
CALMED Consortium

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A Bit of Background
Specialty Crop Definition

Producers and Handlers of Fresh Fruit, Dried Fruit, Tree Nuts, Vegetables and Nursery Crops Including Floriculture*

2.8% of harvested cropland
40% of cropland value of production

Part of the Group Sometimes Categorized as 60% Of U.S. Farmers that Receive No Farm Program Funding

•Definition in PL 108-465 The Specialty Crop Competitiveness Act of 2004

TITLE X—HORTICULTURE AND ORGANIC AGRICULTURE SEC. 10001. DEFINITIONS. In this title: (1) SPECIALTY CROP—The term “specialty crop” has the meaning given the term in section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465 (wild rice?)
Production Location
Geographically Dispersed but Concentration In Certain Politically Important Areas *

Average direct and counter-cyclical payments per county, 2004-05

* Better Organized and Unified than in 2002 Debate
### Different Operating Rules
Support for Other U.S. Farming Operations

#### Table 35—CCC Net Outlays by Commodity and Function

<table>
<thead>
<tr>
<th>Commodity/Program</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007E</th>
<th>2008E</th>
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</thead>
<tbody>
<tr>
<td>Feed grains:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corn</td>
<td>5,402</td>
<td>10,136</td>
<td>6,297</td>
<td>2,959</td>
<td>1,415</td>
<td>2,504</td>
<td>6,243</td>
<td>8,804</td>
<td>3,304</td>
<td>2,114</td>
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<tr>
<td>Grain sorghum</td>
<td>502</td>
<td>979</td>
<td>478</td>
<td>207</td>
<td>106</td>
<td>213</td>
<td>376</td>
<td>578</td>
<td>159</td>
<td>198</td>
</tr>
<tr>
<td>Barley</td>
<td>224</td>
<td>397</td>
<td>217</td>
<td>97</td>
<td>45</td>
<td>119</td>
<td>189</td>
<td>159</td>
<td>70</td>
<td>83</td>
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<tr>
<td>Oats</td>
<td>41</td>
<td>61</td>
<td>36</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Corn and oat products</td>
<td>0</td>
<td>6</td>
<td>8</td>
<td>25</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>-1</td>
<td>-1</td>
<td>1</td>
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<tr>
<td>Total feed grains</td>
<td>6,169</td>
<td>11,579</td>
<td>7,036</td>
<td>3,295</td>
<td>1,572</td>
<td>2,841</td>
<td>6,813</td>
<td>9,542</td>
<td>3,536</td>
<td>2,399</td>
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<tr>
<td>Wheat and products</td>
<td>3,435</td>
<td>5,321</td>
<td>2,922</td>
<td>1,190</td>
<td>1,118</td>
<td>1,173</td>
<td>1,232</td>
<td>1,080</td>
<td>953</td>
<td>1,169</td>
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<tr>
<td>Rice</td>
<td>911</td>
<td>1,774</td>
<td>1,423</td>
<td>1,084</td>
<td>1,279</td>
<td>1,130</td>
<td>473</td>
<td>605</td>
<td>407</td>
<td>457</td>
</tr>
<tr>
<td>Upland cotton</td>
<td>1,882</td>
<td>3,809</td>
<td>1,868</td>
<td>3,307</td>
<td>2,889</td>
<td>1,372</td>
<td>4,245</td>
<td>3,982</td>
<td>2,780</td>
<td>2,211</td>
</tr>
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</table>

#### Table 33—Cash Receipts from Farming

<table>
<thead>
<tr>
<th>Commodity</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food grains</td>
<td>7,986</td>
<td>8,911</td>
<td>8,401</td>
</tr>
<tr>
<td>Feed crops</td>
<td>24,747</td>
<td>27,432</td>
<td>25,256</td>
</tr>
<tr>
<td>Cotton (lint and seed)</td>
<td>6,420</td>
<td>4,784</td>
<td>5,796</td>
</tr>
</tbody>
</table>

20%  
25%
Federal Support for Specialty Crops
Direct & Indirect

Specific Legislative Support

$160 million in 2001 Emergency Ag. Asst. Act, state block grants;

Specialty Crop Competitiveness Act

$7 million in block grants in FY 2006;
Federal Support for Specialty Crops
Direct & Indirect

**Market Loss Payments:** Ad Hoc payments. Examples include Apples $269 million in 1999 and 2000; Pecans $8.5 million in 2005; cumulative total of $20 billion since 1988

**Crop Insurance:** Example: 44 crops covered; Crop Insurance subsidy $424 million (2005)
Federal Support for Specialty Crops
Direct & Indirect

