

GROWER ISSUES ON THE NATIONAL LEVEL
National Potato Council

by
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OVERVIEW

The Republican takeover of both the House and Senate has set the stage for dramatic federal policy changes in a number of areas. Since taking charge of the House for the first time in 40 years, Republican Representatives are attempting to fulfill their campaign pledge to enact legislation which would achieve a balanced budget by the year 2002. Senate Republicans are going along and have produced a balanced budget bill of their own. The reconciliation bills, which must achieve hundreds of billions of dollars in savings, are wide-ranging and include many components, including an agriculture title. In fact, the House and Senate Agriculture Committees were charged with finding nearly \$13 billion worth of reductions in agriculture programs compared to the Administration's proposed \$5 billion cut. A significant number of agriculture program authorizations are being incorporated into the reconciliation bill. Agriculture programs not included in the budget reconciliation bill could be addressed in a second Farm Bill, consideration of which was originally scheduled for late 1995, but now appears to be postponed indefinitely.

FARM BILL

The Farm Bill authorizes commodity price and farm income support programs but also includes other important provisions on soil and water conservation, forestry, domestic and foreign food assistance, foreign market development, export subsidies, agricultural research, farm credit, and rural development. Typically, the Farm Bill is re-authorized every five years, with the most recent authorization occurring in 1990. As stated above, consideration of this year's Farm Bill is being affected by a larger congressional budget agenda.

The National Potato Council has an interest in several sections of the Farm Bill; however, the number one priority is the flex acres provisions.

Flex Acres

The flex acreage program is a component of the set-aside program and was enacted in an effort to stabilize commodity production and prices. The 1990 Farm Bill gave producers of program crops limited flexibility with regard to plantings on flex acres, but expressly prohibited the planting of any fruit or vegetable crop.

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Potatoes were specifically mentioned as a crop that could not be planted on the flex acres. The NPC was instrumental in getting this language inserted in the 1990 Farm Bill and is strongly urging its inclusion in the current farm bill.

The House budget bill includes the potato exclusion language as endorsed by the Council. The Senate budget bill incorporates harmful language which would allow plantings on nonpaid acreage bases. Specifically, the Senate bill proposed no restrictions on planting flexibility on 15 percent of the base acreage.

Potato Research Authorization and Funding

In the past, the USDA Agricultural Research Service (ARS) has funded effective potato research programs in areas such as marketing, varietal development, early dying, eradication of ring rot, potato scab, aphids, and beetles. The Council strongly supports USDA research and has urged that the Farm Bill include the highest possible authorization for this important federal function. Authorization of agriculture research programs will be addressed in the next Farm Bill.

Congress has completed action on only two appropriations bills for fiscal year 1996, one of which is the agriculture appropriations bill. The NPC was successful in its requests for this bill, which has now been signed into law by President Clinton. Congress provided funding equal to last years level for specific potato research in fiscal 1996. The accompanying report on the bill also includes important language identifying late blight as another priority and urging ARS to work with the Council to determine how best to utilize the research funds.

MPP AUTHORIZATION AND FUNDING

The Market Promotion Program (MPP) which promotes U.S. farm exports and seeks to open new markets for U.S. agricultural goods, was established in the 1990 Farm Bill but was reauthorized in 1993 at a lower \$110 annual level through 1997. MPP has been particularly successful in helping high value products, like potatoes, gain greater access and recognition in key foreign markets. The MPP program is legal under the General Agreement on Tariffs and Trade (GATT).

Since MPP is authorized through the year 1997, a reauthorization in the Farm Bill is not necessary this year. The program is, however, being addressed in the budget reconciliation process. The Senate proposed to reduce the MPP authorization to \$75 million per year. The House did not include MPP provisions in its budget bill.

House and Senate budget conferees have determined to include an authorization for MPP at a level of \$100 million annually through the year 2002. If enacted, this will affect the fiscal 1996 appropriated level, since the agriculture appropriations bill recently signed into law by President Clinton provides MPP with the previously authorized maximum level of \$110 million for fiscal year 1996. The Council is working with a large coalition of agricultural commodity groups to fight further reductions in MPP.

PACA

The NPC supports PACA, which regulates the buying and selling of fruits and vegetables to prevent fraudulent trade and to assure that sellers are promptly paid. The Council has participated in policy meetings with congressional staff to update PACA and resolve the problem of the program's administrative costs.

