

AG ISSUES UPDATE
Edited by Brad Hollabaugh
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Agriculture Provisions for Immigration Bill

An agreement on the framework has been reached on the major components of a new agricultural guestworker program to be included in the Senate comprehensive immigration reform bill (CIR) expected to be introduced next week but the "devil" remains in the details.

USApple and our partners in the Agriculture Workforce Coalition (AWC) have been meeting throughout the middle of April, working with Senators Dianne Feinstein (D-Calif.) and Marco Rubio (R-Fla.) and others, in an effort to finalize a deal with the United Farm Workers (UFW). The package also includes incentives for the current (undocumented) workforce to continue working in agriculture. (*USApple Weekly Report - April 12, 2013*)

Corbett Urges Support for Immigration Reform for Agriculture Workers

Gov. Tom Corbett has sent a letter asking Congress to reform the federal guest worker program for agriculture employers. In a letter to Pennsylvania's Congressional delegation, Corbett outlined principles for reform that would ensure agriculture producers have a reliable and predictable workforce.

Among Corbett's recommendations is to scrap the H-2A program, and move to a system that is streamlined, but also does not cap the number of workers available to the agriculture sector. Corbett also said the system must recognize the year-round needs of industries like dairy, which need a constant supply of labor. "Farmers requiring guest workers should not be hamstrung by federal rules and regulations that make acquiring these workers next to impossible," Corbett wrote.

Employers Required to Use New I-9 Form

The U.S. Customs and Immigration Service (USCIS) is requiring a new I-9 Form to verify the identity and employment authorization of individuals hired in the United States. New forms were released earlier this week.

All employers must insure proper completion of the form for every new person they hire, including citizens and non-citizens. New forms, along with an employer handbook, are available at the USCIS website at www.uscis.gov. The handbook gives comprehensive explanations of the rules for filling out the form and the documents used by an employee to prove work eligibility.

House and Senate Agriculture Committees Prepare for Farm Bill

The House and Senate Agriculture Committees are preparing to act their respective Farm Bills over the next four to six weeks. The basis for each Committee will be the Farm Bill passed by the Senate and the House Committees last year.

Both Committees are working to find additional savings in their bills to gain additional support for passage. Areas to be resolved include farm programs, crop insurance, conservation, and

the Supplemental Nutrition Assistance Program (food stamps). So far, the specialty crop provisions are intact. Both bills are expected to retain funding for two USApple priorities, the Specialty Crop Research Initiative and the Clean Plant Network. Funding for both programs was eliminated for the current year in the short-term extension Farm Bill that expires September 30. (*USApple Weekly Report - April 12, 2013*)

Crop Insurance Payments Set New Record - Impact on Farm Bill?

Crop insurance payouts for 2012 losses reached \$16 billion on April 1, a new record, and pushed the program's loss ratio to 1.45 according to USDA's Risk Management Agency (RMA). For every \$1 in premiums, \$1.45 has been paid in indemnities. Corn accounted for \$10.7 billion in payments with a loss ratio of 2.48.

USApple is closely monitoring the infusion of crop insurance funds into the farm economy. These record payouts may lead to pressure in Congress to reduce funding for crop insurance. USApple strongly supports a viable apple crop insurance program and has gained policy improvements in the past several years by working with RMA. Crop insurance coverage proved critical for many apple growers last year due to weather-induced crop loss. (*USApple Weekly Report - April 5, 2013*)

U.S. Pears Make First Appearance in China

U.S.-grown pears hit the Chinese market for the first time in late February. The occasion was a big deal, as a crowd gathered to watch the pallets of Red and Green Anjou pears from Ft. Hood, Ore., being offloaded from the container ship.

According to the USDA blog, "This event was the culmination of many years of negotiation between Animal and Plant Health Inspection Service officials and the Chinese authorities. It is projected that China will become one of the top five export destinations for U.S. pears within the next two seasons, becoming a market worth tens of millions of dollars in U.S. agricultural exports every year, and generating hundreds of new jobs in the Pacific Northwest."

