The Maryland Farm Bureau Hotline

Legislative proposals that impact Maryland's farm community

Contact: Val Connelly or Kurt Fuchs
(410) 922-3426

Government Relations Bulletin #5 – July 9, 2009

National Update

USDA Risk Management Agency Reminds Growers to Follow Reporting Procedures for Crop Damage to Wheat in the following news release:

VOMITOXIN IN WHEAT TESTING FACILITIES FOR DE, MD, NC, NJ, NY, PA, VA, & WV.
The Raleigh Regional Office of the USDA Risk Management Agency reminds producers that carry multi-peril crop insurance policies subsidized and reinsured by the Federal Crop Insurance Corporation (as administered by the Risk Management Agency (RMA)) may be eligible for quality loss adjustments if the reason for the loss in value is due to a covered event. An example is the drought in some areas and excess precipitation in other areas, both followed by freeze damage in April.

In order to protect your rights under your policy, it is imperative that you always report any damage in the required timeframes and seek advice from your insurance company before proceeding with harvest or destruction of the damaged crop. Failure to do so may jeopardize your claim. Crop insurance policies require that farmers notify their company within 72 hours of noticing a loss. It is important that farmers be proactive in checking their fields to determine if there is any damage to the crop before harvest.
Quality adjustments are available for loss in value for conditions such as low test weight, damaged kernels, and shrunken or broken kernels. Discounts made for crop insurance loss purposes may not be the same as those seen at the elevator. For example, quality discounts begin when the test weight is less than 50 pounds, defects are above 15% or grade is U.S. No. 5 or worse. RMA discount factors for wheat are constructed by compiling and using loan discount data from the Farm Service Agency and national average loan rates for the past 10 years. These discount factors remain uniform between the Actual Production History and Crop Revenue Coverage plans of insurance throughout all counties in Delaware, Maryland, North Carolina, New Jersey, New York, Pennsylvania, Virginia, and West Virginia.
Any production of extremely poor quality wheat that has a value not located on the discount factor charts in the Special Provisions of Insurance ("off the discount tables") is adjusted by taking the actual sale price based upon the Reduction In Value divided by the local market price to equal the discount factor for the production.

In the event that the production has a Zero-Market Value Production, RMA loss procedures require insurance providers to make every effort to find a market for the production before declaring a zero value. Therefore, insurance providers will not be making declarations of zero market value until they can firmly establish that there is no market for poor quality grain. Quality adjustments are based on samples obtained by the adjuster or other disinterested party authorized by the insurance provider, such as an elevator

employee. Harvested and delivered production samples taken from each conveyance and blended may be accepted under certain conditions.

If vomitoxin is suspected, the sample must be collected before the grain is placed in storage to be eligible for quality adjustment. The samples should be placed in a heavy paper bag for delivery to an approved laboratory for a determination of whether vomitoxin is present. RMA has established predetermined discount factors for vomitoxins in the range of 0.1 to 10.0 parts per million. If a load is rejected at harvest but the test reveals no vomitoxin, the wheat may be brought back to the elevator for possible delivery. It is very important that producers work with their insurance providers if they believe they have quality losses on their wheat. The following link provides details on these changes and examples of the application of quality adjustment factors: http://www.rma.usda.gov/news/2006/11/qualityadjustment.pdf.

Cap & Trade - Senator Johanns Requests Better Economic Impact Data for Ag

Sen. Mike Johanns (R-Neb.) is calling for a Senate Agriculture Committee hearing to explore the cost of cap-and-trade legislation for American farmers and ranchers. Johanns' request came after Agriculture Secretary Tom Vilsack testified before the Senate Environment and Public Works Committee on climate change and provided no estimate of the bill's impact on input costs for agricultural producers.

"Nebraska farmers and ranchers, along with those across the country, are rightly concerned about how the House cap-and-trade bill will impact them," Johanns said. "Secretary Vilsack should provide the Senate and America's farmers with an answer to one simple question: How much more does the Department of Agriculture estimate America's agricultural producers will pay under the House bill? The administration has wholeheartedly endorsed the House bill, while farm group after farm group has opposed the legislation. I'm mystified at how the secretary can serve his primary mission of supporting U.S. agriculture if he does not know the impact of the bill he supports on the very producers he has taken an oath to serve."

Health Care Reform Must Not Further Burden Family Farms

Maryland Farm Bureau sent at letter to Senator Barbara Mikulski (a member of the Senate Health Committee) this week urging support for a farm-friendly amendment to the Senate health care reform proposal. We urged support for Senator Kay Hagen's (D-NC) amendment to provide an exemption from employer-provided health coverage requirements for temporary or seasonal agricultural workers. The amendment also clarifies that small farm employers are eligible for tax incentives to help cover health care costs.

The letter reminded the Senator that many family-owned farms in Maryland rely on a large influx of temporary and seasonal workers to harvest fruit and vegetable crops. In many cases, the harvest is completed in a week or two. Often the workers travel from one farm to the next as crops are ready to harvest. We argued that a mandate to provide health care coverage for such a short period of time would be economically unfeasible. Determining which employer is responsible for coverage as workers move from one farm to the next would be confusing.

We emphasized that Maryland residents enjoyed a wide array of fresh, locally grown food products. Demand for locally grown products, many of which are grown organically, continues to rise. Maryland farmers are doing their best to keep up with consumer demand for products sold directly on the farm and served fresh by local restaurants and offered in the school systems. A new mandate for health care coverage or a tax on these small family farms would be an unreasonable burden.

