
WINES & VINES

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Congress Funds Grapegrowers

Farm Bill creates national clean plant network, funds research, pest prevention and more

by **Bill Nelson**



Cayuga grape harvest in New York's Finger Lakes district.

Washington, D.C. -- The latest U.S. Farm Bill, which defines farm policy for a period of five years, for the first time seriously addresses the needs of specialty crop producers--including those of grapes and wine. The legislation includes numerous new assistance opportunities for specialty crop industry needs, including marketing, research and pest management. These provisions form a basis for partnerships involving industry members and organizations, the U.S. Department of Agriculture, state agriculture departments and universities. Those best able to form creative partnerships will be at an advantage for tapping the new funding sources.

The Specialty Crop Farm Bill Alliance (SCFBA), a group of more than 100 associations, played a large role in passing the bill spearheaded by Rep. Dennis Cardoza of California and Sen. Debbie Stabenow of Michigan. In addition to gains in programs for the next few years, specialty crops will be advantageously positioned to advance their interests when Congress revisits farm policy in 2012--the bill Congress passed in May was the eight-months-overdue 2007 Farm Bill.

The following descriptions of Farm Bill provisions contain mentions of "mandatory" and "authorized" funding. Congressional committees typically authorize funding subject to action by appropriations committees, which pass annual spending bills. Exceptions include mandatory funding, which usually is based on a funding formula. The agriculture committees most likely gained authority to spend mandatory money when the first crop subsidies were established in the 1930s. Because subsidies were based on eligibility requirements, and any individual or entity meeting those requirements was entitled to receive the benefits, such funding bypassed annual appropriations.

Now, mandatory spending typically is used for Social Security, Medicare and food stamps, among other entitlements. About three-quarters of USDA spending is mandatory, including crop subsidies, food stamps, nutrition, conservation

reserve (CRP), and now specialty crop grants and research. This is good news for the wine industry, as Congress has made a powerful statement in favor of new spending to support the needs of specialty crop farmers.

However, in the last few years the appropriations committees have resorted to a process cleverly called "chimpling," which stands for "changes in mandatory programs." Committees determine that certain mandatory funds won't be spent, thereby gaining more funds than have been allocated to them by the budget resolution. So while the funding gains made by specialty crops in the Farm Bill are significant and very helpful, industry representatives will need to work hard to preserve these gains throughout the yearly appropriations processes.

The five-year bill, which will expire at the end of fiscal year 2012, contains several provisions of great importance to the table grape and wine industries. A major achievement of SCFBA lobbying was the first-time inclusion in the Farm Bill of a "horticulture and organic" title. This title addresses important needs of all specialty crop farmers, including block grants, the National Clean Plant Network, and important pest and disease control provisions.

Specialty crop block grants to the states

The centerpiece of the horticulture title is significant funding for specialty crop block grants to the states, administered by state departments of agriculture, to improve the competitiveness of specialty crops. Block grants will have mandatory funds of \$224 million over five years. These funds will be disbursed to the states with a per-state minimum of \$100,000, or 1/3 of 1%, whichever is greater, with the remainder allocated proportionally to the size of each state's specialty crop industry.

California is the largest specialty-crop producing state, and it is expected to receive about one-third of all funds. Other states with large specialty crop industries include Washington, Texas, Oregon, Michigan, North Carolina, Georgia, New York and Pennsylvania, with percentages ranging from a high of almost 5% to about 2% of total funds. Ohio, Idaho, New Jersey, Virginia, Colorado, Illinois and Maryland should receive between 1% and 2% of available funding.

The Specialty Crop Block Grant program now has mandatory funding levels that are greater than any since the program first was funded in 2001. That year, it was a one-time program that received a funding infusion of \$133 million. The Specialty Crop Block Grants have been funded through appropriations the last three years, receiving approximately one-fifth of the funding provided in the new Farm Bill. 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 the states will be awarding grants, it is absolutely critical that state wine and grape industries make a concerted effort to contact their state departments of agriculture, develop strong relationships, stress the importance of industry priorities and mutually develop strategies for supporting the growth and profitability of each state's wine and grape industry. The stronger the cases that are made, and the closer industries coordinate with their states, the better the chances of receiving a grant.

Other avenues for states to explore are 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, and pest and disease management. It asks the 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.

