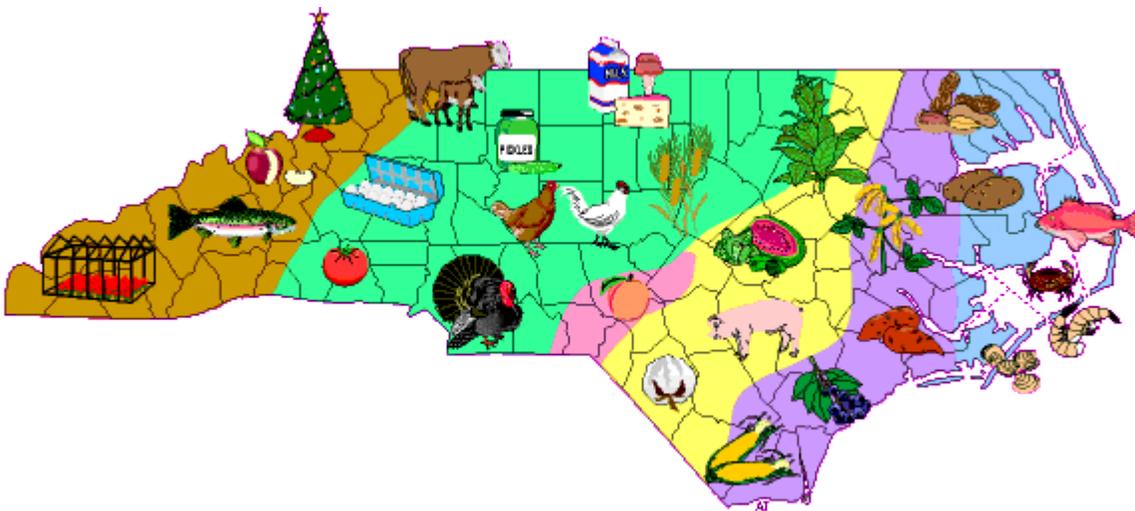


# *Six Agricultural Issues\**

## **North Carolina Tobacco Trust Fund Commission Agricultural Leadership Development Program 2014-16**

North Carolina State University  
College of Agriculture and Life Sciences



**NC STATE  
UNIVERSITY**

College of Agriculture  
and Life Sciences

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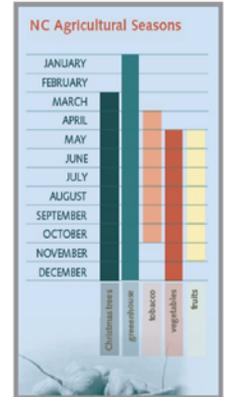
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# Patient Protection and Affordable Care Act

## ACA Causes Confusion for Agricultural Seasonal Labor Employers

- ◇ The Affordable Care Act's mandate for providing insurance to full time employees, at risk of penalty, by Applicable Large Employers (ALE) is often not realistic for agricultural employers. There is an exemption from this mandate for ALE regarding seasonal employees as defined by the Internal Revenue Service. Small seasonal employers are also exempt from including seasonal workers under this mandate. However, these two designations are often in conflict and cause confusion for agricultural employers.
  - The Affordable Care Act identifies "Seasonal Workers" as those who are employed for not more than four months (120 days).
  - Treasury Department regulations identify "Seasonal Employees" as those who are employed annually for six months or less.
- ◇ Agricultural employers utilizing contract labor can also be considered joint employers alongside the contracting agent. This would likely put them well above the threshold established for ALE. This could eliminate any exemption from the mandate, even for small seasonal employers, due to the misaligned definitions of seasonal worker and seasonal employee.
- ◇ The adherent and financial burdens this mandate places on seasonal agricultural employers could severely and adversely impact North Carolina's leading economic industry.



## North Carolina Ag Facts

### Did you know?

Agriculture is the #1 ranking economic industry in the state of North Carolina.



Agriculture and agribusiness in North Carolina generate 18% of the annual gross state product. (\$78 billion of \$440 billion)



Agriculture and agribusiness in North Carolina account for 18.5% of all jobs annually. (>700,000 of 3.8 million)



North Carolina's farm income ranks 9<sup>th</sup> in the nation. (\$10.2 billion)

