

AG ISSUES UPDATE
Edited by Brad Hollabaugh
May, 2013

Farm Bill Update

When the Senate takes up the Farm Bill, the specialty crop provisions are expected to be nearly identical to those that were included last year. This means that all of our key programs including the Market Access Program (MAP), Specialty Crop Block Grants, Specialty Crop Research Program (SCRI) and Fruit and Vegetable Snack Program should receive level funding. This is very significant since the Committee must make major funding cuts to the overall bill. The House is expected to largely take the same approach as well when they markup their bill later this month.

USApple and our coalition partners in the Specialty Crop Farm Bill Alliance (SCFBA) have been meeting with House and Senate Agriculture Committee offices to underscore the importance of specialty crop programs and emphasize how critical it is to pass a new Farm Bill and restore funding to the SCRI and National Clean Plant Network (NCPN), which lost funding for the current fiscal year under the extension. (*USApple Weekly Report - May 3, 2013*)

Immigration Reform

The Senate Judiciary Committee is scheduled to begin markup of the comprehensive immigration reform bill the 2nd week of May. It will be a lengthy process continuing into the following week with hundreds of expected amendments.

At this time we do not expect any [amendments] to be offered to the agriculture provisions, which enjoy strong bipartisan support, but USApple and the other members of the Agriculture Workforce Coalition (AWC) are watching closely and will work to defeat any harmful amendments if they are offered. We will also be analyzing amendments to other sections of the bill with potential impacts on apples. (*USApple Weekly Report - May 3, 2013*)

Food Safety and Modernization Act (FSMA)

As the deadline for submitting comments on this new regulation approaches, please consider adding your voice to protest the current water quality regulations in FSMA. (See the excellent commentary by Lee Showalter elsewhere in this issue.) It is best to prepare your comments in advance. You have the option of entering the text of your comments into a window at the comment website (2,000 character limit) or uploading a file to submit. Written comments should be sent to: Division of Dockets Management (HFA-305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852. All submissions received must include the Agency name and Docket No. FDA-2011-N-0921 and Regulatory Information Number RIN 0910-AG35.

To submit digital comments, go to the website at <http://www.regulations.gov/#/submitComment;D=FDA-2011-N-0921-0001> for "Standards for the Growing, Harvesting, Packing and Holding of Produce for Human Consumption (FDA-2011-N-0921-0001)". Enter your name and contact information and then enter your comments or upload your file. The current deadline for submitting comments is May 16, 2013.

USDA-EPA Report on Factors in Honey Bee Health Decline

On May 2, USDA and EPA officials were joined by top scientists and stakeholders to discuss a new report on factors contributing to the decline in honey bee health in the United States. The report summarizes the latest science and emerging research discussed at the National Stakeholder Conference on Honey Bee Health in October 2012.

Honey bee decline is the result of multiple factors, including parasites and disease, genetics, poor nutrition and pesticide exposure, the report concluded. Bee health is a high priority of USApple and the scientific link is not definitive between pesticide use and bee losses.

The federal government's Colony Collapse Disorder (CCD) Steering Committee plans to revise the CCD Action Plan to incorporate this new data. The Action Plan will outline major priorities and program changes at USDA, EPA and other agencies for the next five to ten years. It is a new roadmap for use by these agencies, legislators, activists and the public to address the problem of honey bee losses.

See the entire report at <http://www.usda.gov/documents/ReportHoneyBeeHealth.pdf>
(USApple Weekly Report - May 3, 2013)

USApple Seeks Reinstatement of USDA Apple Crop Estimate

Federal sequestration has caused the National Agricultural Statistics Service (NASS) to suspend their entire non-citrus fruit, nut, and vegetable program analysis and reports. This includes the July final apple crop report and the important August apple new-crop estimate.

USApple's 2013 Outlook Conference will be an especially important source of essential information about this fall's crop size, quality and variety if USDA does not reinstate its August new-crop estimate report.

