

THE AGRICULTURAL COUNCIL OF ARKANSAS



2017 RESOLUTIONS

FROM THE BOARD OF DIRECTORS OF THE AGRICULTURAL COUNCIL OF ARKANSAS

12/16/2016

This document serves as the policy positions of the Agricultural Council of Arkansas and its membership. The purpose of this document is to set forth guidance for the Agricultural Council of Arkansas as it seeks to assist policy makers in their efforts to develop public policy that may impact agriculture. These resolutions are updated each year by the leadership of the Agricultural Council of Arkansas and may be amended at any time. The document also includes commendations, which recognize individuals and organizations that make significant and positive contributions to Arkansas agriculture.



THE AGRICULTURAL COUNCIL OF ARKANSAS
RESOLUTIONS

2017

TITLE I

General Policy Statements

TITLE II

Farm Bill Policy Statements

TITLE III

Policy Statements on Miscellaneous Items

TITLE IV

Policy Statements on State Issues

TITLE V

Commendations

TITLE I – General Policy Statements

COUNCIL POLICY

It is the permanent policy of the Agricultural Council of Arkansas (Ag Council) to represent the interests of its members in all regulatory and legislative matters related to agriculture. The Ag Council will always seek the advice and counsel of its members to best reflect the opinion of the majority of Ag Council members.

Ag Council's Mission Statement: It is the mission of the Ag Council to promote agriculture, advocate on behalf of the agriculture industry, and improve the economies of the communities around us.

The Ag Council welcomes membership to any individual, business, or organization supportive of our mission, and we encourage our membership to recruit new members.

PUBLIC RELATIONS FOR AGRICULTURE

The Ag Council believes it is necessary for the American public to have an understanding of United States' agriculture. Ag Council members recommend that the Ag Council seeks opportunities to partner with other farm and agribusiness organizations to develop public relations campaigns for agriculture in Arkansas and nationwide.

The Ag Council remains committed to working with the Agricultural Foundation of Arkansas (AFA) and other agriculture based organizations to educate policymakers and the general public of the importance of agriculture. Such an effort should focus on the role of farmers in providing food, fiber and fuel, while also being environmental stewards for the land, soil, air, water, and wildlife. The Ag Council encourages its members to consider donating to the AFA to help fulfill its mission to promote the agriculture industry in Arkansas. The Ag Council also encourages its members to give gifts to the Agricultural Council of Arkansas Trust to help fulfill its mission to research, education, public safety, and charity on behalf of the agriculture industry in Arkansas. In addition, the Ag Council encourages members to consider giving to the Agricultural Development Council of the University of Arkansas Foundation.

The Ag Council encourages other agriculture organizations to support efforts to develop and enhance check-off programs for the purpose of 1) telling agriculture's remarkable story to the American people through the media, 2) maintaining and developing markets for covered commodities, and 3) conducting research to ensure improved production and sustainable agriculture.

The Ag Council also supports efforts to encourage adoption of conservation programs and best management practices. The Ag Council would like to support efforts to educate producers about conservation in order to increase adoption and participation by farmers and landowners. The Council wants to ensure the public of agriculture's commitment to a healthy environment and sustainable agriculture production. The goal of this effort is to continue to improve upon our

conservation impact and to reduce our environmental impact without sacrificing production potential for yield. We support any efforts to market our conservation efforts and our progress made towards environmental stewardship, efficiencies gained in production through technology and other means, and our imbedded care for the environment. The Ag Council supports the concept of organizing a 501 (c) (3) private, non-profit conservation group similar to Delta Farmers Advocating Resource Management (FARM) in Mississippi that will seek to encourage conservation and best management practices on farms while also promoting conservation activities of agriculture to the general public. This organization would support research and education in conservation, encourage adoption of conservation practices, seek to identify and address resource concerns, measure progress made in conservation, assist farmers in implementing conservation practices, and help promote the positive environmental impact of agriculture.

GENERAL GOVERNMENT AGRICULTURE POLICY

Role of Federal Government in Agriculture

The Ag Council believes the federal government should enact policies that support the domestic production agriculture industry and rural communities as a primary method of providing security and social stability for the United States and our allies. The federal government should wisely use taxpayer dollars to support farmers during disaster periods due to weather, revenue shortages, and low commodity prices. Such support should work as a safety net to protect American farmers and keep them in business following disasters. The federal government should provide affordable risk management tools for farmers that protect against price, revenue, and yield risks. The federal government should also continue to invest in conservation measures that partner with private landowners.

In addition, the federal government should promote American agriculture products domestically and abroad. The federal government should also play a key role in funding agriculture research to enhance our nation's production capabilities and expand market opportunities for commodities grown in America. The government can and should provide or encourage lending institutions to provide low interest capital to farmers seeking to establish or expand a farming operation. The government should always seek to expand trade opportunities for American agriculture products around the world. The government should establish reasonable and fair regulations that protect the environment, provide a safe workplace, and ensure continued agriculture production of a safe and abundant supply of food, fiber and fuel in America. The government should also continue to invest in adequate infrastructure systems that assist farmers in developing and marketing crops.

Role of State Government in Agriculture

The State of Arkansas should support farmers and the agricultural industry in Arkansas. The State of Arkansas should continue to provide tax incentives to farmers that purchase equipment for purposes of producing crops and tax incentives for making conservation investments for reducing water waste and energy use. The State should make efforts to ensure that taxes on agriculture remain competitive with neighboring states. The State should continue to help fund statewide efforts to 1) promote agriculture commodities, 2) provide reasonable, common sense regulations for the use of certain agricultural inputs and other goods and services that carry

inherent risks to farmers, 3) combat pests like the boll weevil, 4) conduct scientific research and provide extension services to advance agriculture, and 5) educate the public of the importance of agriculture. The Ag Council supports the Arkansas State Plant Board, the Department of Agriculture, and the University of Arkansas System's Division of Agriculture and other research institutions seeking to support the agriculture industry. The Ag Council believes that these organizations should continue to seek the input of farmers as they make decisions that will impact the agriculture industry in Arkansas.

The Ag Council believes the Arkansas Department of Agriculture, Arkansas Department of Environmental Quality, and the Arkansas Natural Resources Commission should work to ensure that the State Water Plan and other environmental regulatory infrastructures do not negatively impact Arkansas farms. The Ag Council believes these agencies should include recommendations in the State Water Plan that benefit the farmer and the environment. Such recommendations may require policy or law changes from the legislature or relevant state and federal agencies.

TITLE II – Farm Bill Policy Statements

FUTURE FARM BILL

The Ag Council would like to see a farm bill that provides adequate economical support to the Agricultural industry, and such a system must be designed to continue providing American citizens with an abundant, affordable and safe food, fiber and fuel supply. The next Farm Bill should provide adequate levels of support to keep the American producers competitive in the global marketplace. The 2014 Farm Bill provides such support; yet, we are still losing producers at an alarming rate. The Ag Council believes the Farm Bill should provide programs to encourage young and beginning farmers to farm, especially future generations of family farming operations. The legislation must also create a safety net that reduces the risk of operating a farm to the maximum extent possible. The legislation should provide low interest capital opportunities and other incentives for farm investments in implements, storage capacity, information technology, farm equipment, workers' compensation insurance, irrigation and energy systems, conservation practices, education and job training, and job creation. Such programs should abstain from requiring income requirements and other means testing methods or payment limitations.

Payment Limits/Income Testing

The Ag Council strongly opposes any program which provides for ceilings or limitations on the price, loan, price support payment, diversion payment, marketing loan gain, crop insurance, or any other income which any agricultural producer may receive. Such discrimination is unfair, inequitable and disrupts and defeats the purpose of any program designed to improve the economic position of agriculture. The Ag Council opposes any kind of means testing for farm program benefits that place a bias against farming operations of a certain scale as capital risks are similar for farms of all sizes. Setting such eligibility tests on farmers would directly harm many farms in Arkansas. Marketing loan gains and loan deficiency payments should be excluded from any payment limitation.

Commodity Title

Farmers prefer earning their income from the marketplace rather than being dependent on government support programs. Unfortunately, until world trade practices are made fair and equitable, government support for agriculture will remain imperative. Even if the marketplace could yield satisfactory profits for agriculture, government regulations restricting farming practices can make it difficult for farmers to manage their businesses.

The Ag Council believes that farm programs should be designed for the direct benefit of producers. While Direct Payments were eliminated in the 2014 Farm Bill, we still believe this program was important to Arkansas' agriculture, especially as an effort to provide expeditious relief to farmers following natural disasters. The Ag Council strongly believes that payment limits and/or income testing should be removed as they represent bad policy and do not reflect the economics of modern farming operations. They do not reflect the economics of modern farming operations and they should be removed. Farm programs should include safety nets for producers that recognize the realities of the cost of production as well as global commodity markets and the subsidizing methods employed by other governments in trade and agriculture.

