

AG ISSUES UPDATE
Edited by Brad Hollabaugh
September 2017

Fred Hess Wins 2017 Apple Man of the Year Award

Congratulations to Fred Hess of Hess Brothers Fruit Co. in Lancaster, PA. He has been named the 2017 Apple Man of the Year by The Packer. Fred was recognized by his peers as being a good mentor, a natural teacher, a leader in food safety, a visionary in the managed variety trend, having remarkable personal integrity and unfailingly kind and helpful to others.

The award was presented by The Packer's Greg Johnson in August at the 2017 Apple Crop Outlook & Marketing Conference in Chicago. (*Apple, Apple Bites - 9.8.17*)

2-4 Year Extension of Agricultural Water Compliance Deadline

USApple's Mark Seetin attended the annual meeting of the National Association of State Departments of Agriculture (NASDA) in New Orleans. There was an important announcement just made on September 12 by FDA Commissioner Scott Gottlieb regarding certain parts of the FSMA Produce Rule.

During his just completed speech to state agriculture department leaders, FDA Commissioner Gottlieb announced that FDA is finalizing a rule to extend the agricultural water compliance deadline by 2-4 years (depending upon the size of the operation). A 2-year extension will be given for the largest operations from the current deadline of January 27, 2020 to January 27, 2022, and to 2026 for the smallest operations.

In addition, instead of the January 2018 time originally set for the start of farm inspections, the farm inspections will not begin until Spring 2019. The first year of inspections will be focused on education - how to comply with the Produce Rule, and enforcement is not expected to begin until at least a year following the beginning of the farm inspections.

Commissioner Gottlieb also stressed that the FDA is still in the process of reevaluating the agricultural water rule (microbial standards) in an effort to make the rule less cumbersome and more workable, and that the FDA will be working with NASDA on that effort going forward. (*USAPPLE Member Alert, 9/12/17*)

FSMA Implementation - FDA Releases Compliance Guide for Small Businesses

The Food and Drug Administration (FDA) has released a guidance document for small businesses entitled "Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption: What You Need to Know About the FDA Regulation: Small Entity Compliance Guide." The small entity compliance guide (SECG) is intended to help small businesses comply with the final Produce Safety Rule.

The FDA provides the guides to support compliance with the FDA Food Safety Modernization Act (FSMA) standards. The SECG provides information that can help small

and very small businesses understand how the requirements of the Produce Safety Rule apply to them.

Specifically, the SECG can help growers determine whether they are eligible for a qualified exemption, which would modify the requirements they are subject to under the Produce Safety Rule. The SECG can also help them understand those modified requirements.

The main compliance dates for small businesses and very small businesses under the Produce Safety Rule were recently revised. (See 2-4 Extension segment at the beginning of this update.) (*Apple, Apple Bites - 9.8.17, Staff Contact: Mark Seetin*)

USApple Weighs in with Administration and Congress on NAFTA Negotiations

The second round of NAFTA negotiations came to a close on September 6 in Mexico City, Mexico. USApple and other agriculture producer groups weighed in with United States Trade Representative (USTR) Robert Lighthizer and other key Administration officials raising strong concerns with a provision that some in the Trump Administration are advocating.

The Trump Administration's proposed provision would change trade remedy law and make it easier for all three nations to impose anti-dumping duties on imports of many types of produce. If this change were to be adopted, U.S. produce exports would be targeted by Mexico and Canada, our number 1 and 2 apple export markets.

The apple industry and many of the other producer organizations that signed the letter have been the target of anti-dumping actions in Mexico or Canada in the past. The letter explains that: "In some cases, anti-dumping duties were applied, and our exports were impaired for years. In other cases, although Mexican producers petitioned their government to impose anti-dumping duties, the Mexican government prevented these petitions from moving forward. If, however, the United States were to begin imposing duties on Mexico's top agricultural exports to the United States, it would be much more difficult for Mexico to show restraint."

USApple's Senior Vice President Diane Kurrle has been on Capitol Hill every day educating key members of the House and Senate and urging them to contact the Trump Administration and voice opposition to the proposal. The third round of negotiations is scheduled later in September in Ottawa, Canada. (*Apple, Apple Bites - 9.8.17, Staff Contact: Diane Kurrle*)

Passing of the Apple Gavel: New USApple Officers and Board Members Seated

The official apple gavel was passed from 2016-2017 Chairman Jon Alegria, CPC International Apple Co., Tieton, WA to newly-elected chairman Mark Boyer of Ridgetop Orchards, LLC, Fishertown, PA at the association's annual Apple Crop Outlook & Marketing Conference in Chicago, IL.

Other incoming officers joining Boyer are Vice Chairman Kaari Stannard of New York Apple Sales, Inc., Glenmont, NY and Secretary Jeff Colombini, Lodi Farming Inc., Lodi, CA. John

Graden of Crunch Pak, LLC, Cashmere, WA, will remain treasurer, and Mike Wade will continue to serve as immediate past chairman.

