

AG ISSUES UPDATE

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USApple Updates

USApple President and CEO Jim Bair Attends Presidential Signing of the Ocean Shipping Reform

Falls Church, Va. (June 16, 2022)—U.S. Apple President and CEO Jim Bair attended a signing ceremony today at the White House for the Ocean Shipping Reform Act. Apple leaders from across the U.S. have long advocated for an overhaul to ocean shipping laws to help clear port blockages and prevent foreign ocean carriers from leaving U.S. ports with empty containers rather than taking on U.S. export cargo.

“There haven’t been many export victories for apple growers during the past four years between the ongoing trade wars, the resulting retaliatory tariffs and our lost markets, so it was gratifying to see President Biden sign the Ocean Shipping Reform Act into law today,” said USApple President and CEO Jim Bair. “Apple growers and businesses have been advocating for substantial changes to the ocean shipping laws, most recently at USApple’s annual Capitol Hill Day in March.”

According to USApple, year-to-date apple exports to all destinations are down 34 percent compared with 2018, with apple exports to India – then the number two market – down 98 percent.

The Ocean Shipping Reform Act, passed unanimously by the Senate and with a large bipartisan majority in the House, is the first time since 1998 that Congress has passed legislation to overhaul ocean shipping laws. The bill mandates the Federal Maritime Commission to complete rulemaking defining unreasonable refusal of U.S. exports. According to USApple, the bill’s language isn’t as tough as groups representing agriculture shippers would have liked, referencing earlier versions that instructed the Commission how to define unreasonableness. While work remains to ensure the act’s implementation brings the needed changes, it is a step in the right direction.

Farm Bureau updates

Preparations Underway for Penn State's 2022 Ag Progress Days Expo

UNIVERSITY PARK – Organizers have begun preparations for Penn State's 2022 Ag Progress Days exposition, which will be held Aug. 9-11 in Centre County.

Sponsored by the College of Agricultural Sciences, the expo is held at the Russell E. Larson Agricultural Research Center at Rock Springs, located 9 miles southwest of State College on state Route 45. Admission and parking are free.

Jesse Darlington, Ag Progress Days manager, said the event is designed to appeal to farm operators, home gardeners, conservationists, youth and families, woodland owners, horse enthusiasts, and anyone interested in the science behind agricultural production and natural resource management.

Ag Progress Days typically features more than 500 commercial and educational exhibitors. Commercial exhibits will showcase the latest ag-related goods and services, and field demonstrations will feature the newest models of farm machinery in action.

Interactive educational displays and workshops will highlight the latest science-based practices, and visitors can take guided tours to see some of the research underway at the surrounding, 2,100-acre Russell E. Larson Agricultural Research Center.

Darlington noted that the College of Agricultural Sciences Exhibits Building and Theater will provide a hub for expert information and presentations on animal health, including avian influenza, vector-borne diseases such as Lyme disease, and climate-smart agriculture.

Faculty and Penn State Extension educators also will be on hand throughout the grounds to answer questions and provide information on crop, dairy, livestock and equine production; conservation practices; integrated pest management; woodlot management; farm safety; foods and nutrition; home gardening; 4-H youth programs; and other topics.

Other planned activities and attractions include food demonstrations, a sunflower maze, horse exhibitions and clinics, wildlife displays, children's activities, exhibits of antique farm and home implements in the Pasto Agricultural Museum, and a wide variety of food booths.

Ag Progress Days hours are 9 a.m. to 5 p.m. on Aug. 9; 9 a.m. to 7 p.m. on Aug. 10; and 9 a.m. to 4 p.m. on Aug. 11.

New Federal Tax Year Begins for Heavy Highway Vehicles

Owners of registered vehicles with a registered gross weight of 55,000 pounds or more, including registered farm vehicles, are required to file each year a federal Heavy Highway Vehicle Use Tax (HVUT) return (Form 2290) with the IRS, even if no tax is due. The HVUT's tax year begins on July 1 each year. If

a federal heavy use vehicle tax return has not been filed, PennDOT will likely reject renewal applications for farm plates. Agricultural vehicles operated 7,500 miles or less during the tax year are exempt from payment of tax, as well as other vehicles operated 5,000 miles or less.

Many farmers will be able to complete their HVUT return by simply declaring that the truck will qualify for the agricultural exemption. Pages 7-8 of the *Instructions to Form 2290*, which are included in the above link, outline how to claim the exemption. Form 2290 must be filed by the last day of the month following the month of first use. So, farmers that use their heavy vehicle on the roadway in July, need to file Form 2290 by August 31 of the following month.

