

Testimony of  
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Good morning Chairman Roberts, Ranking Member Stabenow. Thank you for the opportunity to speak today about the impact of the 2014 Farm Bill and priorities for the 2018 legislation.

My name is Chris Alpers of Redpath Orchards and I am a third generation apple and cherry grower from Lake Leelanau, Michigan. I currently serve on the USApple Board of Directors and Executive Committee, as well as Cherry Growers Processing's Board of Directors.

My father and I manage/own and operate Redpath Orchards & Alpers Farms, consisting of 1,000 acres of tart cherries, sweet cherries and apples, which was established in 1959. As one of the largest orchards in the state of Michigan, we take pride in being at the forefront of new agricultural advances. My childhood was spent welcoming Michigan State University researchers into our home as they worked to develop and test the newest forms of agricultural technology on our farm. I have experienced the good fortune of helping to further cultivate our farm in order to prepare for future generations.

My wife, a sixth generation tree fruit grower, and I hope to leave the farm poised for success should our four month old son, Raymond, choose to carry on the family farming legacy. This year, we look forward to planting an apple tree with our son; grafted from a Red Delicious tree my wife's great-great-great-great grandfather planted on her family farm in Sparta, Michigan (7<sup>th</sup> generation).

In addition to farming, my mother and I operate a business selling tree fruit nursery stock. My grandmother established Alpers Tree Sales in 1954 as a means to streamline nursery stock sales in northern Michigan. We work with C&O Nursery (owned and operated by the Snyder family since 1906) out of Wenatchee, Washington to deliver quality nursery stock to growers in Michigan. Tree fruit growers across the nation work together closely in order to grow and sustain our industry.

Michigan is home to 825 apple growers, many in their 5<sup>th</sup> or 6<sup>th</sup> generation on their orchards. Apples are Michigan's largest and most valuable fruit crop, and have a yearly farm gate value of \$245.81 million. This value is compounded by the economic impact of input costs, processing, packaging, shipping and sales. With 11.3 million apple trees covering 35,500 acres, apples are geographically, fiscally, and culturally an important aspect of life in Michigan.

From Michigan to Washington, New York to California the apple industry is comprised of independent business owners. We strongly support programs that build long-term competitiveness, drive innovation and further grow demand of our products. Tree fruit growers are not seeking a government farm program to support grower income or market prices. That would not be in the best interest of my business nor our industry. Building on the success of the 2008 legislation, the current Farm Bill made a number of

important strides toward each of these goals. I would like to touch on some of them briefly.

### **Export Programs**

A strong export market is critical to the health of the entire apple industry. Nationally, about 30% of the fresh crop is sold overseas. Most of that fruit is grown in Washington State but a strong export market strengthens and stabilizes the market nationwide.

I would like to take this opportunity to talk about the immense importance of protecting provisions for agriculture in NAFTA. Mexico and Canada represent the two largest export markets for apples, totaling more than \$450 million in sales last year. Disruption to these important markets would have a devastating impact on the entire industry. We witnessed a glimpse of the impact of market disruption during the trucking dispute with Mexico in 2010 and the more recently the West Coast ports slowdown in 2015.

The apple industry strongly supports the Market Access Program (MAP), which has helped level the playing field as it allows us to compete with countries that have a much lower cost of production, such as China and Chile.

As a direct result of the MAP program funding, Michigan has shipped apples to new markets such as Brazil, China, and Israel. Representation and market information in these new markets has been extremely beneficial in providing the best Michigan Apples available. These very critical dollars have provided opportunities that our individual states could not achieve alone.

MAP is a public-private partnership; with growers contributing \$2 for every federal dollar the industry receives. Recent studies have shown a return on investment of 24:1 for MAP. This important program has been funded at the same level since the 2002 Farm Bill. I would strongly urge the Committee to increase funding for MAP in the 2018 legislation.

The Technical Assistance for Specialty Crops (TASC) is another important Farm Bill program, which provides funds to resolve phytosanitary and technical barriers that prohibit or threaten access to a foreign market. Michigan has utilized TASC dollars to gain access to markets such as Mexico and Israel.

### **Research**

Research and extension activities supported by USDA and Michigan State provide the apple industry with a competitive edge by enabling the introduction of new cultivars, implementation of improved pest management strategies, genomics and plant breeding and science-based improvement of food safety.

One of the most successful programs beginning with the 2008 Farm Bill and renewed in 2014, is the Specialty Crop Research Initiative (SCRI). The SCRI provides funding for a

variety of research programs throughout the specialty crop industry. While the success stories from SCRI research projects are numerous, for apple growers, this program played a critical role in slowing down the damage caused by the newest invasive species, the Brown Marmorated Stink Bug (BMSB). Michigan has seen an increase in BMSB activity including damage to apples from the 2016 crop. As numbers continue to increase, the SCRI research has been critical in providing tools to apple growers in combating this extremely destructive pest.

In 2011, the SCRI funded a 5-year; \$5.7 million research grant involving over 50 scientists and 10 research institutions nationwide to develop methods to control BMSB. The initial research effort yielded significant benefits in the development of knowledge and tools to deal with this especially damaging invasive species. Though apples are a major target of the BMSB, it is known to attack more than 300 plant species, many of them specialty crops, and the SCRI research also helped other specialty crop producers fight the BMSB. The U.S. Apple Association estimates that the SCRI research resulted in savings to agriculture in crop value of more than \$500 million worth of crops that otherwise would have been lost. Significant research still needs to be done in order to develop a long-term solution to the BMSB problem. Based upon both the success of the first program, and the need for research on controlling the pest long term, a new 5-year project has been funded under the SCRI.