The Ag Council supports Direct Payments and believes that if Congress insists on eliminating this program that remaining funds are redirected towards new risk management programs that work for producers in Arkansas and other parts of the Mid-South. While the 2014 Farm Bill attempted to provide new risk management programs, we believe they remain insufficient and should continue to be improved upon. The Ag Council believes that such programs are necessary for farmers to stay in business in lean years and to access credit from lenders. Yield loss policies typically do not work well for irrigated farmers as they are typically able to produce crops even during significant drought periods. Cost of production insurance, price protection, and shallow loss insurance policies to protect against yield and revenue losses are more applicable and more critical to Mid-South agriculture than a program that only offers yield protection. However, there must be multiple options of each for farmers to choose among for each commodity. For each risk management program, the Government should adequately share costs.

The Ag Council believes that the U.S. Secretary of Agriculture should include "cotton seed" as an eligible oilseed to receive eligibility for commodity title programs including Price Loss Coverage (PLC). The Secretary has the authority to select oilseeds to be eligible for such programs under the 2014 Farm Bill.

While Secretary Vilsack did not designate cotton seed as an "other oilseed," we do appreciate the gin cost share program the Secretary implemented to provide one-time assistance to cotton farmers who grew cotton in 2015. We hope a more permanent program will soon be established. It's critical that a safety net program be in place to prevent the complete dissolution of infrastructure and jobs that support the processing of cotton in Arkansas.

Should the next Secretary of Agriculture also not make such a designation for cotton seed, we ask that Congress legislate a solution that amends the farm bill to make clear that cotton seed is eligible for the PLC program. If necessary, we support utilizing the generic base as the foundation for a cotton seed program, however, we would strongly encourage that maximum

flexibility be granted to farmers to allow for a choice in the re-allocation of generic base acres so that farmers can choose what distribution best meets the needs and economic interests of each farm.

The Ag Council believes that reference prices for commodity programs should remain the same as under the 2014 farm bill or increased to reflect cost of production.

Disaster Support:

The Ag Council supports legislation that provides financial assistance to all producers that have suffered losses due to natural disasters and economic disasters. The Ag Council believes the declaration of each county and all contiguous counties should be completed by the Administration in a timely manner. The method of disaster assistance payments to eligible producers should be processed in the simplest and quickest method available and should be delivered through the Farm Service Agency (FSA) where possible. In addition, the U.S. government should continue to provide adequate funding for existing disaster assistance funding such as loan and grant programs through USDA and SBA as well as USDA and the USACE for watershed rehabilitation.

The Ag Council encourages Congress to grant the Secretary the authority to utilize Section 32 Commodity Credit Corporation funds to provide direct emergency assistance to farmers on an ad-hoc basis as was the case prior to 2012.

Insurance Title

Federal Crop Insurance:

The Ag Council encourages Congress to develop and make available to the farmer an affordable and effective crop insurance program. The program should be designed to allow the farmer to protect himself from excessive production risks, price risks, weather risks, and other revenue risks. Additionally, the premium paid by the producer must be realistically priced by the Government to encourage broad based producer participation and support from farm production lenders.

The crop insurance program should be administered in a manner that discourages abuse of the program while encouraging participation.

The crop insurance program should maintain a high level of government cost share for premiums to help share risk and keep premiums reasonable and affordable. It should cover all commodities and be available to producers in all counties.

The crop insurance programs should not have eligibility requirements or other means testing requirements. Crop insurance program should not have payment limits either.

The Ag Council believes the federal crop insurance programs should be improved upon to operate as a more effective insurance program. It should allow the farmer to insure his investment in the crop or cost of production, but not allow the farmer to earn a profit from an insured loss.

The Ag Council believes crop insurance program should provide price support as well as support for yield loss and revenue loss. Price support should be at a level for each commodity that will allow farmers to remain viable during times of exceptionally low market prices. The Ag Council also supports shallow loss insurance programs for cotton (STAX) and other commodities where appropriate, but the Ag Council does not believe that such policies are sufficient to be considered as equal to direct payments. The Ag Council would like Congress and the Risk Management Agency (RMA) to work with different commodity groups to develop a new risk management tool that would provide coverage for cost of production increases, price declines, and revenue declines for all commodities in all counties.

The Ag Council opposes further cuts to the Standard Reinsurance Agreement (SRA) would have a negative effect on the agriculture sector by weakening crop insurance and the companies offering such policies. This could lead to increased costs to accessing coverage, and could limit the choices of providers and policies available to producers.

The Ag Council has concerns that the STAX program for cotton remains insufficient in providing a safety net for Mid-South producers. In order to provide a viable cotton industry, we encourage Congress to provide additional protection against declines in cotton prices. The Ag Council also encourages Congress to consider advancing initiatives to stimulate cotton demand through incentives and other means.

Conservation Title

USDA, NRCS & Natural Resources:

The Ag Council supports soil and water conservation practices and USDA farm conservation programs so long as these programs offer equal opportunity to all farms and to all geographic areas. In order to conserve resources for future generations, the Ag Council favors voluntary, government funded, long term land conservation practices.

The Ag Council believes that USDA should continue to deem farmland, which could be classed as wetland, eligible for conservation payments. We encourage increased funding in conservation in order to increase the number of acres that could be enrolled in conservation programs.

The Ag Council places a high priority on national and state legislation which offers incentives to farmers to impound water for irrigation purposes, to recover tail water, or other land improvements to better maximize on-farm water use.

The Ag Council opposes any restrictions on streams in agricultural areas which would limit the use of excess flow. In fact, additional excess surface water flow should be made available for non-riparian agriculture water users. We encourage additional incentives be provided to offset costs of purchasing advanced irrigation water management (IWM) systems, including hardware and software. We also support the establishment of a permanent conservation funding program to support various voluntary efforts to reduce ground water consumption in the alluvial aquifer basin area.

The Ag Council encourages the continued development of surface water storage and usage, especially conjunctive water management. Conjunctive water management allows agriculture to withdraw surface water from rivers and streams during periods of excess flow in order to deliver to reservoirs and other distribution infrastructure for the purposes of providing agriculture with irrigation water during the growing season. The Ag Council supports the use of USDA funds, USACE funds, state funds, and other funding sources to develop USACE projects including the Bayou Meto Irrigation Project and the Grand Prairie Irrigation Project as both of these projects are considered to be environmentally sound and represent improved surface water utilization to help ensure long-term sustainable agricultural production in Arkansas. The Ag Council supports “earmarks” for these critical water projects, which are important for the environment and sustainability of Arkansas farmers. The Ag Council believes the USDA Natural Resources Conservation Service (NRCS) should provide some financial and technical help to these projects.

Conservation programs should abstain from means testing for qualifying and should not contain payment limitations.

Energy Title

The Ag Council encourages research and development necessary to provide adequate, affordable electricity for rural communities as well as production agriculture. We oppose efforts to mandate renewable energy production as Arkansas does not have sufficient supply of renewable energy and any costs to comply would be passed along to the end users.

The Ag Council also encourages continued support for research and development to promote increased production and utilization of ethanol, biodiesel and all other alternative energy sources. The Ag Council supports tax credits as incentives to promote research, development, production and utilization of all alternative energy sources. As the alternative fuel infrastructure develops, the Ag Council encourages utilization of alternative fuels by governments for State and Federal vehicles. The Ag Council also encourages the use of biodiesel fuel in farm equipment. The Ag Council supports any tax credits or grants available to producers that purchase equipment or technology that will improve energy efficiency, reduce energy usage on farms, and improve irrigation systems.

The Ag Council opposes eminent domain for energy transmission lines that could have a detrimental impact on agriculture production. Should energy transmission companies seek to build transmission systems across working agricultural lands through eminent domain or otherwise, the Ag Council encourages these companies to sufficiently compensate landowners and farmers for the land use and the negative impacts experienced by the landowner and farmer.

The Ag Council opposes mandates on fuel storage infrastructure on farms if such regulations are cost prohibitive or unwarranted. The Ag Council objects to any efforts to retroactively enforce compliance with any federal regulation pertaining to on farm fuel storage.

Credit Title

The Ag Council recommends that Congress look to expand opportunities for farmers to access capital at favorable levels that encourage investment. The Ag Council would like to see more

government guaranteed low interest, long-term agriculture related loans. The Ag Council is concerned that a reduction in commodity programs will make obtaining an operating loan more difficult as fewer lending institutions would be willing to lend money with increased risk of default. The Ag Council supports the Farm Credit System.

We encourage that the amount of funding available for the guaranteed loan programs be increased to match demand and prevent a backlog of unfunded loan applications.

Trade Title

The Ag Council would like the USDA to work with the Department of Commerce and other agencies to expand trade opportunities, resolve trade disputes, and promote U.S. agriculture products in foreign markets. The Ag Council also encourages USDA and other relevant trade related agencies to serve as an advocate for U.S. agriculture when it comes to trade enforcement and market development.

We support the efforts of USDA and USTR to proactively pursue WTO cases against competitors who are in violation of their WTO obligations, and we support sufficient funding to USDA for purposes of investigating and prosecuting such cases as well as providing defense for United States’

The Ag Council urges full funding and implementation of the export Foreign Agriculture Services’ enhancement programs so as to provide maximum benefit to producers. The Market Access Program (MAP), Foreign Market Development program, and other related programs are important to promotion and market development for U.S. commodities. U.S. trade policy and trade negotiations should enhance U.S. farm programs and thereby lower the cost of such programs.

