

GROWERTALKS

SAF in the Lobby

2/1/2018

New Year's Deadline Brings End to Duty-Free Status of Flowers from Ecuador

Society of American Florists

Flowers entering the United States from Ecuador are now subject to import tariffs after a U.S. trade program granting duty-free status to Ecuadorian flowers expired at midnight December 31.

Under the new protocol, duties on mini carnations are 3.2%. All other flowers, excluding roses, have a 6.4% duty. Roses are—and have been—subject to a 6.8% duty and are not eligible for duty-free status under GSP from any GSP-eligible country.

Generalized System of Preferences (GSP) promotes economic growth in the developing world by providing preferential duty-free entry for up to 4,800 products from 129 designated beneficiary countries and territories. GSP was created on January 1, 1976 by the Trade Act of 1974. The GSP periodically expires and must be renewed by Congress to remain in effect. A 2015 GSP reauthorization (H.R. 1295) expired on December 31, 2017.

The current change could be temporary, however, said Drew Gruenburg, chief operating officer of the Society of American Florists.

"SAF has heard that the Trump administration wants to renew GSP quickly and probably for three years," he explained.

Doug Palmer, writing for the subscription-based Politico Pro, reported in early January that the Trump administration wants Congress to "quickly renew" GSP.

"The administration supports a three-year reauthorization of GSP and hopes to get it done early this year," an unnamed White House official told Palmer. Before Christmas, a spokeswoman for the Office of the U.S. Trade Representative declined to say whether the administration supported renewal of the decades-old program.

SAF Member Talks Regulations, Research Funding with Influential D.C. Decision-Makers

"Groups working together can make a difference."

That was a major takeaway for Jamie Kitz, key account manager with Sakata Ornamentals in Salinas, California, who represented her company and the floral industry at two key meetings last month in Washington, D.C.

Kitz, a member of the Society of American Florists' Growers Council, represented SAF at an annual meeting with the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS). There, alongside SAF staff and representatives of AmericanHort, the group discussed high-priority industry issues, including offshore certification programs, Q-37 modernization, Farm Bill Section 10007 research funding and the potential impact on the industry of any changes to NAFTA.

"The meeting provided a unique opportunity to share directly with the APHIS staff concerns and policy issues that directly affect our business, progress and our industry," Kitz explained. "It is both encouraging and a good perspective to hear and understand directly from the APHIS staff, their commitment to our industry and the progress they have made the past year on specific issues. It is important to keep the dialogue going."

Kevin Shea, administrator of APHIS, was present throughout the meeting, signaling the importance the agency assigns to the discussion, noted SAF COO Drew Gruenburg.

APHIS is a multi-faceted agency with a broad mission. Its work to safeguard American agriculture connects it with many diverse industry groups that represent producers across the nation. APHIS also facilitates trade in floral and nursery products, and as such has an enormous impact on the floral and nursery industry.

Commodity sector meetings, as they are called by APHIS, are an important part of APHIS' annual planning process and feedback from those meetings is incorporated back into APHIS plant and animal health programs.

On the same day, Kitz also represented SAF at a Senate Agriculture Committee meeting to discuss industry issues. Representatives from AmericanHort and the American Seed Trade Association, along with Matt Kramer, director of research at Ball Horticultural Company in West Chicago, Illinois, also attended that meeting.

"The organizations' representation, combined with firsthand industry situations from myself and Matt, makes for an impactful message," Kitz said. "Lobbying gives us that distinct privilege to not only raise the issues, but also help find ways to resolve them."

The experience has left Kitz ready for more advocacy in 2018.

"I am energized to participate in lobbying efforts for Sakata and our industry," she said. "We can ignite change."

Ready to do your part and ensure your story is heard in Washington, D.C.? Make plans to attend SAF's Annual Congressional Action Days, March 12-13 in Washington, D.C.

President Trump Proposes Association Health Plans

Following through on his executive order in October of 2017 "Promoting Healthcare Choice and Competition Across the United States," President Trump has proposed a rule to create expanded Association Health Plans (AHPs).

AHPs would allow small business owners to join together through trade and professional associations to purchase health insurance for themselves and their employees. SAF has long-advocated for AHPs to provide additional options for employers in offering health care insurance to their employees.

Although AHPs currently exist, they are severely limited. According to the Kaiser Family Foundation, AHPs were only utilized by 6% of smaller companies in the country in 2017. The proposed rule would greatly expand the availability of AHPs. Individuals would be able to buy them for the first time.

The proposal would allow AHPs to be sold across state lines, allowing for greater competition and options for employers. However, the rule doesn't exempt the plans from state regulation. Instead, the rule invites public input

“about the relative merits of possible exemption.”

In addition, AHPs would be classified the same way as large employers’ insurance, which means that they would no longer be mandated to comply with expensive mandates imposed on insurance sold to individuals and small companies under the Affordable Care Act (ACA).

The rule would preserve the restriction that prevents insurers from charging certain customers more based on their health status or from refusing to cover those with conditions that are expensive to treat. The proposed rule is open for public comment for 60 days. **GT**

“SAF in the Lobby” is produced by the Society of American Florists, www.safnow.org. For more information on legislative issues, contact the Government Relations Department.