Export Promotion - Market Access
Promotional Program

$62 million allocated by USDA, Foreign Agricultural Service in 2007 (31%)

Food Purchases

Section 32 and Specialty Crops (AMS Pgm)

The 2002 farm bill (P.L. 107-171, §10603) requires that not less than $200 million annually in Section 32 funds be used to buy fruits, vegetables, and other specialty crops, $50 million of it for fruits and vegetables for schools through the Defense Department Fresh Program. In fact, Section 32 specialty crop purchases have averaged $308 million over the last seven fiscal years (FY2000 - FY2006), according to USDA purchase data examined by CRS.
Federal Support for Specialty Crops
Direct & Indirect

Food Assistance and Nutrition

Incremental farm income to SC producers from 4 programs: Food Stamps; WIC; Natl School Lunch; School Breakfast.

Direct Purchases: Fresh Fruit & Vegetable Program (FFVP)
initiated as a pilot by the Farm Security and Rural Investment Act of 2002. Authorized a Fruit and Vegetable Pilot Program in four States and one Indian Tribal Organization (ITO). The Child Nutrition and WIC Reauthorization Act of 2004 made the program permanent in the four pilot States and one ITO and added four more States and two ITOs with a total authorized funding of $9 million per year.

National Research (From Specialty Crop Committee Final Report)

USDA, Agricultural Research Service (ARS) allocated ~$160.4 million or 33.7% of its FY 2005 $476.1 million budget to fruits, nuts and vegetable research.

USDA, Cooperative State Research, Education and Extension (CSREES) FY Budget invested approximately $79.6 million to support research, extension and education focused on fruits, nuts, and vegetables representing about 7.2% of a total budget of $1.1 billion.

USDA, Economic Research Service (ERS) in FY 2005 budgeted $542,000 to staff and overhead costs for specialty crops research and $165,800 to cooperative research agreements with external collaborators representing ~ 1% of its $74 million.
Federal Support for Specialty Crops
Direct & Indirect

USDA, Animal and Plant Health Inspection Service (APHIS)

Difficult to isolate APHIS budgetary outlays that address pest and disease activities that relate specifically to Mediterranean products. There is annual appropriation of $75 million for the fruit fly exclusion and detection program and $15 million is budgeted for trade issues management and resolution. The total FY 2007 budget for APHIS activities is $1 billion.
Federal Support for Specialty Crops
Direct & Indirect

Marketing Orders and Agreements

- Almonds
- Apricots
- Avocados
- Cherries [Sweet] [Tart]
- Citrus [Florida] [Texas]
- Cranberries
- Dates
- Grapes
- Hazelnuts
- Kiwifruit
- Nectarines
- Olives
- Onions [Idaho-E. Oregon] [S. Texas] [Vidalia] [Walla Walla]
- Peaches
- Pears [Oregon-Washington]
- Pistachios
- Plums/Prunes [California] [Washington]
- Potatoes [Idaho-E. Oregon] [Washington] [Oregon-California] [Colorado] [Virginia-North Carolina]
- Raisins
- Spearmint Oil
- Tomatoes
- Walnuts
Linkages to Title I of Farm Bill Commodities Title

- Planting Restriction Provisions
- WTO Brazilian Cotton Case Connection
  - A Bargaining Chip in Negotiations for Support
DOMESTIC EQUITY ISSUES IN RESOLVING THE FAVR ISSUE

- If FAVR eliminated: what is equitable compensation (if any) for FAVR crop producers?
# Comparison of Study Results

