

Testimony of
Adam Sullivan
Sullivan Orchards
Peru, New York

Committee on Agriculture
U.S. House of Representatives

Saranac Lake, New York
March 9, 2012

Good morning Chairman Lucas, Ranking Member Peterson and distinguished members of the Committee. I would also like to recognize Congressman Bill Owens and Chris Gibson and thank you both on behalf of the industry. It is great to have two New Yorkers on this important Committee and we look forward to working with both of you on the new Farm Bill.

Thank you for the opportunity to speak today about the impact of the 2008 Farm Bill and priorities for the 2012 legislation. My name is Adam Sullivan of Sullivan Orchards and I am a 4th generation apple grower from Peru, New York. My Great Grand-father started the farm with a handful of cows, some apple trees, a few vegetables and potatoes – a good Irishmen. When “Gramp” took over, he sold all the cows to grow strictly apples, which is how the farm remains today. My father and mother are still the primary stakeholders and participate in much of the functions of the orchard. I returned to the orchard in 2003 to serve as the orchard foreman and run the day to day activities.

From New York to Washington state and Michigan to California the industry is comprised of independent business owners, many of whom are third or fourth generation. We strongly support programs that build long-term competitiveness, drive innovation and grow demand of our products. Apple growers and the produce industry are not seeking a government farm program to support grower income or market prices. That would not be in the best interest of my business or our industry. The 2008 Farm Bill made a number of important strides toward each of these goals.

Research

Research and extension activities supported by USDA provide the apple industry with a competitive edge by enabling the introduction of new cultivars, implementation of improved pest management strategies, genomics and plant breeding and science-based improvement of food safety.

One of the most successful programs of the 2008 Farm Bill is the Specialty Crop Research Initiative (SCRI), which provides funding for a variety of research programs throughout the specialty crop industry. For apple growers, this program played a critical role in slowing down the damage caused by the newly invasive Brown Marmorated Stink Bug (BMSB).

The SCRI funded a 3-year, \$5.7 million research grant involving over 50 scientists and 10 research institutions nationwide to develop methods to control this destructive pest. The research has already yielded significant benefits. Information provided to growers from SCRI researchers resulted in a dramatic reduction in losses in 2011. USApple estimates that information from SCRI researchers saved apple growers alone at least \$35 million in 2011- that is over 6 times the amount of the total 3 year grant. Much more research needs to be done to develop a long term solution to the BMSB problem, but this research project alone promises to save agriculture from potentially billions of dollars of losses nationwide.

This is only one example of the impressive return on investment that the SCRI has provided during its first four years. Advances made in SCRI research projects on mapping the apple genome, mechanizing orchard practices such as pruning and harvesting, and prevention of other disease and insect pest threats promises to result in even greater savings to agriculture that translates into a direct benefit to the U.S. economy and U.S. jobs.

Another important program is the National Clean Plant Network, which serves as the single nationally-certified source of plant material free of potentially devastating diseases and pests. Enabling the nursery industry to produce clean plants is of critical importance because a number of serious diseases can enter into the United States through nursery stock. Once such pests and diseases become established in a region it is very difficult to eradicate them.

A strong commitment to research is critical to the future of the apple industry, but the benefits of a strong and coordinated research program flow directly into the U.S. economy.

Crop Insurance

The apple industry is one of a handful of specialty crops that participates in the federal crop insurance program. Over the years, the industry has worked closely with USDA's Risk Management Agency (RMA) and as a result, significant improvements to the apple policy have been made. USApple and the RMA collaborated to provide growers with an insurance program that better addresses the unique needs of the industry. Just this past season, Hurricane Irene came for a visit. The storm damaged our fresh fruit production through hail stones piercing the fruit and wind knocking apples into each other causing bruises. Nine inches of rain fell with 50 mph wind gusts blowing trees over. Through having the Fresh option with our crop insurance policy, Sullivan Orchards is able to recoup some of our loss.