President & CEO Nancy Foster asked USDA Secretary Vilsack to reinstate the August crop estimate, at a minimum, in a recent letter. "With a farm gate value alone of over \$2.72 billion dollars in 2011 and an export value of approximately \$987 million, apples are the largest fruit export from the U.S. and comprise the third most valuable domestic fruit crop." Foster said. "The loss of the USDA August estimate will have a dramatic negative impact on market transparency and on our competitiveness in the global market." (USApple Weekly Report - May 3, 2013)

USApple Opposes "Means Test" for Crop Insurance: USApple and other agricultural organizations sent a letter to Senate Agriculture Committee Chair Debbie Stabenow (D-Mich.) and Ranking Member Thad Cochran (R-Miss.) strongly opposing any proposal to "means test" or curtail government support for crop insurance premiums to producers based upon their Adjusted Gross Income (AGI).

Means testing unfairly discriminates against full-time farms and those producing higher value crops, such as apples and other specialty crops. It would likely result in fewer growers participating in crop insurance. (USApple Weekly Report - May 3, 2013)

Scuse to be Agriculture Acting Deputy Secretary

The White House has named *Michael Scuse* as acting deputy secretary effective May 4. He takes over for Kathleen Merrigan, who is leaving the USDA on Friday.

Scuse has been serving as undersecretary for farm and foreign agricultural services and as a member of the board of directors of the Commodity Credit Corporation since being confirmed to that post a year ago. *Darci Vetter*, who spoke at USApple's March Meeting Leadership Luncheon, will serve as acting undersecretary for farm and foreign agricultural services. (*USApple Weekly Report* - May 3, 2013)

PFB Sends its Small Business Tax Suggestions to Congress

As a select group of representatives weighs possible changes to the federal tax code, Pennsylvania Farm Bureau sent suggestions on reforms that could benefit small businesses.

PFB sent a letter to Rep. Allyson Schwartz, (D-Montgomery County), who is serving on a committee looking at small business tax reform. That group will give its suggestions to the Ways and Means Committee.

Among the issues Farm Bureau wants to see addressed are:

- Replacing the current federal income tax with a fair and equitable tax system that encourages success, savings, investment and entrepreneurship.
- Any tax reform must include individual and corporate tax reform. Additionally reforms must include the continuation of unrestricted cash accounting for farmers who file as individuals.
- Lowering the capital gains taxes.
- The elimination of estate taxes. With the value of agriculture lands increasing, more and more farms are exceeding the exemption value for estate taxes.

The Congressional sub-committee is expected to develop a list of recommendations for consideration by the full Ways and Means Committee.

Landowner Liability Bill Advances and PFB Gains Support Against Narrowing Safety Zones

Pennsylvania Farm Bureau recently worked with lawmakers on two bills before the Senate Game and Fisheries Committee, one that would limit landowner liability, and another that would narrow the safety zone for trapping on private property.

PFB urged lawmakers to support the landowner liability bill, which would exempt landowners from responsibility when hunters commit a Game Code violation on their property. Farm Bureau also asked lawmakers not to support a bill that would have allowed trappers to place underwater traps within 50 yards of occupied properties without the permission of the landowner. The current safety zone is 150 yards.

The Senate Game and Fisheries Committee passed the landowner liability bill and tabled action on the trapping legislation. The landowner liability bill now heads to the full Senate for their consideration.

Pennsylvania Farm Bureau Files Brief in "Right to Farm" Case

Pennsylvania Farm Bureau recently filed a "friend of the court" brief in support of the York County Common Pleas Court's application of the state's Right to Farm Law (RTFL) to dismiss a nuisance lawsuit brought against farmers by neighboring residents. The lawsuit involved the use of biosolids for soil and nutrient enhancement of fields.

In their appeal to Superior Court, the residents are calling for interpretations of the Right to Farm Law that would seriously restrict the protection from nuisance lawsuits the law provides to farm families.

"The Right to Farm Law's protection from neighbors' nuisance suits would essentially become meaningless," said John Bell, PFB's Governmental Affairs Counsel. "Changes that farmers routinely make in their daily operations to maintain or improve farm viability, such as crop rotation, adopting conservation tillage or no till practices, using a different fertilizer, planting short-season crops, or use of advanced production techniques, would become 'substantial changes' making farmers vulnerable to nuisance lawsuits by local residents."

The brief filed by Farm Bureau argued that the neighbor's interpretations of the law seriously contradict the objectives of the Right to Farm Law and other state laws designed to protect a farmer's efforts to manage their farms.

