



Policy of the Pennsylvania Farmers Union
Approved by vote of the membership on 08 FEB 2018

ABOUT THE PENNSYLVANIA FARMERS UNION

The beginnings of the Pennsylvania Farmers Union (PFU) go back to 1935 and a group of dairy farmers concerned about cost of production issues, market access and fair pricing systems.

Since its founding, PFU and the National Farmers Union have worked closely together to bring a broad range of agricultural issues to state legislators, members of Congress and other leaders in our Commonwealth and Washington, DC and PFU officially became chartered in 1982.

Pennsylvania Farmers Union aims:

- to protect and enhance the economic well-being and quality of life for family farmers and their local communities;
- to foster the development of increased healthy foods production and access in Pennsylvania; and
- to increase connections between farmers and consumers through an emphasis on direct sales, cooperative selling arrangements, and community education.

We also support the development of renewable energy resources for farm use, and from farm and forest sources. PFU's immediate goals include bringing together policy makers in Washington with leaders and consumers to fashion a food policy and a Farm Bill that benefits the farmers, foresters and other people earning a living from family-scale agriculturally-related endeavors in our diverse and resourceful Commonwealth.

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HOW TO USE THIS BOOK

1. PFU priorities: These are policy areas where PFU will focus its attention and resources for the year in which the policy is adopted.
2. PFU supports: These are policy statements that PFU members support, but are not necessarily areas where resources will be focused for the year in which the policy is adopted.
3. Items in RED, are to be presented to the assembly of membership on the floor of the annual meeting for a ye or nay vote on adoption.

Follow this link on Pennsylvania Farmers Union website to read the policy book electronically:

www.PAFarmersUnion.org/policy

TABLE OF CONTENTS

I. PREAMBLE	6
II. AGRICULTURAL PRODUCTS	8
Specialty Crops: Fruits, Vegetables and Horticulture	
Dairy	
Hay and Pasture	
Livestock	
Seed Banks/Local Varietals	
Honey/Pollination	
Maple Syrup	
Tree Farms and Forestry	
Industrial Hemp	
III. MANAGEMENT PRACTICES	16
Organic Agriculture Programs and Standards	
Grass Based Agriculture	
Genetically Modified Organisms and Biotechnology	
Antibiotic Use	
Animal Welfare / Husbandry / Well-Being	
Appropriate Technology Development	
Low Energy Low Input Biological Systems	
Invasive Species	
Nutrient Density	
The Environment and the Family Farm	
Local Food And Food Systems	
IV. GOVERNMENT ROLE IN AGRICULTURE	22
Government Support	
Government Regulation	
Farm Bill	
V. ENERGY	35
Carbon Pricing	
Biomass	
Farm Methane	
Biodiesel	
Ethanol	
Gasification / Biochar Production	
District Heating Cooling and Cogeneration	
Low Carbon Fuel Standards	
Wind and Solar Energy	
VI. CO-OPERATIVES	37
Co-op Identity	
USDA Co-op Services	
Co-op Education	
Co-op Business Model	
Marketing, Supply and Service Co-operatives	
Food Co-ops	
Credit Unions	
Cross Sector Collaboration	
Capper-Volstead Act	
Co-operative Financing	
Block Voting	
Co-operative Mergers and Consolidation	
Outsourcing	
Modification of State Laws	

Legal Defense Fund Schemes
Background

VII. LAND ACCESS41

Land Access
Farm Transfer and Succession

VIII. NUTRITION.....43

School Milk
Universal Breakfast Program
Afternoon Milk Program
Government Nutrition Programs
School Lunch Program
Fast Food Industry
Food and Nutrition Services

IX. ECONOMICS AND THE FAMILY FARM45

Farm Credit
Farm Services Agency
Health (Or Medical) Savings Accounts
Tax Deductibility for Health Insurance
Farm Savings Accounts

X. 2018 SPECIAL ORDERS OF BUSINESS/POLICY PRIORITIES

WORKING VERSION FOR DISTRIBUTION TO MEMBERSHIP AND CONSIDERATION 08 FEB 18

PROPOSED CHANGES NOTATED IN RED TEXT

(Sect II p15, Sect III p16, Sect IV p.22 & p. 34

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I. PREAMBLE

We, the members of the Pennsylvania Farmers Union (PFU), in the following policy statement, strive to articulate the fundamental principles for a food, fiber and energy policy that will be essential to our region's long-term sustainability. These issues transcend every social, economic, environmental and geographic boundary of our region. We are interconnected, and we are still dependent on the soil underneath our feet and the waters that support us. We believe that in order to maximize Pennsylvania's strengths and take advantage of numerous opportunities, we must develop a regional voice for a wide range of issues. This policy is our contribution to that mission.

Our vision of the Pennsylvania Farmers Union is one of preserving and growing our capacity to feed and fuel ourselves. Climate change, peak oil, growing populations, unstable markets, the paradox of increased obesity and persistent hunger - all of these factors and more are impacting our citizenry at an ever increasing level. Farmers and other producers of food, fiber, plants and forest products must be leaders, innovators, and catalysts for a world in which we will be forced to be more self-reliant and resilient.

But farmers can't do it alone. They need an army of citizen advocates who will engage with policy and who will become active at state and federal levels. They need a network of professionals to help them test and improve production and processing methods. They deserve government officials who understand the complexities of harvesting from the land, who bring the latest technologies to bear on every issue, and who fight for our concerns.

Pennsylvania Farmers Union is part of a larger Farmers Union family. Over 180,000 members - farmers and non-farmers - participate in activities of the 32 state and regional chapters. The National Farmers Union (NFU), founded in Texas in 1902, has a long history of progressive, even populist, policies. The Farmers Union iconic symbol, a triangle with "education" at its base and "cooperation" and "legislation" on each side, symbolizes that FU is dedicated to the advancement of the profession of family farm agriculture and to providing an enhanced quality of life for people everywhere.

We, the members of Pennsylvania Farmers Union, hold these policies as fundamental and pertinent to our Commonwealth's agriculture, forestry and related endeavors, and to their relationships with the residents of the region. To us, adherence to these policies will cause a substantial number of independent families to continue farming our lands, and these policies, as a result, will give support to our interdependent communities - rural and urban. We reaffirm our dedication to the preservation and strengthening of family farmers in Pennsylvania and adopt the following policy to serve as a guideline in accomplishing our goals.

VISION STATEMENT

Pennsylvania Farmers Union envisions a Commonwealth with the capacity to feed and fuel itself in a manner that maintains the integrity and diversity of the ecology of the region.

MISSION STATEMENT

Pennsylvania Farmers Union, a membership organization, enhances the quality of life for family farmers and those earning their livings from other family-scale agriculturally-related livelihoods and their customers through educational opportunities, co-operative endeavors and civic engagement.

VALUES

1. DIVERSIFIED AND VALUE-ADDED AGRICULTURE

Pennsylvania's diversified agriculture provides many opportunities for regional economic development. PFU supports efforts to grow, process and distribute agricultural products for local and regional consumption, which may include community-supported agriculture, local feed supplies and farmers' markets, co-operative processing, as well as medium-scale value-chains that support producer-consumer relationships.

2. PRACTICES THAT SUSTAIN PENNSYLVANIA AGRICULTURE

PFU encourages the growing interest among farmers, consumers and environmentalists in adopting and promoting practices that protect the soil, and reduce the need for chemical and petroleum based pesticides and fertilizers. We support increased research at the universities in Pennsylvania and partner organizations with a higher priority placed in interdisciplinary research on the social, economic and environmental effects of agricultural policies and technologies.

3. FAIR TRADE

Fair trade encourages collaboration among farmers, consumers, workers and advocacy organizations by acknowledging the role of all stakeholders in agriculture and their common interests in a more healthy, just food system.

II. AGRICULTURAL PRODUCTS

SPECIALTY CROPS: FRUITS, VEGETABLES AND HORTICULTURE

Specialty crops include fruits, vegetables, tree nuts, dried fruits, nursery crops, floriculture and horticulture including turf grass, sod and herbal crops.

PFU priorities:

1. Mandatory federal funding for a safety net program to allow producers to earn the cost of production plus a reasonable profit from the marketplace;
2. Federal and state policies to increase investment in research, marketing and risk management targeted toward specialty crop production with a focus on sustainable practices and local and regional distribution systems;
3. USDA's promotion of buying local and regional agricultural products as a means to provide new and larger markets for smaller specialty crop farmers. Local products may be defined as being produced within the immediate area, state, or within 100 miles, while the region may be defined as the Mid-Atlantic;
4. Promotion of farm-to-school and farm-to-institution programs;
5. Promotion of farmers' markets and community-supported agriculture (CSA) to allow consumers greater access to fresh produce and to allow smaller-scale farmers opportunities to market directly to consumers;
6. Language to ensure farmer-friendly and transparent means for certified organic farmers to simultaneously qualify for higher tier Conservation Stewardship Program opportunities;
7. Removal of barriers and provide incentives so that farmers' markets and farm stands can redeem food stamps (SNAP), WIC coupons and other federal nutrition program vouchers;
8. Mandatory funding for programs providing cost share for organizations providing double value coupons for the purchase of fresh fruits and vegetables at farmers' markets;
9. Preservation or expansion of all programs in the Special Supplemental Nutrition Program, including Farmers' Market Nutrition Programs, and the Farmers' Market Women Infant and Children (WIC) coupon program. These programs are mutually beneficial for specialty crop producers by providing a market opportunity and for low-income consumers who receive high-quality, locally produced farm fresh products;
10. Development of community-based enterprises (i.e., Community Food Projects program) and farmer-owned co-operatives for marketing, processing, aggregation and distribution;
11. Mandatory funding for the Specialty Crop Act. Specialty crop block grants that are provided to states should be provided to producers and qualified service providers (for example, state and regional "Buy Local" organizations and efforts) and not replace state budgets;
12. Allow flexibility within the Department of Defense Fresh Program's ordering and distribution system to facilitate and increase the participation of local farmers and to ensure the purchase and delivery of the freshest possible fresh fruits and vegetables to schools; and
13. Allow small rural schools the flexibility to purchase locally and regionally grown foods for school lunches in lieu of federal commodity assistance.

PFU supports:

1. Collaboration with consumer, culinary and other food groups to promote U.S. specialty crops;
2. Protection for specialty crop producers from competitive markets during the primary harvest season for perishable crops (window of harvest);
3. Geographically Disadvantaged provisions for U.S. areas not included in main farm programs, including Alaska, Hawaii and Puerto Rico;
4. The purchase of surplus fruits and vegetables through Section 32 and bonus buy programs for distribution through federal food aid programs;

5. Flexibility in USDA crop commodity programs to allow occasional fruit and vegetables production and maintain full program eligibility; and
6. Removal of the restrictions for purchase of organic products under the WIC program if that can be accomplished without reducing the number of WIC recipients.

DAIRY

PFU supports policies at the federal and state levels that preserve and protect the Pennsylvania region's dairy industry, assure a nationwide supply of milk from a diverse number of dairy operations and assure milk producers a fair return on their labor and investment. PFU recognizes that the present structure for the processing, packaging, marketing and pricing of farm milk is causing growing harm to Pennsylvania dairy families and threatens the future supply of fresh, high-quality, locally produced milk and dairy products for the region's consumers. H.R. 3062, the Dairy Security Act of 2011 (DSA), proposed for inclusion in the 2013 Farm Bill includes several provisions that will help in that effort, including a step toward supply management. The DSA, however, must also 1) ensure that dairy policy reforms will not result in further consolidation and vertical integration in the dairy industry and 2) provide a safety net for smaller dairy producers.

