

AG ISSUES UPDATE

Edited by Brad Hollabaugh
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Biotechnology Labeling Bill Approved

Congress approved a bill to create national standards for the labeling of food products containing genetically modified organisms. The bill received approval in the Senate 63 to 30 and in the House 306 to 117. It was recently signed by President Obama.

The bill creates a mandatory labeling, but prevents a patchwork of state-by-state laws by creating national standards. In addition, the bill directs the U.S. Department of Agriculture to develop labeling standards. Meat and dairy would not fall under the labeling law, even if the animals were fed GMO feed. It would also exempt products such as soup where meat is a primary ingredient. The USDA will have no authority to recall products that do not comply with labeling requirements.

Research Laboratory

USApple's efforts to save the Apple Postharvest Research Laboratory in Beltsville, MD paid off as USDA has reversed its decision to close the lab. The research program is the only USDA apple postharvest research in the U.S. The research program had been in operation for more than 100 years, but was targeted by the USDA for elimination in the FY2017 budget.

In objecting to the proposed closing, USApple told USDA officials that apples are the third most valuable fruit crop in the U.S., with an annual farm-gate value of roughly \$4 billion. Further, apples are the most valuable fruit export with annual exports exceeding \$1 billion in value and are an important contributor to the U.S. balance of trade. *Apple Bites - 8.9.16, Staff Contact: Mark Seetin*

Congress Tells USDA: No Market Access for Polish Apples Without Pest Risk Assessment

On July 13, a bipartisan group of House members wrote Animal and Plant Health Inspection Services (APHIS) Administrator Kevin Shea to raise concerns regarding the Agency's proposed rule granting expedited market access to Poland. The House letter is identical to the one sent by apple Senators in June. The Congressional letters reflect the comments submitted by TreeTAC (the industry's Scientific Advisory Committee) in late May. USApple worked closely with Reps. Dan Newhouse (R-WA) and Louise Slaughter (D-NY) who led the House effort.

House members signing the letter include: Newhouse (R-WA), Slaughter (D-NY), McMorris Rodgers (R-WA), DelBene (D-WA), Stefanik (R-NY), Larsen (D-NY), Benishek (R-MI), Welch (D-VT), Katko (R-NY), Collins (R-NY), Herrera Beutler (R-WA), Reichert (R-WA), Gibson (R-NY), Perry (R-PA), Comstock (R-VA), Denham (R-CA), Shuster (R-PA), Upton (R-MI), Goodlatte (R-VA), Simpson (R-ID), Reed (R-NY), and Huizenga (R-MI). *Apple Bites - 7.27.16, Staff Contact: Diane Kurrle*

Farm Bureau Pushing for Immigration Reform

The American Farm Bureau Federation is joining with other organizations to push for immigration reform to help farmers have access to a legal and stable workforce. It will be a tough push in this election year, but Farm Bureau wants to make sure members of Congress are

aware of how critical the issue is for farmers, said Kristi Boswell, director of Congressional relations with AFBF. "While 2016 is a political year, which means there is not a lot of movement in Congress, that isn't stopping us from continuing to press forward," she said. "AFBF is happy to join forces with the Partnership for a New American Economy to raise awareness and support events all across the country."

The partnership launched "Reason for Reform" which will tout the economic benefits of immigration reform. Partnership for a New American Economy released studies from all 50 states that outline the economic benefit that immigration is providing to business sectors, including agriculture. "The American Farm Bureau and farmers and ranchers are calling on Congress to pass responsible immigration reform in order to ensure that our cows get tended, our fruits and vegetables get harvested, and to provide that fresh, local food that consumers demand in their grocery stores," Boswell said.

Supreme Court Ruling Sides With Landowners in Clean Water Challenge

The U.S. Supreme Court ruled landowners can challenge the federal government when the Army Corps of Engineers tries to dictate land use with regulations aimed at water quality.

Landowners have made attempts to challenge Corps rulings known as jurisdictional determinations. However, the federal government argued those determinations were not final, and as a result, lawsuits were dismissed. But the Supreme Court's determination preserves a landowner's right to challenge Corps determinations.

