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Testimony of Mr. Ryan Talley on behalf of the Specialty Crop Farm Bill Alliance House Committee on Agriculture "Examining the Economic Crisis in Farm Country" February 11, 2025, 10:00 a.m. ET

Thank you, Chairman Thompson, Ranking Member Craig, and members of the Committee.

INTRODUCTION

Although not directly under the jurisdiction of the Agriculture Committee, I cannot testify before Congress without first emphasizing how vital it is to the security of our nation's food supply, and the future of specialty crop production in the United States, for Congress to enact a bipartisan solution to the workforce crisis in agriculture. Labor represents more than half the cost of producing many specialty crops, and this continually escalating expense is untenable.

I am testifying today, however, on behalf of the Specialty Crop Farm Bill Alliance. A coalition of nearly twohundred organizations representing the entirety of the specialty crop industry in the United States. We have come together to promote common sense initiatives that Congress should include in the next farm bill.

Let me begin by telling you all a little about myself and my family farm. My grandfather started our family farm in 1948, and it has been in the family ever since. I began working on the family farm during the summers at age 12 and have worked on the farm ever since. Recently we welcomed the fourth generation to full-time positions working on the family farm. Our farm is located on the Central Coast of California. While we are not the largest family farm in our area, we are certainly not the smallest. We produce a wide range of fruits and vegetables on nearly 1,800 conventional acres, including more than 30 different items on 75 acres of certified organic soil.

INVESTING IN SPECIALTY CROPS IS GOOD VALUE FOR THE MONEY

Members of this Committee, if I leave with you with one thing today, it's that investing in specialty crops is good value for the taxpayer's money that will benefit all Americans. On behalf of the Farm Bill Alliance, I want to thank Chairman Thompson, the bipartisan committee staff, and members from both sides of the aisle who contributed to so many of our priorities being added to the Farm, Food, and National Security Act of 2024.

As reflected in the Committee's work last Congress, farm bills should invest more, not less in specialty crops. Our products account for nearly half the farm gate value in the United States, and the Dietary Guidelines for Americans recommend that fruits and vegetables should comprise at least half of Americans' diets. Yet under current law, specialty crops receive a small fraction of their proportional share of farm bill resources. In fact, according to the nonpartisan Congressional Research Service, the Horticulture title of the 2018 farm bill accounted for only one-half of one percent of its funding.

The investments we're proposing are modest when compared to programs for other commodities, but they could be transformative for our growers. When you invest more in specialty crops – which include nutrient dense fruits, vegetables, and tree nuts – you are also investing in the long-term health and security of the American people. All of us who work in agriculture know that food security is national security.

COMMON CHALLENGES

Specialty crops is a term that consists of different commodities and types of operations that are grown in different seasons and regions in all fifty states. Despite the diversity of our operations, the industry is confronted with common challenges that hinder our ability to compete.

As with other commodities, our input costs are rising at an alarming rate, and our greatest input cost is human labor. For most specialty crops, human labor is a necessary component of nearly every aspect of our operations. According to data from the Department of Agriculture, the cost of labor has risen more than forty percent during the last four years and is projected to continue to climb.

We have increasingly limited access to crop protection tools and there are few replacements for them currently under development.

For those who export, we face great uncertainty in foreign markets. In our domestic markets, competition is rising from imports with significantly lower production-costs. The trade deficit is real and is particularly acute for many specialty crops.

Our growers struggle to adjust to drought, hurricanes, wildfires, and other natural disasters, and that's all on top of market disruptions, such as those to our supply chains during the pandemic.

AD HOC ECONOMIC ASSISTANCE

Because specialty crops are so diverse and their operations and markets are different than other commodities, USDA has at times struggled to deliver direct economic assistance to our growers when the need has arisen, but that's been changing in recent years.

