

AG ISSUES UPDATE
Edited by Brad Hollabaugh
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E-Verify. The Next Debate.....

"We're from the government and we're here to help."

This is the mantra we've been hearing as the chairman of the House Judiciary Committee, Rep. Lamar Smith, R-Texas, has been developing legislation (The Legal Workforce Act, HR 2164) that will create a mandatory electronic employment verification system known as E-Verify. The bill was to be introduced before Congress recessed for the summer, but the debt ceiling debate delayed the introduction of Mr. Smith's bill until after the summer recess. This delay is a good thing, because there are a lot of concerns with an E-Verify bill that do not address agriculture's employment debacle, as an integral part of any immigration legislation.

- Rep. Smith has said E-Verify will create a legal, domestic work force.

That may be fine with most jobs, but not agriculture. Farmers and ranchers are the employer group that has made the case that no matter how high the unemployment rates, we depend on an immigrant work force. Farmers have proven time and again, coordinating with welfare-to-work programs, employment development departments and others: American-born workers cannot fill the entire demand of on-farm jobs. If E-Verify passes without an avenue to secure legally documented workers, agriculture will be left without a reliable work force.

- "If agriculture only paid more for farm labor, there would be plenty of workers."

Wrong! It's [frustrating] to continually hear that agriculture has only low-paying jobs. Nothing could be further from the truth. Yes, there are many entry-level jobs that start at minimum wage—just like other labor-intensive parts of our economy. Most agricultural employees make well above those minimum wages: You don't just have an entry-level employee [operate expensive equipment or manage harvest crews or packing operations]. Workers who are compensated based on performance standards or piece rate often make \$20 or \$30 per hour or more. But it's hard work, it's outside in the elements—whatever they may be—and the work is often seasonal, requiring those workers to migrate with the harvest.

- "It's a matter of national security."

In fact, it is just the opposite. A system to get legal work credentials and cross the border when the work is available, then return home, would allow workers to return instead of staying in the U.S. If a process was in place for them to return home and then safely re-enter the U.S. when the work is available, they could. In addition, the reported problems with drug lords forcing those seeking work to act as "mules" for their drug trade, and threatening their family members back in Mexico, only multiplies the problems facing both immigrants and Border Patrol agents.

[On the other hand, it really is a matter of national security! But for far different reasons than Mr. Smith proclaims. Any legislation that destroys the ability of Agriculture to resource

sufficient, qualified employees to do the work will jeopardize our ability to feed our nation. As many countries worldwide have discovered, when people go hungry, little else seems to matter. Unfortunately, many of our Congressmen simply do not make the logistical connection between the labor requirements of Agriculture and our food supply. Their vision is clouded by the robust selection of food products that they purchase everywhere from their favorite grocery stores, the congressional cafeterias, or the fancy restaurants that they frequent. People scream when gasoline exceeds \$4.00 per gallon. What will happen when a tomato or an apple costs \$4.00 each?]

The current H-2A program provides less than 10 percent of the agricultural worker demand and cannot provide workers in a timely manner for seasonal farm labor needs, which are complicated by weather and the perishable nature of many food products. As many other states develop their seasonal fruit and vegetable production, it only exacerbates the need for on-farm labor. [And H2-A offers no help whatsoever to supply the year around labor force that is necessary to sustain many agricultural operations in the "off season".]

The future well-being of our country and its populace depends on our ability to grow, process, market and deliver the food and farm products that have been crucial in allowing the United States to become the strongest, longest-lasting democracy in the world. Immigrant labor has always been a part of that equation. If we are to continue to produce the safest, most diverse food products of any country, we need a workable, effective solution for our agricultural labor quandary. (Excerpts taken from *Labor Quandary Needs Effective, Workable Solution* by Paul Wenger, President, California Farm Bureau Federation, August 3, 2011)

Federal Default Avoided

The Senate passed a landmark plan to raise the federal debt limit and reduce government spending on August 2, 2011, ending a partisan stalemate that threatened to plunge the nation into default and destabilize the world economy. The measure was approved by a vote of 74 to 26. It quickly went to President Obama, who signed it into law, giving the government the money to pay its bills ahead of a midnight deadline.

