

THE AGRICULTURAL COUNCIL OF ARKANSAS



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## 2022 RESOLUTIONS

**FROM THE BOARD OF DIRECTORS OF THE AGRICULTURAL COUNCIL OF ARKANSAS**

**12/13/2021**

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*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.*



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2 **THE AGRICULTURAL COUNCIL OF ARKANSAS**  
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4 **RESOLUTIONS**

5  
6 **2022**  
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9  
10 **TITLE I**

11 *General Policy Statements*  
12

13 **TITLE II**

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1  
2 **TITLE I – General Policy Statements**  
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4 **COUNCIL POLICY**  
5

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

10  
11 *Ag Council’s Mission Statement:* It is the mission of the Ag Council to promote agriculture,  
12 advocate on behalf of the agriculture industry, and improve the economies of the communities  
13 around us.

14  
15 The Ag Council welcomes membership to any individual, business, or organization supportive of  
16 our mission, and we encourage our membership to recruit new members.

17  
18 **PUBLIC RELATIONS FOR AGRICULTURE**  
19

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

24  
25 The Ag Council remains committed to working with the Agricultural Foundation of Arkansas  
26 (AFA) and other agriculture-based organizations to educate policymakers and the general public  
27 of the importance of agriculture. Such an effort should focus on the role of farmers in providing  
28 food, fiber and fuel, while also being environmental stewards for the land, soil, air, water, and  
29 wildlife. The Ag Council encourages its members to consider donating to the AFA to help fulfill  
30 its mission to promote the agriculture industry in Arkansas. The Ag Council also encourages its  
31 members to give gifts to the Agricultural Council of Arkansas Trust to help fulfill its mission to  
32 research, education, public safety, and charity on behalf of the agriculture industry in Arkansas.  
33 In addition, the Ag Council encourages members to consider giving to the Agricultural  
34 Development Council of the University of Arkansas Foundation and Arkansas State University.

35  
36 The Ag Council encourages other agriculture organizations to support efforts to develop and  
37 enhance check-off programs for the purpose of 1) telling agriculture's remarkable story to the  
38 American people through the media, 2) maintaining and developing markets for covered  
39 commodities, and 3) conducting research to ensure improved production and sustainable  
40 agriculture.

41  
42 The Ag Council also supports efforts to encourage adoption of conservation programs and best  
43 management practices. The Ag Council would like to support efforts to educate producers about  
44 conservation in order to increase adoption and participation in conservation practices by farmers  
45 and landowners. The Council wants to ensure the public of agriculture’s commitment to a  
46 healthy environment and sustainable agriculture production. The goal of this effort is to continue

1 to improve upon our conservation impact and to reduce our environmental impact without  
2 sacrificing production potential for yield. We support any efforts to market our conservation  
3 efforts and our progress made towards environmental stewardship, efficiencies gained in  
4 production through technology and other means, and our imbedded care for the environment.  
5

6 The Ag Council supports the concept of organizing a 501 (c) (3) private, non-profit conservation  
7 group similar to Delta Farmers Advocating Resource Management (FARM) in Mississippi that  
8 will seek to encourage conservation and best management practices on farms while also  
9 promoting conservation activities of agriculture to the general public. This organization would  
10 support research and education in conservation, encourage adoption of conservation practices,  
11 seek to identify and address resource concerns, measure progress made in conservation, assist  
12 farmers in implementing conservation practices, and help promote the positive environmental  
13 impact of agriculture.  
14

## 15 **GENERAL GOVERNMENT AGRICULTURE POLICY**

### 16 **Role of Federal Government in Agriculture**

17 The Ag Council believes the federal government should enact policies that support the domestic  
18 production agriculture industry and rural communities as a primary method of providing security  
19 and social stability for the United States and our allies. The federal government should wisely  
20 use taxpayer dollars to support farmers during disaster periods due to weather, revenue  
21 shortages, and low commodity prices. Such support should work as a safety net to protect  
22 American farmers and keep them in business following disasters. The federal government  
23 should provide affordable risk management tools for farmers that protect against price, revenue,  
24 and yield risks. The federal government should also continue to invest in conservation measures  
25 that partner with private landowners.  
26  
27

28 The federal government should provide a strong defense for U.S. agricultural policy within the  
29 World Trade Organization (WTO) and the International Trade Commission (USITC), and they  
30 should vigorously pursue cases against nations who violate various trade agreements or  
31 otherwise harm U.S. agriculture through illicit trade related activities. During trade disputes  
32 between the U.S. and other nations, the U.S. should provide supplemental economic adjustment  
33 assistance to farmers and agribusinesses negatively affected by market disruptions caused by  
34 such disputes.  
35

36 In addition, the federal government should promote American agriculture products domestically  
37 and abroad. The federal government should also play a key role in funding agriculture research  
38 to enhance our nation's production capabilities and expand market opportunities for commodities  
39 grown in America. The government can and should provide or encourage lending institutions to  
40 provide low interest capital to farmers seeking to establish or expand a farming operation. The  
41 government should always seek to expand trade opportunities for American agriculture products  
42 around the world. The government should establish reasonable and fair regulations that protect  
43 the environment, provide a safe workplace, and ensure continued agriculture production of a safe  
44 and abundant supply of food, fiber and fuel in America. The government should also continue to  
45 invest in adequate infrastructure systems that assist farmers in developing and marketing crops.  
46

1 We concur with the belief that agriculture and food production is an essential service and  
2 industry, and therefore should be granted the abilities to operate at optimal capacity through  
3 wartime, natural disasters, and public health crises to meet the health and safety demands of the  
4 U.S. population and our allies.

5  
6 **Role of State Government in Agriculture**

7 The State of Arkansas should support farmers and the agricultural industry in Arkansas. The  
8 State of Arkansas should continue to provide tax incentives to farmers that purchase equipment  
9 and other inputs for purposes of producing, processing and marketing crops and tax incentives  
10 for making conservation investments for reducing water waste and energy use. The State should  
11 maintain low property tax rates on agricultural lands. The State should make efforts to ensure  
12 that taxes on agriculture remain competitive with neighboring states and remain in alignment to  
13 the best extent possible with federal tax policy where such alignment is beneficial to farmers and  
14 agriculture businesses in Arkansas.

15  
16 The State should continue to help fund statewide efforts to 1) promote agriculture commodities,  
17 2) provide reasonable, common sense regulations for the use of certain agricultural inputs and  
18 other goods and services that carry inherent risks to farmers, 3) combat pests like the boll weevil,  
19 herbicide resistant weeds, and invasive species; 4) conduct scientific research and provide  
20 extension services to advance agriculture, 5) aid the industry in laboratory work in the areas of  
21 seed and soil health; and 6) educate the public of the importance of agriculture.