PFU priorities:

1. Continuation of the efficient and effective Milk Income Loss Contract (MILC) or similar program that provides significant benefits to small and medium-sized farms and based on an all-milk income/feed cost margin trigger;
2. Require full transparency in the calculation of producer pay prices by co-operatives, proprietary handlers and other entities purchasing and marketing farm milk;
3. Assure all domestic and imported dairy products comply fully with U.S. standards for identity, food safety and country-of-origin labeling;
4. Enforce antitrust laws to prevent predatory and anticompetitive behavior by processors and marketers of dairy products;
5. Encourage growth of markets for farm milk through research and development of new products and through expansion of exports. Support regional "buy local" efforts;
6. Support states' rights to legalize sales of raw milk and raw milk products to consumers, in conjunction with rigorous milk-handling inspections and consumer education. Oversight of raw milk sales should be the jurisdiction of state departments of agriculture;
7. Implementation of the existing provision in the Federal Milk Marketing Order (FMMO) which utilizes regional pricing based on cost of production;
8. The merging of the Livestock Gross Margin Program (LGM) with the Adjusted Gross Margin Revenue Lite (AGR Lite) Program and make the program more consumer friendly and more applicable to small-scale dairy operations;
9. Any review of the federal milk marketing order system should include a consideration of instituting a separate milk marketing order for organic milk; and
10. Restrict the use of dairy descriptors such as milk, butter, cheese and yogurt on labels to only those products made from milk.
11. Reduce roadblocks in the emerging raw milk market by supporting:
 - a) The production and sale of raw milk as it provides a viable market niche for dairies. Because of the possible risks of cross-contamination, we recommend that raw milk be bottled as the product of a single source and wherever possible at the physical location of that source. Single-source bottling will keep intact the chain of responsibility and greatly aid in tracking possible cases of contamination,
 - b) Policies, practices and standards for responsible raw milk production for dairy producers that choose to produce raw milk (or raw dairy products) for human consumption, and

- c) Equal access to raw milk (and or raw dairy products) for human consumption for all consumers that choose to consume raw milk.
- d) Interstate commerce of raw milk and raw milk products for human consumption

PFU supports:

1. Establish a national supply management program that balances milk supply with demand and allow the farmer to choose their production base from any three-month consecutive period in the previous 12 months. Such a system should be designed to align production with market demand, prevent the extreme peaks and valleys of farm milk prices that characterize the dairy industry currently, and allow sufficient flexibility to permit entry of new producers and to keep up with growing population and changing production technology;
2. Base pricing formulas on surveys of competitive milk prices actually paid to dairy farmers from cheese manufacturers from across the country rather than on voluntary limited reporting on opaque, thinly traded wholesale commodity exchanges;
3. Recommend a national 400,000 Somatic Cell Count to increase the quality of milk and farm profitability;
4. Assure adequate supplies of milk and dairy products are always available for school lunch, food relief and other nutrition and humanitarian programs especially by fully utilizing the Emergency Food Assistance Program (TEFAP) that distributes dairy products to food banks and local food distribution agencies;
5. Require both mandatory and voluntary deduct programs such as milk promotion, beef check-off and CWT to demonstrate actual enhancement of producer income;
6. Provide grants to encourage dairy farmers to employ sound environmental and conservation practices and provide resources to assist them in achieving sustainable stewardship goals. Increase counter cyclical payment for environmental practices that address the social, economic and environmental benefits of dairy farm to some communities;
7. Acknowledge the impact of non-market influence and artificially inflated costs of input for Pennsylvania Dairy Farmers including ethanol mandate and subsidies, air and water regulations, 'freedom to farm' within an increasingly urban environment, labor costs, and lack of infrastructure;
8. Grant based incentives directed specifically at 'at risk' small operations that lack resources to:
 - a. Lower inputs (energy, fuel).
 - b. Change production practices to enable long-term lower cost production.
 - c. Initiate value-added programs.
 - d. Allow for whole herd buyout for herds under 200 cows with lifetime prohibition on returning to dairy and a 10-year agricultural restriction on development.
 - e. Allow for one-time payment to herds under 200 cows to permanently limit production to current levels or a stable pay price fixed to costs of production as defined by USDA tied to a fixed quota of milk entering commerce; and
9. Maintain high levels of quality and food safety in the entire dairy industry through effective regulation by USDA, FDA and counterpart state agencies.

HAY AND PASTURE

PFU believes that hay, forage crops for hay, cover crops and managed pasture should be considered program crops for purposes of government payments. Farmers who grow forage crops for hay or pasture get little direct financial assistance from farm programs, and USDA assistance for the land used for these important crops is extremely limited, even though the crops are very sustainable and well-

sited in conservation plans. Their use should be encouraged, not penalized, as is presently done. PFU values these crops and believes they should be guaranteed financial assistance comparable to other crops that can be grown on the same land. States should fund grazing specialist positions.

PFU priorities:

1. Increased funding for the Environmental Quality Incentives Program (EQIP) program as it is invaluable to graziers;
2. Funding for state agricultural agencies and extension services to research and develop localized varieties of forage and hay crops appropriate to each state's climate and soils; and
3. Creation of more intensive dairy grazing research facilities in active and retired research facilities. Forage research should include the research needs of small to medium size rotational grazing as well as larger farms that focus more on stored forages.

LIVESTOCK

PFU believes that livestock agriculture, which has been a strong part of the culture, heritage and economy of agriculture in Pennsylvania, continues to play a significant role and must be supported. As such, PFU supports producers' right to own and raise livestock and have livestock recognized as personal property.

Livestock health is critical to production agriculture and our nation's ability to provide a safe food supply. Achieving the necessary means to ensure livestock health and welfare is a priority for PFU.

Further, PFU believes that the unrestricted importation of livestock and livestock products is causing serious damage to American domestic livestock production. Additionally, a lack of meat import inspection poses an increased potential of contaminated food reaching tables in the U.S. We recommend that Congress take appropriate steps to protect U.S. livestock producers from unfair trading practices.

PFU priorities:

1. Support the promotion of animal welfare, as opposed to animal rights initiatives which would limit production agriculture by imposing mandatory restrictions on traditional methods of agricultural animal production;
2. Opposes a ban on the slaughter of horses. We oppose the criminalization of individuals processing, shipping, transporting, purchasing, selling, delivering, or receiving any horse, horse flesh, or carcass for the purpose of harvest;
3. Supports a call for the reinstatement of facilities to provide for the humane disposal of horses;
4. Continue to allow FDA to permit the use of therapeutic antibiotics approved for use in livestock unless valid scientific evidence proves the product is unsafe, and support producers' right to treat his or her animals with antibiotics to maintain herd health while opposing the constant sub-therapeutic use of antibiotics;
5. Require more vigorous inspection of imported meats to ensure foreign standards are equal to U.S. standards;
6. In order to maintain consumer confidence in the safety and wholesomeness of meat and poultry products, Pennsylvania Farmers Union urges USDA to ensure that continuous meat inspection systems remain in effect and do not move toward a risk-based system;
7. Require conspicuous labeling throughout the processing chain identifying:
 - a. point of origin,
 - b. date of kill,
 - c. whether meat was frozen, and
 - d. the date/dates the meat was subsequently refrozen;

8. Meat food products from cloned animals should be labeled at the retail level; and
9. Educate the public regarding the important use of animals for agricultural and medical research. Any illegal actions taken by animal rights organizations toward producers should be prosecuted to the fullest extent of the law.

PFU supports:

1. Investigate the impact of foreign pricing practices on the U.S. market;
2. Impose countervailing duties to offset subsidies paid to foreign exporters;
3. Require the amount of imported meat and live animals intended for slaughter be reported weekly;
4. United States government's ability to impose trade sanctions against foreign countries based on USTR assessments;
5. Re-establish the importation law to replace existing tariff-rate quota system with an import quota system;
6. Require end-use certificates to monitor the flow of livestock being imported;
7. Strengthen USDA and FDA safety standards to prevent bovine spongiform encephalopathy (BSE) contaminated products from being imported;
8. Ban meat and/or meat products from foreign countries that allow use of medications or additives not approved for use in the U.S.;
9. Require more vigorous inspection of imported meat processing facilities to ensure foreign standards are equal to U.S. standards;
10. Prohibit ground and shaved meat from being imported into the U.S.;
11. Enforce all existing quarantine requirements and health standards as set forth by USDA/Animal and Plant Health Inspection Service (APHIS) regarding imports of livestock and other commodities;
12. Fully fund a disease (such as chronic wasting disease) eradication program, including testing of non-traditional livestock species and imported livestock and livestock byproducts;
13. Ban livestock, animal protein products and meat imports that would jeopardize U.S. efforts to eradicate livestock diseases including BSE and Foot and Mouth Disease (FMD);
14. Encourage congressional support for emergency economic assistance for producers who have suffered economic and market losses as a result of an incident of livestock disease as covered by the Animal Health Protection Act (PL 108-498);
15. Establish funding for a voluntary Johne's Disease testing program;
16. Increase research on transmission modes, vaccine regimes and protocol for vesicular stomatitis by federal officials and private organizations;
17. Re-evaluate the quarantine restriction and reclassification of vesicular stomatitis from a Class A to a Class B disease;
18. Prevent Bovine Spongiform Encephalopathy (BSE) through:
 - a. Increasing federal and international research to understand and prevent BSE;
 - b. Continuing the ban on processing, blending and shipping, from the site where tested, of meat from an animal that has been tested for BSE until the results are available to appropriate parties;
 - c. Rescinding the USDA rules that allow the import of livestock and meat products from countries with active disease outbreaks without Congressional oversight and producer and consumer input;
 - d. Continuing ban on animal and meat imports from countries with BSE outbreaks until the disease is controlled and/or eradicated;

- e. Banning all meat and feed imports from countries that have not implemented and enforced a ruminant-to-ruminant feed ban,
 - f. Prohibiting the importation of animal protein products from countries that cannot certify BSE- and transmissible spongiform encephalopathies (TSE)-free products;
 - g. Prohibiting TSE-positive materials in non-ruminant feeds, and
 - h. Cross-referencing all regulations for complete consistency of standards;
19. Develop a comprehensive strategy to help producers detect and eliminate stray voltage. The strategy should include research on stray voltage, inspectors to detect the problem, and public education about funding available to assist producers who have suffered losses due to stray voltage;
 20. Enforce Section 21 General Requirement Rule 215-B of the National Electric Safety Code to prohibit using the ground as the sole conductor or return to utilities substations;
 21. Require user-fees for importers to implement inspections and disease prevention;
 22. Encourage Congress to continue funding research and prevention methods for all harmful and life-threatening strains of Avian (Bird) Flu and H1N1. USDA should develop a strategic plan to help producers detect, monitor and eradicate infected animals. Vaccination compensation for mandatory culling should be directed toward producers with limited finances to prevent the driving out of small producers; and
 23. Concentrated Animal Feeding Operations (CAFOs)
 - a. PFU believes that state should develop regulations and an enforcement process for very large livestock operations;
 - b. PFU supports the use of anaerobic digester and biomass combustion technology for CAFO Comprehensive Nutrient Management Plans;
 - c. PFU supports the study of anaerobic digester and biomass combustion technology and associated nutrient byproducts (such as ash and digestate) for air and water quality effects at CAFO sites, and the development of improved best management practices that retain nutrients and reduce pathogens from animal waste on agricultural lands; and
 - d. PFU supports continued enforcement of Clean Air Act and Clean Water Act rules at CAFO sites, and research on the removal of nutrients from animal wastes.

SEED BANKS/LOCAL VARIETALS

PFU supports:

1. Seed Banks: Seed is a critical foundation to crop agriculture and horticulture. As depositories of priceless plant genetics, seed banks represent future food security. Seed banks must contain the greatest genetic diversity possible, must organize, catalog and preserve those resources competently and completely, and must allow clear use and access to seed breeders, farmers, serious agriculturalists and other professionals. The nature of the seed bank mission - maintaining the broadest diversity of genetic resources possible for future potential uses - is a significant benefit to society in general and agriculture in particular. As a strategic public asset, PFU supports funding for seed banks, akin to funding for public libraries. Funding for classical plant and animal breeding should be a priority area within the Agriculture and Food Research Initiatives (AFRI) process and the Agriculture Research Service (ARS).
2. Locally Adapted Seed: Agriculture is diverse so it follows that seed resources also should be diverse to meet the varying needs of local agriculture. The world has an incredible diversity of climates, soils, growing seasons, elevations and crop production challenges. Successful crop production requires seed that is locally adapted to regional conditions and plants that display resiliency and elasticity in the face of sometimes difficult growing conditions. PFU supports local seed producers who produce locally adapted seed and in doing so create new

market opportunities and contribute significantly to regionally self-reliant, successful agriculture.