No crop insurance program will make a grower devastated by a natural disaster financially "whole," but it will allow them to survive a devastating loss and continue to support the economic engine of rural America. Let me be clear, crop insurance enables me to manage risk, but it should never be designed in a way that distorts the market or encourages sub-par production. The apple industry is also concerned that as discussions in Washington, DC have moved to further expand crop insurance programs, there will be additional requirements attached, such as cross compliance with other federal programs. What we need is less government regulation, not more.

Tree Assistance Program

When severe weather occurs, apple growers can experience not only lost crops, but damaged or destroyed trees. That is exactly what happened in 2004 when a January thaw of December's heavy snow fall, followed by 30 below zero temperatures, caused moisture in the ground to freeze and snap roots of more than 30,000 trees in Clinton County.

The replacement cost alone for those trees, was estimated at nearly \$3 million, and when you add the lost crop revenue, the total loss is much greater. This was also a multi-year loss, as new trees take 3 to 5 years to produce fruit. The Tree Assistance Program (TAP) offered a lifeline by providing funds to growers to partially offset the cost of tree replacement. However, securing those funds was a tough lift and it was only because there was a large disaster bill already moving through Congress that TAP funds were allocated.

That is why the apple industry urged Congress to include mandatory funding for TAP in the 2008 Farm Bill. This program is a success and must be maintained and expanded if possible to reach more growers.

Export Programs

Exports are extremely important to the apple industry, with nearly 30% of the fresh crop destined for overseas markets. While our company only exports a small portion of our crop, a strong export market strengthens domestic prices for growers nationwide. For many growers in New York, the export market represents a significant portion of their business.

The apple industry strongly supports the Market Access Program (MAP), which has helped level the playing field as we compete with countries such as China and Chile that have a much lower cost of production.

As a direct result of the MAP program funding, New York companies have been able to identify and supply key importers in Singapore –who are looking for new products for their stores and for the past 3 seasons they have been stocking apples from New York State. Growers and shippers from New York would not be able to conduct activities or develop a market such as this without the support of MAP funds that allowed us to bring buyers to the US to meet with suppliers. MAP also funded sampling programs in supermarkets to educate consumers in Singapore about apples and their unique flavors. MAP is a public-private partnership, with growers contributing \$2 for every federal dollar the industry receives.

The Technical Assistance for Specialty Crops (TASC) is another important Farm Bill program which provides funds to resolve phytosanitary and technical barriers that prohibit or threaten access to a foreign market. The New York apple industry used TASC funds to maintain an important foot-hold in the Israeli market when pest and disease concerns threatened to shut down the market. The U.S. Apple Export Council worked with Cornell University to develop new pest mitigation guidelines which allowed trade to continue without interruption.

I would also like to take this opportunity to thank Congressman Owens for introducing H.R. 3914 to amend the Apple Export Act. This bill would eliminate the USDA inspection requirement for bulk apples into Canada. The requirement, which dates back to 1933, is no longer necessary or required by the Canadians. If passed, this bill will save money and time for the grower and, in the process, increase exports.

Nutrition Programs

Programs like the Fresh Fruit and Vegetable program are a win-win for the apple industry and the children that are served. This highly successful national program reaches more than 4 million low-income elementary school children, many of them in New York City. Apples have consistently been one of the most popular fruits in the program.

The program is popular with parents, students and educators alike. Many of the students who participate take what they learn home with them by asking their parents to buy fresh fruits and vegetables. There is a bipartisan focus on reducing the rate of childhood obesity and diabetes through improved nutrition and this program accomplishes those goals.

Marketing Programs

The 2008 Farm Bill includes a number of important marketing programs which have proven beneficial to the apple industry both in New York and nationally. The Specialty Crop Block Grant program focuses on regional and local priorities to improve the competitiveness of specialty crop producers. Nationally, the apple industry has utilized these grants for food safety programs as well as marketing initiatives and state programs including "Pride of New York."

The Value Added Grant program is also helping growers here in the north country. Red Jacket Orchards, which is located in Geneva, received such a grant which they used to expand their operation and create new jobs in the process.

