

AG ISSUES UPDATE

Edited by Brad Hollabaugh

July, 2016

House Passes GMO Labeling Bill; President's Signature is Final Step

On July 14, 2016, the House of Representatives passed legislation directing the Department of Agriculture to develop a program of mandatory labeling of GMO foods. The Senate passed the bill last week, and it now heads to the President to sign the bill into law, which the White House has stated he will do.

The federal law will preempt a state labeling law that took effect in Vermont July 1 and, in turn, prevent a patchwork of state regulations that would add undue costs and create confusion for industry members and consumers alike.

USApple applauds passage of this compromise legislation, as our position has been that we will only support a labeling law founded in science and that fosters national uniformity. This legislation accomplishes both.

The law will make disclosure mandatory for all food products derived from GMOs. This can be done in three ways: Text, symbol, or electronic link.

Last year, a House proposal called for a voluntary program in which "non-GMO" could be labeled, but there was no requirement in the affirmative for the presence of GMO. USApple leadership has favored an affirmative approach that requires foods be clearly labeled GMO.

To continue discovering new and valuable benefits from apples, USApple supports advancements from technology including genetics and genomics research. Benefits can include attributes such as improved quality, new varieties, new aromatic flavor profiles, improved pest resistance, and enhanced nutrition.

On July 8, the Senate had passed S.764, a bipartisan GMO labeling bill introduced by Senate Agriculture Committee Chairman Pat Roberts (R-KS) and Ranking Minority Member Debbie Stabenow (D-MI). (*Dianne Kurrle, USApple Association, 7/14/2016*)

Vermont's GMO labeling law.

The Vermont law is scheduled to go into effect July 1, 2016. It does provide that the Vermont Attorney General will not enforce any labeling violations until: (1) the Vermont Attorney General first issues a corrective action notice to suspected violators; and (2) 30 days has passed from the issuance of the corrective action notice. Additionally, the Vermont law also states that consumers may not bring private actions under the law until July 1, 2017. (*Ross Pifer, Director, The Penn State Center for Agricultural and Shale Law*)

FDA Seeks Experts to Build Produce Safety Network

The FDA announced that the agency is seeking eight experts with backgrounds in science and policy to help build the Produce Safety Network that will support the implementation

of the Produce Safety Rule. The experts will work in different regions of the country with state public health and agriculture agencies. As part of the regulatory oversight, the FDA anticipates that state officials will be working closely with the farmers who must comply with the new safety regulations. The new consumer safety officers will support those officials with education, outreach and technical assistance.

The eight experts will be the first segment of new hires planned this year by the network to support compliance with the rule mandated by the FDA Food Safety Modernization Act (FSMA). The FDA announcement added that an additional 40 new consumer safety officers will be hired later this year for domestic and international work that includes inspections, investigations and technical assistance. (*Mark Seetin, USApple Association, 7/12/2016*)

General Assembly Adopts New State Budget

The Pennsylvania General Assembly—with bipartisan support— approved a \$31.6 billion state budget that gives strong support to agriculture initiatives, including Penn State Cooperative Extension, the PA Preferred Program and veterinary services. Democratic Gov. Tom Wolf says he'll let the spending bill become law without his signature, but hoped that the Legislature would revise the budget with a “sustainable revenue package”.

Under the budget, Penn State Extension will see a 2.5 percent increase in funding, while programs like agriculture promotion, PA Preferred and livestock and dairy shows will receive an additional 10 percent in funding. The budget does not address pension or property tax reform. PFB thanks Senators Jake Corman and Elder Vogel for their efforts in securing funding for agriculture priority issues.

While the General Assembly has not approved a tax code bill, discussions continue to evolve in an effort to find a bipartisan solution that balances the state budget. Senate Appropriations Committee Chairman Pat Browne, R-Lehigh County, said that he saw the proposed revenue package may develop from a menu of options being considered:

- A \$1-per-pack increase in the cigarette taxes, raising the rate to \$2.60 a pack;
- New taxes on loose leaf tobacco and e-cigarettes;
- An increase in the tax on banks and other financial businesses;
- Eliminating the vendor discount for certain businesses that make prompt transfer of sales taxes collections;
- A tax amnesty program;
- Applying the state's 6 percent sales tax on digital downloads,
- Liquor sales reforms; and
- Legalized gambling expansion that will be enacted into law this fall.

Additionally, Browne indicated \$53 million of the revenue needed to fund the budget would come from lapsed funds and one-time transfers from the separate accounts for the alternate fuels incentive grant program, the recycling fund, the volunteer companies loan fund, local law enforcement grant fund, and tobacco settlement dollars.

