

**HEARING TO REVIEW HORTICULTURE
PRIORITIES FOR THE 2013 FARM BILL**

HEARING
BEFORE THE
SUBCOMMITTEE ON HORTICULTURE, RESEARCH,
BIOTECHNOLOGY, AND FOREIGN AGRICULTURE
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS

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CONTENTS

	Page
Scott, Hon. Austin, a Representative in Congress from Georgia, opening statement	1
Prepared statement	2
Schrader, Hon. Kurt, a Representative in Congress from Oregon, opening statement	3
WITNESSES	
Frey-Talley, Sarah M., President and Chief Executive Officer, Frey Farms, Keenes, IL	4
Prepared statement	6
Brim, William L., President and Owner, Lewis & Taylor Farms, Inc., Tifton, GA	9
Prepared statement	11
Bushue, Barry, Vice President, American Farm Bureau Federation; President, Oregon Farm Bureau Federation, Boring, OR	14
Prepared statement	15
SUBMITTED MATERIAL	
Barnard, Steve, President and Chief Executive Officer, Mission Produce Company; Chairman of the Board, Western Growers Association, submitted statement	39

HEARING TO REVIEW HORTICULTURE PRIORITIES FOR THE 2013 FARM BILL

WEDNESDAY, APRIL 24, 2013

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HORTICULTURE, RESEARCH,
BIOTECHNOLOGY, AND FOREIGN AGRICULTURE,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:02 a.m., in Room 1300 of the Longworth House Office Building, Hon. Austin Scott [Chairman of the Subcommittee] presiding.

Members present: Representatives Scott, Denham, LaMalfa, Davis, Collins, Yoho, Schrader, DelBene, Costa, Kuster, and Vargas.

Staff present: Debbie Smith, John Goldberg, Mary Nowak, Patricia Straughn, Pete Thomson, John Konya, Merrick Munday, Keith Jones, Liz Friedlander, and Caleb Crosswhite.

OPENING STATEMENT OF HON. AUSTIN SCOTT, A REPRESENTATIVE IN CONGRESS FROM GEORGIA

The CHAIRMAN. Good morning. This hearing of the Subcommittee on Horticulture, Research, Biotechnology, and Foreign Agriculture, entitled *Horticulture Priorities for the 2013 Farm Bill*, will come to order.

The purpose of this hearing is to gather information from the specialty crop industry as our Committee begins assembling the 2013 Farm Bill. We want to ensure our work product reflects your highest priorities. We are pleased to have before us several witnesses who are involved in horticulture. A good deal of work has been done in previous Congresses, but as we all know, the process last year did not result in the enactment of a full 5 year farm bill. However, I believe a review of the Committee work from last year may be helpful as we begin today's discussion.

Back in 2008, this Committee for the first time devoted a title exclusively to horticulture. Last year, the Committee proposed providing states with the flexibility to tailor projects to their particular concerns related through the Specialty Crop Block Grant Program. We also proposed enhancements to programs related to plant pest, and disease control. With early plant pest detection, threat identification and mitigation, and technical assistance in plant pest management systems, growers are given the necessary tools to combat current and future threats.

The Committee also proposed allocating funds to assist specialty crop producers who face technical barriers related to trade. Among

the issues faced by specialty crop producers are the numerous trade barriers put in place by other markets around the world. By providing technical assistance, the Committee sought to assure producers are continually provided avenues to grow in foreign markets.

While many issues faced by the specialty crop industry were addressed, the industry continues to face many challenges. Pests and disease concerns are increasing, growers face continued food safety concerns, pressures with natural resources and regulatory burdens continue to grow. All of these concerns threaten the production of healthy food for Americans and people around the world.

Before us today is a panel that represents almost every aspect of the specialty crop industry. We have a representative from the growing, packing, and shipping industry with operations in the Southeast and Midwest, a fruit and vegetable grower from my home State of Georgia, and the President of the Oregon Farm Bureau. I hope we can continue to remain receptive to the priorities of the industry and address any issues that may have arisen last summer. We appreciate the time each of you has given to prepare for this hearing. Your testimony will be of significant importance as we begin the process to reauthorize a new farm bill.

[The prepared statement of Mr. Scott follows:]

PREPARED STATEMENT OF HON. AUSTIN SCOTT, A REPRESENTATIVE IN CONGRESS
FROM GEORGIA

Good morning. The purpose of this hearing is to gather information from the specialty crop industry. As the Committee begins assembling the 2013 Farm Bill, we want to ensure our work product reflects your highest priorities. We are pleased to have before us several witnesses who are involved in horticulture.

A good deal of work has been done in the previous Congress, but as we all know the process last year did not result in the enactment of a full 5 year farm bill. However, I believe a review of the Committee work from last year may be helpful as we begin today's discussion.

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The Committee also proposed allocating funds to assist specialty crop producers who face technical barriers related to trade. Among the issues faced by specialty crop producers are the numerous trade barriers put in place by other markets around the world. By providing technical assistance, the Committee sought to assure producers are continually provided avenues to grow in foreign markets.

While many issues faced by the specialty crop industry were addressed, the industry continues to face challenges. Pest and disease concerns are increasing. Growers face continued food safety concerns. Pressures with natural resources and regulatory burdens continue to grow. All of these concerns threaten the production of healthy food for Americans and people around the world.

Before us today is a panel that represents almost every aspect of the specialty crop industry. We have a representative from the fresh produce growing, packing and shipping industry with operations in the Southeast and Midwest, a fruit and vegetable grower from my home State of Georgia, and the President of the Oregon Farm Bureau who is also a horticultural producer. I hope we can continue to remain receptive to the priorities of the industry and address any issues that may have arisen since last summer. We appreciate the time each of you has given to prepare for this hearing. Your testimony will be of significant importance as we begin the process to reauthorize a new farm bill.

I would like to recognize my colleague from Oregon, Ranking Member Schrader, for any opening remarks he may have.

The CHAIRMAN. I would like to recognize my colleague from Oregon, the Ranking Member, Mr. Schrader, for any opening remarks he may have.

**OPENING STATEMENT OF HON. KURT SCHRADER, A
REPRESENTATIVE IN CONGRESS FROM OREGON**

Mr. SCHRADER. Thank you, Mr. Chairman.

I would like to thank you for holding this very important hearing today. It is a great opportunity for us to talk about specialty crops and the value they have for our great country.

I want to express my gratitude to the witnesses for coming a long way and appearing before the Subcommittee to give us your home-grown insight that carries a lot of weight, believe it or not, here in Washington, D.C.

I would like to acknowledge and thank Barry Bushue in particular. He traveled all the way from my home State of Oregon. We have had a long and great relationship.

When it comes to discussing the farm bill, all too often the conversation tends to focus on just the commodity or the nutrition titles of the bill. That is despite the fact that specialty crops account for nearly 1/2 of all domestic farm gate value nationwide. And, even with that, the specialty crop title is usually a very small fraction of the overall bill. In fact, it wasn't, as the chair pointed out, until 2008 that the farm bill included specialty crops as a separate title. That is why it is important to have this hearing today.

Specialty crops are facing very different challenges than traditional program crops. These challenges range from pest and disease issues to labor shortages to competition from foreign producers. Specialty crop producers face these challenges without the traditional assistance like direct payments to support their industry. Programs like the Specialty Crop Block Grant Program which requires matching funds, and eligible projects that produce measurable outcomes. That is stuff that America can understand.

The Specialty Crop Block Grant Program has funded projects in all 50 states for the benefit of the industry at the state level. These funds have been very successful in making our producers more productive, more competitive, and more profitable. Additional programs like the Specialty Crop Research Initiative, the Market Access Program, Pest and Disease Management Programs, the Fresh Fruit and Vegetable Snack Programs, the Farmers' Market Promotion Programs, are all examples of programs that are smart investments that benefit specialty crop producers nationwide and cost very, very little. Most importantly, I think a point to be made: these are not government handouts. These are cooperative programs that farmers and government alike work on.

I am sure many people in the room will be surprised to know that my State of Oregon is a huge agricultural state. Nearly one in eight jobs rely on agriculture. We are not all Portlandia, folks. There are some of us that actually live in rural America. We grow over 250 different crops valued at over \$5 billion a year and contribute over \$22 billion in our state's economy annually.

Here is an example of the diversity of Oregon agriculture: we are the number one producer of Christmas trees, hazelnuts, sugarbeets for seed, blackberries, boysenberries, rye grass seed, orchard grass

seed, red clover seed, and fescue, just to name a few. And we are in the top five for nursery stock, pears, cranberries, wine grapes, blueberries, and many other crops. Please taste our pinot noir.

Oregon is the very definition, I would like to think, of a specialty crop state. Our producers need a strong farm bill. I hope this Committee continues to build on the success of the 2008 Farm Bill. I look forward to your testimony. And with that, I yield back, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Schrader.

The chair would request that any other Members submit their opening statements for the record so the witnesses may begin their testimony and to be sure there is ample time for questions. And if we have time and the Members so request, we may do a second round of questions as well.

I would like to welcome our panel to the table. Ms. Sarah Frey-Talley is President and CEO of Frey Farms from Illinois; Mr. Bill Brim, President and Owner of Lewis & Taylor Farms from my hometown of Tifton, Georgia; Mr. Barry Bushue, Vice President, American Farm Bureau Federation, President of the Oregon Farm Bureau Federation from Oregon.

Ms. Frey-Talley, please begin when you are ready.

STATEMENT OF SARAH M. FREY-TALLEY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, FREY FARMS, KEENES, IL

Ms. FREY-TALLEY. Good morning. Chairman Scott, Ranking Member Schrader, and the Members of the Subcommittee, thank you so much for holding this hearing to focus on specialty crops in the upcoming reauthorization of the farm bill. I appreciate the opportunity to share my perspective on these issues.

My name is Sarah Frey-Talley, and I am the President and CEO of Frey Farms. Frey Farms is a multi-state grower of fresh produce. We specialize in growing, packing, and shipping fresh market produce, including cantaloupes and watermelons, but we are best known as the nation's largest jack-o'-lantern pumpkin producer. Our farms and facilities are strategically located in Florida, Georgia, Missouri, Arkansas, Indiana, West Virginia, and Illinois.

In addition to my role at Frey Farms, I am a member of the United Fresh Produce Association and serve on United Fresh's Government Relations Council. United Fresh is the only produce trade association that represents all segments of the fruit and vegetable production chain nationwide. United Fresh and its counterparts in the Specialty Crop Farm Bill Alliance, known as the SCFBA, a coalition of nearly 120 organizations in the specialty crop sector, worked to ensure the 2008 Farm Bill reflected the importance of specialty crops. With Congress' support, that legislation contained nearly \$3 billion in specialty crop funding, which has been used to enhance the competitiveness of specialty crops. I am glad to provide comments on the issues facing specialty crop providers today and how Congress can build on 2008's momentum.

In 2012 the SCFBA had examined the current state of specialty crop farm bill programs and provided Congress with a set of recommendations to support specialty crops. Key areas of focus by the Alliance included Specialty Crop Block Grants, specialty crop research, trade, nutrition, pest and plant disease mitigation. Unfortu-

nately, as you know, in spite of the great deal of hard work by the Members of this Committee and the Agriculture Committee leadership, the 2012 Farm Bill was not reauthorized, and now, the work must begin all over again.

I would like to elaborate on the following specialty crop farm bill priorities. Specialty Crop Block Grants: the specialty crop industry was pleased with the annual funding level of \$70 million for Specialty Crop Block Grants in the House Agriculture Committee-passed version of the 2012 Farm Bill, and we urge you to maintain that level.

In addition, there are a few policy changes that would increase the program's effectiveness. Examples of policy improvements would be encouraging states to further expand or prioritize grower level needs, as well as strengthening requirements for justifications for how a project enhances the competitiveness of specialty crops and include language to encourage multi-state projects. The Alliance believes these changes will further enhance the Block Grant Program.

The work that has been done in SCRI will yield benefits for producers across the country by addressing issues such as improving production efficiency, improving crop characteristics, addressing pest and plant disease, response to food safety hazards, and innovation and technology. The specialty crop industry appreciated the \$50 million allocated annually to SCRI by this Committee. Also, the SCFBA believes that making changes such as expanding research priorities for specialty crops would be helpful. We also believe that adjusting the process for reviewing grant applications to ensure that projects reflect industry priorities would also be beneficial.

As the Members of this Subcommittee are aware, SCRI is one of the programs that had its funding authority expire due to the lack of full reauthorization of the farm bill, which could undermine the program's effectiveness. We urge you to address this issue by making the authority for this program permanent.

The Fresh Fruit and Vegetable Program provides a fresh fruit and vegetable snack to nearly four million low-income school-children across the country. As Members of the Subcommittee may be aware, FFVP was recently evaluated by outside experts and found to be highly effective at increasing students' fresh fruit and vegetable consumption. We support the funding of FFVP at \$150 million per year.

And now, I will talk briefly about trade. The House Agriculture Committee passed a version of the farm bill that included \$200 million for the MAP program, which is Market Access Program, which the Alliance supported. The work that is done through MAP to develop and expand international markets has been very useful for the significant number of specialty crop interests that participate in the program.

In addition, there are other challenges that are facing our industry, including food safety, and as many of you know, immigration. The stability of the specialty crop sector is seriously impacted by our ability to attract a stable, reliable, and skilled workforce. While produce providers have varying levels of success with procuring a stable workforce under the current Federal ag guest worker pro-

gram known as the H-2A, far too many providers have found this program to be too slow, unresponsive, and cumbersome to work for their operations.

