

AG ISSUES UPDATE
Edited by Brad Hollabaugh
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Tariffs Could Hurt Agriculture Exports

New tariffs on steel and aluminum are likely to hurt Pennsylvania farmers who rely on international trade to sell their goods, agricultural organizations say. President Donald Trump recently signed executive orders increasing taxes on steel imports by 25 percent and those on aluminum imports by 10 percent.

Ag organizations are concerned that affected nations will retaliate by placing new tariffs on U.S. agricultural products. That concern has already been realized with Chinese officials announcing tariffs on U.S. pork, wine and fruit. China is the second-largest recipient of U.S. agricultural goods, accounting for 15 percent of U.S. agricultural exports.

Chinese retaliation is especially bad news for Pennsylvania, a major pork-producing state. Exports of Pennsylvania pork generate \$67.5 million per year.

Pennsylvania agriculture exports \$2.2 billion in goods each year, with 59 percent of agricultural exports going to aluminum-producing countries and 17 percent of total agricultural exports going to steel-producing countries.

On the upside, Trump's orders exempt Canada and Mexico from the new tariffs as the U.S. renegotiates the North American Free Trade Agreement. Those nations receive 60 percent of Pennsylvania's agricultural exports.

Statement by Jim Bair, President & CEO
U.S. Apple Association
Re: China Tariff Retaliation on U.S. Apples

"The U.S. Apple Association (USApple) is extremely disappointed that apple growers have been caught in what seems will be a trade war between the White House and the Chinese government. With apples being included on China's list of retaliatory tariffs, U.S. growers face losing an important and expanding export market, to which access was a hard fought battle.

"The U.S. apple industry worked very hard over years, and in 2015 finally achieved full access to the Chinese market, just as China has access to our market. We are competing, and winning, with our exports to China growing nicely from zero to about 2.5 million boxes per year. China's retaliatory response to U.S. tariffs are just the latest chapter in a long and sad story where U.S. apple growers get hurt in a fight we didn't start and in which we have no interest.

"Within three years, China has become our tenth largest market and has tremendous promise for continued growth. Even the U.S. Trade Representative's Office lists U.S. apple

exports to China as one of the country's top export success stories. Because China doesn't grow a diverse variety of apples, there is a high demand by its consumers for the many unique varieties offered by the U.S.

"Trade is extremely important to the U.S. apple industry. We urge the administration and China to quickly resolve the trade dispute so that our apple exports won't be disrupted."

Electronic Logging Mandate Delayed Again for Agricultural Haulers

Commercial haulers of livestock and agricultural commodities will remain temporarily exempt from a mandate to use electronic logging devices as federal officials consider how to rectify the unique challenges the rule poses for agriculture.

The U.S. Department of Transportation last month extended by an additional 90 days a previous exemption granted for agricultural haulers, which was due to expire March 18. Shortly after, a measure in a congressional spending bill gave an additional extension. Now, agricultural haulers are exempted from the electronic logging requirement through the end of September.

At the same time, the department is considering a request by Farm Bureau and other agricultural groups to provide livestock haulers a limited exemption from the regulation. Most farmers would be exempt from the mandate anyway because federal law exempts drivers of "covered farm vehicles" from logging requirements. But drivers for commercial trucking businesses who transport livestock, live fish and insects are likely to fall under the requirements.

The agricultural groups argue that the hours of service requirements—which the electronic logs are intended to enforce—are problematic for haulers transporting live animals due to the requirement that drivers stop and take a minimum 10-hour break after reaching their service hour limit. The groups point out livestock haulers' specialized training and commitment to ensuring both the animals' well-being and the safety of other drivers.

Farmers Get Relief from Emissions Reporting Mandate

Livestock farms should not be regulated like hazardous waste sites and will not have to report routine air emissions from animals or their manure, Congress clarified last month.

That assertion comes as a relief to more than 200,000 farm families across the nation who faced the possibility of having to begin reporting daily livestock emissions in May in order to comply a law that deals with federal Superfund sites, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

The measure exempting farms from the reporting requirement had been proposed in separate bills in the House and Senate—the Fair Agricultural Reporting Method (FARM) Act and Agricultural Certainty for Reporting Emissions (ACRE) Act—but was instead incorporated into a congressional spending bill recently passed to keep the federal government funded. President Donald Trump has signed the legislation.

Farmers had been exempt from reporting routine livestock and manure emissions under a rule supported by both the Bush and Obama administrations. But activists succeeded in blocking that rule in federal court last year. That made a legislative fix necessary.