Without those new taxes and tax increases, Browne said the state was projected to face "an enormous, historically enormous hole" in 2017-18. (<http://www.pennlive.com>, July 13, 2016)

USDA Releases Final Estimate of the 2015 Apple Crop

USDA's National Agricultural Statistics Service (NASS) has just published the agency's final estimate for the 2015 apple crop in the July 6 edition of Noncitrus Fruits and Nuts. The final figure for the 2015 apple crop was pegged at 238.2 million bushels, down two percent from the original August 12, 2015, estimate of 242.2 million bushels.

While the change in the overall national production figure was modest, changes in two of the largest producing states - Washington State and New York State were more significant. For New York, the original estimate of 26.2 million bushels was increased by 6.2 million bushels, or 24 percent to 32.4 million bushels. For Washington State, the original estimate of 150 million bushels was cut by 8.3 million bushels, or 6 percent to a final figure of 141.7 million bushels. The third largest producing state, Michigan at 23.7 million bushels was essentially unchanged from the August 2015 estimate. (*Mark Seetin, USApple Association, 7/12/2016*)

New Rules Pave Way for Drone Use in Agriculture

Agriculture producers and businesses will be able to use drones for farm scouting with new rules from the Federal Aviation Administration. FAA officials unveiled a new set of rules for the commercial use of unmanned aircraft—commonly called drones—weighing less than 55 pounds.

Here are some of the highlights from the FAA's new rules for drones:

- Commercial operators must avoid all piloted aircraft and keep drones in sight at all times. Operators can use a visual observer to track the drone.
- Operators can fly at a maximum height of 400 feet above the ground, of higher if the drone is within 400 feet of a structure. Flight is restricted to between daylight and twilight.
- Operators cannot fly drones over anyone who is not participating in the operation, not under a covered structure or inside a vehicle. Operation from a moving vehicle can only occur in sparsely populated areas.
- Operators must be at least 16 years old and obtain a remote pilot airman certificate.

The FAA is working on establishing privacy education as part of the drone registration process, and is also providing guidance to state and local governments about insuring privacy.

DEP, Conservation Districts, Begin Farm Visits

Pennsylvania's state and local agencies will begin a more concentrated program of farm inspections in the Chesapeake Bay Watershed this summer. Visits by the Department of Environmental Protection (DEP) and conservation district staff will focus on verifying whether farms have developed and are following their plans for erosion and sedimentation control and manure management.

The visits are part of a revised strategy by DEP for improvement of water quality in the Bay. The state's "reboot" strategy is being driven by the federal Environmental Protection Agency, which is claiming that Pennsylvania is behind in meeting nutrient reduction goals in the watershed. Conservation district visits will focus on conservation practices and documents that farmers are required to have under current state law. That includes a written soil conservation plan, along with a manure management plan for animal farm operations and farms that use animal manure. Compliance of farms with state planning requirements has been part of the state's strategy for the bay cleanup since 2011.

Pennsylvania Farm Bureau has serious concerns with the EPA's approach in cleaning the Chesapeake Bay Watershed. The EPA's model used to determine the amount of nutrients reaching the bay failed to account for voluntary practices adopted by farmers. That's why Pennsylvania Farm Bureau partnered with Penn State on a best management practices survey, conducted this spring. Once those results are compiled, they will be shared with the appropriate state and federal agencies. Pennsylvania Farm Bureau wants to make sure that the men and women of agriculture are not unduly burdened during the Chesapeake Bay cleanup.

Farmers have made strides in reducing the nutrients reaching local tributaries that feed into the bay watershed. Farmers should get credit for those water quality improvements. Some of those conservation plans followed by farmers in their businesses may not have been recorded in formal plans. Help is available for farmers who need to update, or write, their conservation plans. Contact your local conservation district, or National Resource Conservation Service, for more information.

USGS Report Points To Water Quality Improvements in Bay Watershed

Monitoring of water quality in the Susquehanna River and its tributaries points to improvements in several key areas, according to a federal report. A report by the U.S. Geological Survey found that monitoring stations in Pennsylvania are recording reduced levels of nitrogen, phosphorus and sediment levels in the Chesapeake Bay Watershed. While there are documented reductions in those nutrients, the levels are still above limits established by the federal Environmental Protection Agency in its Chesapeake Bay cleanup plan, Mike Langland, a USGS hydrologist told members of Pennsylvania Farm Bureau's Natural & Environmental Resource Committee.

"We have some work to do, but we are heading in the right direction," he said. Reductions in nitrogen and phosphorus can be contributed to a number of factors, including best management practices used by farmers, improvements at wastewater treatment plants and a reduction in the number of coal-fired power plants used for electricity generation, Langland said.