And there has been an agreement recently reached between ag labor and ag employers on the framework for a new Federal ag worker program. This framework contains many of the elements first proposed by the AWC of which United Fresh is a founding partner. I urge Congress to act on immigration reform with an ag guest worker component included as soon as possible.

We in the specialty crop industry are grateful to the commitment that Congress has made. We believe that the specialty crop farm bill programs will continue to show results but only if Congress passes a full reauthorization of the farm bill.

Again, thank you for the opportunity to testify, and I will be happy to answer questions.

[The prepared statement of Ms. Frey-Talley follows:]

PREPARED STATEMENT OF SARAH M. FREY-TALLEY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, FREY FARMS, KEENES, IL

Chairman Scott, Ranking Member Schrader, and Members of the Subcommittee on Horticulture, thank you for holding this hearing to focus on specialty crop needs in the upcoming reauthorization of the farm bill. Thank you also for the opportunity to share my perspective on these issues.

My name is Sarah Frey-Talley and I am the President and CEO of Frey Farms. Frey Farms is a multi-state grower of fresh produce and is headquartered in rural Wayne County, IL. We specialize in growing, packing, and shipping fresh market produce including cantaloupes, watermelons, sweet corn and various other fresh market commodities. We are best known as the nation's top producer of fresh market pumpkins. Our farms and facilities are strategically located in Florida, Georgia, Missouri, Arkansas, Indiana, West Virginia, and Illinois.

Frey Farms is a certified woman owned company. Since 1996 we have grown to meet the demands of our national retail partners by becoming geographically diverse in our operations and bringing the local farmer approach to the marketing of specialty crops on a national level. Our retail partners have recognized Frey Farms as an industry leader in food safety, sustainability, and as an ethical sourcing partner.

In addition to my role at Frey Farms, I am a member of the United Fresh Produce Association and serve on United Fresh's Government Relations Council and Grower Shipper Board. United Fresh is the only produce trade association that represents all segments of the fresh fruit and vegetable production chain nationwide. United Fresh and its counterparts in the Specialty Crop Farm Bill Alliance (SCFBA), a coalition of nearly 120 organizations in the specialty crop sector, undertook a concentrated effort during the 2008 Farm Bill deliberations to ensure that specialty crops received the dedicated funding and policy focus this sector deserves. With Congress's support, the 2008 Farm Bill contained nearly \$3 billion in specialty crop funding, which has been used to enhance the competitiveness of specialty crops. I am glad to provide comments on the issues facing specialty crop providers today and how Congress can build on the momentum of the 2008 Farm Bill.

As deliberations began in 2012 on the reauthorization of the farm bill, the SCFBA provided Congress with a set of recommendations on how to maintain the progress from the 2008 Farm Bill. Key areas of focus included Block Grants, Specialty Crop Research, trade, nutrition and pest and plant disease mitigation. The Alliance's 2012 Farm Bill recommendations acknowledged the difficult budgetary environment that Congress must contend with and urged that funding for these and related programs be maintained. In the version of the farm bill that this Committee passed in July of 2012, much of the Alliance's recommendations were incorporated, allowing the important work of these programs to continue.

Unfortunately, in spite of a great deal of hard work by the Members of this Committee and the Agriculture Committee leadership, the 2012 Farm Bill Reauthorization was not passed and now the work must begin all over again. While the current farm bill has been extended, the lack of a formal reauthorization creates a great deal of confusion and uncertainties among producers who either rely on farm bill programs or who take farm bill programs into consideration as they make plans for

their operations. United Fresh joined virtually every other sector of the agriculture in calling for the passage of the 2012 Farm Bill reauthorization. It was disappointing to see Congress fail to complete the tremendous amount of work that had already been done to get the 2012 reauthorization to the President's desk for his signature. My comments will elaborate on some of our sector's farm bill priorities as well as other challenges facing the produce industry.

Specialty Crop Block Grants

As I mentioned previously, the Specialty Crop Block Grant (SCBG) program is among the most prominent farm bill program focused on specialty crops and provides assistance to producers who are seeking to enhance their ability to be competitive, meet marketplace demands, as well as consumers' nutritional needs. In the years since the 2008 Farm Bill, hundreds of projects nationwide, many with areas of focus such as improving food safety or risk management; have been awarded funds from this program. The specialty crop industry was pleased with the funding level of \$70 million annually for this program in the House Agriculture Committee-passed version of the 2012 Farm Bill and urges you to maintain that level. In addition, there are a few policy changes that would help the program's effectiveness. Examples of policy improvements include: Congress should encourage states to further expand or prioritize grower-level needs, and also ensure that notice of funds available (NOFA) are released in a timely manner. In addition, the SCFBA recommends that Congress take action to encourage states to require applicants to provide appropriate justification for how a project enhances the competitiveness of specialty crops and include language to encourage multi-state projects.

Specialty Crop Research Initiative (SCRI)

Another top priority of the specialty crop industry is the Specialty Crop Research Initiative (SCRI). The work that is done in SCRI will yield benefits for producers across the country as projects address challenging issues such as improving production efficiency, improving crop characteristics, addressing pest and plant disease, response to food safety hazards and innovation and technology. The specialty crop industry appreciated the \$50 million a year allocated to this program in the Committee-passed version of the 2012 Farm Bill. In addition, the Alliance believes that making changes to the program such as expanding research priorities for specialty crops for crop characteristics, pest and disease threats, as well as handling and processing would enhance the effectiveness and integrity of the program even more. Adjusting the process for reviewing grant applications to ensure that projects reflect industry priorities would also be beneficial. As you know, SCRI is one the programs that did not have mandatory authority or "baseline" so when the farm bill was not reauthorized, only extended, SCRI ran out of funding authority. I'm sure the Members of this Committee realize that research projects can take extended periods of time to yield results; they cannot be turned off and then restarted at some arbitrary time in the future. Furthermore, the work of the SCRI is work that providers do not have the resources to do themselves. That is why it is so important to keep this program and its work going and Congress should address the need for continuing authority for SCRI.

Nutrition

In addition to these programs, we support specialty crop priorities in other areas such as nutrition, particularly, the Fresh Fruit and Vegetable Program (FFVP) which provides a fresh fruit and vegetable snack to four million low-income schoolchildren across the country. As the Members of the Subcommittee may be aware, FFVP was recently evaluated by outside experts and found to be highly effective at increasing students' fresh fruit and vegetable consumption. We support the funding of FFVP at \$150 million per year. The specialty crop industry appreciates the Committee's support for this program which helps kids who might not otherwise have access to fresh fruit and vegetables get started with healthy eating habits.

Trade

The Committee also supported or closely followed the Alliance's recommendations on other programs like the Market Access Program (MAP) which helps to support international marketing opportunities for U.S. entities. The House Agriculture Committee-passed version of the farm bill provided \$200 million a year for MAP, which is what the Alliance supports. The work that is done through MAP to develop and expand international markets has been very useful for the significant number of specialty crop interests that participate in the program.

Plant Pest and Disease Management

As the Members of the Subcommittee know, the hard work and thorough planning of a fruit and vegetable provider can be destroyed if his or her crop is attacked by a plant disease or pest. These threats can easily spread from state to state and region to region, so a broader approach to these evolving issues is needed. That is why the specialty crop industry was particularly pleased to see the full House Agriculture Committee allocate \$71.5 million per year for pest and disease mitigation, which was an increase over the Senate-passed version of the 2012 Farm Bill and urge you to maintain that funding level.

Food Safety

Certainly, reauthorization of the farm bill is a crucial policy development that the specialty crop industry strongly urges Congress to pursue and achieve as quickly as possible. However, the lack of a farm bill reauthorization is definitely not the only policy challenge facing our industry.

The produce industry is currently addressing implementation of the Food Safety Modernization Act (FSMA). Two of the five rules for implementing FSMA have been issued; FDA is receiving comments and has just extended the comment period for another 120 days; which is a positive development.

Produce providers realize that a food safety incident can truly destroy a business. Members of the produce industry have a heightened sense of awareness with regard to food safety and are committed to bringing the safest product possible to the consumer. Food Safety is a critical priority for those involved in the production and handling of fresh fruits and vegetables and requires a time and monetary commitment. Quality fruit and vegetable producers such as Frey Farms have made considerable investments in implementing food safety practices. Frey Farms employs a Director of Food Safety who manages the food safety system for all of our operations. In addition, we offer Food Safety consultation services to our contract growers. Frey Farms holds Global Food Safety Initiative Certification (GFSI) as the standard and has third-party audits conducted on all farm and packing facility operations annually. GFSI certification covers the supply chain from pre- to post-farm gate production in an integrated supply chain approach. In 2012 Frey Farms received superior ratings through GFSI third-party audits at all of our operations and is currently preparing for and expecting the same results for 2013 growing season. This level of commitment will be necessary for all produce growers packers and shippers as FSMA rules are implemented. I, along with the rest of our industry, have consistently supported strong mandatory, enforceable, commodity-specific food safety practices based on the best available science, applicable to both domestic and foreign produce. However, it is important to take the time necessary to allow for thoughtful comments and continued careful analysis of the proposed rules.

Immigration

While the Agriculture Committee may not have formal jurisdiction over immigration policy, the stability of the specialty crop sector and the programs that I just described are seriously impacted by our ability to attract a stable, reliable, skilled workforce. As those of you on the Subcommittee know, fresh fruit and vegetable providers have tried repeatedly to attract and retain domestic workers for the very labor intensive jobs necessary to bring fresh produce to consumers. However, those efforts are rarely successful in finding domestic workers who can do the jobs well and will stay on the job. Our operations are seasonal and although regionally diverse they are primarily located in very rural areas of the country. Attracting the appropriate number of domestic workers for short work time-frames is impossible.

Frey Farms has participated in the H-2A Guest worker program since 2002. While produce providers like Frey Farms have had varying levels of success with procuring a stable workforce under the current Federal Ag guest worker program, known as H-2A, far too many providers have found this program to be too slow, unresponsive, expensive, and laden with bureaucratic inefficiencies. The produce industry's continued growth and the creation of domestic jobs such as facility managers, shipping and receiving clerks, and administration personnel is directly affected by our ability to obtain a sufficient number of harvest employees. At a time when over 47 million Americans rely on government support for nutrition it is incomprehensible that in several states growers have been forced to walk away from abundant fields and destroy millions of dollars worth of fresh fruits and vegetables simply because they could not gain access to an adequate harvest workforce. It is imperative for Congress to address overdue reform policies affecting the availability of Ag workers.

There has been an agreement reached between Ag labor and Ag employers on a framework for a new Federal Ag worker program. This framework contains many

of the elements first proposed by the Agriculture Workforce Coalition (AWC) of which United Fresh is a founding partner, along with many other agriculture stakeholders. Like any policy compromise, this one is definitely not perfect and will need further refinement. However, on a national basis, it is better than the *status quo* and moves us closer toward a reliable, effective program that provides employers in the Agriculture industry to a stable legal workforce and upholds worker rights. I urge Congress to act on immigration reform with a strong Ag guest worker component included as soon as possible.

We in the specialty crop industry are grateful for the commitment Congress has made to our industry by supporting programs that promote specialty crops. Produce providers know that they have to be innovative and aggressive in pursuing opportunities and we know it is our responsibility to do everything we can to meet consumers' demands and needs. The programs directed toward specialty crops in the farm bill have shown results in helping providers help themselves in being competitive in the marketplace. We in the industry believe they will continue to show results, but only if Congress passes a full reauthorization of the farm bill and addresses the other critical challenges such as Immigration Reform.

Again, thank you for the opportunity to testify and I am happy to take questions.

The CHAIRMAN. Thank you, ma'am.

Mr. Brim?

**STATEMENT OF WILLIAM L. BRIM, PRESIDENT AND OWNER,
LEWIS & TAYLOR FARMS, INC., TIFTON, GA**

Mr. BRIM. Good morning. Chairman Scott, Ranking Member Schrader, and other Members of the Subcommittee, thank you for the opportunity to testify today. My name is Bill Brim. I am co-owner of Lewis Taylor Farms in Tifton, Georgia. We operate a diversified specialty crop operation, farming about 5,000 acres of vegetables with 650,000 square feet of greenhouse operation and have been using the H-2A program for harvesting and packing since 1998.

I am an active member of our industry's national trade association United Fresh Produce Association, and our state organization, the Georgia Fruit and Vegetable Growers Association. After several opportunities to pass a new farm bill over the past 18 months, the hard work of this Committee and our specialty crop industry seems to have been put on hold since last fall. I am hopeful that the House Agriculture Committee begins to make up the new farm bill next month, you will start where we left off back in last fall.

In my opinion, when this Committee passed the farm bill back during the summer of 2012, I believe you were validating how well the 2008 Farm Bill was enhancing the competitiveness of produce in our industry.

Well, my written testimony addresses a number of farm bill components. Due to the time limitations, there are three key elements I would like to mention that are very important to my farming operation. The sole purpose of the State Block Grants is to allow the states to identify the needs of the specialty crop industry and find ways through the Block Grants Program to increase the competitiveness of specialty crops. Over the life of the program, USDA reported that 2,500 projects have been funded. In Georgia, these funds have been very successfully utilized for education, promotion, research, food safety consulting, economic studies, pest management practices, and much more.

In July 2012, Committee versions of the farm bill passed by this Committee, \$70 million per year was approved for the Block Grant

Program. We are encouraged that this Committee fights to maintain at least that level of funding in the 2013 Farm Bill.

