

**Testimony of
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**As submitted to the
House Committee on Agriculture, Subcommittee on Biotechnology, Horticulture, and
Research regarding “The Next Farm Bill: Specialty Crops”**

**March 9, 2017
2:00 p.m.
1300 Longworth House Office Building**

Introduction

Chairman Davis, Ranking Member Lujan-Grisham, and members of the Subcommittee, thank you for inviting me to join you this afternoon. My name is Jay Hill. I am a specialty crop farmer from the Mesilla Valley in Southern New Mexico. My family and I are growing carrots, lettuce, pinto beans, chile, along with another 63 varieties of other specialty crops. We grow these for wholesale and retail markets as well as for our new store that will open this spring called FARMesilla. We also own a pinto bean processing facility and have recently acquired some greenhouses and we are in the process of installing a hydroponic production system in order to expand our growing season year-round. We are looking to further diversify our expanding, family-owned and operated business just as many others are aspiring to do.

I sit before you today to discuss the success of the Specialty Crop Block Grant Program. Although I have not yet been a direct recipient of these funds, my family and I, as well as so many others throughout our diverse state, have benefited from this program since its inception.

Success Story

Beginning in the early 2000s, these funds were used to carry forward some of the chile research being done at New Mexico State University. As a result of this research, NMSU has released several chile pepper varieties, such as the Heritage 6-4 and Big Jim, that are now commonly grown in Southern New Mexico and sought after by retailers and consumers alike throughout the country.

As a result of cheaper labor costs in other chile producing countries, competition and pressure from imported chile for the processing industry began to increase and many growers began seeking alternative markets for their product. The New Mexico Department of Agriculture responded by seeking out specialty crop funding to further develop retail markets for fresh green chile outside of New Mexico. Since 2006, funds have been used to conduct training for the retailers, recipe development, create promotional events in target markets, and more.

Just as promotional efforts drove consumer demand, similar promotional efforts have been done by our chile growers and shippers for the retail industry. Specifically, our growers and shippers worked together to create a New Mexico pavilion at the largest produce tradeshow in the country: the Produce Marketing Association’s Fresh Summit. Over 20,000 qualified retail

buyers walk this show each year and over 60 countries are represented there. It is this grant program that allowed producers like myself to step off the farm and exhibit at the show and connect with potential buyers.

As a direct result of all these efforts, over 3,000 retail stores across the United States as well as Canada now offer fresh New Mexico green chile during harvest season. Chains that many of you may recognize are Wegmans, The Fresh Market, and Whole Foods. To further quantify this success, planted acreage of New Mexico green chile grew by 11% in 2016.

At the same time, these funds have been used to develop markets for New Mexico-grown chile throughout foodservice channels further benefiting both chile producers and value-added processors. Establishments right here in Washington D.C. such as Stanton & Greene have served New Mexico chile. In fact, our famous green chile has been served right here in two of USDA's cafeterias: the South Café and the Whitten Café.

While I have chosen to focus my testimony on the progression of the New Mexico chile industry as a result of this grant program, there are many other successful specialty crop stories to be told. This grant program allows producers, such as myself, to innovate and try new things that otherwise would not have been possible. It also allows recipients to gain from others' lessons learned. Some of these stories are highlighted in my written testimony.

Conclusion

To conclude, I would like to recognize the efforts by Congress, USDA, as well as the New Mexico Department of Agriculture and the other states involved in the program. The collaboration between the federal and state governments has resulted in the ability to efficiently administer the program and meet the specific needs of each state or territory. The program has also supported the overarching goal of bolstering specialty crop research and marketability. The Specialty Crop Block Grant Program is a key program to the 2018 Farm Bill that will help agribusinesses, like mine, progress and grow. The program enabled me to first showcase our chile roasting process in an Iowa grocery store parking lot. These humble beginnings were the stepping stones to becoming a successful producer and retailer nationwide.

I appreciate the opportunity to be with you today and I am happy to answer any questions that you may have.

Appendix A

Recent Program Highlights from the New Mexico Department of Agriculture

Funding Summary

- 2014-2017 Funding Cycle:
 - New Mexico received \$550,749.99
 - 8 projects funded
- 2015-2018 Funding Cycle:
 - New Mexico received \$507,181.82
 - 9 projects funded
- 2016-2019 Funding Cycle:
 - New Mexico received \$495,628.39
 - 9 projects funded

Sample Projects

- **2013-2016 Wine Trail Signage and Tourism Promotion Project (\$63,700):**

The original intent of this project was to improve awareness of New Mexico wines by establishing wine trails and marking them with roadside signage. However, many of the wineries and tasting rooms do not qualify for the type of roadside signage that was needed. After several unsuccessful requests for exemptions to the existing signage guidelines, the New Mexico Wine Growers' Association (NMWGA) decided to change their strategy.

With this change in direction, future efforts aimed at improving awareness of New Mexico wines included creating a New Mexico wine trails app for smart phones, developing various promotional materials, as well as creating advertisements such as billboards. Individually, these tools helped the NMWGA reach their various target markets.

As the project was coming to a close, the NMWGA asked to utilize the remainder of their funding primarily for winery participation in the Finger Lakes wine competition. As a result, *all* of the New Mexico wines that entered into the competition were awarded medals. The focus of their advertising campaign is now centered around these award-winning wines, helping to not only increase awareness for all New Mexico wines but to increase awareness of the quality of wines as well.

