picked each fall.

The American apple industry faces a chronic labor uncertainty as our borders continue to tighten and internal immigration enforcement increases. The 2010 apple harvest is quickly approaching and though the crop appears outstanding in many areas of the country, most growers are uncertain if they will have enough workers to pick it.

Securing legal and reliable labor is critical to our future. We lack sufficient legal labor to prune, pick, pack and process our crop. Without it, we could see the decline and outsourcing of the domestic apple industry. Despite our best recruitment efforts, it is difficult (if not often impossible) to find local workers.

I strongly urge Congress to fix this problem. I can't, but you can. I want the opportunity to pass along my farm and packing house to the next generation. They are the future. But without solving the labor crisis facing labor-intensive agriculture, I am deeply concerned about future of my family operation.

For these reasons, I strongly encourage you to enact the AgJOBS bill to reform the antiquated H2-A guest worker program. Without it, I fear there will be fewer and fewer American-produced apples and increased imports. Failure to act means giving away our industry and our markets to foreign competitors.

Thank you for the opportunity to testify today. I would be pleased to answer any questions you may have.

Witness:

Kelly R. Henggeler