Research: the 2008 Farm Bill included key provisions creating a Specialty Crop Research Initiative, SCRI, which for the first time dedicated significant funding to addressing industry priorities and specialty crop research and extension. Unfortunately, SCRI did not have mandatory funding in the 2008 Farm Bill, and the extension of the farm bill, the program was no longer funded. For our industry, successful research projects have the ability to reduce the future burden on the Federal Government through increasing production outputs, improved varieties, developing best management practices, and increasing product availability to consumers.

Specialty crop producers grow over 50 percent of the food we eat as Americans, but specialty crop research funding is nowhere near 50 percent of the funding USDA spends on agriculture research. 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 industry. These investments must be increased and sustained as mandatory funding in the new farm bill.

Nutrition programs: the investment in Federal nutrition programs can increase consumption of healthy, nutritious, and specialty crops. Currently, the Fresh Fruit and Vegetable Program has proven to be highly successful by providing young students with the fresh fruit and vegetable snack pack every day at our schools and increasing that overall consumption of a wide variety of fresh fruits and vegetables. We support continued priority on fresh fruits and vegetable programs and incentives to help low-income families purchase and consume more fruits and vegetables.

In closing, let me just say while I realize farm labor is not in the jurisdiction of this Committee, and the purpose of my testimony is to address the farm bill, if I don't pause to mention this most pressing problem, I will be doing you and myself a disservice. If Congress does not address our immigration and farm labor situation, we won't have to worry about the specialty crop title in the farm bill in the future. I encourage Members of this Committee to seriously consider comprehensive immigration reform for this country. While I have used the H-2A program for my labor needs for the past 14 years, the regulations, the red tape, delays, and bogus litigation has been horrendous. I hope you will give us a better guest worker program in the near future.

In closing, Mr. Chairman, I ask the Committee to build on the foundation and investment in the specialty crop industry of the 2008 Farm Bill and ensure our most important issues are addressed as you move forward in the development of the 2013 Farm Bill.

Thank you very much, and I will be glad to answer any questions you have.

[The prepared statement of Mr. Brim follows:]

PREPARED STATEMENT OF WILLIAM L. BRIM, PRESIDENT AND OWNER, LEWIS & TAYLOR FARMS, INC., TIFTON, GA

Introduction

Chairman Scott, Ranking Member Schrader, and other Members of the Subcommittee, thank you for this opportunity to testify before your Committee. My name is Bill Brim and I am the co-owner of Lewis Taylor Farms in Tifton, Ga. We are a diversified specialty crop operation, farming 450 acres of bell pepper, 550 acres of cantaloupes, 2,000 acres of greens and broccoli, 500 acres of squash and 900 acres of cucumbers, 50 acres of tomatoes, and 350 acres of vegetables crops. We also produce 185 million vegetable seedlings and 35 million pine tree seedling in our 650,000 square feet of greenhouse operations. We also grow 350 acres of cotton and 250 acres of peanuts. I have been using the H-2A program for our harvest and packing operations since 1998.

I am active in our industry's national trade association 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 and will be joining the United Consolidated Board of Directors in May. 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. I also serve on the Board of the Georgia Fruit and Vegetable Growers Association and served as President of the association in 1997-98 and 2007-08. Our farm also strongly supports the efforts of the Specialty Crop Farm Bill Alliance and their 120 organizations that represent the majority of specialty crops in the United States including fruits, vegetables, tree-nuts, wine-grape growers, nursery and landscape companies. This important coalition represents over 350 individual specialty crops across the United States.

Overview

After several opportunities to pass a new farm bill over the past 18 months, the hard work of this Committee and our specialty crop industry seemed to have been put on hold. I am hopeful we can start where we left off back in the fall and move forward with a framework similar to that passed by this Committee in July of last year. For specialty crops, the Farm Bill of 2008 and the bill passed by your Committee last July provided 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.

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 marketplace. 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.

In passing the farm bill recommendations by this Committee back in the summer of 2012, I believe you were validating how the 2008 Farm Bill enhanced the competitiveness of the produce industry. I trust this Committee will see the benefits our consumers and our farmers are receiving through your investments in the specialty crop industry. The following are key elements in the farm bill that I believe are critical to specialty crop farmers maintaining their competitiveness.

State-Block Grants

One of the key aspects of the 2008 Farm Bill with respect to specialty crops was the Specialty Crop Block Grant program. 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 Georgia, block grant funds were used to promote Georgia specialty crops at a variety of trade shows across this country. At one of these trade shows, the growers participating reported collective new sales the following year at more than \$2 million. Funds were also used for research to provide pest management practices against fruit blotch on watermelons and economic studies of labor needs of Georgia specialty crop growers. In addition, funds were used for grower risk management and operations education plus food safety on-the-farm consultation.

The block grant program was designed to address grower needs at the state level. In Georgia these funds have been very successfully utilized to help specialty crop producers improve their operations and be more competitive and profitable.

In the July 2012 Committee version of the farm bill passed by this Committee, \$70 million per year was approved for the Block Grant program. We encourage that this Subcommittee fight to maintain at least that level of funding in the 2013 Farm Bill.

Research

Research serves as both a foundation and a catalyst for growth in the advancement of any industry. The importance of specialty crop research was first recognized by the Specialty Crop Competitiveness Act of 2004. Congress, in this legislation and additional legislation gave USDA direction: "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 (SCRI) was based on competitive processes, required stakeholder involvement, and had already had significant impact. Unfortunately SCRI did not have mandatory funding and with the 'extension' of the 2008 Farm Bill the program is no longer funded.

However, this Committee, in passing a new farm bill has an opportunity to offer a brighter future to specialty crop growers. For our 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. In order to offer these benefits and reach these goals, U.S. specialty crops urgently requires an enhanced commitment to research and extension activities focused on their priorities. We produce over 50% of the food we eat as American's but specialty crop research funding is nowhere near 50% of the funding USDA spends on agricultural research.

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. 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. These investments must be increased and sustained in the new farm bill.

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.

Currently, the Fresh Fruit and Vegetable Program reaches more than four million low-income elementary school children nation-wide. This program has proven to be highly successful by providing 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. This program is a WIN-WIN-WIN for agriculture and the produce industry, our kids and public health.

We support a strong continued focus in the 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.

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 stakeholders 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.

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 4 years.

International Market Access

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, 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.

Labor

While I realize farm labor is not in the jurisdiction of this Committee, and the purpose of my testimony is to address the needs of the specialty crop industry as it relates to the farm bill, if I don't address my most pressing problem I will be doing you and me a disservice. If Congress does solve our immigration and farm labor situation you won't have to worry about a specialty crop title in the farm bill in the future. I encourage Members of this Committee and other Members of the House to seriously consider the comprehensive immigration reform that will be introduced very soon. While I have used the H-2A program for my labor needs for the past fourteen years, the regulations, red tape, delays and legal services law suits have been horrendous. I hope you will give us a better guest worker program in the near future.

Conclusion

Mr. Chairman, I look forward to working with the Committee as you begin your consideration of the next farm bill. Many of the pressures that specialty crop producers and my 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 requires that we take a different strategy and move our products to market quickly. It is very important that these unique characteristics 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.

I ask the Committee 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 2013 Farm Bill. We certainly recognize the fiscal constraints 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.

The CHAIRMAN. Thank you, Mr. Brim. Mr. Bushue?

STATEMENT OF BARRY BUSHUE, VICE PRESIDENT, AMERICAN FARM BUREAU FEDERATION; PRESIDENT, OREGON FARM BUREAU FEDERATION, BORING, OR

Mr. BUSHUE. Thank you, Chairman Scott, Ranking Member Schrader, and the Members of the Committee. Thank you for the opportunity to testify today on behalf of the American Farm Bureau and Oregon Farm Bureau.

The Farm Bureau is the nation's largest general farm organization. Today, I will speak to the importance of the farm bill to specialty crop producers. Specialty crops accounted for approximately 17 percent of the \$391 billion in U.S. agriculture cash receipts in 2012.

I am a horticultural producer. I grow a variety of specialty crops, including pumpkins, flowering baskets, strawberries, and tomatoes for farm-direct, you-pick, and farmers' markets sales. In Oregon, we are fortunate to grow more than 240 recognized commodities. In 2011, Oregon ranked number one in the production of nine new commodities. We were ranked 2nd, 3rd, or 4th nationwide in ten additional commodities. Based on the value of production, 22 of the top 40 commodities produced in the state are specialty crops. We are very proud of what we do and we do it extremely well.

In Oregon, as in other specialty crop states, the industry appreciates Congress' recent focus on the importance of such commodities. It is our belief that a strong agricultural industry depends on a healthy variance of types of commodities grown, as well as production styles.

The State Block Grants for specialty crops program is extremely important not only for the specialty crop producers, but also states that are high in specialty crop production. We would support expanding the program and the funding for research for specialty crops, as well as technical assistance for the United States Department of Agriculture. The Specialty Crop Block Grant Program provides funding to states to enhance the competitiveness of specialty crops. The 2008 Farm Bill provided the \$55 million for each year until Fiscal Year 2012. We would like to see that program expanded in this new bill.

Over the life of the program, USDA reports that 2,500 projects have been funded that benefit the specialty crop industry in all 50 states. In Oregon, more than \$6.5 million has been distributed for a multitude of programs. These program funds have been used for outreach and training on Good Agricultural Practices, GAP, programs aimed at improving food safety, traceability, and productivity. Several programs that bring more Oregon-produced fruits and vegetables to Oregon schools have been implemented as have trade, education, and marketing opportunities for the Asian market. Last, but certainly not least, pest and plant disease initiatives and direct retail opportunities for producers have been highlighted.

As an industry, we recognize the budgetary constraints today and tomorrow and that the reauthorization of the current farm bill is going to be a far different bill than the 2008 legislation. I would urge Congress to pay particular attention to crop insurance programs, particularly the Stacked Income Protection Plan, STAX. It is an insurance program that is designed to provide a fiscally responsible and effective safety net for program crop farmers and

growers of tomatoes, potatoes, apples, grapes, and sweet corn. It is designed to complement existing crop insurance programs and does not change any features of the existing insurance policies. If we can use this program to cover these five specialty crops, fruit and vegetable producers in 44 states will benefit.

Oregon serves as a perfect example of STAX protection for these five specialty crops. All five rank in the state's top 40 production value: potatoes at \$179 million, grapes at \$80 million, sweet corn at \$32 million, apples at \$20 million, and tomatoes at almost \$12 million. As an organization, we would like to cover additional fruits and vegetables under the STAX program in the future.

Another farm bill program quite popular with our members is the Farmers' Market Promotion Program. As you probably know, we have more than tripled the number of farmers' markets in this country in the last decade. The mission of the program is to improve and expand domestic farmers' markets, roadside stands, CSA programs, and agritourism. More than 160 farmers' markets showcase Oregon's bounty creating a unique connection between food producers and consumers.

Farm-direct sales include farmers' markets, community-supported agriculture farm stands, and other direct-to-consumer sales. Annually, it is estimated that farmers' markets contribute \$50 million to Oregon's farm sales, not least to tell the story of a vital industry with strong support from the loyal public whose members continue to grow.

Last, I like to mention the importance of agritourism. In Oregon, we have countless pumpkin patches, strawberry festivals, and wine country events. Obviously, the goal of agritourism is to bring the public to individual operations or a group of operations for entertainment and opportunity for sales. There is also another goal, maybe one that can't be measured, but certainly important, and that is to establish a lost connection for many with today's farms.

We encourage the House Agriculture Committee to continue your investment in our specialty crop producers and their operations. We look forward to working with the Committee on the development of the next farm bill, hopefully sooner rather than later. Thank you.

[The prepared statement of Mr. Bushue follows:]

PREPARED STATEMENT OF BARRY BUSHUE, VICE PRESIDENT, AMERICAN FARM BUREAU FEDERATION; PRESIDENT, OREGON FARM BUREAU FEDERATION, BORING, OR

Chairman Scott and Ranking Member Schrader, thank you for the opportunity to testify on behalf of the American Farm Bureau Federation and Oregon Farm Bureau Federation. Farm Bureau is the nation's largest general farm organization and is the first (and, so far, only) agricultural organization to offer a comprehensive farm bill proposal in 2013. I will not cover details of that proposal today, but will instead hit a few highlights and then focus on our thoughts on the importance of the farm bill to fruit and vegetable producers. Specialty crops accounted for approximately 17 percent of the \$391 billion in U.S. agriculture cash receipts in 2012.

I am a horticultural producer. I grow a variety of specialty crops including pumpkins, flowering baskets, strawberries and tomatoes. In Oregon, we are fortunate to grow more than 240 commodities. In 2011, Oregon ranked number one in the production of blackberries, boysenberries, youngberries, hazelnuts, loganberries, raspberries, peppermint, Christmas trees and onions. We ranked second, third or fourth nationwide in snap peas, hops, garlic, pears, blueberries, sweet cherries, strawberries, green peas, cranberries and wine grapes. Based on value of production, 22

of the top 40 commodities produced in the state are specialty crops. We are proud of what we do and we do it extremely well.

In Oregon, as in other specialty crop states, the industry appreciates Congress' recent focus on the importance of such commodities. It is our belief that a strong agriculture industry depends on a healthy variance on types of commodities grown as well as production styles.

The Specialty Crop Block Grant Program helps to achieve that goal. In Oregon, more than \$6.5 million has been distributed for a multitude of programs between FY 2009 and FY 2012. These program funds have been used for outreach and training on Good Agriculture Practices (GAP), programs aimed at improving food safety, traceability and productivity. Several programs that bring more Oregon-produced fruits and vegetables to Oregon schools have been implemented as have trade, education and marketing opportunities for the Asian market. Last, but certainly not least, pest and plant disease initiatives and direct retail opportunities for producers have been highlighted.