HONEY/POLLINATION

Pollinators are vital to agriculture and in particular the production of fruits and vegetables. Bee-pollinated forage and hay crops such as clover and alfalfa are also used to feed livestock and dairy animals.

PFU priorities:

1. Agricultural research and education to encourage innovative approaches to protecting honey-bee health and improve genetic stocks of honeybees;
2. Development and expanded research to enhance native pollinators;
3. Encouraging EPA to enforce its pesticide use-labels to ensure proper application of pesticides;
4. Encouraging collaboration between the pesticide manufacturing and pollinator industries to educate applicators and producers about the potentially harmful effects of pesticides on pollinator populations;
5. Continued monitoring of pest populations and pest control methods;
6. Continued monitoring of pollinator imports, accidental importation of pests and invasive species;
7. Ensuring that pollinator-beneficial habitat and best management practices are eligible for cost-sharing assistance and incentives in USDA conservation programs intended to assist producers; and
8. Public research for the causes of Colony Collapse Disorder.

MAPLE SYRUP

PFU priorities:

1. Testing and penalties for adulteration of products sold as “pure maple syrup”;
2. Eligibility of maple syrup under the USDA SNAP and other farmers’ market coupon programs;
3. Research and development of energy-saving technology in the maple syrup industry;
4. Policies that allow for responsible tapping of maple trees on public land;
5. Voluntary grading systems for maple syrup;
6. Classification of maple syrup as a ‘specialty crop’ under USDA guidelines; and
7. The formation of producer and marketing co-ops to support the viability of small land holders and sugaring operations.

TREE FARMS AND FORESTRY

The economic well-being, as well as the independent existence of family-sized tree farmers, is threatened by regulatory uncertainty, over-regulation of wetlands, and restraining buffer zones. PFU supports the family-sized tree farmers who share problems similar to other agriculture producers.

PFU encourages private landowners to adopt collaborative sustainable forest management practices, including but not limited to completion and implementation of forest stewardship management plans as recognized by USDA’s Forest Service.

PFU encourages public-land managers to support and facilitate the formation of locally owned co-operatives and businesses to harvest and process forest products. Sustainable forestry and forestry practices should meet the needs of the present without compromising the ability of future genera-

tions to meet their own needs by practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing and harvesting of trees for useful products and ecosystem services such as the conservation of soil, air and water quality, carbon, biological diversity, wildlife and aquatic habitats, recreation, and aesthetics.

PFU priorities:

1. The implementation of sustainable forestry by ensuring long-term forest productivity and yield based on the use of the best scientific information available;
2. Long-term forest productivity, carbon storage and conservation of forest resources through prompt reforestation, soil conservation, afforestation and other measures;
3. Developing and implementing stand- and landscape-level measures that promote habitat diversity and the conservation of forest plants and animals, including aquatic species;
4. Encouraging forest landowners to utilize the services of forest management and harvesting professionals;
5. The use of best management practices to protect water quality;
6. Conserving biological diversity, biodiversity hotspots and high-biodiversity wilderness areas;
7. Avoiding illegal logging;
8. Research, science, and technology, upon which sustainable forest management decisions are based;
9. The implementation of sustainable forestry practices through appropriate training and education programs;
10. The formation and support of forestry co-ops as a mechanism for sustaining small, locally owned woodlots and landholders; and
11. The continued funding through NRCS of programs that support forestland owners who engage consulting foresters for the development or updating of forest management plans.

INDUSTRIAL HEMP

The North American Industrial Hemp Council has been leading a nationwide effort to educate government officials and the public about the agricultural benefits of re-establishing the use of industrial hemp, and several states have either passed legislation or are considering legislation to permit research into the viability and economic potential of industrial hemp production in the United States and the planting of test plots using modern agricultural techniques. PFU supports state legislation to permit research and test plots in the Pennsylvania states.

PFU Supports the delisting of industrial hemp from the Federal Narcotics Schedule. Industrial Hemp is poised to provide a more sustainable option for food, fiber and fuel production to family farmers of all stripes in our Commonwealth and beyond. The time has long since come to modify the law, and embrace this new, sustainable paradigm.

III. MANAGEMENT PRACTICES

Change and diversity of agricultural practices have been essential to the success and prosperity of agriculture in the United States. As advances continue to occur in all areas, including conventional, organic, biotechnology, and other farm practices, PFU calls on all people affected by agriculture to be mindful of their neighbors and show mutual respect toward their farming practices and production choices.

PFU priorities:

1. Continued research of agricultural practices such as biotechnology, Integrated Pest Management (IPM), biological pest controls, reduced tillage, sustainable agriculture and water quality management to achieve positive impacts on the environment and quality of life. We recognize that agricultural research is often a long-term process requiring scientific and economic risk benefit analysis when assessing new technologies.
2. Encouraging Cooperative Extension at our region's land grant universities to take a more proactive approach to research programs that examine alternative farm practices and new possibilities in agriculture recognizing that Extension remains an essential conduit between academic research and practical application in the field.
3. Adherence by all producers, organic or conventional, in following state pesticide regulations regarding training, licensing, and record keeping for regulated crop protection materials.

ORGANIC AGRICULTURE PROGRAMS AND STANDARDS

PFU recognizes the importance of organic farming. It is not merely based on a list of acceptable or prohibited materials or practices. Organic farming is a management-intensive approach designed to emulate natural systems as much as possible in producing crops and livestock, and should be maintained as a distinct market.

According to the National Agricultural Statistics Service, Pennsylvania is in the top five states in the nation for Organic sales. Organic agriculture is impacting many of Pennsylvania's traditional crops.

PFU Priorities:

1. Requiring USDA to maintain the role of the National Organic Standards Board (NOSB) as the official source of developing policies and procedures to interpret and implement the federal organic standards. Adequate staffing must be provided to enable the NOSB to fulfill its obligation to organic producers. Farmer or self-employed members of the NOSB should be given financial compensation for loss of earning, increased costs or other specific costs associated with serving on the Board to ensure that they are able to apply for and serve on this volunteer Board;
2. Maintaining organic livestock and poultry production standards that are uniform for growers at all scales and account for feeding and animal health care practices for continuous or transitional organic management;
3. Maintaining and protecting the integrity of organic labeling; and
4. The clear definition, strict enforcement and monitoring of the USDA National Organic Program (NOP).
5. The immediate adoption, and rigorous enforcement of the Organic Livestock and Poultry Practices rule (OLPP)

PFU Supports:

1. Ensuring accreditation and certification costs do not discriminate against small producers;
2. Organic standards that prohibit the use of irradiation, genetically modified organisms, biosolids, or sewage sludge that contains heavy metals;

3. Labeling standards encouraging the sale of organic products while not limiting opportunities to market other clearly defined natural or sustainably produced food products, or those adhering to Fair Trade principles and standards;
4. Adequate and a comparable percentage to non-organic funding for collection of organic data. As the organic industry matures and grows at a rapid rate, the lack of national data for the production, pricing, and marketing of organic products has been an impediment to further development of the industry and to the effective functioning of many organic programs within USDA;
5. Close scrutiny of organic certifiers' qualifications and performance by NOP with mandatory training and licensing of organic inspectors; and
6. Sufficient funding for the NOP to administer and enforce the standards of the organic industry.

GRASS BASED AGRICULTURE

Our region's capacity to grow grass in pasture-based livestock operations offers us a significant competitive advantage over other regions of the country. Grass farming is a management practice that can sequester carbon, reduce financial risks, input costs and nutrient run-off from farms. The growing consumer interest in grass fed meat and dairy present an opportunity for new markets that also pay environmental and health benefits.

PFU priorities:

1. Protect the grass fed label to ensure consumer confidence and brand integrity.
2. Adequately funded and farmer participatory research to improve pasture based systems; to evaluate the climate change and risk mitigation benefits of grass-based agriculture including carbon sequestration; to evaluate the health benefits of grass fed meat and dairy.
3. Securing adequate capital and technical assistance to increase livestock processing capacity in Pennsylvania.

GENETICALLY MODIFIED ORGANISMS AND BIOTECHNOLOGY SEED TECHNOLOGY AND GENETICS

Since its introduction in 1996, the use of genetically modified seeds to achieve herbicide tolerance and insect resistance has grown exponentially. A full 88% of the U.S. corn crop, 93% of the U.S. soybean crop and 94% of cotton in the 2012 crop year were grown from genetically engineered seed. The U.S leads the world in the use of GMO seed technology with 395 million acres planted to GMO corn, soybeans, cotton, canola, sugar beets, alfalfa and squash in 2011.

The use of this technology is widespread. Its use is controversial. GMOs have created ethical, environmental, food safety, legal, market and structural issues that impact everyone in the food chain. Consumer and producer concerns need to be addressed. PFU acknowledges concerns that biotechnology is being used as a trade barrier. PFU respects all nations' sovereignty and food policies and thus urges open dialogue, cooperation and understanding in trade negotiations relating to biotechnology.

PFU priorities:

1. Mandatory labeling of all GMO seed in order to allow producers freedom of choice according to their needs and priorities, and mandatory labeling of all food that contains genetically altered ingredients so as to allow consumers freedom of choice in what they consume and the agricultural systems they support;
2. We support the development of new GMO traits when issues of cross-pollination, liability, commodity and seed stock segregation and market acceptance are objectively addressed and fairly resolved for the protection of all producers and consumers. While biotech traits are under patent, the patent holder should be prepared to indemnify its trait users against financial burdens caused by claims. Research conducted in an environmentally secure indoor facility should be exempt from the above requirements. Research conducted in open fields produc-

tion should be subject to mandatory public disclosure of persons or entities initiating the research, location of the sites, specific species and traits involved and the characteristics of the intended resultant genetically modified plant to be created. U.S. government agencies, particularly the USDA and the Food and Drug Administration (FDA) should continue to serve their respective roles in providing unbiased, scientifically-based evaluations concerning the human and animal safety and wholesomeness, as well as the environmental impacts of biotechnology-enhanced commodities.

PFU supports:

1. Legislation to exempt farmers from paying royalties on patented farm animals and technical fees on seeds which have been genetically modified;
2. Legislation to prohibit the use of tax dollars in developing terminator technology, e.g., a gene to insure that seed will not reproduce;
3. The right of farmers to save and plant seed derived from proprietary organisms on their own land;
4. New products involving GMOs be certified as safe by the FDA in testing done independently of the patent holder, before being allowed on the market. Such testing is to be done at the expense of the specific patent holders seeking to market such products;
5. Congressional action to regulate the biotech industry's technology agreements. Farmers should not have to sign away their fundamental rights, including, but not limited to a jury of their peers in court, in exchange for the privilege of growing biotech crops. Grievances should be settled in the home state of the farmer, not the state of the biotech corporation;
6. Any damages caused to farmers through lower prices, lost markets or contamination shall be fully reimbursed to farmers, including legal fees, by the company producing the genetically modified product;
7. All data used in the analysis of the health and environmental effects of GMOs should be public record, and that criminal penalties be established for the willful withholding or altering of such data;
8. Prohibiting government regulatory agencies from licensing genetically modified products that are not acceptable for both human consumption and animal feed;
9. Until USDA and FDA improve oversight and regulation of pharma crops, PFU cannot endorse or support pharma farming based on economic, environmental, food safety and liability risks to producers and consumers;
10. Requiring government regulatory agencies and input suppliers to ensure that farmers are informed of all potential market risks and segregation requirements associated with planting any licensed genetically modified crop;
11. Government regulatory agencies shall consider domestic and foreign consumer acceptance of the product when licensing;
12. Development of a paper verification system and a storage and marketing plan to aid farmers with non-GMO grains;
13. Identity-preserved systems and insist they receive protection from cross contamination;
14. The position that GMO contamination of organic seed constitutes irreparable harm to the organic seed industry and undermines the integrity of organic seed. Any detectable level is unacceptable;
15. GMO seeds and crops be adequately labeled and stored, so that they do not interfere with the export or import of crops and commodities into countries that have concerns about them.
16. Legislation to prohibit the patenting of heritage seed, animal and biological genetics and individual plant traits;
17. Legislation to prohibit the development and selling of seed that is sterile;

18. Legislation requiring that patent holders or owners of GMO technology be held strictly liable for damages caused by genetic trespass including safety, health, economic and environmental effects. Farmers are not to be held liable for food safety, human health or environmental problems, including cross-pollination, related to the use of GMOs as long as generally accepted crop production practices are followed.