## Table 1. Comparison of Studies of Removing Planting Restrictions for Fruits and Vegetables

<table>
<thead>
<tr>
<th></th>
<th>USDA Economic Research Service</th>
<th>Michigan State University</th>
<th>Arizona State University</th>
<th>Texas A&amp;M University</th>
<th>Informa Economics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope</strong></td>
<td>National</td>
<td>Regional (Michigan)</td>
<td>National (205 counties)</td>
<td>Regional (area in Texas)</td>
<td>National</td>
</tr>
<tr>
<td><strong>Crops</strong></td>
<td>8 product groupings</td>
<td>6 commodities</td>
<td>8 commodities</td>
<td>8 commodities</td>
<td>25 commodities</td>
</tr>
<tr>
<td><strong>Key Assumption(s)</strong></td>
<td>Most crops have high barriers to entry; focuses on certain growing areas.</td>
<td>Most crops have high barriers to entry; focuses on certain growing areas.</td>
<td>Annual crops only. Permanent, perennial crops not examined.</td>
<td>Easily rotated annual crops only. Permanent orchard crops not examined.</td>
<td>All fruit, nut, vegetables examined, including annual and permanent.</td>
</tr>
<tr>
<td><strong>General Analysis Approach</strong></td>
<td>Analysis of county-level maps (production/ acres); analysis of computed ratios of base acreage shares (by commodity).</td>
<td>Assessed likelihood of conversion based on a ranking of criteria on barriers to entry and financial inducements.</td>
<td>Market simulation model under two scenarios of program crop acre conversion over 2008-2015 period.</td>
<td>Stochastic simulation model to empirically estimate the per-acre income distributions for alternative crops.</td>
<td>Cross-subsidy (wealth) effects and market impacts (revenue loss) using available data and simplifying assumptions.</td>
</tr>
<tr>
<td><strong>Input Data</strong></td>
<td>County-level production and acreage data (2002) from USDA and Census of Agriculture.</td>
<td>Primary survey and interview information; production data (2002); crop payments, market revenue, and cost data.</td>
<td>County-level production and value data (2002), and other econometric and market input data.</td>
<td>Annual per-unit prices, yields, harvested acres (1992-2004); weekly prices (1998-2004); crop program data; crop costs.</td>
<td>Program payment/ acres, planted acres (2002): state production/value (2002-2004); reported demand elasticities.</td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td>Limited impacts certain areas: dry beans (ND), potatoes, processing veg.</td>
<td>Limited impacts certain areas: dry beans, squash, processed tomatoes.</td>
<td>Market effects greatest for potatoes, onions, and eventually broccoli.</td>
<td>Increased acres watermelon and cabbage.</td>
<td>+1.03 million acres (10% increase) all crops, mostly new entrants.</td>
</tr>
<tr>
<td><strong>Revenue effect on current growers</strong></td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>$1.7-$2.4 billion in 2008. Less than $0.3-$0.7 billion in 2009-15.</td>
<td>Not applicable</td>
<td>$4 billion/year total $0.8 billion cross-subsidy $3.1 billion market effect</td>
</tr>
<tr>
<td><strong>Potential Strengths</strong></td>
<td>Uses detailed county-level data to assess affected counties and crops; addresses entry barriers.</td>
<td>Addresses barriers to entry and conversion likelihood; uses survey information.</td>
<td>Models interaction across range of crops. Multyear market and revenue effects.</td>
<td>Addresses risk and uncertainty; uses detailed price/cost input data; interaction across crops.</td>
<td>National in scope. Provides monetary estimate.</td>
</tr>
<tr>
<td><strong>Potential Shortcomings</strong></td>
<td>Selected crops only. Does not quantify price/revenue impacts; does not address market demand/trends.</td>
<td>Regional, select annual crops only. Does not quantify price/revenue impacts or address market demand/trends.</td>
<td>Select annual crops only. Assumes flat rates of acreage conversion. Does not address entry barriers, costs, demand.</td>
<td>Regional, select annual crops only. Does not quantify price/revenue impacts or address market demand/trends.</td>
<td>Does not address market factors, barriers to entry, conversion likelihood, fresh vs. processing, and market demand/trends, etc.</td>
</tr>
</tbody>
</table>

Source: Compiled by CRS.
Market impacts likely to be small

- Access to non-base acres limits need to violate restrictions
- Reduction in payments are small relative to expected returns so change has already occurred?
  (Cotton Acreage in California 1.2 mil prgm acres 10 years ago 2008 91/204: almonds, dairy feed and dairies)
- Barriers to entry in fruit and vegetable markets
  - Supply-side
  - Demand-side
- **BUT** fruit and vegetable growers are concerned that it would be unfair for any new competitors to receive payments
What Groups Wanted: Review of Specialty Crop Advocacy Groups

Policy Recommendations

- NASDA
- Specialty Crop Alliance
NASDA Specialty Crop Recommendations

Mandatory for Specialty Crop Block Grants With Each State Receiving $2 million, plus Additional funding in line with proportion of each State to total value of Specialty Crop Production

Additional development and subsidies for risk management and crop insurance for Specialty Crops

