



**AMERICAN AGRICULTURE.
STRONGER TOGETHER.**

**Specialty Crop Farm Bill Alliance
2023 Farm Bill
Final Policy Recommendations
January 30, 2023**

Overview – The specialty crop industry is united to advocate for a common set of priorities in the 2023 Farm Bill. A broad coalition of specialty crop organizations, known as the Specialty Crop Farm Bill Alliance (SCFBA), representing U.S. growers and shippers, has been working to forge mutual objectives for the Farm Bill, to assure a common platform across regions, commodities and other interests. The SCFBA will work closely and collaboratively with allies in all specialty crops who share many of the following priorities, as well as other stakeholders across U.S. agriculture. Included in this document is our statement of principles along with detailed policy recommendations covering eight Farm Bill titles.

SCFBA Statement of Principles for Consideration of the 2023 Farm Bill

Healthy Americans. Investments in the competitiveness and sustainability of the U.S. specialty crop industry will produce a strong return for *all* Americans, not just farmers. Expanding access and availability to safe, wholesome, healthy, and affordable foods, as well as trees, flowers, and plants, will encourage life-long healthy eating habits, mental and physical well-being, and help address national priorities such as obesity, heart disease, and food and nutrition insecurity.

Competitiveness and Sustainability. In recognition of its significance to American agriculture, the American food supply, and the communities it supports across the United States, a proportional share of farm bill resources and mandatory spending should be allocated to specialty crop priorities. To foster a better understanding of the specialty crop industry in the United States, Congress and USDA should invest in the human resources, expertise, and data collection and analytics necessary throughout the government to better serve this diverse and vital agricultural sector and its supply chains.

Trade and Foreign Competition. Preserving the critical supply chain for domestically sourced healthy foods in the United States should be a national priority. Establishing a competitive playing field for American specialty crop producers includes assisting American producers with unfair foreign competition, promoting American specialty crops in foreign markets, and eliminating trade barriers that discriminate against American specialty crop exports.

Research and Innovation. Scientific breakthroughs, technological innovation and data-enabled decision-making will continue to drive long-term sustainability and profitability of the specialty crop industry as it adapts to labor, climate and environmental challenges, pests and diseases, rising global competitiveness, shifting consumer preferences, supply chain disruptions, and other challenges. A sustained federal investment into research and innovation must be of a meaningful scale to catalyze opportunities for the industry, alleviate existing challenges, and propel the U.S. specialty crop industry to a new level of global competitiveness.

Natural Resources and Climate. The production methods and structure of certain specialty crop producers have historically inhibited their ability to participate in many USDA conservation programs. Recognizing the diverse nature and unique challenges involved in specialty crop production enhances the ability of specialty crop producers to participate fully in all USDA conservation programs as well as any initiatives to address global climate change.

Specialty Crop Farm Bill Alliance

Title I Commodity Program

Adjusted Gross Income (AGI) and Payment Limits

Specialty crop producers face unique challenges with the application of Adjusted Gross Income (AGI) limitations compared to other commodity crop producers for most Farm Bill programs. The current implementation of AGI limitations disproportionately prohibits specialty crop producers from participating in certain USDA programs in a meaningful way and potentially inhibits specialty crop producers from participating in disaster programs.

Although a means test may be appropriate for participation in many USDA programs, AGI is an ill-suited means test for specialty crop producers. USDA programs that require a means test for participation should be based on income derived from farming and be flexible enough to account for the structures, accounting methods and other special considerations for specialty crop producers, not just their AGI.

Policy Recommendation – Conservation programs incentivize production practices to the broader benefit of society and should, therefore, not be subject to any AGI limitations.

Policy Recommendation – Congress should require USDA to conduct a rulemaking within 180 days of enactment to establish unique rules to means test specialty crop producers that would ensure a more equitable outcome for specialty crops while maintaining the original intent behind the AGI limitation. The rule should consider the following factors:

1. Attribution of Payments. Specialty crop producers structure their operations for a variety of reasons unrelated to USDA programs which inadvertently block their participation in many USDA programs.
2. Capital Expenditures. Many specialty crop producers face significant up-front capital expenditures at a time in their operations when their income is low. Therefore, their capital expenditures are not reflected consistently year-over-year in their AGI calculations.
3. Geography and cost of living in the communities where specialty crop producers operate tend to be disproportionately greater than other agricultural operations.
4. Such other considerations as determined by the Secretary.

Policy Recommendation – If AGI continues to be utilized as a means test for specialty crop producers, it should revert to the 2002 Farm Bill model, which was also used for the Coronavirus Food Assistance Program (CFAP). If 75% or 90% of income is derived from farming, then no AGI limitation should be applied.

Tree Assistance Program (TAP)

The Tree Assistance Program (TAP) provides financial assistance to eligible orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines lost by natural disasters. TAP is administered by the Farm Service Agency (FSA) of the U.S. Department of Agriculture (USDA). Eligible trees, bushes, and vines are those from which an annual crop is produced for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees produced for commercial sale. Trees used for pulp or timber are not eligible for TAP assistance.

The Bipartisan Budget Act of 2018 made several changes to TAP, including removing the per person and legal entity program year payment limitation ceiling of \$125,000. It also increased the acreage cap, and growers are eligible to be partly reimbursed for losses on up to 1,000 acres per program year, double the previous acreage. The 2018 Farm Bill increased the reimbursement amount for applicants who meet the definition of a beginning or veteran farmer or rancher.

Policy Recommendation – Eliminate the 15% mortality threshold for assistance and bring the program in line with the livestock indemnity program.

Policy Recommendation – Congress should require USDA to increase coverage levels in addition to covering rehabilitation.

Policy Recommendation – Congress should provide additional flexibility for completing TAP-funded rehabilitation by extending the period of time from the existing 12 months to 12 months or as soon thereafter as is indicated to avoid risk of reinfection in the case of plant diseases.

Policy Recommendation – Cumulative total quantity of acres that can receive TAP payments for eligible participants may not exceed 1,000 acres annually. Congress should provide USDA with the authority to modify or waive the annual acreage cap under exigent circumstances, such as a natural disaster.

Policy Recommendation – Eliminate the Adjusted Gross Income and Payment Attribution limitations.

Policy Recommendation – Reset high-density stand after loss. TAP only permits producers to reset to their original amount and not the updated high-density planting that they put in after the original planting that TAP is based on. Producers need the ability to update stand to high-density planting after loss.

Policy Recommendation – The definition of "eligible orchardists" should be amended to state, "a person who produces annual or biennial crops from trees [as defined in bill] for commercial purposes."

Policy Recommendation – Rules should be adjusted to account for perennial crop plants with biennial production cycles, and reimbursable costs should be broadly defined to account for any costs incurred in the process of reestablishing, rehabilitating, and/or nurturing plants suffering from natural disasters back to a productive condition.

Title II Conservation

Soil Conservation

Congress created the Soil Conservation Service in 1935 to prevent soil erosion associated with the Dust Bowl of the 1930s. Recognizing an evolved and broadened scope, Congress changed the name to the Natural Resources Conservation Service in 1994. In practical terms, the purpose of this agency, then and now, is to prevent the next Dust Bowl. Climate change is here, and affects the economic sustainability of farming, just as the Dust Bowl did in the thirties. It is the role of the NRCS to help US agriculture adapt to climate change—to ensure the economic sustainability of farming in the US in a changing climate. Heat impacts of climate pose a major adaptation risk for growers.

Policy Recommendation – NRCS should recognize "Climate Change Induced Risk" as a Resource Concern, and that NRCS Practices through EQIP (e.g., 430, 436, 441, 442, 449, 533, 642) that help producers adapt to climate change should be implemented in such a way to help address that resource concern.

Policy Recommendation – NRCS Practices used to address the new "Climate Change Induced Risk" Resource Concern should be cost-shared at the maximum allowable rate to incentivize the participation of producers with limited capital.

