

AG ISSUES UPDATE
Edited by Brad Hollabaugh
September, 2012

Ease in Federal Requirements for Farm Truck Operation to Take Effect in October

Federal transportation legislation to ease regulatory burdens for farmers and drivers operating farm trucks, will take effect starting October 1. The measures recently passed by Congress were pushed by Pennsylvania Farm Bureau with efforts by the state's Congressional delegation.

Under the new legislation:

- Federal DOT is forbidden to withhold transportation funds from states that decide not to impose the federal trucking requirements upon farm trucks and drivers of farm trucks operated within the home state.
- Farmers and drivers of farm-registered trucks and combinations with a gross vehicle weight rating of 26,000 pounds and less that are being operated interstate (i.e. trips that cross state borders) are provided an exemption from federal regulatory requirements for commercial driver's licenses, drug testing, medical certification and cards, hours of service and mandates for driver hour logs, and daily and periodic vehicle inspection. The exemption does not apply to any farm-registered truck or combination carrying hazardous materials in quantities that require the vehicle or combination to be placarded.
- Farmers and drivers of farm-registered trucks and combinations with a gross weight rating of greater than 26,000 pounds that are being operated interstate (i.e. i.e. trips that cross state borders) within 150 air miles the farm are provided an exemption from federal regulatory requirements for commercial driver's licenses, drug testing, medical certification and cards, hours of service and mandates for driver hour logs, and daily and periodic vehicle inspection. The exemption does not apply to any farm-registered truck or combination carrying hazardous materials in quantities that require the vehicle or combination to be placarded.

The new law, however, does not provide an automatic exemption to farmers and drivers of Pennsylvania farm-registered trucks and combinations operated intrastate. While it allows states like Pennsylvania to give broad exemptions to intrastate-operated farm trucks and drivers, the new law does not nullify any of the recent changes to Pennsylvania's regulations that imposed requirements on farm trucks and drivers.

USApple Urges USDA to Deny Deregulation of "Non-Browning" G.E. Apples

USApple has sent a letter to USDA's Animal Plant Health Inspection Service (APHIS) urging the organization to deny the petition from Okanagan Specialty Fruits seeking deregulation (unrestricted planting) of its Arctic™ genetically engineered (GE) non-browning apple varieties..

Highlights of the letter include:

- In the opinion of USApple, this attribute is insufficient to warrant introduction into and possible disruption of the consumer marketplace.
- It should be noted, however, that USApple does not believe these apples represent a human health concern.
- USApple believes application of biotechnology may yield valuable attributes in the future.
- These GE apples offer questionable commercial benefit yet raise serious marketing questions for virtually all segments of our industry.

- Granting the request for deregulation could lead to significant and unnecessary costs to the industry in the form of labeling and marketing efforts that would be required to differentiate conventional apples from the GE apples.

USApple is concerned about the potential impact on export markets. In 2011, 29 percent of fresh apples produced in the U.S were exported with a value of \$987 million. However, USApple strongly supports apple genetics and genomics research directed at solving problems related to diseases and insects that attack apples. (*U.S. Apple Association Weekly Report*, September 7, 2012)

Report: Organic Produce Provides No Additional Nutritional Benefit

Organic produce is no more nutritious than non-organic produce, according to a study by Stanford University researchers released Monday in the journal *Annals of Internal Medicine*. With organic diets becoming more popular, researchers examined the nutrient content in many foods, including organic and non-organic fruits, vegetables, grains, meat, eggs, and milk. They also compiled additional data from more than 200 studies that compared organic and non-organic foods.

The conclusion: organic foods are no healthier, in terms of the amount of nutrients and vitamins. "There are many reasons why someone might choose organic foods over conventional foods," Dena Bravata, a Stanford senior research affiliate, told the Associated Press, citing environmental concerns and taste preferences. But in terms of individual health, she said, "there isn't much difference." (*U.S. Apple Association Weekly Report*, September 7, 2012)

Gov. Corbett Praises Inheritance Tax Bill at Franklin County Farm

Gov. Tom Corbett held a press conference recently to recognize the enactment of landmark legislation that exempts working farms passing to family members from the state inheritance tax.

The news event was at the farm of Jay and Jeff Grove, who operate a dairy farm near Shippensburg. Gov. Corbett, joined by Rep. Stephen Bloom, a key sponsor of one of the inheritance tax exemption bills in the PA House, lauded the bill's passage and what it will mean for family farms. "Now, any family farm is exempt from the death tax so that we can continue to invest in Pennsylvania's number one industry, agriculture."

The legislation will enable farm families to pass their farms to close and extended family members most likely to carry on the farm without having to pay inheritance taxes, as long as the farm remains in productive agriculture.

The Groves, who operate Gro-Lan Farms, said the inheritance tax exemption reaffirms Pennsylvania's commitment to agriculture. "It is so important for us to see the future of agriculture continue," Jeff Grove said.

USDA Urges Farmers to Apply for Grants

USDA is inviting ag producers to apply for grants designed to increase the value of their products, the Value Added Producer Grant program. The program enables America's farmers, ranchers and rural business owners to find ways to expand their product offerings, revenue streams and create more economic opportunity by bringing additional value to what they already produce.

USDA is making up to \$14 million in grants available for projects that help farmers and ranchers produce bio-based products from agricultural commodities. The grants, which are competitively awarded, are available for planning activities or for working capital expenses, but not for both.

The maximum grant amount is \$100,000 for planning grants and \$300,000 for working capital grants. To learn more about how to apply, visit: <http://www.gpo.gov/fdsys/pkg/FR-2012-08-15/pdf/2012-20082.pdf>.