ANTIBIOTIC USE

Livestock producers who choose to use antibiotics in animal husbandry are responsible for the correct use of those products including adequate record keeping and withdrawal before slaughter or use of milk or eggs. PFU does not support the extensive use of antibiotics to compensate for inadequate animal husbandry, environment or genetics. In order to ensure human health and consumer confidence, PFU supports policies that require independent monitoring of data on the use of antibiotics at food and feed companies, and encourages USDA to increase testing for pathogens in processing plants.

ANIMAL WELFARE / HUSBANDRY / WELL-BEING

PFU is a steadfast advocate for responsible farming in which a family manages their land base, cropping systems, and livestock as an integrated system. We believe that family farmers in Pennsylvania should have control over the handling of their animals and that they should comply with each state's policies for animal husbandry practices.

PFU supports:

1. Educational programs to inform the public on the true nature of animal care on the family farm. Family farms base their survival on the personal and humane care to their animals. We further believe that those who violate the law should be prosecuted to the full extent of the law.

APPROPRIATE TECHNOLOGY DEVELOPMENT

PFU supports

1. Efforts to fill the gap between traditional technologies and affordable, appropriately sized, commercially available equipment with good quality tools and equipment that are affordable and suited to the scale of operations of the small farmers.

LOW ENERGY, LOW INPUT BIOLOGICAL SYSTEMS

PFU supports:

1. Research and education on low-energy, low-input agriculture. These management techniques focus on reducing the level of chemical inputs into soil and the amount of fossil fuels used in the course of managing crops. Integrated pest management, the use of cover crops to improve fertility, and practices that improve soil health such as nutrient management are all examples of these practices that PFU supports.

INVASIVE SPECIES

The spread of invasive plants and animals is a serious environmental problem threatening Pennsylvania's natural ecosystems. Given the collective threat these species pose, any programs to remediate or eradicate invasive species should not be at the burden or expense of the landowner.

PFU supports:

1. In cases where remediation or eradication efforts result in a loss of income-generating crops or value of land for a farmer, PFU supports programs designed to reimburse farmers for their loss;

2. Collaborative efforts between public and private agencies and organizations to develop and implement control plans for states and municipalities threatened by invasive species;
3. Training of staff and volunteers in control methods; and
4. Public education.

NUTRIENT DENSITY

Where appropriate, PFU encourages the practice of nutrient density farming, which employs biological practices designed to ensure that harvested crops have a measurably larger quantity of a broad spectrum of different minerals, vitamins, phytonutrients, and antioxidants than crops raised using other methods.

THE ENVIRONMENT AND THE FAMILY FARM

PFU supports:

1. A rational, nationwide environmental policy. We believe that family farmers are great contributors toward preserving the environment and that society is interested in rewarding their contributions. Pennsylvania farmers work hard and take great pride in providing a safe and healthy product while contributing to the health of our region through their care of the land. We support environmental programs that encourage farmers to adopt conservation and environmentally friendly practices, and that reward them for their contributions to a healthy environment.
2. Programs that recognize farms as multifunctional and rewards farmers for their contribution to land stewardship, protecting clean air and water, open spaces, and wildlife, supporting rural heritage, supporting small town and rural economies and tourism.
3. The adoption and promotion of agricultural practices that protect the soil and reduce the need for pesticides and fertilizers.
4. Increased emphasis on public interest research at the region's land grant universities with a higher priority placed in interdisciplinary research on the social, economic and environmental effects of agricultural policies, technologies, chemicals, and biotechnologies. We encourage the universities to establish policies to expand the availability of public information and disclosure of all research projects, whether publicly or privately funded.

LOCAL FOOD & FOOD SYSTEMS

PFU supports:

Any and all initiatives aimed at re-regionalizing our food system. This may include encouraging the development of regional food hubs, value-added product initiatives, incentivizing (by way of tax credits or subsidies) those farms who commit to growing non-commodity food crops, and easing/simplifying the restrictions on small meatpackers to process meat for retail sale, farmers who sell direct-to-consumer and institutions that purchase their products for resale (ie: farmstands, markets, Farm to Table restaurants), educating consumers, and other such initiatives that would incentivize or enable a more regional food system.

The growing local food movement has many benefits to both PFU members, and Americans in general. These include:

1. Enhanced markets for the products that many members' farms produce
2. The ability for farmers to capture a larger share of the retail food dollar
3. Opportunities to employ and engage more Americans, in more regions, in the pursuit of Agriculture
4. Keeps consumer dollars circulating in each respective region, and to the family farms therein
5. Reconnects consumers to the food they eat & feed their families
6. Reduces transportation costs

7. Provides fresher, healthier food products, with a reduced need for transportation, long term storage, processing or treatment
8. Food Security: encouraging food production to be spread across the country, rather than concentrated in a few areas will help to insulate our food system against drought, flood, disease, fuel costs (or shortages) and malicious disruption
9. Allows for more sustainable methods of agriculture to be employed --profitably.

IV. GOVERNMENT ROLE IN AGRICULTURE

GOVERNMENT SUPPORT

PFU acknowledges the science of global climate change and the influence of human-based activities on atmospheric CO₂ levels. Farmers and agricultural practices can play a key role in large-scale carbon sequestration and renewable energy production. PFU urges policymakers to prioritize programs which reward farmers for sequestering carbon, and prioritize climate change mitigation and adaptation research that focuses on soil-based carbon sequestration and sustainable biofuel production.

Pennsylvania farmers provide important environmental benefits for the region's 14 million residents, including clean air, clean water, wildlife habitat and carbon sequestration. PFU encourages development of state and federal programs that recognize and reward farmers for the environmental stewardship and benefits they provide. PFU also encourages USDA to speed development of protocols for private ecosystem markets as authorized in the 2008 Farm Bill.

Payment program eligibility and limitations

PFU priorities:

1. PFU supports the region's Conservation Districts and continued funding for their programs and services, and opposes any further consolidation of Conservation Districts in the region.
2. PFU supports full funding of conservation programs as critically important to the wide diversity of crops produced in the region, as well as to the region's forest resources. State USDA-NRCS offices should be given wide latitude to develop state practices to address specific resource concerns identified by the State Technical Committee.
3. Regional equity has been critically important to producers in Pennsylvania, providing additional funding for USDA conservation programs. This funding mechanism recognizes the specific challenges faced by Pennsylvania farmers, including farming in a densely populated region, high land values and high costs of conservation practices. PFU strongly supports the continuation of regional equity at the \$15 million level.
4. Regional Equity should provide a provision for equal transfers of funds between states to assure that all program funds are available where needed within the region.
5. PFU supports restoring annual appropriations for the USDA's NRCS technical assistance at the field office level.
6. PFU supports any and all efforts aimed at improving access to and participation in USDA-NRCS soil-building and/or conservation programs (such as CRP, and CREP) by small and medium family farms through expanded legislation, training, outreach and education or any other means.

PFU supports:

1. An upper income cap on government farm payment program eligibility on the basis of net farm income, which would provide additional funds for programs to support beginning and limited income farmers.
2. Full funding of USDA programs that encourage permanent protection of working farm and forest lands.
3. Full funding for USDA programs that provide funding for pasture and wetlands restoration.

Federal crop insurance

PFU supports:

1. The continuation and improvement of the federal crop insurance program. We advocate for strong educational campaigns to help farmers make informed decisions about crop insurance options.
2. The expansion of federal crop insurance programs to support the diversity of crops that can be grown and recognize the changing infrastructure and markets available to farmers and producers in Pennsylvania.

Farm viability programs

PFU supports

1. The continuation and expansion of state farm viability programs to provide business planning assistance and grant funds to support new farm business opportunities and ventures, and direct-marketing and value-added strategies on existing farms.
2. The placement of a term “easement” on the affected land as a requirement of receipt of a grant award under such programs and the availability of such programs to farms previously protected by conservation easements.

Farm and profitability

PFU supports:

1. USDA Rural Development programs that benefit farming in Pennsylvania. The direction of RD initiatives should sustain and increase viability of family farms, family-owned rural businesses that will result in prosperous communities. Rural development is economic development for Pennsylvania.
2. PFU supports research that examines the flow of money within all the region's agriculture sectors; the positive and negative impacts of federal agriculture policies; potential state actions to enhance the profitability of the region's farmers, foresters, aquaculturalists and processors; and recommendations for policy changes that would enhance the viability of the region's agriculture, fisheries and aquaculture operations.

Agricultural statistics

PFU supports:

1. All farmers participating in all surveys of the USDA NASS and the Census of Agriculture, which should be conducted every five years;
2. Opposition to efforts to increase the minimum financial criteria for classifying agricultural operations;
3. Continued collection of information on direct marketing of agricultural products, the production and sale of organic agricultural products, value-added agricultural products and non-traditional farming operations and ownership;
4. Continued collection of needed data relating to corporate involvement in agriculture and coordination with information collected on foreign involvement in the purchase of farmland and agricultural enterprises to more clearly reflect the pattern of ownership and management of United States agriculture; and
5. Opposition to USDA using information obtained in the census in a manner that is detrimental to family farmers and ranchers.

USDA Rural Development Programs

Many Rural Development programs restrict eligibility to projects located in rural areas defined as any area other than a city or town that has a population of greater than 50,000 including the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census. This definition tends to exclude worthy projects, particularly in southern Pennsylvania where agriculture tends to be integrated into urban and peri-urban settings. Rural Development programs should primarily benefit agricultural producers and rural workers but ranking and eligibility criteria must recognize that food systems are regional in scope and often dependent upon integration with urban food systems in the same “food shed.” PFU supports an expansion of eligibility for USDA Rural Development loans and grants for projects not in rural areas if the loan or grant primarily benefits agricultural producers and provides employment for residents of a rural area.

USDA marketing programs

Even small investments in the local and regional food system can pay big benefits in new jobs, new markets and greater access to fresh fruits, vegetables, meat and dairy. A report from the Union of Concerned Scientists called *Market Forces: Creating Jobs Through Public Investment in Local and Regional Food Systems* provides an impressive survey of existing data on the many economic, health and environmental impacts of direct to consumer, school, restaurant and institution marketing by farmers. Pennsylvania's diversified agriculture provides many opportunities for regional economic development and PFU supports policies and programs that advance our region's efforts to grow, process and distribute farm and products for local and regional consumption.

PFU priorities:

1. Programs that provide coupons for consumers at farmers' markets and on-farm sales not limited to farmers' markets. Pennsylvania leads the country in number of farmers' markets. We also support allocating 10% of federal funds to be used for wireless Electronic Benefits Transfer (EBT) systems that can read SNAP cards at farmers' markets;
2. Fund programs that provide low-income seniors with coupons for the purchase of fresh fruits, vegetables, meat, fish, dairy and other agricultural products at farmers' markets, CSAs, CSFs, farm stands and other direct marketing venues.
3. Loan programs for local food distribution and marketing enterprises that serve markets in-state or within 400 miles of production site. These loans can fund slaughterhouses, small food distributors, dairy processing, warehouses, mills, kitchen incubators, and can extend funds to urban as well as rural regions;
4. Farm-to-school and farm-to-institution programs that support the distribution and consumption of Pennsylvania-grown and -processed food, and lumber in Pennsylvania institutions; and
5. Local preferences programs that allow local schools to establish purchasing preferences for locally produced dairy, as well as fruits, vegetables and meats for school meals.

Community-supported farming

PFU supports:

1. PFU supports initiatives that promote the development of community-supported enterprises. Pennsylvania farmers, nurserymen and flower growers are establishing community supported enterprises from which consumers/members purchase shares in the enterprise in advance of the season. This gives producers cash at the start of each season, and includes the customers in the risks inherent in farming and horticultural operations.
2. We support USDA efforts to reach out to consumers through the Know Your Farmer, Know Your Food initiative.

