



March 29, 2017

Farm Bill Primer: Horticulture Title Provisions

Industry Overview

The “Horticulture” title of the 2014 farm bill (P.L. 113-79, Title X) covers a diverse set of agricultural producers, including specialty crops, certified organic agriculture, and local and regional foods. These sectors have long argued that their industries should occupy a larger role in farm bill policy discussions and that benefits supporting major commodity producers should be extended to these producers in order to create a broader, more equitable farm bill. Producers in these sectors are not eligible for the U.S. Department of Agriculture’s (USDA) commodity revenue support programs, but they are eligible for other types of USDA programs and support throughout several farm bill titles. These include, but are not limited to, programs in the nutrition, conservation, research, crop insurance, disaster assistance, rural development, and trade titles. Other federal agencies also play important roles in these sectors.

Specialty crops—defined as “fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture)”—comprise a major part of U.S. agriculture. USDA reports that retail sales of fresh and processed fruits and vegetables for at-home consumption total nearly \$100 billion annually. In 2012, about 244,000 farming operations grew more than 350 types of fruit, vegetable, tree nut, flower, nursery, and other horticultural crops. Production is concentrated in California, Florida, Washington, Oregon, North Dakota, and Michigan.

Agricultural products certified as “USDA organic” account for a small but growing share of the U.S. farming sector. At the retail level, U.S. organic sales totaled \$43.3 billion in 2015, representing roughly 5% of all food sales in the United States. Leading organic commodities include milk, eggs, broiler chickens, lettuce, apples, meat products, grapes, corn for grain, hay, and spinach. In 2014, there were more than 14,000 organic farms and ranches, covering a total of 3.7 million acres, or about 1% of total U.S. cropland. Production is concentrated in California, Florida, Washington, Pennsylvania, Oregon, Texas, and Wisconsin.

Finally, a range of farm businesses are considered to be engaged in local food production. There is no established definition of what constitutes a “local food,” but generally it refers to agricultural production and marketing that occurs within a certain geographic proximity (between farmer and consumer) or that involves certain social or supply chain characteristics in producing food (such as small family farms, urban gardens, or farms using sustainable farming practices). Sales of locally produced foods comprise a small but growing part of U.S. agricultural sales. USDA reports that local food sales totaled an estimated \$6.1 billion in 2012, reflecting sales from nearly 164,000 farmers selling locally marketed foods. This represents 8% of U.S. farms and 1.5% of the value of U.S. agricultural production.

Selected “Horticultural” (Title X) Provisions in the 2014 Farm Bill (P.L. 113-79)

- **Grants for Specialty Crops to States/Territories.** Specialty Crop Block Grant program (§10010).
- **Plant Pest and Disease Detection/Surveillance.** Plant Pest and Disease Prevention Program (§10007).
- **Grants for Local Foods/Farmers’ Markets.** Farmer’s Market and Local Food Promotion Program (§10003).
- **Organic Certification Cost Sharing.** National Organic Certification Cost-Share Program (§10004(d)-(f)).
- **AMS National Organic Program (NOP).** Regulatory and oversight program (§10004(b), §10005).
- **AMS Data Collection.** Specialty Crops Market News Allocations (§10001), Organic Production and Market Data Initiatives (ODI) (§10004(c)), and production and marketing of local/regional agricultural foods (§10016).

Selected Provisions in Other Titles

- **Trade title.** Technical Assistance for Specialty Crops (TASC) (§3205); Market Access Program (MAP) (§3102).
- **Nutrition title.** Fresh Fruit and Vegetable (“Snack”) Program (§4201); Food Insecurity Nutrition Incentive program (§4208); Senior Farmers’ Market Nutrition Program (§4203); Healthy Food Financing Initiative (§4206).
- **Research title.** Specialty Crop Research Initiative (SCRI) including emergency citrus disease research (§7103, §7306); Organic Agriculture Research and Extension Initiative (§7211); Organic Transitions (ORG) (§7302);
- **Conservation title.** EQIP Organic Initiative (§2202)
- **Rural Development title.** Value-Added Grants (§6203).

Existing Farm Bill Provisions

The 2008 farm bill expanded support and funding for existing specialty crop and organic programs and created incentives for producers under a new title, “Horticulture and Organic Agriculture.” The 2014 farm bill reauthorized many of the existing farm bill provisions but also increased spending on “Horticulture” title programs. These programs are mostly administered by USDA’s Agricultural Marketing Service and Animal and Plant Health Inspection Service. The **text box** above provides a list of selected programs.

