

108TH CONGRESS
2^D SESSION

H. R. 3242

IN THE SENATE OF THE UNITED STATES

OCTOBER 7, 2004

Received

AN ACT

To ensure an abundant and affordable supply of highly nutritious fruits, vegetables, and other specialty crops for American consumers and international markets by enhancing the competitiveness of United States-grown specialty crops, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Specialty Crops Com-
5 petitiveness Act of 2004”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) A secure domestic food supply is a national
9 security imperative for the United States.

10 (2) A competitive specialty crop industry in the
11 United States is necessary for the production of an
12 abundant, affordable supply of highly nutritious
13 fruits, vegetables, and other specialty crops, which
14 are vital to the health and well-being of all Ameri-
15 cans.

16 (3) Increased consumption of specialty crops
17 will provide tremendous health and economic bene-
18 fits to both consumers and specialty crop growers.

19 (4) Specialty crop growers believe that there are
20 numerous areas of Federal agriculture policy that
21 could be improved to promote increased consumption
22 of specialty crops and increase the competitiveness
23 of producers in the efficient production of affordable
24 specialty crops in the United States.

1 (5) As the globalization of markets continues, it
2 is becoming increasingly difficult for United States
3 producers to compete against heavily subsidized for-
4 eign producers in both the domestic and foreign
5 markets.

6 (6) United States specialty crop producers also
7 continue to face serious tariff and non-tariff trade
8 barriers in many export markets.

9 (b) PURPOSE.—It is the purpose of this Act to make
10 necessary changes in Federal agriculture policy to accom-
11 plish the goals of increasing fruit, vegetable, and nut con-
12 sumption and improving the competitiveness of United
13 States specialty crop producers.

14 **SEC. 3. DEFINITIONS.**

15 In this Act:

16 (1) The term “specialty crop” means fruits and
17 vegetables, tree nuts, dried fruits, and nursery crops
18 (including floriculture).

19 (2) The term “State” means the several States,
20 the District of Columbia, and the Commonwealth of
21 Puerto Rico.

22 (3) The term “State department of agriculture”
23 means the agency, commission, or department of a
24 State government responsible for agriculture within
25 the State.

1 **TITLE I—STATE ASSISTANCE**
2 **FOR SPECIALTY CROPS**

3 **SEC. 101. SPECIALTY CROP BLOCK GRANTS.**

4 (a) AVAILABILITY AND PURPOSE OF GRANTS.—Sub-
5 ject to the appropriation of funds to carry out this section,
6 the Secretary of Agriculture shall make grants to States
7 for each of the fiscal years 2005 through 2009 to be used
8 by State departments of agriculture solely to enhance the
9 competitiveness of specialty crops.

10 (b) GRANTS BASED ON VALUE OF PRODUCTION.—
11 Subject to subsection (c), the amount of the grant for a
12 fiscal year to a State under this section shall bear the
13 same ratio to the total amount appropriated pursuant to
14 the authorization of appropriations in subsection (i) for
15 that fiscal year as the value of specialty crop production
16 in the State during the preceding calendar year bears to
17 the value of specialty crop production during the preceding
18 calendar year in all States whose application for a grant
19 for that fiscal year is accepted by the Secretary under sub-
20 section (f).

21 (c) MINIMUM GRANT AMOUNT.—Subject to the ap-
22 propriation of sufficient funds to carry out this subsection,
23 each State shall receive at least \$100,000 each fiscal year
24 as a grant under this section notwithstanding the amount
25 calculated under subsection (b) for the State.

1 (d) ELIGIBILITY.—To be eligible to receive a grant
2 under this section, a State department of agriculture shall
3 prepare and submit, for approval by the Secretary of Agri-
4 culture, an application at such time, in such a manner,
5 and containing such information as the Secretary shall re-
6 quire by regulation, including—

7 (1) a State plan that meets the requirements of
8 subsection (e);

9 (2) an assurance that the State will comply
10 with the requirements of the plan; and

11 (3) an assurance that grant funds received
12 under this section shall supplement the expenditure
13 of State funds in support of specialty crops grown
14 in that State, rather than replace State funds.

15 (e) PLAN REQUIREMENTS.—The State plan shall
16 identify the lead agency charged with the responsibility of
17 carrying out the plan and indicate how the grant funds
18 will be utilized to enhance the competitiveness of specialty
19 crops.

20 (f) REVIEW OF APPLICATION.—In reviewing the ap-
21 plication of a State submitted under subsection (d), the
22 Secretary of Agriculture shall ensure that the State plan
23 would carry out the purpose of grant program, as specified
24 in subsection (a). The Secretary may accept or reject ap-
25 plications for a grant under this section.

1 (g) EFFECT OF NONCOMPLIANCE.—If the Secretary
2 of Agriculture, after reasonable notice to a State, finds
3 that there has been a failure by the State to comply sub-
4 stantially with any provision or requirement of the State
5 plan, the Secretary may disqualify, for one or more years,
6 the State from receipt of future grants under this section.