22  
23 The Ag Council supports the Arkansas State Plant Board, the Department of Agriculture, and the  
24 University of Arkansas System's Division of Agriculture and other research institutions seeking  
25 to support the agriculture industry. We support the Arkansas Soil Test Program, and believe this  
26 program should continue to be funded with assessments on fertilizer sales and be offered at no  
27 costs to farmers. We also believe the Ag Council should maintain a position on the Soil Test  
28 Review Board. The Ag Council believes that these organizations should continue to seek the  
29 input of farmers through organizations like the Ag Council as they make decisions that will  
30 impact the agriculture industry in Arkansas.

31  
32 The Ag Council believes the Arkansas Department of Agriculture, Arkansas Department of  
33 Environmental Quality, and the Arkansas Natural Resources Commission should work to ensure  
34 that the State Water Plan, non-point source water management plan, and other environmental  
35 regulatory policies do not negatively impact Arkansas farms. The Ag Council believes these  
36 agencies should include recommendations in the State Water Plan that benefit the farmer and the  
37 environment. Such recommendations may require policy or law changes from the legislature or  
38 relevant state and federal agencies.

39  
40 We concur with the belief that agriculture and food production is an essential service and  
41 industry, and therefore should be granted the abilities to operate at optimal capacity through  
42 wartime, natural disasters, and public health crises to meet the health and safety demands of the  
43 U.S. population and our allies.

1  
2 **TITLE II – Farm Bill Policy Statements**  
3

4 **FUTURE FARM BILL**  
5

6 The Ag Council would like to see a farm bill that provides adequate economic support to the  
7 Agricultural industry, and such a system must be designed to continue providing American  
8 citizens with an abundant, affordable and safe food, fiber and fuel supply. The next Farm Bill  
9 should provide adequate levels of support to keep the American producers competitive in the  
10 global marketplace. The 2018 Farm Bill provides such support; yet, we are still losing producers  
11 at an alarming rate. The Ag Council believes the Farm Bill should provide programs to  
12 encourage young and beginning farmers to farm, especially future generations of family farming  
13 operations.  
14

15 The Farm Bill must also create a safety net that reduces the risk of operating a farm to the  
16 maximum extent possible. The safety net should not be restricted based upon size and  
17 configuration of farming operation or place other arbitrary restrictions on who can qualify based  
18 upon level of management or specific labor contributions. The legislation should provide low  
19 interest capital opportunities and other incentives for farm investments in implements, storage  
20 capacity, information technology, farm equipment, workers' compensation insurance, irrigation  
21 and energy systems, conservation practices, education and job training, and job creation. Such  
22 programs should abstain from requiring income requirements and other means testing methods or  
23 payment limitations.  
24

25 **Payment Limits/Income Testing**

26 The Ag Council strongly opposes any program which provides for ceilings or limitations on the  
27 price, loan, price or revenue support payment, direct payment, marketing loan gain, crop  
28 insurance, or any other income which any agricultural producer may receive. Such  
29 discrimination is unfair, inequitable and disrupts and defeats the purpose of any program  
30 designed to improve the economic position of agriculture. The Ag Council opposes any kind of  
31 means testing for farm program benefits that place a bias against farming operations of a certain  
32 scale as capital risks are similar for farms of all sizes. Setting such eligibility tests on farmers  
33 would directly harm many farms in Arkansas. Marketing loan gains and loan deficiency  
34 payments should continue to be excluded from any payment limitation.  
35

36 While we oppose any payment limits on commodity title programs, we were pleased to see the  
37 Commodity Credit Corporation (CCC) Market Facilitation Program (MFP) and Coronavirus  
38 Food Assistance Program (CFAP) payment limits provided by Secretary Perdue set at \$250,000  
39 (double the farm bill commodity title program limits), and we would support similar increases in  
40 payment limits for the next farm bill – though we still prefer no limits whatsoever as they are  
41 arbitrary, they don't account for continuous increases in costs of production, and they don't  
42 recognize that U.S. farms operate at various sizes and scales.  
43

44 **Commodity Title**

45 Farmers prefer earning their income from the marketplace rather than being dependent on  
46 government support programs. Unfortunately, until world trade practices are made fair and

1 equitable, government support for agriculture will remain imperative. Even if the marketplace  
2 could yield satisfactory profits for agriculture, government regulations restricting farming  
3 practices can make it difficult for farmers to manage their businesses.

4  
5 The Ag Council believes that farm programs should be designed for the direct benefit of  
6 producers. While Direct Payments were eliminated in the 2014 Farm Bill, we still believe this  
7 program was important to Arkansas' agriculture, especially as an effort to provide expeditious  
8 relief to farmers following natural disasters. The Ag Council strongly believes that payment  
9 limits and/or income testing or other means tests such as management and labor contributions for  
10 commodity title programs and other farm programs should be removed as they represent bad  
11 policy and do not reflect the economics of modern farming operations. They do not reflect the  
12 economics of modern farming operations and they should be removed. Farm programs should  
13 include safety nets for producers that recognize the realities of the cost of production as well as  
14 global commodity markets and the subsidizing methods employed by other governments in trade  
15 and agriculture.

16  
17 The Ag Council supports the redirection of Direct Payments towards new market based risk  
18 management programs such as Price Loss Coverage (PLC), which work for producers in  
19 Arkansas and other parts of the Mid-South. While the 2014 and 2018 Farm Bills provided new  
20 risk management programs in the Commodity Title, we believe they remain insufficient and  
21 should continue to be improved upon, especially in relation to reference prices and payment  
22 limitations.

23  
24 The Ag Council believes that Commodity Title programs are necessary for farmers to stay in  
25 business in lean years and to access credit from lenders. Crop insurance and yield loss policies  
26 typically do not work well for irrigated farmers as they are usually able to produce crops even  
27 during significant drought periods. Cost of production insurance, price protection, and revenue  
28 protection insurance policies to protect against yield and revenue losses are more applicable and  
29 more critical to Mid-South agriculture than a program that only offers yield protection.  
30 However, there must be multiple options of each for farmers to choose among for each  
31 commodity. For each risk management program, the Government should adequately share costs.

32  
33 We were pleased to see changes in the 2018 Farm Bill that returned cotton to the Commodity  
34 Title with the "Seed Cotton" program, which offered meaningful support programs to cotton  
35 farmers through the Price Loss Coverage (PLC) and Agriculture Loss Coverage (ARC-CO)  
36 structure.

