



MICHIGAN ASPARAGUS ADVISORY BOARD
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May 6, 2022

The Honorable Debbie Stabenow, Chairwoman
Senate Committee on Agriculture, Nutrition & Forestry
United States Senate
Washington, DC 20510

The Honorable John Boozman, Ranking Member
Senate Committee on Agriculture, Nutrition & Forestry
United States Senate
Washington, DC 20510

RE: April 29, 2022, Farm Bill Michigan Field Hearing Comments

Dear Senators Stabenow and Boozman:

The Michigan Asparagus Advisory Board (MAAB) appreciates this opportunity to share information about how current Farm Bill programs impact our growers and the rural communities in which they live, as part of your Michigan Field Hearing last month.

Asparagus is grown on 10,000 acres in Michigan by more than 150 multi-generational growers. Michigan ranks first in the United States in asparagus production, harvesting approximately 26.6 million pounds in 2020. Asparagus is a perishable vegetable that is hand-harvested for multiple markets during a 7–8-week growing season in May and June each year. It is transported directly from the field to fresh packers and processors within hours of being picked (on average about 60% of the harvest goes to the fresh market).

Asparagus is a perennial crop that is traditionally overseeded with a cover crop each year to keep soil in place. Stands are expected to last twelve to sixteen years with an average lifespan of thirteen years. According to a 2016 MSU cost of production study, asparagus has a high, up-front establishment cost – more than \$4000 per acre – and does not produce passable yields until year four. Further, on average asparagus growers do not hit breakeven on a stand until year eight or nine. Consequently, cash flow streams in asparagus production are very uneven.

Michigan asparagus growers are fortunate to have several processors that process vegetables and fruits including asparagus in our asparagus growing region. These processors support hundreds of rural jobs and are important to our rural communities. They ensure that asparagus growers have marketing options for their crop.

Current Farm Bill Programs

Specialty Crop Block Grants. The SCBG program is important to the asparagus industry as it provides funding for production research. Much of the research has focused on practices that can limit the impacts of disease and weeds on increased asparagus volumes and improved spear quality which should lead to improved grower returns. It also provides a mechanism to keep researchers engaged

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in the challenges asparagus growers face to solve other problems that can be funded with grower dollars.

For example, the SCBG program funded research that looked at crop protection products to reduce soil borne disease in asparagus crown nurseries since transplanting healthier crowns is critical to longer stand life and increased yields. This research generated data that will be provided to crop protection product registrants in our efforts to get products labeled for this use. Another project provided updated nutrient management and soil health recommendations for changing asparagus production systems. These recommendations will help asparagus growers tweak their management practices to reduce costs, improve yields and improve asparagus stand longevity.

Federal Food and Nutrition Assistance Programs. Michigan asparagus growers also appreciate the opportunity over the past two years to provide processed product to federal feeding programs like food banks when customers of those programs request asparagus. In addition to providing a nutritious product to people who need these programs, USDA purchases also provides some business for asparagus processors keeping asparagus processing available for both the private and public sectors.

Challenges Not Addressed by the Farm Bill

Michigan asparagus growers face fierce competition from low-wage countries like Peru and Mexico who continue to import asparagus into the United States during our harvest season. Unlike the safety net programs included in the Farm Bill to assist non-specialty crop growers when prices decline, there is no direct safety net support to fruit and vegetable growers when prices decline below the cost of production. Until recently, Michigan asparagus growers have been able to maintain competitiveness with a series of new asparagus varieties that provided more pounds to spread costs across. However, these advances have eroded as labor and other production costs increased and grower prices declined.

Imported fresh asparagus volumes grew nearly 115% between 2007 and 2020 with nearly half of that growth occurring since 2009 as the Peru Free Trade Agreement went into force. Chart 1 below shows import increases during our 7–8-week season since 2010 and the impact these increasing imports have had on the prices growers receive. The price increase in 2020 is directly related to lower imports due to COVID-19 as importers had trouble getting product into the United States at the beginning of the pandemic which corresponded with our season that year.

The impact of significant increases in both imports and labor costs have negatively impacted the asparagus industry in Washington and California. Between 2000 and 2020, harvested asparagus acres in the U.S. declined 75% (primarily in California and Washington). In the same period, H2A wages (Adverse Effect Wage Rate [AEWR] floor) in California and Washington increased 95% while the AEWR floor increased 65% in Michigan. During this same period, asparagus imports increased 241% by volume (*USDA, ERS, Vegetables and Pulses Yearbook Tables, Retrieved January 7, 2022*). The results of escalating wages and imports that push down grower returns has reduced California asparagus production to only 3800 acres and Washington to 4000 acres. Growers could not withstand the 95% increase in H2A wages and nearly 300% increase in imports from low-wage countries (Chart 2). Even though asparagus is a high-value crop and consumption has increased, this land in Washington and California has gone to other crops. In addition, two asparagus processors shutdown in rural Washington during this period eliminating 1300 seasonal jobs (*Timothy Egan, "War on Peruvian Drugs Takes a Victim: US Asparagus," The New York Times, April 25, 2004. Steve Wilhelm, "Fallen produce: State food processors succumb," Puget Sound Business Journal, March 3, 2005*).

