

# AG ISSUES UPDATE

Edited by Sara Hricko

August 2020

## Apple Growers Should Apply Now for CFAP Payments

USDA has asked USApple to remind apple growers that its Farm Service Agency is still accepting applications for the Coronavirus Food Assistance Program (CFAP) through Aug. 28, 2020. The CFAP program helps offset price declines and additional marketing costs because of the coronavirus pandemic.

Nationally, nearly 522,000 producers of all commodities have received more than \$7 billion, although only \$17.2 million has so far been paid to apple growers.

To apply go to:

<https://www.farmers.gov/cfap>

Growers have three options for applying for CFAP payments:

- apply online without documentation
- manually complete the forms and submit them at your local FSA office
- use USDA's Excel-based online application and payment calculator, print, sign and submit to your local FSA office.

Payments will be available for eligible specialty crops that experienced immediate losses, a price decline, spoiled, were unpaid, or were unharvested due to market conditions between January 15, 2020, and April 15, 2020. Specialty crops in inventory or in storage facilities that may be sold after April 15, 2020, are not eligible for CFAP. Payment details for eligible specialty crops are as follows:

1. Payments for crops that had a five percent-or-greater price decline in sales price between January 15, 2020, and April 15, 2020. When requested, producers must provide records such as bills of sale.
2. Payments for crop shipments that left the farm by April 15, 2020, and spoiled due to no market. When requested, producers must obtain documentation such as an explanation of non-payment or other record validating non-payment.
3. Payments for crop shipments that did not leave the farm by April 15, 2020, (for example, were harvested but sitting in crates on the farm), were donated, or mature crops that were unharvested by that date (for example, were plowed under) due to lack of buyers, and which have not been and will not be sold.

FSA conducted a webinar to assist specialty crop growers interested in participating in CFAP. A recording of the webinar is available here:

<https://youtu.be/UM7FpOUzHVk> - *USApple August 10, 2020*

## **USApple Promotes Allen & Grondine**

USApple announced on July 23rd the promotions of Jessa Allen to Vice President of Membership and Events and Tracy Grondine to Vice President of Communications.

The USApple staff takes pride in running a lean and flat organization. So while their responsibilities aren't changing, it's important the apple industry and the association management community understand how Jessa and Tracy have been critical to the organization's success.

Allen joined USApple in 2013 as Director of Membership and Events. While at the organization she has increased membership by 40 percent, strengthened USApple's sponsors and allied supporters into an impressive industry-wide roster, and successfully grown and implemented USApple's annual Outlook Conference and Capitol Hill Day meeting.

Allen received her Bachelor of Arts degree in Sociology from McDaniel College. She has been a Certified Association Executive (CAE) since 2010. Prior to joining USApple, Allen had more than a decade of diverse experience with professional and trade associations spanning the healthcare, human resources and affordable housing industries.

Grondine joined USApple in 2018 as Director of Consumer Health and Media Relations. Under her purview she has refocused USApple's communications structure from that of recipe and health platforms to supporting the organization's political advocacy efforts, while raising the industry's profile through proactive media relations programs and integrated social/digital campaigns. In addition, she oversees USApple's crisis management program and the association's signature Apples4Ed grant program.

Grondine has significant experience as a communications leader in agriculture, including her work at the National Grange, National Corn Growers Association, National Council of Farmer Cooperatives and 11 years at the American Farm Bureau Federation. She holds a Bachelor of Arts degree in Political Science from the University of Charleston and a Master of Arts in Political Management from The George Washington University. – *Apple Bites July 23, 2020*

## **USApple Weighs in with Administration Regarding Concerns about Seasonality**

USApple joined a broad agriculture coalition in responding to a request from the administration for comments on the "impact of trade distorting policies that may be contributing to unfair pricing in the U.S. market and causing harm to U.S. seasonal and perishable producers in U.S. commerce."

Like USApple, the organizations represent growers who worked in support of and rely heavily on the success of the United States-Mexico-Canada Agreement (USMCA). The issue of seasonality, particularly in regard to tomatoes, was a point of contention during the USMCA negotiations.

The letter states that, "we are concerned that punitive measures levied against seasonal fruits and vegetable imports from Mexico, in particular, would inflict undue retaliatory harm on U.S. agricultural producers and undermine the hard-fought gains won in USMCA. As you are aware, the U.S. agricultural industry has often been the primary target of retaliation by foreign governments engaged in trade disputes with the U.S., and is likely to once again bear the brunt of retaliation if actions are taken to

restrict trade in seasonal produce from the Mexican market in a manner not keeping with U.S. trade commitments. At this especially challenging time, rural America cannot afford to shoulder the expected additional costs and loss of market demand associated with retaliation, nor can the U.S. agricultural industry realize the benefits of the USMCA if it is priced out of its second largest export market."