Value-added agriculture and processing

PFU supports:

1. All USDA programs that provide funding for value-added processing to help farmers develop value-added businesses with an emphasis on local and regional food systems. Adding value to food and fiber means capturing a greater portion of the market value, and Pennsylvania farmers and forest owners have found this to be an effective means for keeping their businesses viable; and
2. The formation of member owned co-operatives and other structures to facilitate the processing, marketing and distribution of value-added products.

Interstate Sale of State Inspected Meat

Several of the New England states have implemented state meat inspection programs. We support the same in the Mid-Atlantic regions. These state meat inspection programs are, as required by law, at least equal to federal standards. These programs provide additional access and value-added opportunities for producers. The 2008 Farm Bill required USDA to develop rules to allow the sale of state-inspected meats across state lines. The rules as they have been developed actually provide disincentives and added levels of unnecessary bureaucracy to the interstate sale of state-inspected meats.

PFU priorities:

1. The interstate sale of state-inspected meat; and
2. Acceleration of the rulemaking process for the interstate sale of state-inspected meat to allow individual processors, by virtue of state inspection, to sell meat across state lines as was implied in the 2008 farm bill language.

PFU supports:

1. State efforts to create MOUs to allow a state to deem another state inspection program adequate for its state's sales.

Agri-Tourism

PFU supports:

1. The inclusion of agri-tourism as part of the definition of agriculture;
2. USDA programs that recognize the value of agri-tourism in small, diversified farms and communities throughout the U.S. and programs that adopt agri-tourism allowances for funding;
3. USDA programs that educate producers about liabilities associated with agri-tourism operations; and
4. Limits on the maximum liability exposure, thus making liability insurance protection more attainable and affordable.

Agriculture education

PFU supports:

1. Legislation to allow certain agriculture courses, as approved by the states' departments of education, to count as science credits to be applied to state requirements for high school graduation; and
2. Efforts to continue and expand educational programs supportive of family farm agriculture and rural communities. We encourage educators to consider innovative approaches to family agriculture, including organic, value-added and sustainable agriculture.

Training New Farmers

PFU supports:

1. State and federal policies - such as low interest loans, grants and tax incentives - that provide adequate financing to help maintain Pennsylvania's family farm traditions and provide special assistance to beginning and minority family farmers;
2. College and university schools of agriculture, technical high schools with agricultural curricula, and other similar programs;
3. The maintenance and expansion of technical assistance for Pennsylvania farmers through university extension programs, state agricultural agencies, community-based organizations and private consultants. Technical assistance appropriate to Pennsylvania should include a focus on access to land, marketing assistance, access to capital, and scale-appropriate food safety training.

Land grant universities & institutions of higher learning

Research education in Pennsylvania's universities should be balanced and recognize the interests of family farms (conventional and organic) and co-operatives. University educational curricula must not support the interests of agribusiness at the expense of family farmers.

PFU notes the near total lack of course content and curricula on co-operative enterprise, co-operative history and management in our region's educational institutions, and particularly in secondary schools. This is in clear contrast to the contribution made by co-operatives to the economy and food system in Pennsylvania. We applaud the efforts of some colleges and universities to address this problem and call for support and investment in courses, certificates, advanced degrees and other educational programs that will support the next generation of co-operative leaders in our communities. PFU supports the continued contribution of cooperative extension to the region's farmers, youth and communities.

PFU priorities:

1. Increased funding in cooperative extension personnel and services related to direct, on-farm assistance and programs;
2. Formula funding for land grant universities, which creates a stable base of funding for continuation of services in small states;
3. Increased funding to better enable land grant institutions in Pennsylvania to be able to develop viable state and county agricultural research stations; Increased cooperative extension funding for outreach and dissemination and distribution of crops and cropping methods, and to facilitate feedback for success and failures; and
4. Increased emphasis on cooperative development, management and history at every level of research, education and extension from university curriculum to 4-H.

PFU supports:

1. Development of a public seed bank of varieties developed and continually refined at the research stations; and
2. Increased funding for Northeast Sustainable Agriculture Research and Education (SARE) for on-farm field trials.

Federal estate tax

PFU supports:

1. Estate tax relief for family-owned farms in order to facilitate the transfer of those enterprises to the next generation;
2. A federal estate tax exemption per estate that is set at \$3.5 million, indexed annually, with a top tax rate of 45%;
3. Simplified exemption qualification rules and requirements, along with the implementation of graduated tax rates;
4. Section 2032A applications based on the use of the land for agriculture and not on the owner, thus allowing land covered by 2032A to be rented to another for farming purposes;
5. Allow property that has been valued using 2032A to be freely transferred without triggering recapture as long as it is maintained in its qualified use;
6. Eliminate the cap on the amount by which an estate's value may be reduced through the use of Section 2032A; and
7. Sale of a conservation easement on land subject to Section 2032A should not trigger a recapture of the avoided estate tax.

PFU opposes:

1. Shifting tax liability from the estate tax to the capital gains tax through the elimination of the “step-up” in basis provisions.

Broadband access

PFU supports efforts to provide competitively priced, high-speed broadband access to the internet for all Americans.

Libraries

PFU supports adequate funding for rural libraries. It is through a well-informed public that democracy is best served. Libraries provide access to information for all.

PFU opposes any efforts to cut funds for libraries, including materials and services for the blind and visually impaired.

Postal service

PFU opposes changes in postal policy that will result in reduced, less frequent or inefficient mail service for rural areas. We oppose further privatization of the postal service.

GOVERNMENT REGULATION

Right to farm

PFU supports the right to farm, and acknowledges that this right does not imply a right to pollute or to harm our neighbors’ rights. We call upon the region’s state legislatures to preserve the current right to farm laws that protect family farmers in Pennsylvania and the property rights of all. PFU supports legislative action to ensure that state laws help keep family farmers — of all scales — active and viable in Pennsylvania.

Local Agricultural Regulations

PFU supports:

1. Public processes that engage a wide range of stakeholders in discussions and policy setting regarding the development, propagation and enforcement of regulations that deal with seeds, chemicals, and fertilizers. Such regulations should not be used to limit, restrict or prescribe the types of management practices employed by farmers; and
2. Local boards of health, sanitation, and other agencies and officials that interact with agricultural enterprises should be offered training and education so that they are fully aware of the need for regulations that foster agriculture in their communities.

Food Security and Reserves

In the interest of food security, PFU believes that a widespread network of many independent family farms is superior to a few very large food production and processing companies. In the advent of disease outbreaks, natural disaster, major nuclear or industrial accidents, or in the event of war or acts of terrorism, a concentrated food supply would leave Pennsylvania more vulnerable to hardship than would be experienced with a family farm system.

The concentration of farm ownership also tends to disenfranchise many at the benefit of few, causing financial and social turmoil over time. We support establishing a revolving two-year, farmer-owned reserve of commodities to provide an adequate supply of raw materials for use as emergency food or renewable energy.

Food Safety

PFU believes that a successful agricultural sector requires food safety regulations and policies that protect the public from foodborne illnesses and educate farmers about how to handle their products safely. Regulations should be clearly and consistently enforced, with an emphasis on technical assistance and training, rather than a reliance on punitive action following violations. PFU does not believe that one-size-fits all regulations, like Good Agricultural Practices (GAP), are appropriate for the types of farms we have in Pennsylvania.

PFU priorities:

1. Regulations pertaining to on-farm processing of foods must be sensitive to issues of scale, recognizing that guidance for small-scale, low-volume operations must be different. In particular, the cost in time and money of government mandated safety inspections and testing must not be overly burdensome for small producers;
2. Regulations should govern product safety, rather than process, with an understanding that there are many ways to produce a safe food item and that producers should be allowed the flexibility to choose processes that are appropriate for their particular situation; and
3. Regulations that allow for the interstate shipment of meat and poultry and their products from small state-inspected packing and processing establishments.

PFU supports:

1. Building, plumbing, electrical, sanitation and other codes, as applied to farming and on-farm processing of agricultural products, should be appropriate for agricultural facilities as distinguished from commercial facilities. A facility is any place where raw agricultural products are prepared for wholesale or retail sale.

Value-added and local processing

PFU supports:

1. Policies that facilitate the development and operation of on-farm, local and regional facilities to process raw agricultural products for wholesale and retail food sales.
2. Public facilities that are accessible to a wide range of growers and producers. Safety regulations for these facilities should be appropriate to their scale and use and not be unnecessarily burdensome on operators. Regulations should allow on-farm facilities to provide services to other farmers.
3. Programs that offer educational services to growers and producers through business management and marketing.
4. Efforts to document the existing value-added producers and their contribution to Pennsylvania's agriculture and economy.
5. Research that develops alternative processing methods for small-scale processing of farm products and explores alternative products from the region's commodities.
6. An examination of the feasibility of changing regulations and zoning ordinances that inhibit small-scale production and sale of finished food products.

Food biosecurity

PFU supports:

1. The increase of inspections of imported agricultural products, a limit on the number of ports where foreign foods enter the U.S., and sufficient federal funds to protect our agriculture supply and our ports from bioterrorism.
2. Enforcement of importing food products from nations with USDA-comparable food inspection/sanitation standards, including milk protein concentrates.

3. Disallowing imports of agricultural products from nations that have experienced outbreaks of diseases that could contaminate the food supply until those nations' agricultural exports have been deemed safe.

National Animal Identification / Premises Registration

The National Animal ID program is in response to the health and safety concerns generated by large centralized meat processing facilities and the challenges that structure creates in tracing back the origin of pathogens introduced into the system. This system exists for animal products destined for national and international distribution, rather than for direct sales and local distribution as is more common in Pennsylvania. The health and safety aspects of animal ID could be more effectively accomplished in Pennsylvania by increasing the number of processing facilities and the number of paid inspectors at those facilities. If animal processing is done at a local, distributed scale rather than at a large regional centralized scale, then tracing and isolating health issues becomes easier to track without the requirement or dependence on technology or the civil liberties issues associated with the ID technology. It does, however, require more personnel for quality control and more, smaller local processing facilities. This solution fits Pennsylvania agricultural production and the needs of direct marketers.

PFU supports:

1. A voluntary national animal I.D. program and a voluntary premises registration program coordinated with appropriate agencies at the federal and state level to prevent and contain animal disease outbreaks in the United States.

The following conditions apply:

- a. Agencies that promote such programs and deem them necessary to fulfill their missions should provide the full funding necessary to create and maintain the databases and provide compensation to producers for their costs of implementing the program;
- b. Use of the proprietary information should include clear limits to ensure protection under the Freedom of Information Act (FOIA). Access to producer information should be available only in times of animal disease outbreaks or bioterrorism attacks;
- c. Animal identification programs must not be used as a means for packers and processors to transfer liability to the original owner of the animal; instead, trace-back information should mitigate producer liability for contaminated food products; and
- d. Databases need to remain under the control of the government. Confidentiality of all information must be assured. Allowing such systems to be contracted out privately poses many problems:
- e. e) This public database would become a revenue source for private entities seeking to make a profit;
- f. It would not provide for oversight to protect confidential producer information;
- g. It would not mitigate producer liability;
- h. It would create opportunities for packers to condition the purchase of livestock upon participation in a voluntary I.D. program, a condition which would threaten rather than encourage transparency;
- i. It would assume coordination among a complex web of data with no guarantees of success; and,
- j. It would assume all sectors of the livestock industry would agree upon the development and maintenance of a single entity to represent each species' interests when, in fact, the interests of each sector are quite varied.

Land use

Pennsylvania has a long tradition of promoting the permanent protection of farmland for continued agricultural use and for future generations of family farmers through a combination of tax incentives, funding purchase of agricultural conservation easement programs and land use policies.

PFU supports:

1. The sale and/or donation of a conservation easement by landowners to permanently protect farmland as a legitimate exercise of a property right;
2. The continued dedication of public funding for state PACE programs;
3. Local assessment of land protected by a conservation easement at a use-value rate for property tax purposes;
4. State programs supporting a use-value rate for property tax purposes for land that is in active agricultural use;
5. State programs that provide access to unused, state-owned and arable and grazable land to farmers and ranchers with a priority for beginning farmers;
6. Administration of the federal Farm and Ranch Lands Protection Program (FRPP) in a manner that is respectful of the long history and experience of established state PACE programs;
7. Full funding for FRPP;
8. Congress making permanent the IRS tax deduction rules for the donation of a conservation easement included in the 2008 Farm Bill;
9. Exempting the proceeds of the sale of a conservation easement on farmland from the federal capital gains tax; and
10. Allowing for the sale of a conservation easement on farmland land covered by the 2032A election of the federal Estate Tax to not trigger any recapture provisions therein.

