

**2011 Legislative Agriculture Chairs Summit**  
**Jan 14-16, 2011**  
**Summary of Presentations**

For questions and additional resources or a CD of the presentations, please contact SARL Executive Secretary, Dr. Carolyn Orr  
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**What can we do to support rural development?**

*Moderator, Nebraska Senator Tom Carlson*

**Mark Lange , Edward Lowe Foundation, [Economic Gardening](#)**

Websites: [www.YourEconomy.org](http://www.YourEconomy.org)

Recommended reading: *The Great Re-set: How New Ways of Living and Working Drive Post-Crash Prosperity* by Richard Flora

Rather than recruiting out of state businesses, the foundation works through existing entrepreneurs. Its emphasis is on existing growth companies rather than start-ups. The foundation seeks to increase these companies' volume of commodities and the velocity of their innovations. The foundation found that stage II companies which are 8% of the businesses account for 33% of the jobs. There is currently a pilot project underway in Kansas.

**Janell Anderson Ehrke - [Grow Nebraska](#)**

GROW Nebraska is modeled on Kentucky and North Carolina programs. Sixty nine percent of its clientele are rural businesses. In cooperation with the Nebraska University Extension the program started an e-Bay store and a Power Seller function. Now eighty two percent of the GROW Nebraska clients have websites. Most of these businesses' sales are from out of state through their .com websites-bringing dollars into rural Nebraska. A major hurdle for small businesses to sell in wholesale markets was the requirement for "palleting" their products with UPC barcodes. The program initiated technical assistance to meet this need. The program provides a Grow Book, website evaluations and training in social media (Facebook and Twitter). Research has shown that every dollar invested in these businesses returns a net profit of \$2.27 to the state.

**Rural Transportation Needs - "Stations, Livability and Economic Development,"**

Moderator, Manitoba MLA Ralph Eichler

**John Robert Smith – [Reconnecting America](#)**

[www.t4america.org](http://www.t4america.org); [www.reconnectingamerica.org](http://www.reconnectingamerica.org)

Smith, former mayor of Meridian, MS, decided to focus the city's economic development around multi-modal transportation solutions. The city asked itself "Who were we? Who are we? Who do we aspire to be?" Then they built the concept on the existing nexus of interstate, highway, airport and rail infrastructure.

Transportation for America includes all sectors of the community: business, low income housing, environment, development, labor, health and senior services. The program attracted ISTEA funds to renovate the city's historic passenger rail station keeping it historic appearance that was originally built in 1908. Today Union Station hosts 250 events and 300,000 passengers a year. The restoration has extended to downtown revitalization that includes restoration of a local corner drugstore/opera hall structure that now serves as a performing arts hall and a conference facility for MSU.

The program has attracted HUD funds for low/middle income housing that is *owned* rather than leased by its tenants. Smith warned that the next federal transportation bill will be all metro-focused unless rural communities speak up.

Smith acknowledged that transportation development can infringe on agricultural lands if there is no

land use planning in place. And, while it can be good for rural communities, it can also attract consumer spending and jobs away from them.

Rural communities need to consider how they fit into regional hubs and how those hubs connect to international ports. For example, the expansion of the Panama Canal is going to greatly increase the amount of ocean traffic into New Orleans. Communities upriver from that port need to position themselves to take advantage of the expanded trade.

#### First Industry Panel: Energy and Development

*Tammy Kelch, National Rural Electric Cooperatives*

Top issues:

- 1) Transmission – lines and cost allocations
- 2) Energy development should not be limited to renewables
- 3) Budget cut ramifications – to energy watts, etc.
- 4) EPA overreach
  - a) combustion residuals such as coal ash; they are currently classed as non-hazardous and are used in highway pavement, etc.; a rule change may re-classify them as hazardous
  - b) clean air transport – a proposed rule change will put the northeast into non-attainment status
  - c) hazardous air pollutants – proposed rule change will also put the northeast into non-attainment

*Greg Krissek, Growth Energy*

Top issues:

- 1) green jobs waiver to increase the percent of ethanol blend from E-10 to E-15
- 2) demand issues –distribution infrastructure
- 3) consumer choice in fuel blends
- 4) livestock producers and ethanol

*Chandler Goule, National Farmers Union*

Top Issues:

- a) Forced concentration and vertical integration in agriculture results in money leaving local communities and independent companies being put out of business.
- b) There is no competition in the beef, pork and poultry industries; they are dominated by the largest companies.
- c) The 2012 rural development bill has many unfunded programs.
- d) Renewables need to be kept in the US.