Policy Recommendation – NRCS Standards and Specifications for sustainable irrigation practices should allow for flexibility in meeting the standard to mitigate producers' risk of having to pay 100% of the cost, for example, of an unsuccessful well-drilling project.

Policy Recommendation – Establish a pilot program to allocate \$10 million per year to states to supplement NRCS sustainable irrigation funding, further reducing financial exposure to producers and encouraging climate change adaptation. (Note: Tennessee and California have State irrigation programs that work in concert with NRCS that should serve as a model for other states to utilize these funds for these climate-related purposes.)

Policy Recommendation – Due to the excessive cost of sustainable irrigation, any practices implemented to address the resource concern of “Climate Change Induced Risk” should not count towards EQIP’s \$450,000 producer cap per Farm Bill.

Policy Recommendation – NRCS sustainable irrigation practices implemented through AMA should be cost-shared at the maximum allowable rate to encourage climate change adaptation.

Policy Recommendation – NRCS should increase the annual per practice cap allowable through the AMA program from \$50,000 to \$100,000.

Note: NRCS irrigation practices implemented to address a “Climate Change Induced Risk” Resource Concern should not pose a significant risk of depletion to State and regional water resources.

NRCS Paperwork Burden

Producers find excessive paperwork a barrier to participation in NRCS programs. In addition, a significant amount of that time and effort is spent on filing and paying tax on NRCS cost-share amounts, which are taxable under current law. In the last two Farm Bills, efforts were made to reduce the paperwork burden on producers. While physical paper seems to have been reduced, the paperwork has been replaced by numerous electronic screens.

Policy Recommendation – NRCS cost-share payments should not be taxable, which would incentivize more engagement.

Policy Recommendation – Allow trade associations representing producers to undertake the paperwork functions (electronic screens) for their producers on a watershed or regional project basis.

EPA Pesticide Mitigation Plans and Specialty Crops

EPA has been repeatedly sued for not meeting its Endangered Species Act (ESA) obligations when registering pesticides under FIFRA. The Biological Evaluation (BE) and Biological Opinion (BiOp) process through EPA and the Services takes an exceptionally long time and are complex, and the process does not appear to be keeping new and re-registrations. To strengthen their legal standing, EPA is pursuing an expedited species assessment called a “jeopardy or adverse modification” (JAM) to determine if and what mitigations will be necessary to use a registered pesticide while being protective species. It is likely this will be a preferred approach with all new and existing products that are being registered and reregistered.

EPA mitigations mirror many practices offered by USDA-NRCS through EQIP geographies with a higher concentration of endangered species and critical habitats that will have greater challenges in accessing tools and will disproportionately impact specialty crops.

Specialty Crops should anticipate mitigations to be a regular component of pesticide labels moving forward. In addition, endangered species are concentrated in regions of the United States where over half of all specialty crops are produced. Implementation of these mitigations could be expensive, but without them, growers could lose important pest management tools.

Policy Recommendation – Allow EQIP, or similar programs like the Regional Conservation Partnership Program, the Conservation Stewardship Program, or the Agricultural Conservation Easement Program, to support specialty crop input management practices and mitigation methods without regard to AGI limitations and in concert with ESA obligations when registering pesticides under FIFRA.

Policy Recommendation – Create eligibility language that focuses on watersheds with the highest species concerns or limits the program to farmers who will have multiple species of concern impacted.

Policy Recommendation – Consider establishing a registrant/USDA cost-share program.

Climate Change in Conservation Programs

Policy Recommendation – Conservation programs should remain voluntary, and climate change should not be used to mandate conservation production practices.

Policy Recommendation – Efforts to make conservation programs more climate-friendly should not limit programs to a sole focus on ‘carbon’ enhancing practices. Conservation programs should be multi-resource focused even if climate is the issue of concern.

Title III Agriculture Trade and Food Assistance Program

Increasing the competitiveness of the U.S. specialty crop industry is a founding principle of the SCFBA. U.S. specialty crop growers adhere to strict U.S. regulatory requirements and private standards designed to protect the environment, provide consumers nutritious and healthy food, and safeguard workers. Maintaining these high U.S. standards is extremely costly. In addition, U.S. specialty crop producers pay some of the highest agricultural labor costs in the world. However, these investments are undermined globally when our competitors do not have the same level of regulatory compliance costs along with significantly lower costs of production. Farm Bill programs must recognize this imbalance and provide non-distorting support in the areas of market development, research, innovation, and technology. This support should assist

specialty crop producers to maintain competitiveness, offset the cost of production advantages in other countries, and ensure the continued existence of domestic food production.

Market Access Program (MAP)

Through the Market Access Program (MAP), FAS partners with U.S. agricultural trade associations, cooperatives, state regional trade groups and small businesses to share the costs of overseas marketing and promotional activities that help build commercial export markets for U.S. agricultural products and commodities.

MAP reaches virtually every corner of the globe, helping build markets for a wide variety of U.S. farm and food products. FAS provides cost-share assistance to eligible U.S. organizations for activities such as consumer advertising, public relations, point-of-sale demonstrations, participation in trade fairs and exhibits, market research, and technical assistance. When MAP funds are used for generic marketing and promotion, participants must contribute a minimum 10 percent match. For the promotion of branded products, a dollar-for-dollar match is required.

Members of the SCFBA receive 25% - 30% of MAP funding allocated by the U.S. Department of Agriculture, with the remaining 70% - 75% going to non-specialty crops. Each year, more than 37 specialty crop organizations from around the country receive more than \$50 million of the \$200 million currently from this oversubscribed market development program.

Policy Recommendation – The SCFBA supports the doubling of funding for the Market Access Program (MAP) from \$200 million to \$400 million under the next Farm Bill. MAP has been at the same funding level since 2006, and since that time, fully one-third of MAP funding has been lost to sequestration and inflationary pressures. Compounding the problem is the loss of U.S. market share due to retaliatory tariffs, port congestion, and other supply chain dysfunction.

Technical Assistance for Specialty Crops (TASC)

The Technical Assistance for Specialty Crops (TASC) program funds projects that address sanitary, phytosanitary, and technical barriers that prohibit or threaten the export of U.S. specialty crops. Eligible activities include seminars and workshops, study tours, field surveys, pest and disease research, and pre-clearance programs. Eligible crops include all cultivated plants and their products produced in the United States except wheat, feed grains, oilseeds, cotton, rice, peanuts, sugar, and tobacco. Awards are for a maximum of \$500,000 per year and for projects of up to five years.

The TASC program is intended to benefit an entire industry or commodity rather than a specific company or brand. U.S. non-profit, for-profit, and government entities are eligible to apply. Proposals may target individual countries or reasonable regional groupings of countries.

Policy Recommendation – The SCFBA supports the continuation of this program at \$9 million annually. It is important, however, that the funds be used exclusively for specialty crops as they were originally defined in the Specialty Crop Competitiveness Act of 2004 and understood in the current authorizing language. Due to improvements in the program made in the 2018 Farm Bill and recommended by the SCFBA, TASC is now fully utilized. However, since that time, additional commodities have been granted access to TASC. Allowing non-specialty crops access to the program has a negative impact on actual specialty crop producers. The SCFBA maintains that non-specialty crops should not be eligible for TASC.

International Maximum Residue Limits (MRL) Database

The MRL database contains maximum acceptable levels of pesticides and veterinary drugs in food and agricultural products in the United States, as well as 70 other countries, the European Union and the Codex Alimentarius Commission. Specifically, the database includes more than 300 fruit, vegetable and nut commodities, as well as more than 270 pesticides approved for use on those commodities by the U.S. Environmental Protection Agency.

Policy Recommendation – The MRL Database is critical to maintaining trade markets for all commodities and must have secure funding.