Mike Preacher, Domex Superfresh Growers, Yakima, WA joins USApple's executive committee. Brenda Briggs, Rice Fruit Company, Gardners, PA, Jim Divis, Tree Top, Inc., Selah, WA, Elizabeth Wittenbach, Wittenbach Orchards, Belding, MI and Jason Woodworth, Lamont Fruit Farm, Inc., Watersports, NY are now directors on the board. Reappointed to the board were Steve Clement, Bill Dodd and Mark Nicholson. After serving their terms Jon Alegria, Tony Blattner, Lee Peters and Jaime Williams have stepped down from the board.

Todd Fryhover, Washington Apple Commission, Wenatchee, WA replaces Alex Ott, California Apple Commission, Clovis, CA as this year's state association board member. US (*Apple, Apple Bites - 9.8.17*)

USApple Estimates 2017 Crop at 248 Million Bushels

Apple growers and industry experts attending USApple's annual Apple Crop Outlook & Marketing Conference in Chicago evaluated the prospects for the 2017 apple crop in regional discussion groups and came up with an estimate of 248.3 million 42-pound units (bushels), slightly less than the August 12 USDA estimate of 248.7 million bushels. USApple's forecasted 2017 crop is eight percent less than the 2016 crop of 268.4 million bushels and roughly equal to the five-year average.

The USApple Outlook crop estimate has been more accurate than the official USDA projection in six of the last eight years.

Not long ago, a crop of this size would have been greeted with concern by the industry, but continually improving quality of the fresh fruit by growers coupled with stronger and more effective marketing by packer/shippers and marketers have proved that crops of this size can be managed and marketed profitably. Given the recent track record of the industry in handling larger crops, there is good reason for optimism regarding the 2017 crop.

The 2017 Production & Utilization Analysis is available for purchase. This report provides U.S. varietal estimates, processing vs. fresh market utilization forecasts, and an international market outlook. The report is available to members at the discounted rate of \$150. Simply email Jessa Allen to order a copy. (*Apple, Apple Bites - 9.8.17, Staff Contact: Mark Seetin*)

Deadline Extended to Submit Comments on WOTUS

After several years of leading the fight against the federal government's Waters of the U.S. (WOTUS) rule, the agricultural community finally has a chance to bring the effort over the finish line. The U.S. Environmental Protection Agency, acting on an executive order from President Donald Trump, has proposed rescinding the rule.

But the controversial rule — which would greatly expand the federal government's regulation of farms and other land — isn't off the books yet. The EPA is soliciting public comments to hear from people for and against repealing the rule before any decision is

final. That comment period was recently extended to **Sept. 27**. It's critical that the agricultural community's voice is heard during that process and that producers tell the EPA directly how the rule would affect their farms.

WOTUS gives EPA and the U.S. Army Corps of Engineers broad authority to regulate many land areas as "water" and would affect an estimated 98 percent of Pennsylvania land. The rule was issued in 2015 by President Barack Obama's administration but never went into effect because of injunctions issued by federal courts that questioned the rule's legality.

Pennsylvania Farm Bureau has been a leading opponent of the rule and believes it attempts to regulate land areas well beyond what is allowed by federal law. The organization set up a website that allows farmers to submit comments directly to EPA: www.pfb.com/wotus.

Bill Aims to Expand Broadband in Rural Areas

A bill introduced in the state Legislature aims to help rural communities keep pace with urban areas in affordable and reliable phone and broadband service.

Senate Bill 740, sponsored by state Sen. Ryan Aument of Lancaster County, was referred to the Senate Consumer Protection and Professional Licensure Committee for consideration. The measure would extend the life of the state's Universal Service Fund through at least 2021. That fund supports telecommunication services in rural areas, which tend to be the most costly areas to provide service to.

The fund plays an important role in ensuring that phone and broadband service is available and affordable to rural residents. The state may have to rely even more on that fund now to expand service due to decreased support from federal programs.

The Future of Natural Gas Use on Farms

Pennsylvania's boom in Marcellus Shale hydraulic fracturing — or fracking — has produced a plentiful supply of cheap natural gas throughout rural Pennsylvania. Yet access to this energy source is limited for most farmers.

Although some farms now use low-pressure natural gas for heating, the plentiful supply of cheap, unconventionally produced natural gas provides an opportunity for producers to cut costs. By switching from propane to natural gas, farmers can power irrigation systems, dry crops, heat large buildings and greenhouses, and fuel farm trucks and tractors, said Thomas Murphy, Director of Penn State's Marcellus Center for Outreach and Research.

The cost savings of natural gas can be substantial. However, a lack of pressure regulation equipment and transportation infrastructure limits farmers wishing to capitalize on the surplus of natural gas.

Murphy noted that most gas produced in southwestern and western Pennsylvania is considered wet gas. This gas has a mix of hydrocarbon liquids that require processing before residential or commercial use. The bulk of gas produced in northern and north-central Pennsylvania is dry gas, meaning that it only requires pressure regulation.

Some gas companies may allow farmers with existing wellheads or pipelines on their land to divert some of the dry gas flow onto their farm for heating uses at a modest cost. However, the high-pressure, high volume output from unconventional shale gas wells requires users to implement costly regulators to decrease the pounds per square inch (PSI) of gas to a pressure compatible with on-farm heating and power generation systems.