Nutrition Title

The Ag Council would like the federal government to utilize U.S. commodities to feed low income, mal-nourished in the U.S. and around the world. The Ag Council strongly believes that any additional funding for nutrition should not come from other agriculture programs. The Ag Council believes that some savings could be achieved in Administrative costs and through reducing fraud and abuse within existing nutrition programs. In addition, the Ag Council believes nutrition programs and other similar welfare programs should do more to encourage participants to seek education, job training, and employment opportunities. Such efforts should be designed to ultimately help citizens reduce and eliminate their dependence on welfare programs.

The Ag Council believes that the Nutrition Title is a key component of farm and food policy and should be included in a comprehensive farm bill. The Ag Council does not support efforts to divorce the nutrition title from the other titles included in the farm bill. The Ag Council understands that nutrition programs provides a market for agricultural commodities, helps feed the less fortunate, and improves the economic conditions of food makers, transportation companies, and food retail stores.

Rural Development Title

The Ag Council believes that rural development programs should be funded at the highest possible levels and should be distributed to those seeking to improve the rural economies by targeting farms, rural businesses and entrepreneurship. The Ag Council supports the Delta Regional Authority (DRA) and its mission to improve the economies of the Mississippi River Delta Region. The Ag Council also supports Rural Development programs that provide infrastructure for water, roads, health care, education, economic development, and information technology. We encourage more investments in entrepreneurship and innovation in agriculture particularly as it relates to value-added, bio-based products as well as production and processing efficiencies in an effort to create new jobs, advance agriculture with new products and services, and grow our economy.

Research Title

Research and Extension Services:

The agricultural colleges, including the experiment stations, extension services, and contract researchers play an integral role in making America the leader in innovative techniques for agriculture and deserve full public support for funding at the highest possible levels. The Ag Council strongly supports increased research in fields that will increase yields, improve quality, and reduce on-farm input usage. In addition the Ag Council supports research in seed, chemical and other technologies and practices to enhance pest management, including reducing resistance to such technologies.

The Ag Council believes check-off funds should continue to be invested in research projects done by the University of Arkansas's Division of Agriculture Research and Extension Service. We encourage collaboration with other research institutions in Arkansas.

The Ag Council encourages the UofA, USDA, and other government research institutions to research, verify, and develop new technologies in information technology systems to increase efficiency in energy and water use, chemical applications, and other components of precision agriculture. Such technologies include, but are not limited to, smart phone and tablet apps, unmanned aerial vehicle systems, remote irrigation and energy controls, irrigation systems management, field monitors and sensors, and other technologies of the future.

Agriculture Research Service:

The Ag Council recognizes the important research conducted by the ARS facilities in Arkansas and encourages members of the Arkansas Congressional Delegation to provide adequate funding to these facilities so they may continue their efforts to assist farmers by enhancing yield quality and quantity and developing value added uses. The Ag Council also supports the Food and Drug Administration's National Center for Toxicological Research (NCTR) in Jefferson County, and we encourage Congress to build upon its mission and ensure that research conducted their supports Arkansas agriculture.

Congressionally Directed Spending:

The Ag Council understands that Congressionally directed spending in the form of "earmarks" may be necessary to quickly direct federal funds to agriculture research projects critical to Arkansas and the agriculture industry, and we support the use of earmarks for such purposes.

TITLE III – Policy Statements on Miscellaneous Items

Deficit Reduction Policy

The Ag Council is concerned with our nation's current debt load. The Ag Council believes that Congress should work in a bipartisan manner to address our nation's debt and to reduce our annual budget deficits. The Ag Council believes Congress should also take action to reduce our nation's trade deficit. The Ag Council believes agriculture can and should participate in these efforts. However, the Ag Council does not support placing disproportionate deficit reduction burden upon agriculture. The Ag Council believes that tax reform that is not detrimental to agriculture may need to play a significant part in reducing our national debt. The 2014 Farm Bill was a significant contributor to deficit reduction, and we encourage Congress to look elsewhere for any additional budget cuts in future years.

Trade Policy

The Ag Council favors government policy which permits the sale of any agricultural products to any country with the resources to purchase them. The Ag Council supports lifting all trade sanctions against Cuba, especially those under the Department of Treasury's jurisdiction. We greatly appreciate the members of the Arkansas Congressional delegation who have supported efforts to open agricultural exports to Cuba for commodities grown in Arkansas. We also greatly appreciate the Governor's efforts to establish and build relations with Cuba for such purposes.

U.S. foreign policy often has a tremendous effect on the farm economy. Although we do not advocate putting the interests of farmers ahead of the nation's interests, the Ag Council believes that under no circumstance should agriculture be asked to bear an unfair share of the burden of U. S. foreign policy. The Ag Council opposes the export embargo of any agricultural commodity. Such export embargoes place arbitrary limitations on commerce and free markets, and they often carry negative economic impacts by limiting opportunity to market crops.

The Ag Council opposes the movement of all commodities to offshore sites for further processing such as, but not limited to, milling packaging and weaving unless covered by free trade agreement.

The Ag Council believes that American trade policy should be supported within WTO negotiations, and that American trade policy must be consistent with U. S. agricultural policies. It is essential to monitor America's trading competitors' policy positions relating to agriculture and trade. The Ag Council supports the agreement reached in 2014 between the U.S. and Brazil to end the cotton trade case.

The Ag Council supports free trade agreements that are fair to U.S. producers and expand export opportunities for U.S. grown commodities. Trade Promotion Authority (TPA) can be a very useful tool in advancing free trade agreements, but it should not be granted without the Administration's commitment to make agriculture a top priority in any trade negotiations. With

regard to the Trans Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP) free trade agreements (TPAs), the U.S. should make every effort to satisfy U.S. agriculture interests by increasing market access and reducing trade barriers for commodities.

We remain concerned with the potential negative impact that TPP could have on the Mexican rice market as Vietnam would be able to enter the market with far less expensive rice. Because of this known risk, we encourage the administration to take action to attempt to offset these losses in advance by investing more in food aid that incorporates rice, provide additional marketing assistance program (MAP) funds, assist in market development Mexico, Iraq, and Cuba, and continue to vigorously pursue cases against nations violating their WTO obligations.

The Ag Council continues to study the recently completed Trans Pacific Partnership (TPP) to learn about the positive and negative aspects of the twelve nation agreement. The Ag Council understands the importance of increased market access to Pacific nations, and we understand that it's unlikely that full market access is a viable option for all commodities. If it is deemed by the Ag Council Board that the net positives of the agreement outweigh the net negatives of the deal, the Ag Council is likely to support the implementation of the agreement with a call to make continued improvements in market access to TPP nations in a bilateral manner or through other means.

The Ag Council believes that government should be active in maintaining open markets, especially when foreign nations arbitrarily halt imports of U.S. agricultural products based on phytosanitary specifications or other arbitrary standards.

Environmental Policy

U.S. Environmental Protection Agency (EPA):

The Ag Council believes that the EPA has moved outside of congressional authority by announcing its intentions to regulate certain aspects of air quality and water quality through emission standards, the Clean Air Act, and the Clean Water Act. The Ag Council strongly suggests that the U. S. Congress put further checks and balances on the EPA that would provide needed oversight and limit of such attempts, especially in regulating agricultural practices in the Mississippi River basin.

The Ag Council strongly opposes the EPA's 2014 Final Rule defining Waters of the United States (WOTUS). Their final rule dramatically expands the regulatory reach from navigable waters to any body of water with a nexus to navigable waters. This rule will likely lead to significant compliance cost for landowners, limitations on land improvements, and unnecessary and costly litigation. Due to the wide expansion of regulated waters, this rule would be difficult to enforce, and default enforcement would be left to the courts, which would be costly and time consuming to agriculture. The Ag Council believes the definition should completely exempt agriculture and focus on navigable waterways. We support the multi-state lawsuit against the EPA, and we encourage Congress to force the EPA to vacate the rule and develop a new rule that provides necessary exemptions to agriculture. The Ag Council remains frustrated by the manner in which the EPA handled the entire rulemaking process, most notably how they seemed to

ignore concerns expressed by the U.S. Army Corps of Engineers and how they attempted to influence public opinion on the rule during the public comment process.

The EPA has further issued rules covering state issued permits for applications of pesticides over certain crops due to possible runoff. Ag Council believes that no further regulations are necessary since each product's label has been reviewed and approved for proper application by EPA.

The Ag Council would encourage Congress to consider mandating Congressional approval of any new regulations determined to pose a significant economic risk to the agriculture industry in the U.S.

The Ag Council is concerned with recent attempts by the EPA to set nutrient standards for watersheds by setting pollutant discharge regulations for individual farms. The Ag Council believes such policies are unwarranted because they are not currently scientifically proven to be effective and are difficult to impose.

The Ag Council supports legislation to reduce compliance costs and mandates associated with regulations on on-farm fuel storage.

The Ag Council supports expanding the Renewable Fuel Standard (RFS) and blending requirements for fuel provided there is sufficient supply of ethanol inputs and animal feed supply, and there are no mechanical issues with increasing the blending levels.