37  
38 The Ag Council appreciates the initiatives of Secretary Tom Vilsack and Sonny Perdue to  
39 provide gin cost share assistance for cotton producers between the conclusion of the 2014 Farm  
40 Bill and the 2018 Farm Bill. We also appreciate the work of Secretary Perdue to provide trade  
41 mitigation assistance in recent years through the Market Facilitation Program (MFP), Food  
42 Purchase Program (FPP), Agriculture Trade Promotion (ATP) program, as well as assistance  
43 provided through the Coronavirus Food Assistance Program (CFAP), Paycheck Protection  
44 Program (PPP), and Wildfire, Hurricane Indemnity Program (WHIP+). These support measures  
45 were extremely critical in helping farmers offset some of the damage caused by trade disputes  
46 resulting from efforts of the U.S. to renegotiate trade relations with key export markets as well

1 the COVID-19 pandemic and other natural disasters. However, such assistance is not sufficient  
2 in fully offsetting expected economic losses. Failure to provide this needed assistance would  
3 have caused irreparable harm to Arkansas farmers, the agriculture industry of Arkansas, and  
4 many rural communities in Arkansas.

5  
6 The Ag Council greatly appreciates and strongly supports the amendment to the 2014 Farm Bill  
7 approved in the fiscal year 2018 appropriations bill that provided a PLC program for “seed  
8 cotton.” This program is critical, and we were pleased to see it carried forward in the 2018 Farm  
9 Bill. It’s critical that a cotton Commodity Title safety net program be in place to prevent the  
10 complete dissolution of infrastructure and jobs that support the processing of cotton in Arkansas.

11  
12 In establishing a “seed cotton” PLC program, we support utilizing the generic base as the  
13 foundation for a cotton seed program, however, we strongly encourage that maximum flexibility  
14 be granted to farmers to allow for a choice in the re-allocation of generic base acres so that  
15 farmers can choose what distribution best meets the needs and economic interests of each farm.

16  
17 The Ag Council believes Congress should increase reference prices to reflect the rising cost of  
18 production.

19  
20 *Disaster Support:*

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

30  
31 The Ag Council supports broad discretion to Secretary of Agriculture in utilizing Section 32  
32 Commodity Credit Corporation (CCC) funds to provide direct emergency assistance to farmers  
33 on an ad-hoc basis without Congressional approval.

34  
35 The Ag Council supports the Economic Adjustment Assistance for Textile Mills, which provides  
36 per bale assistance payments for domestic cotton mills.

37  
38 **Insurance Title**

39  
40 *Federal Crop Insurance:*

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

1  
2 The crop insurance program should be administered in a manner that discourages abuse of the  
3 program while encouraging participation.

4  
5 The crop insurance program should maintain a high level of government cost share for premiums  
6 to help share risk and keep premiums reasonable and affordable. It should cover all commodities  
7 and be available to producers in all counties.

8  
9 The crop insurance programs should not have eligibility requirements or other means testing  
10 requirements. Crop insurance program should not have payment limits either.

11  
12 The Ag Council believes the federal crop insurance programs should be improved upon to  
13 operate as a more effective insurance program. It should allow the farmer to insure his  
14 investment in the crop or cost of production, but not allow the farmer to earn a profit from an  
15 insured loss.

16  
17 The Ag Council believes crop insurance program should provide price support as well as support  
18 for yield loss and revenue loss. Price support should be at a level for each commodity that will  
19 allow farmers to remain viable during times of exceptionally low market prices. The Ag Council  
20 believes the shallow loss insurance programs for cotton (STAX) first initiated in the 2014 farm  
21 bill was lacking the safety net needed by U.S. cotton farms. The Ag Council would like  
22 Congress and the Risk Management Agency (RMA) to work with different commodity groups to  
23 develop a new risk management tool that would provide coverage for cost of production  
24 increases, price declines, and revenue declines for all commodities in all counties.

25  
26 The Ag Council opposes further cuts to the Standard Reinsurance Agreement (SRA) would have  
27 a negative effect on the agriculture sector by weakening crop insurance and the companies  
28 offering such policies. This could lead to increased costs to accessing coverage, and could limit  
29 the choices of providers and policies available to producers.

### 30 31 **Conservation Title**

32 *USDA, NRCS & Natural Resources:*

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

37  
38 The Ag Council believes that USDA should continue to deem farmland, which could be classed  
39 as wetland, eligible for conservation payments. We encourage increased funding in conservation  
40 in order to increase the number of acres that could be enrolled in conservation programs. We  
41 oppose acreage limitations on Conservation Title programs.

42  
43 The Ag Council places a high priority on national and state legislation which offers incentives to  
44 farmers to impound water for irrigation purposes, to recover tail water, make other land  
45 improvements, or invest in other irrigation water management (IWM) systems to better  
46 maximize on-farm water use.

1  
2 The Ag Council opposes any restrictions on streams in agricultural areas which would limit the  
3 use of excess flow. In fact, additional excess surface water flow should be made available for  
4 non-riparian agriculture water users. We encourage additional incentives be provided to offset  
5 costs of purchasing advanced irrigation water management (IWM) systems, including hardware  
6 and software. We also support the establishment of a permanent conservation funding program to  
7 support various voluntary efforts to reduce ground water consumption in the alluvial aquifer  
8 basin area.

9  
10 The Ag Council encourages the continued development of surface water storage and usage,  
11 especially conjunctive water management. Conjunctive water management allows agriculture to  
12 withdraw surface water from rivers and streams during periods of excess flow in order to deliver  
13 to reservoirs and other distribution infrastructure for the purposes of providing agriculture with  
14 irrigation water during the growing season.

15  
16 The Ag Council supports the use of USDA funds, USACE funds, state funds, and other funding  
17 sources to develop USACE projects including the Bayou Meto Irrigation Project and the Grand  
18 Prairie Irrigation Project as both of these projects are considered to be environmentally sound  
19 and represent improved surface water utilization to help ensure long-term sustainable agricultural  
20 production in Arkansas. The Ag Council supports “earmarks” for these critical water projects,  
21 which are of national significance and important for the environment and sustainability of  
22 Arkansas farmers. The Ag Council believes the USDA Natural Resources Conservation Service  
23 (NRCS) should provide some financial and technical help to these projects.

24  
25 Conservation programs should abstain from means testing for qualifying and should not contain  
26 payment limitations.

27  
28 We strongly support the Regional Conservation Partnership Program (RCPP), especially the  
29 ongoing USA Rice/Ducks Unlimited Rice Stewardship Partnership. We encourage continuation  
30 of this program, and we support additional Environmental Quality Incentives Program (EQIP)  
31 dollars to support continued advancement in irrigation water management technologies and best  
32 practices.