## Positive Implications of ACA Reform/Repeal for the Agricultural Industry

- ◇ Clarity and consensus between ACA and regulatory definitions of seasonal labor will help all industries accurately comply with the regulations currently in place. This will also reduce some amount of regulatory burden on the government officials charged with overseeing compliance. Uniform and efficient regulations show our citizens and global partners the professionalism of our lawmakers as well as their dedication to the health and wellness of this country's people.
- ◇ Providing an exemption from the mandate for all agricultural operations, regardless of size, will guarantee an increased level of sustainability across the industry. Such an exemption will effectively eliminate the financial hardships this law potentially places on agricultural businesses and farm families alike. Success in all sectors of the agricultural industry ensures success for North Carolina's economy. Successful family farms also enable farm land to remain in the hands of those stewards who have cared for and maintained our productive soils and open spaces for generations.
- ◇ Repealing ACA would solve many problems facing employers attempting to implement the fundamentals of the bill, both in North Carolina and across the country. This would eliminate the burdens of tedious regulations which add no practical, long term benefits for agriculture's vital seasonal labor force. It would also eliminate any potential financial offsets that could affect the wages of those charged with providing the safest and most affordable food supply in the world.
- ◇ Agricultural employers and employees, along with participants in other industries, want to do their part to comply with reasonable and realistic governmental standards and regulations without sacrificing life, liberty, and happiness. Any effort made, no matter how small, to reduce the overwhelming amount of regulation imposed on businesses is a step in a positive direction. It helps give the citizens of this country, both current and future, the confidence that the American Dream is still achievable for everyone.

## Call to Action

- ◇ A clear and uniform definition of seasonal labor will aid seasonal agricultural employers in compliance with the mandate in order to avoid penalty. **This can be achieved by passage of H.R. 5213, the Simplifying Technical Aspect Regarding Seasonality Act (STARS Act of 2014).**
- ◇ Seasonal agricultural employers in North Carolina would benefit from an exemption from the Affordable Care Act mandate regarding any and all seasonal labor. **This can be achieved by passage of H.R. 5392, the Fairness for Farmers Act.**
- ◇ The ultimate goal for agricultural employers, as well as employers in many other industries, is total repeal of the Patient Protection and Affordable Care Act. This is the most direct solution to the burdens ACA places on the agricultural industry.

## Addressing Agricultural Labor Needs: Providing Our Farmers Skilled, Legal Long-Term Migrant Labor Options



**Executive Summary** Recognizing the limitations of existing migrant labor programs, we propose establishing a new guest worker visa option to provide American farms access to skilled and legal long-term labor.

Access to domestic agricultural products is essential to the fabric of American society. Our nation's agriculture producers must have a reliable, trained workforce in order to produce a safe and secure domestic food and fiber supply on which our citizens depend. Each sector of agriculture has unique requirements for skilled workers whose talents are essential to productivity. In order to meet these labor needs, farmers rely on a workforce of domestic and foreign workers.

There are currently two guest worker programs under which farmers can legally source migrant labor. Neither adequately meets current farm labor needs. The H-2A program was created as a part of the McCarran-Walker Act in 1953; H-1B visas were born out of the Immigration and Nationality Act of 1965. These programs were created during a time when the U.S. was experiencing its first farm-labor crisis. World War II had pulled workers out of the field and when veterans returned home after battle, they often didn't return to their rural, farm-centered hometowns.

The challenge to attract U.S. workers onto North Carolina farms hasn't lessened since that time. In fact, needs have increased. Technological advances in modern farming practices have changed the type and nature of labor needed.

- Few U.S.-born workers seek employment in the agricultural sector; currently over 78% of hired farm workers are foreign-born. The majority of these workers are believed to be unauthorized for employment in our country (*US Department of Labor National Agricultural Workers Survey*).
- The H-2A program, which is the primary source of foreign workers for farming operations, only allows for farmers to source very time-limited, seasonal labor.
  - o Livestock, poultry and dairy operations are not seasonal and require year-round labor.
  - o The current H-2A program doesn't address labor needs for these operations.
  - o Livestock, poultry and dairy account for 2/3 of all North Carolina Farm Receipts (*NC Ag Statistics Yearbook 2013*)
- The H-1B program, under which workers can work in non-seasonal operations, requires that the foreign worker have a bachelor's degree or equivalent to apply.
  - o Many positions on year-round farming operations do not require a bachelor's degree level of education.
  - o High-tech industries already apply for far more H-1B visas than are allowed under current limitations, leaving very few, if any, available for on-farm positions that do require a college degree.

We propose a new guest worker program to provide American farms access to skilled and legal long-term labor.

- Unlike H-2A workers, the program must allow for foreign workers to be employed in agricultural occupations that are not temporary or seasonal in nature.
- Unlike H-1B visas, the program must allow for workers who do not have a bachelor's degree to be employed in agricultural occupations.