#### **Supporting local production**

Alaska Representative Carl Gatto, Facilitator,

***Pamela Roy, Farm to Table***

Pamela Roy focused on efforts to get local production into the schools, particularly fruits and vegetables. Ms. Roy emphasized the need to form public private partnerships with school boards, economic development agencies, transportation entities, etc. to insure a successful program. She also said that identifying other services in town to work with and strengthen can help the effort like grocery stores, banks, and health care providers. These relationships can help to develop a multidimensional approach for working on any needed legislation, like changing some food regulations to more appropriately match small producers. She also noted it helps to market the farm to school program in conjunction with the overall health of children i.e. exercise and nutrition.

***Dr. John Stanton, St Joseph University***

Dr. Stanton looked at the topic from the view point of what kinds of marketing messages can help local producers. From his survey work he found that even more than the word organic the word local had the

biggest impact on people. The word local means to many people that the product tastes better, is fresher, and that they will pay more for it. Local producers need to use words to meet what consumers want and steer clear of what perhaps the producer wants to do or market. Stanton talked about the challenges local producers have: problems with reliable transportation, having enough produce to meet demand, and regulations involving safety and licensing that apply to large producers but not them.

### **Where are we headed with Low Carbon Fuel Standards**

Minnesota Representative Rod Hamilton Facilitator,

#### ***Dr. Wally Tyner, Purdue***

Dr. Tyner focused his comments around three component issues of the topic; the blend wall, the federal renewable fuels standard and the low carbon fuel standard. In discussing the RFS he noted that the breakdown of different biofuels that go into the 36 billion gallons by 2022. [15 billion gallons of traditional ethanol; 16 billion gallons of cellulosic ethanol; 4 billion gallons of advanced biofuels; and 1 billion gallons of biodiesel] Dr. Tyner also noted that EPA final rule on the RFS the a ethanol equivalent standard which means the metric for meeting the RFS is based on an energy equivalent (BTU) standard comparison to ethanol as opposed to a volume standard which would have been measured in gallons.

Dr. Tyner pointed out the effective blend wall is about 12.6 billion gallons currently. EPA rulings on the E15 waiver would change the blend wall to about 16 billion gallons. Further increases in the blend wall would require increased use of other technologies or a large penetration into the E85 market. In other words, we need all technologies and all options in play to meet the RFS requirement.

Dr. Tyner then enumerated a list of uncertainties that he says have the implications for venture capital investments:

1. Oil price (about \$120/gallon oil needed for cellulosic to be competitive w/o subsidies).
2. Feedstock availability and price
3. Conversion Costs
4. Environmental Impacts (he noted that what they've seen so far indicates that the impacts of residues as a feedstock is positive)
5. Government Policy (current subsidies on cellulosic and corn ethanol & the import tariff only got a 1yr extension in the lame duck session of Congress)

In answer to one question Dr. Tyner noted that policies should be looked at that are technology neutral.

Dr. Tyner finished his presentation by talking more specifically about the low carbon fuel standard noting the two current standards are the federal one enacted in the 2007 Energy Independence and Security Act and the other by statute/regulation in CA rules. In particular, Dr. Tyner discussed research he has been involved in which has been refining the way in which emissions calculations can be made under the low carbon fuel standard. In particular how the requirements impact direct and indirect land use changes to meet the necessary fuel requirements. He thinks the modeling will continue to evolve over time especially since we have only really been working on the topic for about 6 years. Next stage of changes is expected to be in response to changing feedstocks (currently modeling looks at hectares need to produce ethanol) and induced land use changes.

#### **Antibiotics in Animal Ag**

Oklahoma Representative Phil Richardson, Facilitator,

#### ***Steve Roach, Food Animal Concerns Trust***

***Dr. Scott Hurd, Iowa State***

#### **4H and FFA youth education – a turn towards urban youth?**

Facilitator, Deputy Minister Alanna Koch

***William Hook, Chicago High School for Ag Sciences***

The school was built in 1985 on 72 acres, which at the time seemed like an unlikely idea. The school is a public high school with 600 students from all over the city. There is an application process, with more applicants than openings. The vast majority of students apply because it is a safe school in a safe neighborhood with a good record of students graduating (90%) and going on to college. Students take a college prep curriculum with an additional 2 courses of agriculture a day. All students are members of the FFA—the school has the largest program in the state. Students come in seeking a good school, and are convinced that they have a future in agriculture.