Index disaster program benefits to address $80,000 limitations

Amend Adjusted Gross Income limitations on programs and disaster benefits
<table>
<thead>
<tr>
<th>Better Organization</th>
<th>Specialty Crop Alliance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alabama Watermelon Association</strong></td>
<td><strong>Idaho Potato Commission</strong></td>
</tr>
<tr>
<td><strong>American Mushroom Institute</strong></td>
<td><strong>Indian River Citrus League</strong></td>
</tr>
<tr>
<td><strong>American Nursery and Landscape Association</strong></td>
<td><strong>Indiana-Illinois Watermelon Association</strong></td>
</tr>
<tr>
<td><strong>Arizona Winegrowers Association</strong></td>
<td><strong>Leafy Greens Council</strong></td>
</tr>
<tr>
<td><strong>Blue Diamond Growers</strong></td>
<td><strong>Maine Potato Board</strong></td>
</tr>
<tr>
<td><strong>Buy California Marketing Agreement</strong></td>
<td><strong>Maryland-Delaware Watermelon Association</strong></td>
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<tr>
<td><strong>California Association of Nurseries &amp; Garden Centers</strong></td>
<td><strong>Maryland Wineries Association</strong></td>
</tr>
<tr>
<td><strong>California Association of Wine Grape Growers</strong></td>
<td><strong>Miami-Dade County</strong></td>
</tr>
<tr>
<td><strong>California Citrus Mutual</strong></td>
<td><strong>Michigan Apple Committee</strong></td>
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<td><strong>California Dried Plum Board</strong></td>
<td><strong>Minnesota Area II Potato Growers Research and Promotion Council</strong></td>
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<tr>
<td><strong>California Fig Institute</strong></td>
<td><strong>Minnesota Grape Growers Association</strong></td>
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<td><strong>California Fresh Fig Growers Association</strong></td>
<td><strong>Missouri Wine &amp; Grape Board</strong></td>
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<td><strong>California Grape and Tree Fruit League</strong></td>
<td><strong>Missouri-Arkansas Watermelon Association</strong></td>
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<td><strong>California Strawberry Commission</strong></td>
<td><strong>National Berry Crop Initiative</strong></td>
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<td><strong>California Table Grape Commission</strong></td>
<td><strong>National Grape Cooperative Association</strong></td>
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<td><strong>California Tree Fruit Agreement</strong></td>
<td><strong>National Grape and Wine Initiative</strong></td>
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<td><strong>California-Arizona Watermelon Association</strong></td>
<td><strong>National Potato Council</strong></td>
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<td><strong>Cherry Marketing Institute</strong></td>
<td><strong>National Watermelon Association</strong></td>
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<td><strong>California Walnut Commission</strong></td>
<td><strong>New England Vegetable and Berry Growers</strong></td>
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<td><strong>Colorado Potato Administrative Committee</strong></td>
<td><strong>New Mexico Wine Growers Association</strong></td>
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<td><strong>Colorado Potato Legislative Association</strong></td>
<td><strong>New York Wine &amp; Grape Foundation</strong></td>
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<td><strong>Colorado Wine Industry Development Board</strong></td>
<td><strong>North American Blueberry Council</strong></td>
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<td><strong>Connecticut Farm Wine Development Council</strong></td>
<td><strong>North American Bramble Growers Association</strong></td>
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<td><strong>Connecticut Vineyard &amp; Winery Association</strong></td>
<td><strong>North American Strawberry Growers Association</strong></td>
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<td><strong>Empire State Potato Growers</strong></td>
<td><strong>North Carolina Grape &amp; Wine Council</strong></td>
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<td><strong>Florida Citrus Mutual</strong></td>
<td><strong>North Carolina Potato Association</strong></td>
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<tr>
<td><strong>Florida Citrus Packers</strong></td>
<td><strong>North Carolina Strawberry Association</strong></td>
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<td><strong>Florida Fruit &amp; Vegetable Association</strong></td>
<td><strong>North Carolina Watermelon Association</strong></td>
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<td><strong>Florida Strawberry Growers Association</strong></td>
<td><strong>Northern Kentucky Vintners &amp; Grape Growers Association</strong></td>
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<td><strong>Florida Tomato Exchange</strong></td>
<td><strong>Northwest Horticultural Council</strong></td>
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<td><strong>Florida Watermelon Association</strong></td>
<td><strong>Northern Plains Potato Growers</strong></td>
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<td><strong>Fruit Growers Marketing Association</strong></td>
<td><strong>Ocean Spray Cranberries, Inc.</strong></td>
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<td><strong>Georgia Fruit and Vegetable Growers Association</strong></td>
<td><strong>Ohio Wine Producers Association</strong></td>
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<td><strong>Georgia Watermelon Association</strong></td>
<td><strong>Ohio Wine Producers Association</strong></td>
</tr>
<tr>
<td><strong>Grower-Shippers Association of Central California</strong></td>
<td><strong>Oklahoma Grape Growers &amp; Wine Makers Association</strong></td>
</tr>
<tr>
<td><strong>Idaho Grape Growers and Wine Producers Commission</strong></td>
<td><strong>Oregon Raspberry &amp; Blackberry Commission</strong></td>
</tr>
<tr>
<td><strong>Idaho Grower Shippers Association</strong></td>
<td><strong>Oregon Strawberry Commission</strong></td>
</tr>
</tbody>
</table>
Expressions of Industry Policy Alternatives