Specialty Crop Competitiveness

Exports play a critical role in maintaining the competitiveness of those specialty crop sectors that are fortunate to produce more than can be consumed in the U.S. For those export-dependent commodities, the USDA Foreign Agricultural Service (FAS) and the Animal and Plant Health Inspection Service (APHIS) are critical to advancing the foreign market competitiveness of U.S. growers, as is the Office of the U.S. Trade Representative. It is these government agencies and their professional staff that represent the interests of U.S. growers, open markets and defend that access internationally. It is critical that USDA and USTR prioritize the competitiveness of U.S. specialty crop growers and that Congress utilize its oversight role to reinforce that mandate.

Policy Recommendation – Congress should require USDA and USTR to issue a report on the export competitiveness of specialty crops. In this report, special emphasis should be placed on those barriers to trade that limit the export competitiveness in specific markets and what steps USDA and USTR will take in cooperation with specialty crop producers to successfully remove those barriers to trade, including timelines for action. A special call for comment, both public and from the Agricultural Trade Advisory Committee for Trade in Fruits and Vegetables, should be a condition of the report.

Title IV Nutrition Programs

Nine in ten Americans do not consume fruits and vegetables in the amounts recommended by the Dietary Guidelines for Americans (DGA). Structuring Farm Bill nutrition programs to address the underconsumption of DGA recommendations can both support the nutrition needs of Americans and improve market opportunities for specialty crops.

Procurement Programs

USDA has a series of direct purchasing programs that aim to support market prices in and out of emergencies and provide domestically grown fruits and vegetables to food banks, schools and childcare centers, tribal governments, and other feeding sites. These programs include section 32, the Food Purchase and Distribution Program (FPDP), the USDA DoD Fresh Fruit and Vegetable Program and USDA Foods (which provides food to the Emergency Feeding Assistance Program (TEFAP), the Food Distribution Program for Indian Reservations (FDIPR), the Commodity Supplemental Food Program, and some schools and childcare centers). USDA also implemented the Farmers to Families Program from 2020-2021.

Because of the highly perishable nature of fresh fruits and vegetables, many existing USDA procurement programs are not inclusive of a wide range of fruits and vegetables. There are programs, like USDA DoD Fresh, which effectively utilize the commercial supply chain for distribution. This model, or one similar, should be considered as a tool to improve access to fresh fruits and vegetables in federal nutrition programs.

Policy Recommendation – In general, USDA purchasing programs should support grower resiliency, ensure recipients have access to a wide variety of specialty crops consistent with the Dietary Guidelines for Americans (DGA), and proactively address DGA shortfalls.

Policy Recommendation – For all of USDA's nutrition procurement programs, Congress should direct USDA to:

1. Conduct Solicitations using factors other than lowest-cost bid in solicitations, including best value trade-off and cost-plus.
2. Purchase a greater amount and wider variety of specialty crops to address the underconsumption of fruits, vegetables and tree nuts as recognized by the Center for Disease Control (CDC) and cited in the DGA.
3. Streamline barriers for vendors including, but not limited to, inspection at shipping and accepting food safety certifications beyond USDA Good Agricultural Practices (GAP).

4. Extend USDA food distribution programs to reputable nonprofits beyond the TEFAP system to ensure that hard-to-reach areas, including rural areas, have access to nutritious foods, including fruits, vegetables, and tree nuts.
5. USDA has broad authority to make purchases under Section 32, which has been underutilized, and USDA should conduct Section 32 purchases using all three original points of intent, consistent with current U.S. international trade policy: (1) encouraging the export of farm products through producer payments or other means; (2) encouraging the domestic consumption of farm products by diverting surpluses from normal channels or increasing their use by low-income groups; and (3) re-establishing farmers' purchasing power.

The Supplemental Nutrition Assistance Program (SNAP)

SNAP is the largest federal government program to address food and nutrition insecurity in our country and presents a significant opportunity to improve dietary quality for low-income Americans. USDA research shows that SNAP recipients must allocate 40 percent of their SNAP benefit to fruits and vegetables to meet DGA targets. Yet, American households allocate, on average, 26 percent of their food budget to fruits and vegetables, with levels significantly lower for low-income and SNAP households.

To date, the Gus Schumacher Nutrition Incentive Program (GusNIP) is the only dedicated program to increase SNAP participants' buying power of fruits and vegetables, including Produce Prescriptions. First included in the 2014 Farm Bill to test whether providing incentives to SNAP beneficiaries increased fruit and vegetable purchases and consumption, GusNIP has been successful in proving that when provided the dedicated resources, fruit and vegetable consumption does increase among low-income consumers.

Historically, low-income consumers have disproportionately been marketed foods of low dietary quality. Since the last Farm Bill, online grocery redemption has grown significantly, including within SNAP. This has positively impacted SNAP participation and presents an opportunity to better promote fruit and vegetable consumption and reduce the marketing of foods that are inconsistent with DGA recommendations.

The SCFBA believes all SNAP participants should have convenient access to a wide variety of fruits and vegetables consistent with the DGA recommendations.

Policy Recommendation – Congress should continue to invest in the GusNIP program, which pilots strategies to improve access to and consumption of fruits and vegetables, including Produce Prescriptions. Further investments are needed to create a dedicated fruit and vegetable benefit for SNAP participants modeled after the successful cash value benefit (CVB) in the WIC program. Operating as a fixed dollar amount set by the

National Academy of Sciences, participants can select the fruit and vegetable of their choice, proving to be a flexible option across diverse cultures, seasons, and supply chain disruptions.

Policy Recommendation – Congress should direct USDA to explore innovative ways to promote consumption of fruits, vegetables, and tree nuts through online retail, including the integration with existing programs like GusNIP and SNAP-Ed.

Buy American Requirements

Congress reauthorized the National School Lunch Act in 1968, defining the intent of the legislation as: “to safeguard the health and well-being of the Nation’s children” AND “to encourage the domestic consumption of nutritious agricultural commodities and other food.” In 1988, as part of the William F. Goodling Child Nutrition Reauthorization Act, Congress reinforced its commitment to American agriculture by adding a provision requiring school food authorities (SFAs) to purchase domestic commodities or products.

USDA provides two limited exceptions to the Buy American requirement: 1) a product is not produced or manufactured in the U.S. in sufficient and reasonable available quantities of a satisfactory quality, or 2) competitive bids reveal the costs of a U.S. product are significantly higher than the foreign product.

Despite these Buy American requirements, non-compliant imported products still reach schools, with the most frequent violations occurring with processed foods. While we recognize that noncompliance at the school level is often unintentional, violations hurt American growers and more should be done by USDA to ensure that schools and distributors comply with the Buy American provision.

Policy Recommendation – Congress should strengthen, and require USDA to enforce, the Buy American requirements in USDA school meals programs.

Policy Recommendation – Congress should specifically define that a U.S. product must be at least 25% greater in cost to qualify as having a “significantly higher cost” than a foreign product.

Fresh Fruit and Vegetable Program

The Fresh Fruit and Vegetable Program (FFVP) was originally piloted in the 2002 Farm Bill and quickly expanded to all states and territories due to its success and popularity. A USDA evaluation found that FFVP increases consumption among low-income students, helps reduce plate waste at school meals, and, most notably, can reduce obesity rates by three percent. The

program is oversubscribed, with many more districts (all low-income) applying each year than funding made available.

Policy Recommendation – Congress should make FFVP automatically available to any elementary school that currently qualifies as low-income under the Community Eligibility Provision (CEP).

Title VI Rural Development

Eligibility for Rural Programs

The nature of growing and handling perishable goods means a significant amount of specialty crop production and processing operations are in areas that exceed 'rural population' limits for communities eligible to access USDA programs. These urban, suburban, and ex-urban agriculture-based operations experience similar challenges to rural farms and facilities.

Policy Recommendation – To ensure equitable access to USDA programs for all agricultural products and supporting businesses and services, specialty crop operations should be exempt from "rural population" caps.

Rural Business Programs

USDA's Rural Business Programs provide financial backing and technical assistance to stimulate business creation and growth. The programs work through partnerships with public and private community based organizations and financial institutions to provide financial assistance, business development, and technical assistance to rural businesses. These programs help to provide capital, equipment, space, job training, and entrepreneurial skills that can help to start and/or grow a business. As we look at these types of programs, it is clear that specialty crop businesses contribute tremendous value to local agricultural economies.

