

H.813 – Tree Fruit Farmer Assistance Program

House Ag testimony notes 3/13/24

This program is not in our budget and we don't have any unobligated funds to redirect to support this effort. Therefore, while we are concerned about losses experienced during the May freeze event, we can't support this item

- We do recognize that operations experiencing loss due to May freeze were not eligible to claim those physical losses under BEGAP

Thankfully, we have been able to support the produce and fruit industry through the ADG produce program, which currently is also not in the FY25 budget at this time and Working Lands program

- ADG meat and produce received 173 applications requesting \$25.8M in project support
 - o Preliminary #'s: \$10.7M were from produce industry (collectively veggies, fruit, berries)
 - o 11 were from orchards & 9 from vineyards/grapes totaling \$3,902,339 in requests
- FY24 WLEI business enhancement grants: 14 awarded, of which 4 were fruit producers
 - o fruit awards totaled \$160,100 (out of the \$558,343 total invested) = 29%
 - o Other WLEI awards are still under review (SC and ARPA and small farmer)

Find that these one-time programs are not as effective as sustained economic development programs that can also include climate change, disaster recovery efforts as eligible uses of funds

- Rather focus on supporting transition and infrastructure investments that help an industry become more resilient than a one-time recovery payment

We would want to make the relief assistance simple

- How the program is structured would depend upon the budget available for the program
- If designed to be freeze recovery assistance, wouldn't want to go as a grant but instead as an award (similar to BEGAP) which allows more flexibility than requirement in signing a grant agreement

Curious about only focusing on tree fruit and not vineyards, berries, currants, etc. more collectively

Would want to have more guidance from you in statute around how to prove losses

- Different from ODRAP where the production was verified by processors, we don't have a way to verify these losses
- Would have to be self-reported data similar to BEGAP

The example of losses that would be captured in 2024 are sales of value-added products:

- fruit harvested in 2023 but not sold until 2024;
- apple crop that is typically harvested in 2023 but sold all winter/spring/summer in 2024 until next season's crop is available
- fruit processed into wine, cider, other beverages

What would be the plan for tree fruit farms that started in 2022/2023 and 2023 was their first harvest

- Don't have 2022 revenue for comparison

Thinking about equity considerations

- Currently statute doesn't include an upper limit on the per farm request, so not sure if that is on the Agency to figure out
- Award funds could make some orchards whole and others not, so consider a % of loss with a max reimbursement (similar to BEGAP)
- Experience with BEGAP is that an application deadline would have worked better and could divide the total allocation across all eligible applicants based on % of claimed losses
- Therefore, this would not a first come first served program