



USApple
ASSOCIATION



2017

**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. The annual farm gate value of the U.S. apple crop is about \$4 billion, with downstream value of about \$14 billion.

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.

The past several years have seen 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 coast to coast, 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. Despite H-2A being complicated, expensive and increasingly unreliable, the need is so great the number of H-2A workers has doubled in the past five years. That trend is expected to continue. This increase has added to existing capacity problems at the Departments of Labor and State, and as a consequence, workers have been delayed. A study by the National Council of Agricultural Employers found an average delay of 22 days. For a perishable crop like apples, the delay of even a few days waiting on harvest workers can make the difference between a profit and a loss.

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 broader reforms would have a devastating effect on the industry. Every farm worker engaged in high-value labor-intensive crop production sustains three, or more, local, off-farm (but agricultural dependent) year-

round jobs. Losing our foreign-born workforce would have the same economic impact on these communities as factories closing and moving to other countries.

Therefore, passing legislative reforms that address both the current and future flow of workers is the industry'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 one million farm workers needed to sustain labor-intensive agriculture, including dairy, tree fruit and dozens of others.

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 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 more than 30 percent of the U.S. fresh apple crop destined for overseas markets, trade is critical to the health and future of 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.

IMPORTANCE OF NORTH AMERICAN MARKET

Canada, Mexico and the United States combine to make up one of the most competitive and successful regional economic platforms in the world. The success of this regional trading relationship depends largely on economic and commercial cooperation, integration, and policy alignment.

The apple industry has benefited greatly under NAFTA. Prior to the agreement, Mexico imposed a 20% tariff. With duty free access, Mexico is now our largest export market followed by Canada. From 1993 to 2015, exports to Mexico tripled while exports to Canada nearly doubled. Export sales to the two markets total more than \$450 million annually.

USApple looks forward to working with the Trump Administration in preserving and expanding upon the gains our sector has already achieved within the North American market.

USDA MARKET ACCESS PROGRAM

In FY17, the apple industry received about \$5 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 overseas promotions made possible by MAP. U.S. fresh apple exports exceed \$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.

Strong MAP and TASC funding are critical to the U.S. apple industry’s efforts to increase grower profitability through expanding exports. Congress recognized the importance of both programs in the current Farm Bill.

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

In January of 2016, 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 governs apples imported from the EU and could increase 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 because a formal pest risk assessment has never been conducted. However, due to geopolitical issues between Poland and Russia, the Polish government sought and received expedited action on its 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 and in 2016 meetings with the White House. Despite those objections, APHIS went forward with the amended proposed rule which includes Poland, despite the absence of a formal pest risk assessment.

USAPPLE POSITION: 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.

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.

FREE TRADE AGREEMENTS (FTAS): FTAs are important to help increase exports of U.S. apples. The U.S. apple industry supports free trade agreements when they will help gain greater foreign market access for U.S. apple exports and increase export sales opportunities. USApple views the withdrawal from the TPP as a large opportunity missed.

FARM BILL

Today's apple industry faces increased production costs, ever-increasing regulations and the constant threat of labor shortages. Without appropriate federal policy, U.S. production will relocate to foreign growing areas with far fewer regulations, abundant labor, and lower production costs.

The U.S. apple industry believes federal agricultural policy should encourage competitiveness through private investment, opportunities to increase profitability in the marketplace, and incentives for growers who are committed to better serving consumer needs. This market-oriented philosophy is reflected in the specialty crop provisions included first in 2008 and expanded under the current Farm Bill.

USApple is a founding member of the Specialty Crop Farm Bill Alliance (SCFBA), which worked with the Senate and House Agriculture Committees during the last Farm Bill process.

As preparation begins for the 2018 Farm Bill, USApple strongly supports maintaining and expanding key Farm Bill programs including:

- **Research** – Specialty Crop Research Initiative which funds important apple priorities including combating pests and diseases, and the development of automation technology.
- **International Trade** – Market Access Program and the Technical Assistance for Specialty Crop (TASC). Creation of a new Under Secretary for Trade at USDA as dictated in 2014 Farm Bill.
- **State Block Grants** – Specialty Crop Block Grants which are targeted to local needs and can be used on variety of priorities including marketing, food safety and nutrition initiatives.
- **Nutrition Programs** – Fruit and Vegetable Snack Program in targeted schools in all 50 states, increased commodity purchases and innovative incentive programs.
- **Plant Pest & Disease Prevention** – The prevention of plant pests and diseases is critical for the future health of the apple industry.
- **Clean Plant Network** – Establishing a network of clean plant centers to ensure nurseries can continue to provide safe, virus-free plant materials for orchards, vineyards and other growers.

USAPPLE POSITION: USApple supports full funding of these important programs in the FY18 appropriations process and will strongly oppose any proposed cuts or changes.

RESEARCH

Research and extension activities supported by the U.S. Department of Agriculture (USDA) provide the apple industry with an edge in the highly competitive global marketplace. Research efforts 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 demonstrated than by the sudden emergence of the Brown Marmorated Stink Bug (BMSB). The BMSB has spread to 43 states. Research funded by the Specialty Crop Research Initiative (SCRI) has yielded savings to growers of at least \$140 million on apples alone – a return on investment of nearly twelve times the \$11 million five-year research grant amount. When other agricultural crops are included, the savings are estimated to be between \$500 and \$600 million.

USApple strongly supports funding for key USDA programs:

- **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 greatly from improved disease resistance and increased productivity provided by new rootstock varieties. Research is being conducted in the following states - ID, MA, MD, MI, NJ, NY, OH, OR, PA, VA, WV and WA.
- **Beltsville Postharvest Research** – Consumers, growers and the general economy have benefited from research conducted at the Fruit Quality Laboratory located in Beltsville, MD. The products of research from this project have contributed to the production of higher quality fruit, as well as enhancing food safety. This critical research program was targeted for elimination in each of the previous two budgets. The apple industry was successful in retaining the program.
- **The National Clean Plant Network** – The National Clean Plant Network (NCPN) was created to protect U.S. specialty crops including apples from the spread of economically harmful plant pests and diseases. The tree fruit, grape, and nursery industries rely on the NCPN as the single nationally-certified source of plant material free of potentially devastating diseases.

USAPPLE POSITION: USApple urges full funding for these USDA research programs, which are essential to maintaining a competitive position in the global marketplace.

CROP PROTECTION

CRITICAL PROGRAMS

America's apple growers are among the most progressive and productive 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 demanded by consumers and the international market. USApple supports fair and science-based evaluation by the EPA on pesticide decisions. Continued funding for the following USDA programs is needed to produce reliable 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 Clean Water Act (CWA) regulations that were finalized in 2015 on crop protection product applications and agricultural practices. Implementation of the rule has been delayed in the courts as a result of lawsuits brought against the EPA by 22 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 supports the review announced by the EPA and Army Corps of Engineers to rescind or revise the rule. Congressional action to repeal the rule would result in a much more timely resolution.

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



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