Policy Recommendation – Congress should reform Rural Business-Cooperative Service (RBCS) loan and grant programs to remove current barriers to specialty crop producer eligibility and fair access in such areas as population limitations and capitalization barriers.

Value-Added Agricultural Market Development Program Grants

The Value-Added Producer Grant (VAPG) Program is a competitive grants program administered by the Rural Business Cooperative Service at USDA to help producers move into value-added agricultural enterprises. The term "value-added" refers to an agricultural commodity or product that has changed physically or was produced, marketed or segregated in a manner that enhances its value or expands its customer base.

Policy Recommendation – Congress should reauthorize and continue to fund the Value-Added Produce Grant Program.

Rural & Agricultural Housing Programs – Generally

USDA's Rural Housing Service offers a variety of programs to build or improve housing and essential community facilities in rural areas. They offer loans, grants and loan guarantees for single- and multifamily housing, childcare centers, fire and police stations, hospitals, libraries, nursing homes, schools, first responder vehicles and equipment, housing for farm laborers and much more.

Policy Recommendation – USDA has several programs that producers can access to help pay for the construction or the rental of farm worker housing both on and off the farm as well as help farm workers pay for rent. Congress should use the Farm Bill to enhance programs that help producers with costs with respect to the housing of agricultural workers.

Off-farm Labor Housing Loans and Grants

Construction, improvement, repair, and purchase of housing for domestic farm laborers is the primary objective of this program. H-2A workers are not eligible under the law as it states that tenant eligibility is limited to “domestic farm laborer,” “retired domestic farm laborer” or a “disabled farm laborer” and the domestic farm laborer is defined to only include a citizen of the United States or a legal permanent resident residing in the US, Puerto Rico, or the Virgin Islands. Moreover, temporary workers must have their employer provide their housing, but they cannot add their name to a first-come, first-served list of potential tenants and hope there will be an opening when needed.

Policy Recommendation – Congress should prioritize off-farm housing, including all work-authorized residents, including temporary workers (H-2A, etc.). Congress should direct the Rural Housing Service to change its policies on leasing to allow employers to reserve space for arriving workers (also known as block leasing).

On Farm Housing Labor Loans

This program provides low interest loans to eligible borrowers to develop or rehabilitate affordable rental housing for very-low-income domestic, migrant, and seasonal farm laborers. Borrowers must not otherwise be able to get commercial credit, but there is a waiver for housing domestic labor, and no local or state agency is willing to provide the housing.

Policy Recommendation – Congress should increase funding for these programs.

Policy Recommendation – Congress should expand eligibility for all Off-Farm Labor Housing Loans and Grants to “include persons who are legally admitted in this country and authorized to perform work in agriculture in the definition of domestic farm laborer. This revision applies even if the admittance to this country is temporary.”

Multifamily Housing Rental Assistance

This program provides payments to owners of USDA-financed Rural Rental Housing or Farm Labor Housing projects on behalf of low-income tenants unable to pay their full rent.

Policy Recommendation – Congress should increase funding to this program targeted toward farm worker tenants.

Rural Utilities and Community Facilities Programs

USDA grant and loan programs for community facilities and water treatment provide valuable resources to rural communities that often lack adequate water resources and facilities vital for the operation of specialty crop operations. Without access to these funds, which supplement local resources, it is often impossible for specialty crop operations to be viable in the communities which they call home.

Policy Recommendation – Community projects that supply water essential to specialty crop operations in all areas of the country should be eligible for funds made available by USDA rural development and rural utilities programs.

Title VII Research

Advancing research and development activities to overcome existing and upcoming research challenges in specialty crop agriculture will require acceleration of novel, early-stage innovative agricultural research with promising technology applications and products. Below represents the SCFBA focus for research in the 2023 Farm Bill.

Specialty Crop Research Initiative (SCRI)

The Purpose of the Specialty Crop Research Initiative (SCRI) program is to address the critical needs of the specialty crop industry by awarding grants to support research and extension that address key challenges of national, regional, and multi-state importance in sustaining all components of food and agriculture, including conventional and organic food production systems. Projects must address at least one of five focus areas:

1. Research in plant breeding, genetics, genomics, and other methods to improve crop characteristics.

2. Efforts to identify and address threats from pests and diseases, including threats to specialty crop pollinators.
3. Efforts to improve production efficiency, handling and processing, productivity, and profitability over the long term (including specialty crop processing and marketing).
4. New innovations and technology, including improved mechanization and technologies that delay or inhibit ripening.
5. Methods to prevent, detect, monitor, control, and respond to potential food safety hazards in the production efficiency, handling, and processing of specialty crops.

Policy Recommendation – Congress should allocate an additional \$50 million in annual mandatory spending to SCRI.

Policy Recommendation – Congress should maintain a flexible governance structure for SCRI, as specialty crop challenges five years from now could be much different than they are today.

Policy Recommendation – Congress should reinstate the Secretary’s authority to waive the matching funds requirement.

Policy Recommendation – SCRI should prioritize the following types of research projects:

- New innovations and technologies such as:
 - Advancing research into technology improvements that will address challenges relating to growing, crop forecasting, harvesting, handling, and packing of agricultural products. (Challenges of this nature are not likely to narrow in scope in the foreseeable future without major technological breakthroughs. It is therefore desired that appropriate amounts of dollars be ensured towards investment in projects that would accelerate the development and use of these advanced technologies in the production or processing of specialty crops across scales of production.)
 - Technologies that delay or inhibit ripening.
 - Remote Sensing technologies and decision support systems driven by phenology and environmental factors.
 - Pesticide application systems and certify drift-reduction technologies.
 - Systems, innovations, and management practices to extend storage life of specialty crops.
 - Combating threats that impact specialty crop pollinators.
- Research into plant breeding, genetics, genomics, crop management, and other methods to improve crop characteristics across scales of production, such as:
 - Product, taste, quality, and appearance.
 - Size controlling rootstock systems and enhanced rhizome spread for perennial crops.

- Mitigation of environmental risks and responses and tolerances to environmental conditions.
- Nutrient management, including plant nutrient uptake efficiency.
- Enhanced phytonutrient content.
- Improved fruit set through advancements in plant health and pollination efficiency.
- Pest resistant crops.
- Efforts to identify and address threats from pests and diseases, such as:
 - Pest and disease management, including chemical resistance to pests and diseases that results in reduced pesticide applications and improved overall management strategies.
 - Emerging and invasive species.
 - More effective understanding and utilization of existing natural enemy complexes.
 - Improved monitoring systems for agricultural pests.
 - Effective systems for pre- and post-harvest management of quarantine pests.

Standalone Mechanization and Automation Research and Development Program

The availability and rising cost of labor are major limiting factors for specialty crop producers nationwide. Demographic shifts, where populations now are mainly located in urban area settings, has reduced the availability of agricultural labor, and caused an increase in the need for more mechanization and automation within specialty crop agriculture. Developing these new forms of technology is therefore increasingly important with respect to successfully growing, harvesting, and handling specialty crops.

Mechanization and automation research is currently funded through several program areas in National Institute on Food and Agriculture. Housing all specialty crop mechanization and automation research within one single program would reduce redundancies and provide specialty crop industries more opportunity to provide a level of oversight through relevancy reviews for projects seeking funding.

Policy Recommendation – Congress should allocate \$20 million in annual mandatory spending to establish a new, standalone program that prioritizes mechanization and automation for specialty crops and incorporate the following framework:

1. Eligible applicants should include Land Grant Universities, Institutions of Higher Education and Technology, governmental agencies, for-profit agricultural and non-agricultural entities, commodity organizations.
2. The recipient of a mechanization/automation grant must provide funds, in-kind contributions, or a combination of both, from sources other than funds

provided through the grant in an amount that is at least 15% of the amount awarded.