Transfer of development rights

PFU supports the transfer or sale of one parcel of land's development rights to the owner of another parcel. This allows the development on one parcel while preventing development of the other, by placing a conservation easement or deed restriction on the parcel transferring its development rights. Transfer of development rights protects farmland and other natural areas permanently, and it keeps land private and on the tax rolls. It provides farmers with a financially competitive alternative to development and helps keep farmland affordable.

Eminent domain

PFU is concerned by recent court decisions that allow governments to take private land for the purposes of private development. Fair and balanced eminent domain guidelines should protect the rights of individual property owners as well as promote the public good. PFU opposes allowing private businesses to condemn public land.

Water quality protection

The protection of our surface and ground water resources is critical not only to continuing farm operations, but as a source of drinking water for all residents of Pennsylvania.

PFU supports:

1. The creation of a national database on the extent of water quality problems, including nationwide voluntary well-testing programs that include cost sharing for landowners;
2. Legislation or regulations affecting surface and ground water balancing these interests in an effort to keep surface and ground water from becoming contaminated in the first place, and to move quickly to clean up already contaminated sources of drinking water;
3. Continued implementation of the Safe Drinking Water Act;
4. The uniform administration of Environmental Protection Agency (EPA) policies throughout the nation. Adding to the list of contaminants that municipalities and rural water districts are required to test for, as mandated by EPA, must be backed by science. We encourage EPA to stop

its practice of targeting specific regions with stricter standards than applied in non-targeted regions. Failure to curb this practice will likely result in an exodus of sensitive industries including family farms, thereby jeopardizing the level of economic activity within the targeted region;

5. Requiring that inspectors be public employees, rather than employees of the companies who are being regulated;
6. Information and education concerning the present condition of our surface and ground water supplies and what we can and should do to prevent any further contamination;
7. Efforts in research that clarify the issue of point source pollution and non-point source pollution;
8. Programs to protect and improve the quality of surface waters and urge that all who use the resource, such as boaters and fisherman, be included in the effort;
9. The creation of water quality credit trading programs;
10. State tax incentives, grants and loans to encourage the application and installation of water quality improvement and conservation projects on family farms;
11. Producers participating in the State Watershed Assessment Program (SWAP);
12. Requiring Confined Animal Feeding Operations (CAFO) to post the appropriate bonds to cover the cost of cleaning up any contamination of land and water resources. When posting these bonds, CAFOs should also be required to develop and submit waste storage closure plans;
13. National minimum guidelines, or standards, that give primacy for implementation and flexibility in regional planning to the states. A national policy should discourage polluters from “shopping” among the states for the lowest environmental standards and encourage states and localities to establish standards beyond the federal minimums;
14. Cost-share provisions targeted to small and medium-sized farmers. Responsibility for submitting a waste management plan and complying with the waste management provisions should be shared by the owner of the livestock and the operator of the facility;
15. Increasing funding for conservation program which provide federal cost-share and technical assistance to enable farmers to comply with environmental requirements;
16. Family farmers being appointed to serve as advisers to any federal agency when a national waste standard is developed; and
17. Targeting water subsidies to family-sized farm operations to conserve water and taxpayer dollars.

Pesticide Regulations

PFU supports pesticide and herbicide regulations that include:

1. An exemption from liability through EPA for groundwater cleanup for farmers who applied pesticides according to label directions;
2. Greater cooperation between EPA and USDA to help ensure that pesticide regulations and disposal do not unnecessarily interfere with normal farming practices and land transfers. When a buffer strip is necessary it should come off the land of the farmer from whom the pesticide or genetic problem originates and not from the land of an innocent neighbor;
3. Legislation designed to eliminate U.S. production of pesticides not registered for use in the United States, or for which a pesticide residue tolerance has not been set;
4. Restrictions on the import of food products produced with such pesticides, with more frequent inspections at borders to protect consumers from unsafe pesticide use;
5. Cooperation among farmers, chemical companies and governmental agencies to reduce pollution hazards of pesticides;

6. The creation and implementation of safety standards protecting children from exposure to pesticides;
7. Continued prudent use of approved chemicals for crops, including expedited registrations for minor use pesticides and requiring EPA to use peer-reviewed science in their registration review process;
8. Chemical manufacturers increasing the use of reusable, pre-measured, water-soluble and bulk containers;
9. Federal assistance for recycling containers and in establishing central locations for disposal of chemical containers;
10. Full funding for the IR-4 minor crop pesticide registration program; and
11. Harmonization of pesticide maximum residue levels between the US and foreign countries through the Codex Alimentarius Commission and/or the European Union to allow for the uninterrupted export of agricultural products.

Fertilizer Regulations

The future of agricultural producers worldwide depends to a great extent on developing and implementing the best use of chemical fertilizers.

PFU supports:

1. No hazardous waste being included in fertilizers; and
2. Manufacturers labeling all ingredients in fertilizers and providing notification to buyers.

Truth in Food labeling

PFU priorities:

1. We support the country of origin labeling (COOL) requirements as mandated in the 2008 Farm Bill and urges its expansion to the labeling of all food products distributed and sold in the U.S., including dairy products; and
2. We support the labeling of genetically modified ingredients in food products at the wholesale and retail levels.

PFU supports

1. Proper labeling of organic food products;
2. The use of milk or meat products from cloned animals when those products are labeled as such at the retail level;
3. The continuation of standards for labeling milk and dairy products, enabling farmers and consumers to have the opportunity to choose whether or not to use or consume synthetic bovine growth hormone (BGH). We support labeling laws to allow milk to be labeled r-BST free; and
4. The sale of food products that have been irradiated, as long as they are labeled as such and appropriate educational materials are made available to consumers.

Urban Agriculture

PFU priorities:

1. Zoning to increase access to land for community gardens;
2. Zoning and policy measures that allow for scale-appropriate livestock husbandry within city limits; and
3. Programs that support the use of unused city-owned land for urban agriculture.

PFU supports:

1. Support systems for urban residents to connect with one another, learn and teach about cultivating the land and preserving food, and fulfill their vision for beautifying their own neighborhoods;
2. Community or city services that assist with compost deliveries, bulk buying of seeds and plants, and other amendments;
3. Farmers' markets where local gardeners can sell what they produce;
4. Programs that include youth, elderly, and marginalized populations in gardening and that seek out knowledge and expertise from urban immigrant groups who have direct knowledge and experience of agriculture.
5. Programs that provide technical assistance and training to urban farmers.

Farm Labor

PFU priorities:

1. Funds for programs that improve the supply, stability and training of the agricultural labor force.
2. Extend the National Labor Relations Act to cover farms that employ enough hired help to be subject to the federal minimum wage provisions applicable to agricultural workers.
3. Support changes to the H2A program guidelines that would allow farmers participating in the program to first seek experienced U.S. workers in demonstrating the need for H2A workers. We also support a review of the Adverse Effective Wage Rate formula to ensure it truly reflects an annual average hourly wage rate for similar work in the region.
4. Support the modernization of the exemption from child labor laws for children who are employed by their parents on their parents' farm to reflect contemporary legal structures in use by family farms as well as the prevalence of leasing of farmland.

PFU supports:

1. Worker protection standards regarding wage rates, health, safety and housing conditions for migrant, seasonal, minority and other farm laborers and for education of their children;
2. Rights of workers to bargain collectively for fair wages;
3. A livable minimum wage;
4. Rights of entitlement program recipients, such as those on Social Security, to have their benefits reflect increases in the costs of living.

Immigration Policy

PFU supports:

1. The enforcement of U.S. immigration law.
2. Development of a blue card worker program for immigrants who work on farms and ranches.
3. Policies that consider the inclusion of guest workers in state and federal tax structures and that respect the human rights of these guest workers.

International Trade

PFU priorities:

1. A U.S. ban on all imports of dairy, livestock and poultry, including any products containing hides or feathers, from any nations with documented Foot and Mouth Disease; and

2. Imported food or feed must have been produced, processed and packaged under standards consistent with U.S. standards
3. To support a national goal of eliminating the U.S. trade deficit to become a net exporter of food and goods. All trade agreements should further the national goal of eliminating the trade deficit and becoming a net exporter of goods.

PFU supports:

1. To support the neutralizations of foreign currency manipulations that result in unfair trade.
2. Elimination of unilateral sanctions on agricultural and medical products;
3. Coordination of efforts internationally to reduce the anti-competitive results of increased concentration in agriculture;
4. Preservation of U.S. rights and policy flexibility to provide economic safety net assistance to agricultural producers;
5. Support for international cooperation to achieve improved commodity prices by balancing supply and demand; and
6. Commitment to an ongoing process to address implementation and compliance issues.

Farm Bill

PFU strongly favors keeping the Farm Bill intact (ie: Keeping the Nutrition Title a part of the Farm Bill), and rethinking the Farm Bill to better serve small/medium family farms and new, beginning, and historically underserved farms and farmers

New/Beginning/Underserved/Otherwise Well Suited farmers:

- Expand programs geared toward training, mentorship & land access options
- Preference to those farms and farmers willing to engage in more sustainable types of farming and diversifying their production to hedge against commodity crashes/ oversupply
- Increase support for historically underserved (ie: female, Veteran, minority) beginning farmers, but also based on the merits of their background (ie: loans to help Junior buy the farm and stay in the business of farming)
- Expanding and promoting those conservation programs, (such as CRP, CREP, and CSP) which incentivize soil building & environmentally sustainable practices. Soil health is key to farm productivity, sustainability, profitability and the health of the planet we all share. There is no downside to directing Farm Bill (or other) funds toward promoting and incentivizing soil-building

Smoothing the path to solvency:

- Making it easier for small & medium scale family farms to connect directly to consumers.
- Addressing the obstacles presented small and medium producers by livestock and poultry processing
- Making compliance with FSMA more practical and understandable for small and medium scale growers and producers.
- Rewarding/incentivizing positive results where nutrition, soil building/environmental stewardship, consumer satisfaction, and farmers' ability to make a living wage are concerned, rather than their ability to create more of the commodities with which we often find ourselves oversupplied, at the expense of the farm's bottom line (in terms of inputs required), the soils, the waters, and the health of the American public.

V. ENERGY

PFU supports energy policies that promote domestic, regionally produced energy sources. Clean, efficient energy should be affordable to all, with adequate supplies to meet the needs of the region. U.S. energy sources should be diverse and developed as close to points of use as possible rather than depending upon long distance and vulnerable transmission and transportation networks.

PFU believes that farmers are part of the solution to achieve an independent energy economy. PFU believes that if Pennsylvania is to be energy independent, our renewable energy will come from the productivity of the land. Therefore our region's success at achieving energy independence rests on farmers and our rural economy's ability to sustainably manage and improve the productive capacity of that land to develop and manage distributed energy systems based on the produce of the land. We support the community-based development of localized, decentralized alternative energy and encourage tax credits and incentives for the proliferation of on-farm or community-based energy sources. PFU believes that the best way to pay for improved efficiency and renewable energy infrastructure is through putting a price on non-renewable carbon consumption.

PFU supports fundamental and especially applied research and development of renewable energy in the region to provide greater energy and food production from our land base, while reducing atmospheric carbon, improved environmental services, and strengthening our rural communities.

PFU supports measures that both increase energy efficiency as well as the use of sustainably produced renewable energy, while reducing use of imported petroleum products.

PFU priorities:

Carbon Pricing: Carbon sequestration is an innovative way to enhance income for producers and improve domestic food and energy security by storing carbon where it is agriculturally productive in the soil. Therefore, the pricing of carbon should be encouraged. A carbon pricing program can be a cost effective, market-based approach to reduce overall greenhouse gas emissions, and improve agricultural soils. PFU believes that pricing carbon is the best way to encourage market choices that favor efficient energy use, and foster creative solutions to achieve energy independence.

