

AG ISSUES UPDATE
Edited by Brad Hollabaugh
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April 15 Deadline to Sign-up for Apple Tree Crop Insurance Policy

USDA's Risk Management Agency (RMA) has published details on the new apple tree policy. States included for coverage by the apple tree policy are Washington, New York, Michigan, Pennsylvania, Oregon and Idaho. Additional states could be added in the future. The apple tree policy is separate and distinct from the apple policy that covers fruit only.

Additional details can be found on the topics listed below at <https://www.rma.usda.gov/Policy-and-Procedure/Crop-Policies>:

- Crop Provisions
- Comprehensive Tree Value Endorsement
- Fire Blight Endorsement
- Apple Tree Loss Adjustment Standards Handbook (Rates, prices, etc.) See <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser2020/CropCriteria.aspx>.

As noted above, the 2021 crop year sales closing date for the Apple Tree Insurance Program is April 15, 2020. Growers should contact their crop insurance agent for further information. A list of agents can also be found on the RMA website. (*USApple.org, Apple Bites - 2.4.2020*)

Colombini Attends White House Signing of U.S-China Agreement

USApple's Chairman Jeff Colombini was invited to the White House last week for the signing of the U.S.- China Phase One Trade Agreement.

"It was a real honor for USApple to be invited by the White House to this important ceremony," said Colombini, a third-generation California grower and president of Lodi Farming, Inc. "Today's agreement in which China is committing to large purchases of U.S. agriculture products is positive news. The U.S. apple industry very much wants to supply that market."

According to USApple, continued retaliatory tariffs - now at 50 percent - imposed by China on U.S. apples, on top of already existing 10 percent tariffs, preclude growers from getting back into the China market. USApple is optimistic that the signing of the U.S.- China agreement will help pave the way toward removal of the tariffs.

"We congratulate the Administration for negotiating and concluding this important agreement and look forward with expectation that China's retaliatory tariffs on our apples will be removed," said USApple President and CEO Jim Bair. "China doesn't grow the new and exciting varieties we do, and we know their consumers want them, so we're ready to roll."

Prior to China's retaliatory tariffs, Chinese importers were buying premium quality U.S. apples at top prices. "We were competing, and winning, with China," continued Bair. "It was a real bright spot on the horizon. We are now hopeful that China will remove its tariffs, allowing U.S. growers to get back to doing what they do best—providing superior quality apples in a volume and range of varieties not available anywhere else." (*USApple.org, Apple Bites - 1.21.2020*)

New Clean Water Rule Finalized

The federal government has finalized a new clean water rule that aims to clarify which waterways are subject to federal regulation, giving farmers and other landowners clear and commonsense guidance for making land-management decisions.

The new Navigable Waters Protection Rule replaces the controversial 2015 Waters of the U.S. Rule (or WOTUS), which the U.S. Environmental Protection Agency and Army Corps of Engineers officially revoked last month. The new rule is set to take effect in about two months; however, opponents of the new rule will likely sue in an effort to stop it from taking effect.

Farm Bureau led a years-long fight against the 2015 WOTUS rule, which the organization believes was illegal, overly broad and confusing and would have subjected nearly all Pennsylvania farmland to federal water regulations. In contrast, Farm Bureau believes the new rule takes a commonsense approach to balancing federal versus state and local jurisdiction over bodies of water.

The new rule limits land areas that are subject to federal water regulation, excluding from federal jurisdiction many land areas with characteristics commonly found on farms, such as ephemeral streams, most ditches, isolated wetlands, prior converted cropland and stormwater controls.

“Farmers and ranchers care about clean water and preserving the land, which are essential to producing healthy food and fiber and ensuring future generations can do the same,” American Farm Bureau Federation President Zippy Duvall said. “That’s why we support the new clean water rule. It provides clarity and certainty, allowing farmers to understand water regulations without having to hire teams of consultants and lawyers.”

China to Ramp Up Purchases of U.S. Agricultural Goods

China will purchase more U.S. agricultural products and the U.S. will drop its plan to impose increased tariffs on Chinese imports as part of an agreement signed by President Donald Trump and Chinese President Xi Jinping in January.

The agreement is being referred to as “phase one” of a larger trade deal. It comes as welcomed news to farmers who have suffered the brunt of a lengthy trade dispute with China, one of the nation’s top agricultural trading partners.

“Phase One of the new trade deal with China should benefit Pennsylvania farmers over the next two years, if China meets its commitment to annually purchase at least \$40 billion worth of agriculture goods from the U.S. in 2020 and 2021,” Pennsylvania Farm Bureau President Rick Ebert said.

The deal marks a major turning point in trade relations with China, which had been rocky since July 2018, when the Trump administration imposed new tariffs on steel and aluminum imports from China and several other nations. China retaliated with tariffs on U.S. agricultural imports. The dispute escalated over the next year with the U.S. imposing tariffs on more Chinese imports and China retaliating with tariffs of its own, often targeting agriculture.

