

AG ISSUES UPDATE
Edited by Brad Hollabaugh
August, 2013

Next Step for Farm Bill?

Both chambers of Congress have passed their own versions of a new Farm Bill. Members of the Senate adopted a Farm Bill that contains both nutrition and farming matters.

In contrast, the House of Representatives narrowly passed a Farm Bill, 216 to 208, on a mostly party-line vote. Before the vote, the House separated nutrition spending and agriculture policy into different bills, adopting the bill governing farming and conservation.

The Farm Bill has faced difficulty in the House. In late June, House members voted down a version of the Farm Bill that largely mirrored the Senate proposal. Then during round two, the split was made between nutrition and agriculture, a union that has helped both urban and rural lawmakers support a Farm Bill.

In their action, House members also repealed two prior agriculture laws that set price supports. If a Farm Bill expires, agriculture policy reverts back to those laws. That has been the carrot and stick for Congress to pass a Farm Bill on time and not allow it to expire.

The Senate has requested a conference with House members to reconcile differences between both bills. Committee members have not been appointed.

Immigration Reform Stalls

The House leadership has expressed that they would not pass comprehensive immigration reform, legislation preferring to tackle the issues in separate actions. The concern was having a huge, complicated bill that no one would fully understand and that may never get fully or properly implemented. Border security continues to be a chief concern in the House. And there remains substantial resistance to creating a "pathway to citizenship" even with penalties and restrictions set in place.

The full House must vote on and pass legislation so that a conference committee can be appointed to work out the differences between the House and Senate bills and get final legislation to the President. This means that the House leadership must make immigration reform a top priority for the fall.

Congress Working on Tax Legislation

Members of the House Ways and Means and the Senate Finance committees have been working on a comprehensive tax reform bill that could be completed by September. And Farm Bureau is hopeful that more relief from estate taxes will be included in the reform.

Pat Wolff, tax policy specialist with the American Farm Bureau Federation, said Congress addressed the estate tax legislation at the start of 2013 by making the \$5 million exemption permanent. "Even though we have a higher exemption it's not high enough to take care of all farms and with the way that farmland values are increasing, that extension becomes less and less valuable," Wolff said.

To learn more about Congressional tax reform efforts visit: www.taxreform.gov.

State Adopts Budget and Restores Some Agriculture Funding

After several years of taking budget cuts, agriculture in Pennsylvania got a dose of good news in the latest state budget. Gov. Tom Corbett signed a \$28.4 billion budget, representing a roughly 2 percent spending increase, which funds areas critical to Pennsylvania agriculture.

The Pennsylvania Department of Agriculture will receive sufficient funding to continue its day-to-day operations without needing to cut staff or programs. Penn State Cooperative Extension and Research will receive \$46.2 million, which represents a \$1.5 million increase in spending. State fairs will receive \$3 million in spending for the Farm Show was also increased.

Penn State Extension and Agriculture Research Increases 3.4 Percent

The new state budget has given Penn State Extension and Agriculture Research a 3.4 percent increase, after several years of cuts to staff and services. Additional funding in the budget will be used to establish three resource centers that will combine the efforts of Penn State and the Pennsylvania Department of Agriculture to address critical agriculture issues.

"We are extremely grateful to the General Assembly and the governor for this increase in our appropriation for the coming year," said Barbara Christ, interim dean of the College of Agriculture Sciences. "This is a positive statement regarding the work we do and speaks to the need for these programs in helping to ensure a safe and abundant food supply and vibrant agricultural economy in Pennsylvania."

Pennsylvania's new spending plan provides \$46.2 million for research and Extension, an increase of \$1.5 million. Money will be used to support programs and staff at Penn State and Extension offices across the commonwealth. Last year, Penn State went through a reorganization effort, including combing countywide resources. Penn State also saw a 19 percent cut in funding in the 2011-2012 state budget.

In the new budget, Penn State and PDA will use \$300,000 in funding to create centers to address food safety, animal care and plant health. The centers will be housed at Penn State and utilizing staff from both organizations. The centers will be used as a resource for the agriculture industry, along with state lawmakers and the public, Christ said.

"These centers will promote collaboration on high-priority issues for Pennsylvania agriculture," said Christ. "They will enhance and sustain the economic growth of affected industries and help meet consumer expectations for safe and high-quality food produced with as small an environmental footprint as possible."

Transportation and Pension Reform Stalled Until Fall

With state lawmakers' attention focused on passing a budget, momentum on finding new sources of revenue for transportation and reforming the state pension have stalled. The General Assembly will not return to session until the fall, unless a special session is convened by leadership.

