

AG ISSUES UPDATE
Edited by Brad Hollabaugh
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FDA Announces Draft of New On-Farm Food Safety Rules

New rules proposed by the Food and Drug Administration will have implications for farmers who grow, handle, and market fresh produce. The FDA announced a comprehensive series of regulations aimed at addressing food safety at all levels of production, including at the farm.

Members of SHAP's Legislative Committee are currently investigating the new regulations in order to develop a position for the organization and to prepare a set of comments to submit to the FDA from the perspective of PA growers. To that end, Tom Haas, Lee Showalter, and Brad Hollabaugh attended two Roundtable Discussions at PDA in February regarding the Food Safety Modernization Act (FSMA) Proposed Rules for both the Produce Safety as well as Preventative Controls for Human Food sections. The discussions focused on the key issues of concern for PA Agriculture and will provide the framework for comments submitted by the Department of Agriculture.

The regulations address items such as worker health and hygiene, agriculture water quality, the use of biological soil amendments and the potential for contamination from domestic or wild animals. Of special concern are the areas regarding water quality and the fact that tree fruits are not treated distinctly from other crops that are managed and harvested at ground level.

The focus for the new regulations targets produce that is typically eaten in its raw form. Consequently, the new rules basically similar standards that are currently implemented with both GAP and GHP programs managed under USDA. However, the FDA rules are not congruent with USDA, so conforming to the regulations will require careful study.

To learn more visit: <http://www.fda.gov/Food/FoodSafety/FSMA/ucm334554.htm>.

Immigration Reform Remains at the Forefront of USApple Efforts

The House and Senate continue negotiations towards introduction of immigration reform bills with action expected this year. USApple, American Farm Bureau Federation, and other members of our Agriculture Workforce Coalition (AWC) are working with Members of the Senate's "Gang of Eight" and other key offices regarding the AWC proposal and agriculture's labor needs. A comprehensive immigration reform bill is expected to be introduced in the Senate later this month.

In the House, a bipartisan group of Members is developing a comprehensive immigration reform proposal while the House Judiciary Committee is holding a series of hearings. On Tuesday, the House Immigration Subcommittee held a hearing on the H-2A program and the need for reforms. Witnesses included Bob Stallman, President of the American Farm Bureau Federation, Chalmers Carr, a peach farmer from South Carolina and Giev Kashkooli, representing the United Farm Workers. Stallman and Carr supported of the AWC proposal to legalize the current workforce and create a new market based guestworker program. The hearing can be viewed at http://judiciary.house.gov/hearings/113th/hear_02262013.html. The written testimony is also available. (I highly recommend reading the remarks presented by Chalmers Carr, president of USA FARMERS.)

House Judiciary Committee Chairman Bob Goodlatte described the H-2A program as "a costly, time-consuming, and flawed program. Each year, employers have to comply with a lengthy labor certification process that is slow, bureaucratic, and frustrating." Goodlatte concluded, "It is well past

the time to replace the outdated and onerous H-2A program, to support those farmers who have demonstrated that they will endure substantial burdens and bureaucratic red-tape just to employ a fully legal workforce, and to offer a program that is amenable to even more participants in today's agricultural economy." (*USApple Weekly Report - March 1, 2013*)

Pennsylvania Farm Bureau Urges U.S. Senate to Support Common-Sense Pesticide Bill

Pennsylvania Farm Bureau has written U.S. Senators Bob Casey and Patrick Toomey asking them to co-sponsor the Federal Insecticide, Fungicide and Rodenticide Act, which would recognize farmers are not required to obtain a federal Clean Water Act permit when properly using pesticides on farm fields near waterways.

Previous versions of the bill were approved by the House of Representatives and the Senate Agriculture Committee last year. According to estimates by the Environmental Protection Agency, requiring permits would cost \$50 million, and impact state agencies, local municipalities and a number of pesticide applicators, including those spraying for mosquito control.

