

AG ISSUES UPDATE
Edited by Brad Hollabaugh
October 2018

U.S., Canada & Mexico Reach Agreement to Replace NAFTA

Late Sunday night [9/30/18] a deal was reached to replace NAFTA with a so-called U.S.-Mexico-Canada Agreement. The agreement includes all priority items that USApple had been vigorously advocating, including continued duty-free access, inclusion of all three countries and retaining the Chapter 19 dispute resolution process. The Ch. 19 process allows for anti-dumping cases to be resolved by a panel of international trade experts versus a hearing in a local court in the country filing the complaint.

Under NAFTA, U.S. apple exports to Mexico were quadrupled and exports to Canada were doubled, with combined 2017 shipments of nearly \$460 million, so retaining those key markets has been a priority for USApple.

President Trump and his counterparts from Canada and Mexico plan to sign the agreement by the end of November. The deal must be formally approved by Congress in 2019 on an up-or-down vote with no amendments. (*Apple Bites - 10.1.18*)

Farm Bill Expires Without Replacement

Congress failed to pass a new farm bill or an extension by its Sept. 30 deadline, resulting in the 2014 Farm Bill expiring without a replacement for the critical agriculture legislation in place.

As of early October, House and Senate leaders continued to work out differences between the versions of the farm bill each chamber passed this summer. Once leaders reach agreement on a final version, it will need to be voted upon by each chamber.

Farm organizations had urged Congress to pass a new farm bill by the deadline, noting that farmers are already contending with volatile markets and prices as a result foreign trade disputes as well as a depressed farm economy. With the 2014 Farm Bill expiring, funding for many major programs—including crop insurance, nutrition assistance and the Dairy Margin Protection Program—will continue through December before running out.

But funding for nearly 40 other programs will be cut off. Those include several research programs, assistance for beginning farmers, certain energy and conservation programs, value-added grants, foreign market development, farmers market promotion, and more.

Justice Dept. Acts on Chlorpyrifos - Seeks Reconsideration by 9th Circuit Court of Appeals

The Justice Department has asked the 9th Circuit Court of Appeals for a panel rehearing by the full court in a case in which the court ordered the Environmental Protection Agency in August to cancel all registrations of chlorpyrifos within 60 days. The court order would overturn EPA's denial of a petition filed by several environmental activist groups.

Responding to the Justice Department action, Agriculture Secretary Sonny Perdue noted "USDA disagrees with the ruling ordering EPA to revoke tolerances and cancel registrations for chlorpyrifos. . . The decision appears to be based on a misunderstanding of both the available scientific information and EPA's pesticide regulatory system."

If the 9th Circuit Court of Appeals denies the Justice Department request, the government has the option of seeking review by the Supreme Court.

Use of chlorpyrifos had been significantly restricted by the EPA in 2000, and it is currently used by the apple industry in limited ways. USApple prepared a Chlorpyrifos Backgrounder earlier this year that explains the regulatory actions of 2000 and updates information on its use by the apple industry. (*Apple Bites - 10.1.18*)

More Tariffs on Farm Products as Trade War with China Escalates

Agriculture is in the crosshairs of a new wave of tariffs China is imposing on U.S. products in response to the Trump administration's move to tax additional Chinese imports.

China added or increased tariffs on \$60 billion in U.S. goods, including numerous agricultural commodities and food products. Among the items hit with the new tariffs are honey, some vegetables, fruit juices, vegetable oils, animal hides and skins, numerous processed foods, and more. The new round of tariffs come on top of earlier retaliatory tariffs on U.S. agricultural products that have already disrupted markets and caused prices to drop, especially for soybean and pork producers.

Farm Bureau has urged national leaders to work to open markets for U.S. agricultural products and sought to highlight the damage that trade wars inflict on farm families.

"Farm Bureau urges our trade officials to engage in discussions with our trade partners to resolve trade concerns before resorting to tariffs," the organization said in a recent statement to the U.S. Senate Committee on Agriculture. "Tariffs targeting our largest agricultural export markets have resulted in retaliation against U.S. farmers, ranchers and agricultural and food businesses across the country. At this time of particular stress in the agricultural economy, expanding market opportunities for farmers and ranchers must be a priority for our trade efforts."

Congress Considers Permanent Tax Solutions for Farmers

The U.S. House Ways and Means Committee recently approved a bill that would make permanent the tax cuts Congress passed last year. The tax cuts for individuals and many farms and small businesses that file taxes as individuals that were implemented as part of last year's tax reform package are temporary and will go away unless Congress takes further action to make them permanent.

The same is true for the new 20 percent business deduction for farm revenue that was included in the tax reform bill. The Protecting Family and Small Business Tax Cuts Act of 2018 would ensure that farms and families continue to see the benefits of tax reform by

removing the temporary status from those provisions. Now that the legislation has cleared the Ways and Means Committee, it must face a vote by the full House.

