

AG ISSUES UPDATE
Edited by Brad Hollabaugh
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Agriculture Appropriations Bills Advance in House and Senate

The House and Senate Appropriations Committees passed their respective FY2015 Agriculture Appropriations Bills late last month. Both versions include full funding for the Market Access Program (MAP) and other specialty crop Farm Bill programs.

Both bills also include controversial waivers for schools that are having difficulty complying with the new healthier school meal standards. Schools say that they cannot afford to serve the low sodium, whole grain meals because students do not like them and therefore choose not to purchase them. Some schools have also complained about the new mandatory serving of fruits and vegetables, which they say ends up in the trash.

The House version would allow schools to waive out of all three requirements if they can show a drop in revenue. Meanwhile, the Senate bill would allow schools to waive out of the whole grain and low sodium standards but preserve the fruit and vegetable requirement. The White House and nutrition advocates came out in strong opposition to both bills.

USApple and other produce groups worked in support of the updated fruit and vegetable requirements when the Child Nutrition Reauthorization bill was passed in 2010. Diane Kurrle, Vice President, Public Affairs for US Apple, participated in a call last week with officials from USDA and the White House regarding strategies for maintaining the current standards.

The legislation now moves to the full House and Senate, where votes are expected later this month. USApple will be monitoring the process closely and work against any amendments to cut the Market Access Program (MAP) or other Farm Bill initiatives. (*Apple Bites*, US Apple, June 4, 2014)

PFB Tells Congress to “Ditch the Rule” at Hearing as Opposition Gains Steam

Cambria County Farm Bureau President Tommy Nagle told members of the House Transportation and Infrastructure Committee that federal agencies need to “Ditch the Rule,” when it comes to expanding jurisdiction of the Clean Water Act.

Nagle, who participated on behalf of Farm Bureau, provided testimony during a hearing hosted by the House committee in Altoona. The committee, chaired by Rep. Bill Shuster, took testimony on a recent rule proposed by the U.S. Army Corps of Engineers and the Environmental Protection Agency to expand land areas governed by the Clean Water Act. If the proposed regulations move forward, virtually every drop of water will fall under federal jurisdiction.

The result could be that farmers would need federal permits for land activities, such as spreading manure, spraying for crops or installing stream bank fencing. During the hearing, Nagle said the proposed rule could deter others from joining the ranks of agriculture.

Opposition to the rule is gaining steam in Congress. So far, 231 members of the House of Representatives, including all Republican Congressmen from Pennsylvania, signed a letter to the

EPA and Army Corps of Engineers asking them to withdraw the rule. The number in opposition is significant, as it takes 218 members of the House to approve a piece of legislation. Farm Bureau is continuing to interact with Congress and federal agencies to explain the harm this regulation could have on agriculture.

Crop Insurance Expansion Will Cover Specialty Crops

The 2014 Farm Bill now provides flexible crop insurance coverage for specialty crops, organic production and diversified crop operations under the new Whole-Farm Revenue Protection program.

Whole-Farm Revenue Protection insures every crop including specialty crops produced on the farm all at once instead of commodity by commodity. Agricultural producers engaged in fruit and vegetable production have not had access to crop insurance programs designed for high value commodities in the past but can now be confident that all crops will have coverage under the Whole-Farm program. The broader scope of the new crop insurance program may spur new expansion into fruit and vegetable production as part of a diversified cropping operation.

Whole-Farm Revenue Protection will be available to producers beginning in 2015 with coverage levels from 50 to 85 percent. The USDA Risk Management Agency will release specific information on the Whole-Farm Revenue Protection program later this summer which will be posted on the RMA website at www.rma.usda.gov.

Congress Passes Waterways Bill

Members of the House of Representatives and Senate have passed a conference bill on the Water Resources Reform and Development Act (WRRDA), paving the way for new investment in the nation's waterways infrastructure. The revised bill reconciled differences between two bills adopted last year by the House and Senate. The conference WRRDA bill will now head to the President for approval.

Funding for new projects would come through the Inland Waterways Trust Fund, which is supported by a tax on barge fuel, proposed by barge operators. Additional savings would come through a streamlined permitting process and reform of project delivery by the U.S. Army Corps of Engineers. It would also change the way the Army Corps approaches projects.

Efforts to find new funding for the waterway systems has been led by Reps. Bill Shuster, (R-Pa), and Nick Rahall, (D-W.Va.) in the House, along with Senators Barbara Boxer (D-Calif.) and David Vitter (R-La.).

"This conference report maintains ports and navigation routes for commerce and the movement of goods, provides flood control that protects lives and property, and restores vital ecosystems to preserve our natural heritage," the lawmakers said in a joint press release. "This important measure will strengthen our Nation's infrastructure and keep America competitive in the global marketplace."