HR 6193 Equitable Agriculture Today for a Healthy America Act

Title I. Commodity - Related Provisions
  1. Specialty Crop Block Grants
  2. Higher Payment limits for disaster assistance payments
  3. Disaster assistance for first handlers (grower, packer, shipper) as income derived from farming
  4. Equitable Treatment in Distribution of Disaster Assistance
  5. Increase maximum disaster payments to orchardists to better reflect cost of tree removal and replacement.

Title II. Conservation
  1. Expand and Improve EQUIP
  2. Eliminate Adjust Gross Income Limitations on Conservation Programs
  3. Improve SCP’s access to Technical Assistance, help to get help
Expressions of Industry Policy Alternatives

Title III International Trade
  - Technical Assistance in Dealing With Trade Barriers
  - Antitrust
  - Coordination of Work on SPS Issues
  - Increase MAP Funding
  - Anti-Dumping Assistance
  - Value-Added Grants

Title IV. Pest and Diseases
  - APHIS Threat Identification/Mitigation Programs
  - Emergency Eradication Program
  - Create APHIS SPS Export Petition Division
  - Trade Agreement SPS Report
  - Multi-Species Fruit Fly Research and Sterile Fly Production

Title V. Nutrition
  - Expand Fresh Fruit and Vegetable Program
  - Grant Program to expand Fruit and Vegetable Consumption
  - Program to insure federal feeding programs are consistent with Dietary Guidelines
  - Section 32 purchases
  - School Preference for Commodity Distribution
  - Independent Evaluation of USDA food purchase programs
  - Food Stamp Nutrition Education Program
  - Food Stamp Fruit and Vegetable Purchase Enhancement

Title VI. Research and Development
  - Intellectual Property
  - Marketing Orders
  - Market News
  - Office of Pest Management
  - Office of Petitions
  - Transportation

Title VII Renewable Energy
  - Intellectual Property
  - Marketing Orders
  - Market News
  - Office of Pest Management
  - Office of Petitions
  - Transportation

Title VII. Miscellaneous
  - Intellectual Property
  - Marketing Orders
  - Market News
  - Office of Pest Management
  - Office of Petitions
  - Transportation
The Process
How we Got to Where we are.

“If you don’t know where you are going, any road will take you there” (George Harrison)
A Tale of Two Chambers

2002 Law Expired on Sept. 30, 2007

House

- Hearings throughout Spring 2007
- Subcommittee markups in May and June
- Full Committee markup in July
- Passed bill 231-191 on July 27

And A Man in A White House

In a White Hat

Senate

- Scattered hearings in April & May
- Bypassed Subcommittee action
- Full committee markup Oct. 24-25
- Over 100 floor amendments filed
- Mired in procedural disputes
- December 14, 2008 - Senate passes farm bill, 79-14
**2005**
July 7 - in Nashville, Agriculture Department holds first of 52 farm bill forums scheduled around the country to gather grass-roots ideas for the bill.

**2006**
February 6 - House Agriculture Committee holds, in Fayetteville, North Carolina, first field hearing on farm bill.
June 23 - Senate Agriculture Committee begins regional hearings on farm bill.

**2007**
March 21 - House Agriculture subcommittee holds first "mark up" session in Congress to draft language for the farm bill.
July 17-19 - House Agriculture Committee debates and approves farm bill.
July 26-27 - House debates and passes $286 billion, five-year farm bill, 231-191.
October 4 - Senate Finance Committee approves tax package that pays for an ever-ready disaster relief program for farmers and helps pay for land stewardship work.
October 24-25 - Senate Agriculture Committee debates and approves its five-year, $286 billion bill.
November 5 - Senate begins debate of farm bill and quickly is gridlocked by an argument over which amendments to consider.
December 6 - bipartisan agreement ends farm bill impasse.
December 14 - Senate passes farm bill, 79-14.

