

2016

LEGISLATIVE PRIORITIES





U.S. APPLE ASSOCIATION



ABOUT USAPPLE

The U.S. Apple Association (USApple) is the national trade association representing all segments of the U.S. apple industry, including growers, packer-shippers, marketers, exporters and processors. USApple's beginnings go back to 1895.

MISSION

USApple's mission is to advocate for American apple growers and their industry partners on national issues in order to promote the profitable production and marketing of apple and apple products. The association unites a diverse industry to achieve these three primary goals:

- Represent the entire industry on national issues;
- Increase demand for apples and apple products; and
- Provide information on matters pertaining to the apple industry.

MEMBERSHIP

USApple's members include the following state and regional apple associations representing apple growers throughout the country as well as individual firms involved in the apple business.

- Arizona Apple Growers Assoc.
- Arkansas State Horticultural Society
- California Apple Commission
- Colorado Apple Admin. Committee
- Connecticut Apple Marketing Board
- Delaware Fruit Growers Assoc.
- Georgia Fruit Growers
- Idaho Apple Commission
- Illinois State Horticultural Society
- Indiana Horticultural Society
- Iowa Fruit & Vegetable Growers Assoc.
- Kentucky State Horticultural Society
- Maine Apple Marketing Committee
- Maryland Apple Promotion Board
- Massachusetts Fruit Growers Assoc.
- Michigan Apple Committee
- Minnesota Apple Growers Assoc.
- Missouri State Horticultural Society
- New England Apple Association
- New Hampshire Fruit Growers Assoc.
- New Jersey Apple Industry Council
- New Mexico Apple Commission
- New York Apple Association
- North Carolina Apple Growers Assoc.
- Ohio Apple Marketing Program
- Oregon – Hood River Grower-Shipper Assoc.
- Pennsylvania Apple Marketing Board
- South Carolina Apple Growers Assoc.
- Tennessee Fruit and Vegetable Assoc.
- Utah Apple Marketing Board
- Vermont Tree Fruit Growers Assoc.
- Virginia Apple Growers Assoc.
- Washington Apple Commission
- West Virginia Horticultural Society
- Wisconsin Apple Growers Assoc.

CONTACT US

For more information about USApple and our activities on behalf of America's apple industry, please contact Diane Kurrle, Senior Vice President, at (703) 442-8850, or visit us at USApple.org.

AGRICULTURAL LABOR REFORM

Apple production – growing, pruning, harvesting, and packing – is highly labor intensive. The apple industry is heavily dependent on migrant labor, H-2A, and H-2B workers to grow, harvest, pack and process apples and apple products.

A rebounding economy, coupled with an increased emphasis on border security, I-9 audits and domestic enforcement, has resulted in great uncertainty within the apple industry as to whether there will be sufficient labor to harvest the crop or grow operations. Every year, growers from east to west, large and small, report worker shortages.

In response to these labor uncertainties, an increasing number of apple growers have turned to the H-2A agricultural guestworker program, but it is complicated, expensive and increasingly unreliable. The number of H-2A workers has doubled in the past five years, and that trend is expected to continue. This increase has added to capacity problems at the Departments of Labor and State, and as a consequence, workers have been delayed. For a perishable crop like apples, the delay of even a few days waiting on harvest workers can make the difference between apples that achieve top price versus those destined for the processing market.

A stable, legal and reliable workforce is critical if we are to continue to have a vibrant domestic apple industry. Enforcement-only legislation, such as mandatory E-Verify, without reform would have a devastating effect on the industry. Therefore, passing legislative reforms that address both the current and future flow of workers is the association's top priority.

Both components must be passed in tandem because even a reformed H-2A program will not immediately have the capacity to service the number of workers that are needed. The current H-2A

program services less than 10% of the more than one million farm workers needed to sustain labor-intensive agriculture, including dairy, tree fruit and dozens of others.

USApple is a founding member of the Agriculture Workforce Coalition (AWC), a broad-based agriculture coalition working in support of immigration and guestworker reforms. The AWC leadership, including USApple, has been working with House and Senate leadership for the past several years and played a pivotal role in negotiating the agriculture provisions included in the Senate-passed, comprehensive immigration reform bill.

Securing a reliable agricultural workforce is critical, not only for growers, but also to the U.S. economy as a whole. Therefore, USApple and our coalition partners in the AWC continue to work in support of agricultural labor and guestworker reforms.

