

Congress Takes Aim at Sharpshooter Threat

Congress has taken steps recently to prevent the spread of Pierce's Disease, a plant disease transmitted by the glassy-winged sharpshooter insect that has had a devastating effect on grape vineyards in Southern California. With the discovery this spring of Central Valley sharpshooter infestations, the need for disease control and research in the Valley has increased dramatically.

At my request, \$7.1 million in funding for Pierce's Disease control was included in the Agricultural Risk Protection Act, the crop insurance reform bill recently signed into law (see below). These funds will support

efforts by the Animal and Plant Health Inspection Service (APHIS) and local officials to control the spread of the glassy-winged sharpshooter.

I was also pleased that Vice President Gore in late June declared an agricultural emergency in California as a result of the sharpshooter outbreak, releasing \$22.3 million in federal funds to help contain the insect. This federal funding will be complemented by \$14 million in state funding for sharpshooter control, bringing a total of \$36.3 million. Of that total, \$31 million will be used for containment and control, and \$5.3 on research and prevention.

I am also pleased that when the House recently approved the FY 2001 Agriculture Appropriations bill, my request for \$1.1 million to fund research on Pierce's Disease was included. As this bill advances, I will work to direct a majority of this funding to the Agricultural Research Service's Parlier Research Center. Parlier's strategic location makes it well suited to studying Pierce's Disease control techniques.

The Valley must respond quickly to the threat posed by Pierce's Disease and equip ourselves to better respond to future pest control emergencies that could threaten the Valley.

CROP INSURANCE PROGRAM REFORMED

As a senior member of the House Agriculture Committee, I served as a member of the House-Senate conference committee on a bill to reform the nation's crop insurance programs, which President Clinton recently signed into law. Throughout the process I advocated for new crop insurance tools for specialty crop growers, who have traditionally been left out of these programs. Key provisions of the new law include:

- New ability for co-ops and non-profit agricultural associations in California to purchase catastrophic insurance for their members;

- Significant incentives for new crop insurance product development by private entities, including \$20 million for the research and development of insurance products for specialty crops. The bill also directs USDA to place a high priority on developing a vine and tree replacement

program as an option for growers of grapes, citrus, tree fruit, nuts, kiwi and other high-value permanent crops; and

- New prevented planting coverage and replanting coverage resulting from lack of irrigation water caused by a drought.

The law also includes several other key funding provisions:

- \$5.5 billion in emergency assistance in the form of market loss payments to be distributed before September 2000;

- \$200 million for the Secretary of Agriculture to purchase specialty crops that experienced low prices in the 1998 and 1999 crop years; and

- \$11.5 million for improvements to the fruit and vegetable inspection system, including expanded inspector training and new technology.



AG REPORT

S U M M E R 2 0 0 0

Historic China Trade Pact Benefits Central Valley

Congress cast a historic vote for expanded economic opportunities earlier this year when it voted to extend permanent "normal trade relations" (PNTR) status to China. The Central Valley, the country's most productive agricultural region, stands to benefit tremendously from passage of this landmark agreement.

Passage of PNTR was one of my top priorities in this session of Congress because expanded trade with China will open a critical foreign market to Valley crops and in turn result in economic expansion for the Central Valley.



China-WTO Membership Agreement

Last November, the U.S. and China negotiated a historic trade agreement that would allow China to join the World Trade Organization (WTO), a global body that sets rules for international trade, in return for significant tariff reductions on the part of the Chinese government.

Under the agreement, China would cut tariffs from an average of 24.6 percent to an average of 9.4 percent, with

agriculture tariffs cut by more than half on most U.S. farm products. The agreement would also eliminate quotas and a number of other barriers that currently restrict American access to the Chinese market (see sidebar). Finally, the agreement gives the U.S. stronger safeguards against "dumping" than ever before.

This agreement is a clear winner for the Central Valley ag economy. With China set to account for 37 per-

cent of total world food demand by 2003, it is critical for the Valley's economy that our farmers have access to Chinese consumers. **What's more, the agreement did not require the U.S. to give up anything in return — the burden is entirely on China to enact market-opening measures.**

PNTR Passage A High Priority

In order for the United States to take advantage of the terms of the agreement, we were required to grant China PNTR status, which the House approved by a vote of 237-197 in late May.

Our efforts paid off with the House passage of PNTR for China, and I will continue to be a strong advocate for expanding trade opportunities in China and around the world. By opening new markets, we can create new economic opportunities for all Valley families.