A thriving agricultural economy benefits all Americans, and depends on a sound farm bill. The farm bill helps farmers and ranchers deal with the risks that threaten their ability to produce the food, fiber and fuel we all need. As the Agriculture Committees in Congress begin to draft a 2013 Farm Bill against a backdrop of decreasing government funding, Farm Bureau has put forward a farm bill proposal that is financially responsible, provides a measure of equity across crop sectors and helps farmers and ranchers deal with the weather and market risks they face.

American Farm Bureau Federation policy supports strengthening crop insurance and offering farmers a choice of program options to complete their "safety net." In addition, AFBF supports providing programs that encourage farmers to follow market signals rather than make planting decisions based on government payments. Farm Bureau also supports extending some of the programs generally "reserved" for farm program commodities to producers of fruits and vegetables.

We developed a proposal recognizing the budgetary environment of today and tomorrow. Agriculture has been singled out by numerous Congressional leaders. Whether we like it or not, Congress is sending a clear message that the Federal dollars that were there in the past are simply not going to be there tomorrow. Farmers should not expect to receive the same level of support as they have—even as recently as 3 or 4 years ago. Our proposal recognizes that fact and makes every effort to try to use the limited resources we have available in the best way possible.

Farm Bureau is a general farm organization. Individual commodity groups are obviously able to push for their own crop's interest. Farm Bureau stretches across all of agriculture, and providing significantly higher benefits to one crop would mean that other crops would be forced to take a larger hit. We worked diligently to spend scarce dollars wisely and to treat farmers of various crops equitably.

The top-level recommendations included in Farm Bureau's proposal are:

- Support the lower Senate budget reduction number of \$23 billion;
- Structure the farm bill proposal to achieve this level of cost reduction and, if funding is further reduced, to proportionately reduce the safety net programs as necessary (rather than require a total rewrite);
- Allow program crop producers to choose either a Stacked Income Protection Plan (STAX) or a target price program, on top of participation in crop insurance and marketing loans, as the three legs of a safety net;
- Establish a STAX program for all program commodities, as well as for apples, potatoes, tomatoes, grapes and sweet corn; and
- Provide a target price program for all program commodities, with the exception of cotton.

The Stacked Income Protection Plan (STAX) is an insurance product designed to provide a fiscally responsible and effective safety net for program crop farmers and growers of tomatoes, potatoes, apples, grapes and sweet corn. The program would be administered by USDA's Risk Management Agency in a manner consistent with the current crop insurance delivery system. It is designed to complement existing crop insurance programs. It does not change any features of existing insurance policies. If we can use STAX to cover these five specialty crops, fruit and vegetable producers in 44 states will benefit. The five crops were selected based on the following criteria:

- a. Crop insurance is currently available for the crop;
- b. The crop ranks in the top 13 in value of production for the country and represents at least two percent of the country's value of production; and
- c. The crops are all grown in at least 13 states.

We would like to cover additional fruits and vegetables under the STAX program in the future.

The STAX plan addresses revenue losses on an area-wide basis, with a county being the designated area of coverage. In counties lacking sufficient data, larger geographical areas such as county groupings may be necessary to preserve the integrity of the program. The “stacked” feature of the program implies that the coverage would sit on top of the producer’s individual crop insurance product.

The 2008 Farm Bill was the first farm bill that included a title devoted exclusively to our sector.

Specialty crops are defined as fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops, and floriculture. This level of productivity was accomplished on only about two percent of the country’s crop acres.

Our other farm bill priorities that specifically relate to fruit and vegetable production include:

- Reauthorize and fund with mandatory money the four expired disaster programs. This includes the (a) Livestock Indemnity Program (LIP), (b) Livestock Forage Program (LFP), (c) Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program (ELAP), and (d) Tree Assistance Program (TAP). Due to Colony Collapse Disorder (CCD), many beekeepers have suffered significant losses in recent years. ELAP covers producers of aquaculture, bees, and other species. ELAP provides funds for losses that are not covered by other disaster programs, and USDA reports it has paid out \$31 million from program inception. It has provided substantial assistance to beekeepers whose bees have suffered from CCD;
- TAP is equally important and provides assistance for tree death losses. Nationwide, TAP has paid nearly \$14 million from program inception. TAP and ELAP often provide assistance to producers who may not have access to Federal crop insurance, and are critical in this era of widely varying weather events. The four disaster programs expired on Sept. 30, 2011 and permanent mandatory funding, as well as funding for 2011 and 2012 is critical;
- Mandate additional studies on insuring specialty crop producers for food safety and contamination-related losses;
- Improve the Noninsured Assistance Program (NAP). Currently, producers must suffer at least a 50 percent crop loss or be prevented from planting more than 35 percent of intended acreage to collect. For losses above those thresholds, a producer receives 55 percent of the average market price for the commodity. Allow additional coverage at 50 to 65 percent of established yield and 100 percent of average market price. Producers would pay a premium for such coverage;
- Oppose additional payment limits and means testing on any crop insurance programs. This is likely to hit specialty crop producers especially hard since they are often producers of high-value crops;
- Oppose linking conservation compliance with crop insurance programs. Fruit and vegetable producers have little to no experience dealing with conservation compliance. Compliance with wetlands issues can be especially problematic; and
- Expand the State Block Grants for Specialty Crops program and funding for research for specialty crops as well as technical assistance at USDA. The Specialty Crop Block Grant Program provides funding to states to enhance the competitiveness of specialty crops. Each of the fifty states are eligible to apply for these grant funds from USDA and receives the higher value of \$100,000 or 1/3 of one percent of the total amount of funding made available for that fiscal year. The 2008 Farm Bill provided the \$55 million for each year until FY 2012. We would like to see the program expanded in this bill. The sole purpose of this program is to promote the competitiveness of specialty 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.
- Another farm bill program quite popular with our members is the Farmers’ Market Promotion Program (FMPP). As you may know, we have more than tripled the number of farmers markets in this country in the last decade. The mission of the program is to improve and expand domestic farmers’ markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities.

- 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. These programs would include the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP).
- We are also very supportive of Section 32 distributions. Funds are used to encourage domestic consumption of non-price supported perishable commodities and to re-establish farmers' purchasing power through a variety of activities, including purchases of commodities and removal of surplus commodities from the marketplace for distribution to Federal nutrition assistance programs such as the National School Lunch Program. When specific commodities are hit hard, this program can immediately relieve some of the pain. According to USDA, they have made Section 32 specialty crop purchases of about \$400 million per year since the 2008 Farm Bill.

We encourage the House Agriculture Committee to continue to invest in our specialty crop producers. This can be accomplished by mandating the availability of a STAX program for some specialty crop producers and watching for every opportunity to expand that program over the next few years, providing additional specialty crop block grant funding, improving our Farmers Market Nutrition Program and expanding the Fresh Fruit and Vegetable Snack Program. We look forward to working with the Committee on the development of the next farm bill.

We recognize the fiscal constraints facing Congress and the Committee, but 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 agriculture.

The CHAIRMAN. Thank you, Mr. Bushue.

The chair would like to remind Members that they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. We certainly appreciate your understanding.

This first question I have is for the panel. As many of you are aware, the last several years there have been advancements in food safety, pest management, and pesticide use through the Specialty Crop Research Initiative. Have any of you worked with your respective land-grant universities in regard to the specialty crop research, and how would you rate the effectiveness of these research programs?

Mr. BRIM. Yes, Congressman. I have worked with the University of Georgia. We probably have as many protocol test plots on my farm from herbicides to insecticides to all different type of research on disease, all different type of diseases. We probably have as many experimental plots on my farm as the experiment station does in Tipton, so we work really close with them. We think this is one of the most important issues for our colleges to sustain the research that we need to help further our ability to make a prosperous crop.

The CHAIRMAN. Would anybody else like to comment on that?

Ms. FREY-TALLEY. Our company, Frey Farms, we enjoy the benefits of that research through Purdue and also the University of Illinois in the work that they do there with pest and plant disease mitigation on fresh market pumpkins.

The CHAIRMAN. Thank you, ma'am.

Mr. BUSHUE. Many of our members work directly with our research extension service in Aurora, Oregon, which specializes in

specialty crops and horticulture, and we have a very active engagement with our land-grant through that process, and many of our growers have plots on their own farms nearby. It has been very successful and very important to Oregon's agriculture.

The CHAIRMAN. Thank you. Mr. Brim, it is my understanding that Fresh Fruit and Vegetable Program has worked well in Georgia since 2008. Under the Committee's farm bill last year, the program expanded to all forms of fruits and vegetables. Can you just give us a brief explanation of the impacts that that change has from the standpoint of the policy that would be carried out?

Mr. BRIM. Yes, sir. As you mentioned, the Fresh Fruit and Vegetable Program has been very effective in the State of Georgia. This has definitely increased the kids' fruits and vegetable consumption, introducing them to a wide variety of fresh fruits and vegetables that they can eat at school, as well as at home. Once they develop those tastes, they will go home and start having fruits and vegetables at home as well.

As a grower, this program has been very important to me because of the many fresh fruits and vegetables that schools typically serve in the programs, as we all know, they are through the canned fruits and vegetables and frozen. They are spending about \$400 million on the actual buying of the cans, fruits, and fresh/frozen, and \$150 million just for the fresh fruit, which is about three percent of the budget of the Agriculture Committee in the farm bill.

So we grow cantaloupes, green peppers, and broccoli, cucumbers, tomatoes are now available in all of these Georgia schools.

To your question, the impact of last year's policy decision was significantly undermined in the integrity of the program for broadly expanding the program to fruit and vegetables that already received considerable access to schools through the Section 32 Program. As you are aware, Specialty Crop Farm Bill Alliance, which includes the Georgia Fruit and Vegetable Growers Association, sent a letter in December to the leadership of the House and Senate Agriculture Committees urging that the farm bill to insert the original language on the program from the 2002 Farm Bill regarding commodity eligibility for the FFVP. I strongly support these efforts and urge the Committee to move forward in this way.

The CHAIRMAN. Thank you. I now recognize the Ranking Member, Mr. Schrader, for 5 minutes.

Mr. SCHRADER. Thank you, Mr. Chairman. I appreciate it.

Ms. Frey-Talley, you talked about the Market Access Program and, as you know, the exports seem to be of increasing importance. Could you talk a little bit about the importance of helping small farming cooperatives, small farming families reach worldwide with their products through the Market Access Program?

Ms. FREY-TALLEY. Well, obviously, that is what MAP was originally intended to do. Our company does not participate in that program, but I know that through that program, several citrus growers have benefited greatly by being able to export their products. And I know in the State of Florida, that has been very beneficial to numerous growers. And it has also been, as you suggested, very advantageous for smaller farming operations and allowing them to be able to make their products available on a global level.

Mr. SCHRADER. Yes, a lot of farming operations are not all big agribusinesses, particularly in specialty crop areas. It is really important for us to be able to get our produce out there, and this is one program that works.

Mr. Brim, could you talk a little bit about making SCRI mandatory, how important that is in the farm bill?

Mr. BRIM. Well, yes, sir. It is very important to us and of course to our universities where we have applied research. And like I talked about a while ago on our farms, it is very important for us to have this funding available to them for us to be able to have the specialty crops that we need in our particular areas to be able to use this funding and through SCRI.

Mr. SCHRADER. And Mr. Bushue, could you elaborate a little bit about the STAX program and the problem with a lot of the insurance programs. We don't get direct payments, and a lot of the insurance programs don't really fit our needs because many farms have multiple crops on them at any one time. Can you talk a little bit about the need? I know there are some amendments out there to modify NAP a little bit that would help, but could you talk about the STAX program just a little bit more?

Mr. BUSHUE. Yes, it is designed to basically complement the current insurance programs for those crops. We chose those five hoping to expand those of course in the future. We chose those five because of the diversity of them, the breadth and depth that they cover across the United States. Also, they are grown in at least 13 states and they rank in, I believe, the top two percent of production for those particular crops. We just think it would be an ideal opportunity as a starting place if you will to maybe make a pilot-type program to offset some of the loss and some of the tragedies that happened on farms, especially in specialty crop industry where a loss can be significant.

If I could take the liberty and comment on your agribusiness, a large farm is generally something that is an acre bigger than yours.

Mr. SCHRADER. Well said. A follow up, if I may, on immigration. Every one of you has indicated some interest in the immigration bill. I know the Chairman and I are very interested in making sure that whatever bill comes out works for our agricultural producers and our agricultural workers. Each way has been problematic, as you testified to. Perhaps, starting with Mr. Bushue, give us a quick comment, give us your opinion, on how the Gang of 8 immigration draft seems to shape up for American agriculture?

Mr. BUSHUE. The Farm Bureau certainly shares the interest of the other two panelists today with the need for dramatic and comprehensive reform on immigration. It is critical to the agricultural industry. The Farm Bureau has been working very closely with the folks on the Hill both in the Senate and in the House hoping for some kind of solution soon, and we would encourage Members of this Committee to work with anybody that they can to make that happen as soon as it possibly can. Thank you.

Mr. SCHRADER. Mr. Brim?

Mr. BRIM. I think that agriculture is more unified right now in the need to have something done about immigration from the Southeast to Oregon to New York State. I mean it is vital that we

get something done about immigration. We have gone through so many years. I have been in the H-2A program for 14 years and it is just vital to us now for us to even be able to grow in our businesses, to develop our businesses and know where this new program is going to go. I think that we have an opportunity now to finally get something done, and we don't need to stop with it now. We need to go ahead and proceed and have something pass to help us with our immigration.

And the Gang of 8 bill is a good bill. There are some good things in it; there are some bad things in it. I think there are a lot of things that we can rework, but overall, we are all united and we just need something done.

