SOCIETY of AMERICAN FLORISTS
Your Growth is Our Business

March 2025

# FUNDING TO ENSURE HIGH-QUALITY, EFFICIENT FLORICULTURE PRODUCTION

**<u>SAF's "Ask":</u>**

***Congress must submit Fiscal Year 2026 appropriations request to the Agriculture Subcommittee to maintain funding for the Floriculture and Nursery Research Initiative (FNRI) at the Fiscal Year 2024 level.***

The last increase for the Floriculture and Nursery Research Initiative (FNRI) was in FY-2023. This vital Agricultural Research Service (ARS-USDA) program delivers solutions to the horticulture industry through its work to address pest and disease problems, tackle the challenges of drastically changing weather patterns and enhance the efficiency of production practices.

FNRI is a program designed to obtain and guide federal research funding targeted to the needs of the floriculture and nursery industry. FNRI was conceived in the mid 1980s, and it took more than 10 years of education and lobbying before funding was first appropriated by Congress. Since then, FNRI has succeeded in delivering results for growers due to the dynamic partnership between the floral and nursery industry, the academic community and the federal government. That partnership has been cited by the USDA as a unique and important model to follow for other industries interested in creating a similar program.

Available funds are divided equally between universities and ARS facilities and are split roughly in half between floriculture and nursery projects. This year, the funding for FNRI will allow USDA and its university partners to develop innovations in plant breeding and greenhouse production systems and expand research into technological innovations that make growing more efficient, such as pest and disease scouting, plant stress monitoring and precise application of crop protection products.

Funding for this program has not been increased for the last two fiscal years, despite the fact that increased salaries and laboratory expenses have eroded the program's ability to tackle the challenges of the day. In light of the current fiscal climate, however, rather than asking for additional funds, SAF is asking that FNRI funding be maintained at its FY-2024 level in FY-2026.

SOCIETY of AMERICAN FLORISTS
Your Growth is Our Business

March 2025

# AFFORDABLE ACCESS TO PRODUCT

**<u>SAF's "Ask":</u>**

***Congress must pass legislation reauthorizing the Generalized System of Preferences (GSP) and continue to support duty-free access for agricultural inputs and floral products from free trade agreement partner countries.***

The United States implemented the Generalized System of Preferences (GSP) nearly 50 years ago to promote opportunity for the least economically developed countries abroad and support U.S. businesses that rely on imported products to sustain and grow their businesses.

U.S. floral producers, retailers, wholesalers and importers have benefitted greatly from duty-free imports of grower inputs and cut flowers both through trade agreements and GSP.

On the cut flower side, more than 85% of cut flowers purchased in the U.S. are grown in other countries and almost 95% of imports come from countries where relief from duties is applied. For local and family-owned U.S. floral shops and wholesalers that are facing financial pressures due to increases in workforce and healthcare costs, coupled with general inflationary pressures, the cost savings from duty-free imports are significant to the viability of their business— and thus the industry.

Duty-free status for cut flowers has resulted in about $40 million per year staying in the floral industry. These dollars are used to hire additional staff, promote consumption and invest in the future of these small businesses. Unfortunately, GSP authorization lapsed on December 31, 2020, adding significant costs to these main street businesses trying to cope with inflationary pressures not seen in 40 years. In addition, the Competitive Needs Limitation (CNL) rules, which trigger the removal of duty-free status for products once they surpass an export threshold, have not been updated since 1997. CNL rules should be updated to capture the realities of product costs.

In addition to GSP, SAF wants to emphasize that tariffs on agricultural inputs, such as potassium used in fertilizer — more than 80% of which is imported from Canada — would put considerable strain on our grower segment. Additional tariffs on floral products from countries like Mexico, Canada and Colombia threaten the very existence of the tens of thousands of small, family-owned floral businesses throughout the U.S.

SAF urges Congress to move swiftly to reauthorize GSP, provide retroactive reimbursements, modernize the GSP's competitive needs limitation, and take every step necessary to avoid tariffs on imported floral products.

March 2025

# ACCESS TO STABLE, SECURE AGRICULTURAL WORKFORCE

**SAF's "Ask":**

***Congress must pass legislation to address the labor crisis by ensuring employers have access to a stable and secure workforce now and in the future.***

Devastating labor shortages continue to impact growing operations and the floriculture supply chain. These shortages jeopardize the future success of the floriculture sector along with the vitality of rural economies, which rely upon agriculture as a primary economic driver. Growers are at a critical juncture caused by the small margin between profitability and loss due to the labor-intensive nature of this sector and misguided federal policy on agricultural labor. The impact goes far beyond the farm gate, as each on-farm employee supports two to three other jobs up and down the food and agriculture supply chain.

SAF advocates for meaningful reforms to temporary work programs, including H-2A. Employers using the H-2A program go through expensive, complicated hiring processes to secure the labor needed in addition to ensuring compliance with strict housing and transportation standards. On top of this, employers must pay wages based on the Adverse Effect Wage Rate (AEWR), which changes annually and often with surprisingly sharp increases. This is true again this year with the AEWR once again outpacing inflation nationally and states like Florida and Georgia being hit with increases of 9.9% and 9.5%, respectively.

It has been more than two years since Congress appeared close to taking real and impactful action to reform agricultural labor policy, when they considered the Affordable and Secure Food Act, and four years since the House passed the Farm Workforce Modernization Act.

SAF is frustrated by Congress's failure to take action but hopes that as the administration takes action to remove undocumented immigrants, an effective and lasting approach to a legal immigrant workforce can be realized.

SAF requests that members of Congress work diligently to find comprehensive solutions to our labor challenges, recognizing that nobody will get everything they want but the status quo is a risk to our economic and national security.

SOCIETY of AMERICAN FLORISTS
Your Growth is Our Business

March 2025

# MAINTAIN PORTS OF ENTRY INSPECTION FUNCTIONALITY

**<u>SAF's "Ask":</u>**

***SAF urges Congress to support USDA's inspection and processing of imported floriculture products at U.S. ports of entry through Appropriations and by communicating such support to the Administration.***

USDA's Animal & Plant Health Inspection Service (APHIS), Plant Protection and Quarantine (PPQ) safeguards our nation's crops and forests against the entry, establishment and spread of economically and environmentally significant pests while permitting entry for approved agricultural products that meet the necessary phytosanitary requirements. This vital work requires highly skilled agricultural and identification specialists to screen for pests and confirm that products are safe for entry.

More than 85% of cut flowers, with an import value of over $2 billion, were imported into the U.S. in 2024. More than 80% of cuttings, valued at more than $1 billion, make their way to domestic growers for potted and bedding plant production. All these plant products must first go through a plant inspection station in support of our domestic retail sector while safeguarding domestic agricultural producers.

Recent terminations of probationary staff and deferred resignations at USDA-APHIS have negatively impacted the ability of ports and plant inspection stations to process material. SAF is especially concerned that the Administration's anticipated Reduction in Force (RIF), will result in an inability to move plant material through the ports of entry efficiently, resulting in delays and product shortages, putting significant strain on the industry – made up of small, independently owned businesses – and its ability to bring these products to the market.

Another key consideration: Most of the floral processing work done by U.S. Customs and Border Patrol (CBP) and USDA-APHIS-PPQ is paid for through user fees, not taxpayer funds. As such, this important function should not be subject to the current reductions.