Students have to learn that agriculture is more than farming, and they are introduced to agriculture and leadership in their first year. Students have to spend their first summer working on the farm. The school offers five pathways for students to concentrate in: Animal Science, Food Science, etc. A large portion of the school's success is related to the FFA.

***John J. Kennelly, College of Agriculture, University of Alberta***

The original ag emphasis of the University of Alberta was to help farmers to adapt and thrive in the harsh conditions in the province. Now that there are fewer people involved in agriculture, only about 20 percent of students are from rural areas, with even fewer coming from farms. This has changed the kinds of programs the University offers. This reflects the changing nature of agriculture. The changes include the expansion into food science, nutrition and, most recently, the environment.

The evolution of the university from a single faculty focused on agriculture to one with a range of programs reflects the shift of the industry. Agriculture is now the third largest program, behind nutrition and environment. The University sees very close connections between these programs, allowing students to move between them early in their experience. This change is reflected in the changing student body that they are entering. The university has remained focused on solving problems, but the problems that are being solved are in some ways more complex and interdisciplinary. Overall, the University has programs that provide hands on experience with an opportunity to get international experience. The challenge is to attract students into the programs, as many young people are not interested in entering these kinds of programs, in part because of the perception that agriculture and related programs are largely farming.

***Dwight Armstrong, National FFA***

FFA's mission is to make a positive difference in the lives of students by developing their potential for premier leadership, personal growth and career success through agricultural education. There has been a move to include urban communities in FFA and Ag Education for some time, in part because there is a need to develop these programs across diverse communities. Moreover, there is a need, in all communities, to broaden the perception of agriculture as greater than just farming. Notably, FFA is an integral part of ag education—it is not a club but a component of ag ed.

There is a need to show the relevance of careers in agriculture for urban students, which is why FFA has a mission there. FFA has a role to play with helping students understand what agriculture is and what varied activities and pursuits are involved. FFA has a requirement for experiential learning, which gets students out into the field. FFA talks more about ag science and less about vocational ag. Curriculum is built around science in part to fit in to the demands of the curriculum and show that agriculture is a way to learn math and science. FFA tries to pull in more global engagement for youth. All along the way FFA works to develop leadership and a commitment to lifetime service.

FFA is starting a hunger initiative—feeding the world starting at home—to help students see how the work they do in agriculture is connected to the good work that needs to be done. FFA is also promoting a curriculum for agricultural science education to make ag science more rigorous. FFA remains a rural-oriented and rural-focused organization, but a third of members are in urban and suburban areas.

FFA offers students an opportunity to be prepared for the 300+ jobs in agriculture, but also the importance and realities of agriculture in the community. Three elements are required to develop and expand an FFA program: motivated students, motivated teacher, and community support.

## **What Does Sustainability Mean? Can States/Provinces Take Control?**

Kentucky Representative Tom McKee, Moderator,

### ***Andrea Thomas, Wal-Mart***

In 2005 Wal-mart established sustainability goals based around its traditional goals of efficiency and saving customers money:

- 1) 100% renewable energy supply
- 2) Zero waste
- 3) Sell products that sustain people and the environment

Wal-mart is not pushing for sustainable products per se but rather making what consumers buy more sustainable.

Regarding sustainable agriculture – Wal-mart intends to double the percent of local/US products that it purchases. It is providing training to farmers in crop selection and food production with fewer resources and waste. The company is trying to sustainably source key agriculture products.

### ***Dr. Marty Strauss, Kahn Strauss & Associates***

See his article in the May 2010 issue of *The Economist*.

Strauss advised looking at agriculture exports as water exports, i.e. in terms of the number of gallons required to produce a specific product that leaves the country.

### **The Human Cost of the Animal Rights Movement**

*Charlie Arnot, CMS Consulting, facilitator* ([remarks](#))

**Wesley J. Smith** - Author of *A Rat Is a Pig Is a Dog Is a Boy*:

Animal rights is NOT the same as animal welfare.

