

AG ISSUES UPDATE

Edited by Sara Hricko

June 2021

USApple Updates

USApple's Market News – June 2021

The June 2021 edition of Market News can be found at this site: <https://usapple.org/wp-content/uploads/2021/06/Market-News-2021-6.pdf>. This is the eighth report on the 2020 apple crop. According to the survey, this year's fresh apple holdings on June 1, 2021, totaled 27.7 million bushels, 18.8 percent less than the inventories reported for June 1 of last year. Processing holdings totaled 12.4 million bushels, 10.2 percent less than last year on June 1. The total number of apples in storage on June 1, 2021, was 40.1 million bushels, 16.3 percent less than last June's total of 47.9 million bushels and 1.8 percent above the 5-year average for that date.

Industry Mourns Paul Baker

Last week, former USApple chairman Paul Baker passed away following an automobile accident. Paul was a passionate advocate for agriculture. He was an effective leader pressing the apple industry's issues in the halls of Congress every March at USApple's Capitol Hill Day. Rest in peace, Paul. You will be greatly missed.

Farm Bureau updates

Reminder: Tell Congress Tax Plans Would Threaten Family Farms

Members of Congress need to hear from the farmers they represent how taxing unrealized capital gains at death and eliminating the stepped-up basis on those capital gains would be devastating to the future of Pennsylvania's family farms.

Farm Bureau is opposing plans in Congress that would make those tax changes, warning the move could force many farms out of business. Enacting those changes would result in a significant and disproportionate tax burden for family farms, which depend on being able to transfer assets between generations.

Stepped-up basis enables farms to reduce the burden of capital gains taxes by resetting the value of an asset when it is transferred between generations. It's especially important in agriculture because assets, such as land, are often held for decades and passed on from generation to generation. Currently, the capital gains taxes on the stepped-up value of an inherited asset are deferred until that asset is sold. So if capital gains are taxed at death and the stepped-up basis is removed, the next generation inheriting the farm could be forced to pay taxes on the increase in value over generations.

In Pennsylvania, the average cropland value has increased 168 percent since 1997, resulting in an estimated capital gains tax of \$890 per acre. In that scenario, the capital gains tax would be close to 10 times the average cash rental rate.

Make your voice heard by responding to Pennsylvania Farm Bureau's Action Alert at www.pfb.com/ActNow.

On-Site COVID Vaccine Clinics Available for Farms, Agriculture Businesses

The Pennsylvania Department of Agriculture and Pennsylvania Emergency Management Agency are now offering on-site COVID-19 vaccination clinics for farms and other agricultural businesses throughout Pennsylvania.

The program is part of the ongoing effort to vaccinate farmers and farm workers across the state to slow the spread of COVID-19, protect the agricultural community, and prevent further disruptions to the food supply chain.

If your farm business has ten or more people in need of vaccination and is willing to do an on-site clinic, please visit <https://bit.ly/3ifXiWW> to take a survey. A representative will follow up to schedule or answer questions you may have.

Pennsylvania Farm Bureau has information about the vaccine, including where to find appointments, on our vaccine website. Visit www.pfb.com/vaccine for more information.

Broadband Infrastructure Bill Clears State Senate

The state Senate has passed legislation that would identify opportunities to expand high-speed internet infrastructure.

Senators approved Senate Bill 442 with a 27-20 vote recently, sending the measure to the state House for consideration.

The bill, sponsored by Sen. Kristen Phillips-Hill of York County, would direct the state Department of General Services to compile a list of state-owned assets that could be used to host technology to expand broadband access.

Increasingly, broadband access is becoming critical to agriculture, business and daily life, but many rural areas in Pennsylvania lack adequate service. That digital divide was especially highlighted during the COVID-19 pandemic, when many essential aspects of daily life such as work, education and medicine moved online putting residents in areas where service is lacking at a disadvantage.

Pennsylvania Farm Bureau supports the bill. PFB believes a multi-pronged approach is needed to expand high-speed internet access in Pennsylvania and examining state assets that could assist in broadband deployment is just one of those steps.