3. This proposed mechanization/automation program would be managed following an SCRI-like governance structure and relevance and evaluation process that is guided by industry input.
4. Annually, the portfolio of funded projects should include proposals that target small, medium, and large scales of specialty crop production, and the cost to producers of technologies must be cost-appropriate to the scale of production.
5. Project proposals must demonstrate strong support from the specialty crop sector they target.

The new program should include the following funding priorities:

1. Projects that increase the competitiveness of specialty crops.
2. Projects that create or improve cost-effective technologies to reduce a specialty crop grower's manual labor requirements and increase the efficiency of crop production, resource management, harvesting, processing, postharvest technologies, and packaging through mechanization, automation, and other innovations and technologies.
3. Projects that increase adoption of mechanization and automation technologies by:
 - Emphasizing adoption drivers that could include but are not limited to connectivity, autonomy, reliability, durability, in-field validation, and cost-effectiveness.
 - Investing and developing human capital to increase the specialty crop sector's capacity to work with new technologies, and to manage a more tech-focused farm workforce. (Innovations resulting from projects will significantly increase the resilience, economic sustainability, and impact on State and local economies of a specialty crop sector or sectors.)
4. Projects that accelerate automation and mechanization through prototype development, in-field trial testing, ongoing industry engagement, and rapid commercialization.

IR-4 Project

The IR-4 Project serves a critically important role for agriculture by facilitating the availability of needed pest management solutions for specialty crops. The private crop protection industry often focuses its product development efforts and resources on large acreage, major row crops where potential sales are significant. As a result, specialty crops can be left with few tools for effectively managing pests and the tools that are made available to specialty crops can lag as to

the latest advances in crop protection. The IR-4 project aims to combat these market inefficiencies by advancing crop protection product registrations for the specialty crop sector.

Specialty crops also have a great need for lower risk alternatives (bio-based and reduced risk chemical pesticides) to replace crop protection products that have lost or are losing their registrations or having uses further restricted. Also driving the need for alternatives is the fact that certain products are no longer efficacious because of pest resistance issues. So, IR-4's workload continues to grow.

The specialty crop sector desires increased IR-4 funding because the need for the Project's services continues to increase while U.S. government funding has remained stagnant. Specifically, funding for IR-4 from government and non-government sources has remained relatively flat over the past 10+ years. The result has meant that over the past three years, the IR-4 Project has had to reduce its primary research efforts by almost 25 percent. IR-4 currently does not have the resources to adequately address pest management voids for specialty crops. At present, there are more than 200 existing pest management voids, and each year IR-4 receives an additional 100+ new research requests. Based on current funding, IR-4 can only address a total of approximately 50 such requests per year.

In addition to all the work IR-4 does on food crops, IR-4 also performs crop protection work on non-food environmental horticultural crops. This industry has no major support for crop protection activities from other sources and is fully dependent on IR-4 for all new approvals. This segment of IR-4 has been under-resourced long-term and is in desperate need of new funds to address pest management voids.

IR-4 also fills voids associated with efficacy study requirements, by performing crop safety, performance, and additional product research with chemicals including bio-based and reduced risk chemical pesticides. These data are now required by some states and industry prior to registration approval.

Policy Recommendation – Congress should increase federal mandatory funding for the IR-4 Project to \$50 million annually.

Office of Pest Management Policy (OPMP)

OPMP has been invaluable as a reviewer of EPA-proposed and final regulations, guidance, *etc.*, as well as for Endangered Species Act (ESA) consultations with NOAA Fisheries and the Fish and Wildlife Service associated with pesticide use in the United States. The size of the office (~10 professionals) pales in comparison to the several hundreds of individuals employed in the EPA Office of Pesticide Programs. Yet OPMP has been involved in a very substantive way in almost all the significant EPA and ESA pesticide regulatory actions that may affect the agricultural community, including specialty crops. OPMP serves as an invaluable resource in addressing EPA

actions before they are finalized. The specialty crop industry believes that this role needs to be supported and expanded to meet the challenges of future workloads.

Policy Recommendation – Congress should allocate an additional \$5 million annually in mandatory funds for the USDA’s Office of Pest Management Policy.

Technical Assistance and Research Relating to the Food Safety Modernization Act (FSMA)

Since the passage and implementation of FSMA, the produce industry has faced a wide variety of hurdles in complying with this statute, the accompanying regulations, and the obligations that they create. Technical assistance for producers as well as additional research into helping producers comply with FSMA are still needed. Changing environmental conditions, stemming from less predictable and more severe weather, coupled with an increase in “mixed use” agriculture (where animals and crops are grown in close proximity to one another) impact how and where human pathogens survive in the environment which subsequently impacts fresh produce safety. The practices that may have been effective a decade ago may no longer be adequate, and producers need assistance understanding how changes in science, society, and economics may influence the changes they need to make to ensure produce continues to be produced safely.

Technical assistance needs to be based on sound science, and the Cooperative Extension Service is well positioned to provide technical assistance to producers to assist with their growing FSMA compliance obligations. Comparably, National Institute on Food and Agriculture (NIFA) should be given additional funding to conduct produce safety research focused on helping producers comply with FSMA.

Policy Recommendation – The Farm Bill should include new mandatory funding for the Cooperative Extension Service, to provide technical assistance to specialty crop producers regarding their FSMA compliance.

Policy Recommendation – The Farm Bill should include new mandatory funding for NIFA, to conduct research into helping specialty crop producers comply with their FSMA obligations.

Emergency Citrus Disease Research and Development Trust Fund

The 2018 Farm Bill authorized the Emergency Citrus Disease Research and Development Trust Fund to provide mandatory funding to combat Huanglongbing (HLB). USDA-NIFA’s Emergency Citrus Disease Research & Extension (ECDRE) program aims at bringing together the nation’s top scientists to find scientifically sound solutions to HLB, in a financially sustainable way. The ECDRE program was preceded by the Citrus Disease Research and Extension Program.

Policy Recommendation – Congress should continue to allocate \$25 million annually for the Emergency Citrus Disease Research and Development Trust Fund (“Citrus Trust Fund”). The Citrus Trust Fund was established in the 2018 Farm Bill and builds upon the previous Farm Bill’s novel investment in research to identify a cure for the deadly citrus disease, Huanglongbing, or HLB.

Title X Horticulture – Organics, AMS, APHIS

Specialty Crop Block Grant Program

The Specialty Crop Block Grant Program (SCBGP) was created to provide greater federal assistance to specialty crop producers by providing grants to state departments of agriculture to enhance the competitiveness of those crops. SCBGP funds can support a wide array of projects. SCBGP was first authorized in the 2004 Specialty Crops Competitiveness Act but did not receive any funding until 2006. The 2008 Farm Bill provided SCBGP with its first mandatory funds at \$55 million per year. The 2014 Farm Bill subsequently increased the program’s mandatory funding to \$72.5 million per year through 2017, and then \$85 million per year in perpetuity starting in 2018. The 2018 Farm Bill also made permanent the \$5 million in annual mandatory funding for the Specialty Crop Multi-State subprogram (SCMP). Since 2006, USDA has invested more than \$953 million through the SCBGP to fund 11,331 projects that have increased the long-term success of producers and broadened the market for specialty crops in the U.S. and abroad.

Policy Recommendation – The Specialty Crop Block Grant Program should be increased to a funding level of not less than \$100 million annually. The set-aside of not less than \$5 million for multi-state projects should be maintained.

Policy Recommendation – USDA should require Block Grant administrators (e.g., state department of agriculture) to conduct stakeholder outreach and engagement prior to the application process.

Policy Recommendation – Congress should reinforce that the Specialty Crop Block Grant Program’s primary purpose is to enhance the competitiveness of specialty crop producers, by amending the statute with the following language:

“to enhance the competitiveness of specialty crops through priorities jointly identified by specialty crop producers, producer groups, and state program administrators, including....”

