

PUBLIC AFFAIRS

Farm Bill: Victory in House Attention Shifts to Senate

July 27 marked an historic day for the apple industry when the House of Representatives passed the first farm bill with mandatory funding for specialty crops like apples. The House voted 231-191 to approve the “The Farm, Nutrition and Bioenergy Act of 2007.”

A majority of Democrats voted “yes” and Republicans voted “no.” However, most of the Republicans voting “no” did so because of a controversial tax provision that was added at the last minute. Following the vote, many apple state Republicans issued statements in support of the agriculture provisions in the bill and

specifically the increased attention for specialty crops.

The increase in funding is far above 2002 Farm Bill levels and will be used to increase market opportunities, grow demand, lower costs, increase competitiveness and encourage participation in conservation. Specialty crop growers account for nearly half of all cash crop receipts in America, but have historically been underrepresented in previous Farm Bills.

Action now moves to the Senate, where the Agriculture Committee is expected to begin writing its version of the Farm Bill in early September. USApple and

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EDUCATION

Survey Finds Health is Important to Consumers

What drives consumers to make purchasing decisions? It’s no surprise that taste and price win out over healthfulness as top factors influencing food and beverage purchase decisions.

But in the International Food Information Council (IFIC) Foundation’s 2007 *Food & Health Survey*, healthfulness made “some impact” on 42% of consumer decisions while convenience only made “some impact” on 32% of those surveyed—a significant change from previous findings.

Recently released, the *Survey* highlights consumer attitudes towards food, health and nutrition and revealing “diet disconnects” among consumers.

“This survey is an important snapshot highlighting the gap between Americans’ desire to have a more healthful diet and the reality of converting this desire into day-to-day behavior. We call these gaps ‘diet disconnects,’” explained Susan Borra, IFIC Foundation president and registered dietitian, in a recent teleconference.

The survey contends that consumers are using nutrition information sources and packaging to help them make food-related decisions. Food packages are often

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USApple Member Julia Hersey testifies during the 2006 House Farm Bill hearings.

National Apple Month Partners for Successful Promotion in 2007



It's back again - the nation's biggest generic apple promotion is ready for harvest with 3 new partners for the 2007 marketing season.

National Apple Month (NAM) has announced that Kraft Caramels has joined the National Peanut Board and Smucker's as lead partners in the Fall Display Contests.

Retailers participating in the NAM Display Contests drive apple and apple product sales by using innovative marketing ideas that trigger additional impulse sales. In-store cross promotions provide opportunities for the domestic apple industry, Kraft, the National Peanut Board and Smuckers to fulfill consumer desires for delicious food options while eating healthfully.

"We are excited to have the Kraft Caramel products as a part of the 2007 promotion," said Kay Rentzel, Program Director. "They are great to work with and their sales staff will assist in getting the message out at retail."

The National Peanut Board is a multi-year NAM partner. The Board works with the nation's peanut industry to promote the value of peanuts and peanut products to the diet.

The addition of Smucker's Peanut Butter provides a new level of product support for the promotion. Rentzel says both are a perfect fit for NAM.

"The National Peanut Board has been an invaluable partner for NAM and the addition of

Smucker's Peanut Butter enhances that partnership. Peanut butter and apples have always made a good pair!"

Retailers are challenged to create an attention-getting display between September 1 and November 30 that promotes U.S. apples and apple products, Kraft Caramels, U.S.-grown peanuts and peanut products, and Smucker's Peanut Butter. They are also encouraged to incorporate meal

suggestions and a health message into their displays.

National Apple Month and their programs are independently funded and does not obtain any funding from the USApple Association.

For more information on National Apple Month programs or membership, contact Kay Rentzel by telephone at (717)-432-0090 or via email at ksrentzel@aol.com. 

2007 National Apple Month Retail Display Contest



**Build it
and they
will come.**

The National Apple Month Display Contest challenges retailers to incorporate apples and the other NAM partner products.

Specialty Crops Face Budget Hurdle in the Senate

Farm Bill (from page 1)

other members of the Specialty Crop Farm Bill Alliance (SCFBA) have been working with Senators Stabenow (D-MI) and Craig (R-ID), the lead sponsors of the "Specialty Crops Competition Act," in an effort to see that our top priorities are included in the Senate bill.