PA State Senator Introduces Transportation Funding Bill

The chairman of the Senate Transportation Committee has introduced a transportation funding bill that would raise fees and also lift a tax paid on the wholesale price of gasoline. Sen. John Rafferty (R-Montgomery) introduced the bill, which calls for increasing the fees on licenses and vehicle registrations, along with lifting the Oil Franchise Tax. The move is an attempt to inject more money into Pennsylvania's crumbling highway infrastructure.

Many of the changes called for in this bill expand recommendations Gov. Tom Corbett laid out in his budget address in February. Rafferty's bill would bring in an additional \$2.5 billion in funding for the state transportation infrastructure, including ports and railways.

Pennsylvania's unmet transportation needs stand at around \$3.5 billion. The state has more structurally deficient bridges than any other state in the nation, and more than 44,000 miles of roads in poor condition. Closed bridges and poor highways can have a negative impact on farm operations, causing costly detours and delays.

Rafferty's funding proposal called "The Bridge to Pennsylvania's Future" closely aligns with recommendations reached by Gov. Corbett's Transportation Funding Advisory Commission, which examined the state's transportation needs and funding options.

Rafferty's bill would phase out the price cap on the Oil Company Franchise Tax over a three-year period. It will also reduce by 17 percent the flat tax paid by consumers, over a two-year period. It also:

- Moves to a six-year driver's license from a four-year driver's license. Fees would be increased to \$50.50
- Replaces annual registration with a two-year registration. Fees would be increased to \$104. Registration stickers would be eliminated.

- Drivers who violate traffic laws would pay a \$100 surcharge to be invested in transportation.

Krancer Steps Down from Pennsylvania Department of Environmental Protection

Department of Environmental Protection Secretary Mike Krancer has stepped down from his job to return to his law practice. His last day was April 15.

Krancer was appointed to the post in 2011, and oversaw a number of initiatives including agency reorganization, improved consistency in enforcing environmental regulations and streamlining the permit review process.

Krancer also worked with gas drillers to find alternatives to treating frack water at wastewater treatment plants. Prior to his appointment, Krancer made his career in the legal field. He will return to his private practice with the Philadelphia-based Blank Rome LLP. E. Christopher Abruzzo will serve as acting secretary.

Game Commission Releases Deer Harvest Data

The Pennsylvania Game Commission reported more than 343,000 deer were harvested during the state's 2012-13 whitetail hunting season. That represents about a two percent increase from the prior year's harvest. During the antlered deer season, hunters took 133,860 bucks, an increase of about five percent from the prior year.

More than 209,000 antlerless deer were harvested during the season. Game Commissioners are expected to establish the seasons and bag limits for the 2013-14 season at an upcoming meeting.

Time for Well Water Checkup

Spring is a good time for farmers to test their well water, before the start of peak demand.

The American Farm Bureau Federation, in partnership with the National Ground Water Association, reminds well water owners of the value of a yearly checkup by a qualified water well contractor. Doing so each year is the best way to ensure problem-free service for the year ahead. Plus, preventative maintenance usually costs less than emergency repairs.

About half of the nation relies on well water, and Pennsylvania is no exception. During inspections, qualified professionals will perform flow tests, sanitary inspections, and testing of water quality for coliform bacteria, nitrates and any other matters of local concern, such as iron and manganese. For more information visit: www.ngwa.org.

RULE Recruiting New Class

The Pennsylvania Rural-Urban Leadership Program (RULE) is seeking candidates for its next class. RULE provides leadership opportunities for Pennsylvanians from all across the commonwealth. The program focuses on personal and professional growth and a greater understanding of the rural and urban issues affecting the state.

RULE is a program of the Pennsylvania State University's, College of Agricultural Sciences. Bruce Latshaw, a dairy farmer from Berks County who is currently enrolled in the program, said RULE has allowed him to grow professionally. The current RULE class is comprised of a diverse group of people, he said.

“It is an unbelievable networking experience,” said Latshaw, who is also a township supervisor. “I have found a family away from family.” RULE is seeking nominations for the next class of candidates. You can nominate yourself, or another applicant. Application material will be sent to prospective candidates this summer.

Interviews will take place in the fall in State College. To learn more about RULE visit www.rule.psu.edu. Questions can be directed to Tara Homan at tstine@psu.edu or [814-863-4679](tel:814-863-4679).