PFB Seeks Proposals for Annual Meeting Presentations

Pennsylvania Farm Bureau is offering educators, associations, businesses and others an opportunity to host presentations on issues that appeal to a wide variety of farmers, during the state's largest farm organization's 71st Annual Meeting, scheduled for Nov. 15-17 in Hershey.

PFB is seeking proposals from potential presenters for several educational sessions. Presentations typically cover a wide variety of topics, such as, but not limited to, agricultural economic trends and forecasts, agricultural education, animal health, commodity promotion and marketing; communicating about controversial subjects, environmental conservation practices, family wellness, farm and food blogging and social media, farm business planning; farm management, finance and marketing, farm safety, farm-to-table promotions and direct marketing, invasive species, leadership development, new farm technologies, and rural entrepreneurship.

More than 600 people from across Pennsylvania typically participate in PFB's Annual Meeting, where county Farm Bureau leaders debate policy positions of the organization, set PFB's agenda for the coming year and recognize achievements of the past year.

The deadline for submission of proposed presentations is Thursday, July 15, 2021. Proposals may be submitted online at <https://pfb.com/annual-meeting-presentations>.

For more information about criteria for the presentations or to submit a proposal, please contact PFB's Annual Meeting Special Events Coordinator Kim Flegal at **717.731.3580** or **klflegal@pfb.com**.

Ag Law updates

Brook Duer—Staff Attorney
Audry Thompson—Research Assistant

Local Food: USDA Announces Allocation of \$92.2 Million for Local Agriculture Market Program Grants

On May 5, 2021, the U.S. Department of Agriculture (USDA) announced the allocation of \$92.2 million for three competitive grant programs under the Local Agriculture Market Program (LAMP), established by the 2018 Farm Bill. USDA will provide a combined total of \$76.9 million to the Farmers Market Promotion Program (FMPP) supporting direct-to-consumer sales and the Local Food Promotion Program (LFPP) to develop local and regional food distributors and processors. USDA will also provide \$15.3 million to the Regional Food System Partnerships (RFSP), which supports public and private partnerships to develop local and regional food systems. All three programs require a 25% match. The application deadline is June 21, 2021, for FMPP and LFPP grants, and July 6, 2021 for RFSP grants. USDA AMS plans to conduct grant application webinars (and post the recordings) in the near future, details of which will be posted on the respective program webpages linked herein.

Pesticides/Herbicides: European Union Court of Justice Denies Bayer's Appeal of Neonicotinoid Restriction

On May 6, 2021, the Court of Justice of the European Union (CJEU) issued a judgment denying Bayer's appeal of the European General Court's (EGC) dismissal of Bayer's May 2018 suit seeking annulment of Regulation 485/2013 of 24 May 2013 restricting the use of neonicotinoids in the European Union. *C-499/18 P, Bayer CropScience AG and Bayer AG v. European Commission*. The regulation restricts the sale and use of seeds containing the neonicotinoids clothianidin, thiamethoxam and imidacloprid in accordance with the commission's assessment of the pesticides' potential harmful risks to bees. Bayer claimed, among other arguments, that the risk assessment and scientific evaluation were not sufficiently exhaustive to justify the regulation. The court denied Bayer's appeal, stating that the "precautionary principle," which authorizes the regulation, establishes that where there is uncertainty as to the existence or extent of risks, including risks to the environment, protective measures may be taken without having to wait until "the reality and seriousness of those risks become fully apparent." The court held that an exhaustive risk assessment is not required nor must a regulation "be deferred solely on the grounds that studies are underway which may call into question the available scientific and technical data." The court dismissed the appeal and ordered Bayer to pay court costs for opposing parties, including the European Commission.

Agricultural Labor: Congressional Hearing Held on Farmworker Overtime Pay

On May 3, 2021, the Workforce Protections Subcommittee of the U.S. House Committee on Education and Labor held a legislative hearing titled, *“From Excluded to Essential: Tracing the Racist Exclusion of Farmworkers, Domestic Workers, and Tipped Workers from the Fair Labor Standards Act.”* The committee focused on expanding overtime pay for agricultural workers and H.R. 1080, titled *“Fairness to Farm Workers Act,”* which would phase in overtime pay for farmworkers nationally, consistent with the handful of states who have already done so.