Labor – Our #1 Issue

I would be remiss if I did not raise the issue of agricultural labor and the concerns that apple growers have from coast-to-coast as to whether they will have adequate labor to pick the crop. In other parts of the country you hear a lot about migrant workers but we here in the Champlain Valley are a little different.

Clinton County has more cows than people. The youngest full time employee at Sullivan Orchards is 35 and he is sitting before you today. The next youngest employee is 58. The younger generation is not coming to work in agriculture in Peru.

Due to our climate, soils, and I like to believe skills, the Champlain Valley is known for growing the highest quality McIntosh apples. Unfortunately, the harvest window for McIntosh lasts only four weeks. The Champlain Valley harvests approximately 1 million bushels in this four week window. As stated earlier, there is not a local work force to harvest the crop. Most migrant workers do not want to travel to this area because of the short work period.

As a result, our farm and most all of the apple growers in this part of New York have relied on the Jamaican H-2A program. It is not uncommon to have the same workers return for 10 or even 20 years. The program, while expensive and bureaucratic, has supplied us a reliable and consistent workforce and up until about two years ago it worked pretty well.

In August of 2010, just as we were gearing up for harvest, the program came to a standstill and workers were delayed in arriving because the U.S. government began questioning the legitimacy of voluntary fees which had always been paid by the workers to the Jamaican Central Labor Organization (JCLO) to pay for health insurance, and liaison services provided by the JCLO to the workers. The JCLO also coordinated a program for workers to send money home at no charge if they chose. The JCLO is affiliated with the Jamaican government and the program and voluntary fees had been in place since the 1990s. When the Department of Labor began questioning these services and specifically the fees, we almost lost our workers. Finally, due to the intervention of a number of senior members of Congress, an agreement was reached that no fees would be taken out and the workers arrived.

This “compromise” is still in effect and we are now getting our workers on time. However, they are coming without health insurance and if they want to send money home, they have to pay exorbitant fees through Western Union. I have had workers come to me and express concern that they no longer have health insurance. They don’t understand – and neither do I- why our government would take that right away from them.

Though the program is mostly working again, I have strong concerns about what will happen if mandatory E-Verify legislation is passed without agricultural labor reforms and suddenly all of agriculture is forced into the H-2A program at once. Currently, the program only supplies about 50,000 of the estimated one million agriculture workers needed in this country. Sullivan Orchards has been in this program for over 30 years, and I can tell you first hand that it does not have the capacity to double let alone increase twenty-fold without major reforms. What the industry needs is a stable, adequate, able and predictable supply of agricultural labor able to participate legally in the U.S. workforce.

Thank you for allowing me the opportunity to testify before this Committee. These discussions and the reauthorization of the Farm Bill offer an exciting opportunity to further improve important specialty crop programs and support increased growth and competitiveness of the apple industry.

Committee on Agriculture
U.S. House of Representatives
Information Required From Nongovernmental Witnesses

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Adam F. Sullivan

2. Organization you represent: Sullivan Orchards, Inc.

3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
Currently, I am the Orchard Foreman at Sullivan Orchards and the Packing House Manager at Champlain Valley Apple Storage both located in Peru, NY. Prior to returning to the orchard, I worked for the USApple Association located in Vienna, Virginia for approximately two years.

Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
Received a Bachelor of Science from Bentley College in Waltham, Massachusetts. I currently serve as a board member on the New York Apple Association, which works to promote the consumption of both fresh and processed New York State grown apples. I was born and raised in agriculture. My summer jobs' growing up was working on the orchard. I watched both my grandfathers, grandmothers and parents grow and produce apples and am now the fourth generation to work on the farm. I saw first-hand the struggles and rewards they faced through farming.

4. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold: N/A _____

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF
TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2009.

Name: Adam F. Sullivan

Organization you represent (if any): Sullivan Orchards, Inc.

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2009, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: N/A Amount: _____

Source: N/A Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2009, as well as the source and the amount of each grant or contract:

Source: N/A Amount: _____

Source: N/A Amount: _____

Please check here if this form is NOT applicable to you: X

Signature: Adam F. Sullivan

* Rule XI, clause 2(g)(5) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.