



2018 Farm Bill

Policy Position Summary

Agricultural retailers and distributors play a vital role in the success of the nation's food security. These businesses are responsible for getting the right crop inputs to their farmer customers at the right time, which can be difficult in the short timeframe that farmers have to plant. Retailers also provide their farmer customers with crop consulting services and custom pesticide and fertilizer application services. The following are issues of importance to the agricultural retail industry in the 2018 Farm Bill:

Include “The Reducing Regulatory Burdens Act of 2011” (H.R. 953) to stop Clean Water Act (CWA) liability for applicators applying pesticides in compliance with the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

On November 1, 2011, pesticide applicators and farmers became subject to the Clean Water Act's (CWA) requirements for the use of a product that has already been approved for use by EPA under FIFRA. Although terrestrial agriculture pesticide application is not included in EPA's general NPDES permit, agriculture cannot escape liability concerns due to the lack of clarity around the CWA's jurisdiction. On May 24, 2017, the House passed H.R. 953 with bipartisan support by a vote of 256 to 165 (Roll No. 282).

Preserve the Crop Insurance Program, and like Important Safety Nets; Improve Preventative Planting Dates.

In order to provide a reliable inventory of crop production inputs to farmers, agricultural retailers take on a significant amount of risk. Crop insurance gives input suppliers the reassurance that repayment for crop inputs supplied at the beginning of the growing season is likely. However, Congress should ask USDA to consider changes to the crop insurance program, like extending the preventative planting date, to reflect the advances in improved technologies. These changes would



help provide farmers and suppliers with more certainty while perhaps saving money expensed on crop insurance payments.

Codify the definition of “retail facilities” using the “fifty-percent” rule as it has been since the inception of the PSM regulations.

Agricultural retailers selling anhydrous ammonia have been exempt from the Occupational Safety and Health Administration’s (OSHA) Process Safety Management Standard (PSM) under the “retail exemption” since the Standard’s inception in 1992. The definition of a “retail facility” was outlined in 1992 to mean “an establishment... at which more than half of the income is obtained from direct sales to end users,” otherwise known as the “fifty-percent” rule. These facilities are already required to comply with OSHA standards at 29 CFR 1910.111, for the storage and handling of anhydrous ammonia.

To prevent OSHA from removing agricultural retailers, also known as farm supply dealers, from the retail exemption, Congress should codify the definition of “retail facilities” using the “fifty-percent” rule as it has been since the inception of the PSM regulations. This could be accomplished by amending 29 USC § 652 by adding a definition for “retail facility”:

29 USC § 652

(15) The term “Retail facility” means “an establishment, which would otherwise be subject to the PSM standard, at which more than half of the income is obtained from direct sales to end users or consumers. A qualified end user includes a farmer or rancher. Fertilizer establishments meeting this criterion would be exempt from the requirements of 29 CFR 1910.119.

CONSERVATION

Maintain current acreage dedicated to Conservation Programs (CRP/CSP) and protect working lands.

Agricultural production must increase to meet the food and fiber needs of a growing population, feed needs for the livestock industry and the supply needs for the biofuels industry. Additionally,



CRP participants should also be allowed to opt out early from part or all of their contracts. In many instances, the CRP contracts are too long and do not provide the flexibility for landowners to properly take advantage of new market opportunities in the production of corn, soybeans or other crops that can be used for additional feed, food, feed, fiber, or the production of ethanol, biodiesel or other forms of renewable energy.

Support for the statistical survey work carried out by the National Agricultural Statistical Service (NASS) in support of the Conservation Effects Assessment Project (CEAP)

administered by the USDA Natural Resources Conservation Service (NRCS). CEAP is a relatively new effort by NRCS and is rapidly becoming one of the most important tools that NRCS has to demonstrate to the country how much conservation work is being done on the nation's agricultural land and what that work is accomplishing. The survey work conducted by NASS is essential to the success and quality of the CEAP effort. CEAP is a highly efficient and cost-effective way to demonstrate the outcomes of the conservation practices used by farmers and ranchers. CEAP also enhances NRCS's ability to help ensure that farmers and ranchers are working on top resource challenges.

Streamline certification process for the Technical Service Provider (TSP) Program.

ARA supports the continuation of the TSP program; however, we believe there should be an easier pathway for retailers to be certified by USDA-NRCS. Currently, the certification process to be certified is cumbersome for many retailers and certified crop advisors and we would like to see significant reforms to this process to ensure greater ease of conservation and nutrient stewardship plan implementation. Crop consultants, CCA's, and other ag retailers have a long historical business relationship, established trust and credibility with their farmer/grower customers and it would greatly improve conservation efforts to certify more TSPs.

TAX PROVISIONS

Agriculture equipment depreciation schedule set to five years. Currently, agriculture equipment is on a seven-year depreciation schedule, while construction equipment is on a five-year depreciation schedule. Agriculture technologies are rapidly changing with technologies that allow for better fuel



efficiency, conservation and safety. Technology adoption for the more environmentally conscious equipment would be improved if agricultural equipment were depreciated over a five-year period.

Provisional Inclusion of Sec. 199 Deductions should they be kept in H.R. 1

Provisional Inclusion of Retailer Credit Assistance language

Should you have any questions or concerns, please contact Hunter Carpenter, ARA Director of Public Policy, at (202) 595-1705 or hunter@aradc.org.