

Specialty Crop Farm Bill Alliance

Working to Make American Agriculture Stronger

May 11, 2015

The Honorable Tom Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, D.C. 20250

Dear Secretary Vilsack:

This letter is in regard to the new mandate for conservation compliance and its application to crop insurance participants. The Specialty Crop Farm Bill Alliance (SCFBA) has a strong interest in ensuring that specialty crop producers are not discouraged or precluded from participating in federal crop insurance programs due to systemic administrative issues in this first year of the mandate.

Since February 2014, the SCFBA has worked with the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS) and the Risk Management Agency (RMA) to identify issues unique to the specialty crop industry and address them prior to implementation. We appreciate the willingness of those agencies to consider the unique circumstances of our industry, given that this requirement is an entirely new mandate for most of our producers.

As the June 1st deadline draws closer, we are aware that a backlog for processing AD-1026 forms exists in a number of FSA offices in major specialty crop producing states. Although producers have provided their forms to FSA, they have not been entered into the database by USDA personnel and therefore there is no record of their proper filing. Indeed, board and regular members of several specialty crop organizations have noted that they turned in forms months ago and yet their names are still not registered in the FSA system. This backlog exists in advance of the anticipated large influx of forms that will be filed near the end of May by newly-impacted producers.

Additionally, FSA and RMA have previously indicated that issues exist between the different databases that they use to identify producers. Those issues will likely lead to a significant number of mismatches on AD-1026s that are otherwise properly filed by the June 1st deadline. This again may impact the ability of crop insurance agents to verify that the mandate has been complied with.

The combination of these two issues may result in specialty crop producers being precluded from receiving premium subsidies for their specific crop insurance policies and thereby discouraged from participation. In many instances, the premium subsidy is essential to make the policy affordable for producers. The inability to receive it effectively means that many farmers may elect to go uninsured for that crop year. This is a particularly negative result for the specialty crop sector of the agriculture industry, as it has historically been the most underserved by the federal crop insurance system.

As you are aware, the first sales closing dates for those policies arrive in mid-July. It is our understanding that RMA must have assurance from FSA that the certification has been properly completed before any premium support can be provided.

Given these issues, the SCFBA is understandably concerned about the upcoming reinsurance year and how our members may be negatively impacted. Does USDA have a process in place to ensure that all producers who submit their forms to USDA by June 1st will still be eligible for their premium subsidy? Since a number of producers have submitted those forms already, but are caught in the backlog, how will their certifications be verified?

Additionally, the mismatch issues may consume a significant amount of time to be resolved after June 1st. Beyond the database issues that FSA and RMA have recognized, the “affiliated parties” that must be identified may be more complex for the fruit and vegetable industry since they have developed unconstrained by previous Farm Bill policies.

Does USDA have the sufficient manpower to investigate these issues in the limited timeframe between June 1st and the various sales closing dates? If these processes and/or manpower does not exist, how will USDA communicate to the crop insurance agents that producers have met their obligation?

In regard to new producers, we understand that individuals who enter into the crop insurance system post June 1st would not be eligible for receiving a premium subsidy until the succeeding reinsurance year. This is of course problematic since a substantial portion of crop insurance sales each year are from producers who have never before utilized any products. With many crops having sales closing dates in the winter fully six months or more past June 1, it is illogical to assume producers would be filling out forms months in advance in anticipation of purchasing a product that they likely haven’t yet even decided to buy. Will USDA be putting some type of remedy for these producers given that they could not have known about nor addressed a deadline before they bought or began operating their farming business?

If these issues have not been considered or addressed by USDA, the SCFBA recommends a delay in implementation of this conservation compliance mandate until adequate processes are in place to ensure that producers who are sincerely attempting to comply are not inadvertently penalized.

Thank you for your consideration of this urgent issue for the specialty crop industry.