Policy Recommendation – USDA should offer guidance to Block Grant administrators as to how best to conduct proposal reviews to ensure industry relevancy and consistency. This includes guidance on the selection and responsibilities of reviewers.

Policy Recommendation – USDA should improve its administration of the multi-state program to ensure better consistency and transparency for applicants.

Policy Recommendation – USDA should continue working with industry stakeholders and state program administrators to assess the current program metrics and results and to continually improve the quantification and measurement of success for the Specialty Crop Block Grant Program.

Organics

In 2019, 58% of organic sales came from crops, led by vegetables and fruits (including berries and tree nuts) and represents \$9 billion in sales. With the growing importance of the organic production sector in specialty crops and increasing participation throughout the supply chain, the SCFBA has developed a series of policy recommendations aimed to support the continued growth and expansion of this important part of our members business operations.

Policy Recommendation – The National Organic Program (NOP) should be required to consult with EPA and FDA on all regulatory decisions and include relevant agency information or feedback provided with all Federal Register notices (as accompanying reports). This should include the public health implications of eliminating any sanitizers from the National List of Allowed and Prohibited Substances.

Policy Recommendation – The number and makeup of National Organics Standards Board (NSOB) seats should be expanded, to include more scientific expertise, better account for differing commodity needs, and more effectively respond to the growing consumer demand for organic products.

Policy Recommendation – Congress should authorize the NOP to hire more staff, including technical experts, EPA and FDA liaisons, and economists, in order to improve the timely consideration of, and possible regulatory response to, NOSB recommendations. This would also provide the NOP with more resources to make better informed regulatory decisions.

Policy Recommendation – The NOSB should continue to require that a 2/3 vote be required for adoption of any proposed amendments to the National List of Allowed and Prohibited Substances.

Policy Recommendation – Employees of an owner or operator of an organic farming operation should continue to be an eligible NOSB member on behalf of their employer.

Policy Recommendation – The National Organic Certification Cost-Share Program should be reauthorized.

Policy Recommendation – USDA should continue efforts (in cooperation with Customs and Border Protection) to ensure the integrity of organic imports into the United States. This includes the maintenance and improvement of tracking, data collection, and investigation of organic produce imports.

Policy Recommendation – USDA should continue its organic production and market data initiatives.

Agricultural Marketing Service (AMS) Domestic Promotion Program

Most specialty crop sectors (e.g., pears, potatoes, asparagus, flowers) are primarily composed of small and medium size producers who individually do not have enough volume nor marketplace clout to create demand for the commodity as a whole. While individual producers may be successful at moving their product into the marketplace, creating the dynamic that expands the marketplace and encourages consumer commodity consumption is difficult given the fragmented nature of specialty crop production. In addition, many domestic specialty crop products increasingly face competition from both less expensive imports and branded, highly refined manufactured products that can serve as “like” substitutes. USDA does not currently have clear authority to create and operate a domestic promotion program to address these challenges.

Policy Recommendation – Grant USDA explicit authority to establish a domestic generic promotion program exclusively for specialty crop producers and direct USDA Agricultural Marketing Service (AMS) to develop the activity as a competitive grant program purposed to create U.S. consumer demand for domestically produced specialty crops.

1. Congress should direct USDA-AMS to establish a reimbursement-based cost-share market promotion and development program for specialty crops modeled conceptually on the Market Access Program operated by the Foreign Agricultural Service.
2. Said program is intended to provide participants opportunity to conduct certain marketing and promotion activities aimed at developing, maintaining, or expanding commercial markets for U.S. specialty crops within the United States.
3. The program should provide broad authority for participants to develop multi-faceted generic promotion campaigns that are designed to motivate the trade (e.g., retailers, wholesalers, foodservice operators) to stock and promote, and consumers to buy specialty crop products. Providing specialty crop producers with a year-over-year opportunity to build demand-enhancing marketing campaigns, while building expertise and capacity at AMS, will help create a more

positive environment into which specialty crop producers can sell their products, thereby enhancing their viability, supporting U.S. jobs, and bolstering the economies of rural communities across the country.

4. Eligible participants would include U.S. nonprofit agricultural trade organizations, U.S. agricultural cooperatives, organization operating under federal marketing orders, state agencies or state commodity boards, state regional trade groups. An entity receiving a grant under this program shall provide non-Federal matching funds, including in-kind contributions, equal to not less than 25% the amount of the grant. The amount of participant contribution should be determined by participants and considered as part of the grant evaluation process.
5. Congress should fund the new program at \$75 million annually, with a percentage of authorized funding available for use by AMS for building and maintaining capacity.

Mechanization and Automation Technology Deployment Program

Dependence on manual and hand labor in the specialty crop sector continues to be the predominate method to plant, monitor, and harvest specialty crops. In fact, of the 20 most widely consumed fruits and vegetables in the United States, 17 still require hand harvesting. In almost all cases, hand harvesting results in higher grower production costs resulting in higher food prices for consumers compared to other food categories. In addition, domestic labor is increasingly limited due to an aging work.

Mechanized and/or automated solutions are arriving in the marketplace but are often not adopted quickly as industry best practices because they are expensive and unproven and require significant grower investment.

Policy Recommendation – Congress should establish a reimbursement-based cost share program within the Agricultural Marketing Service (AMS) exclusively for specialty crop producers who are seeking to increase efficiency by investing in mechanized and automated agri-tools.

1. Payments to producer operations under the program should be formulated to provide a significant offset to their investment.
2. Examples of Automated or Mechanized Technologies include:
 - a. Remote, mobile, or drone sensing sensors for field level monitoring of environmental variables for use in farm production and/or processing management decision making;
 - b. Enhanced precision irrigation, pest and disease detection, nutrient analysis, and crop load assessment;
 - c. Crop monitoring and analytics;

- d. Potential and predictive near-infrared crop damaged assessments;
 - e. Robotic/semi-autonomous/autonomous or mechanized systems or other tools;
 - f. Seeding;
 - g. Weeding;
 - h. Harvesting;
 - i. Packing (field and inhouse);
 - j. Pruning;
 - k. Spraying;
 - l. Transporting;
 - m. Climate Protection (e.g. shade cloth, light manipulation);
 - n. Cultural Practices; and
 - o. Other automated or mechanized systems or tools that increase efficiency as determined by the Secretary.
3. Producers should be permitted to use a percentage of funding received under this program for team member training or technical assistance for learning new machinery, infrastructure maintenance, etc.

Specialty Crop Market News

For 100 years, USDA's Agricultural Marketing Service (AMS) has provided free, unbiased price and sales information to assist in the marketing and distribution of farm commodities. Each year, Market News issues thousands of reports, providing the industry with key wholesale, retail and shipping data. The reports give farmers, producers and other agricultural businesses the information they need to evaluate market conditions, identify trends, make purchasing decisions, monitor price patterns, evaluate transportation equipment needs and accurately assess movement.

Today, Specialty Crops Market News disseminates detailed information on marketing conditions for hundreds of agricultural commodities at major domestic and international wholesale markets, production areas, and ports of entry. Using direct contacts with salespersons, suppliers, brokers, and buyers, Market News reporters collect, validate, analyze, and organize unbiased data on price, volume, quality and condition, making it available within hours of collection at no cost to you.

Policy Recommendation – Congress should reauthorize the Specialty Crop Market News.

Plant Pest and Disease Management and Disaster Prevention Program (PPDMDPP)

The APHIS PPA 7721 program, initially established through the Farm Bill's Horticulture Title, is currently funded at \$75 million per year. The funds support a wide array of plant pest-related projects under six broad goal areas. The program provides one-year funding, though some

projects are funded in successive years. There is an annual call for project suggestions, which are vetted by goal-specific review teams, which draft recommendations that comprise a spending plan which is subject to final USDA review and approval. Industry representatives are welcomed to participate in these review teams, with up to two per team accommodated. SCFBA helps to coordinate industry volunteers, and the continued robust stakeholder engagement is a critical component of the process.

