

AG ISSUES UPDATE
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Chinese Market Opens Up for All U.S. Apple Varieties

The United States Department of Agriculture (USDA)'s Animal and Plant Health Inspection Service (APHIS) announced on January 26 that China has agreed to allow all apple varieties produced in the United States access to the Chinese market. The agreement was finalized during bi-lateral negotiations in San Francisco the prior week but comes after years of work. Expanding market access to China has been a top priority for U.S. Apple Association (USApple) as directed by the Board of Directors. President Jim Bair represented USApple at the San Francisco meeting.

The decision will be effective in about 45 days from the date of the agreement and allows direct shipment of all U.S. varieties from all states. A U.S. apple industry coalition including USApple, Washington Apple Commission, Northwest Horticultural Council (NHC), Northwest Fruit Exporters and U.S. Apple Export Council has long worked to assure that U.S.-grown apples would be allowed equal access: Chinese access to the U.S. market was in the final negotiations and is also approved by the agreement. (*Apple Bites* – 1/27/15, USApple Association)

USApple Government Affairs Committee Sets Legislative Priorities

On January 22, the USApple Government Affairs Committee held an all-day meeting to discuss legislative and regulatory priorities and strategies for the coming year. The Committee, chaired by USApple Vice Chairman Mike Wade of Washington, has representation from all of the major apple growing states and regions.

The Committee discussed the ongoing labor crisis and affirmed USApple's strategy and ongoing leadership role in the Agriculture Workforce Coalition (AWC). All growing regions reported labor shortages and an increase in H-2A participation.

Other topics discussed included trade with China, Farm Bill implementation, food safety regulations and biotech. The priorities and positions adopted by the Committee will be used by the USApple staff in our work with congressional offices and regulators. They will also form the basis for the positions carried to the "Hill" by attendees at the March 19, 2015 meeting.

Congratulations to the Young Apple Leaders from PA attending the USApple meetings in March in Washington: David Benner, II, El Vista Orchards, Inc., Fairfield, PA; Karen Druschel, Dawson's Orchards, Enon Valley, PA; Patrick O'Hara, OHF Orchards LLC, Mountain Top, PA; Peter Rice Wolfe, Rice Fruit Company, Gardners, PA. (*Apple Bites* – 1/27/15, USApple Association)

Pennsylvania H2A Wage Rates Increase

The U.S. Department of Labor has increased Pennsylvania's wage rate under the H2A farmworker visa program to \$11.29 per-hour from \$11.06. This wage is effective for all H2A worker wages earned, effective December 19, 2014.

Obama Signs One-Year Agreement on Taxes

President Obama has signed a bill that provides some measure of tax relief to farm families. However, the one-year agreement does not give certainty for tax programs for any meaningful length of time. The bill will help farmers manage their expenses and costs as they look to their 2014

tax bill. The one-year deal increases the amount that farmers can deduct under Section 179 and extend bonus depreciation on new capital purchases.

Section 179 depreciation limits are increased to \$500,000 from the current threshold of \$25,000. There will be an additional 50 percent bonus depreciation for the purchase of new capital assets, including agriculture equipment. The agreement would also provide enhanced deductions for the donation of food and conservation easements.

USDA Supports Farm to School Program

The U.S. Department of Agriculture has awarded more than \$5 million in grants to projects in 42 states that will help put more local foods in school cafeterias. The Farm to School Program encourages schools to buy more food from local farms. Between 2011 and 2012, school districts across the country bought and served more than \$385 million in local foods.

"USDA is proud to support communities across the country as they plan and implement innovative farm to school projects," said Agriculture Secretary Tom Vilsack. "These inspiring collaborations provide students with healthy, fresh food, while supporting healthy local economies. Through farm to school projects, community partners are coming together to ensure a bright future for students, and for local farmers and ranchers."

One of the projects receiving funding is Common Market, a Philadelphia-based food hub that purchases food from farmers in Pennsylvania and New Jersey and distributes to schools and other institutions. Funding will allow the market to promote their "An Apple a Day" program.

New Specialty Crop Protection Available

The U.S. Department of Agriculture is making new crop assistance available from the Noninsured Crop Disaster Assistance Program. The new option, created by the 2014 Farm Bill, gives greater coverage for losses when natural disasters affect specialty crops, such as fruits, vegetables, mushrooms and other crops.