Agriculture-Benefitting Tax Measures Signed into Law

Several tax provisions that will benefit agriculture and rural communities were included in a federal spending bill that Congress passed and President Donald Trump signed recently. The spending package permanently repeals the health insurance tax, which was charged to health insurance companies but ultimately paid by individuals, families and small businesses that

purchase their own insurance. The tax, which affected many farmers, was expected to collectively add an estimated \$16 billion in coverage costs, an average premium increase of \$500 per family.

The measure also retroactively restores and extends tax incentives for biofuels and short line railroads that expired at the end of 2017. The biodiesel tax credit, which helps promote an important market for American farm products, was extended through 2020. The short line railroad credit, which support an important driver for rural economies, was extended through 2022.

In addition, the package repeals the unrelated business income tax, paid by tax-exempt employers, like many agricultural organizations, on certain fringe benefits provided to employees. And it included a provision allowing rural electric cooperatives to keep their maintain their exempt status when they receive grants money.

U.S. House Passes Bill to Improve Broadband Data

A bill that would improve data on broadband availability so that resources to expand service can be better targeted has cleared the U.S. House. The Broadband Deployment Accuracy and Technological Availability Act now heads to the Senate for consideration.

The bill would require internet service providers to report more specific data on coverage, giving policymakers better information about where coverage exists and where funding to expand coverage would be best spent. The current coverage maps do not accurately assess broadband availability, especially in rural areas, because they consider an entire Census block served even if only one property in the whole Census block has service.

The bill also requires the Federal Communications Commission to establish an audit process that ensures internet service providers are providing accurate data and create a user-friendly process to challenge the data.

Agriculture Groups Urge Senate Action on Ag Labor

Farm Bureau and other organizations are urging the U.S. Senate to take up agricultural labor reform as farmers face an increase in mandated costs associated with the H-2A guest worker program. The Agriculture Workforce Coalition sent a letter to Senate leaders urging them to take up legislation that reforms the H-2A program, giving farm employers a more viable option to hire legal guest workers to supplement their U.S. workforce.

“A devastating labor shortage is impacting farmers today and jeopardizes the future success of U.S. agriculture,” the coalition wrote. “We must address this labor crisis harming farms across the United States so our producers can continue to feed, clothe and fuel our nation.”

The letter comes as farm employers face an average 6 percent increase in the Adverse Effect Wage Rate, an inflated wage employers must pay H-2A workers. The coalition noted that increases in the AEWR over the past few years have outpaced broader wage growth and farm revenue. That means farm employers must absorb the cost increases.

The House passed a bill in December that would expand farms’ access to guest workers for both year-round and seasonal labor; however, the legislation stopped short of meeting Farm Bureau’s policy objectives. Farm Bureau did not support the House bill and voiced concerns that it would continue some of the high costs associated with the current H-2A program and open up farm employers to a greater risk of being sued by workers.

Funding Available for Renewable Energy

Grants and loans are available through USDA for farmers, businesses and municipalities to fund renewable energy systems, improvements, audits and assessments.

The Rural Energy for America Program provides guaranteed loans of \$5,000 to \$25 million, grants of \$2,500 to \$500,000 for renewable energy system or grants of \$1,500 to \$250,000 for energy efficiency improvements. Applicants must provide at least 75 percent of the project cost if applying for grants only or at least 25 percent of the cost if applying for a loan or a combination of grants and loans.

To learn more or apply, contact your local USDA Service Center or visit <http://bit.ly/36sGRNu>.

U.S. Food Supplies Comply with EPS Pesticide Residues

Ninety-nine percent of fresh fruit and vegetables tested for pesticide residues in 2018 have been determined to test well below the maximum levels established by the U.S. Environmental Protection Agency. Almost half of the food items had no detectable levels of pesticides.

The tests indicate that agricultural producers are complying with the label directives which include observing the preharvest intervals that establishes the wait time between pesticide application and harvest. Domestic and imported produce were included in the USDA test.

PGC Proposes Sunday Hunting Dates

At the Board of Game Commissioners quarterly meeting in January, the board gave preliminary approval for the dates of three Sundays where hunting will be allowed next season under the recently passed Sunday hunting expansion law.

All three proposed Sundays fall in the month of November: Nov. 15, an extension of deer archery season; Nov. 22, as part of a four-day bear firearms season; and Nov. 29 as part of the opening weekend of deer firearms season. The Saturday opener, which was enacted last season, was also approved to remain as part of the expanded deer firearms season.

In addition, commissioners tentatively approved a 14-day concurrent deer season, which will expand opportunity to hunt antlerless deer to the two full weeks of deer season. The number of antlerless tags available to hunters will most likely be adjusted in response to the longer season.

