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2018 Farm Bill Primer: Specialty Crops and Organic Agriculture

The 2018 farm bill (Agriculture Improvement Act of 2018, P.L. 115-334) reauthorized and expanded existing programs and policies administered by the U.S. Department of Agriculture (USDA) supporting fruits, vegetables, tree nuts, and greenhouse and nursery products, among other specialty crops. A range of initiatives support specialty crops, including market promotion, plant pest and disease prevention, and public research. The 2018 farm bill also reauthorized and expanded existing support for USDA-certified organic agricultural production.

Industry Overview

Specialty crops—defined as “fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture)” (7 U.S.C. §1621 note)—account for roughly one-third of annual U.S. crop sales (farm level). For 2017, USDA reports that the value of farm level sales of fruits, vegetables, and nursery crops totaled \$64.7 billion (**Table 1**). There are about 240,000 farming operations growing 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. For some specialty crop producers, obtaining USDA organic certification for their crops may represent a viable business strategy. USDA reports that farm sales from organic operations producing crops that meet the definition of *specialty crop* (including maple syrup) totaled \$3.4 billion in 2016 (most current data available). Accordingly, USDA-certified organic crops account for about 5% of U.S. specialty crop sales.

In addition to specialty crops, certified organic production includes animal products (e.g., meat and dairy products) and other field crops that fall outside the statutory definition of *specialty crop* (e.g., corn, soybeans, cotton, rice, etc.). USDA-certified organic agriculture accounts for a small but growing share of the U.S. farming sector. For 2016, USDA reports that farm sales of certified organic products totaled \$7.6 billion, spanning an array of plant and animal products (**Table 1**). Leading organic commodities include milk, eggs, broiler chickens, leafy greens, apples, meat products, grapes, corn for grain, and hay. USDA reports there were nearly 14,000 organic farms and ranches in 2016. Certified organic production is concentrated in California, Florida, Washington, Pennsylvania, Oregon, and Texas.

Selected Horticulture Title Provisions

The Horticulture title (Title X) of the enacted 2018 farm bill contains many of the programs administered by USDA supporting specialty crop producers and U.S. farmers engaged in USDA-certified organic agricultural production (covering also animal products). Programs and policies supporting specialty crop producers include block grants to states, support for farmers markets, data and information collection, and education on food safety and biotechnology,

among other market development and promotion initiatives. Programs in the Horticulture title supporting organic production further include market development and promotion, data collection, provisions related to USDA’s National Organic Program (NOP) and related programs, and policies addressing organic import integrity.

Table 1. Farm-Level Data, Various Years, Specialty Crops and USDA-Certified Organic Agriculture

Product Category	Farms (number)	Sales (\$million)
All U.S. Agriculture (2017)	2,042,220	388,523
Total crop sales	NA	219,813
Total animal products sales	NA	168,709
Selected Specialty Crops (2017)		
Fruits, tree nuts, berries	109,994	28,581
Vegetables, melons, potatoes	75,320	19,584
Nursery, greenhouse, sod	46,970	16,174
Christmas trees, woody crops	10,559	386
Subtotal	≈240,000	64,725
%Total U.S. agricultural sales (2017)	NA	16.7%
%Total U.S. crop sales	NA	29.4%
Certified Organic Agriculture (2016)		
Crops, incl. nursery/greenhouse	11,187	4,193
Specialty crops (certified organic)	NA	3,430
Fruits, tree nuts, and berries	4,540	1,407
Vegetables, mushrooms, herbs	NA	1,844
Nursery and floriculture	641	113
Field crops	NA	763
Maple syrup	331	65
Other field crops	NA	763
Livestock, poultry, dairy products	6,835	3,361
Subtotal	13,954	7,554

Source: CRS from USDA’s 2017 *Census of Agriculture* and USDA’s 2016 *Certified Organic Survey*. Sales data are farm-gate. Farm numbers may not be additive, as some farms produce multiple commodities.

Provisions supporting the specialty crop and organic food sectors are not limited to the Horticulture title within the farm bill. Included are provisions covering research and development grants (Research title), domestic nutrition assistance (Nutrition title), technical and financial assistance for U.S. agricultural exports (Trade title), and other provision within the Crop Insurance, Conservation, Rural Development, and Miscellaneous titles. The **text box** on the next page provides a summary of select provisions. Title X covers other programs not addressed here, including those supporting local food systems and hemp production.