7 (h) AUDIT REQUIREMENTS.—For each year that a
8 State receives a grant under this section, the State shall
9 conduct an audit of the expenditures of grant funds by
10 the State. Not later than 30 days after the completion of
11 the audit, the State shall submit a copy of the audit to
12 the Secretary of Agriculture.

13 (i) AUTHORIZATION OF APPROPRIATIONS.—For each
14 of the fiscal years 2005 through 2009, there is authorized
15 to be appropriated to the Secretary of Agriculture
16 \$44,500,000 to make grants under this section.

17 **TITLE II—SPECIALTY CROP** 18 **ADVANCEMENT**

19 **SEC. 201. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

20 For each of the fiscal years 2005 through 2009, there
21 is authorized to be appropriated to the Secretary of Agri-
22 culture \$2,000,000 to carry out section 3205 of the Farm
23 Security and Rural Investment Act of 2002 (7 U.S.C.
24 5680). Amounts appropriated pursuant to this authoriza-

1 tion of appropriations shall be in addition to any other
2 funds made available to carry out such section.

3 **SEC. 202. REDUCTION IN BACKLOG OF AGRICULTURAL EX-**
4 **PORT PETITIONS.**

5 (a) REDUCTION EFFORTS.—To the maximum extent
6 practicable, the Secretary of Agriculture shall endeavor to
7 reduce the backlog in the number of applications for per-
8 mits for the export of United States agricultural commod-
9 ities. In achieving such reduction, the Secretary shall not
10 dilute or diminish existing personnel resources that are
11 currently managing sanitary and phytosanitary issues
12 for—

13 (1) United States agricultural commodities for
14 which exportation is sought; and

15 (2) interdiction and control of pests and dis-
16 eases, including for the evaluation of pest and dis-
17 ease concerns of foreign agricultural commodities for
18 which importation is sought.

19 (b) REPORT.—The Secretary of Agriculture shall
20 submit to the Committee on Agriculture of the House of
21 Representatives and the Committee on Agriculture, Nutri-
22 tion, and Forestry of the Senate an annual report speci-
23 fying, for the year covered by the report—

24 (1) the total number of applications processed
25 to completion;

1 (2) the number of backlog applications proc-
2 essed to completion;

3 (3) the percentage of backlog applications proc-
4 essed to completion; and

5 (4) the number of backlog applications remain-
6 ing.

7 **SEC. 203. REPORT ON SANITARY AND PHYTOSANITARY EX-**
8 **PORT ISSUES.**

9 Not later than 180 days after the date of the enact-
10 ment of this Act, the Secretary of Agriculture shall submit
11 to the Committee on Agriculture of the House of Rep-
12 resentatives and the Committee on Agriculture, Nutrition,
13 and Forestry of the Senate a report on significant sanitary
14 and phytosanitary issues that affect the export of specialty
15 crops.

16 **TITLE III—SPECIALTY CROP**
17 **RESEARCH**

18 **SEC. 301. METHYL BROMIDE ALTERNATIVES.**

19 (a) PRIORITY.—The Secretary of Agriculture shall
20 elevate the priority of current methyl bromide alternative
21 research and extension activities and reexamine the risks
22 and benefits of extending the phase-out deadline in effect
23 on the date of the enactment of this Act, including the
24 estimated cost to the grower or processor associated with
25 any alternatives proposed.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—For each
2 of the fiscal years 2005 through 2009, there is authorized
3 to be appropriated to the Secretary of Agriculture
4 \$5,000,000 to carry out this section.

5 **SEC. 302. NATIONAL SPECIALTY CROP RESEARCH PRO-**
6 **GRAM.**

7 Section 1672(e) of the Food, Agriculture, Conserva-
8 tion, and Trade Act of 1990 (7 U.S.C. 5925(e)) is amend-
9 ed by adding at the end of the following new paragraph:

10 “(45) SPECIALTY CROP RESEARCH.—Research
11 and extension grants may be made under this sec-
12 tion for the purpose of improving the efficiency, pro-
13 ductivity, and profitability of specialty crop produc-
14 tion in the United States.”.

15 **SEC. 303. SPECIALTY CROP COMMITTEE.**

16 The National Agricultural Research, Extension, and
17 Teaching Policy Act of 1977 is amended by inserting after
18 section 1408 (7 U.S.C. 3123) the following new section:

19 **“SEC. 1408A. SPECIALTY CROP COMMITTEE.**

20 “(a) ESTABLISHMENT.—Not later than 90 days after
21 the date of the enactment of the Specialty Crops Competi-
22 tiveness Act of 2004, the executive committee of the Advi-
23 sory Board shall establish, and appoint the initial mem-
24 bers of, a permanent specialty crops committee that will
25 be responsible for studying the scope and effectiveness of

1 research, extension, and economics programs affecting the
2 specialty crop industry.

