

Fed. apple aid payments go out

By PEGGY STEWARD
Capital Press Staff Writer

About 7,500 apple growers across the nation received payments in recent days under the federal Apple Market Loss Assistance Payment program.

The payments mark the first time Congress provided direct financial assistance for apple growers.

Growers expressed relief the payments were finally in hand. But they said the payments are merely a Band-Aid to stop a trickle of the bleeding that continues to threaten the apple industry.

"It's been a struggle," said Basin City, Wash., grower Tom Bailie, an outspoken advocate of the program. "Unfortunately, it comes too late for many growers who are filing to reorganize under federal bankruptcy laws."

In Washington, the No. 1 apple-producing state, 3,337 growers signed up for the first-time ever aid program. Together, they received nearly \$46.6 million. (See chart.)

Industry groups estimate there are about 3,400 apple growers in Washington state. That means nearly every apple grower in the state received a payment.

In Oregon, 276 growers received \$2 million. Data for Idaho, California and other apple-producing states were not available at Capital Press deadline. The payments were distributed beginning June 15.

Under the program, growers could ask for aid based on volume produced in 1998 or 1999, whichever year was higher. There was a cap of 1.6 million pounds per apple operation. FSA calculated the payment rates based on the total number of applications and the eligible volumes nationwide.

Based on the formula, growers applying for the maximum could have received about \$28,000.

For many growers it was too little — and too late. AMLAP, part of the \$2.1 billion 2001 agricultural appropriations bill, allocated \$100 million for direct relief for apple growers hampered by collapsing markets.

The ag appropriations bill

was approved by Congress in October 2000 and signed by President Clinton that same month. Signups were supposed to begin in January. But the Clinton administration dragged its heels and never got the program together.

COSTLY DELAYS

When the Bush administration took office in January, the program got shuffled in the transition. Signups finally began in March with a mid-April deadline. That was extended to May, however, because USDA Farm Service Agency officials needed more time to process the complex applications.

The payment delays have had added further hurt to the apple industry, sources said. Many growers were counting on the payments to negotiate with their bankers for operating loans for this year. Others had planned to use the funds to pay pruning crews or apply crop-protection materials.

The delays have meant some operating loans didn't come through, or were harder to get. The delays also put some orchard work on hold, which could hinder fruit quality for the coming crop.

On the up side, the payments mean growers can pay some bills, said Kirk Mayer, manager of the Washington Growers Clearing House in Wenatchee. For some, the funds were almost immediately siphoned off to pay major creditors. For others, the payments could help to pay harvest crews or to remove unprofitable blocks of trees, Mayer said.

Meanwhile, industry organizations and federal lawmakers

APPLE MARKET LOSS PAYMENTS

Payments under the first-ever federal Apple Market Loss Assistance Payment program:
(No data available for Idaho and California.)

Top Wash. Counties	Applications	Production (lbs.)	Payments
Yakima	1,221	973,901,135	\$17,222,955
Okanogan.....	553	420,785,692	\$7,441,385
Chelan.....	563	336,200,436	\$5,945,537
Grant.....	278	306,012,803	\$5,411,683
Douglas.....	305	224,621,732	\$3,972,323
Benton.....	163	146,663,924	\$2,593,678
Franklin.....	154	144,699,226	\$2,558,933
Wash. Total	3,337	2,632,872,508	\$46,561,034
Top Ore. Regions			
Umatilla	141	58,880,149	\$1,041,266
Hood River.....	89	33,347,168	\$589,728
Wasco.....	15	8,294,099	\$146,677
Willamette Valley.....	21	7,749,781	\$137,051
Ore. Total	276	116,776,047	\$2,065,126

SOURCE: USDA Farm Service Agency

are already lobbying for AMLAP-II. On June 12, lawmakers from key apple-growing states introduced legislation to provide \$250 million in emergency relief assistance to apple growers for losses from the 2000 crop. The measures were introduced in both the Senate and the House of Representatives. The plan would provide about \$85 million to \$90 million for Washington state apple growers.

A day later, the House Appropriations Committee sliced the request to \$150 million. But industry experts said the measure still could be considered in a variety of forms and the total amount could change, either up or down.

TENUOUS FUTURE

Continued apple aid is extremely tenuous and highly controversial on Capitol Hill, said Kraig Naasz, president of U.S. Apple Association, the group that's been lobbying Congress for more assistance. Even though the House committee voted to cut the original proposal, U.S. Apple continues to press for \$250 million in aid in the Senate.

But there are major political

and procedural hurdles to overcome before the House and Senate can begin negotiations, industry observers said. They urged apple growers and others interested in continuing the aid to write or call their representatives and other key lawmakers to show their support for the measure.

Apple growers have suffered losses of \$1.5 billion during the past five years, including an estimated \$500 million during the past year alone, according to USDA statistics. Conditions that have contributed include "unfairly priced imports, excessive regulatory costs, stagnant domestic consumption, food retail consolidation, subsidized foreign competition, diminished exports and global overproduction," U.S. Apple said.

"Our nation's apple growers have long prided themselves on their independence from the federal government," Naasz said. "Until our government can achieve parity with our foreign competitors, however, most apple growers would rather accept a helping hand than lose a farm that has been in the family for generations."