The board also approved an expansion of the Deer Management Assistance Program (DMAP), which would allow hunters to purchase up to four DMAP permits per property, up from the current limit of two, except in areas to be determined by the Game Commission.

All three proposals are subject to final approval at the next quarterly meeting scheduled for April 6 and 7. The commission will be accepting public comment on all of the proposals before the meeting.

Lawmakers Briefed on Agricultural Issues

Farmers discussed issues facing agriculture during two state legislative hearings held at the Pennsylvania Farm Show. Pennsylvania Farm Bureau President Rick Ebert told the state House Agriculture Committee about PFB's priorities for the coming year, including giving farmers the legal tools they need to embrace consumer interests and diversify their operations amid a changing market.

Specifically, Ebert, a Westmoreland County dairy farmer, highlighted bills that would protect agritourism operators from frivolous lawsuits over injuries beyond their control and ease regulation of older barns that host weddings and other events. He noted that such legislation would remove major hurdles to farmers diversifying and strengthening their operations by finding ways to connect with customers.

“Many of the Pennsylvania farms that are surviving and thriving right now have several things in common: they either have a diverse revenue stream, or they are selling directly to consumers,” Ebert said.

Meanwhile, David Graybill, a PFB State Board director, gave the farmer’s perspective during a state Senate Environmental Resources and Energy Committee on implementing Pennsylvania’s plan to improve water quality in the Chesapeake Bay Watershed.

Graybill, a Juniata County dairy producer who served on the committee that developed Pennsylvania’s Phase 3 Watershed Improvement Plan, said conservation practices many farmers such as himself have put in place to reduce nutrient runoff have a proven track record of both protecting water quality and improving farms’ bottom line.

He said it’s critical that conservation steps farmers have already taken at their own expense are counted towards Pennsylvania meeting its pollution-reduction goals. Also important, he said, is making sure there is money and technical assistance available to help farmers implement additional conservation practices.

“No matter the mandates in the Chesapeake Bay cleanup plan, farmers in Pennsylvania will continue to act as good stewards of the land,” Graybill said. “We are the original conservationists. Farmers have long recognized that a healthy farm is created by fertile soil and clean water.”

Applications Open for Hemp Permits

Pennsylvania farmers can now apply to grow industrial hemp during the 2020 growing season. The deadline to apply is April 1.

While the 2018 Farm Bill removed industrial hemp as a controlled substance—clearing the way for Pennsylvania to greatly expand its hemp program and allow commercial cultivation—growers must obtain a permit and there are still certain restrictions on where and how the crop can be grown.

Hemp permits cost \$150 and key participants in the business must undergo an FBI background check within 60 days of submitting an application. In 2019, Pennsylvania producers grew more than 4,000 hemp across 324 farms and the state Department of Agriculture hopes to expand the program in 2020.

For more information about permitting or Pennsylvania’s hemp program, visit agriculture.pa.gov/hemp or call PDA’s Bureau of Plant Industry at **717.787.4843**.

Agricultural Producers Launch U.S. Hemp Growers Association

The U.S. Hemp Growers Association (USHGA) has recently been organized by agricultural producers to provide educational, financial and market development resources nationwide for the emerging industrial hemp industry. Most the leaders of the new organization are active hemp farmers.

The USHGA will initially promote soil health and regenerative agricultural that include industrial hemp in the crop rotation. More information may be accessed at ushempga.org.

Farm Vitality Planning Grants Available

State grants are available for farms to develop business or transition plans to ensure their long-term economic viability. Up to \$1 million is available through the Pennsylvania Farm Bill adopted last year.

Funding is available for farmers or prospective farmers to create or obtain business plans to enhance the farm's long-term viability, plans for transitioning ownership of the farm to a family member or another owner and plans to diversify or expand an existing farm.

Grants of up to \$7,500 are available to cover up to 75 percent of project costs. Grants are first-come, first-served. The application period will close April 3 or when funding is exhausted.

Apply or learn more at www.agriculture.pa.gov/Pages/Farm-Vitality-Planning-Program.aspx.

Veteran Farming Conference Coming Up Feb. 28

Veterans and other members of the military community who are farmers or are interested in getting involved in agriculture are invited to attend the first-ever Pennsylvania Veteran Farming Conference coming up Feb.28.

The conference—at the Pennsylvania Military Museum in Boalsburg, Centre County—is open to veterans, military, guard and reserve personnel and their spouses. It is hosted by Pennsylvania Veteran Farmer Project in collaboration with the Pennsylvania Friends of Agriculture Foundation, a charitable organization affiliated with Pennsylvania Farm Bureau.

The conference is designed to include information for both beginning and established farmers. Topics include federal and state grant and loan programs, risk management, agricultural marketing, non-profit farms, business planning and more.

To learn more or register, visit www.troopstotracors.org/events-1 or contact the project director at pavetsfarm@gmail.com or 724.691.1087.