Mr. SCHRADER. Ms. Frey-Talley, real quick?

Ms. FREY-TALLEY. Yes. I think this is a critical point in our industry and the work that the AWC has done bringing all the different sections and groups in agriculture together to reach an agreement for the framework for ag business and labor to come together I think it is just a really incredible and pivotal moment, and I would encourage Members of Congress to understand the need that we have and how crucial it is. Especially at a time when over 47 million Americans receive some type of government nutritional support, growers are forced to walk away in certain instances and in states from abundant fields simply because they can't get access to an adequate harvest labor force. So, they end up just giving up millions of dollars worth of fruits and vegetables.

Mr. SCHRADER. Thank you very much.

The CHAIRMAN. Thank you.

Mr. SCHRADER. I yield back. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Ms. Frey-Talley. And ladies and gentlemen, I now recognize to Mr. Denham.

Mr. DENHAM. Thank you. In California in the Salinas Valley and Central Valley we have been hit with a huge amount of food safety concerns over the last decade or so. I am sure that you are all concerned about the pending implementation of the Food Safety Modernization Act, which looks like it will treat strawberries the same as walnuts or citrus. And recently, a district court in California announced that it had found that FDA had unreasonably delayed implementation of food safety regulation and has ordered the FDA to agree to an implementation timetable with an activist group by May 20. Do you believe that it would be appropriate considering the complexity of the issue involving the FDA to rush through these regulations? If you could each talk about food safety, Mr. Bushue?

Mr. BUSHUE. Any time you have a broad-based regulation that deals with food safety, you are going to come across some problems, and you have already allocated to some of them. I don't think we ought to rush into any program, and the Food Safety Modernization Act, like most bills, is not perfect, but I think there needs to be time spent doing it correctly so that we don't have the problems with strawberries that we do have with treating them the same as tree fruit.

Mr. DENHAM. Mr. Brim?

Mr. BRIM. Yes, I think food safety issue is very important. I think FDA's position right now is too quick. We can't implement

this FDA rule by the 6th. I think a term for terminating and re-looking at the whole bill would be advised. We as farmers, we try our best and do everything we possibly can food safety-wise already, so let's get it right when we do it. Let's don't hurry into anything. And we certainly, as farmers, don't want to hurt anybody, don't want anybody sick. So we do everything we possibly can right now with food safety. So, as I say, let's get it right before we terminate.

Mr. DENHAM. Thank you. Ms. Frey-Talley?

Ms. FREY-TALLEY. Well, I, along with the rest of our industry, have consistently supported strong, mandatory, enforceable commodity-specific food safety practices based on the best available science applicable to both domestic and foreign produce. Having said that, I believe that it is very important to take the time necessary to allow for thoughtful comments on the proposed rules and allow the continued careful analysis of those rules.

Mr. DENHAM. Thank you. And on the chemical side of things, pesticides, herbicides, what are the challenges facing each of you regarding access to fumigants for crops now that methyl bromide has been phased out and now that sulfuryl fluoride is being proposed as well? What are the other options? What are your concerns? What do you think could be next?

Mr. BUSHUE. Certainly access to crop protection products, including the fumigants you have mentioned, are critical to specialty crop producers. Over the years, we have seen a decline in the number of products available to small crops because of the cost of implementation through FIFRA and the EPA. We recognize that those products are critical to our production needs. The lack of any kind of a usable, safe fumigant creates a lot of problems for rotational issues and especially the kind of crops that we raise on a fairly intense basis. So we would encourage anything this Committee could do to work through EPA to make those things happen on a much quicker level.

Mr. DENHAM. Thank you. Mr. Brim?

Mr. BRIM. I think there is an opportunity right now for you and our Congress to do something about the handling of the way EPA has handled their chemistries that they are trying to get into process. We need to be able to have new chemistries coming out on a regular basis because we have restrictions on resistance management. Where you are managing your chemicals in your products is a great tool. Some people don't manage their chemicals and their products like they should so we get resistances to these chemicals and they are not doing us any good. So we need some help to alleviate and be able to return some of these chemistries that will be available to us that we can use.

Mr. DENHAM. Thank you. And Ms. Frey-Talley, my time is getting short, but let me just ask one other quick question. On crop insurance we face some unique challenges in California primarily because we are a specialty crop state. You know, crop insurance doesn't seem to provide a good risk management tool for specialty crops. Can you comment on that?

Ms. FREY-TALLEY. Yes. There is no crop insurance available to our company for the commodities that we grow. They are really outside disaster policies for hail and such. So our company, we par-

ticipate in the NAP program. And as I am sure all of you are aware, that program, I would say that in the event of a complete crop loss, it is a beneficial program to participate in, but it is not as effective as some type of private insurance obviously would be for the fruits and vegetables that we grow.

Mr. DENHAM. Thank you, ma'am.

The CHAIRMAN. I now recognize the gentlelady from New Hampshire, Ms. Kuster.

Ms. KUSTER. Thank you very much, Mr. Chairman. And thank you for hosting this hearing. Thank you all for coming.

I had an ag roundtable in my district in western New Hampshire on Monday and we had a great deal of this type of discussion. It was very informative for a new Member coming right before markup.

I want to continue, Ms. Frey-Talley, with the conversation you were just having on insurance. What would you recommend for insurance products that would be useful to the specialty crop industry? We have a lot of orchards, berries, local fruits and vegetables for farmers' markets and school programs. I am curious how you would structure insurance products if you could rewrite them.

Ms. FREY-TALLEY. Well, I think that it would certainly be commodity-specific. I don't think it would be like a one-size-fits-all. But with the help of United, I would be happy to get back with you on our suggestions on what the framework would look like for overhauling that.

Ms. KUSTER. Do the other witnesses have any recommendations on specialty crop insurance?

Mr. BRIM. Yes, ma'am. On CAT coverage and NAP coverage for me it is just ineffective. I would say something on a risk-based arrangement where you could at least recover your cost, not a profit but just a cost effect so we at least wouldn't lose our farms because of a catastrophe. And a risk-based I think would work fine for that.

Ms. KUSTER. Mr. Bushue?

Mr. BUSHUE. I would agree with Mr. Brim. Certainly, most of the current insurance products do not work for me on my farm and a risk-management base would be much better, similar to the STAX program that I talked about earlier. We think that would be absolutely effective, but it does need to be crop-specific.

Ms. KUSTER. Thank you. I will now turn to other programs mentioned, briefly, by each of you, such as school lunches and farmers' markets. Could you comment on how we can encourage that growth in specialty crops and open up those markets further? Are there specific elements? I know, for example, the farmers talked about the EBT cards at the farmers' markets. Are there other types of programs that would be helpful to expand your markets? And Mr. Brim, if you would like to start.

Mr. BRIM. I think there is a great opportunity out there to expand the school lunch programs and the Fresh Fruit and Vegetable Snack Program to all the schools and not just have it just at a morning session but in an afternoon session before they go home. Just adding funding and being available funding for this new program would be a benefit to all of us.

Ms. KUSTER. And healthier for the kids as well.

Mr. BRIM. That is right.

Ms. KUSTER. Absolutely.

Mr. BRIM. And take away some of obesity maybe.

Ms. KUSTER. Well, we hope. Thank you. And definitely can make a big difference.

Mr. BRIM. That is right.

Ms. KUSTER. Finally, the comments about immigration. What would you recommend to change for the immigration program? You have talked about making sure you have a reliable workforce. Are there specific elements we should be looking for as the immigration bill comes forward? And, Ms. Frey-Talley, if you would like to start.

Ms. FREY-TALLEY. I think a very strong ag guest worker program is critical to any type of comprehensive immigration reform bill. And like I had mentioned, the AWC has outlined and reached an agreement for those best practices. And in the current bill that the Senate has, we support that framework and we think that that is a workable solution for ag.

Ms. KUSTER. Okay. And the other two witnesses, do you agree?

Mr. BRIM. Yes, ma'am. I would think, though, that the Gang of 8 that put the labor bill together, their proposals are good. There is still some tweaking the needs to be done but moving the program to a 3 year visa was a good thing, taking away the 50 percent rule. In my district, I get calls all the time because I am so active from farmers, and they think that they haven't been able to effectively get the wage rate right, and that is another problem.

Ms. KUSTER. Okay.

Mr. BRIM. But overall, I think the cap on the visas at 112,000 we feel like it is too low for the 1st year and especially for the third year. Once these blue card holders leave agriculture and we have to go back to the H-2A program or some kind of contractual program. And the other thing in mediation that is a nonbinding agreement with legal services, I mean if we are going to have a mediation, then it should be binding.

Ms. KUSTER. Right.

Mr. BRIM. Why should we have to go after we have mediated and they have agreed to a mediation, and then they will take us to court and we have to spend another \$½ million on something that we didn't do wrong? And it is just horrendous I think.

The CHAIRMAN. The gentlelady's time has expired.

Ms. KUSTER. Thank you so much.

The CHAIRMAN. I am now going to recognize the gentleman from New York for 5 minutes.

Mr. COLLINS. Thank you, Mr. Chairman. I want to thank the witnesses. It is interesting in New York sometimes we don't think about agriculture. I have the western part of New York, which is one of the most agricultural districts. New York has recently become the number one yogurt producer in the United States, so clearly dairy is a very big part of what I have. But also specialty crops, sometimes people don't realize because of our unique climate and where we are surrounded by the Great Lakes, when it comes to apples, peaches, grapes, cabbage, potatoes, we are some of the largest producers.

So what I would just simply state is my farmers concur with everything you have said and certainly, Ms. Frey-Talley, the specialty farmers agree. When I put together my agricultural roundtable, I

said what is it we should be doing here on the Agriculture Committee? And they said number one, we just need a farm bill. We need to know what we are going to be facing the next 5 years. We can't continue to go with uncertainty. So they asked, number one, pass the bill so we know what the rules are. Number two, obviously, immigration reform. You have to milk cows 24 hours a day, sometimes twice a day, sometimes three times a day so a guest worker program, as we have now in dairy, doesn't work, but then the specialty crop farmers reminded me from the processing plant standpoint again it is 12 months a year; it is not 10 months a year. So you have confirmed much of the same thing that we have been hearing.

The other thing they mentioned again was on the specialty crop research. We do have a land-grant university, Cornell, very well known, and when it comes to peaches and apples and some of the issues, what my farmers have said is on their own they can't afford it but the research that they get and the benefit from Cornell not only benefits them but others.

So I guess, a lot of the questions I had have been answered, but the other thing I am hearing is trade barriers, about grapes turned into wine. We have a lot of vineyards under Lake Ontario and they can't export their wine certainly into Canada because there are trade barriers in getting into Canada where we have our markets open and they don't, and I have talked to the Canadian trade officials about that. But I am curious more on the export side as a question, Ms. Frey-Talley and others. Do you export? Do you see barriers? I mean the biggest one I hear about on the wines is Canada, but on the export part, if we are going to grow our economy.

And also I would like your comments on whether the lack of a farm bill may be stifling the growth of your farm or investment as you are waiting to see what the new rules are going to be?

Ms. FREY-TALLEY. We do not currently export any of the products that we grow, pack, or ship. Maybe Mr. Brim could elaborate.

Mr. BRIM. We do export some of our vegetables to the Caribbean islands but not a whole lot. With the Canadians we export to Canada, I guess that is a different country as well, so we do do that one, too. But we find that it is difficult, and once our product gets across the line, then we are defenseless in what they do with that product. And so we have problems with rejections that are really bad because of not being able to bring them back into the United States after they go into Mexico or into Canada. So it has created a problem and it ties our hands a little bit on what we can do with our product as well.

Mr. BUSHUE. I don't export directly but certainly Oregon is a huge exporter of specialty crops and other crops, and American Farm Bureau is actively engaged in the trade markets. We recognize that for the agricultural economy, we are going to have to open up more and more markets, and we look forward to the passage of more and more multilateral, bilateral trade agreements like TPP, *et cetera*, and we would support that. Thank you.

Mr. COLLINS. Mr. Bushue, would you say also that the lack of a farm bill like this past Congress has held back expansion or growth? Have you heard those kind of comments from your members?

Mr. BUSHUE. I think it is the concept of not knowing where we are going as critical right now. And certainly, whether or not I could point to individual examples on my farm, how it has impacted me, that becomes more of a challenge. But to the industry as a whole, without that future security knowing where we are going, obviously, it is going to impact negatively our economy and our ability to trade certainly.

Mr. COLLINS. Yes. Thank you very much, Mr. Chairman. I yield back.

The CHAIRMAN. Thank you. I now recognize the gentleman from California for 5 minutes.

Mr. VARGAS. Mr. Chairman, thank you very much. And thank you very much for holding this hearing. I also want to thank the panel.

I represent San Diego County, California, and also Imperial County. Of course, Imperial County you may be familiar with. There are lots of specialty crops there. It is a fantastic growing area. I am in contact with a lot of the farmers there. I asked them if there was one thing you could fix, what would it be? They all said immigration. Immigration. They also said the insurance policies don't work for them either, but immigration is the biggest issue. And I appreciate all of your testimony here today about it.

I want to ask you a little bit more about comprehensive immigration reform. I think on the Democratic side, we are ready to go. We want to do something. I come from a little different perspective, from a religious perspective on the issue. Certainly, it is very clearly in the Torah and throughout the Old Testament and the New Testament, so I am coming at it from a little different perspective, than from pure commerce.

I hear now that there is this notion of radicalized immigrants. Have you seen any of those guys out there on your farms?