The 2018 farm bill reauthorizes many of the USDA programs supporting specialty crop producers, including the

Specialty Crop Block Grant Program (§10107) and the Specialty Crop Market News (§10101). Under the block grant program, USDA provides grants to the state departments of agriculture to enhance the competitiveness of specialty crops by supporting projects in marketing, research, pest management, and food safety. Market News provides for data collection on specialty crop markets. Other reauthorized programs address research and

development, such as the Specialty Crop Research Initiative, which provides mandatory funding of \$100 million annually for grants to address critical industry issues through research and extension activities (§7305). In addition, the farm bill establishes an Emergency Citrus Disease Research and Development Trust Fund, extending support and funding to address ongoing concerns regarding citrus disease (§12605). It further requires the Federal Crop Insurance Corporation to designate a Specialty Crops Liaison in each regional field office and provide contact information with specialty crop producers (§11105). Other commodity-specific provisions address maple syrup, honey and related syrups, cherries, and pecans (see **text box**).

Selected Provisions in the 2018 Farm Bill

- **Specialty Crop Market News Allocation.** Reauthorizes program supporting market data collection. Authorizes \$9 million annually in appropriations through FY2023. (§10101)
- **Specialty Crop Block Grants.** Reauthorizes program and provides mandatory funding of \$85 million annually, with funding for multi-state project grants. (§10107)
- **Agricultural Trade Promotion and Facilitation.** Consolidates into a single program USDA's four market development and export promotion programs, including the Market Access Program and the Technical Assistance for Specialty Crops program, among others. (§3201)
- **Federal Crop Insurance, Specialty Crops.** Requires the Federal Crop Insurance Corporation to designate a specialty crops liaison in each regional field office and provide contact information to specialty crop producers. (§11105)
- **Specialty Crop Research Initiative.** Reauthorizes mandatory funding of \$100 million annually through FY2023 and makes other program changes. (§7305)
- **Emergency Citrus Disease Research and Development Trust Fund.** Establishes a trust fund to extend support for emergency research and extension involving citrus disease. Provides annual mandatory funds of \$25 million. (§12605)
- **Citrus Disease Subcommittee.** Extends the citrus disease subcommittee through FY2023 and changes the composition of the subcommittee. (§7104)
- **Acer Access and Development Program.** Reauthorizes appropriations of \$20 million per year through FY2023 to promote the domestic maple syrup industry. (§12501)
- **Marketing Orders.** Requires imported cherries and pecans to comply with marketing order grade, size, quality, and maturity provisions or comparable restrictions. (§12503)
- **Purchase of Fresh Fruits and Vegetables for Distribution to Schools and Service Institutions.** Extends the requirement that USDA purchase additional fruits, vegetables, and tree nuts for use in domestic nutrition assistance programs. (§4202)
- **Labeling Exemption for Single Ingredient Foods and Products.** Allows that the nutrition facts label of any single-ingredient sugar, honey, agave, and syrup, including maple syrup, bear the declaration "Includes Xg Added Sugars." (§12516)
- **Organic Certification.** Makes changes intended to enhance enforcement and limit program fraud and increases funding for technology upgrades. Amends the eligibility and consultation requirements of the standard-setting board. (§10104)
- **Organic Production and Market Data.** Reauthorizes mandatory funding of \$5 million annually. (§10103)
- **National Organic Certification Cost-Share Program.** Reauthorizes mandatory funding, rising to \$8 million annually in FY2022-FY2023 to remain available until expended. (§10105)
- **Organic Agriculture Research and Extension Initiative.** Reauthorizes program, and increases mandatory funding, rising to \$50 million annually in FY2023. (§7210)

The farm bill addresses trade issues involving both specialty crops and certified organic agriculture through the Agricultural Trade Promotion and Facilitation Program, which merged several existing trade programs, including those that provide technical assistance for specialty crops as well as export promotion assistance through the Market Access Program (§3201). Finally, the farm bill reauthorizes the requirement that USDA purchase additional fruits, vegetables, and tree nuts for use in domestic nutrition assistance programs, among other Nutrition title provisions that indirectly benefit specialty crop producers (§4202).

Additional Support for Organic Farming

The 2018 farm bill contains a number of provisions expanding existing program support for certified organic agriculture. It reauthorizes several programs, including the Organic Agriculture Research and Extension Initiative (OREI) (§7210) and the National Organic Certification Cost Share Program (NOCCSP) (§10105). Under OREI, USDA provides grants to facilitate the development of organic agriculture production, breeding, and processing methods through the integration of research and extension activities. The enacted law expands mandatory funding for NOCCSP, which helps defray the cost of organic certification by authorizing USDA to reimburse a portion of these costs. The farm bill further reauthorizes funding to collect organic production and market data (§10103).

The 2018 farm bill further makes changes to NOP and related programs. These changes address concerns about organic import and product integrity by strengthening data collection and investigation of organic products (incorporating provisions initially introduced in H.R. 3871, 115th Congress). It further amends the eligibility and consultation requirements of the National Organic Standards Board, among other related changes (§10104). The enacted law reauthorizes NOP appropriations above current levels and provides for certain technology upgrades.

Considerations for Congress

USDA is currently implementing provisions in the 2018 farm bill. Congress could continue to track USDA's progress in implementing these provisions as part of its general oversight of the 2018 farm bill.

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