USAPPLE POSITION: USApple opposes enforcement-only legislation, such as E-Verify, unless it contains viable agricultural labor provisions that address both the current and future workforce.

USApple urges Congress to pass legislation that provides meaningful agricultural labor reform and meets the following objectives:

- 1) Provides a stable, adequate and predictable supply of agricultural labor capable of participating legally in the U.S. workforce;
- 2) Replaces or significantly reforms the H-2A guestworker program; and
- 3) Addresses the high level of wage rates in the H-2A program, simplifies the program and provides legal reform to remove unreasonable employer sanctions and regulatory burdens.



INTERNATIONAL TRADE

With nearly 30 percent of the U.S. fresh apple crop destined for overseas markets, trade is becoming increasingly important for the entire industry. While not all growers export, there is strong recognition from coast to coast that, “a rising tide lifts all boats.” U.S. apple growers support free trade but believe proper safeguards must also be in place to ensure that fruit imported into the U.S. is free of harmful pests and diseases.

USDA MARKET ACCESS PROGRAM

In FY16, the apple industry received nearly \$6 million in export market development funds from the U.S. Department of Agriculture’s (USDA) Market Access Program (MAP). These funds are matched by grower dollars to promote apples in more than 25 countries throughout the world.

Since this program’s inception in 1986, the U.S. apple industry has expanded fresh apple exports by nearly 150 percent, due in large part to the foreign promotions made possible by MAP. In 2014, more than 30 percent of U.S. fresh apple production was exported, with a value greater than \$800 million.

The Technical Assistance for Specialty Crops Program (TASC) is also an important export market development tool for the U.S. apple industry. TASC funding helps resolve phytosanitary and technical barriers that prohibit or threaten U.S. apples and other specialty crop exports.

Continued funding for MAP and TASC are a top priority for USApple.

The Foreign Agriculture Service (FAS) plays a critical role in administering export development programs such as MAP and TASC. Full funding of FAS is essential if the agency is to maintain its overseas presence and effectively administer the agency’s export efforts.

USAPPLE POSITION: USApple urges Congress to maintain full funding for MAP, TASC and the Foreign Agriculture Service (FAS).

MONITORING EU REQUEST FOR EXPANDED ACCESS TO U.S. MARKET

On January 20, the Animal and Plant Health Inspection Service (APHIS) published a proposed rule to establish a systems approach to imports of apples and pears from certain European Union member states. If enacted, this would make significant changes to the process that apples imported from the EU are subject to and could impact the probability of pests or diseases entering with the fruit.

Of particular concern is the inclusion of Poland in the EU request and in the proposed rule. Unlike the other beneficiary countries, Poland does not currently have access to the U.S. market, and a formal pest

risk assessment has never been done. However, due to geopolitical issues between Poland and Russia, the Polish government sought and received expedited action on their request by attaching it to a pending EU import petition that was already in process.

USApple raised concerns regarding APHIS’ departure from the traditional import petition protocol when Poland’s request was initially made in 2014. Despite those objections, APHIS went forward with the amended proposed rule which includes Poland, despite the absence of a formal pest risk assessment.

On February 3, the apple industry requested a 90 day extension on the comment period for the proposed rule. This additional period is needed to allow the apple industry’s scientific advisory committee, TreeTAC, sufficient time to review the request and submit appropriate feedback to APHIS.

USAPPLE POSITION: USApple urges APHIS to extend the comment period for an additional 90 days for the EU petition for establishment of a systems approach to imports of apples and pears.

USApple supports a science-based system for decisions regarding the importation of apples into the U.S. Under no circumstances should foreign pests or disease threats be allowed to enter this country and jeopardize U.S. apple production.

WEST COAST PORTS

When a market closes or trade slows, the impact goes beyond the direct exporters. The 2014 contract dispute and subsequent disruptions at the West Coast ports cost Washington State apple growers more than \$88 million in lost sales, and the impact is still being felt throughout the apple industry.

The industry must now work to regain these significant market share losses, an undertaking that will require time and resources.

USAPPLE POSITION: Congress should review existing law and explore appropriate actions to ensure this type of disruption is not repeated in the future.

MARKET-OPENING TRADE NEGOTIATIONS

The future of the U.S. apple industry may be determined in large part by the industry’s ability to improve its access to foreign markets through negotiation of free trade agreements with overseas customers.

USAPPLE POSITION: The apple industry supports the Trans Pacific Partnership (TPP), which would provide immediate duty-free access to Vietnam.