Animal rights is an ideology. Its ultimate goal is the elimination of all domesticated animals and all animal domestication.

Those who do not support animal rights are accused of supporting cruelty to animals.

Pete Singer originated the utilitarian-based concept of animal liberation that rejects human exceptionalism and affords equal consideration to animals.

Smith traced the evolution of the animal rights movement philosophy. It assigns a hierarchy of relative worth to each species based on a variety of capacities such as the ability to feel pain and sentience (awareness). Animals have equal inherent value that includes the right not to be a human resource.

The animal rights philosophy assigns a standing to animals that gives them the right to sue. Smith alerted attendees to university law curriculums that are training future attorneys to prosecute such lawsuits.

### **How do we respond?**

Arnot described the components of earning and maintaining social license (as opposed to control). These include confidence, competence and influential others which lead to trust and social license. Science answers the “can”/”okay” questions, not the “should” questions.

### ***Martin Appelt, Canadian Food Inspection Agency***

A compromise with the animal rights movement would be a loss for animal agriculture.

The average consumer now thinks that the “happy cow” (contentedly chewing cud in lush pastures) should be the reality for all animal agriculture. The public wants to know that the animal rights issue is being taken care of in the same manner as food safety issues are being addressed.

Animal welfare issues should not pit one producer against another or against animal liberationists. Welfare should be a given.

### **Ohio Representative Troy Balderson,**

The Representative outlined the events leading up to the governor's agreement with HSUS. The agreement with HSUS was done in fear of a ballot initiative. The legislature had already passed HB 414 which enabled a Livestock Care Standards Board. Some HSUS animal cruelty videos were set ups and not actual situations.

### **Missouri Senator Bill Stouffer,**

Proposition B, the Puppy Mill Cruelty Prevention Act established, among other things, a misdemeanor for violating increased space requirements in breeding operations but left shelters exempted. It only passed in a few counties around the major metropolitan areas, it failed in most of Missouri's counties. Setting up a telephone bank, with producers making calls was very successful, just not begun early enough. Legislation is now being introduced to repeal or change the proposition. Agriculture industry needs to stand up for farmers, they need the funds and the staff to fight the charges. Missouri is now seeing "rescue operations" becoming breeding centers for confiscated dogs. Turning a profit by charging large vet fees to adopters.

### **Industry Panel Responds:**

Adrian Hochstadt, AVMA

Top issues:

- 1) Non-economic damages against animal care providers for pain and suffering
- 2) authorizing livestock producers to contract with non-veterinarian private contractors; this will further reduce the number of large animal vets.

Kay Johnson, Animal Agriculture Alliance

Top issues:

- 1) animal rights campaign impacts – arbitrary limits on numbers of animals that operations can have (for example, 50 for dog breeders) that are not related to management. With no standards, breeders are suing states for guidance.
- 2) Need to address staged animal cruelty events – persons who are hired to videotape such events; they falsely represent the agriculture industry.
- 3) Local ordinances that hamper agriculture; ag policy should remain at the state level.

Bob Krouse, United Egg Producers and poultry

Top issue:

1) animal rights ballot issues – such as elimination of egg production in conventional cages. food safety. California Proposition 2 that bans the import of eggs from outside California if they are produced in conventional cages was *presented as a food safety issue*

### **How states/provinces are supporting biobased product development**

Iowa Senator Jack Kibbie, moderator

### **Kelly Tiller, University of Tennessee and Genera Energy**

The 6000 acre switchgrass to ethanol program is in its fourth year. The 2006 Biofuels Initiative deemed Tennessee a good fit for cellulosic ethanol. It is a field to filling station approach that is designed to move as one piece.

The initiative's components are:

- 1) large scale demonstration crop with local farmers using switchgrass as the target/starting point
- 2) pre-commercial demonstration at commercial scale with producers, engineers and financial data
- 3) R&D capacity
- 4) Past research to self-sustaining commercial industry.

Switchgrass grows well on marginal lands, requires little fertilizer, uses existing equipment and improves soil. A planting can last for 25 years. The initiative utilized the DuPont refinery near Oak Ridge National Lab; the fuel is competitive at \$2/gallon. The project leveraged \$90 million in additional grant awards. Two commercial scale projects are in the works.