**2008**
February 6 - President Bush says he will veto farm bill if it raises taxes or fails to cut off subsidies to farmers and landowners earning more than $200,000 a year.
February 13 - House Agriculture Committee leaders propose stricter crop subsidy rules, a revenue-protection plan for farmers and a $6.1 billion spending increase in a "framework" to break a deadlock over the final version of the farm bill.
February 26 - Democratic leaders in Congress decide to seek a $10 billion increase over 10 years for the farm bill.
February 29 - Bush administration says it will accept a $10 billion increase if farm bill contains additional reforms.
March 13 - Bush urges Congress to agree on new farm law by April 18 or extend 2002 law for at least one year. Says will veto bill with tax increase or too little reform.
April 9 - House and Senate negotiators hold first public meeting after weeks of fruitless talks about funding and a Senate-backed tax package.
May 7 - Negotiators agree on terms of farm bill.
May 13 - Bush says in statement he will veto the bill.
May 14 - House passes final version of farm bill, 318-106, sending it to Senate for final approval.
May 15 - Senate passes final version of farm bill, 85 -15, clearing the way for the President to sign/veto
May 21 – President makes good on promise to veto the bill.
05/ 22/ 08

Following veto override votes of 316-108 in the House and 82-13 in the Senate, the Food, Conservation and Energy Act of 2008 has been enacted into law, with the exception of the bill's Title III (trade title).

Later that Same Day: House Democrats quickly passed a second, full version of the 1,768-page bill on the House floor, again by a veto-proof 306-110 count

6/ 5/ 08

The Senate votes 77-15 on full version (HR6124) Back to the President For presumed veto.
What’s In the Farm Bill?

$307 billion to provide for the continuation of agricultural programs through fiscal year 2012*

Food Conservation and Energy Act of 2008

<table>
<thead>
<tr>
<th>Title I - Commodity Programs</th>
<th>2002 Titles:</th>
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<tbody>
<tr>
<td>Title II - Conservation</td>
<td>Commodity</td>
</tr>
<tr>
<td>Title III - Trade</td>
<td>Conservation</td>
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<td>Title IV - Nutrition</td>
<td>Ag Trade &amp; Aid</td>
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<tr>
<td>Title V - Credit</td>
<td>Nutrition</td>
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<tr>
<td>Title VI - Rural Development</td>
<td>Farm Credit</td>
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<tr>
<td>Title VII - Research</td>
<td>Rural Development</td>
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<td>Title VIII - Forestry</td>
<td>Research</td>
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<td>Title IX - Energy</td>
<td>Forestry</td>
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<tr>
<td>Title X - Horticulture and Organic Agriculture</td>
<td>Energy</td>
</tr>
<tr>
<td>Title XI - Livestock</td>
<td>Miscellaneous</td>
</tr>
<tr>
<td>Title XII - Crop Insurance</td>
<td></td>
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<tr>
<td>Title XIII - Commodity Futures</td>
<td></td>
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<tr>
<td>Title XIV - Miscellaneous</td>
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</tbody>
</table>

* 5 Year Bill
What
Specialty Crops Interest Received
General Policy Highlights

Maintains integrity of U.S. planting flexibility policy. Continues to maintain the planting flexibility safety-net policy for fruit and vegetable farmers that ensures growers who receive federal payments cannot also plant fruits and vegetables on subsidized acreage.

Adds “processing (packing), storing and transportation” to the approved list of on-farm income related to the AGI (adjusted gross income) conservation programs. Many specialty crop producers also “process (including packing), store and transport” crops and had been prevented from participating in conservation programs because their AGI exceeded the limits.

Prioritizes federal research activities for specialty crops. USDA will collaborate with specialty crop producers and organizations to develop and implement applied research and extension initiatives funded and sponsored by the agency.
Planting Flexibility

(b) LIMITATIONS REGARDING CERTAIN COMMODITIES.—
(1) GENERAL LIMITATION.—The planting of an agricultural commodity specified in paragraph (3) shall be prohibited on base acres unless the commodity, if planted, is destroyed before harvest.

(3) COVERED AGRICULTURAL COMMODITIES.—Paragraphs (1) and (2) apply to the following agricultural commodities: (A) Fruits. (B) Vegetables (other than mung beans and pulse crops). (C) Wild rice.

(d) PLANTING TRANSFERABILITY PILOT PROJECT.—
(1) PILOT PROJECT AUTHORIZED.—Notwithstanding paragraphs (1) and (2) of subsection (b) and in addition to the exceptions provided in subsection (c), the Secretary shall carry out a pilot project to permit the planting of cucumbers, green peas, lima beans, pumpkins, snap beans, sweet corn, and tomatoes grown for processing on base acres during each of the 2009 through 2012 crop years.
(A) 9,000 acres in the State of Illinois; (B) 9,000 acres in the State of Indiana; (C) 1,000 acres in the State of Iowa; (D) 9,000 acres in the State of Michigan; (E) 34,000 acres in the State of Minnesota; (F) 4,000 acres in the State of Ohio; and (G) 9,000 acres in the State of Wisconsin.