USApple will continue to follow this issue closely and work to ensure trade with Mexico is not disrupted.  
-Apple Bites August 4, 2020

## **Farm Bureau updates August 2020**

### **Farm Groups for Worker Protection, Labor Access Measures**

Agricultural organizations are asking Congress to help farmers protect their employees and maintain crucial access to workers during the COVID-19 pandemic.

In a joint letter, several general farm groups and organizations representing fruit and vegetable growers asked congressional leaders to help protect farmworkers by ensuring that farmers and farmworkers have priority access to additional testing, protective equipment and, when available, COVID-19 vaccines and therapeutic treatments. The letter also calls for additional funding to help farms quarantine workers who test positive for the virus.

In addition, the Agriculture Workforce Coalition—which includes several farm and commodity organizations—sent a letter to the Senate asking for funding to help farm employers to implement safety measures. These include purchasing additional protective gear and testing, securing additional housing and vehicles to help maintain social distancing and making safety upgrades to work and housing facilities. The coalition is also calling for changes to the H-2A visa program to ensure that farms have access to essential workers during the pandemic. Those include modernizing the program so that agriculture-related activities, such as hauling and packing, are included; allowing farms with year-round labor needs to access the program; and freezing the Adverse Effect Wage Rate to avoid a major spike in costs while farms are also dealing with the financial fallout of the pandemic.

### **Senate Eyes Fixes to Make Small Business Loan Program More Workable for Agriculture**

Farmers are asking the U.S. Senate to increase funding for one of the U.S. Small Business Administration's main COVID-19 relief programs and make improvements so that more producers can participate.

In a recent letter to leaders of the Senate Small Business and Entrepreneurship Committee, American Farm Bureau President Zippy Duvall highlighted improvements to the SBA's Paycheck Protection Program to make the program more workable for agriculture.

Agriculture, forestry, fishing and hunting businesses account for only 1.5 percent of loans distributed through the program, which is designed to help small businesses and sole proprietors affected by the pandemic pay employees and some overhead expenses. Some aspects of the program do not take into account the unique nature of agriculture businesses. For example, many farmers were shut out of the program due to having reported net losses the previous tax year.

In addition to increasing funding for the program, Duvall called for:

- Forgiveness of loans up to \$150,000.

- Allowing farms operating as sole proprietorships to base their income for eligibility calculations on gross receipts rather than net income.
- Clarifying that seasonal workers with H-2A visas qualify as employees and that wages paid to them qualify for loan forgiveness.
- Including rental payments in the calculation for loan forgiveness.
- Allowing expenses related to providing protective gear and enhancing workers safety due to COVID-19 to qualify for loan forgiveness.
- Including income from farm equipment trades, breeding livestock and all rental income in the calculation for loan availability.
- Several tax-related clarifications and fixes.

Several pieces of legislation would address some of the proposed changes, including the Expanding Assistance to Farmers Act, Small Business Expense Protection Act, JOBS Credit Act and Paycheck Protection for Producers Act, which was sponsored by two members of Pennsylvania congressional delegation, Reps. Glenn "G.T." Thompson and John Joyce.

## **Bill Would Increase Borrowing Limit for Farm Programs**

A proposal in Congress would increase the amount of money that may be borrowed to fund safety net programs and support programs that help farms remain in operation through disasters and times of crisis.

Pennsylvania Farm Bureau recently asked members of the state's congressional delegation to support the legislation, which would increase the borrowing limit of the Commodity Credit Corporation, the federal government's primary funding mechanism for many farm bill programs. The CCC can now borrow up to \$30 billion from the U.S. Treasury to quickly support agriculture when needed, a limit that has not increased since 1987. The legislation would raise that ceiling to \$68 billion and allow it to rise automatically with inflation.

## **Proposal Would Create Locally Focused Conservation Program for Agriculture**

Farmers and local conservation officials would partner on conservation projects that improve water quality through a new program expected to be proposed in the General Assembly.