The program is working well and serving a variety of current and emerging specialty crop industry needs. The passage of time and the effects of annual inflation have eroded the value of the program's investments in pest and disease prevention and mitigation.

Policy Recommendation – The SCFBA recommends that the Plant Protection Act Sec. 7721 be funded at \$90 million per year.

National Clean Plant Network (NCPN)

NCPN supports a network of clean plant centers which provide plant pathogen diagnostics and therapy and maintain collections of high-value vegetatively propagated specialty crops with high-consequence pathogen threats, notably viruses and viroids. Crops covered by the network include apples, pears, stone fruit, citrus, grapes, berries, hops, roses, and sweet potatoes.

NCPN is funded as a sub-component of PPA 7721. The law currently specifies that NCPN be funded at “not less than \$5 million annually.” In recent years, APHIS has funded NCPN at \$7.5 million annually. Center directors have recently expressed concerns that funding is consistently falling short of meeting current and expected needs in the face of rising material and personnel costs. Unlike the PPDMDPP, which provides one-year funding of selected projects, NCPN represents an ongoing investment in specialty crop “support infrastructure” and shortfalls have long-term operational and staffing consequences.

Policy Recommendation – The SCFBA recommends that NCPN should be funded at not less than \$8 million per year.

Title XI Crop Insurance

Permanent Disaster Program

USDA offers a variety of programs to help farmers, ranchers, communities, and businesses that have been hard hit by natural disaster events. Traditionally, specialty crops have utilized the Tree Assistance Program (TAP) and Noninsured Crop Disaster Assistance Program (NAP). More recently the Wildfire, Hurricane Indemnity Program has been utilized for those specialty crops growers in the South.

Policy Recommendation – Although a standing workable permanent disaster program for all agricultural commodities would be welcomed, it would be difficult to define in a way that enhances the safety net for the specialty crop community. Other enhancements to the Farm Bill should be prioritized, including an improved crop insurance option. Creating a known permanent structure and set of procedures for making payments under any future ad hoc disaster programs would be useful, and specialty crop producers should be involved in creating such a statutory structure.

General Crop Insurance Improvements

Crop insurance is viewed differently by varying crops within the specialty crop industry. There are crops that have workable insurance policies, and for those crops the issue is how to make improvements to what is already a solid safety net. For the rest of the industry, which is a majority, there are no crop insurance policies available, or the crop insurance policies that exist are primitive or only available on a limited basis.

Policy Recommendation – To secure a better safety net, exploration is needed to develop effective applicable products for all uncovered specialty crop producers as well as making it more attractive and easier to deploy individual policies for current safety net users.

Noninsured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters. Since specialty crops continue to have limited access to risk management tools NAP has been a stop-gap for many in our industry to have some type of coverage when disasters may occur.

Policy Recommendation – Move NAP from the Farm Service Agency to Risk Management Agency, thereby removing the Adjusted Gross Income (AGI) limitations and improving the marketing of the program to growers through crop insurance agents.

Policy Recommendation – Establish additional NAP coverage options addressing shallower losses, as well as optional units.

Policy Recommendation – As an alternative: If NAP remains under FSA, a uniform exemption if 75% of AGI derived from farming would be recommended.

Whole Farm Revenue Insurance Program

The program has limited utility for farming operations that need support covering losses for a singular crop. This applies to single crop and diversified farming operations.

Policy Recommendation – Expand Whole Farm crop insurance to include higher coverage for single crop farms. (Currently producers can purchase a lower level of coverage under Whole Farm but are not eligible for the higher coverage without planting an extra crop.)

Policy Recommendation – Remove the \$8.5 million income cap to increase participation.

Policy Recommendation – Increase the 30% growth in covered acreage year to year. This limits how much growers can insure when they want to increase their production.

Data Collection

The Specialty crop industry is concerned about RMA’s data collection needs. Under disaster programs the data that USDA collects before a pay-out are done all under self-certification. Congress can indicate to the FCIC board that to stimulate and increase the speed of policy development, initial data collection needs be loosened. This will allow improved access to expand existing policies into new states. This is particularly the case as climate change impacts production.

Policy Recommendation – Expanded use of the T-yields calculation beyond the cap of three years when determining a growers 10-year average when data is missing. [T-yields were used in the calculation of the prior 10-year average if three or fewer years of actual yields were missing. To determine eligibility for exclusion, the year evaluated must have actual yields (crop insurance yield or NASS yield) for at least seven of the ten previous years, with T-yields making up the rest.]

Pricing vs Benefit

Many specialty crop producers have experience crop insurance policies with high premium costs with coverage levels and corresponding payouts that are too low. As coverage levels increase so too do premium rates, at some point producers decide to self-insure. Pricing accuracy needs to be improved, and varietal development needs to be accelerated. There are also concerns about whether policies reflect specialty crop needs- such as covering the impacts of quarantine or food safety outbreaks.

Policy Recommendation – Allow for Optional Units to section out fields and account for different weather events in different field locations.

Policy Recommendation – Remove harvest costs from the payment, which should help lower premium costs. (As an example, while the Strawberry Production and Revenue

History program is not perfect, one useful feature to replicate elsewhere is that harvest costs are removed.)

Policy Recommendation – Prices should be county-specific for RMA programs to account for the differences in seasons and marketing windows.

Policy Recommendation – Higher levels of buy-up coverage for existing products are needed as well as encouraging RMA to be quicker to price policies for emerging varieties.

Risk Management Agency Outreach to Specialty Crop Growers

RMA was mandated in the 2018 Farm Bill to engage in greater outreach to specialty crop growers to develop a greater number of policies covering specialty crop production. Outreach efforts have been uneven and insufficient resulting in no meaningful increased availability of crop insurance policies to specialty crop producers. RMA relies on crop insurance agents to “sell” crop insurance policies and engage with growers, but this model only works if there are crop insurance policies to sell.

Policy Recommendation – RMA should apply an equitable outreach program in all States engaging specialty crop producers, so producers understand how to currently access and use new and existing programs.

Miscellaneous – Climate Change

Climate Change General Principles

Since the enactment of the Agriculture Improvement Act of 2018, many new initiatives on climate change affecting agricultural production have been proposed, debated, and even some have been piloted. The specialty crop industry produces hundreds of diverse crops in all regions of the country, each with their own unique production methods, structures, and markets. The diversity of specialty crop production in the United States presents many challenges when formulating workable policies to combat global climate change. Likewise, specialty crop growers need additional tools to help them adapt to the changing climate and develop greater resiliency in their operations.

As Congress inevitably considers adopting new farm bill initiative on climate change, in addition to the policy recommendations outlined below, Congress should consider the following principles with respect to how those initiatives could affect specialty crops:

1. Congress and USDA should support and encourage public and private research initiatives to better understand the intersection of potential climate change initiatives and the diverse production.
2. Any new programs should be voluntary in nature and consider the diversified regional production of specialty crops.
3. Funding for a voluntary program should not divert resources from current Farm Bill programs.
4. Federal climate change policies should consider mitigation *and* resilience *and* adaptation.
5. Climate related programs need to be supported and accompanied by outreach to all producers regardless of farm size, location, or commodity. (Larger operations are often early-adopters and critical to the success of new programs. Initiatives should not directly or indirectly discriminate against large operations.)
6. Climate related efforts need to be designed for the wide variety of specialty crops and their unique production systems across all programs. (For example, orchard-based and perennial commodities vary significantly from root crops and greenhouse production.)
7. Congress and USDA should consult with the specialty crop industry prior to implementing any new climate initiative affecting specialty crop producers.

Climate-friendly Production Methods and Consumer Labeling

It would be difficult to implement a single nationwide “Climate Smart” consumer labeling program for specialty crops. Therefore, the following recommendations should be considered.

Policy Recommendation – Any “Climate Smart” consumer labeling program should be voluntary.

Policy Recommendation – “Climate Smart” consumer labeling program should consider the unique needs and diverse suite of production systems among specialty crops.