- **2014-2017 Taos Veterans Farmers Project (\$12,785):**

The Not Forgotten Outreach (NFO) Farmers Project provides veterans and Gold Star Families (survivors of fallen heroes) with horticulture therapy and beginning specialty crop farmer training. NFO utilizes previously uncultivated land by means of Memorandums of Understanding with elderly landowners as well as hoop houses for season extension purposes in the Taos area in northern New Mexico.

By the end of the second year, NFO had introduced 17 military families and three beginning veteran farmers to land reclamation, planting specialty crops, and preparing the

crops for various wholesale and retail sales throughout their community. NFO also hosted an aquaponics workshop for 32 individuals that included both military families and civilians. Nine veterans whom attended the workshop are extremely interested in producing specialty crops via aquaponics farming techniques.

Just recently, NFO joined forces with Taos Village Farms and gained the use of 90 acres. The 90 acres includes a 40'x90' greenhouse, cold storage space, seven acres of drip line irrigated field crops, one acre of hops, and 40 acres of irrigated land.

- **2015-2018 and 2013-2016 Mitigation of Alternate Bearing in New Mexico Pecans (\$84,997.39 and \$93,000 respectively):**

Pecans are among the largest economic contributors to New Mexico's agricultural economy, with production exceeding \$60 million annually. One of the most important horticultural constraints for profitable pecan production in New Mexico is alternate bearing, which is the annual cycling of pecan trees between heavy and light crop load. The mechanism behind alternate bearing is the year-to-year variation in formation and development of female flowers.

The transition to flowering in pecan trees cannot be visualized until bloom but the "decision" to become a flower takes place prior to bloom. Neither the timing nor location of the source for the genetic signal for a shoot meristem to transition from vegetative to floral is known in pecan trees. Therefore, a practical approach to address this problem is to utilize genetic techniques to determine how flowering occurs in pecan trees. New Mexico State University is using the Specialty Crop Block Grant Program to do this important research. This research will allow better resolution for timing of such alternate bearing mitigation approaches such as mechanical hedge pruning, fruit thinning, and plant growth regulator applications. These genetic studies are necessary in understanding how flower induction in pecan trees occurs, which will give the pecan growers an invaluable tool to use with their horticultural practices for mitigating alternate bearing in pecan trees.

The results of this research will further help southern New Mexico pecan growers produce a more consistent crop from year to year. Consistency in production and quality is key to capturing and maintaining market share.

- **2015-2018 Cooking with Kids Community Connections for a Healthy Future (\$60,274.65):**

The goal of this project is to increase purchases of specialty crops through: addressing the nutritional health of families in New Mexico by providing hands-on food and nutrition education using New Mexico-grown specialty crops; connecting New Mexico specialty crop farmers with local school children through the Cooking with Kids Farmers in the Schools program; and to train farmers in demonstration and sampling skills to market their crops.

The Cooking with Kids program has experienced great success in increasing first year sales of specialty crops through their in-school programing efforts for K-6th graders.

Further, agricultural producer participation in these education programs is on track to meet or exceed their target goals for the 2-year project. An unexpected outcome was identifying additional needs for Spanish-speaking farmers. The program's Year 2 efforts will focus on facilitating a Spanish-language training on developing and selling value-added products. The training will include: 1) a translated presentation from the New Mexico Environment Department on guidelines and requirements, 2) a presentation on strategies and lessons learned from farmers who are successfully marketing value-added products, and 3) a focus group discussion with current market customers on the types of products they would like to purchase at market.

Appendix B

Information from the New Mexico Farm & Livestock Bureau

The 2014 U.S. farm bill was estimated to contribute \$23 billion to deficit reduction over 10 years. This was the first time a farm bill has voluntarily reduced spending before consideration and the only reauthorization bill that offered a savings. The Agriculture Committees made difficult decisions to deliver a bipartisan bill. As you all begin preparing for the 2018 Farm Bill we would ask that the substantial savings that have been achieved be taken into consideration. Agriculture and rural New Mexico struggles, New Mexicans have difficulty meeting their nutritional needs. Farm income is down and so the development and passage of the 2018 Farm Bill without further cuts is essential.

For New Mexico, the 2018 Farm Bill is important, while many farmers and ranchers take advantage of the various farm bill programs it is ultimately the consumers, citizens and our country that truly benefits from a safe, abundant and affordable food supply. We cannot say that one program is more important than the other and so careful consideration must be given to all programs.

As a Board of Director for New Mexico Farm and Livestock Bureau, a producer and consumer, I respectfully ask that you consider the contributions that agriculture has already made to reducing the deficit. We ask that you pass a 2018 Farm Bill with the funding needed to support our farmers and ranchers while ultimately benefiting all consumers.

Appendix C

Information from the National Association of State Departments of Agriculture

The Specialty Crop Block Grant program (SCBGP) is a critical area of collaboration between the state departments of agriculture, the specialty crop industry, and USDA. Since 2009, the state departments of agriculture have distributed nearly \$393 million dollars in grants to 5,400 project partners that have enhanced the competitiveness of specialty crops in the United States. These projects are not just increasing consumer access to safe and healthy food but are expanding economic opportunities across rural America.

While we highlight this program as a success, program funding recipients have growing concerns that the flexibility the SCBG program was built upon is eroding due to increased and unnecessary bureaucratic processes. This is especially evident in the establishment of certain performance measures for the program. While we all want to ensure the wise use of tax dollars, we are concerned these requirements—especially new sales reporting requirements for marketing projects—are simply not feasible for many of the kinds of projects that have made this program so successful. We ask this Subcommittee to take these concerns into consideration as we work towards a flexible, locally responsive program in the next Farm Bill.