Apple Disease Detected in Canada

On Tuesday, USDA's Animal Plant Health Inspection Service (APHIS) announced that apple proliferation phytoplasma (APP) has been detected in an apple orchard near Kentville, Nova Scotia. This is the first APP detection in North America. The orchard has been placed under quarantine.

The trees are 'Pacific Gala' imported from the U.S. in 2008. No symptoms of APP have been detected in the source nurseries or the U.S. in general. APP is a quarantine pest in Canada and the U.S. but it is present throughout Europe. APP is spread through propagation practices with infected material, including budding and grafting. It is not spread through the seeds, fruit or pruning.

Before the announcement was made public, APHIS held a conference call of apple leaders and nursery landscape to brief the impacted industries. USApple participated in that call and

will continue to be in close touch with APHIS as developments occur. (*USApple Weekly Report - April 5, 2013*)

Farm Bureau Urges Congressional Support to Repeal Mandate on Health Insurance

Pennsylvania Farm Bureau has written to Pennsylvania's Congressional delegation asking for their support of the American Job Protection Act, which would repeal the federal mandate on employers providing health insurance to their employees.

Under health care legislation adopted by Congress, businesses with 50 or more "full-time equivalent" employees must provide a minimum level of health insurance, or pay a penalty. The regulations are complex, confusing and require time-consuming record keeping classifying and defining employees, PFB said in written comments. Farm Bureau opposes mandates for health care coverage, believing it is the responsibility of individuals.

Pennsylvania Farm Bureau ask Congress to Support Marketplace Fairness

Pennsylvania Farm Bureau has written to the state's Congressional delegation to support the Marketplace Fairness Act, which would require online-only retailers to collect sales tax.

The bill, H.R. 684, would require online and catalog retailers to charge a sales tax on every transaction, like a brick and mortar store. However, the bill also requires states to simplify their sales tax law. Pennsylvania Farm Bureau supports the act because the unfair application of the sales tax puts traditional stores at a disadvantage. A policy developed by the Lycoming County Farm Bureau on this issue became part of the policy book at the American Farm Bureau Federation during the organization's annual meeting in Nashville.

In the letter to members of Congress, Pennsylvania Farm Bureau asked the state's delegation to co-sponsor the bill and even-out the disadvantage that exists. "When this disadvantage causes a main street business to close or scale back, the impact is especially harmful to the already struggling rural towns," PFB said.

AFBF Urges Congress to Repeal Medicare Contribution Tax

New taxes associated with health insurance could cause significant harm to the nation's farm families, the American Farm Bureau Federation told Congress.

The new Medicare Contribution Tax, which is a tax on unearned income such as capital gains, will burden farm families more than many other taxpayers because farming is capital intensive, AFBF said in written comments sent to the House Subcommittee on Oversight of the Ways and Means Committee. That tax could amount to a retirement tax if it is imposed when a farm is sold.

Adding this tax on top of capital gains tax could make it more difficult for new farmers to get started. Farm Bureau supports repealing the 3.8 percent Medicare Contribution Tax and the 0.9 percent tax imposed on wages and self-employment income above the established threshold for high-income individuals. Farm Bureau also supports the repeal of the Health Insurance Tax because it makes it more difficult for farmers and their families to afford coverage.

State Lawmaker Promotes GMO-Labeling Bill

State Sen. Daylin Leach has proposed a bill that would require foods containing genetically modified organisms (or GMOs) to be labeled when sold in supermarkets. The bill has yet to be filed. The effort is similar to a California ballot measure that was soundly rejected by voters last year.

Current federal Food and Drug Administration policy says food manufacturers must label foods containing GMOs only if it has significantly different nutritional value. The FDA has further said the label of "GMO-Free" is misleading because most plant varieties have gone through some modification, such as hybridization, by plant breeders.