Transportation funding was facing a rocky road in the days leading up to the July 1 budget deadline. Members of the Senate had adopted a transportation funding bill that would have

raised fees on driver's licenses and registration, along with lifting the Oil Company Franchise Tax, to bring \$2.5 billion in new spending. However, on the House side, lawmakers balked at increasing user fees and were considering a scaled-back transportation package. The full House did not vote before the summer recess.

Attempts to reform the state's pension system made only small strides, and the issue appears off the table until the fall. Lawmakers had considered a bill that would move new employees to a 401k-style system, which would not address the current shortfall in pension obligation.

"Death Tax" Repealed on Small Businesses

Gov. Tom Corbett has signed a bill that eliminates the inheritance tax on family-owned business. The move comes one year after the state removed the inheritance tax for family farms.

Rep, Stephen Bloom, who introduced the bill for family-owned business, along with last year's measure for farms, said the tax is destructive to small-business. "These 'mom-and-pop shops' create 65 percent of Pennsylvania jobs, but the death tax hits them hard and the most vulnerable time, too often forcing liquidations, layoffs and even closures," Bloom said.

Bloom's bill ends the tax on family business assets transferred upon the death to other family members. Pennsylvania Farm Bureau support's Bloom's bill.

Biotechnology Industry Launches New Initiative on Genetically Modified Organisms

The biotechnology industry has launched a website, GMOAnswers.com, as a way for consumers to get fast information on genetic modification. According to the Biotechnology Industry Organization (BIO) announcement, the new initiative is to help people get the answers to their questions about genetically modified organisms (GMOs).

The GMO Answers website is a new conversation tool with a public Q&A area as well as a central online resource for information about GMO's, their background, use in agriculture and research and data in one easy-to-access public resource. The website will enable people to ask anything about biotechnology, crops, foods, sustainability, environmental impact, benefits, scientific findings, what the safety data says, and other topics.

Questions covered include:

- What are GMOs?
- How are GMOs developed?
- What genetically modified crops currently exist?
- Why do farmers plant genetically modified crops?
- Is food made from these crops safe to eat?
- Have proper safety studies been done on GMOs?
- What impact do GMOs have on the environment?

There is a growing national conversation about GMO foods, and the biotechnology industry is seeking to participate in that discussion in a positive and responsible manner. In announcing the website, BIO expresses their objective that "GMO Answers" will be helpful to the American

people with questions about agricultural biotechnology. (*USApple Weekly Report - August 2, 2013*)

AG Progress Days Set

Penn State will host its annual Ag Progress Days, a three-day event for producers to learn the latest in research and technology—at its Rock Springs facility August 13-15. The event will feature more than 475 commercial exhibitors, including interactive educational exhibits and the latest in science-based research. Extension staff and Penn State faculty will host a number of question and answer sessions, along with tours of research plots at the 2,100-acre Russell E. Larson Agriculture Research Center.

Bob Oberheim, Ag Progress Days manager, said the event's variety will appeal to a wide audience. "Pennsylvania has a very diverse agricultural industry, and we try to make the event reflect that," Oberheim said. "Visitors are sure to find something relevant to them, whether they operate a dairy or livestock farm, grow fruits or vegetables, produce wood products or tend a garden."

Sponsored by Penn State's College of Agricultural Sciences, Ag Progress Days is held at the Russell E. Larson Agricultural Research Center at Rock Springs, nine miles southwest of State College on Route 45. Hours are 9 a.m. to 5 p.m. Aug. 13; 9 a.m. to 8 p.m. Aug. 14; and 9 a.m. to 4 p.m. Aug. 15. For more information, visit the [Ag Progress Days website](#).

Penn State Plans Retail Farm Market Tour

Penn State Cooperative Extension has planned a bus tour, Sept. 10 and 11, to explore farm market operations in northern New Jersey and Connecticut. The farms profiled on the tour offer fruits, vegetables and agri-tourism ventures.

Tour participants will have the chance to learn from other producers and network with other growers. The tour is geared toward farm market owners and managers, along with those operating agri-tourism. For more information, and to register, visit [here](#).

Penn State Plans Clean and Green Webinar

Experts with Penn State Cooperative Extension and the Pennsylvania Department of Agriculture are planning a webinar to help landowners better understand the "Clean and Green" tax program. Pennsylvania allows some landowners utilizing their property for agriculture and forestry pursuits to have their land assessed at lower values, which reduces property taxes. Act 319, known as Clean and Green was adopted to encourage landowners to keep their land in production or forested land.

The webinar will give a history of the act, and future issues impacting Clean and Green. The webinar is scheduled for 1-2:30 p.m., August 7. The registration fee is \$20. Presenters are: Doug Wolfgang, director of farmland preservation at PDA, Deb Crawford, chief assessor for Tioga County and Neal Fogle, an economic extension educator.

To register visit: <http://extension.psu.edu/community/ecd/courses/land-use-planning>.