

Policy Brief—What Do Northeast Specialty Crop Interests Want in the 2007 Farm Bill?*

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In phase I of the Specialty Crops project, 2007 Farm Bill: Policy Options and Consequences for Northeast Specialty Crops Industries, Small Farms, and Sustainability Programs, we solicited information and feedback on specialty crop industry members' views and preferences with respect to the upcoming 2007 Farm Bill. Several aspects of Federal support for specialty crop producers are considered. This information was used to gauge responsiveness to a wide set of policy options and possible directions for titles that might be incorporated into the next farm bill. The geographic focus of this report encompasses the Northeastern US, defined here to include 12 states—Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia.

A mail survey was administered and four listening sessions were organized, that focused on the views and opinions of representatives from specialty crop organizations across the Northeast region. (Our definition of specialty crops included the following categories: fruit, vegetables, floriculture, nursery, turf, maple syrup, Christmas trees, aquaculture, honey, and mushrooms.) We received survey responses from 37 organizations, nearly 50% of the organizations contacted. We complemented the survey with listening sessions with representatives of producers' organizations, extension educators, members of the agribusiness community, and state agricultural officials. (See Table 1)

Table 1. Summary of Listening Sessions

Date	Type of Interaction	Number and descriptions of participants
19 Oct 05	Round table discussion	11 members of the W.I. Myers Advisor Council representing agribusiness firms (finance, cooperatives); producers, and farm organizations
24 Oct 05	Conference call	13 commissioners or staffers from State Departments of Agriculture of 10 Northeast states
26 Oct 05	Panel discussion	Four panelists at the annual New York Crop Insurance Workshop – Representatives from MA, Cornell Cooperative Extension, an insurance consultant, and a crop insurance sales agent
5 Dec 05	Conference call	Three representatives of the New York Farm Bureau

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Specialty Crop Production in the Northeast

Specialty crop industries are heterogeneous, both in terms of crops grown and marketing channels used to move that product into local, regional, national, and international markets. Although the Northeast is the nation's most densely populated region with considerable territory poorly suited to modern farm and food production, the 12-state area includes nearly 170,000 farms. These farm units have a land base of about 26.4 million acres; this represents 21% of the region's total land area.

The market value of farm products sold in the 12-state area exceeded \$12.5 billion in 2002. Crop sales accounted for \$4.8 billion or 38% of total farm product sales. Not unexpectedly, approximately 60 % of all crops sales in the Northeast originate in New York and Pennsylvania. However, a noticeable contribution comes from Maryland, New Jersey; Connecticut, and Massachusetts.

The Northeast has more than 29,000 farms principally engaged in the production of vegetables/melons, fruit, nursery, greenhouse, and floriculture crops. In addition, some specialty crop production obviously occurs on farms categorized as "other crop farms" or on farms principally organized as livestock or poultry farms.

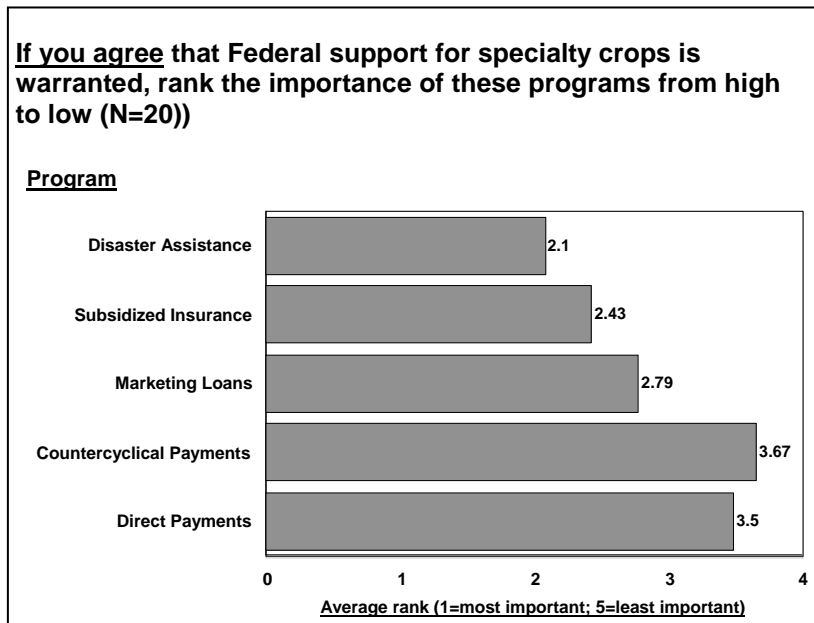
There are significant differences among Northeastern states in terms of specialty crop production. The region has significant percentages of the national production and highly visible commodity groups for apples, juice grapes, blueberries, cranberries, sweet corn and other vegetables, maple syrup, and potatoes.

Specialty Crop Policy Issues

The Specialty Crop Competitiveness Act of 2004 constitutes the point of departure for any discussion of specialty crop policy dimensions at the Federal level. This legislation has received little attention from Federal appropriators to date, but is specifically designed to address issues confronting the US specialty crops sectors. A focal point of the legislation is block grants intended to fund state-based initiatives to grow and sustain specialty crop production. In addition, the legislation calls for additional Federal support for agronomic research and methods for dealing with invasive species.

Our listening sessions elicited strong support for a fully funded Specialty Crop Competitiveness Act. To that end, it is somewhat likely that the emerging debate over the 2007 farm bill will engage on program elements embedded in this Act. To gain a broader perspective on the farm bill and its relation to specialty crop production, we administered a survey questionnaire that asked each respondent to indicate their preferences for more direct Federal support for specialty crop industries. Among 37 respondents, 20 indicated a preference for considering direct financial support for specialty crops while the remaining 17 respondents did not support direct Federal support involvement in specialty crop production.

For the 20 organizations answering affirmatively, we asked for a ranking of program options. Respondents registered a clear preference for programs oriented towards



disaster assistance and subsidized crop insurance. The highest rank was afforded disaster assistance. Marketing loans were ranked third, followed by the possibility of countercyclical payments--direct payments to specialty crop growers that would mimic current Federal policy under the Farm Bill commodity title. These results were generally echoed in our listening

sessions. Several participants in the sessions were generally opposed to, or at least expressed strong reservations, about a farm bill design that would incorporate specialty crop production into a more traditional commodity support régime experienced in years past for Federal “program crops”.

Implications and Conclusions for Policy Options

- Our listening sessions elicited strong support for a fully funded Specialty Crop Competitiveness Act.
- A slight majority of survey respondents indicated a preference for considering direct financial support for specialty crops
- Specialty crops interests were not generally in favor of traditional program crop instruments (e.g. price supports, regulated prices, loan rates, deficiency payments, countercyclical payments, etc.).
- Specialty crops interests were in favor of subsidized crop and revenue insurance policies (e.g. AGR and AGR-Lite) or alternatives such as subsidized counter cyclical or tax deferred savings accounts. A slight preference was expressed for tax deferred farm savings accounts over increased coverage and subsidies for crop insurance.
- There were mixed results regarding disaster assistance. Those favoring federal support for specialty crops ranked disaster assistance very high in importance. In the listening sessions, however, some viewed disaster assistance as ad hoc, making it difficult for producers to make rational business planning decisions about risk management.
- There was generally strong support for conservation type programs that are better tailored for Specialty Crops resource situations.