While the EPA has not specifically included farmers, they have also refused to say if agriculture producers are exempt from this attempted regulation. PFB believes that existing state law, and requirements for pesticide application, is a more effective means for preventing the misuse of pesticides.

House Legislation Would Repeal Health Insurance Tax

House lawmakers have introduced a bill that would repeal the Health Insurance Tax (HIT), a move the American Farm Bureau Federation says will provide savings for farmers.

"The cost of health insurance is a major concern for farmers and ranchers," said AFBF President Bob Stallman. "Health insurance costs already have gone up more than 100 percent since 2000 and the HIT will impose even more devastating costs on America's farmers, ranchers and small businesses."

A recent report from the Congressional Budget Office found the HIT tax would be passed on to consumers in the forms of higher premiums for private coverage. That would raise rates even more, and make it difficult for farmers and ranchers to provide coverage for themselves, their families and their employees, AFBF said.

The HIT tax was passed on as part of the Patient Protection and Affordable Care Act. The tax was included as a way to raise money to offset the cost of the legislation, AFBF said. It's estimated the tax will generate \$8 billion in revenue. Pennsylvania Farm Bureau has written Pennsylvania's Congressional delegation asking for their support of the bill to repeal the tax.

USDA Releases Annual Summary for Pesticide Data Program

USDA's Agricultural Marketing Service has posted data from the 2011 Pesticide Data Program Annual Summary. This information, along with an explanatory guide for consumers, can be found at www.ams.usda.gov/pdp.

The 2011 PDP report confirms that overall pesticide chemical residues found on the foods tested are at levels below the tolerances established by EPA and do not pose a safety concern.

Favorable Pesticide Ruling for Farmers

The U.S. Court of Appeals for the 4th Circuit has vacated the first biological opinion that would have led to far-reaching restrictions on the use of three important pesticides that farmers use—chlorpyrifos, diazinon and malathion. The ruling in the case (Dow AgroSciences et al. v. National Marine Fisheries Service) vacates the biological opinion that National Marine Fisheries Service submitted to the Environmental Protection Agency following consultations required by the Endangered Species Act.

In this important decision, the court agreed with legal arguments made by pesticide manufacturers, recognizing that in developing the biological opinion, NMFS failed to consider the economic feasibility of reasonable and prudent alternatives it recommended to EPA. The case has been remanded back to the district court with instructions that NMFS revise key portions of the biological opinion. AFBF is reviewing the legal implications of the decision.

Governor Proposes Budget for Agriculture

Gov. Tom Corbett's \$28.4 billion spending plan contains mostly good news for agriculture with a slight boost in the general operating budget of the Pennsylvania Department of Agriculture, along with additional funding for animal testing and county fairs.

However, the budget calls for the elimination of funding for programs like the Center For Dairy Excellence and promotion of the Pennsylvania Preferred program. The proposed budget would also increase funding for farmland preservation and for country fairs by an additional \$500,000, and retain the level of tax credits available under the REAP program at \$10 million.

Corbett's budget calls for level funding for Agriculture Research and Cooperative Extension programs through Penn State. The Pennsylvania Farm Bureau is also calling on lawmakers to set aside additional money for Penn State research and Extension to make up for budget cuts that occurred two years ago. Without additional dollars Penn State could face difficult decisions on program or staffing cuts.

Pennsylvania Plum Pox Free

Three years of monitoring for the Plum Pox Virus has not uncovered a reoccurrence of the disease. Pennsylvania was declared Plum Pox free in 2009, but was required to continue monitoring for another three years in order for it to be declared officially eradicated.

"This latest survey officially closes the books on the 14 years of Plum Pox Virus eradication efforts, which were only possible through the cooperative efforts of fruit growers, researchers, educators and governments," said Agriculture Secretary George Greig.