(3) CONTRACT AND MANAGEMENT REQUIREMENTS.—To be eligible for selection to participate in the pilot project, the producers on a farm shall—

(A) demonstrate to the Secretary that the producers on the farm have entered into a contract to produce a crop of a commodity specified in paragraph (1) for processing;

(B) agree to produce the crop as part of a program of crop rotation on the farm to achieve agronomic and pest and disease management benefits; and

(C) provide evidence of the disposition of the crop.

(4) TEMPORARY REDUCTION IN BASE ACRES.—The base acres on a farm for a crop year shall be reduced by an acre for each acre planted under the pilot program.

(5) DURATION OF REDUCTIONS.—The reduction in the base acres of a farm for a crop year under paragraph (4) shall expire at the end of the crop year.
## Planting Flexibility

6% of Current Crop Acreage

<table>
<thead>
<tr>
<th>For Processing</th>
<th>US Total</th>
<th>Flex Acreage Allowed</th>
<th>Allowed Crops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tomatoes</td>
<td>305600</td>
<td>9000 Illinois</td>
<td>Sweet corn, snap beans</td>
</tr>
<tr>
<td>Cucumbers</td>
<td>95500</td>
<td>9000 Indiana</td>
<td>Snap beans, tomatoes, pumpkins</td>
</tr>
<tr>
<td>Green Peas</td>
<td>207400</td>
<td>1000 Iowa</td>
<td>Snap beans, green peas, sweet corn</td>
</tr>
<tr>
<td>Lima Beans</td>
<td>39300</td>
<td>9000 Michigan</td>
<td>Snap beans, cucumbers, pumpkins, tomatoes, sweet corn</td>
</tr>
<tr>
<td>Pumpkins</td>
<td>12,950</td>
<td>34000 Minnesota</td>
<td>Green peas, sweet corn</td>
</tr>
<tr>
<td>Snap Beans</td>
<td>202570</td>
<td>4000 Ohio</td>
<td>Tomatoes, cucumbers</td>
</tr>
<tr>
<td>Sweet Corn</td>
<td>367600</td>
<td>9000 Wisconsin</td>
<td>Snap beans, cucumbers, green peas, sweet corn</td>
</tr>
<tr>
<td>Total</td>
<td>1230920</td>
<td>75000</td>
<td></td>
</tr>
</tbody>
</table>
TITLE X—HORTICULTURE AND ORGANIC AGRICULTURE
Sec. 10001. Definitions.
Subtitle A—Horticulture Marketing and Information
Sec. 10101. Independent evaluation of Department of Agriculture commodity purchase process.
Sec. 10102. Quality requirements for Clementine’s.
Sec. 10103. Inclusion of specialty crops in census of agriculture.
Sec. 10104. Mushroom promotion, research, and consumer information.
Sec. 10105. Food safety education initiatives.
Sec. 10106. Farmers’ market promotion program.
Sec. 10107. Specialty crops market news allocation.
Sec. 10108. Expedited marketing order for Hass avocados for grades and standards and other purposes.
Sec. 10109. Specialty crop block grants.
Subtitle B—Pest and Disease Management
Sec. 10201. Plant pest and disease management and disaster prevention.
Sec. 10202. National Clean Plant Network.
Sec. 10203. Plant protection.
Sec. 10204. Regulations to improve management and oversight of certain regulated articles.
Sec. 10205. Pest and Disease Revolving Loan Fund.
Sec. 10206. Cooperative agreements relating to plant pest and disease prevention activities.
Subtitle C—Organic Agriculture
Sec. 10301. National organic certification cost-share program.
Sec. 10302. Organic production and market data initiatives.
Sec. 10303. National Organic Program.
Subtitle D—Miscellaneous
Sec. 10401. National Honey Board.
Sec. 10402. Identification of honey.
Sec. 10403. Grant program to improve movement of specialty crops.
Sec. 10404. Market loss assistance for asparagus producers.
“Show Me the Money!”