The primary benefit of this new guest worker program is to provide American farmers access to needed labor resources to provide a sustainable source of healthy, safe and homegrown food. By having a mechanism to recruit long-term legal, skilled and reliable foreign workers for positions that are difficult to fill with domestic laborers, our nation's farmers can be more productive and efficient. American consumers continue to demand more information about their food. This makes it increasingly important that we maintain a strong agricultural economy so that we can maintain control of our food supply rather than relinquishing it to foreign markets and production practices.

In today's society the one constant is change – and change comes with new demands and requirements. Agriculture needs a diverse source of labor to meet growing demands. It is imperative that we, as a nation, have a diverse guest workforce that will enable today's farmers to meet the food demands of the world tomorrow.

## **Changing Public Perception of the Agricultural Industry**

### **Contributing Members:**

Ryan Cahoon, Tiffanee Conrad, Kelli Dale, Rob Fleming, Dana Massey, Dustin Sumner

Agriculture is the number one industry in North Carolina but only 2 percent of the population actually works in Agriculture. For this reason, most of the population is far removed from the daily mechanics of growing their own food. The general population does not typically understand the time and effort that farmers put into providing a safe and wholesome food supply. Social media and the media in general cause fear mongering amongst the general population. According to a Gallup Poll taken in July 2013 on Nutrition and Food 48% of people think that foods that have been produced using biotechnology pose a serious health risk. Even though the United States has the safest food in the world and abides by a strict inspection process, fearing agricultural products has become a big issue. Consumers have recently had a lot of misinformation provided to them about terms such as GMO, gluten free, organic, and natural which are all currently being used on food labels. Consumers need to be educated on these terms so they can make well-informed decisions about their diet for themselves and that of their families.

We support educating US consumers on terms such as GMO, gluten free, organic, and natural. The USDA has already defined these terms and we propose creating fact sheets and curricula around food labeling that would be available through

- Land Grant Universities
- Cooperative Extension Service
  - 4-H in the classroom
  - local offices and community outreach including 4-H youth
- Food and Nutrition Consumer Services (ChooseMyPlate.com)

It is important that consumers have faith in the food North Carolina farmers are producing and there are uniform standards. Negative connotations that are spread regarding agriculture make it nearly impossible for farmers to continue to excel as they are constantly being challenged and questioned. By supporting the education of US consumers and our children through school and local extension programs, we will inspire others to learn the facts and make smart decisions.

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# Redefining EPA Proposed Rule: Waters of the US

Contributing Writers:

Chad Docsh, Stephen Lilley, Maurice Smitherman, Susan Ward, Justin William, Der Xiong

## EPA's Definition of Waters of the US

In April 2014, the EPA proposed a new rule, redefining the term "Waters of the US." This new rule would expand their regulatory authority to land features such as ditches, ephemerals, ponds, puddles, and isolated wetlands—waters that are regulated by state and local government. EPA states that the proposed rule would clarify and reduce the confusions on the type of water covered under the Clean Water Act (CWA).



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- EPA and the Army Corps of Engineers (ACOE) has continually challenged their jurisdictional authority by proposing regulatory enforcement actions with broader interpretations of "Waters of the US"
- Example includes:
  - "Migratory Bird rule" - In the case of Solid Waste Agency of Northern Cook County (SWANCC) v. US. Army Corps of Engineers. EPA and ACOE tried to assert their authority over isolated waters by justifying that those waters could be used for migratory birds.
  - EPA failed to submit a Regulatory Flexibility Act in which to review their impact on small business such as farmers

## Impacts of the Proposed Rule

By redefining "navigable waters," the proposed rule would allow EPA and Army Corps of Engineers to regulate private land anywhere in the US where waters can conceivably flow—even dry creek beds and manmade ditches

- Even though EPA has stated that the purpose of this rule is to clarify and reduce confusion not regulate, the wording of the rule has only added to the confusion and strengthened the idea of where waters could be regulated
- The proposed rule will affect farmers and ranchers across the nation; The UN FAO states that to meet the growing population, food supply chain will have to double by 2050—A challenging problem especially when federal agencies are trying to regulate farmable land.
- Industries and economic growth will be affected by the new proposed rule through developmental cost and delays from extra permitting. Small business will have to submit additional documentation, inhibiting local economic growth

## *Did you know....*

EPA's traditional jurisdiction in North Carolina covers 5,648,000 acres and 65,000 streams.

The proposed rule would increase EPA jurisdiction in North Carolina to 6,128,000 acres and 130,000 stream miles.

EPA suggests that state agencies are not capable of protecting small bodies of waters without any supporting evidence.