Passage of WRRDA has been a key priority for Farm Bureau because of the role the waterway system plays in overseas trade. Roughly 60 percent of corn travels on the Mississippi River

system. Grain growers in Western Pennsylvania utilize the Ohio River to reach overseas markets, through ports such as New Orleans.

However, much of the infrastructure on the inland waterways system—such as locks and dams—date back to the days of the Model-T and are in desperate need of repair, said Andrew Walmsley, transportation specialist for the American Farm Bureau Federation. “A lot of people don’t think about this infrastructure, but it moves a number of critical goods, running the whole gamut of bulk commodities.”

Ports also play a critical role in moving agriculture goods to overseas markets.

When the expanded Panama Canal opens, it will allow for much larger ships to pass through. These ships can carry up to three times the cargo capacity, but also require much deeper ports to dock. Only six American ports can handle these larger ships. Philadelphia is not one of those ports. Currently, money collected by the Harbor Maintenance Trust Fund is being used in the General Fund for government operations. The Water Resources Development Act would mandate that money collected by the trust fund can only be used for harbor projects.

French Food Company Opens Plant in Lancaster

A French food company specializing in processed fruits is opening its first U.S. operations in Lancaster County. Charles & Alice Group, which sells kid-oriented products, plans on opening its 55,000-square foot plant in September. The company expects to invest \$10.6 million in machinery and equipment, along with hiring 50 employees. The company is known in Europe as a leading applesauce manufacturer, including Fruit Pouches—portable fruit packets. Hess Brother’s Fruit Company, a Lancaster County Farm Bureau member, will supply fruit.

“We’ve been impressed by their energy and involvement in making this project happen,” Thierry Goubault, CEO of the Charles & Alice Group, said of the involvement of state officials in helping the project reach completion. “We need a talented workforce, high quality apples, a supportive community and a business-friendly state governments, and we can find all of this here, in Pennsylvania.” Charles & Alice has been exporting to U.S. markets since 2008.

Sect. Greig Takes Trade Trip to China

Pennsylvania Department of Agriculture Secretary George Greig recently returned from a 10-day-long trade trip to China to spark interest in Pennsylvania products. The trade mission was sponsored in partnership with Pennsylvania’s Department of Community and Economic Development’s Office of International Business Development and the U.S. Department of Agriculture Foreign Agriculture Service. The trip targeted emerging markets in Northeast China.

“China is an important trade partner for the United States, and its rapidly-growing middle class increasingly seeks our products,” said Greig. “Pennsylvania’s diverse agriculture industry, strategic location and transportation infrastructure make us an ideal candidate for trade. I’m looking forward to learning how our companies can help meet the interests of China’s consumers.”

During the trip, Greig met with Chinese buyers and government leaders to build connections and establish potential trade partnerships for Pennsylvania companies. Pennsylvania shipped \$238

million of agriculture products to China in 2013, an increase of 41 percent over 2012. China is the second-largest market for Pennsylvania hardwoods, behind Canada. Greig's trip focused on Northeast China—known as Manchuria—visiting the cities of Dalian, Shenyang and Changchun.

"China's growing middle class is looking for the value-added and high-quality products PA can provide. Our trade mission helped open doors for PA agribusinesses of all sizes, giving them a chance to bring the PA Preferred brand to even more shoppers around the world," Greig said. "We'll start right away connecting PA Preferred members with interested counterparts in China." The trip was funded by Team Pennsylvania Foundation and no taxpayer money was involved.

Farm Vehicle Code Bill Moves Forward

A state House Committee has given approval to a bill that would exempt drivers of farm-registered trucks from federal commercial driver's license requirements. House Bill 2092, introduced by Rep. Mark Keller, would apply to farm-registered trucks that are driven anywhere in Pennsylvania, or within a 150-mile radius of the farm when crossing state lines. That would make state law consistent with federal law.

House Bill 2092 was recently approved by the Transportation Committee and is now awaiting action by the full House. The bill is part of a Pennsylvania Farm Bureau-led effort to make reforms to the state Vehicle Code. Recently, the Senate passed a bill that would restore exemptions to registration-exempt farm trucks and drivers that were in place prior to 2010. Senate Bill 1301 is now facing action in the House.

Farm Bureau is also working with state lawmakers on a third bill that would exempt the transportation of products during harvest from the Vehicle Code's strict rules that prohibit any materials from escaping the vehicle as long as the load is not higher than the side of the truck, and the vehicle is kept at speeds below 45 mph.

Masser, Huber Reelected to Penn State Trustees

Keith Masser and Betsy Huber have been reelected to another term to represent agriculture on the Penn State Board of Trustees. Five individuals and the Secretary of Agriculture represent agriculture on Penn State's Board of Trustees.

