

AG ISSUES UPDATE
Edited by Brad Hollabaugh
February, 2014

President Signs Farm Bill

On Friday, February 7, President Obama signed the Farm Bill into law in Senate Agriculture Committee Chairwoman Debbie Stabenow's home state of Michigan. A number of growers were on hand for the ceremony, including USApple Board Members Julia Rothwell and Fred Leitz and Michigan Apple Committee Executive Director, Diane Smith.

Completion of the Farm Bill represents a significant victory for apples and other specialty crops. The legislation maintains or expands funding for all of our priority programs including the Market Access Program (MAP), Specialty Crop Block Grants, and Fresh Fruit and Vegetable Snack Program.

Importantly, the legislation restores funding for the Specialty Crop Research Initiative (SCRI) and Clean Plant Network which lost funding under the 2008 extension. Earlier versions of the legislation put new restrictions on crop insurance but the final package will not have any negative impact on funding of the apple crop insurance program.

USApple will be working independently *and* with the Specialty Crop Farm Bill Alliance (SCFBA) to ensure that implementation goes smoothly as well as to fight any efforts to cut or make negative changes to the programs.

Eleven members of Pennsylvania's Congressional delegation supported the bill with Reps. Robert Brady, Matthew Cartwright, Scott Perry, Joseph Pitts, Keith Rothfus and Chaka Fattah voting against it. Rep. Mike Doyle did not vote. In the Senate, both PA Senators, Bob Casey and Pat Toomey, voted against the bill. (*Apple Bites*, US Apple, 2/10/2014)

Agriculture & Business Team Up for Immigration Reform

USApple and the Agriculture Workforce Coalition (AWC) are working with the bipartisan Partnership for a New American Economy (PNAE) to draw attention to the needs of agriculture in the immigration reform debate. PNAE is a coalition of more than 500 Republican, Democratic and Independent mayors and business leaders who support immigration reform as a pro-business, pro-jobs policy.

The agriculture initiative is called #ifarmimmigration and is the first of what is expected to be a number of targeted campaigns spearheaded by PNAE over the next several months.

The kickoff of the agriculture campaign was a briefing for congressional staff held on February 5. It was held in conjunction with the annual meeting of the National Council of Agricultural Employers (NCAE), which USApple's Diane Kurrle attended along with several USApple leaders. USApple Board member Fred Leitz was one of six growers who spoke at the briefing which attracted bipartisan congressional staff from across the country. (*Apple Bites*, US Apple, 2/10/2014)

Congressional Republicans Release Standards for Immigration Reform

At the end of January, Speaker Boehner released a statement of principles for immigration reform. The full text is readily available on the Internet. Below are the highlights of that statement:

Our nation's immigration system is broken and our laws are not being enforced. Washington's failure to fix them is hurting our economy and jeopardizing our national security. The overriding

purpose of our immigration system is to promote and further America's national interests and that is not the case today.

The serious problems in our immigration system must be solved, and we are committed to working in a bipartisan manner to solve them. But they cannot be solved with a single, massive piece of legislation that few have read and even fewer understand, and therefore, we will not go to a conference with the Senate's immigration bill. The problems in our immigration system must be solved through a step-by-step, common-sense approach that starts with securing our country's borders, enforcing our laws, and implementing robust enforcement measures. These are the principals guiding us in that effort:

