

AG ISSUES UPDATE
Edited by Brad Hollabaugh
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Farm Bill Expires, Government Shuts Down

On September 30, the current Farm Bill expired and the Federal Government shut down for the first time in 17 years. It is too early to predict the final impact on apples and other specialty crops. It will depend in large part on how long it takes for Congress to resolve the stalemate and come to agreement on both issues.

Programs including the Market Access Program (MAP) will function in the short-term, but without USDA staff to administer the program, an extended shut down could begin to impact day-to-day operations. Agricultural employers utilizing the H-2A program may face significant delays in getting their applications approved and workers in a timely fashion. The impact should be more minimal for employers whose workers are already here.

The House is expected to appoint conferees this week for the Farm Bill, and work is already underway behind the scenes. Once the process begins, the battle over nutrition programs and specifically the level of cuts and reforms to the food stamp remains the biggest divide between the House and Senate bills.

(taken from Apple Bites, 10/7/2013, US Apple Association)

Work Continues for House Immigration Bills

USApple continues to play an active role in the Agriculture Workforce Coalition (AWC). The group is meeting with House Judiciary staff as the process moves forward with the goal of passing legislation through the House so that it can be conferenced with the Senate and sent to the President.

With the bipartisan "gang" in the House disbanding, Minority Leader Nancy Pelosi (D-Calif.) introduced comprehensive immigration reform legislation. A significant number of the titles in the Pelosi bill, including agriculture, were lifted directly from the Senate legislation.

With many growers experiencing worker shortages and continued uncertainties in the H-2A program, the call for reform remains loud. In addition to the AWC Legislative Committee, which develops legislative strategy, a CEO group also meets via conference call to make final policy decisions. USApple remains active in both groups.

The next few weeks are expected to be an active time for both the Legislative and CEO Committees as a window could open in November for House action. *(taken from Apple Bites, 10/7/2013, US Apple Association)*

Shuster, House, Moving Forward on Waterway Bill

Farm Bureau is supporting a bill, introduced by U.S. Rep. Bill Shuster, which would modernize the nation's inland waterway system and ports. The bill—called the Water Resource Reform and Development Act—is similar to one passed by the Senate earlier this year. Shuster, a Pennsylvania Republican who chairs the House Transportation & Infrastructure Committee. His legislation has bi-partisan support and co-sponsors.

Along with providing funding for lock and dam projects, Shuster's bill would gradually recommit money collected by the Harbor Maintenance Trust Fund toward port infrastructure improvement projects. Currently, money collected by the fund is also utilized in the federal general operating budget. Upgrading the nation's aging waterway system will benefit farmers who use rivers and ports to access overseas markets.

Court Rules against Farm Bureau in EPA Case

A federal judge has ruled against Pennsylvania Farm Bureau and the American Farm Bureau Federation in its lawsuit against the Environmental Protection Agency over cleanup plans for the Chesapeake Bay. The decision by Judge Sylvia Rambo gives the EPA the ability to move forward with its plan to impose large-scale nutrient and sediment reductions from specific sources, including agriculture, by 2025 under the umbrella of a Total Maximum Daily Load for the Bay watershed.

Farm Bureau strongly objects to the decision, and legal conclusions reached by the court. Farm Bureau is continuing to consider its legal options. The Clean Water Act recognizes states as the primary authority for deciding what works best for the environment, and local communities, said PFB President Carl T. Shaffer. "The court was unwilling to question any feature of EPA's unprecedented micromanagement of land in the watershed," he said.

The decision has enormous implications for farmers across the country, not just within the Chesapeake Bay, said AFBF President Bob Stallman. "Win or lose in this lawsuit, farmers care deeply about our natural environment and want to do our part to improve water quality. But Congress did not authorize EPA to dictate how farmers, builders, homeowners, and towns would share the responsibility of achieving clean water. That is the states' job," he said.

Stink Bug Detection

The U.S. Department of Agriculture is asking farmers to report stink bug sightings to help track the movement of the invasive species. USDA is collecting data on stink bugs—also known as the Brown Marmorated Stink Bugs—through October 15. Residents are asked to supply the number and location of any sightings. Researchers are trying to determine populations of stink bugs in the mid-Atlantic region.

The project involves more than 50 scientists who are researching the impact that stink bugs have on fruits, vegetables and grains. Scientists have estimated the value of crops at risk from stink bug damage is more than \$21 billion. Farmers who are willing to participate in the project can contact Tracy Leskey, a USDA entomologist at (304) 725-3451.

Net Farm Income Expected to Increase 6 Percent This Year

The U.S. Department of Agriculture is forecasting a 6 percent increase in farm net income this year, topping out at \$120.6 billion in 2013. After adjusting for inflation, 2013 net farm income will be the second highest since 1973, the USDA said. The projection is positive news, particularly as some farmers recover from last year's devastating drought.

"I am confident that our farmers and ranchers will continue to show the determination and innovation that has been the hallmark of American agriculture for generations," said Agriculture Secretary Tom Vilsack. According to USDA estimates, net cash income—the difference between cash expenses and income—is forecast at \$120.8 billion, a 10 percent drop from 2012. However, that forecast marks the fourth time that net cash income has exceeded \$100 billion since 1973, the USDA said.

The agency is also forecasting an increase in farm asset value, which has exceeded increases in farm debt, mostly driven by real estate prices. Both the debt-to-asset ratio and debt-to-equity ratio are expected to reach historic lows, the USDA said.