The USGS survey collects data from 117 collection points in the watershed, including 34 in Pennsylvania. While improvements are being documented in several locations in Pennsylvania, there is still a concern in the southeastern portion of Pennsylvania's Bay Watershed, with its concentration of agriculture and housing developments, Langland said.

Here's what the USGS report shows in terms of water quality improvement in the Susquehanna River Watershed. The report looks at data collected between 2005 and 2014.

- Nitrogen
 - Out of 17 monitoring stations in Pennsylvania, 14 are showing improvement trends.
 - The highest concentration of nitrogen loads is found in the southeastern portion of the state. However, some of the largest reductions have been found in monitoring stations in those areas. "In comparison to the rest of the watershed, the biggest reductions are in the Susquehanna River, but we have a ways to go to meet the goals," Langland said.
- Phosphorus
 - Out of the 17 monitoring stations in Pennsylvania, 13 are showing improvement trends.
 - Throughout the Bay watershed, there's been a 68 percent reduction in phosphorus per-acre loads. Marked improvements have been found in Pennsylvania's southeastern corner and the Eastern Shore of Maryland.
- Sediment
 - Of the 17 monitoring stations in Pennsylvania, eight are showing improvement trends.
 - Throughout the Bay watershed, there's been a 50 percent reduction in suspended sediment.

USFRA Ag Progress Days Workshop: Communicating Sustainability

Participants can learn new ways to talk to consumers about sustainable farming and ranching during Sustainability Communications Training at Ag Progress Days this summer.

The U.S. Farmers and Ranchers Alliance (USFRA), in conjunction with Pennsylvania Farm Bureau (PFB) and Penn State University's College of Agricultural Sciences, will host the workshop on August 16 at 2:30 p.m. The training session, which is free and open to farmers and ranchers, will focus on new messaging that can be used when talking with and answering questions from consumers about sustainability. It will be held in the Special Events Building on the Ag Progress Days grounds in Centre County.

USFRA conducted research to determine the key areas of sustainability that consumers are most concerned about. They include, water, air, soil, and habitat. The training session will provide tools, including hard copy takeaways, for communicating your message of sustainability in those key areas. The event is one of several training sessions USFRA will host throughout the summer of 2016. USFRA, of which PFB is a member, was created to earn consumer trust in U.S. food and agriculture.

Pennsylvania Makes Largest Change to Liquor Sales in Decades

Pennsylvania lawmakers approved the first significant overhaul of the state's liquor system in decades. A bill signed by Gov. Tom Wolf will allow grocery stores to sell wine, allow wineries to ship wine and provides for six-pack sales in gas stations.

“This historic legislation is a tremendous leap into bringing Pennsylvania into the 21st century,” said House Speaker Mike Turzai, the prime sponsor of the legislation. “This privatization bill will bring consumers the added choice and convenience they have been asking for since Prohibition.”

The bill opens new options for wine sales, including allowing restaurants and hotels to sell up to four bottles of wine for take-out. The same option will be available for grocery stores that currently sell beer. Bed and breakfast establishments will also have the option of offering wine to guests.

Wineries will also have the chance to be licensed as “direct wine shippers,” which gives them the authority to send wine to in-state residents. It also creates an excise tax of \$2.50 per gallon of wine sent to consumers, which will be used to support programs under the Pennsylvania Wine Marketing and Research Program Board. In addition, the bill removes Sunday sales restrictions at state-owned stores and allows gas stations to be licensed for six-pack sales.

Spotted Lanternfly Quarantine Expanded, State Continues Progress in Combatting Invasive Species

State Department of Agriculture officials announced that the Spotted Lanternfly quarantine has been expanded to Lower Macungie Township, Alburtis and Macungie Boroughs in Lehigh County and New Hanover Township in Montgomery County after small populations of the pest were found. The most recent detections are in municipalities adjacent to previously quarantined areas. The pest had not been found in the United States prior to its initial detection in Berks County in the fall of 2014.

“While no one wants to hear that there are additional findings, this affirms that our surveillance efforts are working,” said Agriculture Secretary Russell Redding. “It is extremely difficult to eradicate these pests but thanks to the ongoing survey efforts and commitment by local, state, and community members, who have been working together continuously to find the pest in the early stages, we are minimizing the impact of the species. New detections allow the control program to target its outreach and control efforts, working to end the spread of the insect.”

Areas where the pest has been found are now under quarantine. The general quarantine restricts movement of any material or object that can spread the pest. This includes firewood or wood products, brush or yard waste, remodeling or construction materials and waste, packing material like boxes, grapevines for decorative purposes or as nursery stock, and any outdoor household articles like lawnmowers, grills, tarps and other equipment, trucks or vehicles typically not stored indoors. The last detection of the pest was confirmed in November, 2015. *Source: Pennsylvania Department of Agriculture*