

GROWERTALKS

SAF in the Lobby

6/1/2018

Farm Bill Update

The Society of American Florists

Update: On May 18, the Farm Bill failed to pass the House after members of the House Freedom Caucus withheld their votes because of an on-going argument on when to bring the Goodlatte-McCaul conservative immigration bill to the floor. It was announced that the House will get a second chance to vote on it on June 22 that will possibly include consideration of the bill.

On April 12, House Agriculture Committee Chairman Mike Conaway (R-TX) released his draft text of the 2018 Farm Bill. Most of the conversations and battles in the Farm Bill will be over the Supplemental Nutrition Assistance Program (SNAP), crop insurance and investments in conservation.

Far from the most visible, but not without their supporters and detractors, are the specialty crop programs, which include floriculture, in Titles VII and IX. Important provisions for the industry are:

Title VII—Research

- The Specialty Crop Research Initiative (SCRI) is continued at \$80 million and includes \$25 million for citrus diseases.
- The Agriculture and Food Research Initiative priorities are amended to add “tools that accelerate the use of automation or mechanization for labor-intensive tasks in the production and distribution of crops.”

Budgets are tight in this Farm Bill, so while additional funds for vital specialty crop research were not included, the specialty crop industry didn't lose any ground either. With the ever-increasing pressure to attract and retain labor, the importance of advances in mechanization in agriculture is evident in many parts of the Farm Bill, especially the Research Title.

Title IX—Horticulture

- Continues Specialty Crop Block Grants to states at a level of \$85 million per year.
- Maintains the Plant Pest and Disease Management program. The program will continue to have \$80 million per year in funding.
- Allows state and local governments to use methyl bromide during a USDA-declared emergency event.
- Reconciles the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), and the Endangered Species Act to give the EPA authority and responsibility to ensure protection of threatened or endangered species and critical

habitat in connection with pesticide registrations rather than the current status where those responsibilities are housed with the U.S. Fish & Wildlife Services (USFWS) and National Marine Fisheries Service (NMFS).

Similar to the Research Title, funding for specialty crop programs in the Horticulture Title remains flat. The most significant changes in this title are around improving regulatory systems by removing duplicative processes and assuring that the agencies with the greatest depth of expertise are the ones doing the work.

Senators Send Letter Supporting Specialty Crops

A USDA program designed to help specialty crop producers—including flower and plant growers—gain access to safe, effective biological and chemical pest control products has received the endorsement of a group of senators.

In a letter to the chairman and ranking member of the Senate Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, 13 senators supported an increase in federal funding for the Minor Crop Pest Management Interregional Project, also known as IR-4.

Currently funded at \$11.9 million annually, the letter requested an increase in funding to \$19 million for fiscal year 2019.

The IR-4 program was established by Congress in 1963 to assist domestic growers of floral and nursery products and other specialty crops in providing information needed by the Environmental Protection Agency (EPA) to register safe and effective pest and disease control products.

Most crop protection products are regulated by the EPA as either conventional pesticides or biopesticides, and the cost to register a new product is very expensive. Due to the limited acreage of specialty crops—including floral and nursery, relative to major food crops—the crop protection industry cannot justify costs associated with the research, development, registration, production and marketing of crop protection products for specialty crops. The IR-4 program provides the assistance needed to ensure that new and more effective crop protection products are developed and made available to specialty crop producers.

SAF and many other agricultural groups also lent their support to the effort.

NAFTA Deal Progressing

NAFTA negotiators have made progress after seven rounds of meetings to discuss modernizing the trade agreement and it appears there will be no disruptions to the flow of floriculture products between the U.S., Mexico and Canada.

U.S. agriculture, including the floral industry, has closely followed the ongoing negotiations. Most of the discussions affecting agriculture have focused on new language in the agreement to promote cooperation on biotechnology practices, maximum residue levels for pesticides used on fruits and vegetables, and regulations to protect people, animals and plants from pests and diseases.

U.S. Trade Representative Robert Lighthizer and his counterparts have indicated they're confident that an agreement will be announced later this spring. But while much progress has been made, agreements have not been reached on several issues, including rules of origin on vehicles and market access rules among the three nations.

The midterm elections in the U.S. and the Mexican presidential election are both on the horizon, too, and both could have an impact on the outcome of NAFTA. If, for instance, there are major political changes looming in the U.S., Mexico may choose to hold off signing any agreement. And a different Mexican president could complicate matters further. U.S. tariffs on steel and aluminum may also affect the negotiations.

IRS Restructuring Advances

Twelve bipartisan measures to restructure and reform the Internal Revenue Service (IRS) have been approved by the House Ways and Means Committee. The bills would dramatically redesign the structure of the IRS and refocus it as a “taxpayer first” agency, according to Ways and Means Chairman Kevin Brady (R-TX).

The changes in the bills include: directing the IRS to develop a new online portal for taxpayers to fill out 1099 forms; allowing taxpayers to use debit or credit cards to pay taxes; and limiting the IRS’s ability to seize the assets of businesses which have not committed a crime, but are merely suspected by the IRS of evading reporting requirements.

The IRS would also have to submit a plan to Congress to revamp its organizational structure, which is expected to trigger the most sweeping changes to the agency since a similar effort took effect in 1998.

The IRS budget has been reduced for almost 10 years and the agency has experienced a staff reduction by about 18,000 employees from 2010 to 2017. A recent report showed that only about 60% of calls from tax filers are answered by the IRS.

The recently enacted tax reform bill significantly increased the agency’s workload, requiring it to immediately implement hundreds of complicated revisions to the tax code. **GT**