Mr. BRIM. No, sir, I have not. We do have some problems on our farms—

Mr. VARGAS. Yes.

Mr. BRIM.—but it is not from terrorism, I assure you.

Mr. VARGAS. Okay. So it is not from immigrants—terrorizing anything?

Mr. BRIM. No, sir.

Mr. VARGAS. Okay. Can you comment a little bit more about the immigration? You have commented about the guest worker program. One of the things that growers mentioned a lot of time is that there are a number of employees that are long-time employees. These are people that have been employed for a long time, not guest workers, who they suspect might have an issue with immigration.

Mr. BRIM. Well, we have been doing the H-2A program since 1998, and we have the same people coming back each year, year after year. And like the Congressman a while ago said from New York, we are a 12 month business. We can't do it 10 months and stop. And all of our employees, they keep coming back so they are well-trained employees. We don't have to re-recruit and retrain each year. So that is very different, but we think that the H-2A program is very cumbersome—

Mr. VARGAS. Yes.

Mr. BRIM.—and it is litigious but because we have the people coming back each year, and so that allows us to have a trained workforce because our domestic people in the United States will not do it.

Mr. VARGAS. Perhaps, California maybe is a little bit different. In the Central Valley, there are a lot of people that work in the fields that are undocumented, and they are not seasonal. They live there. Supposedly, those would be some of the people that would be able to gain legal status in this country. Is that the case anywhere else? I know in California it is for a fact.

Mr. BRIM. We have illegals in Georgia as well. I mean probably there are about 18 growers in the State of Georgia that do H-2A program, so the balance of the program is based off of illegal workers or domestic workers as well. But trying to find domestic workers, we don't have any other opportunities. Domestic workers will not work on our farms. Because I am mandated to hire, I hired 1,650 domestic workers in January through July. The end of July, do you know how many I had? None.

Mr. VARGAS. I am not surprised. It happens in California all the time. I worked on workers' comp there for 2 years as a Chairman of the Insurance Committee. He asks me one day, "Do you know how many people on my farm are illegal?" And I said, "How many?" He said all of them except for the general manager because I can't get anybody else to work. It is hard work. I am not surprised. Maybe I should be but I am not.

I am hoping that through this legislative process you will become active working with the wonderful gentlemen on the other side of the aisle. They may need convincing that this is something we ought to do. I think there is a great need.

Mr. BRIM. There is definitely a need for the four of us to have a new immigration policy. When Georgia passed their H.B. 87 Bill, which destroyed our illegal portion that cost us as an ag community about \$140 million.

Mr. VARGAS. Yes.

Mr. BRIM. So we definitely need some new regulations to be able to—

Mr. VARGAS. Well, God bless you. And I thank you.

The CHAIRMAN. The chair would remind people we recognize immigration is an extremely critical issue, and I know most of the Members here have asked the question that revolves around immigration, and you alluded to it in your opening statements as well. That is the jurisdiction of the Judiciary Committee, and so we are here to review horticultural priorities. We recognize that it is a key issue, but we want to focus on what we can do for horticulture actually in the farm bill. And again, I know most of the Members have asked a question that revolves around immigration.

So with that, I recognize the gentleman from Florida.

Mr. YOHO. Thank you, Mr. Chairman. I appreciate it. And I appreciate you guys coming up here and talking. I been associated with agriculture since I was 16. I am a large animal veterinarian by trade and have practiced the last 30 years. I made my living on the south end of a northbound horse or cow, which was the fertilizer for your plants. Most of my questions have been answered today, and I appreciate you guys coming up here.

And what I hear over and over again, it is the uncertainty that comes out of Congress or Washington that creates an environment of instability that we can't bank on, and we have to fix that. And I appreciate the input you have. I did have a question on immigration but I will pass that on.

Ms. Frey-Talley, you were talking about the block grants. What can we do to adjust them to make the block grants more effective in your opinion?

Ms. FREY-TALLEY. The SCFBA has offered several suggestions for doing that. For example, we would like to see more timeliness in the announcement of funds being available to ensure that states had plenty of time to review their requests and states could pursue more grower-level projects that address grower needs, strengthening the definition of what enhances competitiveness of specialty crops to lower the risk of potentially controversial projects, which would undermine the viability of the program.

And the SCFBA would also like to see greater consideration of multi-state projects, which have been a fraction of the projects awarded. In our operations, obviously at Frey Farms, we operate in several different states, but I mean we are growing the same commodity—

Mr. YOHO. Right.

Ms. FREY-TALLEY.—throughout those different growing regions. So often the specialty crop industry faces challenges that affect an entire commodity or an entire region. So the coordination that would come from states more often working together to develop projects would serve producers well.

Mr. YOHO. We have a great example of that with citrus greening. As you well know, in Florida how it has cut our production down about 50 percent and it extends all the way over to California. So we have met with APHIS and USDA and it is good to see them working together.

I am going to move on to something else and open up a can of worms here. And it comes down to more confusion in the marketplace and it comes from rules, regulations, and mandates. I know if you had to pick an agency that is the most burdensome in your industry, which one would it be?

Ms. FREY-TALLEY. Department of Labor.

Mr. YOHO. Department of Labor?

Ms. FREY-TALLEY. DOL, EPA.

Mr. YOHO. Okay. EPA.

Ms. FREY-TALLEY. I mean it would be a tossup.

Mr. YOHO. All right. You know, because I look at these programs that they should be a facilitator to your business and not a debilitator to your business. And so often they come out with the regulations that just stifle us in business. I would like to get your thoughts on some of the—myself and Congressman Collins out of Georgia formed a regulatory study group to where we want to attack some of these in a nice way to get them to back off so that you guys aren't under that burden because you are talking about the FDA and the Food Safety Act, and if I understand that right, it is going to put a burden on the average farmer of about \$30,000–\$35,000 a year. And you have to look at the cost-benefit of that. Is

it going to benefit that much more to put this kind of rules and regulations on you? What is your opinion on that?

Mr. BRIM. I am sorry. I turned it off to turn it on.

Mr. YOHO. You didn't want to be recorded?

Mr. BRIM. Yes, that is right. I couldn't say it over the speaker. EPA and DOL and the FDA, they have placed so much more burdensome rules on us in the last 5 years. My cost of my business has gone up probably 25 percent just on government regulations. And I will give you a for instance just on EPA. I was going to put a boiler system in my greenhouse operation, and at the time, it was going to cost me \$250,000 to put the boiler system in. Well, with the EPA's regs on new boiler emission standards, it went to \$750,000.

Mr. YOHO. Holy mackerel.

Mr. BRIM. So I couldn't do it. I had to back off of it. So the regs and the regulations that they put on us are tremendous.

We are all very concerned about food safety, but we think that the FDA has gone overboard. I am a cantaloupe grower as well and I think that they are fixing to come test all of our farms, and they are going to find something either out in the field or wherever—

Mr. YOHO. Right.

Mr. BRIM.—but what I would like for them to do is test after we have packed, not in the field because we know it is in the fields. We know it is there. So what we need is less regulations on what we are doing. And with chemical companies, their regulations on the chemicals of being able to get chemicals out of EPA back to us for our disease or whatever that we are combating in our farming operations.

Mr. YOHO. Well, I agree with all of what you guys have said because your role is to produce healthy food, and the American farmer has done a fantastic job and I am proud of you guys.

Mr. BRIM. Thank you.

Mr. BUSHUE. I think you can probably pick an acronym, but with regard to Farm Bureau, right now the EPA and the Endangered Species Act are the ones that probably drive the majority of what is going on. I agree with the Department of Labor and the FDA, but on a broader scale, especially in the Northwest, the ESA drives almost everything we do and costs us incredible dollars just to try and figure out ways to get water and the other crops that we need. The pesticide products that we were talking about earlier are all part of that ESA rolled into one. But I agree with you.

Mr. YOHO. Thank you.

The CHAIRMAN. I now recognize the gentleman from California for 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman and thank you to the Ranking Member and the witnesses. All of your testimony makes very clear why we need to reauthorize the farm bill. I was a part of the 2008 effort. We made tremendous gains in specialty crops, with the EQIP program and a host of other areas which you have touched upon, market access, research. These are all important gains that we must keep in the 2013 reauthorization.

We have talked a lot about specialty crops here this morning—but would point out that for people around the country, specialty crops are no more than the fruits and vegetables that are part of

our healthy diet. We refer to them as specialty crops. I guess they are special because they are healthy and they are a good part of America's diet. I think we do it better in terms of quality and yield than anyone in the world.

I want to note that specialty crops, or fruits and vegetables, employ 1.3 million people directly in the country and we don't have Federal program subsidies that are applied to other crops. In the district that Congressman LaMalfa and Denham and I represent, the Central Valley, the salad bowl, it is responsible for almost 400 crops. We are very proud of ½ the nation's fruits and vegetables that we are able to produce.

I think it gets overlooked that when we talk about the farm gate value that the fruits and vegetables and specialty crops that we grow account for over \$44 billion of the nation's agricultural trade surplus. There are a lot of factors that I could go on to talk about. Fresno County, which I represent, accounts for almost \$6 million of the farm gate.

I want to get into some of the points that were raised here that are important as we try next month to bring the farm bill together. I hope we maintain the bipartisan support that I think is witnessed by today's testimony and by what we did last year.

Let me ask if there are any changes that you think we ought to be making in the Specialty Crop Block Grant Program. Any of the three please answer very quickly because I have a couple of other questions I want to get to.

Mr. BRIM. Yes, sir. I think that to be effective we need more funding for the program.

Mr. COSTA. Any other comments? When we look at the amount of money that we have spent, it is a fraction of the cost of what we spend on the program crops. I would surmise too that we get a lot more bang for our buck.

The Market Access Program again is another important part. Research is critical to our land-grant universities, and one that each of you touched upon that. Mr. Chairman, I also want to talk with this Committee on what I think is a bar that exists for some of our state universities. When we are marking up the bill next month, I hope we can address the issue because, frankly, there are a lot of good efforts that go on in research that are not available to our state universities in agricultural areas that ought to be able to participate.

The other area I think is very important, are the efforts on pest detection and eradication of invasive species. California, like other states, have had budget cuts. Our most recent detection was the European grapevine moth. Over 40 percent of all the agricultural imports come through California. So we are in a cutting-edge area. Money for pest detection and eradication is absolutely essential.

I am glad to hear some of you talk about the nutrition programs, these programs not only help those who are at the bottom rung of our socioeconomic ladder but also they help American agriculture. There is a good balance there.

So when we craft that next month, we are going to have to be surgical. We know the farm bill is going to be less this year, in funding, than it was in 2008. The Senate proposal last year was \$21½ billion less. The House version out of the Committee was \$35

billion less. So we know we are going to take haircuts in all areas. We have to be smart about how we do this to ensure that we do our best to represent America's agricultural producers, which still, as the song goes, nobody does it better, in my opinion. And I am a third-generation farmer.

So, again, I want to thank all of you. I want to thank, Mr. Chairman, for this hearing. I look forward to working with all of you next month as we mark up the farm bill.

The CHAIRMAN. The chair now recognizes the gentleman from Illinois for 5 minutes.

Mr. DAVIS. Thank you, Mr. Chairman.

I would like the Chairman's permission to be a little less formal with my questioning with one of the witnesses because I have known Ms. Frey-Talley for a number of years and have seen what she has done in southern Illinois to not only become a global leader in specialty crops but a leader in her community and in her region. So without your objection, I would like to call you Sarah like I do every other time I see you.

Ms. FREY-TALLEY. Sure.

Mr. DAVIS. Is that okay?

Ms. FREY-TALLEY. Sure.

Mr. DAVIS. All right. All right.

Ms. FREY-TALLEY. Absolutely.

Mr. DAVIS. Thank you. I figured after we found out that thankfully we can sleep at night knowing there is no training ground in Imperial County, right, and the north or south end of a cow, if I would have been here on time, I would have been able to ask my questions earlier and I might not have heard that. So I do apologize that I was late. I had to be in the chair today.

But I read your opening testimony and we met yesterday. However, you weren't given enough time to really tell your story. It is a story of success. It is a story that many folks in this building don't understand because when the general public sees somebody sit at a table like yours and offer testimony, it is automatically assumed that you are just a big business that has been handed down throughout generation after generation. That is not true with you and I know that. And I would like you to share with this Committee a little bit about your background and how you built your business up.

Ms. FREY-TALLEY. Wow. That is probably the toughest question I have taken all morning.

I actually started Frey Farms out of the back of a pickup truck hauling melons from southern Indiana to a small delivery route of independent grocery stores, and I was a teenager when I undertook that endeavor. And I purchased also as a teenager our small family farm in southern Illinois. And as I had four older brothers who were off to college, one by one they came home to join me in the business as I began to grow up through the production of specialty crops. As most of you probably aware, you can't survive on 100 acres growing corn and soybeans. So we had to find ways to diversify our business with the smaller amount of acres.

So, like I said, as I grew the business, one by one of my brothers came home to join me in the business, and we started buying up other small farms in other states across the country. And now we

grow several thousands of acres of fruits and vegetables in a multi-state region.

Mr. DAVIS. Well, thank you, Sarah, very much. You epitomize the American dream when it comes to agriculture. I thank you for what you do.

With the rest of my time, I apologize if I am repetitive with any of the questions that may have been asked, but that is the problem of asking the questions late in the hearing. I would, however, like to start with you, Sarah, and move on to the other two especially in regard to food safety. But specifically for you, what investments at Frey Farms have you made to strengthen food safety?

Ms. FREY-TALLEY. Food safety has obviously always been a top priority for our company. We work with most major retailers, Wal-Mart, Kroger, Target, so on and so forth. And in our company we have invested in a director of food safety that not only oversees the compliance within our operations, but also consults with our contract growers as well.