The Senate vote came a day after the House voted 269 to 161 to pass the plan, as both Republicans and Democrats rallied to pass legislation to avert the nation's first default and rein in the expanding deficits under the current administration. The law immediately grants the Treasury \$400 billion in additional borrowing authority, with more to follow.

Failure by Congress and the White House to either raise the debt ceiling limit or reduce the federal deficit, could have resulted in the federal government defaulting on its loans creating a cascade of economic woes in both the U.S. and world economies. For agriculture, an industry that typically utilizes large capital operating loans, the impact of higher interest rates could have been extremely costly.

McDonald's to Automatically Include Apple Slices in All Kids' Meals

Do you want apples with that? Starting this fall, McDonalds will not be asking you that when you order a Happy Meal at the counter. The chain announced recently it will automatically include apple slices in all of its kids' meals.

The fruit has been an option in Happy Meals since 2004. But the company said only one in 10 kids—or their parents—opted to replace fries with a bag of apple slices. That statistic doesn't surprise Dr. Kevin Volpp, director of the Center for Health Incentives at the University of Pennsylvania. "A lot of people have found that when you have an opt-in, about 10 percent of people opt in," Volpp said. "When you have an opt-out, about 90 percent of people stick with the opt-out default."

Whether kids will actually eat those apples is another story, though. Volpp cites a study in which researchers made healthier options the default for school lunches. "They actually found that it led to more of the healthy foods on the trays, but also more of the healthy foods in the trash can," Volpp said. The new serving of fries will be half the size of the old one. McDonald's said changes to the Happy Meal will cut calories by about 20 percent.

Additional Federal Crop Insurance Premium Assistance Available to Pennsylvania Producers

Pennsylvania farmers insuring their crops with a buy-up policy may be eligible for an automatic premium reduction of up to \$150 per policy thanks to \$1.76 million in assistance available through the U.S. Department of Agriculture Risk Management Agency.

The premium reduction assistance will be applied automatically to all eligible 2011 policies with acreage-reporting deadlines before Sept. 30. If the total producer-paid premium is less than \$150, the amount of premium reduction will be capped at 100 percent of the producer premium due. Producers will receive assistance for each eligible policy, not to exceed \$50,000. Administrative fees will not be covered.

Catastrophic (CAT) Risk Protection policies and policies or endorsements insured under the Livestock Risk Protection and Livestock Gross Margin (dairy) plans of insurance are not eligible for this financial assistance.

In total, Pennsylvania farmers are expected to receive nearly \$45 million in premium assistance for the 2011 crop year, including \$500,000 in state crop insurance assistance and approximately \$43 million as part of the standard federal subsidy. In the last five years, \$140 million in crop insurance loss payments have been paid to producers compared to \$76 million in paid premiums – a more than \$1.83 return on every dollar invested.

To find a crop insurance agent, visit www3.rma.usda.gov/tools/agents.

For more information on Pennsylvania's crop insurance program, visit www.agriculture.state.pa.us and search "crop insurance" or call 717-705-9511.

USDA Grant Money Available to Farmers

The U.S. Department of Agriculture has announced that the agency is accepting applications for grants to provide economic assistance to independent producers, farm and ranch cooperatives and agriculture producer groups through the Value-Added Producer Grant Program. The application deadline is August 29.

Grants may be used for feasibility studies or business plans, working capital for marketing value-added products or for farm-based renewable energy projects. "By creating value-added products, farmers and ranchers can expand economic opportunities, create jobs and keep wealth in the rural communities," said Kathleen Merrigan, deputy agriculture secretary. "These funding opportunities will promote business expansion and entrepreneurship by giving local business access to capital, technical assistance and new markets for their products and services."