- **Border Security and Interior Enforcement Must Come First** - It is the fundamental duty of any government to secure its borders, and the United States is failing in this mission. We must secure our borders now and verify that they are secure. In addition, we must ensure now that when immigration reform is enacted, there will be a zero tolerance policy for those who cross the border illegally or overstay their visas in the future.
- **Implement Entry-Exit Visa Tracking System** - A fully functioning Entry-Exit system has been mandated by eight separate statutes over the last 17 years. At least three of these laws call for this system to be biometric, using technology to verify identity and prevent fraud. We must implement this system so we can identify and track down visitors who abuse our laws.-
- **Employment Verification and Workplace Enforcement** - In the 21st century it is unacceptable that the majority of employees have their work eligibility verified through a paper based system wrought with fraud. It is past time for this country to fully implement a workable electronic employment verification system.
- **Reforms to the Legal Immigration System** - The goal of any temporary worker program should be to address the economic needs of the country and to strengthen our national security by allowing for realistic, enforceable, usable, legal paths for entry into the United States. Of particular concern are the needs of the agricultural industry, among others. It is imperative that these temporary workers are able to meet the economic needs of the country and do not displace or disadvantage American workers.
- **Youth** - One of the great founding principles of our country was that children would not be punished for the mistakes of their parents. It is time to provide an opportunity for legal residence and citizenship for those who were brought to this country as children through no fault of their own, those who know no other place as home. For those who meet certain eligibility standards, and serve honorably in our military or attain a college degree, we will do just that.
- **Individuals Living Outside the Rule of Law** - Our national and economic security depend on requiring people who are living and working here illegally to come forward and get right with the law. There will be no special path to citizenship for individuals who broke our nation's immigration laws – that would be unfair to those immigrants who have played by the rules and harmful to promoting the rule of law. Rather, these persons could live legally and without fear in the U.S., but only if they were willing to admit their culpability, pass rigorous background checks, pay significant fines and back taxes, develop proficiency in English and American civics, and be able to support themselves and their families (without access to public benefits).

Boehner Backpedals on Immigration Reform

About a week after he released the Principles on Immigration, Speaker Boehner announced that it was unlikely that he could get a bill in immigration reform passed in the House. He made reference

to many Republicans that were still balking about immigration reform measures. Further, he alluded to an undercurrent of distrust in terms of the administration's ability to effectively enforce any new measures passed by Congress.

Clean Water Act Proposal Needs Farmer Input

American Farm Bureau Federation is encouraging its members to contact their representatives as the Environmental Protection Agency seeks to expand its jurisdiction under the Clean Water Act.

The proposed rules, which are not yet open to public comment, would give the EPA authority under the Clean Water Act to virtually every water body in the United States. That would also include ditches and farm fields that carry runoff during rain and flooding events. During a workshop held at the 95th AFBF annual convention, farmers were encouraged to contact their Congressional representatives and talk about how these new regulations would impact their farm.

“Grassroots action on this issue is going to be hugely important,” said Don Parrish, AFBF’s senior director of regulatory relations. “Help them understand that this issue is important to you.”

The Clean Water Act began in 1972 as an attempt to reduce water pollution in the nation’s navigable rivers and streams. The act helped curtail the practices of discharging raw pollutants into waterways and established regulatory programs that required permits limiting the volume of pollutants. Since then, the EPA and the Army Corps of Engineers have made several attempts to expand the scope of the program, including the definition of “navigable waters,” to include wetlands, ditches and temporary water features created by seasonal flooding.

The new proposed rules will attempt to expand the EPA authority to many of those water features and will not create an exemption for many normal farm practices, said Virginia Albrecht, an environmental and natural resources attorney. Albrecht said she expects the proposed rules will soon be open for a 60-day comment period. Once the rules are open for public comments, it will be crucial for a record number of farmers to submit comments, Albrecht said.

Farm Bureau Welcomes TPA Bill

The American Farm Bureau Federation is encouraged by the introduction of Trade Promotion Authority (TPA) legislation in Congress, which is a step forward to advancing U.S. proposals to reduce tariffs and improve market access.

“This trade negotiation authority is needed now,” said AFBF President Bob Stallman. “For negotiations to keep moving forward on the Trans Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) discussions, we need the TPA authority in place. We urge Congress to pass the bill without delay and show that the United States is committed to completing these trade negotiations.”

The legislation, if passed, will restore the President’s authority to negotiate trade deals Congress can pass or reject, but not amend. Without this legislation, other countries are hesitant to finalize trade deals over concerns the agreements could be amended by Congress.

“For U.S. agriculture to thrive, we have to correct these disparities and level the playing field,” Stallman said. U.S. agriculture benefits greatly from exports. According to AFBF, about one out of every three acres in the country is planted for export and farmers earn about 25 percent of their income from overseas trade.

Tax Provisions Expire

Several key tax provisions that helped farmers with their business expenses have expired or modified. However, it's expected that Congress will revisit the issue in early 2014.