The Ag Council supports the development and use of safe technologies in crop genetics and herbicides that will help farmers better control damaging weeds and maximize yield potentials.

The Ag Council believes that USDA/EPA should maintain its commitment to U.S. farmers by conducting timely, scientific reviews of technologies, and get them to farmers in a time efficient manner. It's important for farmers to be able to utilize all safe and effective tools that may be available to them in order to produce crops, increase yields, and remain sustainable.

Biotechnology:

The Ag Council supports continued advancements in biotechnology for seed and crop protection products to improve quality and yields for agriculture. Such technology is essential in helping feed the world and meeting future food supply challenges that are anticipated. This technology can also be very helpful in minimizing agriculture's environmental footprint with water use and chemical applications, thus lowering production costs. We encourage regulatory bodies to conduct adequate scientific review of these products and get them to farmers in an expeditious manner.

Chemical Use Policy:

The Ag Council supports the responsible use of approved and permitted pesticides, herbicides, and other crop protection tools.

Should any restrictions be placed on the use of farm land because of environmental concerns, it is the Ag Council's conviction that any costs or reduction in income incurred by farmers, due to such restrictions, should be paid for by the public through government.

U.S. Fish and Wildlife Service (USFWS) and Endangered Species Act (ESA):

The Ag Council questions the mechanism by which any biological species is determined to be threatened or endangered as it often appears to be opinion based rather than science based. The Ag Council strongly opposes the USFWS attempts to designate Critical Habitat Designations under the ESA without an adequate comprehensive economic impact analysis of establishing such designations. The economic review should determine the full economic impact on communities impacted by the designations. In addition, the USFWS should use science based data to determine the condition of the habitat and threats to prospective species.

The Ag Council believes that new listing of certain mussel species under the Endangered Species Act should not prohibit or restrict a farmer's ability to continue their farming operations.

The Ag Council believes that the USFWS and USDA APHIS Wildlife Services should provide landowners, farmers, and aquaculture operators with a sufficient permitting process to address the concerns related to invasive and predatory species such as the double breasted comorant and feral hogs.

Pollinator Health:

The Ag Council supports the continued use of technologies to combat pests. We support continued scientific research to determine bee health to determine all possible causes of Colony Collapse Disorder (CCD), including threatening diseases, pests, genetic disorders, and other natural threats. We also support efforts to raise awareness to pollinators and to minimize unnecessary exposure for bee hives to agricultural crop protection tools, and we support efforts to improve crop protection tools in order to minimize risk of applications moving off target.

USFWS Lacey Act and Carp:

The Ag Council believes that the Lacey Act should not apply to carp and penalties for violations related to the act should be reduced as they may relate to the interstate transportation of such species.

Feral Hogs:

The Ag Council believes state and federal governments should do more to eradicate feral hogs, which are causing crop damage throughout the state. We also appreciate recent efforts by the Arkansas General Assembly to help landowners, the Game and Fish Commission, and others to better manage feral hog populations through capturing and termination.

Labor Policy

Right to work status:

We urge our Congressional delegation to continue to support retention of Section 14(b) of the Taft-Hartley Act.

Department of Labor (OSHA):

The Ag Council believes the Department of Labor must consider the farm labor shortages when implementing any new rule related to child labor on farms. Farm families should be exempted from any such child labor restrictions. The Ag Council recommends that current labor rules for farms, which exempt family farms, should not be amended.

Worker's Compensation:

The Ag Council strongly supports and endorses the AG COMP SIF worker's compensation program and recommends that all eligible farms and agri-businesses in Arkansas join the Ag Council and participate in the program. The program offers a number of direct benefits to farms, agri-businesses, and agricultural employees.

Overtime Rules:

The Ag Council believes that farm workers should be exempt from overtime rules that were designed to affect more traditional labor markets with larger businesses and more traditional work hours.

Worker Protection Standard:

The Ag Council believes that Workplace Safety Standards should incorporate common sense and not carry a detrimental economic impact to farm operations.

Tax Policy

Social Security:

We oppose further increases in Social Security taxes.

Estate Taxes:

The Ag Council supports the total and permanent repeal of all estate and inheritance taxes, especially as they relate to family farms and rural small businesses. We strongly oppose any effort that makes transitioning farmland and farm businesses from one generation to the next more difficult. We encourage policy makers to ensure that estate taxes encourage the preservation of the family farm.

Other Taxes:

The Ag Council strongly supports the permanent extension of the Section 179 deduction and bonus depreciation. These programs are critical in helping farmers remain competitive in the global market and continue to increase efficiencies with equipment, land, and facilities.

Health Care Policy

In light of the recent dissolution of the BRAVO Association Health Care Benefit Program for industry associations, the Ag Council encourages the organization to seek out new potential areas of collaboration in seeking more affordable health care options for members.

The Ag Council opposes federal mandates for businesses to provide health care to all employees. The Ag Council supports the development of low cost care systems and improved care for all.

Regulatory Policy

Regulatory Agencies:

The Ag Council supports sensible rules issued by OSHA, EPA, FDA, and U. S. Fish and Wildlife Service (FWS) which reasonably can be expected to achieve results. We insist that OSHA, EPA, FDA, and FWS rules and actions result in a comprehensive national cost/benefit ratio based on reasonable scientific evidence and full economic impact analysis.

The Ag Council believes that all regulations should be simple and easy for compliance purposes. The Ag Council supports efforts to streamline or simplify existing regulations. The Ag Council also supports eliminating any rules deemed to be overly burdensome, duplicative, ineffective or obsolete. Regulators should seek to minimize liability opportunities for landowners and avoid negatively impacting land values in the rulemaking process.

The Ag Council believes that regulations impacting financial institutions should not punish or penalize rural banks, community banks or any other lending institution that may provide agricultural loans. Regulating agencies should recognize the important role of such banks in maintaining a healthy agriculture industry. The Ag Council supports regulatory policies that encourage agriculture lending and provide access for borrowing.

The Ag Council has concerns with recent proposed rules regarding worker protection as it relates to children within a farm family and as it relates to the safe handling and use of agricultural crop protection tools. We encourage EPA, OSHA, and other regulatory agencies to ensure the ability of children to work in a safe environment on a family farming operation and for farming operations to continue utilizing important chemical formulations in a safe manner without unnecessary compliance burdens.

Energy Policy

The Ag Council supports policy that assures adequate energy supplies necessary for rural community viability as well as agricultural production, harvesting, processing and transporting agricultural commodities. Use of renewable energy resources, alternate fuel sources, recycling and conservation should be the basis of any energy policy. The Ag Council supports public policy that continues to provide incentives for entities in the development of biofuel.

The Ag Council encourages research and development necessary to provide adequate electricity for rural communities as well as production agriculture. The Ag Council encourages research and development to promote increased production and utilization of ethanol, biodiesel and all other alternative energy sources. The Ag Council supports tax credits as incentives to promote research, development, production and utilization of all alternative energy sources. As the alternative fuel infrastructure develops, the Ag Council encourages utilization of alternative fuels by governments for State and Federal vehicles. The Ag Council also encourages the use of biodiesel fuel in farm equipment.

The Ag Council opposes the use of eminent domain in the development of utility transmission lines and other energy systems, especially in instances that primarily benefit private parties rather than the general public. Landowners should be compensated adequately for any land use for such purposes, and such utility companies should utilize existing right of ways and infrastructure when developing such lines. In addition, proposals to develop such infrastructure should be subject to scrutiny and review from regulatory agencies, legislative bodies, and the general

public prior to approval. The Ag Council supports legislation introduced by members of the Arkansas Congressional Delegation that would require state approval for energy transmission lines that are being sought through eminent domain under section 1222 of the 2005 Energy Policy Act.

We strongly oppose the Clean Line Energy's use of Section 1222 of the 2005 Energy Policy Act, which has effectively forced landowners to grant right of way for the high voltage direct current transmission line between Oklahoma and Tennessee without sufficient compensation for landowners or appropriate consideration of alternative route options. Lastly, the use of Section 1222 severely limits the state's ability to influence the project.

The Ag Council supports the development and use of renewable fuels from agricultural sources. Policies that support the development and use of such fuels provide an alternative market for agricultural commodities and helps create stability in commodity markets. Any policies to create a mandate for the development and use of such fuels should provide adequate "off-ramps" should any unintended consequences arise in association with food supply or domestic security.

The Ag Council believes to the maximum extent possible that government regulators and fuel providers should work to ensure that the Arkansas agriculture industry has safe access to adequate and affordable fuel supplies.

"Cap & Trade" Systems: The Ag Council believes that the U.S. should not establish Cap and Trade policies until all developed and developing nations reach a full and fair agreement on how to reduce emissions of greenhouse gases. China and India, the two largest cotton and textile producing countries, are competitors with United States cotton in the international market. Both countries are significantly increasing greenhouse gas emissions and both have thus far refused to sign on to any agreement to curtail their emissions. However, we do support the establishment and participation in voluntary carbon and greenhouse gas (GHG) markets where credits are established to benefit agriculture with potential payments for farms that voluntarily implement farming practices that reduce GHG emissions.

