Apple Producer-Assessment Increase Explained

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HARRISBURG (Dauphin Co.) — A public hearing was held Monday in the state Department of Agriculture building in Harrisburg on a proposal to increase the apple producer-assessment to support the activities of the Pennsylvania Apple Marketing Program (PAMP).

It will take a couple of weeks before an official report is prepared and released on testimony received during the hearing. In the meantime, there is still an opportunity for public comment on the proposal.

According to Mike Varner, chief of the state Department of Agriculture, Bureau of Marketing Development, Commodity Promotion Division, written testimony will be received until Dec. 28, and added to the body of comments to be considered.

Those wishing to make comments should send their signed comments, along with their printed name, address and phone number if applicable, to: **Pa. Department of Agriculture, Bureau of Market Development, Attn: Fran Bidelspach, 2301 N. Cameron St., Harrisburg, 17110-9408.**

After the testimony is all collected, transcribed and reviewed by State Secretary of Agriculture Charles Brosius, he is to make a determination, if comment consensus warrants, whether or not to hold a producer-referendum on the proposal.

The referendum would then likely occur in the spring.

The public hearing was held to receive testimony regarding a proposal of increasing the assessment rate charged apple producers to operate the PAMP.

Currently those with 500 or more apple trees (of all ages), are assessed 7 cents per bushel of apples sold at fresh market, and 4 cents per hundred pounds of apples sold for processing.

The proposal is to increase those rates next year to 12 cents per bushel sold fresh, and 6 cents per hundred pounds sold for processing.

Further, the proposal would lock-in an automatic assessement hike to 15 cents per bushel sold fresh, and 8 cents per hundred pounds in 2000.

The current rate of assessment has been constant for more than 14 years, while the apple marketing program — created through the state's Agricultural Commodity Marketing Act — has successfully expanded into international markets and promotions, as well as maintaining and expanding domestic promotions.

Brenda Beleski Briggs is director of PAMP, a one-person operation overseen by the Pa. Apple Marketing Board. The board members are apple growers affected by the assessments.

According to Briggs, the board is asking growers to support the assessment increase to adequately fund current and future programs.

In otherwords, the program has hit the limit of what it can do to promote and market Pennsylvania apples with the funds that it receives.

Briggs said that the funds used now are primarily focused on seasonal promotion and marketing. "We need to do a better job of supporting sales throughout the marketing season," Briggs said.

If Pennsylvania is to participate in year-round marketing of apples, it needs more money.

"At this point, we can only do promotions in the fall. There's not enough to promote in the winter and spring, and really, marketing apples is a year-round business," Briggs said.

Also she said that work needs to be done to better promote the processed apple business. "We need funding to keep rolling in the right direction."

On top of that, given inflation (the lowering of cash value because of increased volume of money and credit as compared to the amount of goods) the PAMP program is to the point where the board predicts it will begin losing its ability to fund its current level of activities.

Those seeking the assessment-increase point to the increased marketing of Pennsylvania apples that is directly linked to PAMP actions.

As background, Washington state has long dominated the U.S. apple market and has been in stiff competition with the rest of the producers in the nation.

For years because of the size of its apple industry, Washington was the sole beneficiary of federal funds to help promote apples internationally.

(Some suggest that other states benefitted in having prices sustained because Washington apples were exported instead of being glutted on the domestic market. The effect of supplying a non-domestic market could limit availability of apples on the domestic market, but barring a severe tree disease or horrific national late spring frost, it does not seem likely that most of the nation would experience apple shortages significant enough to boost prices if Washington state were to export even more of its produce.)

Growers in other states, including Pennsylvania, did not see the benefit from Washington's self-promotion. To compete for federal support for the rest of the nation's apple industry, growers in 13 states other than Washington formed the U.S. Apple Export Council, administered by the International Apple Institute (IAI).

Briggs serves on the U.S. Apple Export Council, and she also serves on the IAI State Advisory and Budget and Personnel committees.

In addition to gaining federal funds for marketing, the member states of the council have also contributed funds to gain leverage in international markets.

Briggs said that, in working through the U.S. Apple Export Council, this last year the Pennsylvania program was able to send representatives to Brazil. That resulted in the exporting of 43,000 cartons of Pennsylvania apples through mid-November.

Last year, Brazil imported 54,000 cartons of Pennsylvania apples.

Further, through the group, Pennsylvania has been able to receive support to market Pennsylvania apples in the United Kingdom, and Tiawan, and also to monitor the market situation in Mexico.

Despite the North American Free Trade Agreement, exporting apples to Mexico has proved prohibitively expensive because of Mexican inspection regulations on imports, which require Pennsylvania to pay and provide for a Mexican national to oversee inspections.

According to Briggs, currently only Washington state with its assessment of 25-cents per bushel of apples sold fresh can afford to pay the costs to host a Mexi-

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