FEDERAL NUTRITION PROGRAMS

CHILD NUTRITION REAUTHORIZATION

On January 20, the Senate Agriculture Committee passed the "Improving Child Nutrition Integrity and Access Act of 2016" by unanimous consent. The legislation reforms and reauthorizes federal nutrition programs, including WIC, school lunch and breakfast, in the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966.

USApple strongly supports the bipartisan Senate bill, which retains the requirement that students select at least one half cup serving

of fruits or vegetables at each meal. There has been a strong effort by some to roll back that and other new nutrition requirements included in the 2010 legislation. In addition, USApple supports maintaining the fresh requirement in the USDA Fresh Fruit and Vegetable Program.

USAPPLE POSITION: USApple supports a strong child nutrition reauthorization that retains and builds on the fruit and vegetable requirements included in the 2010 legislation.



RESEARCH

Research and extension activities supported by the U.S. Department of Agriculture (USDA) provide the apple industry with a competitive edge in the highly competitive global marketplace. They enable introduction of new cultivars, implementation of improved pest management strategies, development of more sustainable production practices, and science-based improvement of food safety.

The need for a viable, ongoing research infrastructure at USDA is no better evidenced than by the sudden emergence of the Brown Marmorated Stink Bug (BMSB). The BMSB originated in the Mid-Atlantic, spreading to 42 states by 2015, and is continuing to spread. A grant funded by the Specialty Crop Research Initiative (SCRI) has already yielded savings to growers of at least \$125 million in the first four years of the project on apples alone – a return on investment of more than ten times the \$11 million five-year grant amount. When other agricultural crops are included, the savings are estimated to be between \$450 to \$500 million.

USDA-ARS APPLE POSTHARVEST RESEARCH, BELTSVILLE

The President's proposed FY 2017 budget calls for the elimination of funding for postharvest research being conducted at the Fruit Quality Laboratory located in Beltsville, MD.

The products of research from this project have significantly added to the knowledge base of postharvest technology, contributed to the production of higher quality fruit and enhanced food safety, a key priority of the industry, regulators and consumers.

USAPPLE POSITION: USApple strongly opposes the elimination of this critical research. USApple supports funding for key USDA research:

- **The Specialty Crop Research Initiative (SCRI)** – Specific projects with multi-state and multi-institutional impact include development of new Integrated Pest Management practices to enhance workplace safety and reduce environmental impact (CA, MI, OR, UT, WA), and application of modern genomics and genetic technologies to create apple cultivars with consumer-preferred traits (AR, CA, FL, MI, MN, NY, TX, SC, WA).
- **USDA-Geneva Apple Rootstock Breeding Program** – Consumers and growers nationwide benefit from improved disease resistance and increased productivity provided by new rootstock varieties. Research is conducted in ID, MA, MD, MI, NJ, NY, OH, OR, PA, VA, WV and WA.

USAPPLE POSITION: USApple urges full funding for these USDA research programs.

CROP PROTECTION

CRITICAL PROGRAMS

America's apple growers are among the most progressive in the world, utilizing Integrated Pest Management (IPM) and other crop protection programs that minimize use of pesticides. The continued availability of effective and affordable agricultural chemicals is critical to the success of these programs and to the ability of U.S. growers to economically produce the high quality apples and apple products that consumers demand. USApple supports fair and science-based evaluation by the EPA on pesticide decisions. Continued funding for the following USDA programs is needed to produce robust data that helps to ensure pesticide availability for apple growers:

- National Agricultural Statistics Service (NASS) chemical use surveys. These surveys provide vital information for registration of crop protection chemicals and environmental evaluation. Sufficient funding should be provided so that the survey can be conducted every two years.
- Pesticide Data Program, administered by the Agricultural Marketing Service
- Office of Pest Management Policy administered by the Agricultural Research Service
- Minor-use registration of crop protection tools (IR-4) administered by the National Institute for Food and Agriculture (NIFA) and Rutgers University.

USAPPLE POSITION: USApple urges full funding for the above programs to ensure adequate data and support for science-based pesticide decisions for the apple industry.