"These new protections will help ensure that farm families growing crops for food, fiber or livestock consumption will be better able to withstand losses due to natural disasters," said Agriculture Secretary Tom Vilsack. "For years, commodity crop farmers have had the ability to purchase insurance to keep their crops protected, and it only makes sense that fruit and vegetable, and other specialty crop growers, should be able to purchase similar levels of protection. Ensuring these farmers can adequately protect themselves from factors beyond their control is also critical for consumers who enjoy these products and for communities whose economies depend on them."

Farmers can now choose higher crop protection levels, of up to 65 percent of their expected production at 100 percent of the average market price. The USDA has created a new web tool, available at www.fsa.usda.gov/nap, to help producers determine if their crops are available for coverage. Producers have until Jan. 14, 2015 to choose the expanded coverage. To enroll, or learn more, visit your local Farm Service Agency office.

Redding Tapped for Agriculture Secretary Position

Governor Tom Wolf selected Russell Redding to serve as the next Secretary of Agriculture. Redding, who was previously Dean of Agriculture and Environmental Sciences at Delaware Valley College, will make his second tenure as Agriculture Secretary. Pennsylvania Farm Bureau supports the appointment and is looking forward to working closely with Redding.

“Russell can hit the ground running in an agency that serves the Commonwealth’s primary economic engine. He understands the complex nuances of agriculture policy, animal and plant health, commodity pricing and nutrition,” said PFB President Rick Ebert. “We look forward to working with him on programs and policies that benefit farmers and all Pennsylvanians.”

Redding served as secretary under Gov. Ed Rendell and previously served as a deputy secretary during Rendell’s administration. Redding is a Farm Bureau member from Adams County who comes from a farm background, and also has a wealth of experience in education.

“Farmers across the state feel more comfortable knowing that the agriculture secretary has experience as a farmer, because they believe he will better understand the challenges and the opportunities available for those involved in the state’s number one industry,” Ebert said. Redding’s appointment will require confirmation from the Pennsylvania Senate.

Among the other secretary positions announced by Gov. Wolf include:

- Leslie Richards, secretary for the Pennsylvania Department of Transportation. Current PennDOT secretary Barry Schoch will serve as a temporary senior advisor on transportation and infrastructure. Richards previously served as vice chair of the Montgomery County Board of Commissioners.
- John Quigley, secretary for the Department of Environmental Protection. Quigley previously served as secretary of the Department of Conservation and Natural Resources.
- Cindy Dunn, secretary for the Department of Conservation and Natural Resources.

General Assembly Names New Leaders, Chairs

The Pennsylvania General Assembly made several changes to committee chairs and also selected leadership for the House and Senate chambers. Rep. Mike Turzai, a Republican from Allegheny County, was selected speaker of the House. Sen. Joe Scarnati of Jefferson County will continue to serve as Senate President Pro Tempore.

In the House, Rep. Martin Causer, a Republican from McKean County, was chosen as chair of the Agriculture and Rural Affairs Committee, with Rep. John Sabatina, a Democrat from Philadelphia, serving as minority chair. Rep. John Maher, an Allegheny County Republican who previously chaired the Agriculture and Rural Affairs Committee, will now chair the Environmental Resources and Energy Committee. Rep. Keith Gillespie, a York County Republican, will chair the Game and Fisheries Committee with Rep. Ted Harhai, a Westmoreland County Democrat serving as minority chair.

PFB Identifies Priority State Issues

Every year, there are a number of state issues confronting agriculture and 2015 is no exception. Pennsylvania Farm Bureau’s State Board of Directors identified several items our organization will pay particular attention to in the coming year.

“While we know some of the pressing topics facing Pennsylvania, other issues often arise throughout the course of the legislative season,” said PFB President Rick Ebert. “Farm Bureau is ready to respond to whatever may come up, using our policy book as our guide.” The priority state issues PFB will track include:

PA Department of Agriculture Funding

Years of budget cuts, or flat funding, have impacted many services provided through the Department of Agriculture, including Agricultural Research and Cooperative Extension, the Animal Health and

Diagnostic Commission and the Pennsylvania Animal Health and Diagnostic Laboratories (PADLS). PFB will work to ensure legislators allocate adequate funding for agricultural programs that sustain and benefit the quality of farm production and food safety and security.

