

HORT FLASH!!

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Paul Baker Takes the Helm of the NYS Horticultural Society!!

NYS Horticultural Society President, Jim Bittner, announced that Paul Baker would assume the role of Executive Director of the Hort Society on January 1, 2006. Paul is a former fruit and vegetable grower from Ransomville in Niagara County. He also worked one year as an agricultural adviser to the previous Chair of the NY Senate Agriculture Committee, Nancy Lorraine Hoffman. Paul also has been active in many apple industry organizations. He was chairman of both the New York Apple Association and the International Apple Institute, the predecessor to the US Apple Association. Jim said that Paul's background makes him a perfect choice to lead the Hort Society when George Lamont steps down.

George had informed the board last spring that he would like to step down within a year. George feels that having Paul Baker available to continue the work of the Hort Society makes it much easier for him to step aside. He stated that while he enjoyed the work of the Hort Society, he felt it was time to move on!

New Apple Crop Insurance Program Has Many Problems!!

We expected that there would be some problems with the new MPC I apple policy, but didn't think there would be quite so many. Changing the fresh policy to an all peril US Fancy grade created an additional load on adjusters that was not fully realized. With every variety needing to be adjusted close to harvest it required at least four visits to each farm and sometimes more. Over the course of the eight education meetings that we conducted around the state in early November we heard an earful. Some of the problems can be straightened out with RMA, and others growers will have to learn to live with it. **However, the bottom line is many growers received big checks.** We heard of one that was over a half million dollars, and others that were close to that. That told us that some growers have learned to work with the program. On the other hand, we also heard of damaged apples in storage that had never been adjusted!! That is definitely not a good scene. We need to do a lot of education before next harvest season so both growers and the insurance companies know their responsibilities.

The Labor Kettle is Boiling!

There is much talk in Washington about Immigration and H2A reform. Everyone agrees there is a problem, but there is little agreement on how to solve it. This is not just an agricultural problem. In fact, there are many more illegals outside of agriculture than inside. The hotel/restaurant and construction industries, as well as agriculture, are big employers of foreign labor, the majority of which carries fraudulent documents.

We had hoped that agricultural labor would receive separate treatment through a vehicle like the AgJOBS bill. This provided for the earned adjustment of status for the workers that are already here working in agriculture, and reform for the H2A process. However, it now appears that agricultural labor issues are going to be treated as part of an overall Immigration Reform Package. This is not good because it could string on for a long time before a consensus can be reached on how to resolve it. The problem is that there is a minority of conservative Republicans who basically want to pack up all the eleven million illegals in the country and ship them back. From their point of view the illegals are criminals and should not be given anything that smacks of amnesty. However, the majority of the legislators and citizens recognize that the illegals came in because we have not secured our borders, and they are making a positive contribution to the US economy. They want to find a way to let the ones who have jobs earn their right to stay here. The Democrats would vote for a solution in a heartbeat, and we feel if any reasonable bill gets on the floor it will pass. **But at this point, with the president's party badly split, we can't be sure anything will happen.**

Our major concern at this point is that some are talking enforcement alone. This would be a disaster for agriculture and other industries highly dependent on foreign workers. Our point is that we are definitely in favor of border enforcement, but it must come after or simultaneous with reform as adjustment of status of the present work force. **Right now we need growers to write, fax, or call your congressman and tell them to say no to enforcement before adjustment of status. Any labor bill must contain the principles in the AgJOBS bill of adjustment of status and H2A reform.**

NRCS Presents Opportunity for Fruit Growers!

Historically fruit growers have not participated in government programs. This was for two reasons:

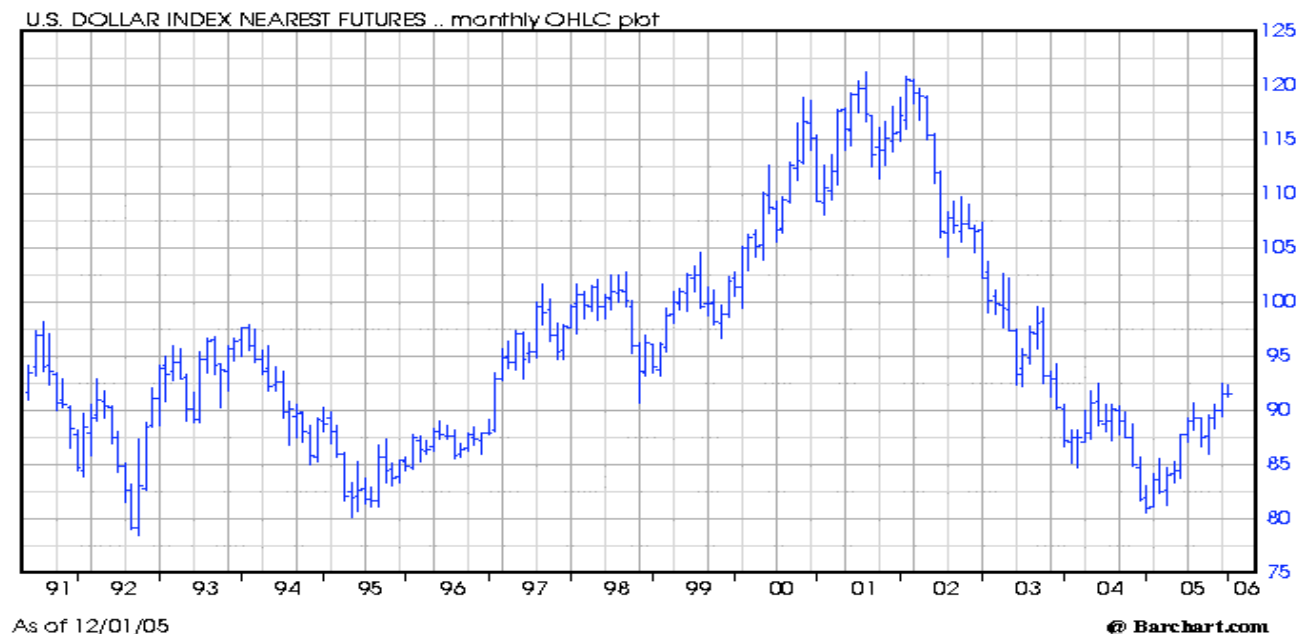
1. The traditional government programs were designed for grain farmers
2. The amount of payments fruit growers were eligible for was not worth the bother.