This initiative has established a new agriculture production sector that is built on existing sustainable agriculture and Oak Ridge programs. In 2007, the state legislature passed a full-funding commitment to the Tennessee Biomass Supply Cooperative.

Refineries need to be near the feed source which is good for rural economic development.

Success factors:

- highly focused and targeted; this led to a well-financed project; it was on a seven-month construction schedule
- it adopted a business approach incorporating as an LLC
- the state required accountability but minimum strings and maximum flexibility
- the project has the ability to adapt to future cellulosic technologies.

### ***Frederick Deneke, 25 x 25 Renewable Energy Initiative***

(link to the study)

Bio-based products are over-looked. There has been opposition to wood-based sources from private timber owners who had lost or let go of their property. The project formed a task force to answer the “yes if” responses such as if biobased products can also provide other amenities. Wood-to-energy can be an incentive for sustainable woodland management and for highest and best land use.

Q&A: How can hardwoods compete with coal?

Deneke – R&D and PSC rate settings can help to address this issue.

Tiller – price stability is also a positive factor.

Kibbie – IA is experimenting with large square baling of post-harvest corn stalks and husks. The state is working with equipment companies on this process. There is the danger that fields can be over-cleaned leading to erosion.

There are many unknowns and risks in this field as new technologies develop. This makes it difficult to know the right time to invest. It can be compared to the development of cell phones into smart phones. It might be wise to put a cap on contracts.

### **Regulation of Hydrological Fracturing**

Pennsylvania Senator Mike Brubaker, Facilitator,

#### ***Tom Murphy of Penn State Marcellus Shale Center***

Mr. Murphy is currently studying the broad range of fracking issues. Those areas include: migration of methane, testing protocols, wildlife issues, what are the constituents and what are the disposals, what should the regulatory process be, recycling water into formations, casing standards, other new technologies. Murphy mentioned that to date, that of the violations they have tracked to existing regulations 72% of them are administrative with only 18% environmental in nature. Overall he said that fracking is a safe process.

#### ***Lynn Helms, Director Mineral Resources, North Dakota***

Mr. Helms gave an overview of how fracking works and how important it is to involve the state Oil and Gas Commission/agency and the geological survey. He talked about what they do in ND to reduce environmental impact like returning water back to sandstone formations that are below drinking water levels, requiring safety data sheets so projects can be regularly monitored, and having strong waste disposal rules. He emphasized that the road infrastructure needed for fracking can have impacts on air quality. His overall assessment was that although there is still some research needed to understand the impacts of the large quantities of water needed in fracking, the process is safe. They are not seeing in particular underground migration of fluids.

***Steve Jones of the Wyoming Outdoor Council*** emphasized the need for more research and perhaps regulations needed given the nature of the chemicals being used in fracking. He spoke of a number of environmental concerns including bad wells, both fracking and those of area residents, leaking pits, discharges, aquifer problems, unmanaged abandon wells, fluid migration. He outlined a few ideas to mitigate these problems like disclosure of chemicals, not allowing trade secrets, set backs from existing water wells of at least one half mile, pitless fracking, background monitoring, casing standards to prevent methane migration issues, and regs to help prevent ground water contamination due to accidents and

cracked lines. Overall he emphasized the need to closely monitor a process that involves a number of potentially negative environmental impacts.

### **Addressing immigration**

*Arizona Representative Russ Jones, Facilitator*

Rep Jones stated that we are facing a shortage of ag labor that is becoming a national security issue. Even though the United States is a net exporter of food and ag products

### **Erin Brouse (Canadian Consulate)**

Canada has had a program for seasonal ag workers for forty years. There was a demand from Manitoba producers who were unable to find workers or keep them in the country for the entire year.

The first seasonal programs began in 1966 with Jamaican workers. (Canada worked with the Caribbean countries for their seasonal workers.) The Seasonal worker program works with the government of the country supplying the workers. The department of agriculture determines if there is a local shortage. The country of origin is to seek and identify the workers, and they typically seek workers who are heads of household and require certain remittances. The producer agrees to minimum pay and other requirements.

The program participants come for 6-8 months and then must stay out of the country for four months. Most participants return for years, and very few overstay their permit.

