

Specialty Crop Block Grant Provision of H.R. 3242, the Specialty Crop Competitive Act of 2003

Action Requested: We urge congress to support the Specialty Crop Block Grant provision of H.R. 3242, the Specialty Crop Competitive Act of 2003.

Background: Agriculture is Florida's second largest industry with an estimated \$50 billion annual economic impact on the state's economy, second only to tourism. Florida is ranked 9th nationally in terms of all agricultural production. In Florida, 92% of agricultural commodities are defined as specialty crops. Specialty crops are defined as all agricultural crops except wheat, feed grains, oilseeds, cotton, rice, peanuts, sugar and tobacco (program crops) and receive no government subsidy. As such, specialty crop producers are extremely reliant on marketing programs, favorable trade agreements and research initiatives in order to remain viable, particularly when they are competing with producers in other parts of the world whose costs of production are significantly lower.

Many specialty crop operations are small (with rapidly shrinking margins) and lack the resources necessary to mount large-scale marketing campaigns or to initiate the research necessary to remain competitive in today's global marketplace. In addition, agricultural lands are rapidly being lost to development as Florida's land values skyrocket. Assisting with these types of endeavors is critical to the continued viability of agriculture in Florida.

The FY 2001 Supplemental Agriculture Appropriation bill included a specialty crop block grant to state departments of agriculture. This was the first block grant of its kind and was intended to enhance the competitiveness of specialty crops. The specialty crop block grant was apportioned to states based upon the value of its specialty crop production. Under the FY 2001 legislation, Florida received \$16.8 million, second only to California.

Due to the flexibility provided to states in a block grant, Florida was able to utilize the FY 2001 funds for the following:

- Marketing promotions for "Fresh from Florida" products that resulted in a 218% increase in sales over the previous year;
- Targeted marketing campaigns for strawberries, sweet corn, tomatoes, tropical fruit, organically grown produce, blueberries, citrus and nursery plants;
- Distribution of fresh produce through the TEFAP program;
- Training of detector dogs for Florida's agricultural interdiction stations;
- The 5-A Day campaign that is designed to educate the public on the health benefits of increasing fruit and vegetable consumption;
- Research into alternatives for methyl bromide (a fumigant currently being phased out under the Montreal Protocol);
- Farm-to-table food safety education activities for agricultural producers;
- Florida Fruit and Vegetable Association research initiatives that include irrigation management, pest management, post-harvest shelf life enhancement, and reduction of environmental impacts;
- Specialty crop trade competitiveness studies by the Florida International Agricultural Trade and Policy Center at IFAS;
- Florida Department of Citrus research initiatives in automation; and
- Sterile MedFly releases as well as Citrus Canker Eradication Program activities.



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There are assurances that this money will not be used for the Florida Department of Agriculture and Consumer Services' existing budget. H.R. 3242 contains a provision, as did the FY 2001 legislation, specifying that the funds can only be used to augment existing state expenditures and cannot replace them. H.R. 3242 requires States to submit an application for the funds to the Secretary of Agriculture. In addition, the Secretary must ensure that decisions regarding allocation of funds within a state were made only after public meetings and input were gathered on proposed uses. In FY 2001, the Florida Department of Agriculture and Consumer Services received proposals equal to three times the amount of grant funding available. Funding recommendations were reached in consensus with industry and association representatives. Only after consensus was reached were final funding decisions made. Funding received under the Specialty Crop Competitive Act of 2003 will be administered under the same rigorous standards.



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