When the 2014 farm bill was enacted, the Congressional Budget Office estimated that mandatory outlays for programs authorized in the horticulture title would increase \$340 million over the next five years (FY2014-FY2018) compared with the previous five-year period. Despite this increase, funding under this title still comprises a small share—less than one-half of 1%—of total mandatory farm bill spending. Across all farm bill titles, mandatory spending for specialty crops, organic agriculture, and local

food systems was expected to average about \$770 million annually (FY2014-FY2018). Key programs include the Specialty Crop Block Grant Program, the Specialty Crop Research Initiative (SCRI), pest and disease prevention programs (i.e., the so-called Section 10007 program), and nutrition programs targeting fruits and vegetables. The 2014 farm bill also provided for an increase of roughly \$300 million in average annual appropriations across related programs.

In general, the types of programs in which many of these sectors share a common interest are USDA marketing and promotion programs (including rural development programs), domestic food and nutrition programs, research and cooperative extension programs, and conservation programs, among others. Although USDA has historically not provided direct support for specialty crops and organic production, over the decades Congress has authorized a wide range of programs in these areas to facilitate growth and benefit the economic health of these and related sectors.

Issues and Options

Despite some shared program interests and a shared farm bill title, there are often significant differences between U.S. specialty crop and organic producers in terms of their overall farm bill priorities and in the types of key farm bill programs each group supports. The U.S. horticulture sector is among the most diverse of U.S. farm sector groups, with advocates spanning a wide range of policy priorities. The certified organic and the local foods sectors are even more diverse, with wide-ranging priorities. Given the perception of the importance of fruits and vegetables within many varied policy arenas, including child nutrition and wellness, and continued calls for enhanced equity across farm sectors, the specialty crop industry is expected to call for continued expansion of these existing programs. Continued growth in both consumer demand and producer investment in the certified organic and locally produced food sectors is also likely to drive calls for increasing support for these markets within USDA and at the state/local levels. Such expansion proposals may draw resistance from more traditional agricultural producers and from more established program recipients within the fruit and vegetable sectors due to competition for limited funds.

Previously, farm bill recommendations by specialty crop interest groups (as well as some leading state agencies, such as in California) spanned most farm bill titles. Most groups supported maintaining funding for each of the primary nutrition programs—such as the Fresh Fruit and Vegetable (Snack) Program, minimum purchase requirements under the Section 32 program, and the DoD Fresh program—and also called for changes to improve the nutritional status of U.S. food stamp recipients. They also recommended expanded funding for block grants, plant pest and disease programs, research programs (such as SCRI), and disaster assistance (including raising payment limitations on tree replacement). Within export promotion, these groups recommended maintaining funding for USDA's export promotion programs (such as MAP and TASC). They also recommended that certain conservation programs be expanded to assist specialty crop producers and that adjusted gross income limitations not apply to conservation

programs. Others recommended continued funding for the Value-Added Producer Grant Program and other changes to rural development programs affecting farmworkers.

Farm bill recommendations promoted by the organic industry that could resurface in the next farm bill are focused on existing programs, including funding for the National Organic Program and the National Organic Certification Cost-Share Program and support for research under the Organic Agriculture Research and Extension Initiative and the Organic Transitions Integrated Research Program. Other priorities have included improving organic producers' access to USDA conservation programs and crop insurance and addressing certain marketing issues, such as organic data collection at USDA and potential losses associated with contamination of organic crops from genetically engineered crops.

Many of the farm bill programs supporting specialty crops and organic agriculture are also supported by organizations promoting local and regional food systems. Some of the leading programs for local food producers also include the Farmers Market and Local Food promotion programs, the Senior Farmers Market Nutrition Program, and also related policies and incentives under the Supplemental Nutrition Assistance Program, such as the Food Insecurity Nutrition Incentives, support for Community Food Projects, and farm-to-school provisions. These groups also generally promote several rural development programs, including the Rural Micro-Entrepreneur Assistance Program. They also promote grant and loan programs that broadly support strategic regional community and economic development as well as beginning and socially disadvantaged farmers and ranchers.

In anticipation of the 2018 farm bill reauthorization, the ranking Member of the Senate Agriculture Committee, Senator Debbie Stabenow, introduced the Urban Agriculture Act of 2016 (S. 3420) in the 114th Congress. This bill proposed to expand existing farm programs and funding and fund new programs and incentives to promote urban agriculture by expanding provisions in several titles throughout the farm bill. The bill proposed to expand support for competitive grants and research initiatives supporting urban farming and expand risk management tools, among other provisions. When this bill was introduced, it was widely noted as being intended to become part of a 2018 farm bill and could be reintroduced in the 115th Congress.

Related CRS Reports

- CRS Report R43632, *Specialty Crop Provisions in the 2014 Farm Bill (P.L. 113-79)*
- CRS Report RL32746, *Fruits, Vegetables, and Other Specialty Crops: A Primer on Government Programs*
- CRS Report R43950, *Local Food Systems: Selected Farm Bill and Other Federal Programs*

Renée Johnson, Specialist in Agricultural Policy

IF10624

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.