The Gov. is developing a low skill worker pilot, which does not require an agreement from the country of origin. Under this program the need for labor must still be demonstrated, but the recruitment is largely up to contractors or employers. The program is largely based in the provinces, with the federal concern largely limited to medical and criminal checks. Under Canada's constitution, immigration is a concurrent responsibility of the federal and provincial governments. This allows the provinces to devise programs and strategies to promote immigration (Canadian provinces are seeking immigrants, much like Australia and New Zealand.)

Spouses and children cannot come in on open visas under this program, as they can with others. This program runs for 24 months and then must leave.

### **Sonny Rodriguez (The Growers Company)**

There is a huge difference between securing our borders and closing our borders. Agriculture is different from other sectors of our economy. As a result, ag has always had a unique treatment under our immigration laws, which is critically important to the health of the industry and their affected communities.

The border communities have special needs different from the heartland. One is a commuter agriculture guest worker program that allows workers to flow freely to ag jobs across the border but remain at home in their communities which would build up those communities and reduce the crime issue of illegal immigration. This pilot program has been delayed in favor of a demand for comprehensive reform.

Despite in the economic downturn, the ag industry relies on a community of talented and skilled foreign-born farm workers. This labor force will be picking the fruits and vegetables eaten in the United States, but the question is whether those fruits and vegetables will be grown in the United States. Without some flexibility such as the commuter pilot program allows, farm production will shift to other countries.

How can a state implement an immigration program to allow guest workers to commute to their jobs? IT will require federal and state investment in the solution. You can't solve the immigration all at once, but reforms like guest worker programs and the like are a "downpayment" on a solution and demonstrate positive changes.

We need a good guest worker program, with a commuter worker program as well, is a good start. But this is a federal issue in the end, and Congress needs to address it. States can act by using conditional



actions that are approved by the federal government, which provides the federal government a template for success.

### ***Robert Shuler (Shuler Law)***

If you don't live in a border state, there is no sense of the impact of illegal immigration on the economy, the politics and the living conditions on the communities along the border. There is a significant anxiety about safety related to border insecurity. Border security is the critical issue with respect to immigration in Arizona. One of the solutions is how you can come up with a program to allow producers access to a labor force that they can rely on that is separated from the bad actors associated with the drug trade.

There needs to be an opportunity for a legal, reliable, and stable labor force for agriculture. Advocating for agricultural labor in Arizona is made difficult because it is possible to not regularly interact with agriculture. That reality makes the immigration issue harder to resolve. As Sonny Rodriguez noted, fruit and vegetable production will move across the border if the labor force can't come to work the fields.

There are 30,000 to 40,000 people moving across the border daily for agricultural work, which is a significant amount of labor to transit across a border.

### ***Representative Russ Jones***

The United States is very efficient at moving goods across our border with Mexico, but we fail to do well with people. People are a big part of our commerce. There is a considerable amount of technology available being used to move commerce, but it is not applied to people.

Because the area around Yuma had been so active for illegal crossings in 2005, there was an increased push to create interoperability and interconnected communications networks between federal, state and local law enforcement, which has reduced the flow of illegal immigrants through that route. The border in the region is now secure, but the border is closed to human commerce, which hurts the region's economy.

### **Animal ID and Pet Breeder Regulations**

South Dakota Senator Larry Rhoden, Facilitator

Dr. Andrea Morgan, USDA-APHIS

Dr. Bret Marsh, Indiana State Vet

Patti Strand – National Animal Industry Alliance

### **2010 Issues, concerns and opportunities, State Departments of Agriculture**

Utah Ag Commissioner, Leonard Blackham, NASDA President

### ***Craig Settles, Successful.com***

[Community Broadband from Idea to Reality](#)

### **Federal Update**

Texas Representative Sid Miller, Facilitator

### ***Steve Solomon, Food and Drug Agency***

Food Safety Modernization Act and new egg rules

The original Food and Drug Law was passed in 1906. The current update changes the law from reactive to proactive, prevention-based. It promotes supply chain responsibility with controls at all facilities. The government role is to set science-based standards. State visits/input are based on inspection, compliance and response. A new component is mandatory re-calls and suspension of registration. Imported food must meet US standards.

High risk imports are subject to third party inspection.

New egg rule:

Has SE prevention plan; monitoring plan for chicks; refrigeration regulations; environmental testing and if the test is positive –have to test eggs. Farms with less than 3000 layers (1% of farms) are exempt.

