

# Specialty Crops

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Farm Foundation Roundtable  
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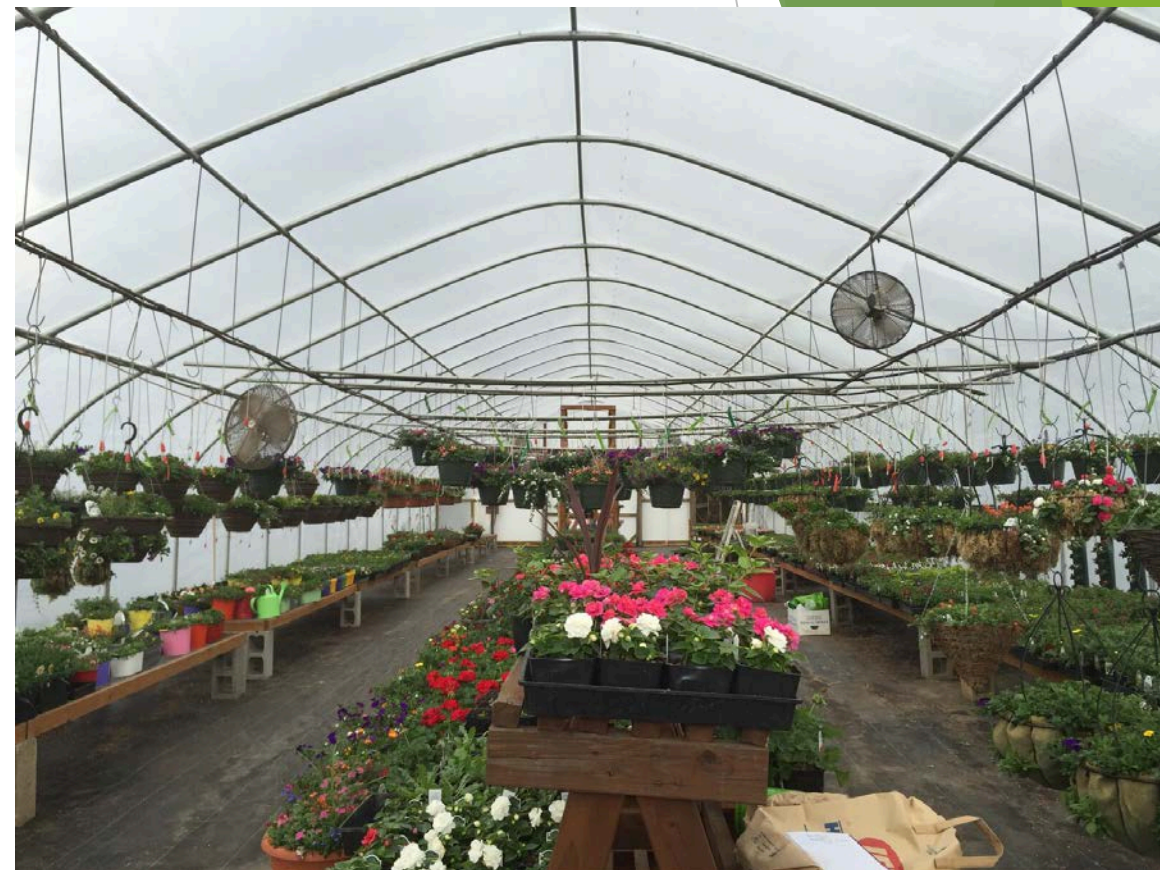














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The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic feel.

# Specialty Crops:

A Snapshot



# “Specialty Crops”

- Specialty crops are defined in law as “fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops, including floriculture.”

(7 U.S.C. 1621)





# Specialty Crops in Oregon

- ▶ Over 250 different types of agricultural products are raised in Oregon from cattle to caneberries, hay to hazelnuts, pears to pumpkins.
- ▶ Oregon ranks 6th in the nation in specialty crop production.
- ▶ Other states that lead in specialty crops are California, Florida, Washington, North Dakota, and Michigan.