3 “(b) MEMBERS.—Individuals who are not members
4 of the Advisory Board may be appointed as members of
5 the specialty crops committee. Members of the specialty
6 crops committee shall serve at the discretion of the execu-
7 tive committee.

8 “(c) ANNUAL COMMITTEE REPORT.—Not later than
9 180 days after the establishment of the specialty crops
10 committee, and annually thereafter, the specialty crops
11 committee shall submit to the Advisory Board a report
12 containing the findings of its study under subsection (a).
13 The specialty crops committee shall include in each report
14 recommendations regarding the following:

15 “(1) Measures designed to improve the effi-
16 ciency, productivity, and profitability of specialty
17 crop production in the United States.

18 “(2) Measures designed to improve competitive-
19 ness in research, extension, and economics programs
20 affecting the specialty crop industry.

21 “(3) Programs that would—

22 “(A) enhance the quality and shelf-life of
23 fresh fruits and vegetables, including their taste
24 and appearance;

1 “(B) develop new crop protection tools and
2 expand the applicability and cost-effectiveness
3 of integrated pest management;

4 “(C) prevent the introduction of foreign
5 invasive pests and diseases;

6 “(D) develop new products and new uses
7 of specialty crops;

8 “(E) develop new and improved marketing
9 tools for specialty crops;

10 “(F) enhance food safety regarding spe-
11 cialty crops;

12 “(G) improve mechanization of production
13 practices; and

14 “(H) enhance irrigation techniques used in
15 specialty crop production.

16 “(d) CONSIDERATION BY SECRETARY.—In preparing
17 the annual budget recommendations for the Department
18 of Agriculture, the Secretary shall take into consideration
19 those findings and recommendations contained in the
20 most-recent report of the specialty crops committee that
21 are adopted by the Advisory Board.

22 “(e) ANNUAL REPORT BY SECRETARY.—In the budg-
23 et material submitted to Congress by the Secretary in con-
24 nection with the budget submitted pursuant to section
25 1105 of title 31, United States Code, for a fiscal year,

1 the Secretary shall include a report describing how the
2 Secretary addressed each recommendation of the specialty
3 crops committee described in subsection (d).”.

4 **TITLE IV—PEST AND DISEASE** 5 **RESPONSE FUND**

6 **SEC. 401. PEST AND DISEASE RESPONSE FUND.**

7 (a) **ESTABLISHMENT.**—There is established on the
8 books of the Treasury an account to be known as the
9 “Pest and Disease Response Fund”. There shall be depos-
10 ited into the Fund any proceeds received by the Secretary
11 of Agriculture as reimbursement for services provided by
12 the Secretary using amounts in the Fund.

13 (b) **AVAILABILITY.**—Amounts in the Fund shall re-
14 main available until expended.

15 (c) **USE OF FUND.**—In implementing the Animal
16 Health Protection Act (7 U.S.C. 8301 et seq.) and the
17 Plant Protection Act (7 U.S.C. 7701 et seq.), the Sec-
18 retary of Agriculture shall have complete discretion re-
19 garding the use of amounts in the Fund to support emer-
20 gency eradication and research activities in response to
21 economic and health threats posed by pests and diseases
22 affecting agricultural commodities.

23 (d) **AUTHORIZATION OF APPROPRIATIONS.**—For
24 each of the fiscal years 2005 through 2009, there is au-

1 thORIZED to be appropriated to the Secretary of Agriculture
2 \$1,000,000 for deposit in the Fund.

3 **SEC. 402. IMPORT AND EXPORT REGULATION REVIEW.**

4 (a) PEER REVIEW.—The Secretary of Agriculture
5 shall enter into an agreement with the National Plant
6 Board to obtain a peer review of the procedures and stand-
7 ards that govern the consideration of import and export
8 requests under section 412 of the Plant Protection Act
9 (7 U.S.C. 7712). The peer review shall be consistent with
10 the guidance by the Office of Management and Budget
11 pertaining to peer review and information quality.

12 (b) ELEMENTS OF REVIEW.—The peer review re-
13 quired by subsection (a) shall address, at a minimum—

- 14 (1) the preparation of risk assessments; and
15 (2) the sufficiency, type, and quality of data
16 that should be submitted to the Secretary of Agri-
17 culture.

18 (c) SUBMISSION OF RESULTS.—The results of the
19 peer review conducted under subsection (a) shall be sub-
20 mitted to the Secretary and Congress not later than 180
21 days after the date of the enactment of this Act.

22 **SEC. 403. MAINTENANCE OF FREDERICKSBURG INSPEC-**
23 **TION TRAINING CENTER.**

24 For each of the fiscal years 2005 through 2009, there
25 is authorized to be appropriated to the Secretary of Agri-

1 culture \$1,500,000 for the maintenance of the Agricul-
2 tural Marketing Service inspection training center in
3 Fredericksburg, Virginia.

Passed the House of Representatives October 7 (leg-
islative day, October 6), 2004.

Attest:

JEFF TRANDAHL,

Clerk.