Item	Mandatory Funding Life of Bill	Mandatory Funding per year	Authorized (subject to appropriation).
Specialty Crop Block Grants	\$224 Million	\$10 million 2008 \$49 million 2009 \$55 million ea. 2010-2012	
National Clean Plant Network	\$20 million	\$5 million ea. 2009-2012	
Pest and Disease Management for Specialty Crops	\$157 million	\$12 million 2009 \$45 million 2010 \$50 million 2011 & 2012	
Specialty Crop Research Initiative	\$230 million	\$30 million 2008 \$50 million ea. 2009-2012	Additional \$100 million ea. 2008-2012
Organic Agriculture Research and Extension Initiative	\$78 million	\$18 million 2009 \$20 million ea. 2010-2012	Additional \$25 million ea. 2009-2012
Value Added Market Development Grants	\$15 million	As expended	\$40 million ea. 2008-2012
Conservation Innovation Grants (EQIP)	Part of much larger Conservation Title	\$37.5 million ea. 2009-2012	
Market Access Program	\$1 billion	\$200 million ea. 2008-2012	

National Clean Plant Network

The bill establishes a new National Clean Plant Network, with \$20 million in mandatory funding over five years. This network will be made up of clean plant centers for diagnostic and pathogen-elimination services to produce clean plant material--including vines for propagation--and maintain blocks of pathogen-tested plant material in sites located throughout the U.S. The clean plant material will be made available to states for certified plant programs, as well as to private nurseries and growers.

Pest and disease management

There are three new programs aimed at managing plant pests and diseases that are of interest to specialty crop producers. These programs will receive \$157 million over five years.

The Early Plant Pest Detection and Surveillance Improvement Program focuses on the full range of activities undertaken to find newly introduced plant pests before they become established or infestations become too large and costly to eradicate or control. USDA will enter into a cooperative agreement with each state department of agriculture that agrees to conduct early plant pest detection and surveillance activities.

The bill also provides funding for a new Threat Identification and Mitigation Program to determine and address threats to the domestic production of crops. As part of the program, USDA will develop risk assessments of the potential threat to the agricultural industry of the U.S. from foreign sources, collaborate with the National Plant Board and implement action plans for high-consequence plant pests and diseases, which will assist in preventing the introduction and widespread dissemination of new plant pest and disease threats in the U.S.

Under the Specialty Crop Certification and Risk Management Systems program, the USDA will provide funding and technical assistance to specialty crop growers. The program also will include funds for organizations representing specialty crop growers, and state and local agencies for the development and implementation of audit-based certification systems such as best management practices to address plant pests and to mitigate the risk of plant pests in the movement of plants and plant products.

Specialty Crop Research Initiative

Research has been a top priority for the American grape and wine industry. The Specialty Crop Research Initiative is a new opportunity to get funding for wine and grape research. The law requires matching funds, so creativity will be critical in supporting partnerships with researchers and extension personnel to develop proposals that address industry needs in genetics, plant breeding, sustainability, understanding and improving quality, mechanization, food safety, and pests and diseases.

This groundbreaking provision provides \$230 million over five years, which will sponsor research to develop and disseminate science-based tools addressing the needs of specific crops and their regions. Grant recipients will be required to provide matching funds.

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

Organic Agriculture Research and Extension Initiative

The bill provides \$78 million in mandatory funding for the existing Organic Agriculture Research and Extension Initiative. This research initiative focuses on organic research projects.

Value-Added grants

The bill provides \$15 million to continue Value Added grants, and it authorizes the Appropriations Committees to provide additional funds. Many wineries and winery associations have taken advantage of this program in the past 10 years.

Disaster assistance

There are many complicated provisions in the disaster titles. The Tree Assistance Program has been used by grapegrowers in the past, and much effort was expended in preserving its utility as the Congress revamped disaster assistance.

Tree Assistance Program (TAP)

TAP provides financial assistance to qualifying orchardists to replace eligible trees, bushes and vines damaged by natural disasters. The Farm Bill increases the maximum total amount of TAP payments from \$75,000 over the life of the Farm Bill to \$100,000 for any crop year, or an equivalent value in tree seedlings. It also provides for reimbursement of 50% of the cost of pruning, removal, and other costs incurred by an eligible grower to salvage existing trees. To be eligible for TAP, growers must have either crop insurance or be enrolled in the Non-insurable Crop Assistance Program (NAP).

Conservation

The bill provides mandatory funding as part of a much larger Conservation Title for 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 proposed innovative project or activity must encompass the development, field-testing, evaluation and implementation of conservation adoption incentive systems. These may include market-based systems or promising conservation technologies, practices, systems, procedures or approaches. New language in the bill directs that grants may be given to increase participation by producers of specialty crops.

Market Access Program (MAP)

The bill provides mandatory funding for MAP, a program to help producers and their trade associations develop international marketing. It is funded at \$200 million for each of fiscal years 2008 through 2012. This is the same amount as provided in fiscal year 2007.

See the history of the 2007 Farm Bill including House and Senate roll call votes that overrode President Bush's veto, and read the bill in its entirety at agriculture.house.gov/inside/FarmBill.html.