This changed when we got the Market Loss Assistance Program (MLAP) for 1999 and 2000, which provided sizeable payments to apple growers. However, because of some recent changes, there are some other programs that fruit growers should take a look at because. The National Resources Conservation Service (the old SCS) now makes conservation payments available to all farmers on a competitive basis. There are two types of payments. The Environmental Quality Incentive Plan (EQIP) provides funding for correction of environmental problems such as spray filling stations. This is available annually on a competitive basis. Usually the big dairy farms use up most of this money to design and construct manure-handling systems that prevent environmental disasters like the multi-million dollar one that occurred in Central New York this year. The Conservation Security Program (CSP) rewards farmers for good conservation practices that they are already doing. These include maintaining sod middles in the orchards, IPM

practices, and wildlife enhancement. These are awarded in a national competition, but orchards with sod middles give fruit growers a leg up over other farmers. CSP is awarded on a watershed basis **and the Oak Orchard watershed, which stretches from Lewiston to Rochester along Lake Ontario, is up for funding this year.** Most farmers in Niagara, Orleans, Western Monroe and Southern Genesee are eligible to compete for funding. CSP generally signs an eight-year contract, because the eligibility rotates around New York State on an eight-year basis. These contracts will not make anyone rich overnight, but the better farms should be able to pick up \$50 per acre annually the first year, which will diminish over the life of the contract. One of the first requirements is soil and leaf analysis. Any grower who has passed Eurepgap should have a big head start. Growers in other regions should visit their County NRCS office and see if they are eligible for any current programs, and also prepare themselves for the program when it does come to their area.

The Dollar Recovers!!

We have continually emphasized the importance in the value of the dollar compared to other world currencies. **This is the most important factor in the price we receive for apples because it determines the relative purchasing power of consumers in other countries who would like to purchase our products.** The chart below shows that the dollar peaked in 2001 and early 2002 at levels 50 % higher than in 1995, and then crashed 33 % to 81 in early 2005. Since that time it has rallied back 12 points, or about 30 % of the drop. Is this just a correction before it resumes its decent? We would guess that to be true with a budget deficit of half a trillion dollars and a trade deficit of \$600 billion. Those are scary numbers and certainly do not create confidence in the US economy. Some economists used to say that deficits didn't matter because we were borrowing the money from ourselves – the US citizens who bought the Treasury Bonds. However, now most of the T-bonds are bought by China with their Wal-Mart money. So whom do we owe that to? And what happens if they want it back? And what happens if they stop buying our debt??



NYFVI Allocates \$150,000 for Statewide Fruit Extension!!

We have just received word that **the fruit industry has been granted \$150,000 in funding for two years by the NY Farm Viability Institute for the Statewide Fruit Extension Program.** This is out of the \$3.3 Million that the state legislature earmarked for the New NYFVI last spring. They specified that the funds be spent to strengthen the Production Economics and Post Harvest program areas. Eastern New York has never had a Post Harvest position, and the Production Economics position that was staffed by Bill Gerling and Mark Castaldi was discontinued long ago. We had asked for \$350,000 annually and are now working with Dr. Terence Robinson and the Fruit Program Work Team (PWT) to develop a plan to transition from the present county and regional based plan to meet those NYFVI directives with the reduced funding.

The NYSHS also encouraged and supported several applications to the **NYFVI** from the fruit industry for research funding in **Variety Development & Evaluation (Brown), Storage Protocols (Watkins), Planting Systems (Robinson), and Growing Factors Affecting Storageability (Robinson).** The results of these applications should be announced soon, but currently it appears funding looks favorable for some of these projects.

NYSHS

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