# Specialty Crops in Oregon

- ▶ Oregon is a national leader in crop diversity.
- ▶ Specialty crops account for 14 of Oregon's Top 20 ag commodities.
- ▶ Specialty crops in Oregon's Top 10 commodities by production value:
  - #2 Greenhouse & nursery: \$894.8 million
  - #7 Potatoes: \$176 million
  - #8 Pears: \$152 million
  - #9 Wine grapes: \$147 million
  - #10 Onions: \$125 million
- ▶ Oregon produces 100% of the nation's:
  - ▶ Blackberries
  - ▶ Hazelnuts
  - ▶ Raspberries, black
  - ▶ Boysenberries
- ▶ Oregon is a national leader in pears (28%), peppermint (34%), and potted azaleas (59%)
- ▶ Oregon is also the #1 producer of Christmas trees in the U.S., and ranks #2 for blueberries, pears, and hops.

Source: US Census of Agriculture, 2012



# Specialty Crops in Oregon: Acres in Berry Production

## Crop (Acres), 2007

- Blackberries (6,100)
- Blueberries (5,000)
- Boysenberries (700)
- Strawberries (1900)

## Crop (Acres), 2015

- Blackberries (6,500)
- Blueberries (10,000)
- Boysenberries (350)
- Strawberries (1400)



Source: US Census of Agriculture, 2012



# Economic Value of Top Specialty Crops in Oregon

## Crop (\$), 2007

- Pears (\$89.4 million)
- Blueberries (\$67.5 million)
- Blackberries (\$14.6 million)
- Strawberries (\$16.4 million)

## Crop (\$), 2015

- Pears (\$152.5 million)
- Blueberries (\$104.3 million)
- Blackberries (\$16.6 million)
- Strawberries (\$9.1 million)

## Percent Increase (Decrease) in Economic Output (2007-2015)

Pears (70.5%)  
Blueberries (55%)  
Blackberries (13%)  
Strawberries (-44%)



# Specialty Crops: A Growing U.S. Market

- ▶ In the 2007 Ag Census, there were 247,772 farms raising specialty crops on 13.8 million acres with a total market value of **\$67.4 million**.
- ▶ By 2012, there were 244,974 farms raising specialty crops on 14 million acres with a total market value of **\$83.4 million**, a 24% increase.
- ▶ In 2012, the value of farm-level specialty crop production totaled nearly **\$60 billion**, representing about one-fourth of the value of U.S. crop production.
- ▶ In 2014, USDA reported that retail sales of fresh and processed fruits and vegetables for at-home consumption totaled nearly **\$100 billion annually**.
- ▶ Exports of U.S. specialty crops totaled about **\$14 billion** in 2013, or about 10% of total U.S. agricultural exports.



# Specialty Crops: A Growing U.S. Market

- ▶ Organic agriculture accounts for a small but growing share of U.S. farming.
- ▶ USDA reports that farm sales from organic fruit and vegetable operations total more than **\$1 billion annually**, or **about 4%** of all farm-level fruit and vegetable sales in the United States.
- ▶ The number of domestic certified organic operations **increased by almost 12% between 2014 and 2015**, representing the highest growth rate since 2008 and an increase of nearly 300% since the count began in 2002.





# Farm Bill Supports Specialty Crops

Farm Bill programs supporting specialty crops and organic agriculture include:

- ▶ marketing and promotion programs
- ▶ crop insurance and disaster assistance
- ▶ pest and disease control
- ▶ nutrition programs
- ▶ research and extension services
- ▶ data and information collection
- ▶ trade assistance
- ▶ food safety and quality standards
- ▶ support for local foods



# Farm Bill Specialty Crop Programs in Oregon

- ▶ Oregon received \$12.2 million from the Farm Bill Specialty Crop Grant Program to use on 177 projects to increase competitiveness and profitability of producers from 2008 to 2015.
- ▶ In 2015, Oregon received \$3 million to fund the Fresh Fruit & Vegetable Program for 128 elementary schools.
- ▶ USDA helps promote farmers markets through promotion programs and extra funding for the purchase of fruits and vegetables at Oregon's 170 farmers markets.