Farm Bureau Files Comments on Proposed Clean and Green Changes

Pennsylvania Farm Bureau has filed comments on regulations proposed by the Pennsylvania Department of Agriculture to interpret recent amendments to the "Clean and Green" Act. The Act allows farmers and

other landowners to receive reduced assessments for keeping their lands in agricultural, forest production and open space. Farm Bureau's comments were largely supportive of PDA's proposed regulations, stating that most were consistent with what Farm Bureau believes should be the Act's primary goal to sustain and enhance the future financial ability of farm families.

Farm Bureau strongly objected, however, to PDA's proposed interpretation that horse boarding operations do not qualify for Clean and Green assessment as "agriculture." While the operator of a horse boarding operation does not own all of the animals on their farm, it is no different than a farmer raising livestock or poultry on a contract basis, Farm Bureau said in its comments. Farm Bureau urged the department to rethink its interpretation and allow horse operations to take advantage of the preferential assessment.

Farm Bureau also objected to PDA's proposed interpretation of conveyances of Clean and Green land deemed to be "transfers" exempt from roll-back taxes. PDA's proposed regulations would require both adjoining and non-adjoining lands enrolled in the same application be conveyed in order for the "transfer" exemption to apply; Farm Bureau believes the Act only requires conveyance of adjoining lands enrolled in the same application.

Donate Your Extra Produce to the Needy

As fall harvest starts in earnest, Food Banks are able to work with growers looking for an outlet for their extra produce. Food banks across the state are ready to work with agriculture producers to coordinate the pickup of excess inventory through Feeding America. The organization works with the "Harvest for All Program," run by AFBF's Young Farmer & Rancher Committee, which gives farmers the chance to donate produce, or their time and money, to local food banks.

Last year, America's farmers donated 24 million pounds of food and more than \$970,000 for food banks and soup kitchens. In Pennsylvania, producers donated more than 261,000 pounds of food through the program.

Feeding America works with 10 food banks in the state, all of which are able to come to farms for pickup, said Shannon Barbuto, who sources produce for Pennsylvania. For more information, contact Barbuto at sbarbuto@feedingamerica.org or 312.629.7243.

Assistance Available for Rollover Protection Structure (ROPS) Retrofits

Farmers looking to retrofit their older-style tractors with safety equipment can visit a website, or call a toll-free number, to see if they are eligible for rebates. Penn State Cooperative Extension, partnering with several businesses and foundations, have established a website where farmers can apply for Rollover Protection Structure (ROPS) retrofit equipment.

Penn State research has shown that tractors were the most common cause off accidental death on the farm. Many of those fatalities were related to older tractors without modern safety equipment. Pennsylvania is among a handful of states with the highest rates of tractor overturn fatalities in the nation, Penn State said. Rebates will pay for 70 percent of the cost of safety equipment—up to \$765. To determine if you are eligible visit: <https://www.ropsr4u.com>, or call: (877) ROPS-R4U.

Nearly 50 Farms Preserved

The Pennsylvania Agriculture Land Preservation Board has added 45 farms, totaling 3,246 acres to its farmland preservation program. The preserved farms are located in: Adams, Allegheny, Bucks, Chester,

Clinton, Cumberland, Dauphin, Fulton, Lackawanna, Lancaster, Lebanon, Luzerne, Lycoming, Mercer, Monroe, Montgomery, Northampton, Sullivan and Westmoreland counties.

Pennsylvania leads the nation in farmland preservation, with more than 478,000 acres in 57 counties enrolled in the program. "It's a great day for our nation-leading farmland preservation program, made possible by producers who recognize the importance of keeping prime land in agriculture production," Agriculture Secretary George Greig said. "Their foresight is helping to keep Pennsylvania growing for generations to come."

The state's preservation program allows state and local governments to purchase conservation easements on farms to slow the rate of conversion of farmland into other uses. Pennsylvania received \$6.1 million in federal reimbursements for farmland preservation.

First West Nile Death Reported

Pennsylvania Health Department officials say a Bucks County man died from West Nile Virus in August. His death was the first reported fatality associated with the disease this year. The U.S. Centers for Disease Control and Prevention report about 1 in 150 people infected with the virus will develop severe illness, the *Pittsburgh Post-Gazette* reported.

Flu-like symptoms including fever, headache and muscle weakness are normally associated with the disease. Most people who are infected with the virus, which is carried by mosquitoes, show no symptoms. State sampling of mosquitoes has found that Adams, Berks, Bucks, Delaware, Montgomery and York counties have the highest concentration of West Nile, the *Post-Gazette* reported.

Growers Invited to Participate In Farm Finances Webinar

Produce growers can use an upcoming webinar to learn more about business planning curriculum under development by Penn State Extension. The webinar will be held Nov. 12 from 10:15-10:45 a.m. and will cover courses on business planning including finances, human resources, risk management and farm transitions.

Speakers are Lynn Kime, Penn State ag economist and Rachel Sattazahn and Katie Epstein with AgChoice Farm Credit. Ken Guise (Knouse Foods Cooperative), Julie Flinchbaugh (Flinchbaugh Orchard and Farm Market), Dave Benner (El Vista Orchards) and Maggie Travis (Bear Mountain Orchards) are special guest presenters. Contact your local Extension office for more details.