Financial and Technical Assistance Available from the NRCS for Multiple Conservation Projects

Financial and technical assistance is available from USDA's Natural Resources Conservation Service to help agricultural producers implement conservation practices that improve water quality, produce healthy soils and improve grazing lands. Other projects that qualify for assistance include energy conservation, installing high tunnels to extend the growing season and implementing conservation practices on certified organic farms.

Producers should plan to submit their application to NRCS before Oct. 19 to be considered for the current round of assistance. Details of the program are available from local field offices available on the USDA website: <http://offices.sc.egov.usda.gov>.

Learn more and register at www.pfb.com/aglitearcy. Questions? Email alw@pfb.com.

Disaster Assistance Available to Restore Streams Damaged by Flooding

USDA's Natural Resources Conservation Service is accepting applications through Oct. 15 for disaster assistance funding to stabilize and restore streams that were affected by flooding this summer.

Funding is available for properties in Berks, Bradford, Chester, Columbia, Dauphin, Lackawanna, Lancaster, Lebanon, Luzerne, Lycoming, Montour, Northampton, Schuylkill, Sullivan, Susquehanna, Wayne, Wyoming, and York counties. Eligible sites must have a home or business within 50 feet of a stream that experienced severe damage, such as several feet or more of bank loss, exposed foundations, or the total failure of existing streambank structures. Projects must be completed in collaboration with a local government entity.

For more information, contact your local NRCS service center for more information. To find your local service center, visit <http://offices.usda.gov>.

Relief Funds Established for Farmers Affected by Hurricane Florence

North Carolina Farm Bureau and South Carolina Farm Bureau have established relief funds to help farmers recover from Hurricane Florence, which slammed the states with devastating floods in September. The full extent of the storm damage is not yet known but officials expect widespread damage to farms and a long recovery time.

To contribute to the North Carolina fund, visit www.ncfb.org/Florence-Relief-Fund or mail a check addressed to North Carolina Farm Bureau Foundation, Inc. and designated for "Florence Relief Fund" to: North Carolina Farm Bureau Foundation, Inc.; Florence Relief Fund; Attn: Perry Crutchfield; PO Box 27766; Raleigh, NC 27611-7766. For questions, call 919.782.1705.

To contribute to the South Carolina fund, send a check made out to "SCFB Agricultural Aid Foundation" to South Carolina Farm Bureau; Attn: Ron Quesinberry; PO Box 754; Columbia, SC 29202.

Spotted Lanternfly Tour Illustrates Destructive Potential of New Invasive Pest

Mark Seetin participated in a tour organized by state and federal agencies to examine the potential impact of a new insect pest threatening production agriculture, including apple production. *Lycorma delicatula*, commonly known as the Spotted Lanternfly (SLF), is a new invasive insect that has spread throughout southeastern Pennsylvania since its discovery in Berks County in 2014. SLF presents a significant threat to agriculture, including the grape, tree-fruit, hardwood and nursery industries.

Pennsylvania Secretary of Agriculture Russell Redding opened the tour by stressing the potential threat posed by the SLF and that the Pennsylvania Department of Agriculture is working jointly with USDA Animal Plant Health Inspection Service (APHIS) and Penn State scientists to contain the SLF or slow its spread to allow for the development of methodology to control it.

The SLF is originally from China and prefers the invasive tree species Tree-of-heaven (*Ailanthus altissima*) as a host. Tour participants were shown how the SLF clusters on the tree and the black sticky mold that grows on the sticky 'honeydew' that is produced in great quantities by the bugs feeding on the sap of trees and plants. While the SLF prefers the Tree-of-heaven, massive damage was also observed on grape plants, and orchard owners added that their apple trees were also attacked.

Like the Brown Marmorated Stink Bug (BMSB), the SLF is very mobile, often hiding in vehicle wheel wells and other openings. The containment effort by state and federal officials also urge the public to be aware of the threat, consult the Spotted Lanternfly website for information and report sightings immediately. (*Apple Bites - 10.1.18*)

Invasive Weeds Palmer Amaranth and Waterhemp Require Monitoring this Fall

Palmer Amaranth and Waterhemp are two herbicide resistant invasive pigweeds that can drastically reduce crop yields once they become established in crop fields. They reproduce from seed produced by pigweeds that escaped or plants that were not cut low enough during the harvest. Plant height of only one foot allows development of nodes that can produce viable seed this fall, particularly, if the weather is mild.

Flushes of Palmer and Waterhemp pigweed may be controlled with select herbicides or with tillage. Precautions should be taken to thoroughly clean harvesting equipment to prevent introduction of the pigweed seeds into new fields.

Sign Up Now for Ag Literacy Week

The Pennsylvania Friends of Agriculture Foundation is looking for volunteer readers to help connect students to agriculture and where their food comes from. Plan NOW to join us for the Third Annual Pennsylvania Ag Literacy Week March 18-22, 2019!

1. Contact your local school to request to read to a kindergarten through second-grade classroom.
2. Collect classroom information (school, teacher name, teacher email, grade, number of students).
3. Register online by Dec. 15!