



AGRIBUSINESS COUNCIL OF INDIANA NEWSLETTER
Promoting Agribusiness Policy in Indiana
February 23, 2018

Indiana General Assembly Week 8

There are less than 3 weeks left in this year's legislative session, and the General Assembly is working quickly to get bills out of committee. The committee report deadlines are February 27 and March 1 for the House and Senate, respectively. The list of all filed bills is available [here](#). Bills that ACI is closely monitoring this year, the ACI Bill Track, can be found [here](#).

The Statehouse - Bills to Review

The ACI Government Affairs Team will be monitoring session for bills impacting ACI members including items related to food safety regulations, certification programs, transportation and environmental issues, rulemaking from the seed board and more. Frequent updates will be sent to members along with action alerts as needed. There are several bills of interest that are still alive:

- [SB 330](#): Seed Commissioner Rulemaking. This bill provides that the State Seed Commissioner shall adopt rules to add Palmer amaranth, waterhemp, any pigweed seed, and any Amaranth seed to the list of restricted noxious weed seeds. It also specifies that Amaranthus seeds sold for certain purposes are excluded from the seed commissioner's rulemaking. It was agreed that this bill will not move forward because the state chemist has already made changes in administrative rules that set forth the same guidelines on Amaranth seeds outlined in SB330.
- [SB 331](#): Implementation of Federal Food Safety Regulations. This bill was created to recognize the amendments by the FDA Food Safety Modernization Act. ACI member Brad McCord testified before the House Agriculture and Rural Development Committee on behalf of ACI in favor of this bill. There was an amendment made to the bill in committee that specifies that a produce farm that has a qualified exemption is required only to comply with certain requirements. Also, it specifies that the state Department of Health is responsible for implementing the produce farm food safety law. This bill passed out of the committee as amended yesterday and will be heard before the entire House shortly.
- [HB 1098](#): Seed Commissioner and State Chemist. This bill provides that the state seed commissioner or state chemist may adopt emergency rules for a purpose for which the seed commissioner or state chemist is currently authorized to adopt rules under certain

horticulture product and control laws. This bill was referred to the Senate Committee on Agriculture but has not been heard before the committee yet.

- [HB1227](#): Noxious Weeds. This bill specifies that waterhemp, marehail, Palmer amaranth, and poison hemlock are noxious weeds for purposes of the weed control board law, which requires the weed control board to take all necessary and proper steps to control noxious weeds affecting agricultural production in Indiana. This bill passed out of the Senate Committee on Natural Resources on Monday. ACI lobbyist Mark Shublak testified in front of this committee in favor of the bill. There was an amendment made to the bill in committee that add Powell amaranth, rough pigweed, and smooth pigweed to the list of noxious weeds for purposes of the weed control board law. This bill will be on third hearing before the Senate next week.

Administrative Rule on State Seed Commissioner

As mentioned, SB 330 is not going to move forward because an administrative rule is proposed that will essentially do the same things that the bill would. The proposed rule adopts the USDA Federal Noxious Weed List and also repeals perennial peppergrass and Russian Knapweed from the proposed *prohibited* list.

This rule also prescribes the following list of *restricted* noxious weed seeds: bitter wintercress; buckhorn; cocklebur; corncockle; curled dock; dodder; Eastern black nightshade; field peppergrass; giant foxtail; horsenettle; mustard; oxeye daisy; pennycress; and Palmer Amaranth, waterhemp, and any pigweed seed or Amaranth seed. Amaranthus species that are sold as vegetable seed, edible grains for human consumption, or seed for ornamental landscape, however, are excluded from this rule.

There will be a public hearing on this administrative rule March 13 at 10:00 a.m. at the Daniels Turf Center. Please contact Mark Shublak at mark.shublak@icemiller.com if you have any comments about the proposed rule.

Agriculture Co-op Tax Reduction

Source: Politico Pro

A group of 87 House Republicans called on congressional leadership today to expedite a fix to a provision of the GOP tax overhaul that gives farmers huge incentives to sell their products to agricultural co-ops over other businesses. The letter, delivered to Speaker Paul Ryan and Senate Majority Leader Mitch McConnell, said Congress should "retroactively restore the competitive marketplace for agricultural producers and replicate the tax benefits accorded to co-ops and their farmer-patrons under Section 199 prior to the enactment of Section 199A."

The Section 199 deduction for manufacturers had allowed co-ops a roughly 9-percent deduction on business income, which was often passed on to their farmer-members. The tax overhaul would have eliminated that deduction. The Section 199A provision was added to the measure to preserve the benefit; it established a 20-percent deduction on business income, along with another 20-percent deduction of co-ops' payments to members. "Unfortunately, Section 199A goes too far and has created a tax advantage for producers who sell to cooperatives instead of private and independent businesses," the House Republicans who signed the letter noted, warning that without a timely fix, the provision's "uncompetitive impacts will ripple across many other industries."

Rep. David Young (R-Iowa), who organized the letter, argued that the federal government should not pick winners and losers in the marketplace. "Changes are necessary to restore the equity in grain marketing and set co-ops and other independent businesses on a more level playing field," he said in a statement.

White House Releases Infrastructure Plan Details

Source: The Fertilizer Institute

Last week, the White House released details on the President's infrastructure plan. The plan provides \$200 billion in federal funding which seeks to leverage over \$1 trillion in non-federal infrastructure spending. Overall, the goal is to create \$1.5 trillion in infrastructure spending (over ten years). Beyond spending, the plan seeks to streamline permitting of infrastructure projects. The President recently said in his State of the Union address to Congress that he would like to see project approvals take no more than two years.

The \$200 billion in federal expenditures would be used as follows:

· Incentives Program	\$100 Billion
· Rural Infrastructure Program	\$50 Billion
· Transformative Projects Program	\$20 Billion
· Expanding financing tools (TIFIA, WIFIA, RRIF)	\$20 Billion
· Federal Capital Revolving Fund	\$10 Billion

The following documents shed more light on the proposal.

- [2 page highlights](#)
- [5 page \(more details\)](#)
- [Legislative outline](#)
- [Factsheet](#)

USDA chief economist outlines ag economic outlook

Source: National Grain & Feed Association

Commodity prices continue to decline and producers are taking on an increasing amount of debt, but an improving global economy is helping to maintain U.S. exports, the U.S. Department of Agriculture (USDA) Chief Economist Rob Johansson said at USDA's 94th annual Agricultural Outlook Forum.

During his [presentation](#), Johansson said declining net farm income, largely the result of falling commodity prices, will continue this year, noting that productivity is outpacing population growth and food demand.

"Today's ag economy is also different from when Congress debated the last farm bill, when farm income was reaching historic levels, peaking in 2013 at more than \$120 billion," Johansson said. "Today, many producers are in a different situation. Net farm income looks likely to remain more than 50 percent in real terms below its 2013 peak for a third year in a row."

Johansson noted in his speech that USDA will continue "to look to trade as a critical outlet for growing U.S. production that can sustain farm incomes boosted by a falling dollar and improved global economic growth."

[Click here](#) to read the letter and see a list of signatories.

Click here for the [Full House Session Calendar](#).

Click here for the [Full Senate Session Calendar](#).

Please contact Mark Shublak at mark.shublak@icemiller.com or Lesa Dietrick at lesa.dietrick@icemiller.com if you have any questions.