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FEDERAL LEGISLATIVE INITIATIVES AND NATIONAL TRENDS
IMPACTING THE NURSERY INDUSTRYBen Bolusky
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American Association of NurserymenTHE AMERICAN ASSOCIATION OF NURSERYMEN (AAN)

The American Association of Nurserymen (AAN) is the national trade organization of the nursery industry. AAN directly represents nearly 3,000 members in both the United States and Canada. We represent an estimated 16,000 additional family farms and small businesses through the state and regional nursery and landscape associations.

Founded 117 years ago in 1875, AAN has a distinguished history. The nation's first Secretary of Agriculture was a two-term AAN president. AAN led the famed "Victory Garden" program during World War II, and was a recognized leader in the "Highway Beautification" movement overseen by Lady Bird Johnson. AAN was responsible for initiating the commercial plant quarantine system as it exists today. Most recently, AAN played a major leadership role in the development and enactment in 1990 of both the "America the Beautiful" and the Small Business Administration tree planting programs.

DIVERSITY OF THE NURSERY INDUSTRY

To truly appreciate the degree to which federal legislative issues impact the nursery industry, it is important to understand who the nursery industry really is. There is perhaps a single word which comes the closest to capturing its total scope and personality. That word is "diversity." The nursery industry is diverse. It is composed of family farms and small businesses in three major segments: nursery crop farmers or growers, landscape specialists and garden center retailers. Many are vertically integrated nurseries engaged in two or even all three operations.

Unlike most agricultural segments, the nursery industry does not receive -- and does not seek -- any direct federal subsidies, price supports or export enhancements. Yet, the nursery industry's growth rate remains one of the fastest in all of American agriculture.

USDA's Economic Research Service (ERS) estimates farmer cash receipts of nursery and greenhouse crops in 1991 were \$8.7 billion. ERS states that the nursery and greenhouse industry accounts for 10 percent of all farm crop cash receipts -- ranking ahead of such major plant crops as wheat, cotton or tobacco. At the retail level, ERS estimates the nursery and greenhouse industry accounted for \$38 billion in consumer expenditures in 1990. Growers, landscape specialists and retailers are estimated to employ more than 600,000 people in the United States.

Nursery growers are diverse. Unlike traditional farmers, they often produce hundreds or even thousands of plant varieties on farms ranging from a few acres to hundred of acres. Production techniques are diverse with nursery crops grown in open fields and farms and in greenhouses; in the ground and in containers. Of course, nursery crops themselves are diverse -- everything from shade and fruit trees to palms and pines; from azaleas and rhododendrons to junipers and rosebushes; and, from indoor foliage plants to outdoor bedding plants.

The growing times are diverse: from one season to as many as seven to ten years or longer to reach the desired marketable size and quality. And throughout this time, these crops are subject to the vagaries of weather, disease and pest infestations. The fact that USDA now recognizes 11 plant hardiness zones reflects the diversity of this nation's climate with which nursery farmers and home gardeners must contend.

The landscape segment of the nursery industry is also diverse with landscape architects and designers, installers and contractors. There are professionals who specialize in residential landscapes and others whose expertise rests with commercial settings. And, there are interior and exterior landscape professionals. Within the retail segment of the nursery industry, there are independent garden centers, chain stores with multiple outlets, and mass merchandisers.

AAN'S FEDERAL LEGISLATIVE ACTIVITIES

Given the nursery industry's diversity, the scope of federal legislative and regulatory issues impacting it is very broad. These include agricultural, environmental and research issues, such as water and pesticides, as well as the full gamut of labor, tax and small business issues. It should not come as a surprise, then, to learn that AAN and the nursery industry were involved in no less than 215 pieces of federal legislation in 66 different policy issue areas during the 102nd Congress.

Rather than providing a laundry list, I wish to focus on three major federal legislative issues currently impacting the nursery industry. I will then identify certain significant national trends which we expect will further impact the nursery industry and shape its future federal legislative agenda.

