

AG ISSUES UPDATE
Edited by Brad Hollabaugh
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USApple Supports SCRI Research Project on a Newly Invasive Pest - The Spotted Lanternfly

USApple was a leader in the effort to establish the Specialty Crop Research Initiative (SCRI) in the 2008 Farm Bill. The \$50 million annual program to support research on specialty crops was made a permanent part of the Farm Bill with the passage of the 2014 Farm Bill. USApple encourages researchers to seek funding for projects and provides letters of support to research grant applications for projects that represent research priorities for the industry.

Among the 2018 SCRI grant cycle applications of significant interest to the apple industry is one that involves a newly invasive pest that has the potential to threaten the U.S. apple industry. USApple submitted a letter of support for a SCRI grant application on the Spotted Lanternfly (SLF). The SLF is a newly invasive pest with the potential to be even more devastating than the Brown Marmorated Stink Bug (BMSB).

The reasons it is potentially more dangerous is because it attacks forests (many orchards are near forested areas) - and the pest will directly attack nursery stock as well as trees in the orchard. It is essential to find control methodology before it expands its area from where it was first detected in Berks County, PA. (*Apple Bites* - 12.1.17, *U.S. Apple Association, Staff Contact: Mark Seetin*)

Save the Date - USApple Capitol Hill Day

Thursday, March 15, 2018
The Washington Court Hotel
Washington, DC

Spotted Lanternfly Quarantine Zone Expanded

The Pennsylvania Department of Agriculture has expanded the quarantine zone, created to halt the spread of the invasive spotted lantern fly.

With the latest expansion, the state has shifted to imposing quarantines at the county, rather than municipal, level and including areas where the insect's presence has not yet been confirmed but there's a high risk of spread. The quarantine area now covers 13 entire counties: Berks, Bucks, Chester, Carbon, Delaware, Lancaster, Lebanon, Lehigh, Monroe, Montgomery, Northampton, Philadelphia, and Schuylkill.

"This invasive insect threatens to destroy \$18 billion worth of agricultural commodities here like apples, grapes and hardwoods, inflicting a devastating impact on the livelihoods of our producers and businesses," Agriculture Secretary Russell Redding said.

Businesses in the quarantine area must obtain a Phytosanitary Certificate or compliance agreement from the department to move items outside the area and need a permit to move items within the quarantine zone. People who live within or are traveling through quarantine zones should check vehicles for egg masses before leaving an infested area, buy firewood locally instead of moving it between areas, check outdoor items and trees for egg masses, not transport brush, yard waste or construction waste outside the quarantine area. For more information, visit <http://bit.ly/PDASpottedLanternfly>.

Tax Reform Passes Senate

The U.S. Senate has approved its plan to overhaul the federal tax code, moving tax reform—a longtime priority for farmers—a step closer to the finish line.

With the House having passed its tax reform bill last month, lawmakers can now begin to work out differences between the two plans and draft a final, combined version that would need to be voted upon by both chambers. Farm Bureau supports reforming the tax code so that it is simpler, more transparent and fair to farmers. Whether that's the case will depend on the details of the final plan.

Farm Bureau believes tax reform should help all types of farm businesses, reduce effective tax rates by cutting income tax rates enough to make up for any deductions lost and allow businesses and farms to deduct expenses when they are incurred.

EPA Proposes Formally Delaying WOTUS

The U.S. Environmental Protection Agency (EPA) and U.S. Department of the Army are proposing to amend the effective date of the 2015 rule defining "waters of the United States." The agencies are proposing that the 2015 rule would not go into effect until two years after today's action is finalized and published in the Federal Register. This amendment would give the agencies the time needed to reconsider the definition of "waters of the United States."

This is the second part of the two-step process involved with repealing the 2015 rule. The rule was repealed earlier this year, and this step redefines the definition of waters of the U.S. This has been a priority issue for USApple. President & CEO Jim Bair personally thanked Administrator Pruitt last week for his leadership on this issue.

[Read the full press release from the EPA below:](#)

EPA and the Army Propose to Amend the Effective Date of the 2015 Rule Defining "Waters of the United States"

WASHINGTON - The U.S. Environmental Protection Agency (EPA) and U.S. Department of the Army (the agencies) are proposing to amend the effective date of the 2015 rule defining "waters of the United States." The agencies are proposing that the 2015 rule would not go into effect until two years after today's action is finalized and published in the Federal Register. This amendment would give the agencies the time needed to reconsider the definition of "waters of the United States."