Frey Farms, we are GFSI-compliant. I am not sure if you know what GFSI is, but GFSI is the Global Food Safety Initiative, and over the last year during the 2012 growing season, all of our farms and facilities that we operate received a superior rating with GFSI.

So the Food Safety Modernization Act, the proposed rules that are coming out and the outline for that really for our industry and for what we are doing at Frey Farms is really not much different. I don't know that there is going to be a huge change in our operation because we have been compliant over and above what the industry standards have been. But I know that there are going to be monetary investments that will have to be made throughout the industry to implement the new guidelines.

Mr. DAVIS. That is the point I wanted you to make is that you have already been leading the way in food safety.

Ms. FREY-TALLEY. Yes, sir.

Mr. DAVIS. And your industry has, too. So thank you for your testimony. I have run out of time so I can't ask another question, although what it would have been was what is the biggest barrier you have to growing your business? And feel free to answer that or the food safety question and then I will not get my mike turned on again because the Chairman will now tell me to shush.

Mr. BRIM. Thank you. I think food safety has been our priority in our business. Myself went to the State of Georgia to set up a voluntary food safety program back 10 years ago. We have implemented those programs. We have two food safety people on staff that work only in food safety. We have just recently established the ECGA, which is the Eastern Cantaloupe Growers Association where we have implemented the GFSI audits for cantaloupe since we have had the problems with cantaloupes in the last 2 years. We think it is very important and we went above and beyond the GFSI audit with eight different other sections to implement that will bring our standards higher than GFSI.

So we are very serious about it and we are hoping that all of our growers that grow cantaloupes will join our ECGA so that we will all be on the same page, and then we won't have an opportunity to lose a lot of money because somebody hadn't participated in food safety.

Mr. BUSHUE. I am going to take the last question. I think probably the litigious regulatory framework within which we operate is probably the greatest barrier to us growing our business and those across the United States.

The CHAIRMAN. The gentlelady from Washington is recognized.

Ms. DELBENE. Thank you, Mr. Chairman. And thanks to all of you for being here and sharing your thoughts with us. I really appreciate it.

I represent the northwest part of Washington, a lot of dairy and berry specialty crop area. I recognize how important it is to pass a 5 year farm bill in order to provide certainty for farmers across the country. So, I too, would like to thank Chairman Scott and Ranking Member Schrader for having this hearing today to discuss the incredible importance of specialty crops.

Oftentimes, specialty crops aren't talked about as much as traditional commodities. I have to remind folks in my neck of the woods, mentioned before what specialty crops are because our terminology is not used broadly. They are an increasingly important role in agriculture, and some estimates place specialty crops at more than $\frac{1}{3}$ to $\frac{1}{2}$ of the value of the U.S. farm crop production in a given year.

I am proud to be introducing a resolution tomorrow that, with the support of the Specialty Crop Farm Bill Alliance, will highlight the importance of specialty crops in the fact that priorities like Specialty Crop Block Grants and the Specialty Crop Research Initiative deserve full consideration and funding.

I thank my colleagues on the Subcommittee who have already lent their support, and I encourage and respectfully ask others to continue that support, too, so that we can have a strong resolution out there and make a strong point on specialty crops.

In particular, we talked a lot about the importance of the research programs. I wonder if any of you have examples of the impact of not including research funding would have, going forward, and on projects that you might have been involved with. I think it is important that we realize you can't start and stop research very easily and keep projects going. So, if any of you have examples where that has had an impact on research, please tell us.

Mr. BRIM. I have had an impact on SCRI. I think that we need to move it back to mandatory funding actually. And we have had research on blueberries in the State of Georgia and actually doing research on *E. coli* and *Salmonella* from Georgia out of open pond waters. So we are right at the threshold. We need to support to continue this. If we don't get the support, the disease, insects, all the *E. coli* and *Salmonella* foodborne illnesses will be out of question as far as what we can do. So we really need to support the SCRI to be able to continue, and our land-grant colleges need it. So I would ask you to please continue your support.

Ms. DELBENE. Thank you.

Mr. BUSHUE. The experiment stations in Oregon have continued to face decreased funding. In fact, the importance of that has been so critical that one of our counties actually created a tax base for the support specifically of its experiment station. So obviously, any kind of funding through any kind of resolution is going to benefit those research stations based on both crop protection, disease protection, and frankly even some of the new various varieties in Or-

egon and of course in the Palouse country where you are from with new wheat varieties. Those are all critical but not so much necessarily directed to specialty crops, but they are all important.

Ms. DELBENE. I know from visiting with the Washington State University extension, there were projects planned that couldn't be initiated because they had to save funding to finish existing projects. Some private funding has been available to keep some projects going, but public funding for research is important. That is a continuing activity and if we start research we should keep funding in place to the end. I think it is important to make sure that funding is stable and not something that we are starting and stopping *ad hoc*.

We talked a little bit about trade and competitiveness and we talked about your exports. When you look at competitiveness in your businesses, have imports had an impact? And if so, what is the impact on your businesses?

Mr. BRIM. We have had some impact from imports into the country because of the—are you familiar with the tomato suspension rule from Mexico where they are having to price tomatoes at a certain level now? Back before that price, they were dumping into the United States and causing us to have a decrease in the prices and where it was under production cost. So we have had some experience with that and we really need to take a look at what we are doing but also make sure it is on an even playing field for everybody.

Ms. DELBENE. Well, thank you. I am running out of time. Thank you very much for your time here today. And I yield back, Mr. Chairman.

The CHAIRMAN. Thank you. I now recognize Mr. LaMalfa for 5 minutes, the gentleman from California.

Mr. LAMALFA. Thank you, Mr. Chairman. I appreciate the time here today.

And first, just to dispel something I heard a little bit earlier. My last name sometimes gets confused for certain things, and so though I am a descendent of Sicilian immigrants, fourth-generation here, we don't really have any ties to certain pronouncement of any Italian organizations that are sometimes depicted in film and like that. So it is LaMalfa, okay?

So I represent far Northern California which borders Oregon, and one of the areas I am interested in that we hear about a lot with our specialty crops—well, I do like this term specialty crops as it has been discussed here. I will try and sell my kids on eating their vegetables and say, kids, eat your specialty crops, okay. Maybe that will push them a little closer.

We have, as a border area in my district, what is affectionately known as the bug stations, the ag inspection stations, and I want to ask on this panel here with the Pest and Disease Management Program that has been in place a few years, how do you feel that that has helped in your area, in your industry during that time? Has it seen any discernible results in this time period? And what areas could additionally be addressed in that?

And then the other half of my question really would be what more could we be doing with the vast amount of imports that seem to be coming into this country here as far as looking at the food

safety or the pesticide especially on that? So tie all those, please, in on this panel here of the imports and what we already have going that has been in place last few years.

And by the way, I really thought the story for Ms. Frey-Talley was very compelling as well, so I am really glad you are part of this panel here today, and I like to tease our Oregon friends there. We want to make sure all those undocumented bugs don't come across and into California as well. So anyway, but please, on those topics.

Mr. BUSHUE. Well, I will start then. Obviously, funding means that there are going to be more of those border inspection stations in northern California. We are probably not for them, especially if we move product into California. Sorry, being facetious.

Mr. LAMALFA. Yes, what have you got to hide there?

Mr. BUSHUE. Anyway, the management of pest and disease to our industry is critical. I am not sure when you look at the long-term of things, many of these diseases actually arise here. I mean we just faced a downy mildew disaster on our farm. We just threw away piles of impatiens. We face issues with glassy-winged sharpshooters. What are they? Glassy-winged—

Mr. LAMALFA. That is the one.

Mr. BUSHUE. Is that what they—sharp—I can't remember the exact name. But all these issues, sometimes there isn't an answer for them. But with research dollars to deal with how to deal with them to learn how to deal with them if we do get them is critical. Certainly, inspection of products coming from imports, I believe I heard once that less than five percent of all products imported in the United States are actually inspected. There has got to be a way to improve on that.

But importation and exportation is a two-edged sword. One of the challenges of importation is when a crop is brought in and the market is flooded and it reduces prices and available markets for local growers like myself, but it also provides benefits if you have those products available year-round, it provides benefits to the consumer and provides benefits to me as a local grower because I have a competitive advantage over those products when they are imported.

Mr. LAMALFA. Well, in summary then, you feel that on the import side it has been pretty inadequate and probably places our domestically produced crops at a greater peril in the market or with the pests that can get in to them? And we are short of times I need you to be succinct.

Mr. BUSHUE. I would just sum up by saying I think it is important to continue to improve and increase the amount of inspection done on imported crops.

Mr. LAMALFA. Okay. The others, now, do you think the Pest and Disease Management Program has been working? Has it improved anything you have seen in the last few years?

Mr. BRIM. I think that they have been working well. It needs some improvement on even interstate inspections from Florida to Georgia. We have insects and diseases coming in from hurricanes and they are monitoring those. And also we had what we call a cucurbit leaf crumple virus that came in on whiteflies from Texas last year they said, and they have been monitoring that and letting

us know ahead of time what is happening and us to be able to be proactive and get on top of the disease or the insect that is causing the problem and allowing us to be able to manage our crops really helps us.

Mr. LAMALFA. Okay. Ms. Frey-Talley, you got any?

Ms. FREY-TALLEY. I would just piggyback on the level of funding. It was \$71.5 million a year and I would just encourage the continuation of that.

Mr. LAMALFA. Okay. All right. Thank you, panel. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I know that Mr. Schrader has another question that he wanted to ask, and if either of you have another question, we will be happy to let you ask it as well. Mr. Schrader?

Mr. SCHRADER. Thank you, Mr. Chairman. I appreciate your indulgence. It is more of a heads-up because American agriculture and our specialty crops in particular face a whole new threat that has not been talked about or identified. In the Pacific Northwest we have a new pest that is called the Department of Labor that is now going after fresh fruit and vegetable growers using an outdated 1930s "hot goods" order that is frankly ignoring due process and making criminals or implying criminality to people who don't have a chance to defend themselves.

I would like the Mr. Bushue, who is the President of the Oregon Farm Bureau and Vice Chair of AFBF to talk about this new threat and how we are trying to get this issue resolved for specialty crop growers across this country.

Mr. BUSHUE. Thank you, Congressman Schrader. I appreciate your efforts on behalf of Oregon's growers and frankly the nation's growers on this very important issue.

I will make this quick. We had some blueberry growers who were visited by DOL. DOL arbitrarily decided that no employee could pick more than 50 pounds of blueberries in an hour, and if they did, they must be joining pick tickets with other employees. DOL calls them ghost employees. DOL levied a fine, I believe, it was \$160,000 on the grower and withheld his ability to ship, pick, or sell those products. They also notified the purchasers of those products through what is called a "hot goods" order.

Now, I am not going to get into the legalities of it, but the challenge was three-fold. One, they had made this determination without any basis in fact, without any verification that 50 pounds an hour was indeed a maximum. In fact, the payroll records and the surveys we have done and that ex-DOL staff have done determined that many of these employees are picking 100 to 110 pounds of fruit an hour.

The final challenge was is that DOL said to the grower they would only release this product to be shipped and sold provided the grower sign an order. The order said effectively the grower could not challenge or appeal the DOL decision. Essentially saying, "We are guilty, and here is \$160,000." I believe it has been almost 400 days now since the order. To our knowledge, none of the employees have received any of those funds because there are no ghost workers. They don't exist. There are no records of those people ever existing, so basically, DOL has \$160,000 they didn't have before at the expense of Oregon growers.

But the biggest challenge to this is that the DOL has not responded to requests from the Oregon Congressional Delegation, except one, including our Senators. DOL has not provided an effective response or answers to our questions. And thankfully, due to Congressman Schrader, we are not going to let this rest. Thank you very much.

Mr. SCHRADER. Thank you. I yield back. Thank you, Mr. Chairman.

The CHAIRMAN. Would any of you like to ask additional questions?

The gentleman from Florida.

Mr. YOHO. Thank you, Mr. Speaker. I had one more question I wanted to ask you guys. Your opinion of country-of-origin labeling, if you haven't answered that when I stepped out, how do you stand on that?

Mr. BRIM. I think that it is a good idea to have country of origin where it is at so people know where they are buying products from.

Mr. YOHO. Right.

Mr. BRIM. So I don't think it is mandatory right now, but I think it is probably a good idea.

Mr. YOHO. Okay. Yes, I have heard that. On other industries in ag they are not so keen on it, so I just wanted to get your opinion on that. Ms. Frey?

Ms. FREY-TALLEY. I actually think it is a great idea. I mean we have been following for well over 10 years on all of our products.

Mr. YOHO. Okay. And do you think that will facilitate you in foreign trade? You said you weren't doing any exporting right now. Is that just because you haven't developed that market?

Ms. FREY-TALLEY. We haven't been aggressively growing our business due to the labor shortage.

Mr. YOHO. Okay.

Ms. FREY-TALLEY. So at some point when we have a solution there, we might export.

Mr. YOHO. Thank you.

Mr. BUSHUE. I was just going to say I know that it has created some challenges to WTO and some of the trade agreements, and we are recognizing that. Currently, we are very supportive of voluntary country-of-origin labeling.

Mr. YOHO. All right. Good enough. Thank you. I yield back, Mr. Speaker.

The CHAIRMAN. The gentleman from Illinois.

Mr. DAVIS. I do get to talk again. A question I have—

The CHAIRMAN. The gentleman's time has expired.

Mr. DAVIS. And you said we don't have fun here in Congress. Thank you, Mr. Chairman.