States, like North Carolina, have agencies and departments that have helped farmers effectively improved water quality on farms and in the community through best management practices, water quality testing, and conservation programs without EPA's restrictions

## Call to Action

Many bills have been submitted since the beginning of this proposal and as of January 29th, 2015, the EPA has withdrawn this rule due to the efforts from the Consolidated and Further Continuing Appropriation Action, 2015, Public Law No. 113-235.

# PLANTS & PROSPERITY

## Agricultural research funding and the impact on Agriculture and NC Economy

Kevin Dixon, Christina Law, Stacy Ham, Peyton McDaniel, Matthew Moore, Jessica Morgan

### Why?

2X

The world must double food production in 35 years to feed a population estimated at nine billion.

### What?

#1

Agribusiness is the number one sector in NC's economy and is projected to exceed \$100 billion before 2020.

- Agricultural research funding is vital to the prosperity of NC agriculture. Funding from USDA funneled to land-grant universities and entities like the NC Biotech Center are making NC prosper in plant sciences and agricultural biotechnology.
- Research funding from USDA, specifically from the CREES, **formula funding** has **decreased by 57%** since 1980. **Formula funding** is important as a **secured source** of funding to state agricultural experiment stations to work on **long-term, locally relevant** projects. **Competitive funding** is still vital to NC as a **global hub** but, increasingly going to **non-land grant universities**.

### Where?



NC State University  
New Plant Sciences Initiative  
Interdisciplinary research complex

Research Triangle Park  
"Silicon Valley" of Biotechnology

### Who?

\$1=  
\$19.90

Every \$1 spent on agricultural research in NC returns \$19.90 in economic benefits to the state.

- USDA and other University (typically Extension) **researchers can work on locally or regionally issues** facing agriculture today. These researchers can **fill in the gaps** that large agricultural biotechnology companies leave: to make profits the product must appeal to a large demographic. With a diverse North Carolina agriculture system, local researchers can focus on **NC or Southern issues** that may not appeal to a national system such as sweet potatoes, blueberries, and tobacco. Researchers also work towards **competitive funding** aligned national goals that keep **NC on the national scene** in agricultural research.
- Researchers produce **intellectual property** that then can be turned over to small start up **biotechnology companies** that have the resources to develop products for **niche markets** because of their small size.

### How?

- **Competitive funding** is based on **nationally dictated priorities** that focus on broad issues in the country.
- NC will become a **global leader** in plant sciences and biotechnology through the new **NC State Plant Sciences Initiative** and the growing **agricultural biotechnology sector in RTP**.

- NC will **benefit by keeping a formula** for a portion of federal funding to ensure that researchers can work on **local issues** with a global minded view.
- **Competitive funding** will give NC the opportunity to solidify our place in the **global agricultural research sector**. **Continuation of funding to USDA researchers housed at NC State University** will continue to benefit the agricultural industry. As the new Plant Sciences Building comes to fruition, **growing NC State's partnership with USDA** will be vital to the success of the initiative.

## The Importance of Infrastructure Improvements in North Carolina Ports

Ted Allen, James Lamb, Weston McCorkle, Gerald Miller, Joy Morgan, and Zach Taylor

- Infrastructure is a major component and largely needed for not only citizens in North Carolina, but also the multi-billion agricultural industry.
- When focusing on North Carolina ports, this is an area where funding for improvements could make a tremendous impact on the North Carolina economy.
- Located within the coastal region, the Wilmington and Morehead City ports provide \$7.5 billion annually and employ approximately 65,000 individuals. Tourism is vital to this region contributing \$2.6 billion annually and 29,000 jobs. In addition the fishing industry provides \$225 million annually and 5,180 jobs.
- For the Morehead City and Wilmington ports to remain competitive in the agricultural , tourism, fishing, and shipping industries, a deeper and wider channel, the development of intermodal train service, and land and waterside improvements are needed.
- In 2014, there were 3,100 identified infrastructure projects within the state of North Carolina with a total cost of \$70 billion. However, current available funds remain at \$1.5 billion per year over the next ten years.
- Without improvements made to our existing port systems, the largest significant costs to the state of North Carolina would be the loss of wages, revenue, and new opportunities for continued economic growth.
- Infrastructure upgrades at North Carolina ports would bolster the already \$7.5 billion income and employment of 65,000 individuals, and improve the multi-billion pork processing, agricultural, and wood pellet industries.
- Infrastructure upgrades at NC ports would also allow both ports to remain as viable centers of foreign trade and improve the state's tourism and fishing industries which supplies annually \$2.6 billion and \$255 million, respectively.
- Without federal and state funding to support infrastructure improvements, NC ports will lose valuable footholds in the state's impact on the global economy and citizens will be negatively impacted because of a loss in wages, revenue, and opportunities.
- Please continue to support current and future legislation of the Military Construction Bill.

