



Should Changes be Made to Enhance Research for Specialty Crops?

BACKGROUND

Specialty crops are a major segment of the U.S. agriculture industry. The value of farm-level specialty crop production, which includes fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops, was almost \$60 billion in 2012. Annually, retail sales of fresh and processed fruits and vegetables for at-home consumption reach nearly \$100 billion.

Since 2002, there has been an increasing focus on specialty crop programs. Research programs for specialty crops and organic agriculture receive significantly less funding than that allocated for commodity crops. Total mandatory spending for specialty crops and organic agriculture is expected to average \$773 million annually from FY 2014 through FY 2018.

ISSUE

Research is an important element for specialty crops, especially as there is increasing interest in growing these crops, given the rising popularity of community-supported agriculture, farm markets and local produce. This paper highlights some of the key Farm Bill programs that support specialty crop research.

Specialty Crops and Research Pre- and Post- 2014 Farm Bill

Established in the 2008 Farm Bill and reauthorized again in the 2014 Farm Bill, the Agriculture and Food Research Initiative (AFRI) provides competitive grants for basic and applied research in agricultural sciences. USDA's National Institute of Food and Agriculture (NIFA) awards AFRI grants to support research in six Farm Bill categories, including plant health, production and plant products, food safety, nutrition, and health. The President's 2017 budget request proposes to fully fund AFRI at \$700 million, which was the amount authorized in the 2008 Farm Bill.

The 2014 Farm Bill authorized \$72.5 million for the Specialty Crop Block Grant Program (SCBG) – up from \$52 million in the 2008 Farm Bill. The 2014 Farm Bill also provided authorization for multi-state projects, and specified that the amount of grants awarded to a state will be based on production value and acreage. This is an attempt to ensure states receive credit for both high value crops and the acres which are used for specialty crop production. Additionally, the Specialty Crop Multi-State Program awards grants to state departments of agriculture to help increase competitiveness of specialty crops for projects that address food safety, plant pests and disease, research, crop-specific issues, and marketing.

The Specialty Crop Research Initiative (SCRI) awards grants supporting research and education that addresses key challenges sustaining both conventional and organic food and agriculture. Projects are required to address national, regional, or multi-state importance and cover focus areas including diseases, pests, improving production efficiency, and methods to improve crop characteristics. In the 2014 Farm Bill, the authorized level of funding was doubled for the SCRI to \$80 million annually.

There are also several new programs that bridge specialty crops and research, including:

- a) The Emergency Citrus Disease Research and Extension Program, which provides competitive grants within the SCRI for scientific research and activities, technical assistance, and development activities to combat citrus diseases and pests.
- b) The Local Food Production and Program Evaluation Study, which gathers data on production and marketing of locally or regionally produced food products and the indirect and direct regulatory compliance costs associated with the production and marketing of the products.
- c) The Pilot Project for Canned, Frozen or Dried Fruits and Vegetables, which evaluates the impact of consumption on allowing schools already participating in the Fresh Fruit and Vegetable Program in at least five states to offer these products as options, as well as evaluate impact on school participation.

The 2014 Farm Bill also saw the creation of the Foundation for Food and Agricultural Research, providing a \$200 million endowment to coordinate projects across public and private institutions, allow for fundraising to increase funding potential, and complement existing research plans in USDA. The 2014 Farm Bill also established new requirements for competitive grants designed to increase public-private partnerships and bring in new funding for agricultural research. In particular, project funding under the SCRI will have additional review to determine industry relevance, and state commodity boards will be able to propose competitively-awarded research with matching industry funds.

There are two USDA programs solely dedicated to organic research, education, and extension. The Organic Transitions Program (OTP) supports the development and implementation of research, extension, and higher education programs to help producers of organic livestock and crops, and those who are adopting organic practices, improve their competitiveness. More recently, the 2014 Farm Bill authorized the Organic Agriculture Research and Extension Initiative (OREI), which funds projects that emphasize research, education, and outreach to improve the ability of organic producers to grow and market high-quality organic agricultural products. OREI is administered by the National Institute of Food and Agriculture.

The 2014 Farm Bill authorized funding for specialty crop research; however, it is important to understand how Congress appropriated funding for these programs. The following chart includes the appropriated funding levels for the specialty crop research programs.

Appropriated Funding Levels for the Specialty Crop Research Programs				
Program	FY 14	FY15	FY 16 (enacted)	FY 17 (estimated)
	Appropriated Funding --- Dollars in thousands			
Organic Transition Program	4,000	4,000	4,000	4,000
Organic Agriculture Research and Extension Initiative	20,000	18,540	18,640	20,000
Specialty Crop Research Initiative	55,000	50,985	51,260	55,000
Emergency Citrus Disease Research and Extension Program	25,000	23,175	23,300	25,000
Fresh Fruit and Vegetable Program	158,000	159,000	162,000	169,000
Pilot Project for Canned, Frozen, Dried Fruits, and Vegetables	5,000	0	0	0
Agriculture and Food Research Initiative	316,409	325,000	350,000	375,000

Another comparison to understand is the obligated funds for the programs, which means the amount government legally commits to pay. The following chart includes the obligated funds for the specialty crop programs.

Obligated Funds for the Specialty Crop Programs				
Program	FY 14	FY15	FY 16 (enacted)	FY 17 (estimated)
	Obligations --- Dollars in thousands			
Organic Transition Program	4,000	4,000	4,000	4,000
Organic Agriculture Research and Extension Initiative	20,000	18,540	18,640	20,000
Specialty Crop Research Initiative	55,000	50,985	51,260	55,000
Emergency Citrus Disease Research and Extension Program	89	24,962	47,014	25,000
Fresh Fruit and Vegetable Program	167,746	174,241	162,000	169,000
Pilot Project for Canned, Frozen, Dried Fruits, and Vegetables	5,000	0	0	0
Agriculture and Food Research Initiative	286,885	305,597	656,667	375,000

These charts show that Congress did fund the specialty crop research programs within the scope of the authorizing levels.

OPTION #1

Should we support a greater amount of specialty crop funds for research programs? If so, where should that funding come from?

OPTION #2

The 2014 Farm Bill opened the door for a stronger focus on public-private partnerships for specialty crops research. Is this working or are there ideas for ways to improve the system?

OPTION #3

Are there gaps in the existing specialty crops research programs? If so, should we support targeting specific programs?