Livestock Indemnity Program

Earlier this week, USDA announced that eligible ranchers and livestock producers can begin applying for benefits under the provisions of the Livestock Indemnity Program (LIP) in the 2008 Farm Bill on July 13.

LIP provides assistance to producers for livestock deaths that result from disaster. Using funds from the Agricultural Disaster Relief Trust Fund established under section 902 of the Trade Act of 1974, the program is administered by the USDA Farm Service Agency (FSA). LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, disease, wildfires, extreme heat and extreme cold. Eligible losses must have occurred on or after Jan. 1, 2008 and before Oct. 1, 2011.

Specific provisions for the other supplemental agricultural disaster assistance programs authorized by the 2008 Act - the Livestock Forage Disaster Program (LFP), the Supplemental Revenue Assistance Program (SURE), the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) and the Tree Assistance Program (TAP) - will be implemented through separate rulemakings and announced at a later date.

State Update

Maryland Ag Commission Sets Agenda Priorities

Dr. Tom Hartsock chaired his first meeting of the Maryland Agricultural Commission on Wednesday, July 8th. Dr. Hartsock, a Montgomery County Farm Bureau member and retired Extension educator, began his term by reviewing potential topics for Commission discussion and setting some near-term priorities. As a result, the Ag Commission will have presentations on the Maryland equine industry in August and on the University of Maryland Extension program and budget in September.

The Commission, which meets monthly, will travel to Worcester and Somerset Counties for a day-long tour and public meeting in October. Other topics of interest to the Commission are: Bay-Stat and the Chesapeake Bay enforcement and cleanup efforts, LEAD Maryland, Direct Marketing of MD Ag products and the MD Rural Enterprise Development Center.

The Maryland Agricultural Commission is a 30-member advisory panel to the Secretary of Agriculture. During each monthly meeting Commission members are invited to report on the status of the commodity or industry they represent. Maryland Farm Bureau is represented on the Commission by Vice President Chuck Fry of Frederick County.

Maryland Farm Bureau Activities and Update

New Email Addresses for MFB Staff

Effective July 6th, Maryland Farm Bureau's staff email addresses changed to reflect our new email server. We will are now using Verizon, which saves us some money since we already have a DSL account with the company and the email boxes for staff are included in that package. We will be discontinuing our subscription with Erols in a few weeks. We are working to notify all of our members and business associates that our email addresses have changed. If your email spam protection program is set up to only accept emails from addresses you approve in advance, please make sure to update our addresses in your

system so you continue to receive important notices, board meeting material, the Hotline and the GRB. Our new emails are:

Mel Hollingsworth – melh.mdfb@verizon.net
Cathy Kaptain – cathyk.mdfb@verizon.net
Valerie Connelly – valeriec.mdfb@verizon.net
Kurt Fuchs – kurtf.mdfb@verizon.net
Laura Ruhlman – laurar.mdfb@verizon.net
David Willoughby – davidw.mdfb@verizon.net
Tonya Kennedy – tonyak.mdfb@verizon.net
Helene Pendleton – helenep.mdfb@verizon.net
Tia Wilson – tiaw.mdfb@verizon.net

"How to Win an Election" – Make Your Reservations Now for One of the 25 Seats

A two-day strategy seminar open only to candidates, their spouses and campaign managers has been scheduled for October 7-8, 2009 in Annapolis. Farm Bureau's policy success at the federal, state and local levels are dependent on the election of farm friendly officials in the 2010 election cycle. The campaign school is designed to prepare any candidate for success. The nationwide success rate for those who attend the class and then seek election is over **75%.** While the program is not limited to Farm Bureau members, county Farm Bureau members should consider running for office. Each county Farm Bureau should also help surface potential candidates who appreciate the value of farm businesses and urge them to run. They should begin by attending the Farm Bureau candidate school.

The American Farm Bureau Federation, an organization noted for its understanding of the political process, has developed this seminar with the help of professional political consultants, and staff members of Democratic and Republican parties. The instructor, a member of the American Farm Bureau Government Relations staff, will lead participants through exercises using DVDs, case studies and computer exercises to test a candidate's campaign techniques, tools and methods. The registration material can be found at the Maryland Farm Bureau website: www.mdfarmbureau.com.

Maryland Farm Bureau Labor Advisory Committee to Meet in August

MFB Labor Advisory Committee Chairman Chris Parker is working to schedule a meeting in Annapolis for Committee members to discuss labor needs of Maryland growers. Guest speaker at the meeting will be Merlin Williams, Farm Labor Coordinator for the MD Department of Labor, Licensing and Regulation. Merlin works with farmers throughout the state as they search for full time and temporary or seasonal workers. He is instrumental in providing data to support H2A visa requests. Some of the issues the committee will discuss include: changes MD growers recommend for the federal immigration law, impacts of the recent H2A program changes and economic conditions that will guide future farm labor needs in the state. The meeting is tentatively scheduled for Tuesday, August 25th at 7pm in the MFB Annapolis office. MFB members who are not on the committee but are interested in the topic are invited to attend. Please contact Valerie Connelly at 443-690-2411 or valeriec.mdfb@verizon.net to get on the mailing list for the official meeting notice for the meeting.