

AG ISSUES UPDATE

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USApple Updates

Wall Street Journal Highlights Impacts of Tariffs on Apple Industry

The Wall Street Journal (WSJ) published a letter by USApple President and CEO, Jim Bair, on its website and in the August 4th print edition. In his letter, Jim emphasizes that while apple growers are a 'patriotic bunch,' the loss of any export market due to tariffs is deeply painful. With trade policy a major focus in both Presidential campaigns, it's advantageous to present the apple industry's stance in an agenda-setting publication.

The WSJ is the largest business publication in the world, with 42.4 million monthly readers. The letter is below.

THE WALL STREET JOURNAL.

OPINION | Letters

Apple Growers Can Compete With China, if You Let Us

Growers supported full market access because of their confidence in producing a superior product.

Aug 04, 2024 10:00 a.m. ET

Regarding Samuel Gregg's op-ed "Tariff Men Won't Help America's Workers" (July 18): U.S. apple growers had been competing with China since 2014 and winning, despite China growing 10 times as many apples as America. Growers supported full market access with China because of their confidence in producing a superior product. As a result, in only four years China went from buying almost none of our apples to become our sixth-largest export market. When the U.S. imposed tariffs in 2018, China retaliated with tariffs that crushed our exports. Farmers are a patriotic bunch and we understand that there are larger geopolitical considerations than apples, but that doesn't make the loss any less painful.

Jim Bair

President, U.S. Apple Association

Falls Church, Va.

USApple Meets with Republican Policy Director

USApple President & CEO, Jim Bair, was part of a small meeting with Russ Vought, Director of the White House Office of Management & Budget in the Trump Administration and current Policy Director for the Republican National Committee's Platform Committee. Others in the meeting represented the automobile, chemical, and shipping industries. Jim used the opportunity to describe the economic impact of retaliatory tariffs on apple growers in response to then-President Trump's tariffs on India and China. On the campaign trail Trump is calling for an across the board 10% tariff on all imported goods

from every country. Jim also discussed the dire labor situation and asked for discretion in securing the border, should Trump be re-elected, and not confuse the H-2A visa program as a contributor to the border security problem and make the labor situation worse.

Round-Table Discussion on Border Security and Immigration

USApple Senior Vice President, Diane Kurrle, attended an invitation-only roundtable discussion on border security and immigration reform hosted by Reps. Tom Suozzi (D-NY), and Morgan Luttrell (R-TX) in the Capitol on July 24. The discussion focused on common sense approaches to secure the border while ensuring an adequate workforce and making DACA permanent. Reps. Bacon (R-NE), Barragan (D-CA), Panetta (D-CA) and Gozalez (R-TX) as well as several business trade associations were also in attendance. The broad attendance reflects the importance of the issue even during an election year.

USApple Submits Ziram Comments to EPA

On April 30 EPA published a proposed interim decision for the fungicide Ziram and requested public comments. USApple submitted comments explaining that fungicides are a valuable tool for apple growers, and Ziram is one of the few effective multi-site fungicides available to treat apple scab, bitter rot, and various other rots and molds.

As growing seasons continue to lengthen, USApple said in its comments, it is important that growers continue to have access to the tools needed to supply a safe and healthy product to consumers.

USApple meets with the Top FDA Food Regulator

On Wednesday, July 18th, the USApple Board of Directors met with Jim Jones, FDA Deputy Commissioner for Human Foods, and members of his staff. Jones briefed the apple leaders on FDA priorities including microbiological contamination, agricultural water, traceability, import inspections, and the definition of 'healthy food' labels.

Jones took over the top spot in FDA's foods program in September 2023. Previously, he spent most of his career as a federal regulator of pesticides, toxic substances, chemical safety, and pollution prevention at the EPA. President & CEO Jim Bair and general counsel Ed Ruckert have worked with Jones in different capacities for more than 25 years, and know him well.