Sincerely,

John Keeling
Executive Vice President & CEO, National Potato Council
Co-Chairman, Specialty Crop Farm Bill Alliance

Tom Nassif
President, Western Growers Association
Co-Chairman, Specialty Crop Farm Bill Alliance

Mike Stuart
President, Florida Fruit & Vegetable Association
Co-Chairman, Specialty Crop Farm Bill Alliance

Robert Guenther
Sr. Vice President of Public Policy, United Fresh Produce Association
Secretary, Specialty Crop Farm Bill Alliance

CC: The U.S. Senate Committee on Agriculture
CC: The U.S. House Committee on Agriculture

Attachment

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Specialty Crop Farm Bill Alliance Organizations

Specialty Crop Farm Bill Alliance Steering Committee Members

Florida Fruit & Vegetable Association, *Co-Chair*
National Potato Council, *Co-Chair*
Western Growers Association, *Co-Chair*
United Fresh Produce Association, *Secretary*
American Mushroom Institute
American Nursery & Landscape Association
American Pistachio Growers
Blue Diamond Growers
California Association of Winegrape Growers
California Citrus Mutual
California Fresh Fruit Association
California Table Grape Commission
Florida Tomato Exchange
Georgia Fruit & Vegetable Growers Association
Idaho Grower Shippers Association, Inc.
Idaho Potato Commission
National Council of Farmer Cooperatives
National Grape and Wine Initiative
National Grape Cooperative, Inc./Welch's
National Watermelon Association, Inc.
Northwest Horticultural Council
Produce Marketing Association
Society of American Florists
Sunkist Growers, Inc.
Sun-Maid Growers of California
Texas Produce Association
U.S. Apple Association
Washington State Potato Commission
Wild Blueberry Commission of Maine

Specialty Crop Farm Bill Alliance Member Organizations

The Cranberry Institute
Cherry Marketing Institute
Leafy Greens Council
National Onion Association
National Peach Council
North American Blueberry Council
North American Bramble Growers Association
North American Strawberry Growers Association
United Potato Growers of America
Wine Producers Commission
WineAmerica
Winegrape Growers of America

Alabama Watermelon Association
Arizona Winegrowers Association
Western Watermelon Association
Buy California Marketing Agreement
California Association of Nurseries & Garden Centers
California Canning Peach Association
California Dried Plum Board
California Farm Bureau
California Fig Institute
California Fresh Fig Growers Association
California Strawberry Commission
California Walnut Commission
California-Arizona Watermelon Association
Grower-Shipper Association of Central California
Wine Institute
Colorado Potato Administrative Committee
Colorado Wine Industry Development Board
Rocky Mountain Association of Vintners & Viticulturists
Connecticut Farm Wine Development Council
Connecticut Vineyard & Winery Association
Maryland-Delaware Watermelon Association
Florida Citrus Mutual
Florida Citrus Packers
Florida Strawberry Growers Association
Florida Sweet Corn Exchange
Florida Watermelon Association
Indian River Citrus League
Miami-Dade County
Peace River Valley Citrus Growers Association
Tropical Fruit Growers of South Florida
Georgia Watermelon Association
Winegrowers Association of Georgia
Idaho Grape Growers and Wine Producers Commission
Potato Growers of Idaho
United Fresh Potato Growers of Idaho
Indiana-Illinois Watermelon Association
Northern Kentucky Vintners & Grape Growers Association
New England Vegetable and Berry Growers
Maryland Wineries Association
Maine Potato Board
Michigan Apple Committee
WineMichigan
Minnesota Area II Potato Growers Research and Promotion Council
Minnesota Grape Growers Association
Northern Plains Potato Growers
Missouri Wine & Grape Board
Nebraska Winery and Grape Growers Association
North Carolina Blueberry Council
North Carolina Grape & Wine Council
North Carolina Potato Association
North Carolina Strawberry Association

North Carolina Watermelon Association
New Mexico Wine Growers Association
Empire State Potato Growers
New York Apple Association
New York Wine & Grape Foundation
Fruit Growers Marketing Association
Ohio Wine Producers Association
Oklahoma Grape Growers & Wine Makers Association
Oregon Potato Commission
Oregon Raspberry & Blackberry Commission
Oregon Strawberry Commission
Oregon Wine Advocacy Council
Oregon Winegrowers Association
Peerbolt Crop Management
South Carolina Watermelon Association
Tennessee Farm Winegrowers Association
Texas Citrus Mutual
Texas Vegetable Association
Texas Wine & Grape Growers Association
Texas Watermelon Association
Virginia Apple Growers Association
Virginia Wineries Association
Washington Association of Wine Grape Growers
Washington Red Raspberry Commission
Washington State Apple Commission
Yakima Valley Growers-Shippers Association
Wyoming Grape & Wine Association