The Ag Council also opposes arbitrary renewable energy portfolio standards for utility companies. Such mandates could prove costly in states like Arkansas that are heavily reliant on fossil fuels as energy sources. Compliance costs would be transferred to users, and that would greatly impact agriculture and other major energy users in Arkansas putting us at a disadvantage to competitors in other states and around the world. The Ag Council opposes the recent EPA rule on carbon emissions ("Clean Power Plan") that would establish state goals for carbon output as it unfairly punishes Arkansas, and could lead to increased energy costs through utility bills in order to allow companies to pay for compliance with the federal mandates. We support the multi-state lawsuit that the State of Arkansas has taken against the EPA on this rule.

In the event of such legislative action, the Ag Council believes USDA should develop and administer agriculture offsets in a Cap and Trade program. The development of these offsets is a means to mitigate, to some degree, the impact of significantly higher energy and input costs to production agriculture and agribusiness; all production, marketing and processing will be adversely affected in varying degrees. The Ag Council remains concerned that additional

production costs resulting from implementation of provisions of any Cap and Trade program will place United States' agriculture and agriculture products at a clear disadvantage in international markets.

We support the development of new (private sector, voluntary) markets for greenhouse gases and water that carry the potential to directly benefit landowners and producers with compensation for implementing systems or techniques that provide energy efficiencies, irrigation efficiencies, or otherwise reduce levels of GHG emissions.

Transportation Policy

The Ag Council supports the improvement of interstate highways for transportation and delivery of agricultural commodities. The Ag Council supports reasonable increases in state and federal motor fuel taxes and user fees in order to increase dedicated funding for transportation infrastructure. However, any increase in such taxes and fees must be well justified and follow efforts to find highway funding through savings within government with the elimination of waste, fraud, abuse, and duplicative or outdated government expenses.

The Ag Council supports interaction with Arkansas Highway Department to improve the ability to move farm commodities and farm equipment on Arkansas' roads and highways more effectively, and the Ag Council supports the concept of securing low-cost permits and tags for such movements. We encourage the Arkansas Highway Department and General Assembly to provide more reasonable policies on the enforcement of size and weight restrictions for grains and other agricultural commodities, especially during harvest season and upon leaving the field en route to first location of processing or handling.

The Ag Council would point out that construction of interstate highways should consider present land use and provide proper access to land, and we support fair compensation for landowners when use and access is restricted.

The Ag Council remains concerned with dock strikes and other transportation union strikes which can pose serious threats to exports and domestic marketing of farm commodities. With due regard to the position of both labor and domestic marketing of farm commodities, we believe it is in the national interest and essential to the well-being of agriculture in America, that government action be taken to prevent prolonged work stoppages in our nation's transportation system.

The Ag Council favors export shipment of agricultural products by the least costly method. The Ag Council also supports size and weight exemptions for truck carrying agricultural commodities and products, including cotton seed. The Ag Council supports the development of a voluntary statewide system of pre-inspections for safety compliance that would reduce the risk of targeted pull-overs of agricultural trucks transporting grain and other agricultural products, especially during harvest season.

The Ag Council supports reforms to the Surface Transportation Board (STB) that would provide more shippers rights for the transportation of agricultural commodities and products while maintaining a healthy railroad industry.

The Ag Council supports the development and use of Unmanned Aerial Vehicle (UAV) systems for precision agriculture practices. Regulations for use must work for farmers and landowners. Such regulations should not increase cost of use or limit the ability to use on private property. The Federal Aviation Administration (FAA) should quickly finalize rules that will permit agriculture to take advantage of the many benefits promised through UAVs.

The Ag Council requests that the Corps of Engineers manage, maintain, and improve waterways in a manner that will ensure the full use of navigable waterways at all times. The Ag Council also supports funding for inland ports and waterways. The Ag Council supports a 12' navigational channel in the Arkansas River Navigation System (MKARNS).

The Ag Council also supports the continued expansion of our national and state highway system including I-40, I-69, I-555, and I-55.

The Ag Council understands that Congressionally directed spending in the form of “earmarks” may be necessary to quickly direct federal funds to transportation projects critical to Arkansas and the agriculture industry, and we support the use of earmarks for such purposes. We believe that transportation infrastructure in Arkansas is an investment in national infrastructure and for economic growth.

Water and Water Infrastructure Policy

The Ag Council recognizes the efforts of the officers of the various districts, the Mississippi River Commission, the Corps of Engineers, and the Natural Resources Conservation Service, participating in flood control and improvement of lands in Arkansas. The Ag Council recommends that Congress direct the Corps to include availability of agricultural irrigation water in their studies.

The Ag Council requests Congress to address the failure of the Corps of Engineers to certify the levees in its district and further request prompt certification of said levees to alleviate the farmers of paying millions of dollars in unnecessary flood insurance coverage. The levee certification issue is vital to members of this organization and the rural communities throughout much of the state. The Ag Council opposes FEMA's efforts to set new regulations related to flood plains that would mandate the purchasing of flood insurance.

The Ag Council urges expedited completion of the river basin projects in Arkansas for which funds have been authorized and appropriated. The Ag Council supports maximum appropriations for all lower Mississippi Valley flood control and improvement projects.

The Ag Council urges authorization and appropriation of federal funds for maintenance of banks, dikes and control structures along the Arkansas River. The Ag Council also supports funding for inland ports and waterways. The Ag Council supports a 12' navigational channel in the MKARNS. The Ag Council also supports dredging the lower Mississippi River, but not at the expense of other water infrastructure projects in Arkansas.

The Ag Council opposes proposals to enhance the Inland Waterways Trust Fund through increased lockage fees.

The Ag Council supports completion of the work proposed by the Corps of Engineers to improve the Mississippi levees, from Cape Girardeau, Missouri, to the Gulf of Mexico, so as to fully protect the citizenry and property in the states of the lower Mississippi Valley.

The Ag Council also supports legislation to preserve wildlife habitat by authorizing the Secretary of the Army, acting through the Chief of Engineers, to acquire easement in lieu of fee for lands designated for acquisition in mitigation of losses or damage to fish and wildlife resulting from Federal improvement.

The Ag Council recognizes that beavers have become a major impediment to drainage of both farm and timber lands in Arkansas. The Ag Council pledges its cooperation with federal, state and local agencies in searching for a solution to this problem.

The Ag Council understands that Congressionally directed spending in the form of "earmarks" may be necessary to quickly direct federal funds to water infrastructure projects critical to Arkansas and the agriculture industry, and we support the use of earmarks for such purposes. We believe that flood control, navigation, and irrigation infrastructure in Arkansas is an investment in national infrastructure and for economic growth.

Drainage - Section 404: The Ag Council believes in a healthy environment, and we are committed to good drainage as we, know it to be essential to the productivity of the alluvial areas of the country. The Ag Council is convinced that a reasonable balance can be achieved for the good of the country between these two objectives if EPA and Corps of Engineers will promulgate sensible regulations and administer them in a wise manner. The Ag Council opposes the unfair increases in fees for obtaining a Section 404 permit which were proposed at one time by the Corps of Engineers.

The Ag Council recommends restricting Section 404 jurisdiction to the historical definition of "navigable waters." We also think Congress should adopt a reasonable definition of "wetlands." We further recommend that any new legislation make it clear that the Corps of Engineers has final authority to issue permits under Section 404. The Ag Council believes decisions on 404 permits should be rendered within six months.

Farmed Wetlands: We believe that any farmland that was in cultivation prior to 1985 should be considered prior converted cropland regardless of how long water may stand on it during the growing season.

Food Safety Policy

The Ag Council supports the development and enforcement of regulations by USDA/FDA to ensure the safety of all food and sources of food for the nation, whether produced domestically or internationally. The Ag Council believes inspection of imported agricultural products is lacking and should be enhanced.

The Ag Council supports federal funding for USDA inspections of imported catfish from overseas. This program was first authorized in the 2008 Farm Bill and reauthorized in the 2014 Farm Bill, finally went into full effect in early 2016 and has proven to be effective as many shipments have already been rejected by USDA inspectors. We oppose any and all proposals that would place catfish inspections in the FDA instead of the USDA.

The Ag Council also supports recently approved laws to identify country of origin labeling for catfish and catfish like species sold in Arkansas restaurants and by food services to better inform consumers. The Ag Council believes consumers should receive such notice at restaurants, cafeterias, lunch room, food stands, and other similar food facilities in Arkansas.

The federal government should establish an indemnity program for errors made by regulatory agencies in food contamination recall cases.

Commodity Market Oversight Policy

In lieu of recent overall market problems, the Ag Council supports absolute clear definitions of marketing terms including, but not limited, to hedging, speculating, and transparency. Any new regulations should be developed with the intent to increase transparency and limit unwarranted market volatility. The Ag Council has concerns with the impact of automated electronic trading and its potential impact on market volatility and is often based on artificially created supply and demand. We encourage market regulators to establish reasonable rules to minimize the potential negative impacts of automated electronic trading on market volatility for commodities.