PREEMPTION OF PESTICIDE ORDINANCES

One of the most dramatic consequences facing the nursery industry today arises from last year's U.S. Supreme Court's Casey decision which ruled that the Federal Insecticide, Fungicide & Rodenticide Act (FIFRA) does not prohibit local governments from regulating pesticide use. Prior to this landmark decision, both the courts and Congress had recognized that only federal and state governments had such authority.

With this decision, the U.S. Supreme Court sent a green light to the 83,000 local jurisdictions in this nation that they may begin establishing ordinances governing virtually all aspects of pesticides -- posting and notification; pesticide sales and storage; record-keeping and shipment; and, application permits and bans. For growers with farms in different counties or towns, landscape firms with projects in different cities or service areas, and garden centers with outlets in neighboring counties, the practical implication will be to require them to comply with -- and keep informed of -- potentially conflicting and changing ordinances from one jurisdiction to the next.

In order to avoid the imposition of a national patchwork of differing local pesticide ordinances, AAN and 185 other national and state associations formed a coalition (Coalition for Sensible Pesticide Policy) to develop federal legislation allowing the states to preempt local pesticide ordinances. The bills (H.R.3850 and S.2085) were introduced in the 102nd Congress and attracted 97 cosponsors in the House of Representatives and 22 in the Senate. However, this and other FIFRA legislation did not pass Congress. This pesticide preemption issue remains a high nursery industry priority for the 103rd Congress.

MINOR USE PESTICIDES

There is another equally important pesticide issue which cuts to the core of the nursery industry -- the minor use pesticide problem. In its 1988 FIFRA amendments, Congress required the Environmental Protection Agency (EPA) to re-register by 1997 all pesticides which came on the market prior to 1984. An unintended consequence of these amendments is that chemical manufacturers are beginning to voluntarily cancel pesticides used and needed by so-called minor users, such as the nursery industry. They are not being cancelled for reasons of safety,

rather the costs of some of the necessary re-registration tests required by EPA far outweigh the limited or potential sales market for those individual pesticides.

Approximately 50 percent of all nursery crops produced in this nation are involved in interstate shipments which, by law, must be essentially free of injurious pests. Many nursery crop shipments involve entire plants with soil intact. Obviously, soil increases the likelihood of harboring pests and necessitates safe and effective pesticides to prevent the spread of insects or plant diseases. Such treatments are required by a host of federal and state inspection, certification and quarantine laws. In turn, this makes the nursery industry perhaps even more vulnerable than other agricultural segments to the problems posed by the current minor use pesticide registration and re-registration system.

The nursery industry is continually seeking new plant pest management strategies and is turning increasingly to integrated pest management (IPM) systems where available and proven effective. In fact, AAN and its grower division (the Wholesale Nursery Growers of America) have recently published an extensive IPM training manual for nursery growers. Nonetheless, for the foreseeable future, nursery farms need access to minor use pesticides so plants, trees and shrubs can be shipped in compliance with state and federal pest quarantine regulations and phytosanitary certifications.

AAN has been, and remains, a steadfast supporter of the IR-4 program which helps to register pesticides for the nursery industry and other minor use industries. However, for several years, Congress has failed to fund IR-4 at the level necessary to fully conduct its important work. As we approach the 1997 re-registration deadline established by Congress, AAN fears the nursery industry will witness an accelerated loss of minor use pesticides critical to the production and shipment of nursery crops.

Earlier this year, AAN joined other agricultural organizations to form the Minor Crop Farmer Alliance to develop federal legislation to ameliorate the minor use problem. The bills (H.R.4764 and S.2980) were introduced in the 102nd Congress and attracted 93 cosponsors in the House of Representatives, and 16 in the Senate.

While assuring no unreasonable adverse effects on human health or the environment, the purpose of this important legislation is twofold. First, it provides incentives to chemical manufacturers to proceed with minor use re-registrations. Second, it injects some needed flexibility into EPA's registration system. This pesticide issue remains a high nursery industry priority for the 103rd Congress.

