

MEMORANDUM

TO: USApple Board of Trustees

USApple Committees

State & Regional Producer Associations

FROM: Nancy Foster & Diane Kurrle

SUBJECT: Farm Bill Call to Action: Contact Your Members of Congress

DATE: May 13, 2008

This afternoon the House and Senate Farm Bill Conferees filed the Conference Report on H.R. 2419, the "Food Conservation and Energy Act of 2008" (the Farm Bill). The legislation is historic in that it is the first time specialty crops have been fully recognized in a Farm Bill. Specialty crop growers account for nearly half of all cash crop receipts in America but have been underrepresented in previous Farm Bills. Conference reports cannot be amended on the floor so the bill now faces an up or down vote. The House is expected to vote on the legislation tomorrow (Wednesday) with the Senate following shortly there after.

<u>Please contact your members of Congress immediately and urge them to vote yes on the Farm Bill Conference Report.</u>

A sample letter is available in the Keep Agriculture Working Section of the U.S. apple website http://www.usapple.org/industry/aglabor/index.cfm under the legislative action center. You may also contact them via telephone by calling the Congressional switchboard at 202-224-3121 and asking for their office. Though the bill enjoys strong bipartisan support, President Bush is expected to veto it. In order to override the veto, a 2/3 majority will be needed in both Chambers, which is why it is so important that apple leaders weigh in now.

Efforts are already underway to ensure that there are enough votes to override the President's veto. USApple and other members of the Specialty Crop Farm Bill Alliance are contacting key congressional offices and urging support for the bill. This afternoon the SCFBA sent a letter of support to all 535 Members of Congress.

Though the White House will be campaigning against the legislation, a number of top Republicans including Senate Agriculture Committee Ranking Republican Saxby Chambliss (R-

GA) and House Republican Conference Chair Adam Putnam (R-FL) will be working to override the veto.

What Will This Mean for Apples?

Many of USApple's top priorities including the Specialty Crop Block Grant Program, Pest and Disease Prevention Program and the Technical Assistance for Specialty Crops (TASC) are included in a new Specialty Crop Title.

This Farm Bill also creates a new permanent disaster program for which apples and other specialty crops will be eligible. The disaster program includes mandatory funds for the Tree Assistance Program (TAP), which provides funds for tree replacement costs due to natural disasters.

In addition, the legislation funds a number of other USApple priorities including the Market Access Program (MAP), Fresh Fruit and Vegetable Program, a new Specialty Crop Research Initiative, and conservation programs such as EOIP.

To comply with budget rules, Farm Bill Conferees attached ten-year budget numbers to what is a five year bill. **Funding for specialty crop programs totals about \$3 billion for the ten-year period.** However, since this is a 5-year Farm Bill, we have identified funding per-program and per-year over the FY2008-FY2012 life of the bill (*see attached*).

Many programs start out with relatively low funding levels for FY08 or in some cases do not start until FY09. This is due to the fact that we are already more than half way through the government's fiscal year (October 1 – September 30) and some time will be needed to get these programs up and running. In addition, many programs are "ramped" up over the five years, meaning that they receive an increase in funding each year. This is to allow the maximum spending level possible for the fifth and final year which will then become the baseline funding (or starting point) for the next Farm Bill.

USApple and other members of the SCFBA will continue to work in support of the Farm Bill Conference Report and will provide further updates as more information becomes available. If you have questions or comments in the meantime, please contact us directly at 800-781-4442 or via email to dkurrle@usapple.org or nfoster@usapple.org