

# SUMMARY XI

# SPECIALTY CROPS

# **SUMMARY OF SPECIALTY CROP SUPPORT**

## ***Recommendations In Brief***

Create greater equity in farm policy by increasing assistance for specialty crop growers through an array of changes that will enhance their ability to compete in the marketplace.

## ***Problem***

Specialty crop producers have traditionally been under-represented in farm bill policy. Five program crops receive 93 percent of direct farm bill cash subsidies, yet the value of U.S. specialty crops is equivalent to the combined value of these five crops. Sixty percent of all farmers do not raise program crops and therefore do not receive direct subsidies.

At Farm Bill Forums across the country, specialty crop producers did not ask for direct subsidies similar to the program crops, but they did request additional support to address sanitary and phytosanitary issues, market promotion, and targeted research. For example, Chris in Washington State said, "Potato growers do not want traditional programs with direct payments but need assistance in other program areas." Mike in Rhode Island said, "We need equitable distribution of federal funds to the areas and to an array of producers that do not grow program crops." Comments made by Charles in Georgia reflect the comments shared by many other producers. He said, "Mr. Secretary, your assistance is paramount in assuring the U.S. specialty crop industry remains competitive, through proper support of research, nutrition, promotion and conservation efforts."

## ***Recommended Solution***

The Administration is recommending a broad package of proposed changes to several titles of the farm bill to provide additional support to specialty crop producers. Following is a list of the major components of the package.

### ***Conservation Title***

Enhance several conservation programs that assist specialty crop producers in managing natural resources. These include: significant increases to the Wetlands Reserve Program, Environmental Quality Incentives Program, and the Private Lands Protection Program. (Details of each proposal may be viewed under the Conservation Title, pages 40 - 63.)

### ***Trade Title***

Phase-in \$68 million in enhanced mandatory funding for the Technical Assistance for Specialty Crops (TASC) program including \$4 million in FY 2008; \$6 million in FY 2009; \$8 million in FY 2010; and \$10 million thereafter through FY 2013. Increase the maximum allowable annual project award from \$250,000 to \$500,000 and allow more flexibility to grant TASC project timeline extensions. (For further information, see the proposal entitled "Expand Technical Assistance for Specialty Crops" on pages 67 – 68.)

Expand mandatory funding for the Market Access Program (MAP) by \$250 million over 10 years and focus the additional funds on non-program commodities. MAP funding has shown to be an effective use of funds to expand markets for U.S. agricultural products.

While specialty crops are already a significant user of this program, USDA will apportion this new, additional funding to help address the inequity between crops that are directly subsidized and those commodities that are not directly subsidized. (For further information, see the proposal entitled “Enhance the Market Access Program” on pages 69 - 70.)

Increase support for a number of initiatives that help to address sanitary and phytosanitary (SPS) issues and other trade restrictions that affect specialty crop and other producers:

1. Establish a new grant program investing \$20 million over ten years to further focus resources on addressing international sanitary and phytosanitary issues. (For further information, see the proposal entitled “Grant Program to Address Sanitary and Phytosanitary Issues” on page 71 - 72.)
2. Authorize and provide long-term mandatory funding of \$15 million over ten years to increase U.S. presence at international standard-setting bodies, such as the *Codex Alimentarius*, the International Plant Protection Convention, and the World Animal Health Organization. (For further information, see the proposal entitled “Support International Trade Standard Setting Activities” on page 72.)
3. Provide enhanced monitoring, analytical support, and other technical assistance to support U.S. agriculture in bringing forward or responding to significant trade disputes and challenges. For example, U.S. specialty crop exports are sometimes threatened by rampant trademark piracy in international markets like China and Hong Kong. USDA technical assistance could help the specialty crop industry address these challenges. (For further information, see the paper entitled “Technical Assistance to Resolve Trade Disputes” on pages 73 – 74.)

### ***Nutrition Title***

Provide new mandatory funding for the purchase of additional fresh fruits and vegetables for use in the National School Lunch and Breakfast Programs. This \$500 million of funding over 10 years represents a net increase in the total purchase of fruits and vegetables for school meals over levels available under any other authorities. (For further information, see the proposal entitled “Promoting Healthful Diets in Schools” on pages 103 – 104.)

Encourage food stamp nutrition education and establish a new “USDA Initiative to Address Obesity among Low Income Americans,” a five-year \$20 million competitive grant demonstration program to develop and test solutions to the rising problem of obesity. These efforts could include rigorous independent evaluations to identify effective approaches, such as incentives at point-of-sale for purchases of fruits and vegetables by food stamp participants. (For further information, see the paper entitled “Food Stamp Program: Improving Health through Nutrition Education” on pages 95 – 96.)

Support school efforts to offer meals based on the most recent Dietary Guidelines for Americans, including the encouragement of the increased consumption of fruits and

vegetables. (For further information, see the paper entitled “Promoting Healthful Diets in Schools” on pages 103 – 104.)

Reauthorize the Emergency Food Assistance Program (TEFAP) and provide more fruits and vegetables within the program. (For further information, see the proposal entitled “The Emergency Food Assistance Program” on pages 97 - 98.)

***Rural Development Title***

Prioritize consideration of project applications that involve specialty crops in the Rural Development Value-added Grants awards-process. (For further information, see the proposal entitled “Streamline Rural Development Programs” on pages 122 - 123.)

***Energy Title***

Initiate a new, temporary program to provide \$100 million in direct support to producers of cellulosic ethanol. Eligibility for this program would be restricted to specialty crop wastes and other cellulosic biomass feedstocks. (For further information, see the proposal entitled “Cellulosic Bioenergy Program” on pages 145 – 146.)

***Research Title***

Invest \$1 billion over 10 years to establish a Specialty Crop Research Initiative to provide science-based tools for the specialty crop industry. (For further information, see the proposal entitled “Specialty Crop Research Initiative” on pages 131 – 132.)

***Miscellaneous Title***

Utilize an additional \$2.75 billion of Section 32 funds over 10 years to specifically purchase fruits and vegetables for the National School Lunch Program and other nutrition programs. (For further information, see the proposal entitled “Increase Purchases of Fruits and Vegetables for Nutrition Assistance Programs” on pages 168 – 169.)