CLEAN WATER ACT REAUTHORIZATION

We expect the Clean Water Act (CWA) will be reauthorized by the 103rd Congress. Such a reauthorization will have a direct and broad impact on nursery operations. AAN believes strongly that a CWA reauthorization must incorporate flexibility by offering a menu of best management practice options. Only in this way can the CWA successfully reflect the national diversity in the nursery industry and all of agriculture in geography, soils, climate, agricultural production techniques, and, of course, crops.

Many innovative environmental operating practices, such as water recycling, water-efficient irrigation and nutrient management, have been implemented by nursery growers. In fact, AAN, the Society of American Florists, the Professional Plant Growers Association, and Roses, Inc., earlier this year jointly developed and published a water quality action manual to assist greenhouse and nursery operators in implementing safe and effective ways to conserve and protect water. Any CWA reauthorization must embrace incentives, as well as educational and technical assistance (such as AAN's water quality action manual) to further implement nonpoint source pollution prevention measures within each agricultural sector, including the nursery industry.

Unlike many segments of agriculture, wetlands offer both challenges and opportunities to nursery growers and landscape specialists. For example, a farmer may be prevented from developing or using a wetland area. However, most wetlands are believed to function as filters of sediment, nutrients and pesticides. From a runoff viewpoint, therefore, a wetland may be a nursery farmer's best friend.

Enterprising nursery growers are beginning to find a niche in wetlands plant production. Some landscape firms are carving out a specialty in wetlands mitigation -- the creation or rehabilitation of wetlands -- to replace those lost during construction projects. The Clean Water Act reauthorization will be a high nursery industry priority in the 103rd Congress.

NURSERY INDUSTRY IS ENVIRONMENTAL HORTICULTURE

With attention riveted on the environment, legislators, regulators and other key decision-makers are beginning to fully appreciate the significant multiple environmental benefits of nursery crops. Trees, plants and shrubs are not just aesthetically pleasing. Study after scientific study demonstrate that nursery crops clean the air, help to conserve water, abate soil erosion and provide wildlife habitat. The

nursery industry is perfectly positioned to be agriculture's environmental "knight in shining armor."

Tree planting initiatives, as well as urban and community forestry programs are, and will continue to be, a major focus for AAN and the nursery industry at the national level. In a newly launched federal project, AAN serves as an advisor to the Cool Communities program. It is a partnership among the U.S. Department of Energy, EPA and American Forests to further document the energy conservation benefits of trees in community settings. Building upon the beneficial environmental role of the nursery industry, AAN will be urging USDA to earmark or redirect appropriate funding for urban forestry research priorities and needs.

The Clinton Administration's expected emphasis on urban infrastructure will undoubtedly embrace and promote the planting of trees and shrubs as an integral facet of this major economic stimulus. Trees and plants are genuinely the only part of our investment in urban infrastructure that actually appreciate in value over time. Roads, sidewalks, and bridges begin to depreciate the moment they are constructed.

NURSERY INDUSTRY IS URBAN AGRICULTURE

With the traditional power bases shifting away from the rolling farms of rural America towards our urban and suburban communities, the nursery industry's visible prominence will accelerate -- for two primary reasons. First, although many nursery farms were once situated in rural settings, suburban sprawl has now encroached upon and surrounded many production nurseries. Second, our urban populations see that nursery crops grown on nursery farms are used in their entirety in residential, urban and community settings, so they can have a better understanding and appreciation of nursery farming. As such, the nursery industry perfectly fits the profile of urban agriculture.

There are nursery growers, landscape specialists and garden center retailers in each of the 435 Congressional districts in this nation. AAN suggests it is not only prudent, but is also advantageous for Congress, USDA and all of its agencies, to lend increasing attention to the nursery industry's strong economic contributions to American agriculture, its overwhelmingly positive environmental roles, and its growing political clout. When you gaze into the crystal ball of the future of American agriculture, the nursery industry will be playing an increasingly dominant and positive role.