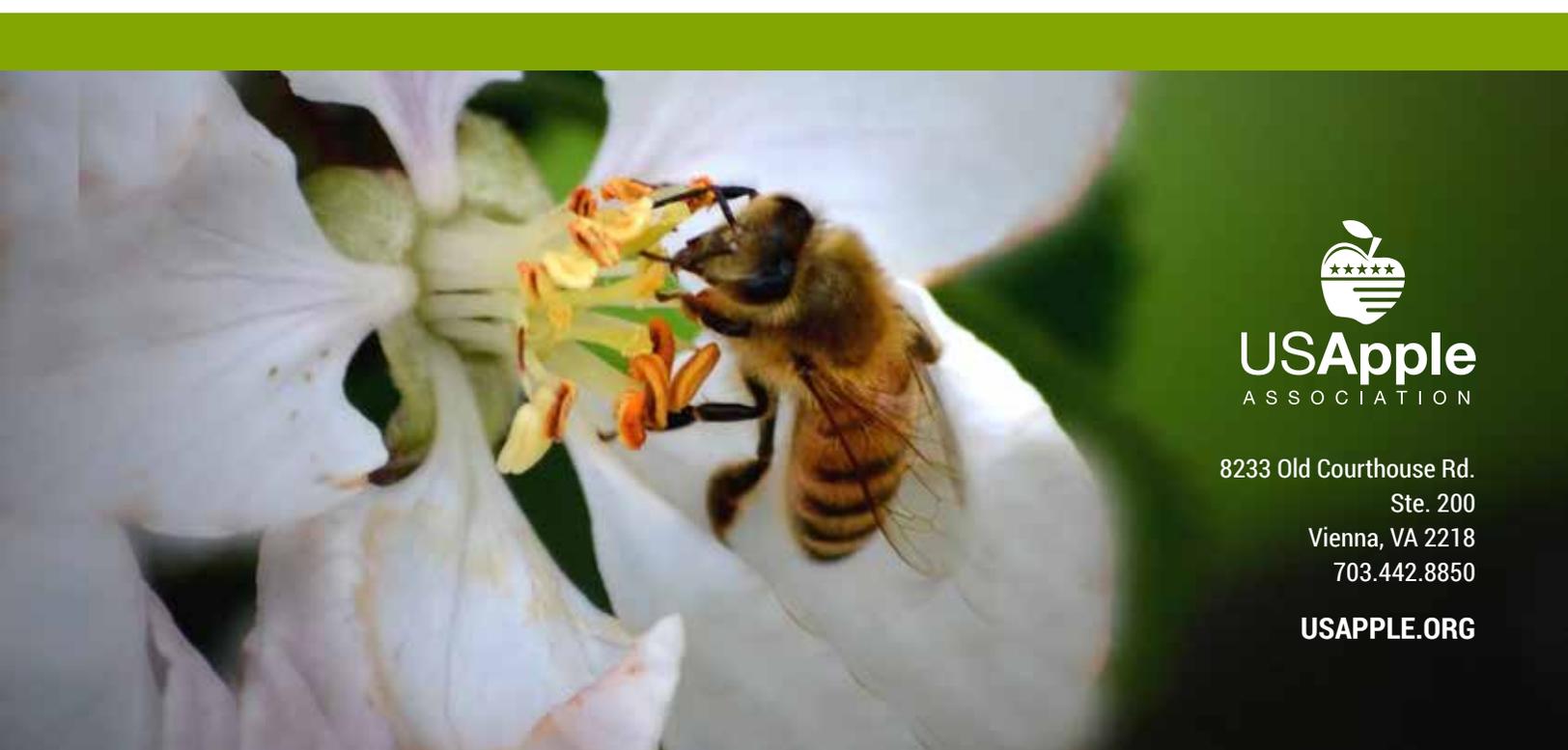
WATERS OF THE UNITED STATES (WOTUS)

USApple is concerned about the potential impact of new Clean Water Act (CWA) regulations on crop protection product applications and agricultural practices. The rule was finalized last year, but implementation has been delayed in the courts as a result of lawsuits brought against the EPA by 22 states.

If enacted, the regulations would allow new bodies of water to be regulated under the CWA if they are determined to have a "significant nexus" to a traditional navigable or interstate water. Man-made private agricultural drains, intermittent streams, and water and wetlands in riparian and floodplain areas would be regulated regardless of how infrequently they have water in them, and could be used to determine that small and otherwise isolated wetlands are, "Waters of the United States."

Orchardists, farmers and ranchers, foresters and private applicators would face confusion and potential legal uncertainties as they work to control pests on crops, forests and other areas. USApple continues to be concerned that the net result would be a significant, unwarranted expansion of federal jurisdiction over marginal waters and man-made conveyances that have not previously been defined as WOTUS.

USAPPLE POSITION: USApple urges Congress to continue efforts to repeal WOTUS.



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ASSOCIATION

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