Emerald Ash Borer Found in Five New Counties

The invasive emerald ash borer has been found in five new Pennsylvania counties, bringing the total counties dealing with this tree-killing bug to 28. The new discoveries were in Bucks, Franklin, Jefferson, Perry, Snyder and Venango counties.

Pennsylvania has been monitoring for the bug throughout the summer. The purple, triangular-shaped traps are hung from trees and are designed to attract flying adult beetles to detect their spread. Monitoring will continue throughout August.

The beetle, native to Asia, has no known native predator. Emerald Ash borers can kill trees within three years of infestation. To help stem the spread, residents are urged not to move firewood.

"Emerald Ash Borer beetles have plagued Pennsylvania since 2007 with new positive sites found each year," said Agriculture Secretary George Greig. "You can help prevent the further spread of these pests by not hauling firewood from place to place. Burn it where you buy it."

NRCS Accepting Applications for Conservation Work

The Natural Resources Conservation Service is accepting applications for financial help for farmers to implement conservation practices. The deadline for first consideration is Friday, October 19. Applications received after that date will be considered if money is available after the first cycle applications are processed.

Practices that reduce soil erosion on crop-land, manage manure, or improve grazing systems are eligible for funding. Some examples include waste storage, grass waterways, no-till, streamside buffers and forest stand improvement. For more information, and applications, visit www.pa.nrcs.usda.gov.

Applications Being Accepted for Conservation Tax Credit Program

Pennsylvania farmers can take advantage of nearly \$7 million in tax credits to purchase on-farm conservation equipment or install facilities meeting best management practice standards through the Resource Enhancement and Protection, or REAP, program.

REAP is a tax incentive program for agricultural producers who enlist private support to reduce erosion and sedimentation that impacts Pennsylvania's watersheds. The program, administered by the State Conservation Commission, helps producers with the purchase of conservation equipment and materials to help protect the environment.

"REAP helps producers farm for the future without compromising the needs of the present," said Agriculture Secretary George Greig. "This program has helped producers improve their operation while advancing the health of our watersheds."

Producers with proposed or completed projects can submit applications immediately. The projects will be considered on a first-come, first-served basis. Private investors often provide capital to producers as a project is approved in return for tax credits. Any individual or business subject to taxation under Personal Income Tax, Corporate Net Income Tax, Bank Shares Tax and others, is eligible to participate in REAP.

The program began in 2007 and since then 2,609 projects worth more than \$39.5 million have been approved. The public and private investment made to implement these projects is \$68.7 million. REAP has helped reduce more than 11 million pounds of nitrogen, 859,485 pounds of phosphorus and 877,059 pounds of sediment through 2010.

Farmers can receive tax credits of up to \$150,000 per agricultural operation for 50 or 75 percent of the total project cost. The most common projects approved are for no-till planting equipment, materials for waste storage facilities, manure management plans and protecting heavy animal use areas like barnyards.

Applications for the 2012-2013 REAP program are available at www.pda.state.pa.us/REAP under "Forms" or by calling [717-787-8821](tel:717-787-8821).

Obama Administration Presses for Russia PNTR

The Obama administration recently renewed calls for Congress to pass legislation approving permanent normal trade relations with Russia. Lael Brainard, the Treasury Department's under secretary for International Affairs, headed to Moscow recently for trade talks. She said the administration looks forward "to working with congressional leaders to pass legislation when they come back so businesses can fully participate in new export opportunities."

Russia officially joined the World Trade Organization on Aug. 22. However, until Congress removes Jackson-Vanik restrictions requiring annual reviews of its trade status and grants Russia PNTR, Russia has the right to withhold from the U.S. the favorable trade terms it negotiated as part of its WTO accession agreement. A vote on Russia PNTR is expected in the House in September.

Antibiotics, Biotech Take Center Stage at Food Dialogues Event

While the U.S. Farmers & Ranchers Alliance is still finalizing the agenda and panelists for The Food Dialogues: New York, the Nov. 15 event will feature three panel discussions focused on antibiotics, biotechnology and media, and marketing and food.

Additional details, including event moderators and other speakers, will be announced in the next several weeks. In the interim, USFRA has created a section on its website, www.fooddialogues.com, where individuals can sign up for more information and receive updates as they become available.

In June, USFRA hosted The Food Dialogues: Los Angeles, a two-day event that brought together 28 panelists and four moderators, including entertainment decision-makers, chefs, academics, farmers and ranchers for in-depth conversations about food.

'Barnyard Discussion' Held During Ag Progress Days

Questions on the upcoming Farm Bill and other issues facing agriculture were addressed during a town-hall style meeting held during Ag Progress Days. The "Barnyard Discussion," hosted by U.S. Rep. Glenn Thompson, R-Centre, who chairs the House Agriculture Subcommittee on Conservation, Energy and Forestry, gave visitors a glimpse into the current Congressional Debate over the Farm Bill.

Thompson expressed optimism that Congress could enact a new Farm Bill by the end of September, when the current bill expires, and praised a version of the bill adopted by the House Agriculture Committee. That bill, Thompson said, addresses the needs of the nation's farmers, yet shows fiscal discipline.

AFBF Urges Passage of Risk Management Account Bill

In a letter to Rep. Jeff Landry (R-La.), American Farm Bureau Federation President Bob Stallman said the congressman's Commercial Fishing, Farm and Ranch Risk (CFFR) Management Act (H.R. 6276) should be enacted without delay so farmers, ranchers and fishermen can more easily save for future financial needs.

The legislation would allow farmers, ranchers and fishermen to place up to 20 percent of their yearly taxable income into CFFR Accounts. Deposits to these savings accounts could be held in reserve for up to 10 years, with the funds taxed upon withdrawal.

"For many producers, this year represents a classic example of how this policy would allow them to have access to funds in a time of need," Stallman wrote. "These reserves could be used in other low-income years to help them cover their operating expenses."