

## Specialty Crop Farm Bill Alliance

### *H.R. 2642: Agricultural Act of 2014*

#### **2014 Farm Bill Summary**

##### Summary

After nearly four years of debate, Congress has passed a new farm bill that will govern the nation's agriculture laws for the next five years. In addition, this legislation will also regulate nutrition, conservation, research, and energy programs.

For specialty crops, the 2014 Farm Bill represents the most dramatic investment yet. In particular, this bill dedicates approximately \$4 billion (over 10 years) in critical funding for specialty crop, pest and disease, nutrition, research and trade expansion. The bill strongly supports infrastructure investments and expands market opportunities to build a strong specialty crop industry. Below is a summary of some of the key funding and policy highlights.

##### Funding Highlights (Per Year)

- **\$150 million** – Congress recognized the importance of the Fresh Fruit and Vegetable Program, which helps develop life-long healthy eating habits for millions of children by providing fresh fruits and vegetables in our nation's schools by maintaining funding during a time of increasingly tight federal budgets.
- **\$72.5 – \$85 million** – Increases funding for Specialty Crop Block Grants that focus on local efforts to enhance producers' ability to compete in the marketplace and provide consumers with safe, abundant food.
- **\$62.5 – \$75 million** – Increases mandatory funding for Pest and Disease Programs focused on combating invasive pests and disease, which cost the economy billions of dollars a year. This funding also includes a minimum of \$5 million for the National Clean Plant Network
- **\$250 million** – Provides the Department of Defense (DOD) Fresh Program, which partners with USDA in a unique program to purchase and deliver fresh fruits and vegetable to schools and in schools.
- **\$80 million** – Provides mandatory funding to the Specialty Crop Research Initiative to develop and disseminate science-based tools to address the needs of specific crops and their regions. They research important priorities such as food safety, mechanization, genetics, plant breeding and pests and diseases. Of this money, up to \$25 million per year for five years is directed toward citrus greening.

- **\$100 million (over 5 years)** – For projects that incentivize SNAP participants to buy fruits and vegetables.
- **\$200 million** – Maintains funding for the Market Access Program (MAP) which increases the availability and viability of U.S. specialty crops in foreign markets.
- **\$9 million** – Enhances critical trade assistance and market promotion tools that will grow international markets for specialty crops. Technical Assistance for Specialty Crops (TASC) has proven to be successful tool with identifying and removing trade barriers for specialty crop producers.

### **Policy Highlights**

- **Maintains integrity of U.S. planting flexibility policy** – Continues to maintain the planting flexibility safety net policy for fruit and vegetable farmers that ensures growers who receive federal payments, will not be able to also plant fruits and vegetables on that subsidized acreage.
- **Enhances Industry Research Priorities and Focus on Emergency Citrus Greening Research** – The bill establishes a process for a scientific peer review that incorporates industry input and a review and ranking of projects by industry representatives. The bill also provides for up to \$25 million annually for five years to combat citrus greening.
- **Crop Insurance Safeguards** – Requires a submitter of a proposed policy to consult with other representatives of the commodity to be covered and requires that proposed submissions for policies to cover fruits, vegetables, tree nuts, dried fruit, horticulture, nursery crops and floriculture must contain an assessment of the consultation to determine if the coverage will cause a market distortion.
- **Food Safety Risk Management Study** – Requires a study by the Federal Crop Insurance Corporation to determine whether policies that provide coverage for specialty crops from food safety and contamination issues would benefit producers.
- **Undersecretary of Agriculture for Foreign Agricultural Affairs** – Authorizes the Secretary to establish this position to focus on agriculture trade priorities.
- **Multi-state Specialty Crop Block Grants** – Includes a multi-state program established and administered by USDA to focus on food safety, plant pest and disease and crop-specific projects.

## Section by Section Summary

### TITLE I – Commodity Programs

**Planting Flexibility:** Maintains the current restrictions that prevent the planting of fruits and vegetables on acres receiving program based on the new Title I commodity program structure. **Sec. 1114**

**Adjusted Gross Income Limitation for Conservation Programs:** Adjusted Gross Income limit for conservation programs for non-farm income is \$900,000 for individual or entity. The Secretary is authorized on a case-by-case basis to waive the AGI limitation. Also includes in the definition of “farming income” to include “the processing (including packing), storing (including shedding), and transporting” when determining an individual’s average AGI. **Sec. 1605**

### TITLE II – Conservation

**Conservation Innovation Grants:** Allows payments to producers to implement practices to address air quality concerns at a reduced level of \$25 million **Sec. 2207**

**Conservation Compliance:** Includes requirements that if a producer has crop insurance for a crop (as defined as “tilled crops”) that producer must have a conservation plan if he/she has wetlands or highly erodible land. However, crops that are “permanent”/non-tilled crops (i.e. orchard and vines) do not need to comply. Wetlands requirements apply going forward (i.e. if a producer has converted a wetland five years ago- that conversion is grandfathered in/wetlands requirements apply prospectively). Specialty crops and other new participants will have a phase-in time period to comply (5-yrs for highly erodible land requirements, 2-yrs for wetlands). Specialty crop producers have first priority to access technical assistance. **Sec. 2602, 2611**

### TITLE III – Trade

**Market Access Program (MAP):** Reauthorizes funding for MAP to encourage domestic exports through 2018, providing \$200 million per year. **Sec. 3102**