Therefore, PFU advocates a carbon pricing system that:

1. Grants USDA control, verification and administration of any agriculture payment program;
2. Does not place an artificial cap on domestic offset allowance;
3. Bases carbon sequestration rates upon science;
4. Recognizes early actors;
5. Allows agricultural producers to stack carbon credits;
6. Does not cap agricultural carbon emissions; and
7. Creates a 3rd party verified soil carbon standards for the measurement of soil carbon sequestration or loss.

PFU supports carbon pricing systems that meet these objectives, including but not limited to pricing systems that include fee & dividend models as well as cap and trade, or other carbon tax systems. In addition, PFU advocates an aggressive and ambitious cellulosic ethanol research, development and production program geared to rapidly develop the necessary technology to compliment traditional ethanol supplies of motor fuels.

If carbon pricing is not implemented, PFU supports the continued development certified agricultural production practices for biofuels are recommended for a renewable fuel standard, and a price for carbon sequestered in the soil that is greater than the traded price for sequestered atmospheric carbon.

PFU supports:

Biomass. The future of Pennsylvania bioenergy production will depend on development of regionally appropriate crops and varieties. PFU supports sustainably harvested biomass fuel combustion for

transportation, co-generation and district heating, and supports the manufacture of pelletized solid fuels for heating rural areas. PFU supports incentives to use the cleanest combustion technology available. PFU supports the aggressive development of regionally appropriate high yielding biomass crops and associated infrastructure recognizing that food and fuel production and ecosystem services are not mutually exclusive in well-balanced agricultural production systems. In addition to yield, bio-fuel crop development should take into account possible bi-products and effects on soil health, biodiversity, invasive potential, water requirements and other local and regional environmental, social and economic factors. Local variety development, testing and distribution should be supported and administered through land grant colleges, research stations and conservation districts. PFU supports federal guaranteed loans for biomass projects deployed through third party lenders managed in a similar manner to Small Business Administration loan programs.

Models and programs that convert farm methane to farm energy. PFU supports research to make manure digesters a profitable venture for smaller livestock operations. We further support funding and development assistance for community manure digesters.

Biodiesel. Expand the distribution network for biodiesel fuel throughout Pennsylvania by instituting tax incentives for wholesale and retail distributors. Encourage use of biodiesel fuel through the development of informational and educational materials and programs. Adopt a definition of biodiesel that conforms to ASTM D6751, the most current federal standard. Establish local testing labs and enforcement resources for biodiesel fuel. Continue federal subsidies for biodiesel production until the biodiesel industry becomes established at a self-sufficient level.

Ethanol. The ethanol industry is vitally important to the U.S.'s independence from reliance on foreign oil. PFU supports biomass production of ethanol and federal investment in that production. Continue the ethanol import tariff. Biofuels should not be exported or imported until energy independence is achieved.

Gassification/biochar production. PFU supports increases in biochar research including field trials, production techniques, and biogeochemical and economic analysis. PFU supports greater commercialization assistance for currently available biomass gassification and pyrolysis technology at both centralized and distributed scales. PFU supports research and development to reduce the scale of syngas processing for liquid fuels and the development of cost effective distributed co-generation and gas refining technology. PFU supports incentives in conjunction with soil-based carbon sequestration policies to encourage the sustainable production of biochar from crop residues and wood waste as a soil amendment.

District heating, cooling and cogeneration. PFU supports incentives to encourage co-generation heat use at all legacy power plants, and that co-generation be used in the design and location for all new projects. PFU also encourages the adoption of district heating loops for industrial, farm or residential use.

Low carbon fuel standards. PFU supports low carbon fuel standards if they are developed with accurate lifecycle assessments that do not take into account indirect land use change, unless all fuels, including petroleum fuels, are subject to the same standards. PFU supports the concept of certified production practices and the development of soil carbon standards to improve lifecycle analysis of production practices.

Wind and solar energy. PFU supports development and distribution of electric generation from wind. We call for federal legislation to require all utilities to allow community-based wind projects access to the electric grid by actively pursuing power purchase agreements. In order to help expand the use of smaller wind energy systems, we support net metering for systems up to 100kW. We support billing small wind generators on an annual basis. Net metering allows bidirectional metering of electricity, measured by one meter, where there is no discrimination between electricity produced and electricity consumed by the small electricity consumer-generator. PFU supports uniform wind siting standards. We support federal production tax credits for wind energy be made more applicable to farmers by extending the federal production tax credit to offset schedule F income. PFU supports a comprehensive policy that protects landowners from speculation and unfair contracts in the development of natural resources such as wind development. PFU supports the production of wind and solar energy on farms protected with conservation easements to the extent that such development does not undermine the original purpose of the conservation easement. Electric transmission lines: The right of property owners to deny public utilities eminent domain for transmission lines.

VI. CO-OPERATIVES

History shows that co-ops are a powerful means by which people – and farmers and producers in particular – can further their own well-being in our market economy. As unique business organizations, co-operatives comprise an important segment of the American economy and are active across industries. As member-owned enterprises, co-operatives are rooted in the communities they serve, creating economic infrastructure that reaches across generations and supports community resilience.

While PFU emphasizes the unique benefits that co-operative enterprise offers to farmers and other producers, we also recognize the important role of co-ops across the economy including food co-ops, credit unions, worker co-ops, and co-ops involved in housing, insurance, finance, energy, utilities and other services. We support the development of co-operative businesses as mechanisms for the development of a stable regional economy and food system through ownership and control that is rooted in our communities, the development of local skills and assets, and a focus on service and meeting member needs.

PFU priorities:

1. Protect and promote the co-operative identity. Oppose modification of any state laws or additional state laws that will have the effect of eliminating requirements and definitions that establish the essential co-operative characteristics of member ownership and democratic control by member/patron users, financing by member/patron users, and distribution of benefits to patrons based on their participation in the co-operative business, or that establish mechanisms of control for external investors. Enforce and develop state laws that prohibit use of the word “co-op”, “co-operative” or “cooperative” to identify any business or entity that is not incorporated under co-operative statutes or does not fulfill accepted characteristics of a co-operative as defined by bodies such as the International Co-operative Alliance.
2. Revitalize USDA co-operative services. The Cooperative Marketing Act of 1926 provides for a USDA program of research, technical assistance and educational programs on the co-operative form of business. Since this program has been subject to vastly reduced human resources and redirection, PFU supports revitalization of co-operative services programs in USDA, restoration of agency status, and support for co-operative specialists in rural development state offices for support of co-operative enterprise across sectors and industries.
3. Promotion of co-operative education. Support the inclusion of curricula on the history, management and diversity of co-operative enterprise in colleges and universities in our region. Encourage co-operatives to set aside the full amount of educational funds permitted by law in order to fulfill the principle of education, training and information for members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives, and efforts to inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.
4. Defense of the Capper-Volstead Act of 1922, which establishes the legal framework for producer co-ops.
 - a. The rights of agricultural producers to act together to handle, process and market agricultural products through co-operative activity, as guaranteed under the Capper-Volstead Act of 1922, must be continued. These same rights should be formally extended under law to farm supply and consumer co-operatives.
 - b. The rights of co-operative members to organize and operate regional and interregional co-operatives (marketing agencies in common) or to merge with other co-operative associations should not be restricted by law or government regulation. However, we are not in favor of regional co-operatives absorbing local co-ops until other options of maintaining local control have been exhausted, including merger or joint venture with a nearby co-operative. When necessary for a regional to absorb a local co-operative, we strongly urge every effort would be made by the local members or a nearby co-operative to purchase the co-operative back when it is feasible. We demand that region-

al co-operative boards work together, and with local co-operatives, to help them continue operating for the benefit of the members.

- c. The responsibilities of administering the Capper-Volstead Act should remain with the U.S. Department of Agriculture.
- d. Because co-operative businesses are member-owned and controlled, we oppose any governmental regulation that would infringe upon the rights of co-operative members to determine the policies or operation of their co-operative.
- e. Value-added co-operatives maintaining co-operative principles of member-ownership and control (see Background below).

PFU supports:

1. The International Co-operative Alliance's (ICA) "Blueprint for a Co-operative Decade" builds on the United Nation's International Year of Co-ops in 2012 to promote a vision for co-ops and credit unions as acknowledged leaders in economic, social and environmental sustainability, the preferred business model of people around the world, and the fastest growing form of enterprise by 2020. PFU will encourage other Farmers Union chapters, agricultural co-operatives, and allied organizations to become involved in efforts to support this initiative, joining with the ICA and other organizations such as the Neighboring Food Co-op Association and the National Cooperative Business Association to raise the profile of co-operative enterprise in our communities, to demonstrate the benefits of co-ops in building local ownership and wealth, and to apply the co-operative model to new challenges and opportunities in our food system and economy.
2. Promotion and development of the co-operative model as an effective means of increasing producers' bargaining power. Provide for the infrastructure necessary for production, processing, marketing and distribution of food and other products.
3. The growth and development of marketing, supply and service co-operatives on local, regional and national levels. We recommend that farmer-owned and -controlled co-operatives work together whenever and wherever possible to obtain more marketing and bargaining power for farmers. We encourage marketing co-operatives, especially in dairying, to continue their efforts toward the creation of marketing agencies in common for the purpose of improving marketing efficiency and producer prices.
4. The unique role that food co-ops play in developing markets for organic, fairly traded and locally and regionally sourced foods, and partnering with producers to strengthen rural communities. PFU supports the growth and development of food co-ops as member-owned grocery stores, and encourages collaboration among food co-ops, producers, and producer co-operatives in advancing a shared vision of a vibrant and resilient regional economy and Pennsylvania better able to "feed and fuel itself."
5. The organization and growth of credit unions, recognizing the role that these member-owned financial institutions play in the economic lives of local communities. We oppose any effort to impose a tax on member-owned non-profit credit unions. We support maintaining the National Credit Union Share Insurance Fund as a separate and independent agency from other federal deposit insurance systems. We support the right of all Americans to choose how and where they deposit their earnings and transact their personal financial business. We encourage efforts by credit unions to develop their ability to provide financial services to local businesses and co-ops in their areas of operation.
6. Collaboration among co-ops across sectors and particularly in the regional food system as a means of sustaining our communities and securing economic infrastructure in the long term.
7. Co-operative Financing: PFU supports the current 50% membership criteria for CoBank borrowers. We support US Treasury funding of Community Development Financial Institutions (CDFIs), such as the Cooperative Fund of Pennsylvania, and encourage these organizations to focus on providing financing and other support for co-operative enterprise in the region. We urge the government to initiate federal funding programs along the lines of the original REA program to assist farmers in forming value-added co-operatives.

8. Repeal of “block voting” provisions in co-ops. Because the “one person, one vote” principle upon which the individual democratic rights of this country was founded has been eroded by permitting block voting by co-operatives on behalf of their farmer-members, PFU strongly supports efforts to repeal “block voting” provisions wherever they exist in co-operative America. Individual farmers need to be afforded an opportunity to disagree with their marketing co-operatives whose interest may differ from that of the farmer.

PFU opposes:

1. All joint ventures or mergers between co-operatives and multinational corporations.
2. Outsourcing of Product by Producer Co-ops: Some regional co-operatives have begun buying or selling goods from outside interests that are normally sourced from members. Such examples include 1) buying extra-territorial and sometimes distressed milk at price levels well below prices paid to members, 2) selling unbranded fuels to nonmember companies at lower prices than typically negotiated with member co-ops, and 3) purchasing commodities from outside the U.S. for prices lower than those paid its members selling the same commodities. These practices, though perceived as benign, are often detrimental to co-op members and local co-ops. Such practices often result in undercutting members’ and local co-ops’ prices, and eroding their position in the marketplace. PFU strongly urges such co-operatives to curtail such practices and develop compensation formulas to ensure that those harmed by such initiatives be promptly compensated. Prompt compensation might involve co-operatives holding any additional income derived from such practices in escrow, and disbursing payments to its members within the same fiscal year.
3. Modification of any state laws that will have the effect of eliminating requirements and definitions that establish the essential co-operative characteristics of ownership and control by member/patron users, financing by member/patron users, and distribution of benefits to patrons based on their participation in the co-operative business. We encourage vigilance against such actions and support renewed educational efforts to preserve the critical co-operative principles that have served American farmers and others in rural America for more than two centuries.
4. Co-ops joining legal defense fund schemes to avoid full equity payment to co-op patrons. PFU encourages co-ops to follow the Capper Volstead Act, which requires co-ops pay back a minimum of 20 percent of earnings as cash to members for a given fiscal year.