Pension Reform

Pennsylvania's public pension debt currently totals \$50 billion and could balloon to \$65 billion in five years. While a number of factors led to this situation, immediate action is needed. Soon, state and local government will be forced to cut programs and raise taxes to pay for pensions. PFB will work with the General Assembly to achieve lasting pension reform.

Transportation Laws and Infrastructure Improvements

PFB will build off prior successes and continue to advocate for vehicle code changes to make transportation laws more compatible with farmers' common use of modern farm vehicles, and will work with PennDOT to prioritize repairs of roads and bridges critical to the state's largest industry.

Natural Gas Development

Farm Bureau supports responsible development natural gas, but seeks to make sure there is fairness to landowners and that operations are safe for agriculture and the environment.

Property Tax Reform

Farmers face an unfair property tax burden because of the amount of land needed to continue a successful farm operation. PFB supports eliminating property taxes, and replacing the levy with a wide range of revenue sources including expanded sales taxes and earned income.

Zoning, Liability and Right to Farm

Agritourism is growing in popularity among farmers because it allows for diversification, and support for the next generation. However, a patchwork of local building code and permit requirements, and a lack of liability protections make this kind of agriculture – desired by today's consumer's – difficult. PFB will seek uniform standards in buildings supporting direct marketing and Agritourism enterprises on farms, and liability protections for farm families.

Animal Care

Activists are seeking animal care standards far beyond what veterinarians say are needed, for the welfare and health of farm animals. Restrictive legislation, regulation or referenda will seriously harm the ability of livestock growers to sustain their operations. PFB will continue to be a leading voice in ensuring farmers can use veterinarian-supported methods in animal care and animal health.

Environmental Regulatory Issues

Farmers are proven and committed environmental stewards, but are also concerned about a significant movement of regulatory overreach by agencies in Harrisburg and Washington. At a time when agriculture's environmental footprint is shrinking, more and more regulations seek to impose costly restrictions and requirements on farmers, sometimes adding little or no environmental benefit. PFB will work to ensure regulatory proposals are practical and cost-effective.

Biotechnology and Consumer Engagement

Biotechnology is an important tool for farmers to improve yields, reduce the use of costly inputs and improve soil, water and air quality. Despite a strong scientific consensus that biotechnology does not pose health and environmental risks, several states are bending to the whims of activist groups to require special labeling of food products containing ingredients with biotechnology traits. PFB will

support a single, federal science-based labeling effort, in lieu of a state-by-state patchwork quilt of laws and regulations, based on misinformation, bad science and fear.

Teacher Education Program Returns with New Name but Same Focus

In 2014, our annual teacher education program was vaulted to the national stage with the National Ag in the Classroom Workshop, held last June in Hershey. This year, our annual workshop returns to its roots in State College with a new name, but the same commitment of providing educators with a wide exposure to the diversity of Pennsylvania agriculture, and how it can serve as the basis for lesson plans across curriculum.

The Educator's Ag Institute, sponsored by the Pennsylvania Friends of Agriculture Foundation, will promote a week of learning for teachers in pre-kindergarten through 12th grade. While at the conference, educators will tour a number of Penn State's agriculture facilities, participate in hands-on lessons and leave with a host of materials for use in their classroom. The Educator's Ag Institute is open to new educators, along with those who have previously attended our Ag in the Classroom workshop. We will add new tours and features annually. Participants will also have the chance to tour several area farms and hear from farmers on how they raise healthy crops and livestock. Educators will also receive continuing education credits for attending.

The Pennsylvania Friends of Agriculture Foundation, a charitable organization supported by Pennsylvania Farm Bureau, is again looking for assistance from county Farm Bureaus to promote our workshop to local educators. We also encourage county Farm Bureaus to consider sponsoring educators to attend this worthwhile workshop. The Educator's Ag Institute helps spread positive and factual information about agriculture and expands consumer understanding about our industry. For more information, contact the foundation at 717.731.3555 or www.pafbfriends.org.