33  
34 We support the U.S. Cotton Trust Protocol (USCTP) and encourage members to enroll in this  
35 program, which aims to bring quantifiable and verifiable goals and measurements in sustainable  
36 cotton production to the discussion as we continue to move towards improvement in six key  
37 sustainability metrics of land use, soil carbon, water management, soil loss, greenhouse gas  
38 emissions, and energy efficiency. We believe farmers enrolled in the USCTP should be eligible  
39 for bonus payments and incentives under various farm bill programs.

40  
41 We support the development of Ecosystems Services Markets (ESMs) either through public  
42 policy or the private market provided they are free of excessive government mandates and offer  
43 sufficient incentives for landowners for the conservation activity. Such marketplaces could offer  
44 farmers additional revenue streams for voluntary conservation activities related to  
45 carbon/greenhouse gas reductions and capture activities, water quantity/quality improvement  
46 activities, soil health enhancement practices, energy production and use activities, wildlife

1 habitat services, and other related activities that carry known and measurable positive  
2 environmental impacts. Such practices have been studied and recommended for such markets by  
3 the Noble Institute and the Ecosystems Services Market (ESM) Consortium. The development of  
4 such programs should not come at the cost of existing conservation programs or other Farm Bill  
5 program funds.

6  
7 We support enhanced conservation program payments for voluntary “climate smart agriculture  
8 and forestry” practices that enhance land use efficiency, improve soil health, reduce water use  
9 and energy use, and mitigate greenhouse gas emissions. These practices aim to increase  
10 resiliency and adaptation to concerns related to climate change. We also support use of  
11 Commodity Credit Corporation (CCC) payments for certain voluntary activities that are deemed  
12 to be beneficial in relation to reducing carbon emissions or sequestering carbon provided new  
13 funding is made available for such payments in a manner that does not conflict with existing  
14 CCC funds that may be needed for emergency needs or other programs.

15 We support the Growing Climate Solutions Act as approved by the U.S. Senate in 2021. This  
16 legislation aims to create an advisory council to assist in the development of new voluntary  
17 carbon markets and related verification systems that can provide for additional incentives and  
18 payments to farmers for certain practices.

19 We also support the efforts of the Food and Agriculture Climate Alliance (FACA), which aims to  
20 support voluntary, market and incentive-based policies that promote resilience and help rural  
21 economies better adapt to climate change.

22 We support the development of a tax credit program for farmers modeled after Internal Revenue  
23 Code Section 45Q, which provides oil and gas companies with a tax credit on a per-ton basis for  
24 qualified captured carbon dioxide. This tax credit should be transferable, allowing maximum  
25 flexibility for participants.

26 We believe any new climate smart agriculture and forestry programs should reward early  
27 adopters remain available to all acres that engage in eligible practices in future years. We believe  
28 payments for these voluntary practices should be at a level and rate that would likely to lead to  
29 greater adoption among Arkansas farmers. Such programs should be made available to all  
30 regions and all commodities.

### 31 **Energy Title**

32 The Ag Council encourages research and development necessary to provide adequate, affordable  
33 electricity for rural communities as well as production agriculture. We oppose efforts to  
34 mandate renewable energy production as Arkansas does not have sufficient supply of renewable  
35 energy and any costs to comply would be passed along to the end users. We support any and all  
36 incentives to encourage the use of solar and other renewable energy production and use on  
37 farmlands.

38  
39 The Ag Council also encourages continued support for research and development to promote  
40 increased production and utilization of ethanol, biodiesel, renewable diesel, and all other  
41 alternative energy sources. The Ag Council supports tax credits as incentives to promote

1 research, development, production and utilization of all alternative energy sources. As the  
2 alternative fuel infrastructure develops, the Ag Council encourages utilization of alternative fuels  
3 by governments for State and Federal vehicles. The Ag Council also encourages the use of  
4 biodiesel and renewable diesel fuel in farm equipment. The Ag Council supports any tax credits,  
5 loan programs or grants available to producers that purchase equipment or technology that will  
6 improve energy efficiency, reduce energy usage on farms, increase use of renewable energy, and  
7 improve irrigation systems.

8  
9 The Ag Council opposes mandates on fuel storage infrastructure on farms if such regulations are  
10 cost prohibitive or unwarranted. The Ag Council objects to any efforts to retroactively enforce  
11 compliance with any federal regulation pertaining to on farm fuel storage.

12  
13 We support expansion of the Rural Energy for America Program (REAP), which provides  
14 guaranteed loan financing and grant funding to agricultural producers and rural small businesses  
15 for renewable energy systems or to make energy efficiency improvements.

### 16 **Credit Title**

17  
18 The Ag Council recommends that Congress look to expand opportunities for farmers to access  
19 capital at favorable levels that encourage investment. The Ag Council would like to see more  
20 government guaranteed low interest, long-term agriculture and rural community development  
21 loans. The Ag Council is concerned that a reduction in commodity programs will make  
22 obtaining an operating loan more difficult as fewer lending institutions would be willing to lend  
23 money with increased risk of default. The Ag Council supports the Farm Credit System.

24  
25 We strongly support an increase to the amount of funding available for the guaranteed loan  
26 programs be increased to match demand and prevent a backlog of unfunded loan applications.  
27 We encourage new credit programs that incentivize investments and purchases of new  
28 technologies that advance agriculture in the areas of energy production, energy savings,  
29 production efficiency, environmental sustainability, labor management, and other farm operation  
30 systems. We also encourage the investment in and acceleration of innovative start-up businesses  
31 developing products and services in this area.

### 32 **Trade Title**

33  
34 The Ag Council would like the USDA to work with the Department of Commerce and other  
35 agencies to expand trade opportunities, resolve trade disputes, and promote U.S. agriculture  
36 products in foreign markets. The Ag Council also encourages USDA and other relevant trade  
37 related agencies to serve as an advocate for U.S. agriculture when it comes to trade enforcement  
38 and market development.

39  
40 We support the efforts of USDA and USTR to proactively pursue WTO cases against  
41 competitors who are in violation of their WTO obligations, and we support sufficient funding to  
42 USDA for purposes of investigating and prosecuting such cases as well as providing defense for  
43 U.S. agriculture interests.

44  
45 The Ag Council urges increased funding and implementation of the export Foreign Agriculture  
46 Services' enhancement programs so as to provide maximum benefit to producers. The Market

1 Access Program (MAP), Foreign Market Development program, and other related programs are  
2 important to promotion and market development for U.S. commodities. U.S. trade policy and  
3 trade negotiations should enhance U.S. farm programs and thereby lower the cost of such  
4 programs.

