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PBH pursuing New Marketing Board

The Produce for Better Health Foundation (PBH) is in the midst of a seven month dialog with the fruit & vegetable industry about the possible development of a national fruit and vegetable marketing board.

The proposed objective of the marketing board is: To increase consumption in the United States of all forms of fruits and vegetables for better health through implementation of a comprehensive health marketing, communications, and education effort.

The new board, if created, would be aligned with the PBH mission to increase the U.S. consumption of fruits and vegetables. Their over-arching goal is to initiate a social marketing campaign that will change consumer behavior. All fruits and vegetables (with the exception of radishes, brussel sprouts and a couple others) would be included in the tax assessment. The reason given for not including those crops was that they have a very low perceived consumption, and they would not be promoted. This may be an objectionable area if they truly will trying to change overall F&V consumption behavior.

A total of $30 million is proposed to be collected from first handlers. This amount would be collected via a 0.046 percent assessment (FOB) market value of all first handlers and importers of both fresh and processed fruits and vegetables. Assessments would exclude exports and organics. The passage of such a promotion board would be dependent on the outcome of a referendum, or vote, of first handlers. Voting would likely occur in 2011; and if passed, assessments would likely begin in 2012.

Two of the more significant draw-backs are that farmers will not have a vote in this referendum, and they will not be considered for Board positions on the newly created board; only first handlers. These objections are two of the largest issues in relation to this new tax idea thus far.

Numerous questions and objections have been presented from farmers, and industry organizations including:

• The majority of farmers will be paying the new tax, not the first handlers. Charge-backs to farmers are common with tax assessments, and they must have a vote in this process.
• The new board does not intend to support food safety or traceability needs of the industry. That in of itself is a high cost to farmers and packers that should be included.
• Farm input costs have increased by almost 45% since 2002, without including investments in food safety audits and traceability. The farmers and packers cannot take on additional taxes and stay in business without a return on the investment.
• Numerous industries have their own boards that handle marketing and research as outlined as a goal by the new board. They have elected members that determine the 'spend' of their tax dollars to benefit the industry. How can a new board with no focus on a particular crop benefit that industry that is already taxing itself?
• The suggestion that possibly the existing marketing boards could 'pay the new tax' on behalf of their industry was not well received.

PBH continues to work with the F&V industry to try to sell this new idea by October. They indicated that

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H-2A Reforms Suspended

In a recent announcement, the U.S. Department of Labor suspended reforms made to the H-2A regulations by the Bush Administration in December 2008 for a period of nine months, at which point the Department will either make the suspension permanent, or lift the suspension altogether. The notification is the third modification of the H-2A program since December, and is contributing to increased confusion among program participants.

The regulations suspended pertain to the temporary employment and wage rates of H-2A-classified nonimmigrant workers in agricultural and logging capacities in the United States. This notification follows through on the Department's previous notification of intent to suspend those regulations on March 17 of this year. After the Department's initial notice, United Fresh Produce Association (on behalf of their member industries) filed comments that strongly opposed suspending these rules.

In making its ruling, the Department of Labor indicated that they received over 800 substantive comments on the previous notice of suspension. Due to the issues raised and the volume of comments, they previously announced in April that employers with "dates of need" through the end of 2009 would be afforded a transition period under the Bush Administration's reforms.

In addition to the H-2A revisions, the Obama Administration concurrently announced modifications to the Adverse Effect Wage Rate.

From these and previous H-2A reforms to the battle over card check, AgJobs and beyond, the NWA will continue to push for a more functional and pragmatic solution to labor issues so that our industry may count on a reliable and steady workforce.

M.A.P. Funding at Risk

After nearly two-years of debate, Congress passed a new Farm Bill that will govern the nation's agriculture laws for the next five years.

The law makes a tremendous investment in programs that are of significant benefit to specialty crop producers by recognizing the needs and priorities of fruits, vegetables, tree nuts, nursery, and wine grape growers in the United States. This bill dedicates approximately $3 billion in critical funding for specialty crop, pest and disease, trade, nutrition, research, and conservation priorities.

We have been working closely with USDA on the implementation process to ensure that these provisions are implemented in a way that addresses the unique needs of domestic specialty crop producers, as well as ensuring that implementation is in line with congressional intent. A number of issues have been worked out. We were therefore very disappointed that the President's FY 2010 budget request has targeted one of the most important trade tools many will utilize, the Market Access Program (MAP).

The economic well-being of specialty crops relies heavily on exports which account for one-third or more of domestic production, provides jobs for millions of Americans, and makes a positive contribution to our nation's overall trade balance and generates significant tax revenue to state and federal treasuries. Without improved international trade policies that advance open and fair trade practices in the global market, the U.S. surplus in agricultural trade, which has declined over 90% since 1996, will continue to fall.

U.S. specialty crop growers face significant obstacles in the development and maintenance of export markets for their commodities and unique challenges due to the perishable nature of our products. Without further commitment to export market development by the Federal government in programs such as the Market Access Program, the U.S. specialty crop industry will continue to lose market share to global market competitors.

Watermelon exports to Central America, Canada, Europe and Japan are all potentially included in this program, and are being pursued for market development by the NWPB. As a result, we are strongly encouraging Congress to allow the Market Access Program to continue at the levels provided in the Farm Bill and under the current terms of eligibility that have proven effective and successful.

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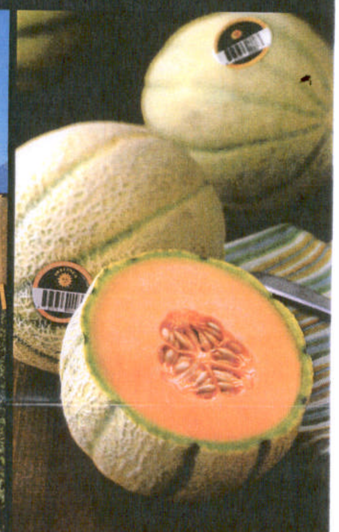

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