Both Masser and Huber were endorsed by Pennsylvania Farm Bureau's State Board of Directors. Masser, of Schuylkill County, currently serves as chair of the Penn State Trustees. Huber, of Chester County, will be serving her fifth term on the board. Masser, a seventh-generation potato farmer is president and chief executive officer of both Keystone Potato Products LLC and Sterman Masser. Masser is a 1973 Penn State graduate and a past PFB board member.

During Masser's tenure with the family-run company, he has grown the business to more than \$50 million in sales. The company grows and processes potatoes for retail distribution. Along with his Farm Bureau service, Masser has served on the National Potato Council, the United States Potato Board and the Pennsylvania Potato Research Advisory Board.

Huber, a past-president of the Pennsylvania State Grange, now serves as executive secretary of the PA Young Farmers Association. Huber began her work with the grange at the national level,

serving as the organization's women's activities director. She also served as an office manager for the Pennsylvania Grange and also worked as a legislative assistant to former state Rep. Arthur Hershey.

Ozone Proven Effective to Clean Honeycombs

Research by the USDA Agricultural Research Service recently discovered that fumigating bee honeycombs with ozone after honey removal can eliminate pests and pathogens that threaten honey bee health and may also reduce pesticide levels in hives.

Applied at various concentrations, ozone gas eliminates all the stages of the Greater Wax Moth, the Chalkbrood fungus and the American Foulbrood Bacterium which are all detrimental to bee colonies. Ozone was also proven to breakdown several classes of pesticides found in hives originating from treating parasitic mites or deposited by bees foraging plants that have been treated with a pesticide. The ozone treatment degraded pesticides better in new beehives than in older colonies.

Ozone may be applied to decontaminate combs from pests, pathogens and pesticides with commercially available equipment. Although the levels needed to treat honeycombs are toxic, ozone rapidly breaks down into water and oxygen.

A Century of Extension

Land grant institutions across the country, including Penn State, are celebrating a century of Extension. The Smith-Lever Act of 1914 established the Cooperative Extension Service, where state and county governments partnered with land grant colleges to provide research and scientific information with farmers across the country. The result has been numerous advancements in how food is grown in the country, and the application of the latest research technics on farm fields.

As Extension heads into its second century, the system is undergoing changes to meet growing challenges. Extension is at a turning point, and the baby boomers who make up the largest portion of Extension's audience is leaving the workforce, said Dennis Calvin, director of Penn State Extension.

"Up to 60 percent of baby boomers could be retired in five to 10 years, and soon they'll be our past customers," he said. "We need to target the next generation of learners. In general, the way Generation X'ers and Millennials want to learn, access information and engage is far different from earlier generations."

Fewer people are also living in rural settings, and less than 2 percent of the country's population is directly involved with agriculture, Calvin said. Extension needs to adapt in order to meet that change, he said. Penn State Extension is look at new services, including how-to videos, webinars and mobile apps, Calvin said.

'Farmland' Opens Public Understanding of Agriculture

Pennsylvania Farm Bureau helped promote the national release of "Farmland"—a feature length documentary on modern farming—by hosting a private screening for the media and decision

makers in government and industry. Farm Bureau hosted the screening in Philadelphia, and following the movie, organized a question and answer session with several young farmers, including Ryan Veldhuizen, a Minnesota hog and grain farmer, who is one of six farmers featured in the movie.

Farmland was produced by James Moll, an Academy Award-winning filmmaker, who profiled the lives of six young farmers from across the country. The nationally-released documentary gives a firsthand glimpse into the lives of farmers and ranchers, and chronicles their high-risk, high-reward jobs. “In *Farmland*, audiences will hear thoughts and opinions about agriculture, but not from me, and not from a narrator,” said Moll. “They’re from the mouths of the farmers and ranchers themselves.”

Adams County fruit grower Ben Wenk and Lancaster County dairy farmer Maria Forry joined Veldhuizen on a panel discussion that focused on how young farmers are addressing issues like emerging technology and farm transition. They were joined by Joan Hendricks, University of Pennsylvania Dean of the School of Veterinary Medicine, who spoke of the need of more large animal veterinarians. The panel discussion was hosted by Russell Redding, Dean of Agriculture and Environmental Sciences at Delaware Valley College and former Pennsylvania Agriculture Secretary.

The young farmers spoke of the importance of embracing new technology in agriculture, and why it is necessary to adapt. Farming, like any other industry, looks for ways to operate more efficiently, and utilize technological innovations, such as new equipment or growing practices, the young farmers said.

Both Wenk and Forry are involved with consumer interaction and explaining farming practices to the public. Wenk’s family operation—Three Springs Fruit Farm—sells fruit at farmers markets in Philadelphia, and he is involved with social media to tell the story of farming. Forry’s family owns Oregon Dairy in Lancaster, which hosts Family Farm Days, which offers tours of their farm to showcase how animals are raised the commitment the family has to protecting natural resources.