The Senate adopted the House-passed version of legislation (H.R. 1103) to modernize, streamline, and strengthen PACA. Specifically, the bill phases retailers and grocery wholesalers out of license fee payment in three years; establishes a one-time administrative fee for new retailers and grocery wholesalers entering the program after the three-year phase-out; increases license fees for those remaining in the program from \$400 to \$550 each year; allows USDA to adjust future license fees under rulemaking authority; implements a paperless system to administer the PACA trust; requires USDA to receive a written complaint before pursuing an investigation; requires additional USDA investigation notification procedures; increases current administrative penalties; establishes civil penalties; continues current filing fees for formal and informal reparation complaints; clarifies the status of collateral fees and expenses; and clarifies misbranding prohibitions. President Clinton has signed the PACA bill into law.

MINOR USE PESTICIDES

For several years, the Council has worked with a large coalition of agricultural commodity groups in an attempt to achieve enactment of legislation which would address the minor use pesticide problem, which is the cancellation of certain pesticides by the chemical manufacturers because of economic reasons. The minor use problem has become particularly acute in the last few years, with more than half of all registered, safe pesticide uses having been lost since 1988 and few minor use labels for new products being approved. In many cases, there are no effective pesticide or non-pesticide alternatives.

Legislation has been introduced in both the House and the Senate (H.R. 1352 and S. 794) which would provide incentives for registrations of minor use pesticides. H.R. 1352 has 63 cosponsors and S. 794 has 47 cosponsors. Similar legislation overwhelmingly passed the House last session of Congress.

FOOD SAFETY REFORM

Another critical pesticide-related problem is the outdated Delaney Clause of the Federal Food, Drug and Cosmetic Act (FFDCA). The FFDCA allows limited pesticide residues on crops, but the Delaney Clause bans certain pesticide residues on the same crop if it is used in a processed food.

Three different bills pending before Congress include provisions to repeal the Delaney Clause. The "Food Quality Protection Act" (H.R. 1627 and S. 1166) are comprehensive food safety reform bills which also include the minor use provisions discussed above.

S. 343 is a wide reaching regulatory reform bill that has been approved by the Senate Judiciary Committee and debated on the Senate floor but has not been voted on by the full Senate.

The House attached a regulatory reform amendment including Delaney repeal language to the debt limit extension bill (H.R. 2586) which was vetoed by President Clinton but will be reconsidered by Congress.

Each measure is being stalled right now and it is unlikely that final disposition of any one will occur until 1996. The NPC will continue, however, to push for passage of this much-needed reform.

WORKERS' COMPENSATION

For several years, the Council has pushed for a permanent legislative remedy for the U.S. Supreme Court ruling which determined that workers' compensation was not the exclusive remedy for agricultural workplace injuries.

Both the House and the Senate have approved a bill (H.R. 1715) that would bar migrant farm workers from recovering monetary damages for injuries outside of their workers' compensation benefits. Under the bill, however, employers could still be sued for punitive damages of up to \$10,000 per victim if the employer is found in violation of certain safety standards, such as transporting workers in unsafe vehicles. In instances of multiparty class-action suits, such damages would be capped at \$500,000.

President Clinton has signed the bill into law.

ENDANGERED SPECIES ACT

Agriculture, business and development interests generally agree that economic factors, including land value and use and water rights, are often not adequately considered by the federal government in its implementation of the Endangered Species Act. The NPC continues to push for sensible ESA reform legislation.

The House Resources Committee has approved legislation (H.R. 2275) to reauthorize and make changes to the ESA. Major provisions of H.R. 2275 include:

- New measures to encourage species protection with private land owners through cooperative management agreements, habitat conservation grants, land exchanges, species conservation planning, and technical and financial assistance for the protection and recovery of species.
- Compensation for private property owners through short-term or long-term agreements when the ESA restrictions diminish property values by 20 percent or more.

- Creation of the National Biological Diversity Reserve system consisting of publicly owned lands designated by Congress to be in conservation status, including wilderness areas, wildlife refuges, national parks, and the wild and scenic rivers system. These reserves are to be the first priority for preserving bio-diversity, with a proactive program to increase the populations of endangered species on the reserves.