Jones stressed the importance of collaboration and transparency. Toward that end, USApple reaffirmed the industry's commitment to food safety as Job #1, and to helping the agency better understand the apple industry whenever possible.

PSU Ag and Shale Law

Crop Insurance: Final Rule Allows Enterprise Units for Organic and Specialty Crops

On June 27, 2024, the U.S. Department of Agriculture (USDA) Federal Crop Insurance Corporation (FCIC) published in the Federal Register a final rule (89 FR 53822) amending its regulations to, among other provisions, allow additional specialty and organic crops to qualify for enterprise units, which “allow a producer to insure all acres of the insured crop in the county together” and “are attractive to producers due to lower premium rates offered to recognize the lower risk associated with the geographic diversification.” Also announced by USDA’s Risk Management Agency (RMA), the final rule became effective June 30, 2024 and applies beginning with the 2025 crop year. Additionally, FCIC states that it “will consider comments . . . receive[d] by the close of business August 26, 2024 . . . and may conduct additional rulemaking based on the comments.”

Local Agricultural Policy: Pennsylvania Passes Law Allowing Deliveries with Employee-Driven Farm Vehicles

On July 8, 2024, Pennsylvania Governor Josh Shapiro signed into law S.B. 916 (2024 Act 51) amending 75 Pa.C.S. § 1344, among other provisions. The new law allows the transportation of agricultural commodities or supplies in vehicles with farm plates “regardless of whether the vehicle is operated by the registrant of the vehicle or an employee of the registrant of the vehicle.” The previous law required the vehicle to be driven only by the vehicle’s registrant for home deliveries of agricultural goods. This provision of the law becomes effective 60 days after the bill’s passage, on September 6, 2024.

MORNING AG CLIPS

USDA Announces Additional RAPP Funding to Expand, Diversify Export Markets

WASHINGTON — The U.S. Department of Agriculture will make an additional \$300 million available through the Regional Agricultural Promotion Program to help grow export markets for American farm and food products around the world, Deputy Agriculture Secretary Xochitl Torres Small announced today.

“Access to international markets supports U.S. farmers at home and food security throughout the world,” said Deputy Secretary Torres Small. “USDA launched RAPP last year as part of the Biden-Harris Administration’s commitment to create more, new and better markets for U.S. producers and agribusinesses, and we’ve seen tremendous interest, culminating in more than a billion dollars in proposals for the first \$300 million round of RAPP funding earlier this year. Given the importance of exports in supporting farm income and rural economic development, we’re delighted to be able to make an additional \$300 million available this year.”

Secretary Vilsack announced in October 2023 that USDA would use \$1.2 billion from the Commodity Credit Corporation to establish RAPP to help U.S. exporters expand their customer base beyond established markets such as China, Mexico and Canada, which collectively account for nearly half of all current export sales. In May, USDA allocated the first \$300 million in RAPP funding to 66 U.S. organizations to implement hundreds of market development projects focusing on a wide range of products and markets.

USDA published a Notice of Funding Opportunity on Grants.gov today and interested organizations must apply by Oct. 4. USDA anticipates that allocations will be announced before the end of the calendar year. As with the first round of RAPP funding, USDA is again setting aside \$25 million specifically for activities in Africa, which has the some of the fastest-growing economies – but the lowest levels of U.S. export market investment – of any region in the world. -July 31st, 2024

USDA Announces Changes to Enhanced Coverage Option Insurance Program

WASHINGTON — The U.S. Department of Agriculture (USDA) announced changes to the Enhanced Coverage Option (ECO) beginning with the 2025 crop year. USDA’s Risk Management Agency (RMA) is

expanding coverage options to additional crops as well as increasing premium support to make the policy more affordable for producers.

ECO is currently approved for 36 crops and RMA is expanding coverage options to almonds, apples, blueberries, grapes, and walnuts for the 2025 crop year and to citrus crops where the Supplemental Coverage Option is currently available in California and Arizona for the 2026 crop year.