Background

Co-operatives are based on the fundamental principles of ownership and democratic control by member/patron users, financing by member/patron users, with distribution of benefits to patrons based on their participation in the co-operative business. Experience has clearly demonstrated that any substantial deviation from these fundamental principles has always proven fatal to co-operatives and detrimental to their farmer members. Further, co-operative incorporation statutes of the various States as well as the Capper-Volstead Act of 1922, the Cooperative Marketing Act of 1926, federal income taxation rules, and many other laws recognize fundamental co-operative principles. These statutes allow substantial flexibility for innovative co-operative business practices and structural adaptation to contemporary needs and challenges.

The promotion and encouragement of farm and forestry co-ops should be emphasized as an effective means to increase producers’ bargaining power in the economy and food system. We acknowledge and encourage the promotion of the role of co-operative enterprise in securing for our region the infrastructure necessary for production, processing, marketing and distribution of food and other products.

We reaffirm our belief in and commitment to the co-operative identity and principles as identified by the International Co-operative Alliance:

1. Voluntary and Open Membership. Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. **Democratic Member Control.** Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.
3. **Member Economic Participation.** Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.
4. **Autonomy and Independence.** Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.
5. **Education, Training and Information.** Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.
6. **Cooperation among Co-operatives.** Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.
7. **Concern for Community.** Co-operatives work for the sustainable development of their communities through policies approved by their members.

In addition, PFU affirms the following principles that have been recognized as being of particular importance to farmer and producer co-operatives:

1. One-member, one-vote
2. Continuing education
3. Open membership
4. Patronage refund
5. Competitive prices
6. Limited return on investment
7. Continuous expansion
8. Political & religious neutrality

VII. LAND ACCESS

LAND ACCESS

PFU supports policies and programs that expand economic opportunity and promote entry in farming. National policy objectives for agricultural land tenure should serve as a framework for USDA agencies and offices, programs, rules, and resource allocation. PFU supports an emphasis on access to land focused on affordability, land preservation and succession.

PFU priorities:

1. Conduct a new Agricultural Economics and Land Ownership Survey (AELOS) or enhance the Agricultural Resource Management Survey (ARMS) to gather contemporary data on farmland ownership and tenure;
2. Models and programs that provide more secure tenure, make land more available, address land and farmer housing affordability, and help seekers and owners connect;
3. Programs that support beginning farmers and farm entry with attention to training, credit, land access, and non-traditional populations;
4. Increased and appropriate use of loan programs. Improved outreach to enhance use of FSA loan programs in Pennsylvania. Insistence on and enforcement of borrower training for beginning farmers seeking ownership and operating loans;
5. Promote advancements in farmland protection tools;
6. Promote and support trusts and permit banks that only lease to independent and beginning farmers; and
7. Educate and reward non-farming landowners. Promote and provide resources for educational programming, outreach, and assistance, particularly for absentee landlords. Encourage greater involvement and investment and more secure tenure agreements through tax incentives or disincentives and/or other measures.

PFU supports:

1. Farming and ranching on public lands. Remove barriers to secure tenure on public land, including increased length of leases and ownership of improvements. Provide information, models, and technical assistance to public land managers to encourage agricultural uses;
2. Share-lease models and regionally appropriate fee formulas. Provision of information, education and technical assistance to landowners and tenants to enter into longer term agreements of at least five years duration; and
3. Tenure arrangements that help new farmers build equity (e.g. share-milking).

FARM TRANSFER AND SUCCESSION

PFU priorities:

1. Reward or prioritize farm operators with succession plans who are applying to programs such as public and private purchase of development rights, farm and viability programs.
2. Develop and promote better estate planning tools and models. Find alternatives to the heavy reliance on farmland sales to fund retirement (e.g., pension programs to encourage exiting farmers to transfer sooner.) The USDA Commission on Small Farms recommended that the “USDA’s Economic Research Service, legal experts, and financial experts should work together to design alternative methods for transferring farms from retiring to beginning farmers” (USDA 1998).
3. Examine tax laws for barriers to farm transfers and amend federal and state tax codes to remove them.

PFU supports the federal government’s active role in helping farmers plan for succession.

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VIII. NUTRITION

SCHOOL MILK

Studies show a large percentage of children in the United States are calcium deficient. Nine out of ten teenage girls and seven out of ten teenage boys do not get enough calcium in their diet. Less than half of all children age six to eleven consume the recommended amount of milk. USDA must retain cow's milk as the beverage qualifying for reimbursable school meal programs.

PFU supports:

1. Efforts to make school milk r-BST free.
2. Installation of milk vending machines in all schools.

UNIVERSAL BREAKFAST PROGRAM

Studies prove that a student who eats breakfast performs better academically and has better behavior.

PFU supports:

1. A Universal Breakfast Program.
2. USDA commodities for school breakfast programs.

AFTERNOON MILK PROGRAM

PFU urges the USDA to provide an afternoon reimbursable program that shall include dairy products.

GOVERNMENT NUTRITION PROGRAMS

PFU supports:

1. Programs that provide locally produced foods, including locally produced milk, to school cafeterias and government nutrition programs including state institutions.
2. Full reinstatement of the dairy portion of the Women, Infants and Children program (WIC).

SCHOOL LUNCH PROGRAM

PFU supports:

1. Make USDA funds available and rewrite program requirements to support the procurement, preparation and service of local foods, allowing for nutritious meals that also support local and regional farmers and processors.
2. USDA mandate that all foods and commodities used in the School Lunch Program (and other federally-subsidized school nutrition programs) contain only products and ingredients certified as safe under FDA's safety program, GRAS (Generally Recognized As Safe).
3. Make available healthy beverage alternatives to all school children who are lactose intolerant.

FAST FOOD INDUSTRY

PFU calls upon the industry to increase efforts to provide higher quality and nutritional meal items. Nutritionally deprived diets lead to higher levels of obesity. Further, we call upon institutional and wholesale buyers to purchase raw commodities from local and regional producers.

FOOD AND NUTRITION SERVICES

PFU priorities:

1. Programs which allow food stamp users to purchase food directly from farmers' markets/farm stands, CSAs, CSFs, food carts and other direct to consumer marketing venues;
2. Support of wireless electronic benefit technologies for use at farmers' markets, farm stands, CSAs, CSFs, food carts and other direct to consumer marketing venue.
3. Adoption of double value benefits for SNAP at farmers' markets/farm stands.

PFU supports:

1. The Food Stamp Act of 1964;
2. The Supplemental Nutrition Assistance Program (SNAP);
3. Providing local milk in all feeding programs and prioritizing the use of local milk in SNAP and WIC;
4. Outreach efforts to extend services to the increasing number of hungry people who should be served, particularly in rural areas where access is a problem;
5. Exclusion of farm loans as income in determining eligibility for food stamps;
6. Continued development of the Electronic Benefits Transfer (EBT) program;
7. Prohibiting efforts to substitute cash payment for food stamps;
8. Exploration of models that would specify certain SNAP dollars be used at markets, just like WIC;
9. Commodity distribution programs and child feeding programs;
10. USDA making healthy surplus foods readily available to food banks and emergency kitchens, bearing the cost of transportation and storage; and,
11. Federal law that requires commodities distributed for nutrition programs be domestically produced.

IX. ECONOMICS AND THE FAMILY FARM

Areas of interest include Farm Credit system, Health and Medical Savings Accounts, tax deductibility for health insurance, and farm savings accounts.

PFU priorities:

1. The Farm Credit System (FCS) remains a viable source of agricultural credit and recommits itself to assisting family agriculture by restructuring loans, lowering interest rates and debt mediation procedures. The farm credit system should remain faithful to its original mission of serving the credit needs of the agricultural community;
2. FCS must continue to be owned by American agriculture and not be subject to foreign or non-agricultural ownership;
3. Farm Service Agency (FSA) should truly become a “lender of last resort” and effectively address beginning farmers’ credit needs; and
4. The IRS allows farmers to use their health insurance as a deduction on their schedule F form, rather than a tax credit on the 1040 form.

PFU supports:

1. Affordable and available health insurance for all individuals regardless of age, gender, ethnicity or preexisting conditions;
2. Insurance policies of community rating where all individuals share in the cost and risks of health insurance; and
3. Farm savings accounts to manage financial risks associated with farming. Government subsidized farm savings accounts are based upon the idea of providing farmers with financial incentives to set aside funds in high income years for use in low income years. Like revenue insurance products, most farm savings account proposals rely upon tax records to determine eligibility for contributions and withdrawals from the accounts. Unlike revenue insurance products, the producer does not pay a premium, but rather places funds in a deposit account. These funds remain the property of the producer. Additionally, deposits to the account may be tax deferred, and/or matched by a deposit from the government

2018 SPECIAL ORDERS OF BUSINESS

Pennsylvania Farmers Union: 2018 Special Order of Business

PFU Policy Priorities 2018

Farm Bill:

PFU strongly favors keeping the Farm Bill intact (ie: Keeping the Nutrition Title a part of the Farm Bill), and rethinking the Farm Bill to better serve small/medium family farms and new, beginning, and historically underserved farms and farmers

New/Beginning/Underserved/Otherwise Well Suited farmers:

- Expand programs geared toward training, mentorship & land access options
- Preference to those farms and farmers willing to engage in more sustainable types of farming and diversifying their production to hedge against commodity crashes/ oversupply

- Increase support for historically underserved (ie: female, Veteran, minority) beginning farmers, but also based on the merits of their background (ie: loans to help Junior buy the farm and stay in the business of farming)

- Expanding and promoting those conservation programs, (such as CRP, CREP, and CSP) which incentivize soil building & environmentally sustainable practices. Soil health is key to farm productivity, sustainability, profitability and the health of the planet we all share. There is no downside to directing Farm Bill (or other) funds toward promoting and incentivizing soil-building

Smoothing the path to solvency:

- Making it easier for small & medium scale family farms to connect directly to consumers.

- Addressing the obstacles presented small and medium producers by livestock and poultry processing

- Making compliance with FSMA more practical and understandable for small and medium scale growers and producers.

- Rewarding/incentivizing positive results where nutrition, soil building/environmental stewardship, consumer satisfaction, and farmers' ability to make a living wage are concerned, rather than their ability to create more of the commodities with which we often find ourselves oversupplied, at the expense of the farm's bottom line (in terms of inputs required), the soils, the waters, and the health of the American public.

Industrial Hemp:

- PFU supports removing Industrial Hemp (ie: hemp with <.3% THC) from the federal narcotics schedule.**

This common sense change will allow Hemp to once again assume it's place among cash crops available for family farms to strengthen through diversity, and provide a sustainable, profitable alternative to include in crop rotations

- Continuing to support the efforts of the PDA to make PA a leader in the production of this sustainable food/fiber/fuel crop

Keeping the soil in Organic:

- PFU supports maintaining the integrity of the USDA Organic label.**

- Aero, hydro and aquaponic food production have the potential to fill a significant role in the future of food production.

- Organics have, historically, implied *soil building* practices to producers and consumers alike.

- A similar, but separate, designation should be crafted for soil-less systems, so as to maintain the integrity of the USDA Organic label, and reduce confusion about what labels mean in an already confusing marketplace

Organic Livestock and Poultry Production (OLPP) Rule:

- Animal welfare is another implied quality of the USDA Organic label

- Some large producers have exploited loopholes in the organic standards for the sake of saving money. Sadly, at the expense of animal welfare.
- After 10 years of research and input from producers, researchers and consumers alike, implementation of the OLPP has been repeatedly delayed
- PFU *strongly* supports implementing the OLPP immediately, and its vigorous enforcement.**

***Approved by PFU membership for adoption at the annual membership meeting
The Penn Stater Hotel & Conference Center
State College, PA
08 FEB 2018***