5  
6 We support efforts to establish an office at USDA that would provide additional oversight and  
7 protection the U.S. agriculture industry from threats of espionage, intellectual property and trade  
8 secret theft, foreign direct investments, and other potential foreign and domestic threats to  
9 American agriculture.

### 10 11 **Nutrition Title**

12 The Ag Council would like the federal government to utilize U.S. commodities to feed low  
13 income, mal-nourished in the U.S. and around the world. We believe that school meal programs  
14 are an important piece of the Nutrition Title of the Farm Bill, and we believe that these meals are  
15 important to the health and education of children in America. The Ag Council strongly believes  
16 that any additional funding for nutrition should not come from other agriculture programs. The  
17 Ag Council believes that some savings could be achieved in Administrative costs and through  
18 reducing fraud and abuse within existing nutrition programs. In addition, the Ag Council  
19 believes nutrition programs and other similar welfare programs should do more to encourage  
20 participants to seek education, job training, and employment opportunities. Such efforts should  
21 be designed to ultimately help citizens reduce and eliminate their dependence on welfare  
22 programs.

23  
24 The Ag Council believes that the Nutrition Title is a key component of farm and food policy and  
25 should be included in a comprehensive farm bill. The Ag Council does not support efforts to  
26 divorce the nutrition title from the other titles included in the farm bill. The Ag Council  
27 understands that nutrition programs provide a market for agricultural commodities, helps feed  
28 the less fortunate, and improves the economic conditions of food makers, transportation  
29 companies, and food retail stores.

### 30 31 **Rural Development Title**

32 The Ag Council believes that rural development programs should be funded at the highest  
33 possible levels and should be distributed to those seeking to improve the rural economies by  
34 targeting farms, rural businesses and entrepreneurship. The Ag Council supports the Delta  
35 Regional Authority (DRA) and its mission to improve the economies of the Mississippi River  
36 Delta Region. The Ag Council also supports Rural Development programs that provide  
37 infrastructure for water, roads, health care, education, economic development, and information  
38 technology.

39  
40 We encourage more investments in entrepreneurship and innovation in agriculture particularly as  
41 it relates to value-added, bio-based products as well as production and processing efficiencies  
42 and agriculture technologies in an effort to create new jobs, advance agriculture with new  
43 products and services, and grow our economy. In order to ensure that agriculture technologies  
44 can come to market, we encourage state and federal government to support initiatives and  
45 programs to deliver broadband internet access and cellular networks to agricultural areas to  
46 support technologies such as Internet of Things (IoT), autonomous machinery and robots,

1 advanced monitoring and control systems, and other artificial intelligence systems that support  
2 agriculture. We support widespread use of American Rescue Plan funds and other federal funds  
3 through USDA and other federal agencies for expansion of broadband in rural areas, especially  
4 those areas lacking connection or those with insufficient upload and download speeds.

5  
6 We believe rural electric cooperatives should be eligible for accessing rural broadband funds set  
7 aside through telecommunication fees collected by consumers for purposes of delivering  
8 broadband communication systems in underserved areas. We further believe rural electric  
9 cooperatives should be eligible for all other state or federal rural broadband funds provided they  
10 seek to use funds to expand broadband access in underserved areas.

11  
12 We also encourage and support accelerator and venture capital initiatives designed to stimulate  
13 innovation and entrepreneurship within agriculture. We continue to support the AgLaunch  
14 Program of Memphis, the Winrock/Accelerate Arkansas Delta I-Fund Accelerator program, and  
15 other similar regional initiatives.

16  
17 We oppose any effort of USDA Agriculture Marketing Service (AMS) to terminate operations at  
18 the Dumas Cotton Classing Office. We encourage our Congressional delegation, USDA AMS,  
19 and the State of Arkansas to consider all available options for maintaining the facility and  
20 operations in Dumas. The office is considered profitable and serves an important role for the  
21 cotton industry of Arkansas and the economy of Southeast Arkansas.

22  
23 **Research Title**

24 *Research and Extension Services:*

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

32  
33 The Ag Council believes check-off funds should continue to be invested in research projects  
34 done by the University of Arkansas's Division of Agriculture Research and Extension Service.  
35 We encourage collaboration with other research institutions in Arkansas.

36  
37 The Ag Council encourages the UofA, USDA, and other government research institutions to  
38 research, verify, and develop new technologies in information technology systems to increase  
39 efficiency in energy and water use, chemical applications, and other components of precision  
40 agriculture. Such technologies include, but are not limited to, smart phone and tablet apps,  
41 unmanned aerial vehicle systems, robotics and artificial intelligence, farm data management and  
42 analytics, remote irrigation and energy controls, irrigation systems management, field monitors  
43 and sensors, and other technologies of the future.

44  
45 *Agriculture Research Service:*

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

8  
9 The Ag Council is concerned about the impact of staff losses to the National Institute for Food  
10 and Agriculture (NIFA) and the Economic Research Service (ERS) following the decision to  
11 move the offices from the Washington, D.C., area to Kansas City. We encourage USDA to  
12 quickly ensure appropriate staff and financial resources to these agencies which provide key  
13 services to the U.S. agriculture industry.

14  
15 *Congressionally Directed Spending:*

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

19  
20  
21

1  
2 **TITLE III – Policy Statements on Miscellaneous Items**  
3  
4

5 **Deficit Reduction Policy**

6 The Ag Council is concerned with our nation’s current debt load. The Ag Council believes that  
7 Congress should work in a bipartisan manner to address our nation’s debt and to reduce our  
8 annual budget deficits. The Ag Council believes Congress should also take action to reduce our  
9 nation’s trade deficit. The Ag Council believes agriculture can and should participate in these  
10 efforts. However, the Ag Council does not support placing disproportionate deficit reduction  
11 burden upon agriculture. The Ag Council believes that tax reform that is not detrimental to  
12 agriculture may need to play a significant part in reducing our national debt. The 2014 and 2018  
13 farm bills were significant contributors to deficit reduction, and we encourage Congress to look  
14 elsewhere for any additional budget cuts in future years.  
15

16 While we support the reduction of federal income taxes generally for farm operations and  
17 agricultural businesses, we believe that reforms to the tax code should not eliminate key  
18 provisions of the tax code currently benefiting the agriculture industry, including exemptions,  
19 credits and deductions. We especially oppose efforts to increase taxes on family farm operations  
20 that would reduce the ability of family farms to expand their operations or transfer operations to  
21 other family members and future generations.  
22