State Sen. Gene Yaw of Lycoming County has signaled plans to introduce legislation to create an Agricultural Conservation Assistance Program administered by the State Conservation Commission. The program would provide funding to county conservation districts across the state to partner with local farmers to implement conservation practices. Conservation districts would determine what types of projects should be prioritized to make the greatest improvements to water quality, allowing the program to be tailored for each county to meet local needs.

Pennsylvania Farm Bureau partnered with other organizations and government agencies to help develop the proposal.

Funding would be distributed based on a formula. While counties with the most need for investments in conservation—such as those working to meet federally mandated goals for reducing nutrient and sediment pollution in the Chesapeake Bay Watershed—would receive the most funding, the program would provide funding to conservation districts throughout the state.

## **Senate Passes Relief Bill for County Fairs**

A bill that aims to provide financial relief to county fairs that cannot be held due to the COVID-19 pandemic cleared the state Senate unanimously.

Senate Bill 1182, introduced by Sen. Michele Brooks of Mercer County, now goes to the House for consideration.

Normally, county fairs are eligible to receive reimbursements from the state after holding a certain number of agricultural-related activities and events during the fair. The bill would allow fairs that do not open this year due to the pandemic to apply for grants equal to the state reimbursements they received in 2019. Most, if not all, county fairs will be unable to open this year due to limits on large gatherings during the pandemic.

## **Beginning Farmer Tax Credit Opens**

Property owners in Pennsylvania have a new financial incentive to help beginning farmers access the tools they need to get their start in agriculture.

The Beginning Farmer Tax Credit provides an income tax credit for selling or leasing agricultural assets such as land, livestock, facilities, and equipment to a beginning farmer. The program, administered by the Pennsylvania Department of Community and Economic Development, is open now.

Pennsylvania Farm Bureau partnered with state Sen. Elder Vogel, Jr. of Beaver County, chair of the Senate Agriculture and Rural Affairs Committee, to develop and introduce legislation creating the tax credit last year. The measure was signed into law in June 2019.

Beginning farmers who participate in the program must be certified by DCED by demonstrating that they have the experience or transferable skills needed to work in agriculture, have not received income from farming for longer than 10 years, and plan to farm in Pennsylvania, providing the majority of the labor and management for their operation.

Property owners can claim a credit equal to 5 percent of the sale price or fair market value (whichever is lower) of an asset sold to a beginning farmer, up to a maximum of \$32,000. For rental agreements, the credit is equal to 10 percent of gross rental income for the first, second and third years of the rental agreement, up to a maximum of \$7,000 per year. The program is capped at \$5 million for the 2020 tax year and \$6 million for 2021 tax year.

More information, including guidance from DCED and required forms are available at [www.pfb.com/BeginningFarmerTaxCredit](http://www.pfb.com/BeginningFarmerTaxCredit).

## **Schuylkill County Farmer Appointed to USDA Advisory Committee**

A Schuylkill County farmer will help advise the U.S. Department of Agriculture on policy related to fruit and vegetable crops.

Julie Masser Ballay was one of 24 members recently appointed to USDA's Fruit and Vegetable Industry Advisory Committee. She is vice president and CFO of Sterman Masser, Inc., a potato grower, processor and wholesaler, and serves on the Schuylkill/Carbon County Farm Bureau Board of Directors.

Appointees to the committee serve two-year terms and advise the USDA secretary on issues affecting the fruit and vegetable industry.

## **REAP Program Now Open**

Applications are now open for one of Pennsylvania's signature conservation programs, which offers tax credits to agricultural producers who implement on-farm conservation practices.

The Resource Enhancement and Protection Program (better known as REAP) is funded at \$10 million dollars this year. Farmers can apply for REAP tax credits to cover 50 to 75 percent of the costs of implementing conservation practices or purchasing related equipment. In high-priority areas, such as the Chesapeake Bay Watershed, credits covering up to 90 percent of costs are available for certain targeted practices, such as 50-foot, forested riparian buffers and measures to exclude livestock from streams.

Common REAP projects include no-till planting and precision ag equipment, waste storage facilities, conservation plans, Nutrient Management Plans, cover crops, riparian buffers and barnyard runoff controls. Credits can be used in conjunction with other funding sources and applications are accepted on a first-come, first-served basis.

Learn more about the program and how to apply at <https://bit.ly/30hYrEc>.

## **Conservation Grants Available to Farmers in Lancaster, York Counties**

The Pennsylvania Department of Agriculture has opened up applications to farmers in Lancaster and York counties for up to \$250,000 in Conservation Excellence Grants.

