



U.S. APPLE ASSOCIATION

2020 Legislative Priorities

USAPPLE.ORG



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.

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.

- California Apple Commission
- Colorado Apple Admin. Committee
- Connecticut Apple Marketing Board
- Georgia Fruit Growers
- Idaho Apple Commission
- Illinois State Horticultural Society
- Indiana 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
- Utah Apple Marketing Board
- Vermont Tree Fruit Growers Assoc.
- Virginia Apple Growers Assoc.
- Washington Apple Commission
- West Virginia Horticultural Society
- Wisconsin Apple Growers Assoc.

International Trade

One-third of the apple crop is exported each year with a value of \$1 billion. Maintaining competitiveness through international trade is a top policy priority for the U.S. Apple Association and its members. While not all growers export, everyone's prices are effected by exports, so trade is critical to the healthy 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.

Apple export sales to the two markets total nearly \$450 million annually. Mexico is our largest export market, followed by Canada. USApple strongly supported and advocated for passage of the United States-Mexico-Canada Agreement (USMCA). We thank lawmakers for supporting this landmark agreement.

MARKET-OPENING TRADE NEGOTIATIONS

With USMCA across the finish line, the Administration is turning to negotiations with China, Japan, the European Union and the United Kingdom. The future of the U.S. apple industry will be determined in large part by improved access to foreign markets through negotiation of free trade agreements with overseas customers.

The apple industry gained market access to China in 2015. Growth was almost immediate, and China quickly rose to be a top market. The imposition of retaliatory tariffs in 2018 stalled growth and resulted in market loss. The industry is optimistic that ongoing negotiations with China will result in a resumption of trade and the removal of retaliatory tariffs.

Negotiations and future trade deals must consider non-tariff trade barriers, which the industry faces in many of these markets. This is true particularly in Japan, the EU and the UK.

In preliminary discussions, EU officials are prioritizing expedited access to the U.S. market for their apples and pears. USApple has raised scientific concerns with this request dating back to 2016. Of particular concern is the inclusion of Poland in the EU request. 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. USApple conveyed these scientific

concerns to the Animal and Plant Health Inspection Service in 2016 but never received answers.

Adding to our concerns is the fact that the EU is not a reciprocal market. USApples have extremely limited access to the market due to the EU's hazard-based pesticide policies – which the United States and many other countries have argued represent an “unnecessary and inappropriate” divergence from science-based risk assessments. ***Bottom line, if we don't have access to their market they should not be given expedited access to ours.***

USAPPLE POSITION:

USApple urges fair trade policies where U.S. growers have equal access to foreign markets before the U.S. grants access to our markets.

USApple supports a science-based system for decisions regarding the importation of apples into the U.S. as the best defense against allowing foreign pests or disease threats to enter this country and jeopardize U.S. apple production.

USDA MARKET ACCESS PROGRAM

In Fiscal Year 2020, the apple industry received more than \$5 million in export market development funds from the Department of Agriculture's 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 average about \$1 billion annually.

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 program 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.

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.

Every year, growers from coast to coast, large and small, report worker shortages. Increased enforcement measures, including I-9 audits, create further instability. The result has been uncertainty as to whether there will be sufficient and dependable labor to harvest the crop or expand operations.

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 more than 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.

In December, the House passed the bipartisan Farm Workforce Modernization Act. The legislation was strongly supported by the apple industry and growers thank those who championed it and voted for it. Focus now moves to the Senate where there

is the opportunity to further improve on the House effort and get a final product across the finish line. USApple strongly urges the Senate to act.

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) Significantly reforms the H-2A program; and
- 3) Addresses the unsustainable escalation of mandated guest worker wage rates, simplifies and provides legal reform to remove unreasonable employer sanctions and regulatory burdens.



Crop Protection

CRITICAL PROGRAMS

USApple supports a strong, 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 Agriculture Department programs is needed to produce reliable data that helps to ensure pesticide availability for apple growers:

- 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.
- IR-4 (minor-use registration of crop protection tools), administered by the National Institute for Food and Agriculture and North Carolina State University. Without IR-4, apple growers would not have the newer crop protection compounds. IR-4 scientists generate the data necessary for the registration of compounds for use on apples and other minor crops. The Administration proposed budget for FY 2021 is \$17 million.

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 the Agriculture Department 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 \$900 million on apples alone – a return on investment of roughly 45 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. The newest emerging major threat – the Spotted Lanternfly (SLF) demonstrates that 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 (SCRI)**
– The critical value of the SCRI can be illustrated by two of the many important research efforts; 1)

the Spotted Lanternfly Project and, 2) the Brown Marmorated Stink Bug Project that have prevented the loss of tens of millions of dollars of specialty crops. 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 – Calif., Idaho, Maine, Mass., Md., Mich., N.C., N.J., N.Y., Ohio, Ore., Pa., Utah, Va., W.Va and Wash.
- **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 vital USDA research programs that are essential to maintaining a competitive position in the global marketplace.

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.



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