House Passes Liquor Control Bill

The House of Representatives has passed a bill to allow for the privatization of state wine and spirits stores. It would also allow retailers to sell beer, wine and liquor at one licensed location. Local beer distributors would be given the first chance to purchase these new licenses. Grocery stores would also be allowed to sell wine.

"It is a historic day," said House Majority Leader Mike Turzai. "The Pennsylvania state House just sent the message that it's time to put an end to the dinosaur of bureaucracy that is the Pennsylvania state store." The bill would phase out 600 state stores and bring about beer package reform. It would maintain state regulatory control over alcohol sales. The bill now heads to the Senate.

Frank Jurbala Retires

On Friday, April 5 Frank Jurbala retired from PDA as Director of the Bureau of Market Development. He joined the Bureau in 2004 as an Administrative Officer. In 2007 he was promoted to the Bureau Director position – overseeing an organization that has probably seen more change than any other at the Department.

Lela Reichart has been named his successor in the role of Bureau Director. She has over 20 years of agriculture marketing experience and most recently served as Agricultural Marketing Division Chief.

PDA Seeks Growers for Turnpike Markets

The Pennsylvania Department of Agriculture is seeking agriculture producers who are interested in selling produce at three Pennsylvania Turnpike Service Plazas. The markets will be located at the Allentown, Sideling Hill and New Station service plazas.

Markets will be open at 10 a.m. on Saturdays, Mondays and holiday weekends. They will open at 11 a.m. on Fridays and Sundays. At least half of all gross sales must be products grown or produced in Pennsylvania. For more information contact: Samantha Snyder at samasnyder@pa.gov or call 717-787-1429.

Farm Bureau Expresses Concerns over Proposed Water Withdrawal Rules

Pennsylvania Farm Bureau has submitted comments to the Susquehanna River Basin Commission (SRBC) expressing concerns that new rules for water withdrawals could hamper agricultural production during dry spells.

SRBC has developed a Low Flow Protection Policy (LFPP), which it may use to approve or deny applications for water withdrawals. Those regulations would apply to water withdrawals of surface or groundwater in drainage areas equal to or less than 10 square miles, referred to as headwater areas. All watersheds within the Susquehanna basin are impacted by the Low Flow Protection Plan (LFPP).

Under the low flow plan, the SRBC will rely on passby flows, where a certain amount of water must pass the withdrawal point. Agriculture operations located in headwater areas could be denied critical access to water, especially during dry periods.

“We strongly recommend that the regulations expressly provide that LFPP not be applied to impose restrictions in water use necessary to sustain existing livestock or regularly attained yields of food or feed crop production,” PFB said in its comments. More than three-quarters of all stream miles throughout the Susquehanna River Basin are made up of headwaters consisting of drainage areas less than 10 square miles.

Chronic Wasting Disease Found in Wild Deer Herd

The degenerative brain disorder known as chronic wasting disease (CWD) has been found in the state's wild herd. Three hunter-killed deer tested positive for the disease following their harvest in Blair and Bedford counties.

In October, two deer raised at an Adams County facility also tested positive for CWD. The hunter-killed wild deer were tested from samples collected by the Pennsylvania Game Commission during field checks held during the whitetail rifle season.

Following the discovery of CWD in Adams County, the state established a deer management area in the region, and sampled deer killed there during rifle season. So far no deer from that disease management area have tested positive. CWD, while always fatal in deer, does not affect other wildlife, livestock or humans.

Guidance for Cantaloupe Growers

FDA has issued a letter to firms that grow, harvest, sort, pack, process or ship cantaloupe as a reminder of the need to follow good agricultural and handling practices. Since recent food safety incidents have been traced to domestic cantaloupe packing houses, FDA intends to initiate inspections with a sampling component at a subset of the cantaloupe packing houses in the United States during the 2013 growing season.

Recently, the cantaloupe industry has worked to revise and update its own food safety practices. The guidance offers a comprehensive framework to ensure food safety in cantaloupe production. To learn more visit the National Cantaloupe Guidance website at <http://www.cantaloupe-guidance.org/> .