The \$2.5 million program, created by 2019 PA Farm Bill, funds on-farm measures that reduce erosion and run-off, including fencing to keep livestock out of streams, streambank restoration, cover crops, riparian buffers, manure storage, and comprehensive nutrient management plans. Funding will support technical assistance and the installation of these and other high-impact BMPs.

Funds will be administered by the Lancaster and York County Conservation Districts. Lancaster and York County farms have been prioritized in order to help Pennsylvania meet its federally mandated goals to reduce nitrogen, phosphorous and sediment runoff into the Chesapeake Bay by 2025.

Applications will be evaluated on a first-come, first-served basis, according to their potential to meet program criteria. Grant funding may be combined with other public grants, tax credits such as the Resource Enhancement and Protection Program, and private funding.

Applications are also available online at <https://bit.ly/2CLJyAD> and from both counties' conservation district offices. Farmers with questions about applying may contact Program Administrator Eric Cromer at 223.666.2556 or [ecromer@pa.gov](mailto:ecromer@pa.gov).

## **Ag Law updates**

**Brook Duer—Staff Attorney**

**Audry Thompson—Research Assistant**

## **COVID-19: Coronavirus Food Assistance Program (CFAP) Pennsylvania Data**

Every Monday, USDA updates its publicly available data on aggregate Coronavirus Food Assistance Program (CFAP) payments. Pennsylvania totals as of August 3, 2020, are below:

<u>PENNSYLVANIA</u>	<u>Payments</u>	<u>Applications</u>
Non-Specialty Crops	\$15,259,611.94	3,989
Specialty Crops	\$3,761,208.03	71
Livestock	\$22,439,794.29	4,339
Dairy	<u>\$77,818,505.29</u>	<u>2,410</u>
TOTALS	\$119,279,119.55	10,809

## **Additional updates from the PA Farm Bureau**

### **Upcoming Workshops for Women in Agriculture to Focus on Conservation**

American Farmland Trust is holding a series of workshops this fall in Pennsylvania for women farmers and farmland owners to learn more about conservation and farmland preservation.

Learning circles are scheduled for September and October in Perry, Dauphin, York, Lebanon and Adams counties. Each session includes a one- to two-day curriculum on conservation options and resources featuring discussions with other local landowners and farmers and services from agencies. There will also be free meals and an optional farm tour.

To learn more information, including the schedule, and to register, visit <https://farmland.salsalabs.org/midatlanticwomenfortheland/index.html>.

## **Time to Apply for YAP Awards**

Pennsylvania Farm Bureau will be accepting applications throughout the summer for three Young Ag Professionals contests: Achievement Award, Excellence in Agriculture Award and Social Media Video Contest.

The Achievement Award recognizes an individual or couple who has made significant achievements in production agriculture and leadership and who has the majority of their income subject to normal production risks. The Excellence in Agriculture Award has a similar focus but recognizes an individual or couple who does not have the majority of their income subject to normal production risk.

The Social Media Video Contest invites participants to make a fun, educational video about a farm or agricultural facility that helps promote modern agricultural practices to consumers.

Applications are due by Sept. 18. As a special incentive this year, any applicant who submits a complete application for the Achievement or Excellence in Agriculture awards will receive \$100. All three contests are open to Pennsylvania Farm Bureau members ages 18 to 35.

The winners of all contests will receive great prizes and will be recognized as part of PFB's Virtual Annual Meeting.

Application forms will be available soon at [www.pfb.com/get-involved/young-ag-professionals](http://www.pfb.com/get-involved/young-ag-professionals).

## **New Stress-Management Training Program for Agriculture**

Farm Bureau and other organizations have launched a free, online course that aims to help farmers, their families and neighbors identify and cope with stress.

The course, developed by Michigan State University Extension and University of Illinois Extension, gives participants the skills to understand the sources of stress, manage their own stress, learn the warning signs of stress and suicide, identify effective communication strategies, and connect farmers with appropriate mental health and other resources.

Farm Bureau is partnering with Farm Credit and the National Farmers Union to offer the course to the general public.

"We have to break through with a message of hope and help," said American Farm Bureau Federation President Zippy Duvall. "Families don't have to face today's stresses and heavy burdens alone. This free online resource is a first step toward recognizing the signs and knowing what to do. We hope anyone who knows someone struggling will take advantage of this potential lifeline."

Learn more or register for the course at [opencoursesstore.d2l.com/product?catalog=msu\\_urmfs\\_2020](https://opencoursesstore.d2l.com/product?catalog=msu_urmfs_2020).