23 **Trade Policy**

24 The Ag Council favors government policy which permits the sale of any agricultural products to  
25 any country with the resources to purchase them. The Ag Council supports lifting all trade  
26 sanctions against Cuba, especially those under the Department of Treasury’s jurisdiction. We  
27 greatly appreciate the members of the Arkansas Congressional delegation who have supported  
28 efforts to open agricultural exports to Cuba for commodities grown in Arkansas. We also greatly  
29 appreciate the Governor’s efforts to establish and build relations with Cuba for such purposes.  
30 We oppose efforts to limit agricultural trade and diplomatic relations with Cuba.  
31

32 U.S. foreign policy often has a tremendous effect on the farm economy. Although we do not  
33 advocate putting the interests of farmers ahead of the nation's interests, the Ag Council believes  
34 that under no circumstance should agriculture be asked to bear an unfair share of the burden of  
35 U. S. foreign policy. The Ag Council opposes the export embargo of any agricultural  
36 commodity. Such export embargoes place arbitrary limitations on commerce and free markets,  
37 and they often carry negative economic impacts by limiting opportunity to market crops.  
38

39 The Ag Council opposes the movement of all commodities to offshore sites for further  
40 processing such as, but not limited to, milling packaging and weaving unless covered by free  
41 trade agreement.  
42

43 The Ag Council believes that American trade policy should be supported within WTO  
44 negotiations, and that American trade policy must be consistent with U. S. agricultural policies.  
45 It is essential to monitor America’s trading competitors’ policy positions relating to agriculture

1 and trade. The Ag Council supports the agreement reached in 2014 between the U.S. and Brazil  
2 to end the cotton trade case.

3  
4 The Ag Council supports free trade agreements that are fair to U.S. producers and expand export  
5 opportunities for U.S. grown commodities. Trade Promotion Authority (TPA) can be a very  
6 useful tool in advancing free trade agreements, but it should not be granted without the  
7 Administration's commitment to make agriculture a top priority in any trade negotiations. With  
8 regard to any multi-lateral or bilateral trade agreement under consideration, the U.S. should make  
9 every effort to satisfy U.S. agriculture interests by increasing market access and reducing trade  
10 barriers for commodities.

11  
12 We encourage the current administration to explore ways to find new market access for U.S. rice  
13 and other agricultural commodities to the Asian market.

14  
15 We strongly support the U.S., Mexico, Canada (USMCA) Free Trade Agreement as approved by  
16 Congress.

17  
18 The Ag Council believes that government should be active in maintaining open markets,  
19 especially when foreign nations arbitrarily halt imports of U.S. agricultural products based on  
20 phytosanitary specifications or other arbitrary standards.

21  
22 The Ag Council supports efforts to seek renegotiations of past trade agreements, find new  
23 agreements with free market access, and make improvements to the World Trade Organization,  
24 especially regarding enforcement of WTO violations by competing nations. We support other  
25 trade policy reforms, WTO or otherwise, that benefit U.S. agriculture. We do not believe that  
26 China and Brazil should enjoy the benefits offered to those countries provided with "developing  
27 nation" status at the WTO.

28  
29 We support ongoing efforts to provide more market access for U.S. agricultural commodities in  
30 the U.K., E.U., China, and other export markets around the world. However, we remain  
31 extremely concerned with trade disputes that have escalated into tariff rate hikes on U.S.  
32 agricultural exports. We encourage expeditious negotiations with countries where these cases are  
33 active so that tariffs may be lifted and normalized export access restored and improved upon. We  
34 seek resolutions to all trade disputes provided they result in better market access and a more level  
35 playing field for U.S. agriculture.

36  
37 We support the "Phase 1" trade agreement with China, which would set China on a trajectory to  
38 exceed traditional levels of agriculture imports from the U.S. We want to encourage the U.S. to  
39 ensure that China meets its commitments for such purchases. We also want to ensure that the  
40 agreement is extended beyond the current agreement and is expanded over time.

41  
42 While we supported the assistance offered by USDA in the form of trade mitigation assistance to  
43 offset or mitigate harm caused by such market disruption, nothing can provide relief equal to  
44 full, unfettered market access for our crops. In addition, we have concerns with rising import  
45 costs for key inputs due to tariffs, which will increase operating costs for farmers. We strongly  
46 support additional relief if trade disputes cause economic harm to farmers. Such relief should be

1 equal to any near term or long-term damage caused. Recent trade disputes led to higher costs of  
2 farm machinery and crop inputs; an over-supply of U.S. commodity stocks; depressed  
3 commodity futures markets; depressed local cash markets through basis and damage discounts;  
4 shifted export markets; reduced market share for U.S. crops in key markets; and provided more  
5 access to those key markets for our foreign competitors.

6  
7 **Environmental Policy**

8 *U.S. Environmental Protection Agency (EPA):*

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

15  
16 The Ag Council is frustrated by the lack of clarity in the EPA's rules defining Waters of the  
17 United States (WOTUS) across multiple administrations. We believe that any future definitions  
18 related to WOTUS should ensure that such rules do not lead to an overreach or overextension of  
19 state or federal resources. We also believe such rules should not open the courts to excessive  
20 litigation against farmers and private landowners on working farmlands. In addition, such rules  
21 should not require significant compliance cost for landowners or limitations on land  
22 improvements.

23  
24 The EPA under the National Pollutant Discharge Elimination System (NPDES) has further  
25 issued rules covering state issued permits for applications of pesticides over certain crops due to  
26 possible runoff. Ag Council believes that no further regulations are necessary since each  
27 product's label has been reviewed and approved for proper application by EPA and the Arkansas  
28 State Plant Board.

29  
30 The Ag Council would encourage Congress to consider mandating Congressional approval of  
31 any new regulations determined to pose a significant economic risk to the agriculture industry in  
32 the U.S.

33  
34 The Ag Council supports the federal framework for regulating various pesticides under the  
35 Federal Insecticide, Fungicide, and Rodenticide Act, and we oppose efforts to legislate pesticide  
36 use or further hinder the EPA's processes for establishing rules and regulations based on a  
37 foundation of science that takes into consideration economic, social and environmental impacts  
38 as they establish registration and labels for sale, distribution and use of various crop protection  
39 products.

40  
41 The Ag Council is concerned with recent attempts by the EPA to set nutrient standards for  
42 watersheds by setting pollutant discharge regulations for individual farms. The Ag Council  
43 believes such policies are unwarranted because they are not currently scientifically proven to be  
44 effective and are difficult to impose.

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

3  
4 The Ag Council supports expanding the Renewable Fuel Standard (RFS) and blending  
5 requirements for fuel to at least year-round E-15 provided there is sufficient supply of ethanol  
6 inputs and animal feed supply, and there are no mechanical issues with increasing the blending  
7 levels. We oppose the granting of unwarranted “small refinery” exemptions to the RFS.