Attendee comment – inspectors need to observe proper protocols when traveling among farms so as not to spread contamination.

Milk safety – the act provides for limited tissue sampling for drug residues.(see resolution)

### ***Kevin Concannon, U.S. Department of Agriculture***

New child nutrition legislation

There has been no increase in child malnutrition despite state budget cuts. This can be attributed to the federal child nutrition program. Every \$5 in food stamps generates \$9 in the local economy. State exchanges are augmenting business process re-engineering (FL, OR, NM, ID) to accommodate increased clientele with the same number of state staff. Seventeen percent of today's military applicants do not qualify because of overweight.

Know Your Food – Know Your Farm program – USDA has eased the regs for expenditures to purchase local foods for schools.

SNAP – an initiative to encourage access to farmers markets through wireless devices that accept SNAP cards; it is in 1600 farmers markets; WIC and senior citizen coupons are accepted.

Panel Response

*Barry Carpenter, National Meat Association*

On the positive side: Free trade with Korea and tariff reductions; the main competitor is Australia; if it gets to a trade agreement first it could have a 50-year competitive advantage.

The US exports 10% of its beef BUT the value-added factor is 3-4X. This includes “bi-products” such as tongue and liver that are not part of the traditional American diet.

On the negative side: GIPSA regulations will impact the meat industry. Don't have to prove a competitive injury to sue a neighbor. This de-values niche markets (for example, a farmer that does 3AM deliveries) that can't be given a dollar value.

*Jurgen Preugschas, Alberta Livestock and Meat Board*

Top issues:

- 1) Legislation that pits the US against Canada; it only makes both less competitive internationally
- 2) Ethanol regs – make the livestock industry less competitive through subsidies for grain growers for fuel.
- 3) Canada is over-regulated compared to the US.

### **Increased regulatory drive from the EPA**

Gary Baise, moderator

***Staci Braswell, Florida Farm Bureau (PPT)***

Nitrogen and phosphorus limits – federal criteria

Stream criteria for five regions – pristine standards for all will result in 70% of streams being classed as impaired. Site-specific alternative criteria have been proposed; have to apply for status for permit renewal . A pending lawsuit challenges the rule as (1) inconsistent with the CWA and (2) arbitrary and capricious.

***Senator Thomas Middleton, MD, Chesapeake Bay Commission***

MD, PA and VA have introduced legislation for fertilizer applications

Farm issues:

A reasonable system of accountability

Tracking and credit for voluntary BMPs and development standards

Safe harbor provision

Technical assistance from Soil Conservation Service

***Susan Parker Bodine, Barnes and Thornburg (PPT)***

The current direction is to make it easier for environmental organizations to sue. They don't want to meet the burden of proof for Total Maximum Daily Loads; they want to get rid of the "T" in TMDLs. The regulated community will have to demonstrate that it does meet the criteria for federal numeric criteria AND for downstream protection. The Chesapeake Bay TMDL, Dec. 29, 2010, applies to the entire watershed that extends into PA, WV and NY. Permits will have to be re-issued for 7 nutrients. These TMDLs are based on *models and assumptions* of land use, not laboratory criteria. No cost allowance has been conducted for attainment. For dissolved oxygen criteria attainment - four of ten bay segments have not attained. Tetra Tech has won a late 2010 contract to set criteria for the Mississippi River Basin by November 2011. It uses models, not cause and effect, etc. States will have to change standards to meet criteria; once they have numeric standards they can sue. As of April 2011 NPDES will be required for discharges from biological and chemical pesticide applications that leave a residue – that ends up in run-off and eventually in non-point source. The term "US waters" may expand to include all waters with a "significant nexus" to US navigable waters. The lack of a definition for "significant nexus" is problematic. Environmental organizations are increasingly taking advantage of the ability to sue agriculture industries and even individual farmers.

*What states can do:*

Conduct a cost-benefit analysis: if in compliance with ag department standards then deemed in compliance with clean water regulations/TMDLs. A state can pass a state law in direct conflict with a federal law and instigate a lawsuit. Examples are Virginia on healthcare and California on eggs and SE. Interstate commerce and compacts (Delaware River Basin Commission, Susquahanna River Basin Commission, Ohio River Commission).