"Today's proposal shows our commitment to our state and tribal partners and to providing regulatory certainty to our nation's farmers, ranchers and businesses," said EPA Administrator Scott Pruitt. "This step will allow us to minimize confusion as we continue to receive input from across the country on how we should revise the definition of the 'waters of the United States.'"

The 2015 rule, which redefined the scope of where the Clean Water Act applies, had an effective date of August 28, 2015. Implementation of the 2015 rule is currently on hold as a result of the Sixth Circuit's nationwide stay of the rule, but that stay may be affected by a pending Supreme Court case. The 2015 rule is also stayed in 13 states due to a North Dakota district court ruling. EPA and the Army are taking this action to provide certainty and consistency to the regulated community.

"The Army, together with the Army Corps of Engineers, propose this rule with EPA to help continue to provide clarity and predictability to the regulated public during the rule making process. We are committed to implementing the Clean Water Act Section 404 regulatory program as transparently as possible for the regulated public," said Mr. Ryan Fisher, Acting Assistant Secretary of the Army (Civil Works).

This action follows the February 28, 2017, Presidential Executive Order on "Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the 'Waters of the United States' Rule." The February Order states that it is in the national interest to ensure that the Nation's navigable waters are kept free from pollution, while at the same time promoting economic growth, minimizing regulatory uncertainty, and showing due regard for the roles of Congress and the States under the Constitution.

The agencies' proposal is separate from the two-step process the agencies propose to take to reconsider the 2015 rule. The comment period for the Step 1 rule closed in September and the agencies are currently working to review the comments received from the public. The agencies are also in the process of holding listening sessions with stakeholders as we work to develop a proposed Step 2 rule that would revise the definition of "waters of the United States."

The agencies will be collecting public comment on this proposal for 21 days after publication in the Federal Register and plan to move quickly to take final action in early 2018.

Help Support Farming by Completing 2017 Census of Agriculture

The U.S. Department of Agriculture is starting to send out the 2017 Census of Agriculture this week. Conducted every five years, the questionnaire collects comprehensive data about agriculture in every county in the nation.

Those figures help highlight agriculture's importance to the local and national economies. The data is used by farmers and agribusinesses for planning and by legislators and policy makers for developing agriculture policy, such as the farm bill, and designing programs that help farmers and other residents of rural areas.

“Collected in service to American agriculture since 1840, the census gives every producer the opportunity to be represented so that informed decisions can support their efforts to provide the world with food, fuel, feed, and fiber,” USDA Secretary Sonny Perdue said. “Every response matters.”

USDA mails the surveys directly to farms and responses are due back — either via mail or online —by Feb. 5. Responding to the Census is required by law. For more information, visit: www.agcensus.usda.gov.

USDA Proposes Allowing Low-Fat, Flavored Milk in School Lunch Program

The U.S. Department of Agriculture has proposed adding more flexibility to the varieties of milk that can be served through the National School Lunch and School Breakfast programs. The proposed rule would allow schools that participate in the programs to offer students low-fat (1 percent milk fat) flavored milk beginning with the 2018-2019 school year.

Now, schools may serve low-fat unflavored milk but are limited to non-fat for flavored milk. USDA will seek public comments on the proposal before drafting a final rule.

“Schools want to offer food that students actually want to eat,” USDA Secretary Sonny Perdue said. “It doesn’t do any good to serve nutritious meals if they wind up in the trash can. These flexibilities give schools the local control they need to provide nutritious meals that school children find appetizing.”

The move is similar to one called for in a bill proposed by U.S. Rep. Glenn “G.T.” Thompson of Centre County. Thompson’s bill, the School Milk Nutrition Act, would allow schools to serve low-fat flavored milk in addition to other options. Farm Bureau supports the bill.

“To boost children’s consumption of nutritious fluid milk, a variety of milk offerings should be part of the school lunch program,” American Farm Bureau Federation President Zippy Duvall said.

Agricultural Structures: Pennsylvania Exempts Certain Roadside Stands from UCC Regulations

On October 25, 2017, Pennsylvania Governor Tom Wolf approved legislation exempting certain roadside stands from the Commonwealth's Uniform Construction Code (UCC). The legislation passed by votes of 48-0 in the Pennsylvania Senate and 191-0 in the Pennsylvania House of Representatives.