8  
9 The Ag Council supports the development and use of safe technologies in crop genetics and  
10 herbicides that will help farmers better control damaging weeds, insects, and other pests, while  
11 maximizing yield potentials.

12  
13 The Ag Council believes that USDA/EPA should maintain its commitment to U.S. farmers by  
14 conducting timely, scientific reviews of technologies, and get them to farmers in a time efficient  
15 manner. It’s important for farmers to be able to utilize all safe and effective tools that may be  
16 available to them in order to produce crops, increase yields, and remain sustainable.

17  
18 *Biotechnology:*

19 The Ag Council supports continued advancements in biotechnology for seed and crop protection  
20 products to improve quality and yields for agriculture including genetically modified organisms  
21 (GMOs) and alternative methods of gene editing such as  
22 **Clustered Regularly Interspaced Short Palindromic Repeats (CRISPR/CAS9)**. Such technology  
23 is essential in helping feed the world and meeting future food supply challenges that are  
24 anticipated. This technology can also be very helpful in minimizing agriculture’s environmental  
25 footprint with water use and chemical applications, thus lowering production costs. We  
26 encourage regulatory bodies to conduct adequate scientific review of these products and get them  
27 to farmers in an expeditious manner.

28  
29 *Chemical Use Policy:*

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

32  
33 Should any restrictions be placed on the use of farmland because of environmental concerns, it is  
34 the Ag Council’s conviction that any costs or reduction in income incurred by farmers, due to  
35 such restrictions, should be paid for by the public through government.

36  
37 *U.S. Fish and Wildlife Service (USFWS) and Endangered Species Act (ESA):*

38 The Ag Council questions the mechanism by which any biological species is determined to be  
39 threatened or endangered as it often appears to be opinion based rather than science based. The  
40 Ag Council strongly opposes the USFWS attempts to designate Critical Habitat Designations  
41 under the ESA without an adequate comprehensive economic impact analysis of establishing  
42 such designations. The economic review should determine the full economic impact on  
43 communities impacted by the designations. In addition, the USFWS should use science-based  
44 data (beyond the science sourced by those who file to seek such protections) to determine the  
45 condition of the habitat and threats to prospective species.

1 We support efforts to provide additional clarification for the Secretary to provide for exclusions  
2 of areas of critical habitat in an effort to provide focused and targeted relief to subject species  
3 without causing undue harm to economic activities unrelated to the species or the habitat in need  
4 of protection. Such exclusions should require public justifications and allow for full transparency  
5 in making related determinations.

6  
7 The Ag Council supports efforts of the Trump Administration and Congress to reform the ESA  
8 to ensure the ability of working farmlands to continue their operations without disruptions unless  
9 absolutely warranted.

10  
11 The Ag Council believes that new listing of certain mussel species under the Endangered Species  
12 Act should not prohibit or restrict a farmer's ability to continue their farming operations.

13  
14 The Ag Council believes that the USFWS and USDA APHIS Wildlife Services should provide  
15 landowners, farmers, and aquaculture operators with a sufficient permitting process to address  
16 the concerns related to invasive and predatory species such as the double breasted comorant and  
17 feral hogs.

18  
19 *Pollinator Health:*

20 The Ag Council supports the continued use of crop protection technologies to combat pests. We  
21 support continued scientific research to determine bee health to determine all possible causes of  
22 Colony Collapse Disorder (CCD), including threatening diseases, pests, genetic disorders, and  
23 other natural threats. We also support efforts to raise awareness to pollinators and to minimize  
24 unnecessary exposure for beehives to agricultural crop protection tools, and we support efforts to  
25 improve crop protection tools in order to minimize risk of applications moving off target. We  
26 also support incentives for landowners to develop or preserve pollinator habitat.

27  
28 *USFWS Lacey Act and Carp:*

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

32  
33 *Double Breasted Cormorant:*

34 The Ag Council supports efforts to ensure landowners, particularly those with aquaculture  
35 production systems have the ability to gain depredation permits for management of the nuisance  
36 double breasted cormorant.

37  
38 *Feral Hogs:*

39 The Ag Council believes state and federal governments should do more to eradicate feral hogs,  
40 which are causing crop damage throughout the state. We also appreciate recent efforts by the  
41 Arkansas General Assembly to help landowners, the Game and Fish Commission, and others to  
42 better manage feral hog populations through capturing and termination. We support the ongoing  
43 work of the Feral Hog Task Force as they seek to develop policies to help manage the population  
44 or eradicate the population of feral hogs in Arkansas. We encourage the State of Arkansas to  
45 utilize federal funds provided for the eradication of feral hogs on farmland in Arkansas where the  
46 economic damages are greatest.

1  
2 **Labor Policy**

3 *Right to work status:*

4 We urge our Congressional delegation to continue to support retention of Section 14(b) of the  
5 Taft-Hartley Act.  
6

7 *Migrant Labor:*

8 We support the H-2A program as it provides for much needed labor force in agriculture. We  
9 support needed reforms to simplify the program, reduce burden on those utilizing the program, to  
10 provide greater access to a migrant labor force, lengthen the terms of stay for migrant workers,  
11 and to provide reasonable wages for employers.  
12

13 *Department of Labor (OSHA):*

14 The Ag Council believes the Department of Labor must consider the farm labor shortages when  
15 implementing any new rule related to child labor on farms. Farm families should be exempted  
16 from any such child labor restrictions. The Ag Council recommends that current labor rules for  
17 farms, which exempt family farms, should not be amended.  
18

19 *Worker's Compensation:*

20 The Ag Council strongly supports and endorses the Agricultural Group Self Insurer Fund (AG  
21 COMP SIF) worker's compensation program and recommends that all eligible farms and agri-  
22 businesses in Arkansas join the Ag Council and participate in the program to comply with  
23 employer liability statutes under section 11-9-401 of Arkansas Code. The program offers a  
24 number of direct benefits to farms, agri-businesses, and agricultural employees. The fund should  
25 continue to serve as a non-profit entity managed by members, and they should continue to  
26 provide member surplus distributions pending the health status of the fund.  
27

28 We support legislative fixes proposed by the Arkansas State Chamber of Commerce to limit fund  
29 liability for the Death and Permanent Disability Trust Fund as well as those relating to  
30 subrogation rights for the AG COMP SIF.  
31

32 *Overtime Rules:*

33 The Ag Council believes that farm workers should be exempt from overtime rules that were  
34 designed to affect more traditional labor markets with larger businesses and more traditional  
35 work hours.  
36