The BMSB research is only one example of the impressive return on investment that the SCRI has provided. Advances made in SCRI research projects focused on mapping the apple genome, mechanizing orchard practices such as pruning and harvesting, and prevention of other disease and insect pest threats promises to result in even greater savings to agriculture, which translates into a direct benefit to the U.S. economy, consumers, and U.S. jobs.

Currently, the cherry industry (and many other fruit industries) is currently facing a similar threat from Spotted Wing Drosophila (SWD). This pest has the ability to cripple our industry if left unchecked. Important research is presently being conducted in order to prevent this pest from destroying more fruit across the state.

I understand there are some who would like to review and potentially restructure many of the research programs funded under the Farm Bill. While there is always room for improvement, I would argue the SCRI program is relatively new and is working quite well. Changes to the fundamental structure of the program could disrupt ongoing projects and impede future efforts.

SCRI projects are reviewed based upon both their scientific merit and relevance of the research to the industry. This enhances the likelihood these valuable dollars are spent on impactful projects. I strongly urge the Committee to maintain and if possible, increase funding for the SCRI.

Another important program is the National Clean Plant Network, which serves as the single nationally certified source of plant material free of potentially devastating diseases and pests. Enabling the nursery industry to produce clean plants is of critical importance as a number of serious diseases can enter into the United States through the import of foreign nursery stock. As we have painfully learned with the recent experience with the BMSB and SWD, once such pests and diseases become established in a region it is extremely difficult to eradicate them.

### **Marketing Programs**

The 2014 Farm Bill includes a number of important marketing programs which have proven beneficial to the apple and cherry industry here in Michigan and nationally. The Specialty Crop Block Grant program focuses on regional and local priorities to improve the competitiveness of specialty crop producers. For several years, Specialty Crop Block Grants have allowed the Michigan Apple Committee (MAC) to engage and connect with consumers in-store, via social media, through advertising and in numerous other ways. Thanks to SCBG funds, intensive programs aimed at specific geographic areas, targeted retailers and key consumer audiences have brought valuable results online and in stores. With these grants, MAC has been able to show increases in engagement on social media, awareness via trade and consumer advertising, and, most importantly, movement of Michigan Apples in targeted regions. These grant funds proved to be critical following the 2012 crop loss when re-building market awareness and retail presence was a significant goal for the industry's recovery.

### **Crop Insurance**

The apple industry is one of a handful of specialty crops that participates in the federal crop insurance program. In fact, according to the USDA's Risk Management Agency (RMA), nearly 75% of the U.S. apple crop is insured. Over the years, the industry has worked closely with RMA and as a result, today's policies have been modernized to reflect production changes in the industry. There is more work to be done to fully address these changing needs. We continue that dialogue with Risk Management Agency.

No crop insurance program will make a grower devastated by a natural disaster financially "whole," but it will allow them to survive a devastating loss and continue to support the economic engine of rural America. Let me be clear, crop insurance enables me to manage risk, but it should never be designed in a way that distorts the market or encourages sub-par production.

A risk management tool such as crop insurance allows producers like me to invest back into our own business, creating good jobs our local community. Modern apple plantings cost upwards of \$ 40,000/ac before a single apple is harvested (5-7 years later). This enormous startup cost unfortunately scares many talented young entrepreneurs (and lending institutions) away from investing their talents (and capital) into apple production. I am thankful many producers (and lenders) recognize crop insurance as an

important risk management tool. Without the ability to purchase a solid insurance policy and limit my exposure I would not be able to justify investing my future into the apple business.

### **Nutrition Programs**

Programs like the Fresh Fruit and Vegetable Program (FFVP) are a win-win for the apple industry and the children that are served. This highly successful national program has reached more than 4 million low-income elementary school children, many of them right here in Michigan.

The FFVP has been evaluated by outside experts and found to be highly effective at increasing students' consumption of fresh fruits and vegetables. Anecdotally, we hear many of the students who participate take what they learn home with them and ask their parents to buy the fresh fruits and vegetables they experienced through the FFVP.

There is a bipartisan focus on reducing the rate of childhood obesity and diabetes through improved nutrition and this program accomplishes those goals.

### **Labor – Our #1 Issue**

I would be remiss if I did not raise the issue of agricultural labor and the concerns that apple growers have from coast-to-coast as to whether they will have adequate labor to harvest and care for our crop. Apple and cherry growers like me spend money 10 to 11 months a year in order to create all of our revenue in a very short time sensitive window. **I must point out there is no insurance for no labor.** A solution to this problem must come sooner than later. I have personally witnessed crops wasting away on the trees because the producer wasn't able to secure a (domestic) work force or there were extreme delays in the H2-A program.

Due to the lack of a viable domestic work force, our farm is in the process of recruiting foreign visa guest workers for our 2017 cherry and apple harvest. Many fellow producers in my area are also being forced to seek workers via the H2-A program. My single greatest concern this upcoming season is this program will experience significant delays and workers will not arrive before the crop is ready to be harvested.

Thank you for allowing me the opportunity to testify before this Committee. These discussions and the reauthorization of the Farm Bill offer an exciting opportunity to further improve important specialty crop programs and support increased growth and competitiveness of the apple and cherry industry.