

2019 Legislative Priorities

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The Voice of the Apple Industry

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 \$5 billion, with downstream value of roughly \$15 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 apples 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.

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.



INTERNATIONAL TRADE

With nearly a third of the fresh apple crop exported each year, maintaining competitiveness through international trade is a top policy priority for the U.S. Apple Association and its members. While not all growers export, trade is critical to the health and future of the entire industry.

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 the North American Free Trade Agreement (NAFTA). Prior to the agreement, Mexico imposed a 20 percent tariff on U.S. apples. With duty-free access, Mexico is now our largest export market followed by Canada. Since the enactment of NAFTA, apple exports to Mexico quadrupled and those to Canada have doubled. Export sales to the two markets total nearly \$450 million annually.

The United States-Mexico-Canada Agreement (USMCA) maintains duty-free access as well as other key protections for the industry. The apple industry strongly supports ratification of the USMCA.

The apple industry is being negatively impacted by U.S.-imposed section 232 tariffs on steel and aluminum as Mexico has retaliated with 20 percent (pre-NAFTA level) tariffs, and Canada could add apples to their list at any time.

USAPPLE POSITION:

USApple urges Congress to approve the USMCA. The industry also advocates for the removal of section 232 steel and aluminum tariffs on Mexico and Canada to allow the USMCA to be successful.

USDA MARKET ACCESS PROGRAM

In FY19, the apple industry received more than \$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 \$950 million.

The Technical Assistance for Specialty Crops Program (TASC) is another important tool for the industry as it helps resolve phytosanitary and technical barriers that prohibit or threaten apple exports.

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 FAS.

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 : Free Trade Agreements (FTAs) are important to help increase exports of U.S. apples. The U.S. apple industry supports FTAs when they will help gain greater foreign market access for U.S. apple exports and increase export sales opportunities.

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 and dependable labor to harvest the crop or expand operations. Every year, growers from coast to coast, large and small, report worker shortages. Increased enforcement measures, including I-9 audits, create further instability.

In response to these labor uncertainties, an increasing number of apple growers have turned to the H-2A agricultural guestworker program. The H-2A program is complicated, expensive and subject to delay, but the need is so great the number of H-2A workers has nearly tripled in the past five years. That trend continues, much of it being driven by the apple industry. This increase has added to existing capacity problems at the Departments of Labor, State and Homeland Security and as a consequence, workers continue to be delayed. 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. Mandatory E-Verify without broader reforms would have a devastating effect on the industry. Therefore, passing legislative reforms that address both the current and future flow of workers is the industry's top priority.

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.

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 unsustainable escalation of mandated guest worker wage rates, simplifies the program and provides legal reform to remove unreasonable employer sanctions and regulatory burdens.



FARM BILL

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 in the 2018 Farm Bill.

USApple is a founding member of the Specialty Crop Farm Bill Alliance, which has successfully advocated for specialty crop provisions starting with the 2008 Farm Bill.

Specialty crop programs have proven critical to the health and growth of the apple industry. A \$5.7 million multi-year, multi-institution grant awarded under the Specialty Crop Research Initiative to fight the invasive Brown Marmorated Stink Bug saved the industry an estimated \$400 million in potential losses.

CROP PROTECTION

CRITICAL PROGRAMS

Historically and consistently, USApple has supported a science-based regulatory approach to crop protection chemical registration. Apple growers have adopted programs such as Integrated Pest Management, Integrated Resistance Management and other technology to minimize the use of pesticides. However, with more than 100 species of insects and diseases that have the potential to attack each crop, 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. Continued funding for the following U.S. Department of Agriculture programs is needed to produce reliable data that helps to ensure pesticide availability for apple growers:

The industry receives more than \$5 million annually under the Market Access Program, which plays a critical role in apple exports. The federal crop insurance program has assisted apple growers in recovering from unexpected weather related losses which are occurring with greater frequency. The fact that approximately 72 percent of the apple crop is insured stands as solid evidence of the importance of crop insurance to apple growers. Other Farm Bill programs have been used for marketing and to advance food safety initiatives.

USAPPLE POSITION:

USApple supports the timely implementation of the 2018 Farm bill in accordance with the recommendations of the Specialty Crop Farm Bill Alliance. USApple strongly opposes any funding cuts to these critical programs.

- National Agricultural Statistics Service chemical use surveys. These surveys provide vital information for registration of crop protection chemicals and environmental evaluation. Funding should be at a level that allows the survey to be conducted every two years.
- Pesticide Data Program, administered by the Agricultural Marketing Service.
- Office of Pest Management Policy administered by the USDA Office of the Chief Economist.
- Minor-use registration of crop protection tools, administered by the National Institute for Food and Agriculture and Rutgers University.

USAPPLE POSITION:

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

RESEARCH

A strong and responsive foundation built on publicly funded research has elevated the U.S. agricultural system to its current position as one of the most productive in the world. For the apple industry, research and extension activities supported by USDA enable introduction of new cultivars, implementation of improved pest management strategies, development of more sustainable production practices and science-based improvement of food safety.

Though there are many examples that could be cited, 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), which has spread to 43 states. USApple estimates that research funded by the Specialty Crop Research Initiative has yielded savings to growers of at least \$800 million on apples alone – a return on investment of roughly 40 times the \$20 million cost of the two five-year research efforts. When other agricultural crops that the BMSB attacks are included, the savings are estimated to exceed \$2 billion. Further, as the Spotted Lanternfly emerges as a major threat, research funding is critically needed to prevent catastrophic losses from this new and potentially devastating pest.

USApple strongly supports funding for key USDA programs:

- The Specialty Crop Research Initiative – 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 (Calif., Mich., Ore., Utah, Wash.), and application of modern genomics and genetic technologies to create apple cultivars with consumer-preferred traits (Ark., Calif., Fla., Mich., Minn., N.Y., Texas, S.C., Wash.).

- 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 – Idaho, Mass., Md., Mich., N.J., N.Y., Ohio, Ore., Pa., Va., W.Va and Wash.
- The National Clean Plant Network – The National Clean Plant Network 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 vital USDA research programs that are essential to maintaining a competitive position in the global marketplace.



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