

New Farm Bill Brings New Funding Opportunities

Yesterday's Congressional override of the President's Farm Bill veto brought with it new funding opportunities for specialty crop producers. The expanded funding and programs, though long overdue, are going to provide access to much-needed funding for projects that will help the wine and grape industry prosper and improve its competitiveness. It also means that states will now need to make the most of these opportunities by developing creative approaches and partnerships to apply for the funding.

Specialty Crop Block Grants

The Specialty Crop Block Grant program now has mandatory funding levels that are greater than any levels since the program was first funded in 2001. That year, the program was a stand-alone program that received a funding infusion of \$ 133 million. Specialty Crops Block Grants have been funded through appropriations the last three years, receiving approximately one-fifth of the funding that is provided in the new Farm Bill. These new funds will be disbursed to the states with a minimum per state (\$100,000 or 1/3 of 1 percent, whichever is greater) and the remainder allocated proportional to the size of the specialty crop industry in that state. These grants previously have been used for marketing; research; wine trails; establishing wine and cuisine partnerships, development of online educational manuals for new and existing wineries and growers; procurement of more efficient wine processing equipment; and other projects to help industry producers.

Since it is the state Departments of Agriculture that will be awarding grants, it is absolutely critical that state wine and grape industries make a concerted effort to contact their departments, develop strong relationships, stress the importance of industry priorities, and mutually develop strategies for supporting the growth and profitability of your industry. The stronger the cases are made and the closer the coordination with the department, the better will be the chances of getting a grant.

Another avenue for states to explore is multi-state and regional projects. The Farm Bill conference report specifically mentions the need for solutions to problems that cross state boundaries such as those that address good agricultural practices, research on crop productivity or quality, pest and disease management and asks USDA to give strong consideration to grant applications that involve multi-state or regional partnerships. Additionally, the conference report requests that USDA keep these types of proposals in mind when reallocating the unobligated block grant funding.

Funding:

- \$10,000,000 (\$100,000 minimum per state) mandatory funding for fiscal year 2008;
- \$49,000,000 (\$163,333 minimum per state) mandatory funding for fiscal year 2009; and
- \$55,000,000 (\$183,333 minimum per state) mandatory funding for each of fiscal years 2010 through 2012.

Specialty Crop Research Initiative

Research has been a top priority for many of our wine associations. The Specialty Crop Research Initiative is a brand new opportunity to get funding for wine and grape research priorities. The law requires matching funds, so creativity in supporting good partnerships with researchers and extension personnel to develop sound proposals which address industry needs in such areas as genetics, plant breeding, sustainability, understanding and improving quality, mechanization,

pests and diseases, and food safety will be critical. Preliminary discussions should begin immediately.

Wherever possible it would be good to coordinate research planning and requests with grape industry national priorities as developed by the National Grape and Wine Initiative (see NGWI website). Partnerships, where feasible, with other specialty crops will also enhance the attractiveness of research proposals

In awarding grants, higher priority will be given to projects that are multi-state, multi-institutional, or multi-disciplinary; and include explicit means to communicate results to producers and the public.

Funding:

- \$30,000,000 mandatory funding for fiscal year 2008;
- \$50,000,000 mandatory funding for each of fiscal years 2009 through 2012.

National Clean Plant Network

USDA is already in the process of developing plans for regional centers to advance the National Clean Plant Network. States should be thinking about addressing needs and frustrations they are experiencing. The network will be involved in decisions about importing and clearing new varieties and developing plans to ensure that plants available commercially are disease free. The latter could lead to state grapevine certification programs, either voluntary or mandatory. The plant centers will be used for diagnostic and pathogen elimination services to produce clean plant material, including vines, for propagation; and maintain blocks of pathogen-tested plant material. The clean plant material will be made available to states for certified plant programs as well as private nurseries and growers. WineAmerica recommends that grape growers and wineries begin discussions with their state agriculture departments of agriculture about their clean plant needs. It would also be very valuable to coordinate with neighboring states to seek harmonization and integration of regional requests.

Funding:

- \$5 million mandatory funding for each of the fiscal years 2009 through 2012.

Value Added Grants

The bill provides some funding to continue Value Added Grants. Many wineries and winery associations have taken advantage of this program in the past ten years. The exact funding for this program is uncertain part of it is contingent on the appropriations process. As a result, the industry will have to lobby the Appropriations Committees to ensure that funding in the authorization is made available. WineAmerica will advise the industry about funding availability. Information on Value Added Grants also is posted on WineAmerica's website.

Funding:

- \$15,000,000 mandatory funding beginning on October 1, 2008 until it is used up;
- \$40,000,000 authorization for each of fiscal years 2008 through 2012.

Conservation Innovation Grants and Payments

USDA will award competitive grants to innovative projects that focus on environmental enhancement and protection related to agricultural production. The wine and grape industry should explore the development of projects that include some of the industry's most common conservation issues such as erosion, sustainability, run-off, bio-waste management, and in some

cases, air quality. Given the fact that USDA is looking to increase specialty crop producer participation in this program, it presents an excellent opportunity to access funding.

Funding:

- \$37,500,000 for each of fiscal years 2009 through 2012.

Tree Assistance Program (TAP)

While a disaster that would qualify for TAP payments may be off in the distant future, growers need to start the process for obtaining crop insurance or enrolling in the Non-insurable Crop Assistance Program (NAP) now. One of these two coverage options will be a requirement to be eligible to participate in TAP. County FSA (Farm Service Agency) can help growers obtain crop insurance or NAP policies.

Maximum payment:

- \$100,000 for any crop year, or an equivalent value in tree seedlings.