$2.538 Billion Over 5 Years

1996 Jerry Maguire
Financial Support for Specialty Crops

Specialty Crop Research Initiative
Establishes a specialty crop research program. Funds are to be awarded as competitive grants with a required funding match. Funding Levels: FY08 $30 million; FY09 $50 million; FY10 $50 million; FY11 $50 million; FY12 $50 million.
Total = $230 million

Pest and Disease Prevention Programs
Creates a new Pest and Disease Program focused on combating invasive pests and diseases. The program will be a joint effort between USDA’s Animal and Plant Health Inspection Service (APHIS) and the State Departments of Agriculture. Funding Levels: FY09 $12 million; FY10 $45 million; FY11 $50 million; FY12 $50 million.
Total = $230 million
Financial Support for Specialty Crops

Specialty Crop Block Grants
Significantly increases mandatory funding for the Specialty Crop Block Grant Program. Administered by the State Department’s of Agriculture the program allows maximum flexibility and can be used for marketing, nutrition, research or other competitiveness building programs. Funding Levels: FY08 $10 million; FY09 $49 million; FY10 $55 million; FY11 $55 million; FY12 $55 million. Total = $224 million

Fresh Fruit & Vegetable Program
Expands the Fresh Fruit & Vegetable Snack Program to all 50 states, with an emphasis on low income school districts. Funding Levels: FY08 $40 million; FY09 $65 million; FY10 $101 million; FY11 $150 million; FY12 $150 million with adjustment for Consumer Price Index Total = $506 million
Financial Support for Specialty Crops

Market Access Program (MAP)
Continues funding for the Market Access Program at the current level of $200 million per year.
Total = $1 billion (About 30% for Specialty Crops)
Total = $300 million

Technical Assistance for Specialty Crops (TASC)
Expands the Technical Assistance for Specialty Crops Program (TASC), an important program designed to assist U.S. producers in identifying and removing non-tariff trade barriers. Funding Levels: FY08 $4 million; FY09 $7 million; FY10 $8 million; FY11 $9 million; FY12 $9 million.
Total = $37 million.
Financial Support for Specialty Crops

Clean Plant Network
Creates and funds a new Clean Plant Network with the express purpose of diagnosing and eliminating plant pathogens during propagation. Funding Levels: FY09 $5 million; FY10 $5 million; FY11 $5 million; FY12 $5 million.
Total = $20 million

USDA Section 32 purchases
Increases the minimum purchase levels for fruits, vegetables, and nuts (currently $200 million per year) and expands USDA’s ability to purchase value-added fruit, vegetable and nut products:
Funding Levels: FY08 $390 million; FY09 $393 million; FY10 $399 million; FY11 $403 million; FY12 $406 million.
Total = $991 million
Farm Program Spending

Estimated Farm Bill Outlays as Percent of Total Federal Outlays

- 2002 Farm Bill (2002-2007)
  - Total Federal Outlays
  - Commodity Programs

- 2007 Farm Bill (2008-2012)
  - Total Federal Outlays
  - Commodity Programs

Source: Sen. Kent Conrad

Specialty Crops
$2.54 Billion

Total $307 Billion

$304.46 Billion
Pelosi signals this may just be a "three-year farm bill": During a tour of the San Francisco Food Bank last Friday, House Speaker Nancy Pelosi (D-Calif.) defended the 2008 Farm Bill passed by Congress. Pelosi said "California is a big farm state. It's one of the state's top industries, but it had never been recognized in the Farm Bill before." But then Pelosi said something very interesting. In its current form, Pelosi said the farm bill is on its way out. "We've been very clear that this is a transition bill and in about three years we'll begin to write the next Farm Bill," Pelosi. The current farm bill is a five-year measure. Veteran farm bill watchers believe that budget issues in the years ahead -- and potentially trade policy issues and cases against U.S. farm policy via the WTO -- will likely mean major farm bill changes sooner than most now realize.
Summary

- The Specialty Crop Industry is Special - Not Subject of Traditional Price/Income Support Programs

- New Basket of Support Suggest the Industry is Becoming Less Special

- The Specialty Crop Industry in the US is not Without Support - From Legislation and Political Constituency

- Future Policy Will Consider Specialty Crop Industry Concerns and Issues - Regardless of the fate of the Planting Restrictions Provisions

As Health and Diet along with Food Safety Issues Increase in Importance
For More Information

- [http://www.aei.org/research/farmbill/projectID28/default.asp](http://www.aei.org/research/farmbill/projectID28/default.asp)
- [http://cissc.calpoly.edu/farmbill/?pid=1](http://cissc.calpoly.edu/farmbill/?pid=1)

(Report of the Specialty Crop Committee of the National Agricultural Research, Extension, Education and Economics Advisory Board)