Agriculture Committee Chairman Harkin (D-IA) is as strong proponent of conservation and nutrition programs, including the Fruit and Vegetable (snack) Program. USApple is educating him on some of the other specialty crop priorities such as the block grant program.

USApple and the SCFBA are also meeting with the Senate

Agriculture Committee to make the case for expansion of key programs.

Earlier this summer, Senator Stabenow hosted Chairman Harkin at agriculture meetings in Michigan. Specialty crop growers, including USApple Trustee Julia Hersey, attended and spoke about importance of programs like Specialty Crop Block Grant Program to the apple industry. Several senators from apple states also weighed in with Senator Harkin about the special needs of apples and other specialty crops. Washington State Senators Patty Murray (D) and Maria Cantwell (D) wrote to Harkin, "As cosponsors of the

Specialty Crops Competition Act, we believe that it provides a comprehensive strategy to increase market access for specialty crops, expand federal investments in research and encourage and facilitate the consumption of nutritious agricultural products."

Even as Chairman Harkin recognizes the unique needs of specialty crops, there is a major budget hurdle to overcome in the Senate. As the process moves forward, USApple will push hard to see that the final legislation includes funding of these important programs designed to sustain the industry and move it forward. 

FARM BILL

Major Specialty Crop Provisions in House-Approved 2007 Farm Bill Legislation

The specialty crop programs included in H.R. 2419 are described below with their mandatory funding allocations over 5 years:


- \$365 million for Specialty Crop Competitiveness (Block) Grants
- \$350 million for the Fruit and Vegetable School Snack Program
- \$200 million to strengthen APHIS pest and disease prevention/mitigation programs
- \$215 million for a new specialty crop research program
- \$150 million for Environmental Quality Incentives Program (EQIP)
- \$125 million in additional funding for Market Access Program (MAP)
- \$75 million in additional funding for the DOD Fresh Fruit and Vegetable program
- \$75 million for Senior Farmers' Market Nutrition Program


- \$38 million for Technical Assistance for Specialty Crops Trade program
- \$32 million for Farmers Market Promotion program
- \$25 million for Clean Plant Network proposal
- \$20 million for organic research
- \$25 million for Fresh Cut Produce Safety Grants
- \$150 million for the Value Added Grants program
- Additional funds for purchases in the Section 32 program
- Transfers agricultural border inspection to USDA
- Provides authority to conduct food safety programs under federal marketing orders
- Maintains existing prohibition on the production of fruits and vegetables on program base acreage
- Increases maximum allowable amount of assistance under Tree Assistance Program.

INDUSTRY NOTES

Clarification: In the June issue of *Apple News* story, "USDA Plans to Collect Apple Data," Michigan should be included as one of the states NASS plans to survey instead of Minnesota.

Do you have comments, questions or suggested story ideas for the next issue of *Apple News*? Contact us at USApple:

 (703) 442-8850

 USApple
8233 Old Courthouse Rd.
Suite 200
Vienna, Virginia 22182

 SHAaga@USApple.org
www.USApple.org





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Consumers Are Interested in Health Benefits

Consumer Attitudes (from page 1)

consulted when consumers are deciding to purchase or consume foods and beverages, particularly when purchasing a product for the first time. Nine out of ten consumers use at least one element on the package. They most often report consulting the packaging for expiration dates, the Nutrition Facts Panel, and ingredients.

“For the most part, consumers do know about food, nutrition and health,” said Borra. “They are interested and they are trying to make changes, but there is a huge disconnect in trying to implement behavior change.”

IFIC suggests that the disconnect lies in time management. Two-thirds are concerned with their weight, and a similar number describe themselves as “overweight” or “extremely overweight or obese.” Though concerned, many consumers struggle to manage their hectic schedules and likewise, have a difficult time balancing diet and exercise.

Two-thirds of those surveyed report having made changes to improve their diets. A desire to lose weight and goal to improve overall well-being are among the top reasons for these changes. However only half actually describe their diet as “healthful,” and even fewer say they eat five or more fruits and vegetables per day.

A previous survey conducted by IFIC in 2005 found that Americans are beginning to recognize the relationship that certain foods or food components may have in reducing the risk of certain diseases. 92% of

INDUSTRY INFORMATION

2007 Outlook Conference Schedule of Events

Thursday, August 23

10 - 4:00 p.m. Registration

1- 4:00 p.m.