“CERCLA was never intended to target farms,” said Pennsylvania Farm Bureau President Rick Ebert. “Rather, it was meant to address dangerous industrial pollution, chemical plant explosions and the release of hazardous materials into the environment. The commonsense exemption means that farmers will not be subject to the same emissions reporting standards as a federal ‘Superfund’ site.”

Additional Agriculture Priorities Included in Spending Bill

There’s more good news for farmers in the \$1.3 billion spending bill recently approved by Congress and signed by President Donald Trump. In addition to exempting farmers for reporting routine livestock emissions and extending the deadline for agricultural haulers to comply with electronic logging requirements, the omnibus legislation tackles several issues that have been among farmers’ priorities.

The bill creates a \$625 million pilot program for rural broadband and increases funding for agriculture research. In addition, the plan prohibits the closing of Farm Service Agency (FSA) offices and increases funding for FSA programs and loan officers. The spending bill, which will fund the federal government through September, also fixes a provision (Section 199A) in the tax reform legislation enacted earlier this year that provided a tax advantage to farmers who sold their products to cooperatives, but not to private companies.

“The new provision allows farmers to take advantage of the tax break, regardless of whether they sell their agricultural goods to a cooperative or another food processing company,” Pennsylvania Farm Bureau President Rick Ebert said.

New Congressional Map Will Stand



Pennsylvania's newly drawn congressional districts are here to stay. Federal judges declined two separate requests by Pennsylvania Republican leaders to stop implementation of the new district map, which was established by the Pennsylvania Supreme Court. That means that the new districts will be in place for the upcoming primary election and many Pennsylvania voters will find themselves in new districts.

After ruling that the previous congressional map was unconstitutional and had been crafted to unfairly favor Republicans, the state court gave Democratic Gov. Tom Wolf and the GOP-led General Assembly a limited time to agree on new districts. When that failed to happen, the court implemented its own map.

Governor Rolls Out Broadband Initiative

Gov. Tom Wolf last month outlined his proposal for expanding access to high-speed internet in rural and underserved areas of the state.

The plan creates a Pennsylvania Office of Broadband Initiatives, tasked with developing and executing a plan to expand broadband access to every state resident by 2022. The governor's office estimates more than 800,000 Pennsylvanians still lack reliable access, more than 520,000 of them in rural areas. Mark Smith, a former Bradford County commissioner and Wolf's deputy chief of staff will lead the office.

The state also plans to offer \$35 million in incentives for private companies to bid to expand internet service in Pennsylvania through the federal government's Connect America Fund Phase II Auction. That program provides nearly \$2 billion nationally for expanding broadband.

The state funds would be used to spur investment in Pennsylvania by giving companies an incentive to bid to expand service in the state and leverage the state money to attract federal dollars. Money for the incentive program will come from PennDOT with the stipulation that PennDOT can then access that internet infrastructure to support the state's transportation system.

High Tunnel Bill Clears General Assembly

A bill that would lessen the red tape around building high tunnel structures on farms has cleared the General Assembly. State senators unanimously passed House Bill 1486, sending the legislation to Gov. Tom Wolf for his signature. The bill cleared the House late last year.

Sponsored by Rep. Dave Zimmerman of Lancaster County, the bill would prevent municipalities from requiring that farmers submit stormwater management plans on high tunnel structures that meet common sense guidelines clearly outlined in the bill.

More and more farmers have been using high tunnels to extend the growing season for fruits and vegetables and meet demand for local produce. But the burdensome paperwork, delay and cost often imposed by local regulation can make high tunnels cost prohibitive for many farmers.

Limiting Liability for Agritourism Operators

As farm income declines, more and more farmers are turning to agritourism as a way to bring in extra revenue and keep farming. And with consumers growing more interested in learning where their food comes from, such operations are exploding in popularity.

But as Monroe County farmer Stuart Klingel has found, that can be a double-edged sword. More customers at his corn maze and fall festival means a greater chance of somebody getting hurt. And as people grow more litigious, he said, insurance companies are getting more squeamish about covering the farm.

“It just seems the smallest of incidents can be potentially a big problem,” Klingel said. “We have a very good safety record. But it seems the last several years, as soon as you have a twisted ankle or anything, one of the questions right away is: ‘Are you well-insured.’”