Reduced Chinese Tariffs for Valley Farm Products

Product	Tariff Reductions		
	Current Tariff	Reduced Tariff	% Change
Almonds	30%	10%	67%
Beef	45%	12%	73%
Citrus	40%	12%	70%
Citrus Juices	35%	15%	57%
Cheese	50%	12%	76%
Grapes	40%	13%	68%
Ice Cream	45%	19%	58%
Ketchup	30%	15%	50%
Peaches	30%	10%	67%
Raisins	40%	10%	75%
Pistachios	35%	10%	71%
Yogurt	50%	10%	80%
Wine	65%	20%	69%

Sanitary Barrier Elimination

Elimination of sanitary and phyto-sanitary barriers that are not based on sound scientific evidence, including current Chinese restrictions on meat, poultry, citrus and wheat.

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AGRICULTURE TRADE VICTORIES

Tulare County Citrus Bound for China

Tulare County citrus shippers blazed a trail into China in April when a Strathmore Sunkist affiliate shipped the first California fruit to Shanghai, China since China opened its trade doors to U.S. citrus earlier this year. Nearly 2,000 cartons of Valencia oranges made their way from Strathmore to China following a collaborative effort involving fruit inspections, adherence to Chinese sanitary rules, and pest control certification of the local groves. This initial foray into China by Valley crops is significant, as demand for oranges and other products in China is expected to increase dramatically over the next few years.

India Lowers Barriers to Valley Almonds

After the U.S. Trade Representative negotiated a tariff cut with India earlier this year for California almonds, implementation of the lower tariff was threatened by delay in the Indian Parliament. This delay complicated California almond growers' ability to set aside in-shell almonds for export to India. At my urging, President Clinton addressed this delay with the Indian Prime Minister during his March trip to the area. This diplomatic effort paid off in the April 5 implementation of the new tariff, down from \$1.28 to 81 cents per kilo.

Taiwan-US Pesticide Agreement

Last year, U.S. and Taiwanese negotiators reached an agreement regarding Taiwan's food inspection system and have been fine tuning the agreement since then. Taiwan expects to have its own inspection standards in place by July 15, and since last year USDA has helped Valley growers submit applications to Taiwan for pesticide registration. In the event that Taiwan has not acted on these pesticide use

applications by July 15, U.S. agricultural exports would be subject to international standards or would be accepted under U.S. maximum residue levels. Valley farmers export a critical supply of Taiwan's fruits and vegetables, and that trade should not be interrupted as the new system is put in place.

Congress Opens Caribbean to Cotton

The Africa Growth and Opportunity Act / Caribbean Basin Initiative (CBI), which was approved by Congress and signed into law by President Clinton in May, will help boost demand for U.S. cotton. By removing duties and quotas on certain Caribbean apparel exports that are made from U.S. textile components, the bill encourages U.S. firms to combine U.S. cotton yarn and fabric with further processing in the Caribbean. Economists predict the bill will significantly boost demand for U.S. cotton in a very short period of time.

Support Signaled for Cuba Embargo Easing

As a strong, long-time supporter of the complete lifting of the Cuba trade embargo, I was pleased that a deal advanced this June to partially open Cuba to U.S. food and medicine. While passage of this agreement isn't yet certain, it is a positive effort in opening access to a critical market for Valley crops. I have some concerns, however, that the agreement's prohibition on credit and private commercial financing to Cuba may shut out small and mid-sized Valley farms from trading with Cuba. Small farms don't normally have access to foreign financing and financing from foreign banks would prohibitively increase costs up to 15 percent.

Estate Tax Relief Advances in Congress

As a fourth generation family farmer, I have seen first hand the difficulty that family members face in trying to keep farms operating when passed from one generation to another. I support eliminating the heavy burden the estate tax imposes on family farmers and small business owners.

I have been an advocate of estate tax relief since coming to Congress in 1990. In June, I joined a majority of my colleagues in the House to approve, by a vote of 279-136, an estate tax relief bill sponsored by Reps. Jennifer Dunn (R-WA) and John Tanner (D-TN). The bill, co-sponsored by a bipartisan group of 238 Members of Congress, would repeal the federal estate, gift, and generation-skipping transfer taxes within ten years.

Current law imposes a roughly 55 percent federal estate tax, which has a harmful effect on small farms and businesses. Seventy percent of family businesses are not passed on to future generations, in part because of the burden imposed by estate taxes. Since most family-owned farms do not earn the kind of profits necessary to pay large estate tax bills, future generations are often forced to mortgage the farm or liquidate assets.

