

GROWERTALKS

JZ on D.C.

2/1/2021

The New Cabinet Members That Will Directly Impact Our Industry

Jennifer Zurko



The Biden administration's new cabinet members have barely moved into their offices, but our industry associations are already reaching out to the ones they'll be working with directly to get support and implementation for legislation that impacts growers, retailers and floral businesses. These are the three that you should know and pay attention to (provided they're all confirmed by the Senate):

- President Biden nominated Tom Vilsack as Secretary of Agriculture. Mr. Vilsack, who was the head of USDA for eight years under the Obama administration, is a former Governor of Iowa and current head of the U.S. Dairy Export Council. The pick was originally criticized by left-leaning groups because they felt he didn't do enough on racial issues during his first tenure and that he's too cozy with corporate agriculture. Perhaps hearing these concerns, Mr. Vilsack met with various groups representing Black farmers right before Christmas.
 - Michael Regan was nominated as Administrator of the Environmental Protection Agency (EPA). Mr. Regan, who has been the top environmental regulator in North Carolina since 2017, has served in multiple roles around air quality in the Clinton and George W. Bush administrations. He also did a stint at the Environmental Defense Fund. Craig Regelbrugge of AmericanHort said that industry insiders in North Carolina—who have direct experience with the nominee—see him as an open-minded individual who prioritizes stakeholder input. Expectations were that he would do a good job at EPA.
 - Boston Mayor Marty Walsh has been tapped to be Secretary of Labor. Mr. Walsh served as the head of both Laborers' Union Local 223 and the Boston Metropolitan District Building Trades Council.
- "Walsh represents a rather traditional, even 'safe,' pick for Secretary of Labor," said Craig. "He has close traditional union ties and a record for initiatives around worker safety." Craig also said that Mr. Walsh is close to President Biden, who's prizing experience and trust-based relationships as he assembles his team.
- Because Mr. Walsh has such a strong union background, I asked Craig how he thinks that will affect his team's efforts for more foreign seasonal worker support. Unions don't typically care for foreign workers because of the assumption that they take union workers' jobs.
- Craig said, "With respect to seasonal worker visa programs, it's no secret that labor unions have tended to oppose

programs like

H-2A and H-2B. They argue around worker displacement and wage depression, but those arguments are red herrings. As Boston mayor, Walsh has had first-hand exposure to the seasonal labor needs that ramp up each summer in the Cape Cod resorts. There is significant support for these programs under both Democrats and Republicans. His style suggests to us that he'll seek input from a variety of sources, so we'll have opportunities to make our case." —JZ

Info on COVID Relief & Spending Bill

On December 27, the government averted a looming shutdown crisis with the COVID Relief and omnibus spending bill.

The legislation now signed into law, which is over 5,000 pages in length, will provide additional COVID relief measures to impacted businesses and individuals, while also funding the government through September 2021.

What's in the COVID Relief portion of the legislation? Here are some highlights:

- The second round of PPP: The legislation creates "Second Draw" PPP loans for smaller and harder-hit businesses with loan amounts of up to \$2 million. A noted additional qualification is at least a 25% reduction in gross receipts in any quarter during 2020.
- Deductibility: This provision clarifies that deductions are allowed for otherwise deductible expenses paid with the proceeds of a PPP loan that's forgiven, and that the tax basis and other attributes of the borrower's assets will not be reduced as a result of the loan forgiveness.
- Expenses: Allows for additional eligible expenses to be paid from PPP funds.
- Forgiveness simplification: Simplifies the forgiveness process for loans under \$150,000.
- Farm credit: The Farm Credit System can now participate in PPP.
- Tax credits: Extends the Employee Retention Tax Credit.
- Expanded eligibility: 501(c)(6) non-profit organizations are now eligible to participate in the PPP program.

In addition to these provisions, beneficial changes were made to Economic Injury Disaster Loan (EIDL) grants and another round of stimulus checks to most taxpayers were agreed upon. The law also sets aside \$11 billion through USDA for COVID relief to agricultural producers, growers and processors. It's unclear at this time how those funds will be allocated by USDA.

The appropriations portion of the legislation saw continued investment in agricultural research, plant health and extension of various tax breaks. Notably, H-2B language sought by AmericanHort was included.

For a more detailed version on the provisions in the legislation, see AmericanHort's and the Society of American Florists' COVID Relief overview (tinyurl.com/AHCovidRelief; tinyurl.com/SAFCovidRelief) and the appropriations bill overview at tinyurl.com/ApproOverview. —JZ

H-2B Provisions Included in Spending Deal

The omnibus appropriations and COVID-19 relief bill have become law, and AmericanHort is grateful that the bill includes a key advocacy priority relating to the H-2B visa program. The bill extends several important provisions of

law related to the H-2B program. Specifically, the bill:

n Provides authority for the Department of Homeland Security, in consultation with the Department of Labor, to increase the H-2B cap for Fiscal 2021 by up to approximately 69,000 visas if it determines that the needs of seasonal businesses cannot be met with U.S. workers

- Enables the use of private wage surveys
- Prohibits DOL from enforcing the corresponding employment and 3/4 guarantee provisions of its H-2B regulations promulgated during the Obama administration
- Provides for a maximum season of up to 10 months, as opposed to nine months in current DOL regulations
- Provides for staggered crossing for seafood workers

—Craig Regelbrugge, Senior VP of Government Relations & Research, AmericanHort

AmericanHort Releases State of the Industry Whitepaper

In December, AmericanHort released the Winter 2020 State of the Industry whitepaper, which analyzes consumer spending, industry sales, pricing, unemployment, political ramifications, immigration and more. It also examines likely economic scenarios and business recommendations for the months ahead. You can view it at hortknowledgecenter.org. —JZ