In lieu of costly pipeline expansion from gas processing centers and/or regulation stations to rural areas, large businesses and agricultural operations can gain access to natural gas through a “virtual pipeline”. This system connects industrial facilities and rural municipalities to the natural gas market through a network of pipeline terminals, heavy trucks, and decompression stations.

Murphy said this system is a great opportunity for Pennsylvania farms and related agricultural businesses. Large businesses or cooperatives that purchase truckloads of compressed natural gas through a “virtual pipeline” may be able to support surrounding farms with a reliable supply of gas, provided they install a local decompression station.

However, until public utilities are retrofitted to provide access to and regulate compressed natural gas throughout rural Pennsylvania, many farmers will forego conversion and continue using their traditional energy sources.

Agriculture Water Quality Inspections Underway

Pennsylvania’s farmers are fortunate to have plentiful access to water with the state’s extensive network of rivers and tributaries. Lately, however, agricultural producers have found that the bountiful resource comes with a cost.

In 2010, the U.S. Environmental Protection Agency implemented a total maximum daily load (TMDL) limit on the amount of nitrogen, phosphorus and sediment that can be deposited into the Chesapeake Bay. Pennsylvania’s Department of Environmental Protection is tasked with enforcing the TMDL and meeting EPA’s targets of a 25 percent reduction in nutrient loadings and a 20 percent reduction in sediment loadings by 2025.

Last year, DEP and several county conservation districts began an Agricultural Inspection Initiative to gauge farm-level nutrient and erosion control compliance. Staff from DEP and the conservation districts have reported more than 1,125 visits to farms within the watershed between September 2016 through March 2017 with at least 875 more scheduled for the rest of 2017.

The inspections are intended to ensure compliance with the required implementation of both a written Manure Management Plan (MMP) and an Agricultural Erosion and Sedimentation Plan (Ag E&S Plan), if applicable. As of mid-July, DEP had inspected 264 farms and conservation districts had completed 861 inspections, covering at least 119,000 acres. Of the farms that have been inspected, 81 percent were required to have implemented a MMP and 83 percent of producers were required to have introduced an Ag E&S Plan on their farms.

Of those farms required to have an MMP, DEP reported that 70 percent had a plan written and 64 percent were meeting the baseline requirements. Of those needing an Ag E&S Plan, 68 percent had one written and 59 percent had a plan that met the necessary requirements for erosion control.

DEP's quarterly progress report found that 74 percent of farmers with a written MMP reported they had received some form of assistance with plan development and 61 percent of farmers had help completing an Ag E&S Plan.

For additional information about the Agricultural Inspection Initiative or assistance with nutrient and sediment plan development, please visit: <http://bit.ly/PaDEPVisits>. Farmers can also use *PAOneStop*, an online tool designed to help farmers meet nutrient loading requirements, at <https://www.paonestop.org>.

Teaching Teachers About Agriculture

The northern Lancaster County elementary school where Tom Larkin teaches is surrounded by farmland. But few of his students come from farming backgrounds or have any direct connection to agriculture.

As Larkin sees it, educators need to fill in that gap and form that connection. There are many career options in agriculture and the farming community will continue to need bright, young minds. But without being exposed to agriculture in school, students won't be likely to consider it as a career.

"The number one industry in Pennsylvania is agriculture," Larkin said. "To not address that is foolish."

That's why he was among the three dozen educators who traveled to State College in July for the Educator's Ag Institute, a five-day crash course for teachers who want to introduce agriculture education to their classrooms. The institute — organized and run each year by the Pennsylvania Friends of Agriculture Foundation, a charitable organization supported by Pennsylvania Farm Bureau — includes classroom sessions as well as tours of farms and agricultural research facilities.

Beth Lechleitner, a teacher from Franklin County, was impressed by how agriculture-focused lessons can help students learn hands on about science. She said she's often surprised that even her agriculture-heavy area, most of her second-grade students think their food comes from the grocery store shelf.

"I think bringing agricultural sciences in, even at an elementary level, helps them get a better understanding of how that actually happens," Lechleitner said.

For many of the teachers, the institute was an introduction to agriculture. But that wasn't the case for Shelly Horner, a high school biology and physics teacher from Greene County.

She grew up and lives on a farm and was encouraged by members of the Greene County Farm Bureau to attend.

“I know the background knowledge but I’m learning how to use it in the classroom,” Harner said. “I have lots of new ideas that I can use in our rural school setting.”

Jason Coopey, of Way Fruit Farm in Centre County, was among the farmers to host the teachers. For the agricultural community, he said, the tours are a chance to address misconceptions about farming and help teachers — and then their students — fully understand the issues. He discussed how integrated pest management has evolved over the past few decades to ensure that food safety is a priority.

“I think they have a better grasp of what the real issues are and what the common-sense issues are and hopefully that changes their perspectives and they bring it back to their students,” Coopey, a PFB member, said. “It’s easy to have buzz words. It’s harder to have true knowledge.”