Chart 1

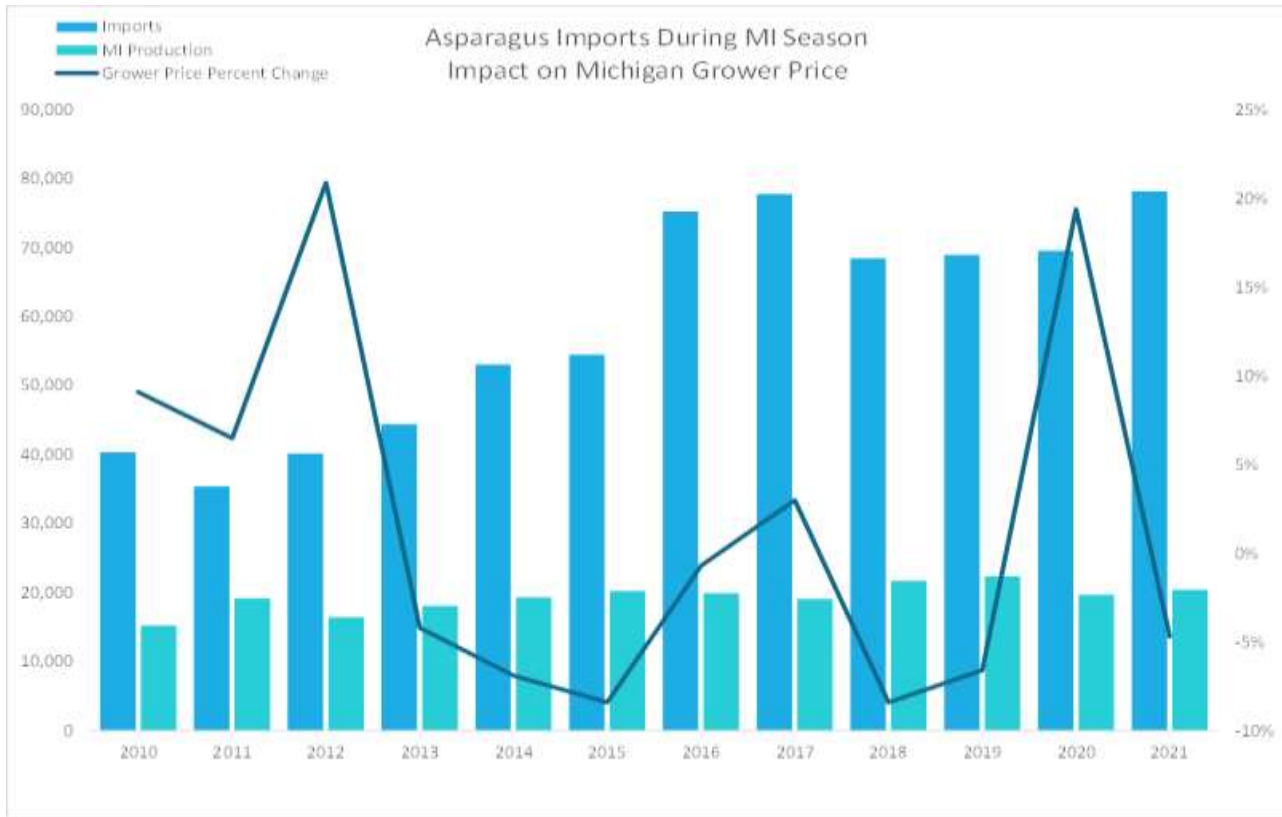
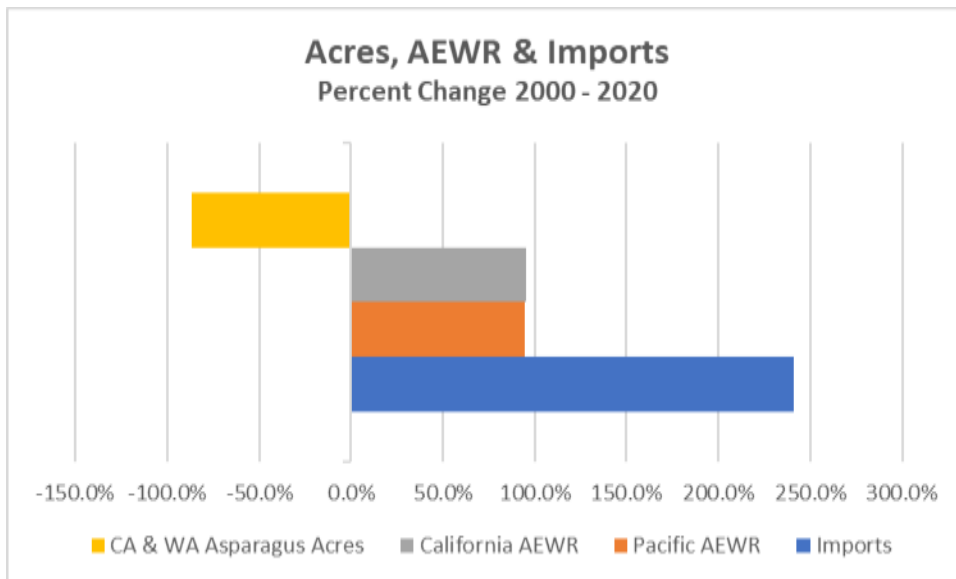


Chart 2



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Michigan growers and the rural communities that they support do not want our asparagus industry to suffer the same fate as the industry in California and Washington with existing asparagus acres shifting to a less labor-intensive crop and very little locally grown asparagus available for American consumers.

Thank you again for this opportunity to provide information to the Committee as you move forward with the 2023 Farm Bill process.

Sincerely,

Jamie Clover Adams

Jamie Clover Adams
Executive Director