That’s why Klingel and other farmers with agritourism operations hope to see the state limit their exposure to lawsuits over incidents beyond their control. As he sees it, if someone gets hurt because he created unsafe conditions, shame on him. But he shouldn’t be liable for a twisted ankle or skinned knee that came from the normal risks associated with being outdoors on a farm.

“When you come to a farm or you go somewhere where it’s an outdoor activity where the terrain is uneven, you’re around animals or equipment, you have to accept some of the responsibility,” he said.

Farmers are backing a bill by state Sen. Ryan Aument of Lancaster County to grant agritourism operations what’s called civil liability immunity. That legislation, Senate Bill 820, would protect agritourism operators from lawsuits over injuries related to participation in the activities as long as they post signs informing visitors that they assume some of the risk of participation.

It’s not that there has been a rash of major incidents at agritourism operations, farmers said. But the threat of lawsuits has driven up insurance costs. Few insurers are willing to cover agritourism because of the liability involved, farmers said, and the coverage that is available is expensive.

“Some carriers get uncomfortable when you get over a certain level (of customers),” said Josh Grim, owner of Grim’s Orchard and Family Farms in Lehigh County. “They’re used to the small family farm and they don’t mind that risk. But once you start putting tens of thousands of people through, they get uneasy.”

Susan Bucknum, a Cumberland County attorney who specializes in agriculture, has been working with a group of agritourism operators to address their concerns. She said the proposed law could help alleviate those costs by reducing the liability associated with agritourism.

There is already a legal defense for businesses that are sued by people who were injured while engaged in activities they knew came with a risk, she said. For example, a baseball team may use that defense if sued by a fan who was hit by a foul ball. But she said, that defense is open to interpretation by a judge or jury and a farmer, if sued, would still have to argue his or her case in court.

If the law spells out clearly that agritourism operators aren't liable for injuries—as Aument's bill would do—then such lawsuits could be dismissed from the outset, saving the time and expense of going to court and reducing the risk of losing the case. Many other states already offer similar protections for agritourism.

“Pennsylvania is a minority. The majority of states have it,” said Jack Coleman, owner of Cherry Crest Adventure Farm in Lancaster County. “It's not like we're trying to do something different.”

Pennsylvania Students Learn Agriculture's Story

Schools across Pennsylvania were once again host to farmers answering questions about wheat, blueberries, eggs, and buttermilk as part of the second annual Ag Literacy Week.

Spearheaded by the Pennsylvania Friends of Agriculture Foundation, a charitable organization supported by Pennsylvania Farm Bureau, Ag Literacy Week brought volunteer readers to more than 1,200 classrooms across the state, triple the number from last year's inaugural event. In addition to volunteers from county Farm Bureaus, the effort engaged organizations such as FFA, 4-H, Dairy Promotion, Pennsylvania Department of Agriculture and others.

Farmers and other volunteers read the book “Tyler Makes Pancakes,” which tells the story of a boy named Tyler as he learns about the agricultural origins of each ingredient of his favorite pancake recipe as he prepares to make breakfast for his family. During the visits, volunteers led the kids through a bingo game in which each bingo square corresponds to a question about their favorite foods and what type of animal or plant each ingredient comes from, such as cows, chickens, trees, or other types of plants.

The exercise helps the kids make the connection between the foods they eat at home and the farms the foods come from, and it gives farmers the opportunity to tell students about their own farms, and the work they do to put food on their tables.

Help Us Spread the Word: Educator's Ag Institute

The Pennsylvania Friends of Agriculture Foundation is committed to growing agriculture literacy. And one way the foundation achieves that goal is by helping educators develop lesson plans based on agriculture.

The foundation, a charitable organization supported by Pennsylvania Farm Bureau, is hosting the Educator's Ag Institute this summer at Penn State. This year's institute, planned for July 8-12, will give teachers an up close and personal look at farming practices, and how they can use agriculture as the basis for lesson plans.

While at the conference, educators will tour a number of Penn State's agriculture facilities, participate in hands-on lessons and leave with a host of materials for use in their classrooms.

The Educator's Ag Institute is open to new educators, along with those who have previously attended our Ag in the Classroom workshop. Participants will also tour several area farms and hear from farmers about how they grow food, care for and feed their animals, and how the farm is run. Educators will receive Act 48 credits and/or can register for continuing education credits through Penn State.

Many of our county Farm Bureaus have previously sponsored educators to attend and we are encouraging that same outreach this year. Please consider sharing information about this valuable workshop with educators in your area. For more information, contact the foundation at **717.731.3556** or www.pfb.com/aginstitute.