A survey conducted last year tested more than 41,000 leafs from trees in Adams County and adjacent areas. Plum Pox virus affects fruit-bearing an ornamental varieties of stone fruits including cherry, peach and plums. First uncovered in Adams County in 1999, state and federal agriculture officials developed a quarantine and eradication plan, which included the destruction of diseased trees.

Pennsylvania Extends Deadline for Farmers to Pay Estimated Income Tax

Taxpayers who mainly generate their income from farming were granted an extension to pay their 2012 estimated taxes because of delays with the Internal Revenue Service in supplying the necessary information for producers to file their federal taxes.

Pennsylvania Farm Bureau requested that the Pennsylvania Department of Revenue give an extension past the March 1 filing deadline for farmers. Revenue Secretary Daniel Meuser said farmers

would be given an extension to April 15 and would not incur any penalties for filing by the new deadline.

Because Congress waited until after the first of the year to determine tax code changes, the IRS has been behind schedule in preparing information for 2012 federal tax returns. Farmers use their federal filings as the basis for their state filings, and most would have been unable to make the March 1 deadline.

More Deer Farms Released From Quarantines

The Pennsylvania Department of Agriculture has lifted the quarantine on 14 deer farms after testing revealed they had no ties to an Adams County facility where chronic wasting disease was discovered.

After chronic wasting disease was discovered at an Adams County location, PDA quarantined 34 deer farms that were believed connected to those two locations. DNA testing was able to confirm those 14 facilities did not have a direct connection to the Adams County farms.

PDA has still quarantined nine farms, which were all directly connected to the Adams County location, which had two deer test positive for CWD. The disease, which affects deer, moose and elk, is always fatal and difficult to eradicate.

Unfortunately, the Pennsylvania Game Commission recently confirmed three hunter-killed deer taken in the 2012 general firearms deer season have tested positive for Chronic Wasting Disease (CWD). Two were from Blair County; the other was from Bedford County.

Applications Now Accepted for Direct Farm Sales Grant Program

Applications for the Direct Farm Sales Grant Program Phase II are now being accepted through March 29, 2013.

The program, administered by the PA Department of Agriculture's Bureau of Food Distribution, provides funds to Commonwealth-based businesses that manage or operate farm stands or farmers' markets, nonprofit organizations, farmers and local government for project designed increase consumption of specialty crops. Maximum grant amounts per farm stand or farmers' market location is \$7,500.

Applicants need to provide at least 25 percent of the approved grant amount in matching funds or in-kind goods or services. For more information or an application, visit www.agriculture.state.pa.us or contact Sandy Hopple at (800)468-2433.

Applications Being Accepted for Farm to School Grants

The U.S. Department of Agriculture is accepting applications for Farm to School grants, which will help schools improve connections with local agriculture producers.

The USDA is making three grants available to schools: Planning grants for schools just getting started with farm-to-school initiatives; implementation grants for schools looking to grow existing efforts and monies for state agencies and non-profits looking to conduct training or develop supply chains. Proposals are due to the USDA by April 24.

"USDA's Farm to School grants connect schools with their local farmers, ranchers and food businesses, providing new economic opportunities to food producers and bringing healthy, local offerings into school cafeterias," said USDA undersecretary Kathleen Merrigan. "USDA continues to make improvements to the nutrition of food offered in schools, and investing in farm to school

programs is yet another important opportunity to encourage our nation's kids to make lifelong healthy eating choices."

For more information, visit: http://www.fns.usda.gov/cnd/f2s/f2_2013_grant_program.htm.

PA to Hold Referendum on Continuation of Vegetable Marketing and Research Program

As required by the Agricultural Commodities and Marketing Act, Pennsylvania Secretary of Agriculture George Greig has called for a referendum of eligible vegetable producers to determine if they support the continuation of the Pennsylvania Vegetable Marketing Research Program.

The referendum period will run from March 4 to 4 p.m. on March 18, 2013. For more information on the referendum, contact the Department of Agriculture at 717-787-4737.