Report Confirms Flaws in Chesapeake Bay Analyses

An updated report on the science surrounding Chesapeake Bay water quality confirms that serious and significant differences exist between the Environmental Protection Agency's "Bay Model" and the model authored by the Agriculture Department. Left unchanged these differences could lead to farmers in the watershed paying a steep price for nutrients and sediments that have been mistakenly attributed to them, according to the American Farm Bureau Federation. The analysis, conducted by LimnoTech and commissioned by the Agricultural Nutrient Policy Council, shows there are vast differences between the EPA and USDA Chesapeake Bay models in the areas of land use, total acreage of the Bay watershed and data and assumptions about farmer adoption of conservation and farming practices.

Kirk: Congressional Passage of Trade Pacts Set for September

Reuters reports that U.S. Trade Representative Ron Kirk is optimistic a deal will be struck with Republicans to clear the way for congressional passage of pending trade agreements with South Korea, Colombia and Panama after lawmakers return from a month-long recess in September.

"We believe we have a framework for an agreement that will allow us very quickly when Congress reconvenes in September to approve and have a vote on Trade Adjustment Assistance and allow us to move forward with passage of the free trade agreements at the same time," Kirk said in a speech recently in Washington, D.C.

President Barack Obama wanted the agreements approved before the August recess, but many Republicans are opposed to the Democratic proposal that extension of the Trade Adjustment Assistant program for displaced workers be included in implementing legislation for the Korean trade agreement. TAA provides retraining and income assistance for workers who have lost jobs due to trade.

For more information visit: www.rurdev.usda.gov

USFRA Announces Movement to Address Food Concerns

The U.S. Farmers & Ranchers Alliance, comprised of prominent national, regional and state agricultural groups and their partners, recently announced plans to lead a conversation with Americans addressing concerns about their food, where it comes from and how it's raised.

This movement will give farmers and ranchers a voice in traditional and social media conversations about agriculture—where it doesn't exist now—as well as with key influencers who are shaping the "good food/bad food" debates in popular culture. Farmers and ranchers will ask consumers about their greatest concerns with today's food production practices and share

the agriculture community's dedication to continuously improving how food is raised in order to provide healthy choices for people everywhere.

"No matter the cause, a knowledge and credibility gap has formed between the American people and their food," said Bob Stallman, chairman of USFRA and president of the American Farm Bureau Federation.

"Farmer- and rancher-led organizations have joined forces to create USFRA because it is vital that those closest to the farm, work together and lead the conversation about raising food," Stallman said. "Our industry is continuously changing—improving how we care for the land, our animals and our communities. Farmers and ranchers want to, and need to, do a better job of answering Americans' questions about their food. With this new movement, we are making a commitment, starting today, to listen to consumers and having vigorous two-way conversations."

Pest Management 1-800 Number Kicks Off Growing Season

Christmas tree growers and agricultural crop producers from across the state can find the latest pest and pest management information by dialing the Pennsylvania IPM Program's 1-800 PENN IPM toll-free hotline (814-863-9393 out of state).

Callers to the hotline can receive information such as recent pheromone trap capture counts for their region, up-to-date disease development information, as well as tips on pest management tactics from the Pennsylvania IPM Program.

IPM, or integrated pest management, aims to manage pests -- such as insects, diseases, weeds and animals -- by combining physical, biological and chemical tactics that are safe, profitable and environmentally compatible.

Information on such crops as Christmas trees, sweet corn, tomatoes and other vegetables are included on the hotline. Messages on the automated hotline are updated frequently during the growing season -- sometimes as often as daily during critical management periods -- and are available 24 hours a day, seven days a week.

Pest management specialists from the Pennsylvania Department of Agriculture, Penn State's Departments of Entomology and Plant Pathology and Penn State Cooperative Extension contribute their time and expertise to keep the information current and useful.

The Pennsylvania IPM program is a collaboration between the Pennsylvania State University and the Pennsylvania Department of Agriculture aimed at promoting integrated pest management in both agricultural and urban situations. For more information, contact the program at (814) 865-2839, or Web site <http://paipm.cas.psu.edu>.