I would like to ask each of you starting with Sarah. As a Committee that has jurisdiction over research and research prioritization, what can we do to make it easier for you to work with our universities, with our land-grant universities like the University of Illinois that is in my district that I know Sarah has worked with in the past. What can we do to help make that easier for you to work with those institutions to better address our specialty crop issues?

Ms. FREY-TALLEY. I think that there is always room for more education and awareness of the programs. I think one of the points that was brought up earlier about the research funding to make that more available to state universities such as U of I. But I think just communication. I think there are a lot of growers in the State of Illinois that are not aware that they have that information, those resources available to them, and I think that as some of the departments and associations started talking to each other more to get that information out to growers and let them know that they can be working with universities, their local universities and such that would be good like the Illinois Specialty Crop Growers Association, they could get the message out to their members and then also be very instrumental in identifying the specific crops in the state, whereas research projects would be needed and therefore funding provided.

Mr. BRIM. I think there is a great need for more funding available for us and our land-grant colleges. I think it is a great opportunity for all of us to work with our land-grant colleges and I do already work with them but also to have input in what their research is working on. Sometimes we get things out maybe in upper right field and it should be down the center. So with growers participating in the projects, it allows us to have a little more input in what they are researching and not get way out there.

Mr. BUSHUE. On the nuts and bolts of it, you can make sure that the funding is there and then you can make sure that it is actually appropriating the money is spent. I mean those two factors, make sure that they are in your farm bill and your budget, it is there, and then put pressure on the appropriators to make sure that they actually spend those dollars on the land-grant institutions.

Mr. DAVIS. I yield back.

The CHAIRMAN. Before we adjourn, Mr. Schrader, do you have any closing comments?

Mr. SCHRADER. I do not, sir.

The CHAIRMAN. I would like to thank all of you for coming in and spending time with us today. We had a good hearing. We had a tremendous number of Members here, a lot of questions, a lot of information that you provided for us. I think the one thing that this Committee hears over and over loud and clear is about the burden that the regulatory agencies are putting on your industry and other industries, and whatever we can do to help with that, we will in a bipartisan manner.

Under the rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional material and supplementary written responses from the witnesses to any questions posed by a Member. This hearing of the Subcommittee on Horticulture, Research, Biotechnology, and Foreign Agriculture is adjourned. Thank you.

[Whereupon, at 11:37 a.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED STATEMENT BY STEVE BARNARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER, MISSION PRODUCE COMPANY; CHAIRMAN OF THE BOARD, WESTERN GROWERS ASSOCIATION

Chairman Scott, Ranking Member Schrader, and Members of the Subcommittee, thank you for the opportunity to provide written testimony to the House Agriculture Committee regarding the fresh produce industry's priorities in the new farm bill. My name is Steve Barnard. I am the President and CEO of Mission Produce Company, located in Oxnard, CA. Since I founded Mission Produce in 1983, it has since grown to become a global entity in the avocado and asparagus industry. In addition to serving as President of Mission Produce, I also currently serve as Chairman of the Board for Western Growers Association, an agricultural trade association headquartered in Irvine, California. Western Growers members are small, medium and large-sized businesses that produce, pack and ship almost 90 percent of fresh fruits, nuts and vegetables grown in California and approximately 75 percent of the fresh fruits, nuts and vegetables grown in Arizona. Western Growers members produce in—and directly contribute to the economies of—over 25 states. In total, Western Growers members account for nearly half of the annual fresh produce grown in the United States, providing American consumers with healthy, nutritious food. Indeed, Western Growers' has long had the slogan: "*We grow the best medicine*".

As the Committee knows, growers in our segment of agriculture represent nearly 20% of all of agriculture's cash receipts. We also account for a significant segment of agricultural exports. The fruit and vegetable agriculture market segment is benefiting from the call from Americans to eat healthier and we are in an exciting time. As a mark of how our segment has done, we are one of the few sectors within agriculture in which young people and new entrants are joining the ranks of farmers helping to lower the age of producers. Yet with all the market forces at play within our industry, events in Washington are no less exciting today and 2013 might come to be seen as a historic year for the specialty crop industry. This year our industry faces the prospect of passing two significant pieces of legislation that will help our short and long-term prospects: the farm bill and an immigration reform bill.

The new farm bill provides an opportunity to provide meaningful investments in specialty crops to enhance the competitiveness and profitability in this strategic area of U.S. agriculture. I want to acknowledge the efforts of Congressional champions who have over the years worked to ensure that our industry has a "seat at the table" within the farm bill. After years of hard work, we have the opportunity to maintain and build upon the work that has been done.

How the Farm Bill Enhances the Horticulture Industry's Competitiveness

The Specialty Crop Block Grant Program is one of the signature achievements in the 2008 bill and we strongly urge you to continue, and even enhance, funding for this innovative approach that creates a Federal-state partnership designed to enhance the competitiveness of the industry. Producers are interested in this program because it is responsive to our localized needs, unlike so many other Federal Government programs. As designed the program is administered by state governments who are able, within Federal guidelines, to tailor competitively selected projects to the particular concerns of specialty crop producers in each state in a timely fashion.

The program's design is thus very flexible. For example California has used block grants to fund, among many priorities, several projects at the Center for Produce Safety at UC Davis. These projects addressed ongoing research needs to validate and improve on-farm practices to continuously improve food safety. With food safety modernization legislation now being finalized the flexibility inherent in the block grants are absolutely vital.¹ California is not the only beneficiary of this approach. In Florida block grant funding was used to develop the next generation of pesticides and fungicides for avocados. Work funded in Minnesota helped increase the financial planning skills of specialty crop growers there. Funding in Oregon has helped promote consumption of specialty crops. Funds in Georgia have helped promote and de-

¹A word on the Food Safety Modernization Act (FSMA): As Members of the Committee know the Food and Drug Administration came out with new regulations implementing FSMA earlier this year. While farm bill programs certainly should not "pay" to implement this law, farm bill programs can be useful in helping producers meet these burdens. Just as conservation programs, like EQIP, have helped livestock producers meet their environmental burdens, so can programs like block grants help fruit and vegetable producers meet their FSMA obligations. This is especially the case as programs explore, on behalf of large groups of producers, how best to educate on the requirements as well as evaluate new techniques for implementation. The farm bill can thus be a supplement for producers as they implement this law over the next few years.

velop local producers. Finally, funding in Oklahoma developed a curriculum to educate pre-K school children about the health benefits of eating specialty crops. All fifty states benefit from this program, and the Senate Committee version of the farm bill enhances funding for this critical program. We ask that the House do the same.

The Farm Bill as a way to Address Pest and Disease

Every year growers across the country face potentially devastating outbreaks of destructive pests and debilitating disease. Growers in California for example face outbreaks of an invasive pest or plant disease on regular basis—often from foreign countries (California’s ports process roughly 40% of all imports). We believe it is incumbent upon the Federal Government to support outbreak prevention efforts **and** the economic impact of that these events may cause.

Fortunately, farm bill funding in the form of the Plant Pest and Disease program is used for early plant pest detection and surveillance, for threat identification and mitigation of plant pests and diseases, and for technical assistance in the development and implementation of audit-based certification systems and nursery plant pest risk management systems. Farm bill funding through the Specialty Crop Research Initiative (SCRI) is used to help develop the next generation of crops and/or technologies that will be able to better resist threats from pests and disease. This one-two punch of short and medium term efforts of identification and interdiction combined with long-term research is critical to our industry and must be maintained in order to combat current and future threats. As this Committee knows SCRI funding was suspended under the terms of the budget agreement passed at the beginning of the year. It is vital to place this program have permanent funding.

Ensuring that Our Nation’s Children Access Fresh Fruit and Vegetables

The 2008 Farm Bill created a firm commitment between specialty crop growers, and America’s children and those less fortunate via the purchase and distribution of our fresh produce through the nutrition programs. Fruit and vegetable growers view those programs as important for both feeding our less fortunate and our nation’s children who need assistance, while at the same time benefiting our industry economically. Our growers are proud to be part of those efforts and we want to maintain the increased role that specialty crop produce has had in nutrition programs since the 2008 Farm Bill as we move forward. We therefore view the Fresh Fruit and Vegetable program, specialty crop purchases in section 32 and the DOD Fresh program as important to our interests.

I especially want to highlight the Fresh Fruit and Vegetable (FFVP) program in that regard. As this Committee knows, this program by providing students with a fresh fruit or vegetable snack every day at school, increases their consumption of a wide variety of fresh fruits and vegetables, creates a healthier food environment at school and positively affects family eating habits. This program is especially powerful when linked with focused educational efforts and can lead children down a pathway toward healthy fruit and vegetable choices. FFVP is a program that fruit and vegetable producers can and do support. While section 32 also provides funding for fruits and vegetables the overwhelming proportion of that money is spent on canned and frozen products.²

FFVP is an important outlet for children, especially those in need with the least means, to consume *fresh* fruit and vegetables—in some cases for the only time of the day or week and we therefore support keeping that program focused on **fresh** product.

Immigration Reform

No discussion of American agriculture is complete without a discussion of labor needs and immigration reform. While I know this issue is not directly in the jurisdiction of this Committee or the farm bill, as representatives of agriculture every House Agriculture Committee Member should be vocal and aggressive spokespeople for the critical need to address labor issues. Agricultural producers across the country want a legal and stable workforce. Not only is agriculture’s role in maintaining a safe and secure food supply vital to our economic recovery, it is critical to the strength of rural America. Western Growers members and their employees are members of the very communities in which they grow, pack, and sell products. Without a workable agricultural program, growers in California and across the country face the very real prospect of not being able to plant their crops or harvest them

² Canned, frozen and dried fruits and vegetables typically make up over 97% of the fruits and vegetables purchases by USDA/AMS thru Section 32 (roughly \$400 million annually), and supplied to child nutrition programs; these types of fruits and vegetables are what are already typically served in school lunch and breakfast.

if planted. Consumers in turn will be faced with grocery shelves devoid of fresh fruits and vegetables, or if product is available it will come exclusively from far off lands.

Securing a legal workforce is not a new challenge for agriculture. We've been working towards this goal for over 15 years. But Congress' failure to pass immigration reform, combined with a diminishing labor supply, threats due to I-9 audits by Immigration and Customs Enforcement, and now mandatory E-Verify legislation emerging at the state and the Federal levels, it is clear that U.S. agriculture will be decimated without a workable mechanism to hire and continue to employ the labor we need. Today in Congress, American agriculture has an opportunity to resolve this long-standing problem.

Real, substantial, and effective immigration reform is being discussed in the halls of Congress. American farmers, from every region of the country, producing different products with very different employment structures have come together with a package of ideas. In turn, those agriculture employers have been able to negotiate a good faith package of reforms with agriculture labor that we believe will ensure access to a future workforce and allow existing labor to come out of the shadows.

- The agreement reached between the Agriculture Workforce Coalition (AWC) and United Farm Workers Union (UFW) includes provisions to allow experienced but falsely documented workers to gain legal status and continue working in agriculture for several years before adjusting to permanent resident status.
- The agreement also includes the creation of a new agriculture visa program which is intended to mirror the current agriculture labor market. The program includes both an "at-will" and a "contract" employment option. The H-2A program has been a bureaucratic failure for many reasons, but one significant cause is that the program has been operated by the Department of Labor. The new visa program moves operation of the program to the Department of Agriculture.

While the agreement is not perfect, it represents a significant and historic achievement, bringing a unified agriculture industry along with the farm labor community in support of the carefully negotiated proposal. We urge the Agriculture Committee's support for this landmark agricultural labor reform agreement and encourage that language representing this agreement be included in whatever the House passes. We need each Member of this Committee to be a strong advocate for agriculture and pass this agreed to language.

Potential Growth in Crop Insurance

Specialty crop producers across the country have become increasingly familiar with crop insurance and this certainly has been a hot topic during this farm bill debate. While fruit and vegetable producers are interested in exploring how crop insurance could be useful to our industry, we also want to ensure that changes to the system do not distort normal market cycles. From that perspective we want to first make sure that any newly developed crop insurance products "do no harm". Why do we have concerns? We are worried that ill-conceived or overly generous crop insurance products might distort market signals. In 1999 RMA authorized a watermelon program in several states—a program that had disastrous national consequences. When that program rolled out watermelon plantings and production in Florida and Texas increased dramatically causing the national watermelon market to collapse in turn adversely impacting many, including producers in California and Arizona. While we know that this program was not properly implemented and agency changes have been made since 1999, this example serves as a cautionary tale to us about how an expansion of crop insurance could lead to market distortion and cause a functioning market to collapse. With very tight balances between supply and demand, and limited shelf life, over-supply driven by a poorly designed crop insurance product is a real concern.

Given these concerns, we are pleased that last year's Senate version of the farm bill put some boundaries and speed bumps in place. The Senate bill ensures that when new products are developed, they are accompanied by (1) econometric modeling which could help evaluate market impacts of the new product, as well as (2) industry survey data to determine how much of the industry is interested in developing a product. With safeguards like these, we believe that insurance products developed in the future will not repeat failures of the past. We strongly encourage the House to adopt these provisions as well.

In addition to ensuring that new products "do no harm", we want to see crop insurance products developed that are useful to our industry. One critical area of concern that fruit and vegetable producers would like to see is products tailored to help

growers deal with food safety and quarantine issues-something crop insurance to date has not fully addressed.

On behalf of Mission Produce, Western Growers, and the specialty crop industry, I am appreciative of this Committee's willingness to examine the issues that affect us and how the farm bill might be beneficial in helping our industry thrive. We look forward to working with you.