"When a farmer or rancher gets a jurisdiction determination issued by the Corps of Engineers and they believe the Corps overstepped the bounds of the Clean Water Act, they can file a lawsuit in federal court, after they exhaust all of their administrative remedies," said Danielle Quist, senior counsel for the American Farm Bureau Federation. AFBF filed a "friend of the court" brief in the case—in support of the plaintiffs.

The ruling highlights the difficulty that landowners can find themselves in if a landscape feature is determined to be a "water of the United States" by the Corps. Farmers face fines of up to \$37,500 a day for Clean Water Act violations—and often face years of challenges in trying to get a permit.

"Farmers have the option to go to court and not spend years trying to get a permit. It speeds things up," Quist said. "They don't have to wait years to find out whether their land is subject to Clean Water Act jurisdiction."

State Budget Finalized

Pennsylvania lawmakers reached agreement on a new \$31.6 billion spending plan and revenue package that provides support for agriculture but does not call for broad-based tax increases. Members of the Pennsylvania General Assembly approved, in early July, the spending package which Gov. Tom Wolf allowed to become law. Nearly two weeks later, lawmakers voted on a funding package to pay for the agreed upon spending, which Gov. Wolf signed.

The tax bill also clarifies that all farm families, regardless of their business structure, should not be subject to the state's inheritance tax and realty transfer taxes not be applied to conservation easement purchases. The budget agreement does not call for an increase in sales or personal

income taxes. Instead, lawmakers turned to an increased and expanded cigarette tobacco taxes, additional gambling options, reforms in the state's liquor system and more to pay for new spending. The budget does not address pension or property tax reform. However, it contains positive news for priority agriculture areas.

The increases coming to agriculture spending include:

- 2.5 percent increase for Penn State Extension
- 10 percent increase for agriculture promotion, education and exports
- 10 percent increase for hardwoods research and promotion
- 10.2 percent increase for livestock and dairy shows
- 10 percent increase for PA Preferred
- 2.5 percent increase for veterinary activities through the University of Pennsylvania.
- \$100,000 for the Center for Agricultural and Shale Law

Thanks to Senators Jake Corman and Elder Vogel for their efforts in securing funding for agriculture priority issues.

Lawmakers Fix Inheritance Tax Law and Address Other Agriculture Tax Issues

Recent legislative action by the Pennsylvania General Assembly is correcting a problem resulting from interpretation of the state's inheritance tax law that exempted farm business from paying the tax. In addition, lawmakers also address two other tax issues beneficial to farm families.

The General Assembly passed Farm Bureau-supported legislation in 2012 to eliminate the state's inheritance taxes on family farmers. However, technical interpretations by the Pennsylvania Department of Revenue made since the law passed have limited the opportunity for many farm families to benefit from the tax exemption. Transfers of farm assets and ownership shares in the family farm business did not qualify for inheritance tax exemption if the transfer involved a corporation or trust. PFB worked to change the law to clarify that agriculture and small businesses, regardless of their business structure, should be exempt from paying inheritance taxes.

A provision was included in the state's tax code, adopted as part of the new state budget, closes the loophole. The change was made retroactive to when the farm exemption went into effect. Families who paid the inheritance tax based on the Department of Revenue's interpretation should be able to apply for and obtain tax refunds.

Lawmakers also passed legislation to clarify the exemption of realty transfer taxes from being applied to conservation easement purchases and exempted sales tax from being applied to equipment used for timbering. Pennsylvania Farm Bureau thanks the efforts of Sen. John Gordner, who led a multi-year fight to close the loophole and prevent farm families from having to pay the inheritance tax.

General Assembly Passes Bill to Correct Assessment Flaws in Clean and Green Program

The Pennsylvania General Assembly adopted legislation strongly supported by Farm Bureau, which will make two major and positive changes in valuation of properties enrolled Clean and Green. House Bill 806, introduced by Rep. Martin Causer, who chairs the House Agriculture & Rural Affairs Committee, was signed by Gov. Tom Wolf.

The Clean and Green Act is supposed to provide a reduced property tax rate for properties used in production agriculture, forestry or dedicated for open space. But in several counties, landowners in Clean and Green are being assessed a higher tax value than what would be assessed if the property wasn't enrolled.