## **The Importance of Infrastructure Improvements in North Carolina Ports**

Ted Allen, James Lamb, Weston McCorkle, Gerald Miller, Joy Morgan, and Zach Taylor

### **Abstract**

Infrastructure is a major component and largely needed for not only citizens in North Carolina, but also the growing number of businesses and agricultural enterprises. Currently, North Carolina has 80,000 miles of highway with 15,000 of those being considered interstate, US, or NC routes. In addition to highway miles, there are 13,500 bridges; 3,300 miles of train tracks; and 22 ferries serving seven routes. It is projected that by 2040, the North Carolina population will have increased by 32% with the majority of the inhabitants living in urban areas. North Carolina infrastructure and transportation needs are diverse and cannot be solved by one simple solution. However, when focusing on the North Carolina ports, this is an area where funding for improvements could make a tremendous impact on the state's economy.

### **Introduction**

Located within the coastal region, the Wilmington and Morehead City ports provide \$7.5 billion annually and employ approximately 65,000 individuals. Tourism is vital to this region contributing \$2.6 billion annually and 29,000 jobs. In addition, the fishing industry provides \$225 million annually and 5,180 jobs. The infrastructure in this area is site specific with challenges associated with being in a coastal geography. The infrastructure in this area is often impacted by extreme weather events, beach erosion, salt water, and shifting sands. To support upkeep, state and federal funding is a must to meet the needs of the tourism, fishing, and shipping industries.

### **Description of Problem**

Currently, those utilizing the Wilmington and Morehead City ports find themselves in a predicament. Both the Morehead City and Wilmington ports have significant needs in order to compete in the competitive agricultural, tourism, fishing, and shipping industries. The Morehead City port needs a deeper and wider channel, complete development of Radio Island, enhanced rail access, an interstate connection, and land and waterside improvements. The Wilmington port has three main needs specifically, a deeper and wider channel, the development of intermodal train service, and land and waterside improvements.

With the onset of large shipping vessels, both ports would require a channel depth of 46 feet in addition to an expanded turning basin from 1200 feet currently to 1500 feet. Currently both ports have a maximum crane lifting capacity of 420,000 lifts per year while the adjacent competitive port, Norfolk VA, has a maximum crane lifting capacity of 2.5 million lifts per year. Neither the Wilmington nor Morehead City ports have cold storage facilities which place both locations at a disadvantage when attempting to lure businesses with those specific needs. Further compounding this problem is the fact that, in 2014 there were 3,100 identified infrastructure projects within the state of North Carolina with a total cost of \$70 billion. However, current available funds remain at \$1.5 billion per year over the next ten years. Without improvements made to our existing port systems, the largest significant costs to the state of North Carolina would be the loss of wages, revenue, and new opportunities for continued economic growth.

### **Benefits**

Infrastructure upgrades at NC ports would allow for more efficient unloading and subsequent loading of larger shipping vessels. More commerce in and out of NC ports would maintain and bolster the already \$7.5 billion income and employment of 65,000 individuals. Advances to

infrastructure at the Wilmington and Morehead City ports would support and improve the pork processing, agricultural, and wood pellet industries that are currently in place. Increases in infrastructure would allow both ports to remain as a viable center of foreign trade in an already highly competitive shipping industry. Improvements in port infrastructure would also improve the state's current tourism and fishing industries which supplies annually \$2.6 billion and \$255 million, respectively.

### **Conclusion**

The North Carolina ports at Wilmington and Morehead City are a key component to a growing number of businesses as well as the state's multi-billion dollar agricultural industry. Both ports alone contribute \$7.5 billion annually to the state economy and are an integral key to the state's \$2.6 billion tourism industry and the \$225 million fishing industry. However, because of a lack of proper infrastructure these ports are losing valuable footholds in the state's impact on the global economy. Without improvements in port infrastructure, current industries will post reduced receipts and citizens will be negatively impacted because of a loss in wages, revenue, and opportunities.

### **Action Plan**

Proper legislation at the state and federal level is required in order to keep the Wilmington and Morehead City ports at a competitive advantage in the state, federal, and global economies. We ask that you support future and continued legislation of the Military Construction Bill, which provides funding for the dredging of ports in addition to other infrastructure needs. North Carolina ports, when provided the appropriate funding, could be a vital resource for the economy.

### **References**

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*SPECIAL THANKS TO THE FOLLOWING  
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NC Tobacco Trust Fund Commission

AgCarolina Farm Credit

Carolina Farm Credit

Carolina Farm Stewardship Association

North Carolina Cotton Producers Association

North Carolina Farm Bureau

North Carolina Soybean Producers Association

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