Enacted as Act 35, the new law amends the Pennsylvania Construction Code Act to exclude qualifying structures involved in the sale of seasonal agricultural commodities from UCC requirements. Accordingly, for a structure to qualify for the exclusion from the UCC, the structure must meet all of the following:

- (1) the structure must be used for the direct, seasonal sale of an agricultural commodity;

- (2) whenever the structure is in operation, at least 25% of the structure's perimeter must be open;
- (3) the structure must be operated by a producer whose products make up at least 50% of the agricultural commodities being sold;
- (4) if the structure is not located on the producer's property, the structure is erected for less than 180 days of a calendar year; and
- (5) the total area of the structure is not to exceed 1,000 square feet.

Of note, the new exclusion is limited to one qualifying structure per parcel of land. (from *The Agricultural Law Brief*, December 2017)

Voters Approve Expansion of Property Tax Program

Pennsylvania voters have approved amending the state Constitution to alter a program that offers property tax reductions for homes and farms.

The amendment removes a cap on the maximum level of property tax relief a school district or other taxing body (such as a county or municipality) may allow through the homestead/farmstead exemption. That program allows districts to exempt a portion of the assessed value of eligible properties from taxation as long as that revenue is made up through other means.

While—in theory—the change will allow local governments and school districts to offer greater relief to eligible taxpayers, it's not likely to have any meaningful effect on homeowners' or farmers' tax bills unless further action is taken by the General Assembly. Districts cannot offer greater property tax relief through the homestead/farmstead exemption without having the revenue to offset the cost. That means state lawmakers would likely need to approve another source of state funding—such as higher sales or income taxes—before eligible landowners would see their property tax bills eliminated or reduced.

But even under the best circumstances, farmers—even with the cap lifted—won't see meaningful property tax relief through the homestead/farmstead exemption because of limits on how the program is applied to farms. Farmland does not qualify at all for the exemption. And only farm buildings located on properties where the landowner lives are eligible.

Help Shape the Future of Penn State Extension Programs

Penn State Extension is seeking input from the agricultural community as it begins a strategic planning process that will set priorities and help determine what types of programs and services will be offered. Participating in that process will help Extension identify needs that programs should meet and gauge interest in different types of services.

College officials are looking for agriculture industry representatives with a wide range of backgrounds and areas of expertise to provide input during the planning process. Penn State has set up an online survey to determine who is available to provide input on a variety of topics. Please complete the survey by going to

www.surveymonkey.com/r/WND6XRE.

New PFB Company to Support Agriculture by Providing Information Technology Solutions

A new initiative recently launched by Pennsylvania Farm Bureau seeks to help businesses meet their technology needs while also supporting advocacy for agriculture.

pfbSOLUTIONS is a new, for-profit company owned by PFB that aims to bridge the gap between the corporate world and rural Pennsylvania.

By partnering with well-known technology companies, pfbSOLUTIONS will offer its customers services such as computer and communications networking, information technology management, data storage and security. The company has products and services available to serve large and small businesses both within and outside of the agriculture world. Proceeds from pfbSOLUTIONS will support PFB and its mission of advocating and building a better future for Pennsylvania's farms and rural communities.

"Just like our farmer members, Pennsylvania Farm Bureau needs to diversify in order to remain a strong organization," said PFB President Rick Ebert. "We believe pfbSOLUTIONS will help us do that."

In addition to offering technology services to businesses, pfbSOLUTIONS will also partner with DTN to provide localized agricultural weather-forecasting services to farmers. PFB members will receive an exclusive discount on those services. For more information, visit www.pfbsolutions.com.

Volunteer Readers Sought for Ag Literacy Week

The Second Annual Pennsylvania Ag Literacy Week is March 19 to 23 and the Pennsylvania Friends of Agriculture Foundation, a charitable organization supported by Pennsylvania Farm Bureau, is looking for volunteer readers to help teach students about agriculture and where their food comes from.

The effort needs individuals involved in Pennsylvania agriculture who will donate \$10 to provide a book – "Tyler Makes Pancakes!" – to a kindergarten through second-grade class, then spend 30 minutes in the classroom to read the book and lead a hands-on activity. To learn more and become a reader, visit www.pfb.com/agliteracy.