Commodity Policies

It is the Ag Council's position to work with the various national and state commodity based organizations to promote agriculture and advocate for policies where the Ag Council and the commodity organizations are in agreement.

Rice: Rice has long been the world's number one food grain. It has become Arkansas' largest program crop. It is vital to the state's economy and to Ag Council members. In order to fulfill America's desire to help feed the world's needy people we recommend full use of all government programs to maximize the exportation of rice.

We support the USA Rice Federation's efforts to use all the money from the Columbian Free Trade Agreement Tariff Rate Quotas (TRQ) for research.

The Ag Council believes rice should be promoted as a nutritious food based upon its qualities. The USDA, FDA, and other relevant federal and state agencies should encourage rice consumption as an important component to any meal. The Ag Council believes arsenic levels occurring in rice are naturally occurring organic or inorganic, and are not at levels deemed harmful to human health. We support the FDA's efforts to work with industry and researchers to determine how arsenic levels in rice may be decreased.

Soybeans: The assurance of viable Soybean seed is vital to Arkansas' farmers. We encourage uniform standard testing of soybean seed and results made available to farmers upon request. The Ag Council supports continued development of biodiesel from soybeans. We support the Natural Soybean and Grain Alliance (NSGA), which was established to develop new markets for non-GMO soybean varieties in an effort to provide farmers with premiums for new niche markets.

Cotton: The Ag Council encourages cotton commodity brokers to be bonded. The Ag Council supports the development of a shallow loss insurance program for cotton. The Ag Council supports continuing to comply with the U.S. – Brazil agreement for the WTO case against the U.S. The Ag Council encourages USDA Secretary to implement farm program policies for cotton seed. We encourage further incentives from USDA and Cotton Incorporated to develop woven and non-woven markets in the U.S. through investments in innovation and consumer demand.

Fertilizer Costs

The Ag Council supports efforts to conduct a feasibility study on the viability of developing and operating fertilizer production facilities in Arkansas for the purposes of increasing competition among producers and providing farmers with lower cost options for fertilizers. The Ag Council supports the reduction or elimination of duties on imported fertilizer products in order to keep such costs to a minimum.

Property Rights Policy

Trespass:

The Ag Council supports private property rights and encourage the strict enforcement of trespass laws. Additionally, we support the passage of increased penalties for repeat offenders of the law.

Eminent Domain:

Property acquired under the right of eminent domain, when not used for the purpose for which it was taken, should be offered for resale to the person from whom it was seized at the price at which it was confiscated.

The Ag Council opposes the use of eminent domain in the development of utility transmission lines and other energy systems, especially in instances that primarily benefit private parties rather than the general public. Landowners should be compensated adequately for any land use for such purposes.

If any governmental entity takes, appropriates, seizes, restricts, or modifies the use of private property, the owner should be adequately compensated for any present or future loss.

Landlord:

The Ag Council supports Article 9 of the Arkansas Uniform Commercial Code that gives automatic priority status of landlord liens on crops under Ark. Code Ann. Section 18-41-101.

Welfare Policy

Unemployment Compensation:

Ag Council members are alarmed about the escalating costs of unemployment compensation. Administration of this program is of great concern. Government employees tend to side with other employees. Oftentimes former employees are allowed to continue drawing unemployment compensation after they have found other employment. Reason needs to be brought to the program.

The Ag Council supports new reforms to welfare programs, including nutrition programs, in order to limit the eligibility and use of these programs and encourage participants to seek and accept employment opportunities.

Anti-Trust Policy

Ag Council members are increasingly concerned with recent and ongoing mergers and consolidation between agricultural suppliers and the resultant erosion in competition reflected in increased prices of crop production inputs. Primary among these today are Monsanto and Bayer; Dow and Dupont; Syngenta and ChemChina; and Agrium and Potash Co.

The Ag Council believes it is crucial that producers not be placed at the mercy of one or two dominant companies for various input products. Such consolidation can lead to fewer seed and crop protection choices, higher input prices, reduced customer care, and generally a lack of innovation and competition.

Due to the economic challenges facing row crop farmers (ever increasing input costs and historically low commodity prices), we encourage seed and crop protection companies to consider reducing the costs of their products.

We encourage the federal government to increase investments in land grant university research for agriculture seed and crop protection technologies in order to stimulate innovation in this area, encourage competition in science, and to develop and maintain more affordable alternative options for producers to counter the expected issues related to mega merger consolidation of seed and crop protection companies.

The Ag Council recommends that the Arkansas Attorney General and the U.S. DOJ continue to remain vigilant in identifying and prosecuting violations of anti-trust laws, especially as they relate to agriculture suppliers.

Education Policy

The Ag Council supports required learning related to educating students of the importance of agriculture to our economy and our nation's history. Students should learn more about the farm families that produce the food they eat. The Ag Council supports scholarship programs to students seeking degrees related to agriculture.

The Ag Council supports Future Farmers of America (FFA), 4-H, and other agriculture education programs for children and young adults. The Ag Council would like to work with these organizations to educate these students and future agriculture leaders on the importance of organizations like the Ag Council. It is the intent of the Ag Council to establish and fund a non-profit charitable organization known as the Ag Council Trust for the purpose of donating to

research and education efforts that benefit agriculture and residents in the communities in which we live.

Science Policy

Biotechnology:

Recognizing that biotechnology may contribute useful technology to agriculture which could enhance both quality and competitiveness of farm products, the Ag Council encourages continued development in this field. Such research and development is necessary to meet global food demands of the future.

The Ag Council urges USDA and other appropriate governmental agencies to expedite the testing and release of recombinant plants containing the useful genes which have the potential to render crop production more efficient.

The Ag Council encourages research to develop traits beneficial to consumers which will open new uses and new markets for commodities.

Immigration Policy

Farm Labor: It is the policy of the Council to support federal legislation governing the procuring and the placement of legal immigrants filling farm laborer positions. It's important that such labor is available, accessible and efficient for farms and agricultural businesses.

TITLE IV – Policy Statements on State Issues

STATE GOVERNMENT

Agriculture Department of Arkansas

It is the policy of the Ag Council to work closely with the Agriculture Department of Arkansas to promote agriculture and assist in commodity marketing programs. The Ag Council supports raising the awareness of the citizens of Arkansas about the importance of agriculture to the state's economy. The Ag Council will assist in the development of marketing strategies to enable the producer to receive a fair market price. Development of alternative fuel production and use is just one example of added value to oil seed production that the Agriculture Department should explore. The Arkansas Department of Agriculture should continue to encourage innovation in the agriculture industry and develop markets for Arkansas grown products.

The Arkansas Department of Agriculture should continue to work directly with farmers in Arkansas and seek their advice. The Ag Council would like to work with the Department of Agriculture to educate members of the state legislature on the functions and purposes of the state commodity promotion boards.

The Secretary of Agriculture should be a strong proponent and supporter of row-crop production in Arkansas and be familiar with the state's agriculture industry and state government.

Generally speaking, we support efforts of the Agriculture Department to seek efficiencies in use of tax dollars by eliminating duplicative or outdated expenses and making reinvestments in matters of critical importance today. However, we express concern about too much agency reform without proper review and input from agriculture groups like the Ag Council. We encourage the Governor and Secretary of Agriculture to work closely with us as they continue to enhance the agency and its contribution to the state's top industry.

Arkansas State Plant Board

Role in Chemical Permit Requests:

The Ag Council believes the Arkansas State Plant Board (ASPB) should work closely with the Ag Council in seeking permits for products to be used in Arkansas. The Ag Council would like the ASPB to review and approve beneficial new seed and crop protection products at the earliest moment possible provided there is science based data supporting the need for such a product. Products that will assist farmers in mitigating damages from threatening pests from bugs to weeds should take a high priority. The ASPB should take considerable steps to penalize and discourage the misapplication of agricultural crop protection tools that may cause harm to off-target crops. The ASPB should also take considerable steps to educate and train inspectors and users of proper use of such crop protection tools. The Ag Council encourages FMC to change their label for Command so that rice farmers will be able to utilize the chemical without fear of violating the label restrictions for use.

The Ag Council strongly supports the State Plant Board and the role it plays in regulating the agriculture industry. We believe that the volunteer system of self-regulation by industry is superior to allowing such decision making authority to government bureaucrats. We believe it's also critical that industry groups maintain their ability to appoint people from their organizations to serve as it allows for accountability among industry stakeholders and offers opportunities for industries to select individuals they feel are best suited to serve in such a critical role of representing their segment of industry.

We believe that the farmer positions assigned to the Plant Board are, as individuals, considered actively engaged in production agriculture in Arkansas.

Penalty Matrix:

The Ag Council supports the Plant Board's proposal to increase the maximum fine for egregious violations of crop protection tools within the penalty matrix from \$1,000 to an appropriate level in order to create a significant deterrent for illegal, and potentially harmful use of crop protection tools. The Plant Board should use caution in assessing the new maximum penalty by only applying the full civil penalty fine in cases where off target crop damage was likely caused and where the application was made unlawfully in a knowing and willing manner that exhibited complete disregard for the laws regulating use.