- **2007 U.S. and International Apple Crop Overview**
 - **“Apple Grower of the Year” & “National Apple Month Merchandiser of the Year” Awards**

- **Apple Varieties and the Role of Genetics**

Research - Amit Dhingra, Washington State Univ.

- **Marketing for Consumers** - Desmond O’Rourke

4:00-5:00 p.m.

- **Regional Crop Estimates**
 - **Apple Juice Concentrate and Processing Discussion** - Lindsay Buckner, Tree Top; John Rice, Rice Fruit Company; Welcome Sauer, AgroFresh

6 - 8:00 p.m. Reception

“Apple Person of the Year”

Friday, August 24

7 - 7:45 a.m. USApplePAC Breakfast

8- 12:15 pm General Session
 - **U.S. Regional Crop Reports**
 - **Retail Perspectives on Organics**- Don Harris, Wild Oats Markets

- **International Apple Crop Overview**

- **Opportunities for Fresh Sliced**- Tony Freytag, Crunch Pak

- **“The Perishable Pundit”** - Jim Prevor, *Produce Business Magazine*

Visit the USApple website at www.USApple.org to register for the **2007 Apple Crop Outlook and Marketing Conference**. Details on the conference schedule and hotels can also be found online. Contact Melaine Sprigler at msprigler@usapple.org with any questions.

See you in Chicago!




Americans recognize that fiber, found in fruits, vegetables, and some breads and cereals, is good for maintaining a healthy digestive system. 83% recognize that fiber may reduce the risk of cancer, and 78% recognize that fiber may reduce the risk of heart disease.

“Americans do believe that foods and beverages can provide a wide range of benefits,” reports Christy White, Principal at Cogent Research. Cogent worked with IFIC to conduct the survey.

The 2007 survey found that nearly 80% of consumers agreed that some foods and beverages can provide health benefits like improved heart health, overall wellness, improved stamina and

improved digestive health.

“Roughly half are acting on these beliefs and seeking out these benefits. The other half are interested but may not have found that product that tastes good yet and catches their eye,” concluded White.

IFIC’s insight suggests that consumption of apples and apple products has potential to grow as consumers become more interested in “functional foods,” or foods with added benefits. Given the health benefits, consumers are likely to choose apples for their excellent source of fiber, which has been scientifically linked to both improved heart and digestive health. 

New Mandatory Country of Origin Labeling Legislation a Reality in 2007 Farm Bill

Leaders in the meat, produce and food retail industries have reached agreement with the House Agriculture Committee on new legislation to require mandatory country of origin labeling (COOL) starting Sept. 30, 2008. The new provisions are included in the 2007 Farm Bill, passed by the U.S. House of Representatives on July 27.

A series of outbreaks from foodborne pathogens, including *E. coli* in spinach and salmonella in peanut butter coupled with daily reports of unsafe food from China, created a favorable political climate to enact the legislation. The alternative is the current onerous law also set to take effect Sept. 30, 2008.

The new compromise measure requires mandatory labeling of


produce, but minimizes penalties on retailers for labeling mistakes. It institutes a "good faith" provision that protects retailers from onerous penalties from mistakes that are not willful or egregious.

While suppliers must still provide country of origin information to retailers, retailers will not be liable for misinformation provided by suppliers. In turn, no supplier auditing will be necessary. Under the new provision, country of origin information may be communicated in current transaction documents. No new record keeping system will be required.

Additionally, state, local and regional designations will be considered a country of origin statement. These provisions remove the most problematic aspects of the current country of origin legislation, a

provision in the 2002 Farm Bill.

The current law requires stiff penalties for retailers that misidentify produce items and holds retailers responsible for verification of the country of origin. Anticipating implementation of the current new legislation, those costly provisions, which are largely absent from the new legislation, drove food retailers to demand that suppliers implement a new record keeping and auditing system to avoid penalties. As a result of the conflict, implementation of the 2002 country of origin labeling law was twice delayed by Congress.

While the new legislation does not become law until passed by the U.S. Senate and signed by the President, the new measure is expected to remain intact in the final version of the 2007 Farm Bill. 

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**8233 Old Courthouse Road, Suite 200
Vienna, Virginia 22182-3816 USA**