Policy Recommendation – Congress and USDA should consult extensively with the specialty crop industry prior to implementing any “Climate Smart” consumer labeling program affecting specialty crops to ensure that any such standards are fair, accessible, and practical for specialty crop producers.

Carbon Markets and Other Climate Benefits Exchanges

Policy Recommendation – The SCFBA supports efforts to establish consistent standards and other criteria for voluntary carbon markets and other climate benefit exchanges to enhance consumer protections, reduce barriers to entry, and maximize benefits for specialty crop producers.

Policy Recommendation – The SCFBA supports conducting feasibility studies of carbon markets and other climate benefit exchanges for specialty crops, including:

1. Recognize the climate benefits of all specialty crop production systems regardless of farm size, location, or commodity.
2. Recognize the diversity of production practices associated with specialty crops and provide credits for practice improvement based on regionality and crop needs.
3. Directly engage the specialty crop industry in the process to help ensure standards are fair, accessible, and practical for specialty crop producers (for example, orchard-based and perennial commodities vary significantly from root crops and greenhouse production).

Policy Recommendation – Require climate benefit models to integrate broad ecosystem services credits for specialty crops and their inputs and recyclable byproducts, both CEA and land-based.

Credits for Inherent Climate Benefits for Specialty Crops

Policy Recommendation – Support the development of a pilot project to develop a Climate Score based on the climate/nutrient delivery per climate benefit unit of production provided it does not disrupt the marketplace.

Policy Recommendation – Require climate benefit models to integrate broad ecosystem service credits for specialty crops and their inputs and recyclable byproducts, both controlled environment (CEA) and land-based.

Policy Recommendation – Define intentionally applied ecosystem services and climate benefit for early adoption of such practices with set retroactive timeline.

Policy Recommendation – Expand and adapt the COMET-Farm tool so that it works for the specialty crop industry by investing in soil science research and updates to the NRCS SSURGO database, which provides site-specific climate data and results that include major specialty crop industries from each state.

Policy Recommendation – Provide funding for the COMET-Farm tool to improve systems integration with existing data sources and models and to improve the overall diversity of crops. Benchmarks for inclusion of at least 100 crops into the COMET tool within 5 years should be put in place. Benchmarked crops should include major specialty crop industries from each state.

Miscellaneous – Data

The Department of Agriculture’s collection and generation of timely data on the specialty crop industry is generally less accurate and comprehensive when compared to other agricultural commodities. During the formulation and implementation of both the Market Facilitation Program (MFP) and the Coronavirus Food Assistance Program (CFAP), the complications and consequences of having insufficient data at USDA became clear to organizations representing specialty crops, Members of Congress, and even many within USDA itself.

The specialty crop industry produces hundreds of diverse crops in all regions of the country, each with their own unique business models, markets, and pricing. Although it is understandably more challenging to gather data on specialty crops than other commodity sectors, it is critically important for the health of the future competitiveness of specialty crop producers that such data be collected and understood within USDA.

Policy Recommendation – The Office of the Chief Economist should include regular economic assessments of the specialty crop industry in the United States whenever the health of the agricultural economy is being evaluated, particularly when providing such reports to the Secretary or USDA leadership. Sufficient indicators and analysis on the specialty crop industry should be included in any bulletins, reports, or journal articles, such as the World Agricultural Supply and Demand Estimates report, in which analysis or forecasting of multiple agricultural sectors is being prepared by agencies of USDA including the Office of the Chief Economist.

Policy Recommendation – USDA should devise, report to Congress, and implement a strategy to establish or improve specialty crop expertise within each of its subagencies, including the Office of the Chief Economist.

Policy Recommendation – The Office of the Chief of Economist should be required, when appropriate, to account for regional variations and aggregations of specialty crops.

Policy Recommendation – Congress should ensure that NASS, AMS, and related agencies have sufficient resources to fulfill their mission and maintain robust data collection and reporting capabilities across the specialty crop industry in the United States.

Policy Recommendation – USDA should review its current data collection processes, protocols, and sources and propose ways to expand its outreach to, and collaboration with, industry, as well as identify barriers that challenge industry participation and identify opportunities to increase industry participation.

Policy Recommendation – USDA should work with stakeholders to ensure the data protection and privacy needs of the U.S. specialty crop industry are being effectively addressed.

Miscellaneous – General Statements of Policy

The Definition of Specialty Crops for All USDA Programs

The Specialty Crop Competitiveness Act of 2004 established new programs at USDA to meet the unique needs of specialty crops in critical areas such as research, trade, and regional market development and expansion. Subsequent farm bills have continued to improve and refine these programs to meet the unique needs of specialty crops, such as in 2008 when Congress allocated mandatory funding for the Specialty Crop Block Grant Program, included the first-ever farm bill title dedicated to horticulture, and established a new pest and disease program; again in 2014 when Congress fully funded the Specialty Crop Research Initiative and allocated additional resources to specialty crop programs; and most recently in 2018 when Congress created the AGARDA advanced research program, expanded permanent baseline funding for the Specialty Crop Research Initiative, and modernized the Technical Assistance for Specialty Crops international trade program.

These initiatives are chronically underfunded and oversubscribed.

Policy Recommendation – The SCFBA opposes any attempt to expand the definition of specialty crops beyond the commonly understood meaning set forth in the 2004 Act. The Specialty Crop Competitiveness Act of 2004 defines specialty crop as fruits, vegetables, tree nuts, dried fruits, and nursery crops (including floriculture).

Labor and Immigration Reform

Access to a legal, reliable workforce is a top priority for Alliance members. Although the Farm Bill historically has not been a vehicle for addressing labor issues, the long overdue lack of reform of our nation's agricultural immigration system dramatically undermines the Farm Bill's investments in the specialty crop industry.

Policy Recommendation – The SCFBA continues to support critically needed modernization of the immigration system and specific changes to the underlying statutes, including:

- Providing for earned legal status for farm workers under appropriate conditions; and
- Reforming the current guest worker programs to meet the needs of all agricultural sectors and ensuring that the programs do not place undue

burden on producers.

Potential Risk Management/Safety Net Program Exclusively for Specialty Crops

Since the enactment of the Agriculture Improvement Act of 2018, specialty crop producers have confronted new and increasing economic challenges. Drought, hurricane, fire, and other natural disasters; disruptions to the supply chain by a global pandemic; rising competition from low-cost seasonal and perishable imports; tariff disputes between the United States and significant export markets; significant food safety outbreaks; and labor shortages are among the many challenges impacting the economic viability of specialty crop producers in the United States.

During this period, Congress and USDA have implemented several ad hoc programs in an attempt to assist producers with these unprecedented challenges. Although these programs underscored the reality that specialty crop producers do in fact need a robust, flexible, and affordable safety net to enhance their competitiveness, these programs also demonstrated that existing tools are inadequate to provide meaningful protection for specialty crop growers who produce hundreds of diverse crops in all regions of the country, each with their own unique business models, markets, and pricing.

The SCFBA has formed a high-level working group to evaluate the feasibility of proposing that Congress establish an affordable and effective risk management program exclusively for specialty crop growers. Such a program would provide meaningful compensation from a wide range of naturally occurring and other economic perils that impede the competitiveness of specialty crop growers in the United States.

Unique Challenges Confronting Seasonal and Perishable Producers

SCFBA recognizes that some U.S.-grown and domestically marketed seasonal and perishable fruit and vegetable producers face market challenges from imports. Because of the short window during which seasonal and perishable produce is harvested and marketed, imports of a product immediately before or during a domestic grower's marketing window may negatively affect demand and price for some U.S.-grown products, particularly if the import prices are significantly lower.

Specialty Crop Farm Bill Steering Committee

SCFBA Leadership

Mike Joyner (Co-Chairman)

President
Florida Fruit & Vegetable Association
Maitland, FL

Dave Puglia (Co-Chairman)

President & CEO
Western Growers Association
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Kam Quarles (Co-Chairman)

CEO
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