The Trump Administration worked with the specialty crop industry during COVID to understand why prior initiatives – including natural disaster assistance, the trade-related Market Facilitation Program, and Coronavirus Food Assistance Program – weren't working for our growers. This dialogue ultimately resulted in the Trump Administration's highly successful implementation of CFAP-2.

CFAP-2 was the basis for USDA's most recent iteration of direct assistance to specialty crop growers, prompted in-part by the bipartisan leadership of this Committee when Congress extended the current farm bill at the end of 2024. Working with industry and the staff of the House and Senate Agriculture Committees, USDA built on its experience across administrations to quickly and effectively deliver this vital economic assistance to our growers.

No matter the reason for providing specialty crop growers with direct economic assistance, it is the delivery mechanism that USDA is finally getting right. We would like to highlight some of the key components that helped provide meaningful assistance directly to our growers and that should be included in any future effort initiated by Congress or USDA, including –

- 1. A unique payment limit for specialty crops of \$900,000, recognizing the higher value of our crops and the significant input costs required to grow them.
- 2. Calculating payments on an individual grower's actual sales from a choice of base years, recognizing that each specialty crop has its own unique market and sales practices and confronts different challenges during different seasons and years.
- 3. Self-attestation in lieu of burdensome paperwork and red tape.
- 4. No AGI limitations if 75% of a grower's income is derived from farming.

Although we are grateful for these payments, those short-term programs are but a band-aid. What we need is a comprehensive, bipartisan farm bill that invests in the long-term competitiveness of our domestic specialty crop industry.

FARM BILL

The Alliance is proposing targeted new investments and a suite of innovative tools to support the entire specialty crop industry, including: new funding for research and development for every aspect of our operations (including developing the next generation of crop protection tools), incentives for technologies to supplement and enhance human labor, technical assistance and resources to help our operations become more resilient to extreme weather, and common sense changes to crop insurance that would provide the majority of our growers with a functional safety net for the very first time. We are also proposing needed reforms to federal procurement rules that would increase the availability in federal programs of the nutritious foods our growers produce and that Americans should be consuming in greater quantities.

The appendix attached to this testimony includes the <u>2023 Specialty Crop Farm Bill Alliance Recommendations</u> which were approved in January of that year. The Alliance is in the process of updating these recommendations for the new Congress, and we plan to provide those to you in the coming weeks. Although the new recommendations will be substantially similar to the ones we are providing today, necessary alterations are being made to reflect lessons learned and changed circumstances over the last two years.

One such area is crop insurance. Although crop insurance is popular with a limited number of our growers who have been fortunate enough to have access to it, the reality is that crop insurance is simply not available to most specialty crop growers today. Although our original 2023 recommendations included some proposals on crop insurance, with the encouragement of the staff from both the House and Senate Agriculture Committees, the Alliance engaged in a more comprehensive review of what could be done to provide an affordable and effective safety net that would work for the majority our growers.

In the summer of 2023, the Alliance circulated two concept papers and solicited feedback from key stakeholders, including USDA's Risk Management Agency, members of the House and Senate Agriculture Committees, crop insurance agents, academics, actuaries, and a wide variety of specialty crop growers. It became clear through the course of these interactions that the specialty crop industry in the United States needs an affordable, adaptable, and effective safety net, and that changes to the current crop insurance system need to be made.

The lessons we learned during that process have been influencing our 2025 recommendations, which will include comprehensive proposals to modernize the Whole Farm Revenue Insurance Program, provide certainty regarding what the perils revenue insurance policies actually cover, and establish a private sector led advisory committee to supplement the expertise of the Risk Management Agency and provide the specialty crop industry with a formal role and voice in the process. If enacted, these commonsense reforms should provide specialty crop growers with an adaptable, affordable, and effective safety net to protect them against a wide range of perils. In other words, there'd be a real safety net available to most specialty crop growers for the first time.

CLOSING

We need Congress to enact a comprehensive bipartisan farm bill as soon as possible. The Alliance stands ready to work with each of you on the next farm bill, and I look forward to answering your questions.