New seed and crop protection technologies:

The Ag Council supports the development and use of new seed and crop protection technologies in a manner that is consistent with safety standards established by the EPA or the State Plant Board. However, we also expect companies that deliver such technology that carries off-target risks to conduct due diligence in marketing their product and implement sufficient measures to

trace sales, penalize misuse of product, and ensure proper stewardship and use. We encourage the companies to work with the University of Arkansas to conduct verification studies on new products and to deliver technology stewardship education and training for end users.

Seed pre-emption clarification:

The Ag Council supports the approval of legislation that would allow for the state plant board to be recognized as the singular regulatory body over seeds within the state of Arkansas so that their regulations would supersede any attempts by counties or municipalities to attempt to regulate seeds. This would bring parity for seeds in line with existing state laws regulating fertilizers and pesticides.

Check-off/Commodity Support Programs

The Ag Council continues to support mandatory check-offs for cotton, soybeans, rice, wheat, and corn and grain sorghum in Arkansas. The Ag Council believes the state should explore the possibility of developing a new check-off program for peanuts. The Ag Council strongly supports continuing its statutory authority to nominate members to the promotion boards. In addition, the Ag Council believes the promotion boards should continue to represent grower interests by requiring all board members be farmers.

The Ag Council supports the programs of Cotton Incorporated, the National Cotton Council, Arkansas Soybean Association, the Arkansas Soybean Promotion Board, the United Soybean Board, the Arkansas Rice Research Board, the Arkansas Wheat Promotion Board, the Arkansas Wheat Growers Association, the Arkansas Corn and Grain Sorghum Board, the United Sorghum Check-off Program, and the Soil Test Review Board. The Ag Council opposes a policy of allowing an individual to simultaneously serve on the USB and on the American Soybean Association Board.

The Ag Council strongly supports the various research and promotion check-off programs in Arkansas, and we encourage the members of these boards to ensure that the share of the check-off dollars intended for the state are wisely invested in the state, particularly with in-state University researchers for purposes of benefiting Arkansas farmers through research investments. We oppose any efforts to siphon our state's shares to a national program that would likely not prioritize or spend dollars in a way that benefits producers in Arkansas. We believe that USDA Agricultural Marketing Service (AMS) should ensure that funds intended for states are retained in the states in which they are collected and utilized in a manner that benefits producers in those states.

The Ag Council urges Cotton Incorporated, with the assistance of land grant colleges, USDA, and other public scientists, to continue developing a national cotton breeding program with the following objectives: Develop new cotton varieties with 1) higher, more stable yields to enable cotton producers to earn a profit growing cotton, and 2) improved, more uniform fiber properties to enable cotton spinners to utilize new spinning technologies for more effective competition with imports. We encourage Cotton Incorporated to invest more resources into innovative research and entrepreneurship that supports in the development of new woven and non-woven products that could stimulate demand for cotton.

The Ag Council strongly supports the current nomination and appointment process for all state related boards and commissions that relate to agriculture. The current structure allows for industry organizations to identify and nominate individuals to serve on behalf of the industry. This process is important as it allows for a peer review process and the selection of qualified business leaders to serve in important roles of government that directly impact agriculture businesses. In addition, this process helps keep the organization informed of the work done by the various boards and commissions as typically those appointees serve in leadership roles for the industry organization and report at the organization meetings. Any efforts to repeal this nomination process could carry a negative impact on the regulated industries for a variety of reasons due to the lack of peer selection and peer accountability.

Taxes

The Ag Council favors maintaining the sales tax exemptions and income tax deductions/credits (targeted tax cuts) presently made available to Arkansas farmers through state law. Such exemptions and deductions/credits should be expanded where possible. We adamantly oppose any attempt to effectively raise taxes on agriculture through increased property taxes or the elimination of targeted tax cuts for purposes of offsetting income tax cuts for individuals and businesses. Agriculture should not be tasked with shouldering the burden of overall tax cuts or covering new government expenses, particularly during a time in which the industry is under economic duress.

The Ag Council supports the tax cuts provided in the 89th Arkansas General Assembly that reduced taxes for bale wrap supplies, replacement parts for equipment, and sales and use taxes for energy used in aquaculture, grain drying, rice milling, soybean oil milling, and cotton ginning. The Ag Council supports additional state tax incentives for making land improvements for better irrigation water management and to implement more efficient technologies and best management practices for water utilization and energy use.

The Ag Council supports the new Act approved by the 90th General Assembly that clarified the exemption of migrant labor, which permits farms to not pay taxes for unemployment insurance because migrant labor would not utilize benefits if they did not have employment.

Boll Weevil Eradication Board

The Ag Council supports a post boll weevil eradication maintenance program with assistance from State surplus revenues. The Council should maintain a key role in nominating members to the Governor for consideration for the Boll Weevil Board. The Council also supports federal financial assistance for boll weevil maintenance in Arkansas and all cotton producing states.

The Boll Weevil Board should reduce to the maximum advisable extent overhead costs and fees collected during the post-eradication period while also maintaining enough resources to respond to a future outbreak. The Ag Council believes that the Arkansas Boll Weevil Eradication Board should work with neighboring states and the National Cotton Council to prevent a re-infestation.

The Ag Council is pleased with the leadership of the Boll Weevil Foundation Board as they successfully repaid ahead of schedule all debt owed to the USDA Farm Service Agency (FSA) as it relates to the boll weevil eradication effort in Arkansas.

University of Arkansas Division of Agriculture

Maximum development of the agricultural potential in any state is dependent on a strong Land Grant institution. A successful College of Agriculture must maintain the interest and support of farmers. The Ag Council will continue to improve communications with the University in order to sharpen farmer interest in research, extension and teaching activities. The Ag Council pledges its full support toward making Arkansas' Land Grant College the best possible. To this end, we support increasing annual funding to the University Division of Agriculture, which has not seen any increase in annual state funding in nearly a decade aside from a one-time \$3 million contribution of surplus funds from Governor Hutchinson.

The Ag Council urges the University of Arkansas and Arkansas State University to engage in research aimed at protecting the right of farmers to continue to use pesticides, fertilizers, growth regulators, etc.

The Ag Council encourages members to consider giving gifts to the University of Arkansas Agriculture Development Council's Foundation. Such gifts enhance the University's abilities to serve the agriculture industry into the future through education, research and extension efforts.

Extension Services:

The Ag Council supports the concept of five research and extension centers being developed by the University of Arkansas, Division of Agriculture.

The Ag Council urges the Experiment station and the Cooperative Extension Service to continue addressing real-life, on farm problems, such as herbicide resistant weeds. It is imperative these problems be given top priority.

In addition, the Ag Council would like for the Division of Agriculture to continue to seek and retain highly qualified staff.

Research:

The Ag Council would like for the University to continue its research efforts on behalf of the promotion boards. The Ag Council would like to work with the University and other institutions to encourage entrepreneurship and innovation in agriculture in an effort to create new jobs, advance agriculture with new products and services, and grow our economy. The Ag Council has concerns with the contractual non-disclosure agreements between the University researchers and private companies they partner with. We encourage the University to seek agreements that allow for greater disclosure between researchers and the public.

Tourism

The Ag Council supports efforts of the State of Arkansas to promote agri-tourism throughout Arkansas. To the extent possible, the Ag Council would like to participate in these efforts.

The Ag Council supports recently passed liability protection for farms providing the public with agri-tourism opportunities. This law may need to be amended to provide additional protections.

The Ag Council supports efforts to generate tourism opportunities in Eastern Arkansas and interest in agriculture history and rural arts.

State Water Plan

The Ag Council commends the Arkansas Natural Resources Commission (ANRC) for the sincere effort to develop a rational State Water Plan to help conserve water without negatively impacting Arkansas's ability to produce crops.

While we had some initial concerns about the process by which the State Water Plan was developed, however we agree with most of the findings of the State Water Plan, especially where the plan calls for increased incentives and investment to support the efficient use of surface and ground water for irrigation. The Ag Council was pleased that the State Water Plan did not create restrictions in use of ground or surface water for irrigation. We believe the Water Plan's recommendation for incentivizing precision agriculture and efforts to reduce energy and water use on farms was very wise, and we look forward to helping change the laws to implement these incentive enhancements.

The Ag Council believes the Governor and General Assembly should work to ensure that the implementation of the State Water Plan does not negatively impact Arkansas farms.

We stand ready to assist the Commission, the Governor, and the General Assembly in quickly advancing legislation that will address these key recommendations, which are cited below with comments from our organization:

1) Tax Incentives and Credits for Integrated Irrigation Water Conservation (Section 2402.2) The Ag Council of Arkansas agrees that the legislature should enhance incentives for landowners to make land improvements and adopt certain conservation practices that concern water. We believe the Water Resources Development and Conservation Act (**ACA §26-51-1001 et seq.**) needs to be enhanced by a) increasing allowable tax credits; b) extending the time in which the credits can be claimed; and c) expanding the program to include new technologies that can contribute to water savings. These enhancements would assist landowners in water conservation efforts.