Other Source Updates

International Trade: Ocean Shipping Reform Act Enacted

On June 16, 2022, President Biden signed into law the Ocean Shipping Reform Act of 2022 (P.L. 117-146). The bill is intended to improve conditions at U.S. ports where “vessel-operating common carriers” (VOCC) have prohibitively increased prices and engaged in other practices which have prevented the shipment of U.S. agricultural goods primarily due to high demand to transport empty containers back to Chinese ports. The Federal Maritime Commission is given expanded regulatory authority to regulate a VOCC’s pricing and practices in U.S. ports and provides multiple deadlines for the Commission to publish various proposed regulations, including those to address the empty container problem. – *Penn State Agricultural Law Weekly Review, June 17th, 2022*

Food Safety: \$200 Million for Specialty Crop Producers’ Expense

Reimbursement

On June 17, 2022, the United States Department of Agriculture announced that its new Food Safety Certification for Specialty Crops (FSCSC) program would make available to specialty crop producers \$200 million in reimbursement for a defined percentage of eligible expenses incurred in obtaining food safety certificates in 2022 and 2023. - *Penn State Agricultural Law Weekly Review, June 17th, 2022*

RMA Announces Greater Flexibilities for Crop Insurance Reporting

WASHINGTON — Specialty crop producers can now benefit from greater flexibility to use their own records to meet crop insurance reporting requirements. The U.S. Department of Agriculture (USDA) is

announcing revisions that will make it easier for specialty crop producers and others who sell through direct marketing channels to obtain insurance, report their annual production, and file a claim.

Changes include:

- A new marketing certification that allows producers to self-identify if they will not have disinterested third-party records, when required, and enables them to use their own supporting production records. This will benefit direct marketers and vertically integrated producers since they often do not have disinterested third-party records.
- Allowing producers to use their own records, thereby limiting the need for Approved Insurance Providers (AIP) preharvest appraisals as a supporting record.

Before these changes, RMA generally required disinterested third-party records and AIPs may have conducted preharvest appraisals as a supporting production record.

These updates also improve transparency in the producer's policy by adding production reporting definitions, listing the 30-day appeal deadline for good farming practice determinations, clarifying where a producer can find information in the policy, and updating terminology to be consistent across the policy.

These revisions and other updates come through the Crop Insurance Reporting and Other Changes Final Rule published today by the Federal Crop Insurance Corporation. This Final Rule will update the Common Crop Insurance Provisions Basic Provisions, Area Risk Protection Insurance Basic Provisions, and includes changes to individual Crop Provisions. Twenty Crop Provisions will be publicly released on June 30, 2022. – *Morning Ag Clips, July 3rd, 2022*

USDA Announces Assistance for On-Farm Food Safety Expenses for Specialty Crop Growers

HOLLIS, N.H. — Agriculture Secretary Tom Vilsack announced that the U.S. Department of Agriculture (USDA) plans to provide up to \$200 million in assistance for specialty crop producers who incur eligible on-farm food safety program expenses to obtain or renew a food safety certification in calendar years 2022 or 2023. USDA's new Food Safety Certification for Specialty Crops (FSCSC) program will help to offset costs for specialty crop producers to comply with regulatory requirements and market-driven food safety certification requirements, which is part of USDA's broader effort to transform the food system to create a more level playing field for small and medium producers and a more balanced, equitable economy for everyone working in food and agriculture.

Specialty crop operations can apply for assistance for eligible expenses related to a 2022 food safety certificate issued on or after June 21, 2022, beginning June 27, 2022. USDA is delivering FSCSC to provide critical assistance for specialty crop operations, with an emphasis on equity in program delivery while building on lessons learned from the COVID-19 pandemic and supply chain disruptions. Vilsack made the announcement from Hollis, N.H., where he toured a local, family-owned farm and highlighted USDA's efforts to help reduce costs for farmers and support local economies by providing significant funding to cut regulatory costs and increase market opportunities for farmers in New Hampshire and across the nation.

Program Details

FSCSC will assist specialty crop operations that incurred eligible on-farm food safety certification and related expenses related to obtaining or renewing a food safety certification in calendar years 2022 and 2023. For each year, FSCSC covers a percentage of the specialty crop operation's cost of obtaining or renewing their certification, as well as a portion of their related expenses.

To be eligible for FSCSC, the applicant must be a specialty crop operation; meet the definition of a small business or very small business; and have paid eligible expenses related to the 2022 (issued on or after June 21, 2022) or 2023 certification.

Specialty crop operations may receive assistance for the following costs:

- Developing a food safety plan for first-time food safety certification.
- Maintaining or updating an existing food safety plan.
- Food safety certification.
- Certification upload fees.
- Microbiological testing for products, soil amendments and water.
- Training.

FSCSC payments are calculated separately for each category of eligible costs. A higher payment rate has been set for socially disadvantaged, limited resource, beginning and veteran farmers and ranchers. Details about the payment rates and limitations can be found at farmers.gov/food-safety.

Applying for Assistance

The FSCSC application period for 2022 is June 27, 2022, through January 31, 2023, and the application period for 2023 will be announced at a later date. FSA will issue payments at the time of application approval for 2022 and after the application period ends for 2023. If calculated payments exceed the amount of available funding, payments will be prorated.

Interested specialty crop producers can apply by completing the FSA-888, Food Safety Certification for Specialty Crops Program (FSCSC) application. The application, along with other required documents, can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. Producers can visit farmers.gov/service-locator to find their local FSA office. Specialty crop producers can also call 877-508-8364 to speak directly with a USDA employee ready to assist.

Producers can visit farmers.gov/food-safety for additional program details, eligibility information and forms needed to apply. – *Morning Ag Clips, June 20th, 2022*