In addition to aiding the survival of family farms, repeal of the estate tax would have a positive effect on the Valley's rural communities. The families that live in these communities are highly dependent on the continued operation of family farms and small businesses in the area. If we are to spread our



unprecedented national economic expansion to every corner of the Central Valley, we must work to ensure that family farms stay in business.

As this session of Congress progresses, I am hopeful that some form of estate tax relief will be enacted into law.

Strengthening the Valley Water Supply

California's water supply is the foundation of the central San Joaquin Valley's agricultural economy. I am championing several recent initiatives aimed at enhancing the water supply system.

Last November, the House unanimously approved legislation I authored (H.R. 3077) to allow water users in the San Luis Unit of the Central Valley Project to purchase water from the State of California. Currently, the San Luis Unit is the only water unit in the state prohibited from bidding on state water. The bill would eliminate this unfair restriction and provide water users with the critical ability to conduct voluntary water transfers. I am currently working to secure Senate passage of this important legislation.

President Clinton recently approved funding that I requested for a number of critical Valley water projects. This fund-

ing will provide critical aid for Valley flood control projects, including reservoir enlargement at Lake Kaweah, flood control studies and continued development of a flood protection plan at Arroyo Pasajero, reservoir enlargement and dam safety construction at Success Dam, flood control on the White River, and additional projects at Frazier Creek and Pine Flat Dam.

The bill includes \$5 million for the continuation of San Joaquin River restoration pilot projects aimed at meeting environmental goals without losing valuable water supplies for Central Valley agriculture. These pilot projects may represent our best hope for balancing the needs of California's water users in a way that does not disrupt the Valley's agricultural economy.

I continue to support the CALFED process, which is designed to find ways to meet the environmental, urban and



agricultural demands on the Bay-Delta system. This June, Governor Davis and Secretary Babbitt unveiled a future framework for CALFED that includes a "no surprises" policy that seeks to assure greater reliability for Valley water deliveries. By expanding conservation measures, easing water transfers, and establishing an environmental water account to prevent loss of agricultural water to fishery purposes, CALFED aims to provide solutions to California's water use challenges.

AG DIGEST

Safer Rides for the Valley's Agricultural Workforce

The Valley's ag economy is dependent on a well-equipped workforce. A recent initiative will provide safer transportation to the job for farm laborers in the Central Valley. I helped secure \$3 million in federal funding to support the Farmworker Transportation Services Pilot Project, an initiative which will provide farmworkers in Fresno, Kern, Kings and Tulare Counties with safer transportation in the form of vanpools and dial-a-ride systems. Once the pilot project is operational later this year, it will provide an innovative new method of moving workers to the field more safely.

Researching Methyl Bromide Alternatives

Methyl bromide, a critical tool for Valley farmers, is scheduled to be phased out by 2005. To help meet the challenge of finding appropriate and effective alternatives, I requested federal funding this year to be directed to the Agricultural Research Service's Parlier facility to help in this research effort. The FY 2001 Agriculture Appropriations bill contains \$15.9 million — an increase of \$1.62 million from last year — to both initiate development of alternatives to methyl bromide as well as support the registration requirements of minor-use pesticides to be used as alternatives to methyl bromide.

Biotechnology Use Promoted

New advances in biotechnology are allowing Valley farmers to help feed a growing world and are improving the quality

of life for Valley residents. That is why I led the effort this year to re-establish and co-chair the Congressional Biotechnology Caucus, which is helping educate Members of Congress about biotechnology and helping them to make well-informed decisions. The benefits of biotechnology for Valley farmers are clear in higher yields, more rapid plant growth and crops more resistant to disease and pests. These advances are critical to Valley competitiveness in the world agricultural market and agricultural biotechnology must be examined in a scientific manner.

Wine Labeling Controversies

Two controversies emerged this spring regarding the labeling of wine. In response to the practice of labeling wine specialty products as varietals, the Bureau of Alcohol, Tobacco and Firearms was urged to ensure that consumers won't be misled into believing that a wine labeled "wine with natural flavors" is the same as a true varietal wine made from Cabernet or Chardonnay grapes. Regulations should prohibit the use of varietal, semi-generic or geographically distinctive labels for wine specialty products. In addition, a proposed rule on labeling of wine made from organic grapes prompted me to urge USDA to allow for the use of sulfites in the production of wine labeled as "made with organically grown grapes." The addition of sulfites is a common practice among winemakers to prevent spoilage, and vintners who use organic grapes for their product should be able to label accordingly.