**Technical Assistance for Specialty Crops (TASC):** Reauthorizes the TASC at \$9 million per year through 2018. This program addresses sanitary, phytosanitary, and technical barriers that prohibit or threaten the export of U.S. specialty crops. Also requires an annual report to the House and Senate Agriculture Committees that describes the factor that affect exports specialty crops including SPS issues and trade barriers. **Sec. 3205**

**Undersecretary of Agriculture for Trade and Foreign Agricultural Affairs:** Authorizes the Secretary to establish the position of Under Secretary of Agriculture for Foreign Agricultural Affairs. The position will focus on agriculture trade priorities

including Foreign Agricultural Service. The position must have confirmation and will be appointed by the President. **Sec. 3209**

#### TITLE IV – Nutrition

**Purchases of fresh fruits and vegetables for distribution to schools and service institutions:** Section 32 purchases are maintained and reauthorized under the Farm Bill. The bill also directs the Secretary to carry out a pilot project in not more than eight states that provides the selected states flexibility in procuring unprocessed fruits and vegetables by allowing the states to use multiple suppliers and products by allowing geographic preference. **Sec. 4201, Sec. 4202**

**Seniors Farmer Market Nutrition Program:** Extends to the Seniors Farmer Market Nutrition Program through FY2018. **Sec. 4203**

**Healthy Food Financing Initiative:** Provides loans and grant to eligible fresh, healthy food retailers to overcome the higher costs and initial barriers to entry in underserved areas. **Sec. 4206**

**Food Insecurity Nutrition Incentive Program:** Provides \$100 million in mandatory funding over 5 years to establish “incentives grants” for projects that incentivize SNAP participants to buy fruits and vegetables. **Sec. 4208**

**Fresh Fruit and Vegetable Program:** Maintains Fresh Fruit and Vegetable Program authorization and baseline funding at \$150 million per year. Creates a one-year evaluation (established by USDA) for schools in not-less-than five states that may offer canned, frozen, and dried, along with fresh fruits and vegetables as part of the program. Approximately \$5 million in funding is allocated for the evaluation to develop a report to Congress which is due by January 1, 2015. **Sec. 4214**

#### TITLE VI – Rural Development

**Value-Added Agricultural Market Development and Program Grants:** Reauthorizes for \$63 million through FY 2018. **Sec. 6203**

#### TITLE VII - Research

**Specialty Crop Committee Report:** Includes language to strengthen consultation with specialty crop industry in the annual report and also establishes a citrus disease subcommittee. **Sec. 7103**

**Specialty Crop Research Initiative:** To address concerns regarding the merit review process for competitive research grants under the Specialty Crops Research Initiative, the bill incorporates new provisions to strengthen industry input and guidance during this review process. **Sec. 7306**

**Office of Pest Management Policy:** The conference report extends the authorization for the Office of Pest Management Policy for FY2014-2018 at \$3 million for each year. **Sec. 7309**

## TITLE X – Horticulture

**Specialty Crops market news allocation:** Included in final conference report through FY2018. **Sec. 10001**

**Farmers' market and local food promotion program:** Includes \$30 million per year for FMPP. **Sec. 10003**

**Food Safety Education Initiatives:** Reauthorizes the Secretary to carry out a food safety education program to educate the public and the fresh produce industry about practices and methods that will reduce microbial pathogens and cross contamination in fresh produce. Authorizes \$1 million for each fiscal year through 2018. **Sec. 10006**

**Plant Pest and Disease prevention program:** Includes mandatory funding of \$62.5 million per year in FY 2014-2017 and \$75 million in FY2018. Also includes a minimum of \$5 million per year dedicated to the National Clean Plant Network. Applies an administrative cost cap to this program. **Sec. 10007**

**Export Apple Act:** Apples may be shipped to Canada in bulk containers without complying with the provisions of this Act. **Sec. 10009**

**Specialty Crop Block Grants:** Funding will include \$72.5 million per year in FY 2014-2017 and \$85 million in FY 2018. It also includes a multi-state program established and administered by USDA. The programs will focus on food safety, plant pest and disease, research, and crop-specific projects addressing common issues. **Sec. 10010**

**Labor Standards:** Requires consultation with USDA before DoL can conduct additional seizures of goods. **Sec. 10011**

**Biological Opinions:** Requires a 6-month and 12-month study. **Sec. 10013**

## TITLE XI – Crop Insurance

**Crop Insurance Safeguards:** Requires the submitter of a proposed policy to consult with groups representing producers of agricultural commodities in all major producing areas for the commodities to be served; the measure limits the consultation requirement to fruits, vegetables, tree nuts, dried fruits, horticulture, nursery crops and floriculture. Any proposed policy submission must include a summary assessment of the consultation. **Sec. 11011**

**Food Safety Feasibility Study:** The Corporation shall offer to enter into a contract with 1 or more qualified entities to conduct a study to determine whether

offering policies that provide coverage for specialty crops from food safety and contamination issues would benefit agricultural producers. **Sec. 11022**

**TITLE XII – Miscellaneous**

**Scientific and economic analysis of the FDA Food Safety Modernization Act (FSMA):** Is modified to ensure that the final produce safety rule includes an analysis of the scientific information used to promulgate the final rule, taking into consideration regional differences, as well as size and production practices, and an analysis of the economic impact of the final rule in the proposal. **Sec. 12311**