2) Excess Water for Non-Riparian Withdrawal and Use (Section 2402.5-B) The Ag Council of Arkansas agrees that the water available for non-riparian use should be increased. We suggest that in doing so, the level be raised from 25 percent of excess flow to 75 percent of excess flow. Making more surface water available in times of excess flow will minimize agriculture's dependence on groundwater sources and ensure that we better utilize water during periods of heavy streamflow rather than experiencing floods or allowing the water to simply leave the state's boundaries.

3) Funding Water Resources Development Projects (Section 2402.3) The Ag Council of Arkansas agrees that the state should increase the amount of funding for infrastructure related to water systems. We support the recommendation that calls for an increase the bond authority for the state from \$300 million to \$600 million for water projects. Increasing this borrowing authority will assist the state in developing much needed water systems for wastewater and for key regional irrigation systems for agriculture that will deliver water to critical groundwater areas.

With regard to the recommendation regarding nutrient management plans under **Improving Water Quality Through Nonpoint Source Management (Section 2402.8 D)**, we would like to once again express our concern and opposition to this provision of the Water Plan. The provision was the result of a recommendation submitted by a single commissioner at one of the later Commission meetings. It would “*encourage the General Assembly to require nutrient management plans for the application of poultry litter and animal manure throughout the state.*” We oppose this for several reasons, beginning with the manner in which it was introduced and ultimately included in the Water Plan. The subject of expanding nutrient management plans for poultry litter was not discussed at any of the public meetings where policy was developed, and it was not sufficiently vetted by stakeholders. In addition, there was no substantive scientific evidence presented to suggest a need for such a requirement. We also have concerns about this provision because, if implemented, it would create a new paperwork burden for both the farmer or landowner and government agencies. We currently oppose this recommendation, and we would likely work to oppose any legislative effort to implement this provision.

Education

We support all Arkansas institutions of higher learning, especially those which contribute to agricultural research and education. All levels of education in Arkansas should consider required learning of the importance of agriculture in Arkansas. The Ag Council would like to work with the institutions of higher education and other centers of innovation to encourage entrepreneurship and innovation in agriculture in an effort to create new jobs, advance agriculture with new products and services, and grow our economy.

H2O Initiative

The Ag Council of Arkansas is a partner in the H2O Initiative with Delta Plastics in an effort to reduce water consumption by 20 percent by the year 2020 through the adoption of conservation programs and best management practices. A key component is utilization of irrigation efficiency software known as PipePlanner and PHAUCET. We will work to educate water users to the benefit of utilizing these programs in an effort to increase adoption. Minimizing water consumption will help sustain water supply, conserve energy, minimize water waste and run-off, and save farmers money.

Grain Marketing Regulations

The Ag Council of Arkansas is very concerned with the recent failure of grain merchandiser Turner Grain. We encourage the judicial process to expeditiously consider all cases related to the failure of Turner Grain. If illegal activities are identified, we urge appropriate prosecution

and sentencing of guilty parties. We also encourage bankruptcy proceedings to place high priority on grain sellers in the order of creditors eligible for any payments to be received.

The Ag Council supports Act 601, which is known as the Grain Dealer Act. It's our belief that the Plant Board and its staff has worked diligently in an honest effort to develop rules in accordance with the new act. It's clear that the Plant Board is committed to protecting farmers and minimizing the risk of a future grain dealer catastrophe like the one experienced through the failure of Turner Grain in 2014. The following components of Act 601 are important in protecting farmers from falling victim to a similar business failure in the future:

1. Requirement that grain dealer businesses to be registered and licensed with the State Plant Board;
2. Requirement that grain dealers to prove a minimal level of creditworthiness;
3. Requirement that grain dealers to file annual reports to the State Plant Board (better record keeping);
4. Granting the Plant Board authority to conduct periodic examinations and audits;
5. Granting the Plant Board authority to revoke licenses, suspend operations, and take receivership;
6. Setting new penalties for grain dealers who operate out of compliance with the law;
7. Requirement that the State Plant Board publish on their website a list of all licensed grain dealers in the state; and
8. Establishment of a hot-line for sellers to report late payments from grain dealers

TITLE V – Commendations

Arkansas Congressional Delegation

The Council extends its sincere thanks and appreciation to the Arkansas Congressional delegation from Arkansas, especially Senator Boozman and Congressman Crawford for their efforts to advance trade opportunities for Arkansas agricultural commodities to Cuba.

Arkansas General Assembly

The Ag Council commends members of the Arkansas General Assembly who supported the priorities of the Ag Council of Arkansas during the 90th Session in 2016. The Ag Council will continue to applaud those who support agriculture and our priorities in the future.

Agricultural Council of Arkansas

The membership is grateful to the officers; directors and committee members who have given of their time and efforts on behalf of this organization.

Secretary Wes Ward

The Ag Council appreciates the service provided by Secretary Wes Ward serving as the third Secretary of Agriculture for the State of Arkansas. We appreciate his unwavering service and dedication to the row crop farmer and agriculture industry in Arkansas. He has served agriculture interests well, and we look forward to continuing to work with him in the future.

Governor Asa Hutchinson

The Ag Council appreciates the leadership and service delivered by Governor Asa Hutchinson in his first two years as Governor of Arkansas. He's proven through his first year that he's a strong proponent of Arkansas agriculture and economic development. We owe him a great debt of gratitude for his continued service to the agriculture industry and the people of this state.

Marion Fletcher

The Ag Council appreciates the service and leadership of Marion Fletcher who has mentored countless youth through the Future Farmers of America (FFA) program of Arkansas. He will retire following several high profile youth leaders from Arkansas, including Ms. Taylor McNeel who is serving as national president of FFA. His contributions greatly benefit the agriculture industry by educating youth and developing future leaders of agriculture and public policy.

Gary Digusseppi

The Ag Council appreciates the contributions of Gary Digusseppi to agriculture and media. Gary served as a reporter for the agriculture industry for many years and always offered fair coverage and brought insightful information to the public. He will be missed by those in agriculture who worked with him over the many years.

Betty Oliver

The Ag Council of Arkansas would like to commend Ms. Betty Oliver for her contributions to agriculture and the people of Arkansas. Ms. Oliver served the University of Arkansas System's Division of Agriculture's Cooperative Extension Service since 1958 when she graduated college. Her list of contributions to agriculture and the extension service is long and lasting. She will be missed by many in agriculture, but her legacy will live on forever through the extension service.

Randy Young

The Ag Council appreciates the many years of service by Randy Young to the State of Arkansas and the agriculture industry. Mr. Young served in a variety of roles in public service, most notably as director of the Arkansas Natural Resources Commission (ANRC) where he oversaw many important investments in water infrastructure and provided policy for water and soil health in Arkansas. Randy always took to heart the interests of agriculture and served our state's top industry well while also ensuring the protection of our environment.

Becky Cross

The Ag Council appreciates the many years of service provided by Ms. Becky Cross to the U.S. Department of Agriculture's National Agricultural Statistical Service (NASS). She was a valuable resource for the Ag Council in providing useful agricultural data and information to our members. She attended many of our meetings and was always available to answer individual questions from our membership. We wish her well in her retirement.

Tony Windham

The Ag Council appreciates the many years of service provided by Mr. Tony Windham to the University of Arkansas System's Division of Agriculture's Cooperative Extension Service. Mr. Windham always demonstrated a professionalism in his work and did well for his employees and

the people they serve throughout the state at each county. He is to be commended for his many accomplishments and contributions to agriculture.

Dr. Derrick Oosterhuis

The Ag Council of Arkansas appreciates the many years of service provided by Dr. Derrick Oosterhuis to the University of Arkansas System's Division of Agriculture. Dr. Oosterhuis was a significant source of scientific research and information that benefited the cotton industry. His 31 years of research and education for the University of Arkansas served hundreds of students and supported many cotton related businesses in Arkansas and across the U.S.

Laudies Brantley

The Ag Council of Arkansas would like to offer thanks and congratulations to Mr. Laudies Brantley who recently stepped down from the Arkansas Boll Weevil Eradication Foundation after serving since 1999. Mr. Brantley concluded his term at the Foundation by serving as Chairman. As Chairman, he oversaw the full repayment of U.S. Department of Agriculture loans well ahead of schedule while also working to reduce in half the annual assessments for cotton growers to a historic low of \$4 per acre. His service and leadership helped lead to the eradication of the boll weevil in Arkansas through a program of good fiscal stewardship.

Donald W. Alexander

The Ag Council of Arkansas would like to offer thanks for the life of Donald W. Alexander. We greatly appreciate his service to this organization as Executive Vice President from 2003 until his retirement in 2011. We also greatly appreciate his service to the State Plant Board, his leadership of the agency, and his overall commitment to agriculture. His life offered so much for this organization, agriculture, and the people he got to know.

Grace Ellen Rice

The Ag Council of Arkansas would like to congratulate Ms. Grace Ellen Rice for her service to the agriculture industry and the state as lead agriculture attorney under the Arkansas Attorney General. Her service assisted the Arkansas State Plant Board, the Arkansas Boll Weevil Eradication Foundation, the Arkansas Agriculture Department, and other agencies and government activities related to agriculture. She showed a strong commitment to Arkansas farmers and the industry at large. Her service and commitment will be missed.