House Bill 806 will prohibit Clean and Green properties from receiving a higher tax assessment than assigned by the county under fair market value. The bill will also prohibit a county from making yearly increases in Clean and Green values in any year that the county has not done a countywide reassessment of all properties. The change will eliminate in the future the substantial annual increase in property taxes that has occurred on Clean and Green properties whose counties adjusted values each year.

Industrial Hemp Bill Approved

The Pennsylvania General Assembly adopted a bill that would allow for a pilot program for the growing of industrial hemp. House Bill 967, introduced by Rep. Russ Diamond, provides limited growing and marketing of hemp, under the supervision of the Pennsylvania Department of Agriculture. The bill is similar to Senate legislation introduced by Sen. Judy Schwank. A provision in the 2014 Farm Bill allowed for states to establish limited pilot programs supervised by state governments and a research university. Gov. Tom Wolf has signed the legislation.

MSC Reminds Clients of IRS Scam

MSC Business Services is warning clients about a national phone scam of individuals posing as IRS agents and demanding payments for back taxes. MSC is reporting that some members have been targeted in scams and in at least one case, a member lost money through these fraudulent practices.

The IRS has received more than 90,000 complaints across the country, and estimates victims have lost \$5 million from these scams. Most of the scam calls involve someone posing as an IRS agent and verbally threatening and intimidating victims to turn over credit card information for payment, or to wire money to an account. Representatives from the IRS say they do not use the phone as the first point of contact and never ask for credit card or other information over the phone. Contact the IRS at 1.800.366.4484, if you receive such a call.

The IRS provides the following tips to prevent falling victim to a scam:

- Scammers may demand payment, usually through a prepaid debit card, or wire transfer.
- Callers use IRS titles and fake badge numbers to appear legitimate.
- The IRS will never demand payment over the phone, or call about taxes without first having mailed a bill.
- The IRS will never threaten to bring in local police or other law enforcement groups and have you arrested for not paying.
- The IRS will not demand you pay taxes without giving you the opportunity to question or appeal.
- The IRS will not ask for credit or debit card information over the phone.

Educator's Ag Institute Brings Farming to the Classroom

Teachers from across Pennsylvania spent time in State College exploring the myriad of ways to include agriculture in lesson plans. The Educator's Ag Institute, organized by the Pennsylvania Friends of Agriculture Foundation, gives educators the tools to bring agriculture alive in their classrooms through a variety of lesson plans and workshops. Those lesson plans are adaptable for all types of curriculum and grade levels. Teachers also had the chance to tour nearby farms and research facilities at Penn State.

The foundation also recognized three educators for their efforts to promote agriculture to students. During the institute, the Pennsylvania Friends of Agriculture Foundation recognized Lisa Klipa, a teacher at Praise Christian Academy in Allegheny County, as the Teacher of the Year. The award is given annually to an educator who does an outstanding job incorporating agriculture into their curriculum.

Specialty Crop Tour for Young Growers

The Penn State Extension Young Grower Alliance is hosting a tour of the Tuscarora Growers Coop and New Morning Farm for young, next generation producers of specialty crops.

The tour will be from 8 a.m. to 4 p.m., November 15 at New Morning Farm at 22263 Anderson Hollow Road, Hustontown. Participants will discuss daily operations of a food hub, see multi storage coolers and docking facilities, fall production in high tunnels and review the 2016 season's Extension practices. There is no fee for this event but pre-registration is requested. Please sign up by November 7, 2016. To register call [Mike Basedow](#) at 717.334.6271 x331

Participants will visit and learn from the following growers:

[Tuscarora Growers Coop](#) was founded in 1988 when three growers banded together to help manage the demands for produce they received at the Baltimore and DC markets. Today it is a three million dollar business, owned and managed exclusively by its members.

[New Morning Farm](#) produces approximately 60 different crops, all certified organic. Crops include vegetables, berries, and herbs. The farm employs six to eight year-round helpers and approximately 25 seasonal workers and apprentices. The farming apprenticeship program has helped many aspiring growers launch their own farming careers. *Source: Penn State Extension*