Additionally, RMA is increasing premium support for all crops covered by ECO to 65% to make the policy more affordable.

ECO provides additional area-based coverage for a portion of a producer's underlying crop insurance policy deductible. ECO can be purchased as an endorsement to Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion or Actual Production History. ECO offers producers a choice of 90 or 95% trigger levels. Trigger is the percentage of expected yield or revenue at which a loss becomes payable.

ECO coverage is unaffected by participation in USDA's Farm Service Agency's (FSA) Agriculture Risk Coverage program for the same crop, on the same acres. Producers may select ECO regardless of FSA farm program election. – July 31, 2024

USDA Warns About More Ground Cinnamon Tainted with Lead. Here's What You Need to Know

WASHINGTON — U.S. health officials are warning that several types of ground cinnamon sold at certain discount and specialty grocery stores are contaminated with high levels of lead and should be discarded.

The Food and Drug Administration has issued its third alert this year, adding at least 10 types of packaged ground cinnamon sold at popular outlets including Dollar Tree, Patel Brothers and Eurogrocery stores in several states.

The FDA has recommended that companies recall the products. In the meantime, consumers should throw away and avoid buying these ground cinnamon products. No illnesses have been reported in connection with these products, the agency said.

Here's what you need to know:

Which brands of cinnamon are affected?

The FDA issued its latest alert, naming these brands of cinnamon: El Chilar, Marcum, SWAD, Supreme Tradition, Compania Indillor Orientale, ALB Flavor, Shahzada, Spice Class and La Frontera.

On July 25, the agency issued an alert for El Servidor brand cinnamon. That followed an alert on March 6.

How much lead was found in the cinnamon?

Testing by state programs and confirmed by the FDA found levels of lead that ranged from a little over 2 parts per million to about 7 parts per million in most of the spices, the agency said. The El Servidor brand was found to have a lead concentration of 20 parts per million.

That's far lower than the 2,000 to 5,000 parts per million detected in ground cinnamon in pouches of WanaBana and other brands of cinnamon apple puree that sickened more than 500 U.S. children starting last year.

There is currently no FDA limit for heavy metals in spices. However, the agency has set a limit of 1 part per million of lead in candy likely to be consumed by small children. The American Spice Trade Association, an industry trade group, calls for no more than 2 parts per million of lead in bark spices such as cinnamon.

How does lead get into cinnamon?

Many foods, including spices, contain lead from natural sources such as soil and water, said Karen Everstine, technical director for FoodchainID, a company that tracks food supply chains.

Spices also can accumulate lead from other sources in the environment, such as pollution. Some lead in spices may come from manufacturing, storage or shipping processes.

In some cases, spices have been mixed with substances, including lead, to boost color or weight, increasing the value of the product.

How can lead in spices affect health?

No amount of lead is safe, so it should be avoided, health officials say. Because spices are used in such small amounts, the potential harm of any single use is small, but damage could occur after weeks or months of exposure.

How can I avoid lead in my spices?

It can be difficult, if not impossible, to know whether spices on grocery shelves are contaminated with lead or other toxins, Everstine said.

Consumers should buy spices from companies that have publicly said they monitor their sources. They have a vested interest in protecting their brands, she said.

That can be tough, especially when grocery prices — including spices — remain high. But this is an instance when it might be worth it, she added. July 31, 2024

USDA Makes Record-breaking \$14.3 Million investment in in Farm to School Grants

WASHINGTON — Agriculture Secretary Tom Vilsack today announced that USDA is awarding a record-breaking \$14.3 million in Patrick Leahy Farm to School Grants to 154 projects in 43 states, the District of Columbia, Guam and Puerto Rico. These investments will help 1.9 million children eat more tasty, nutritious foods in school, while supporting farmers and producers in their local and regional communities.

“Farm to School is a huge win for children, schools, farmers, producers and communities,” said Secretary Vilsack. “When schools have access to fresh, local food options with homegrown flavor, they can serve delicious, healthy dishes that kids are excited to eat, while also supporting the local economy. These grants continue our work to address both food insecurity and nutrition insecurity, ensuring that we’re not only feeding kids, we’re feeding them well.”