One provision is known as Section 179, which allows small businesses to immediately expense certain items instead of depreciating them over time. The maximum amount farmers and other small business owners had been allowed to expense had been set at \$500,000 but it has now been lowered to \$25,000.

The House Ways and Means Committee, which had spent much of 2013 studying tax reform, had recommended a \$250,000 tax reform limit. The Senate Finance Committee had proposed a one-year extension of the current law, followed by a \$1 million limit. Bonus depreciation, another key tax provision, has also expired.

Farmers used the provision during new equipment purchases, allowing them to better match income and expenses.

Waugh To Run Farm Show

A York County Senator has stepped down from his job and has accepted a position leading the Pennsylvania Farm Show complex. Senator Mike Waugh is replacing Pat Kerwin, who is stepping down as the facility's director, a position he has held since 2005. Waugh represented York County in the Pennsylvania Senate for 15 years, and had served in the House of Representatives for five years.

Waugh operates Glen Ridge Farm, an equine, hay and grain operation. He regularly competes in the draft horse competitions at the Farm Show.

"We are honored Mike has agreed to take on the job of directing the Pennsylvania Farm Show and Expo Center," said Governor Tom Corbett, "Under Mike's leadership, I know our center will remain the world standard for showcasing the business of agriculture ... and the values of the Pennsylvania farmer."

Waugh has served for nearly 15 years as a Farm Show Commissioner. Kerwin, who will serve in an advisory capacity during the transition, is credited with increasing revenue at the Farm Show complex, including public private partnerships that have brought \$225,000 annually to the Farm Show Complex budget.

Game Commission Hires Temporary Executive Director

The Pennsylvania Board of Game Commissioner has named R. Matthew Hough as the new executive director. He replaces Carl Roe, who retired. Prior to his appointment Hough told the Game Commissioner that he plans on retiring sometime this year. The board of commissioners is continuing to look for a more permanent candidate.

Hough, who lives in Adams County, has served as the Game Commission's deputy executive director. Hough has worked for the Game Commission for 33 years, starting as a wildlife conservation officer in Washington and Westmoreland counties. He previously served as a law enforcement supervisor, information and education supervisor and eventually as regional director for the commission's Southwest Regional office. Hough has served as deputy executive director since 2010. Prior to his appointment, Hough had informed the commissioners that he intends to soon retire, and the board will continue to search for a more permanent candidate.

During his tenure, Hough said he will work to maintain stability within the agency, and complete a full review of the agency's finances. He also believes that it is crucial for the agency's workforce to remain at current levels in order for the commission to achieve its goals.

Innovative Agricultural Concept Raises Crops on a Vertical Farm

A new concept to raise horticultural crops in a vertical setting is being planned for Northeast Pennsylvania. Green Spirit Farms LLC from Michigan has commercialized the concept of vertical farming that will produce leafy greens, peppers and tomatoes in an existing 300,000 square foot building located in Scranton.

Instead of growing crops in the ground, the vertical system utilizes industrial racks which accommodate four or five levels of vegetable crops planted in a particular horticultural growing medium in place of soil. Specialized artificial lighting is used to provide light to the crops.

Vertical farms are generally located in or near urban areas and are beginning to be implemented around the world. The produce will be grown throughout the year using less water and energy than traditional greenhouses or hydroponic systems.

Pennsylvania Pesticide Applicators Actively Engaged in Pesticide Container Recycling

Under the Pennsylvania Department of Agriculture's Plastic Pesticide Recycling Program, public and private pesticide applicators have been able to safely dispose of a high number of high density polyethylene plastic containers.

Seven regions have been designated throughout the State to provide locations where empty containers may be delivered. Beside pesticides, the containers may also have been used for crop oils, surfactants and fertilizers. The containers must first be free of all product residue inside and outside by rinsing three times or using the pressurized rinsing method.

The plastic will be converted into chips and made into fence posts, pallets, marine pilings, field drain tiles and recycled for other uses. Agricultural producers and agribusinesses have been committed to the Plastic Pesticide Recycling Program which is now entering its twentieth year and has recycled more than 1.84 million pounds of plastic.