# U.S. Growth in Direct Marketing

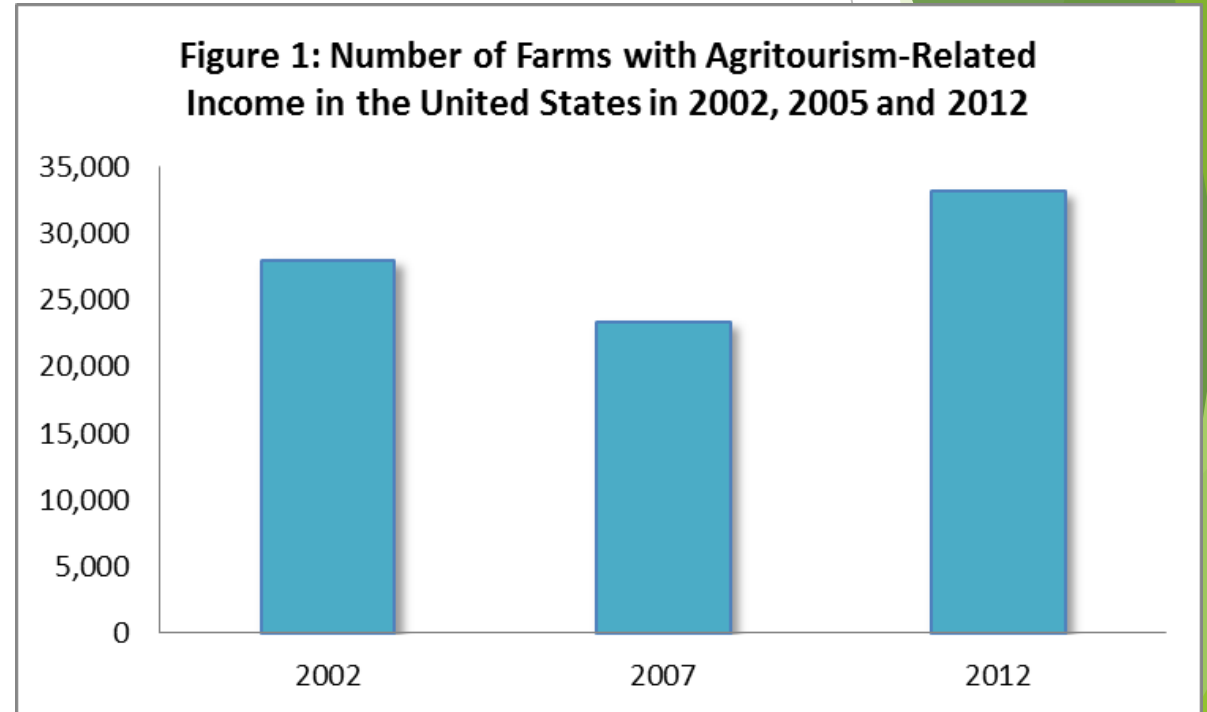
- ▶ In 2012 Ag Census, 144,530 farms sold \$1.3 billion in fresh edible agricultural products directly to consumers — a 6% increase in farms and an 8% increase in sales over the 2007 census.
- ▶ In 2012, the average value of direct-to-consumer sales per farm was \$9,063.
- ▶ In 2016, USDA reported there were 8,669 farmers markets, up from about 5,000 in 2008, an increase of 73%.



# Growth in Agritourism

- ▶ In the 2002 Ag Census, 28,016 farms reported that they generated income from agritourism.
- ▶ In 2012, that jumped to 33,161 farms, a 16% increase in 10 years.