This investment in the Farm to School Program supports the Biden-Harris Administration’s National Strategy on Hunger, Nutrition, and Health to end hunger and increase healthy eating by year 2030.

The Patrick Leahy Farm to School Grant Program helps child nutrition program operators incorporate local foods into meals served through USDA’s National School Lunch Program, Child and Adult Care Food Program and SUN Programs: USDA’s Summer Nutrition Programs for Kids.

Farm to school opens opportunities for children to learn about nutrition and agriculture through hands-on experiences, such as planting, watering, and harvesting fruits, vegetables, and herbs. The program

can also provide a pathway for more children to achieve nutrition security, which is the consistent and equitable access to healthy, safe and affordable food.

USDA continues to show its commitment to equity by reaching historically underserved and marginalized communities through this year's farm to school grants:

- Fifty-four percent of students served by these projects are eligible for free or reduced-price school meals.
- More than one-third (35%) of awarded projects serve rural areas.
- Members of communities of color lead 40 percent of the awarded organizations, all with projects serving those same communities.
- Eight projects are led by and serve American Indian or Alaska Native communities.

Producers can receive the grants for their farm to school projects, too. Three agricultural producers are among this year's grantees.

More than 67,000 schools currently participate in farm to school. More information about the impact of these grants across the country is available on the Farm to School website.

In addition to grantmaking, USDA recently finalized regulations that encourage more schools to purchase their foods from local producers. Schools now have the option to require unprocessed agricultural products to be locally grown, raised, or caught when making purchases for school meal programs, making it easier for schools to buy local foods. More information about these new options is available on the Procuring Local Foods webpage.

Since the Patrick Leahy Farm to School Program's inception in 2013, the Department has awarded more than \$98 million in Farm to School Grants, funding more than 1,200 projects across all 50 states, the District of Columbia, U.S. Virgin Islands, Guam and Puerto Rico. These projects have reached more than 28 million students. For more information on how your community can get involved with Farm to School activities, please visit the FNS website.

The Patrick Leahy Farm to School Program is one of many ways that USDA supports states and school nutrition professionals to provide kids with nutritious school meals that support their health and well-being. Through a variety of programs and initiatives, USDA has provided nearly \$13.7 billion in financial

support to schools across the country since January 2021. This support includes a recent award of \$10 million in grants through USDA partners – Full Plates Full Potential and the Illinois Public Health Institute – to support innovation in the school meals marketplace in Northeast and Midwest regions of the country by incentivizing collaboration between schools, the food industry, and other stakeholders, as part of the Healthy Meals Incentives Initiative. The initiative empowers schools to serve delicious and nutritious meals through a series of investments supporting both schools and the school meal supply chain. – July 15th, 2024

More than 500 Organizations Unite to Call for New Farm Bill

WASHINGTON — Programs that benefit every family in America are too important to put off any longer. That’s the message from the American Farm Bureau Federation and more than 500 other groups representing agriculture, nutrition, conservation, the environment, rural development and several other sectors who united today [July 22, 2024] to send a letter to congressional leaders calling for the passage of a new, modernized farm bill.

The letter was sent to leaders in both chambers, and leaders of the House and Senate Agriculture committees. The groups stated, “Millions of Americans rely daily on the provisions of the farm bill to produce food, fiber and fuel; to feed their families and others around the world; to voluntarily conserve fish and wildlife and their habitat; to provide sustainable solutions for clean air and water; to provide a producer safety net; to facilitate international trade; to create local jobs and robust economies; and to support rural development nationwide.”

The groups recognize that time is running out to craft and pass a farm bill this year. Passing a stopgap extension of this critical piece of legislation would put it at risk of further delay following the presidential election, the seating of a new Congress, and other legislative priorities.— July 23rd, 2024