Sen. Slade Gorton (R-WA) is the author of S. 768, a similar bill reauthorizing the Endangered Species Act. Sen. Dirk Kempthorne (R-ID) has also introduced an ESA reform package (S.1364-1365).

Although a series of ESA field hearings have been held all over the country by interested Members of Congress, no further action is anticipated in the House or Senate.

CLEAN WATER ACT

The Clean Water Act regulates the amount of pollution in the nation's lakes, rivers, streams, and coastlines. Agriculture has been targeted in Clean Water Act Deliberations as the primary source of nonpoint source water pollution, which is runoff from farms, lawns and roadways. Regulation of wetlands, which affects not only farmers but other business interests as well as private property holders, is another issue which needs to be addressed under the Clean Water Act.

Legislation to overhaul the Clean Water Act (H.R. 961) was approved by the House in May, but the Senate has taken little action on this issue. The bill that passed the House was drafted with significant input from the agriculture community, including the National Potato Council.

H.R. 961 would ease, overhaul, or revoke a number of current law anti-pollution requirements, allow states to continue to rely on voluntary water pollution problems, and sharply restrict the ability of federal agencies to declare wetlands off-limits to development. Specifically, the legislation gives states 15 years to develop plans to meet federal standards for nonpoint source pollution. It empowers states to establish working partnerships with private landowners to address water problems and encourages watershed planning through bottom-up voluntary initiatives.

SAFE DRINKING WATER ACT

The law that regulates the amount of contaminants allowable in the nation's supply of drinking water is being deliberated by Congress. The Senate Environment and Public Works Committee has approved legislation (S. 1316) which would overhaul the Safe Drinking Water Act.

Specifically, S. 1316 would eliminate the requirement that the EPA every 3 years produce a list of potential contaminants and regulate 25 new contaminants. Instead, EPA would have to publish every 5 years a list of 20 known or anticipated drinking water contaminants that may warrant regulation. By the year 2001 and every 5 years thereafter, for at least 5 of 20, EPA would have to either publish a determination not to regulate or propose a maximum contaminant level. The definition of contaminant would remain as any substance or matter in the water.

IMMIGRATION REFORM

The House Judiciary Committee has approved legislation (H.R. 2202) to overhaul the nation's immigration policies. The bill would restrict the type and number of foreigners eligible for legal immigration and institute policies to clamp down on illegal entrants.

Key provisions of H.R. 2202 would:

- Lower the limits on annual legal immigration, primarily by restricting family reunification visas to immediate relatives and by restricting the number of refugees who can be admitted. Overall, the bill would gradually reduce the annual immigration from about 800,000 currently to roughly 600,000 by fiscal year 2001, after which the levels would continue to drop. Congress would have to set new immigration levels by 2006. Visas would be provided as follows: family-based - 330,000; humanitarian - 70,000; employment - 135,000 slots only for immigrants with needed job skills; and diversity - 27,000.
- Make illegal aliens ineligible for virtually all federal benefits and restrict benefits for legal aliens. Aliens could be deported if, within 7 years of their arrival, they receive 12 months of benefits under the state or federal welfare programs.
- Authorize 1,000 additional border patrol agents per year for 5 years, doubling the size of the current force.
- Strengthen existing measures designed to block illegal immigrants from finding jobs. Five hundred new inspectors in the Immigration and Naturalization Service and the Department of Labor would be authorized. A telephone confirmation system would be set up for employers to verify that a prospective employee is legally eligible to work.

The Senate Judiciary Committee may consider a similar measure in early 1996.

TRADE

Canada

Sen. Cohen (R-ME), Snowe (R-ME), Levin (D-MI), Craig (R-ID), Murray (D-WA), Kempthorne (R-ID), Burns (R-MT), Baucus (D-MT), Feingold (D-WI), Conrad (D-ND), Gorton (R-WA), Dorgan (D-ND), and Kohl (D-WI) have written to U.S. Trade Representative Mickey Kantor and USDA Secretary Dan Glickman urging that the Administration do more to address Canadian unfair trade practices. The National Potato Council will be working closely with Administration officials on options and solutions.

Mexico

The October 17-18, North American Plant Protection Organization meeting attended by NPC officers produced a framework for the development of a work plan to possibly resolve Mexico/U.S. fresh and seed potato phytosanitary disputes. The NPC will be working closely with the USDA Animal and Plant Health Inspection Service team on this plan.