Sources: 2002, 2007, 2012 U.S. Ag Census  
Graph by Virginia Tech





# Growth in Agritourism

► Growth of agritourism-based income:

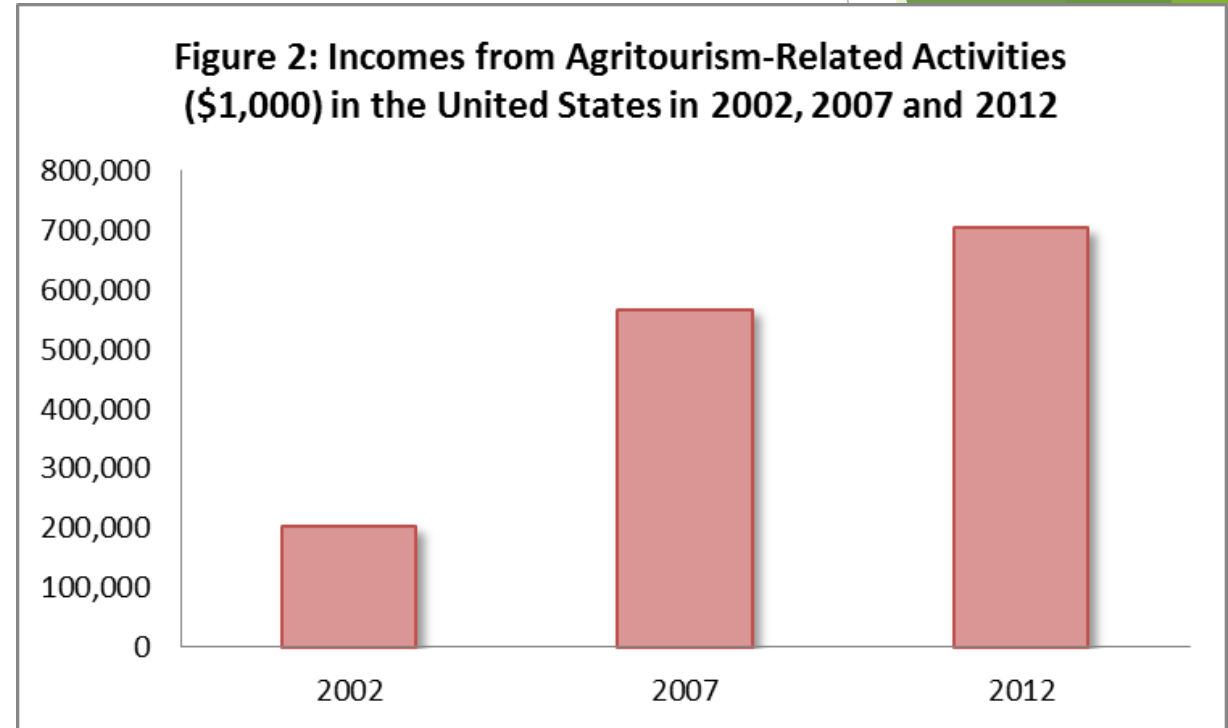
\$202 million in 2002

\$567 million in 2007

\$704 million in 2012

a 248% increase in 10 years

Sources: 2002, 2007, 2012 U.S. Ag Census  
Graph by Virginia Tech



# Value-Added Agriculture

In the 1970s, farmers got about 33 cents for every \$1 consumers spent on food.

By 2011, that was down to 16 cents per \$1, as more money went to processors, distributors, and marketers.

- ▶ Value-added processing gives farmers a bigger share of that consumer dollar.
- ▶ Opens new markets, creates a niche.
- ▶ Extends the marketing season.
- ▶ Generates additional promotion for the farm.





# New Frontiers in Specialty Crops

- ▶ Cannabis (recreational & medical)
- ▶ Hemp
- ▶ Ancient grains: teff, quinoa, millet, farro
- ▶ Olives
- ▶ Kosher food
- ▶ “Beyond organic”
- ▶ Vegan



# Challenges for Specialty Crops

- ▶ Labor availability
- ▶ Food Safety Modernization Act
- ▶ Ever-increasing specialized certification programs demanded by buyers
- ▶ Barriers to trade
- ▶ Liability issues in agritourism