37 The Ag Council supports new laws approved by the 91<sup>st</sup> General Assembly related to donning  
38 and doffing that establish that an employer is not subject to liability on account of the failure of  
39 the employer to pay an employee minimum wage or to pay an employee overtime compensation  
40 for or on account of certain activities that are not principal to the employee's job.  
41

42 *Worker Protection Standard:*

43 The Ag Council believes that Workplace Safety Standards should incorporate common sense and  
44 not carry a detrimental economic impact to farm operations.  
45

46 **Tax Policy**

1 *Social Security:*

2 We oppose further increases in Social Security taxes.

3

4 *Estate Taxes:*

5 The Ag Council supports the total and permanent repeal of all estate and inheritance taxes,  
6 especially as they relate to family farms and rural small businesses. We strongly oppose any  
7 effort that makes transitioning farmland and farm businesses from one generation to the next  
8 more difficult. We encourage policy makers to ensure that estate taxes and other tax policies  
9 related to the expansion of family farm operations and the transfer of family farm operations  
10 continue to encourage the preservation of the family farm.

11

12 *Opportunity Zones:*

13 The Ag Council supports the Opportunity Zone tax program provided by the Jobs and Tax Act of  
14 2017, which provides incentives for capital deployment in businesses located in designated areas,  
15 many of which are in rural areas of Arkansas. We encourage Ag Council members to closely  
16 consider use of this program for existing and future businesses. We encourage an expansion of  
17 this program to a wider area of rural Arkansas. We were pleased to see the State of Arkansas  
18 approve legislation that allowed the State Tax Code to mirror the federal law, thus providing  
19 additional incentives for such investments.

20

21 *Other Taxes:*

22 The Ag Council strongly supports the permanent extension of the Section 179 deduction and  
23 bonus depreciation. These programs are critical in helping farmers remain competitive in the  
24 global market and continue to increase efficiencies with equipment, land, and facilities. We  
25 support all tax exemptions or credits that keep input costs lower.

26

27 *Federal Tax Reform:*

28 The Ag Council generally supports all tax benefits provided to the agricultural industry under the  
29 2017 Tax Cut and Jobs Act, and we encourage Congress to make these tax cuts permanent where  
30 they were not made permanent under the Act.

31

32 We oppose any efforts of reforming federal tax laws in a manner that would increase the tax  
33 liability of farming operations.

34

35 *Arkansas Tax Reform:*

36 The Ag Council strongly believes that existing tax credits, deductions, and exemptions for the  
37 agriculture industry should remain in place. Any elimination of these tax benefits is considered a  
38 tax increase on the industry. Most of these tax benefits are related to the inputs required to  
39 produce and market a crop. Farmers who receive these tax benefits do not have an opportunity  
40 to recapture the cost of such a tax in marketing their crops due to the nature of commodity  
41 markets, which dictate the prices for what is grown.

42

43 We believe property taxes should not be increased to accommodate any decreases in income tax  
44 rates or any other tax benefits offered by government.

45

1 We support reduced income tax rates for individuals and businesses provided they are not paid  
2 for by an increase to taxes on agriculture.

3  
4 We generally supported the recommendations of the Arkansas Legislative Task Force for Tax  
5 Reform and Relief, and we were pleased with the various changes to the state’s tax laws during  
6 the 92<sup>nd</sup> and 93<sup>rd</sup> General Assembly as they reduced tax burdens for individuals and corporations,  
7 maintained critical sales and use tax policy for Arkansas agriculture, and avoided increased  
8 property taxes for Arkansas farmland owners.

9  
10 We appreciate efforts made by the 93<sup>rd</sup> General Assembly to ensure that ad-hoc payments to  
11 Arkansas farmers under the Paycheck Protection Program (PPP), Market Facilitation Program  
12 (MFP), Coronavirus Food Assistance Program (CFAP), and related programs would be excluded  
13 from income taxes. We also appreciate the 93<sup>rd</sup> General Assembly for establishing a voluntary  
14 pass-through entity tax that allows for a significant federal deduction for certain businesses and  
15 farms.

16  
17 We support changes to the state tax laws to provide greater alignment and consistency with  
18 federal tax law where such alignment would benefit farms and agricultural businesses.

19  
20 We would support the following changes to state tax laws to benefit Arkansas farms and  
21 agriculture businesses:

- 22
- 23 • Extend net operating loss-carryover for income averaging purposes beyond 10 years
- 24 • Increase depreciation deductions from \$25,000 to levels more in line with federal law,  
25 which allows for up to \$1 million
- 26 • Reduce or eliminate the state’s ability to tax farm program and ad-hoc assistance  
27 payments as income
- 28 • Reduce or eliminate sales and use taxes on parts and labor for used equipment and  
29 replacement parts.
- 30

### 31 **Bankruptcy Policy**

32 The Ag Council supports statutory increases to debt levels to qualify for Chapter 12 bankruptcy.  
33 We were pleased to see these levels increased in 2019. Such increases are important to reflect the  
34 size and scale of U.S. agriculture and the costs associated with farming.

### 35 **Health Care Policy**

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

39  
40  
41 The Ag Council opposes federal mandates for businesses to provide health care to all employees.  
42 The Ag Council supports the development of low-cost care systems and improved care for all.

### 43 **Regulatory Policy**

44 *Regulatory Agencies:*  
45

1 The Ag Council supports sensible rules issued by OSHA, EPA, FDA, and U. S. Fish and  
2 Wildlife Service (FWS) which reasonably can be expected to achieve results. We insist that  
3 OSHA, EPA, FDA, and FWS rules and actions result in a comprehensive national cost/benefit  
4 ratio based on reasonable scientific evidence and full economic impact analysis.  
5

6 The Ag Council believes that all regulations should be simple and easy for compliance purposes.  
7 The Ag Council supports and encourages efforts to streamline or simplify existing regulations.  
8 The Ag Council also supports eliminating any rules deemed to be overly burdensome,  
9 duplicative, ineffective or obsolete. Regulators should seek to minimize liability opportunities  
10 for landowners and avoid negatively impacting land values in the rulemaking process.  
11

12 The Ag Council believes that regulations impacting financial institutions should not punish or  
13 penalize rural banks, community banks or any other lending institution that may provide  
14 agricultural loans. Regulating agencies should recognize the important role of such banks in  
15 maintaining a healthy agriculture industry. The Ag Council supports regulatory policies that  
16 encourage agriculture lending and provide access for borrowing.  
17

18 The Ag Council has concerns with recent proposed rules regarding worker protection as it relates  
19 to children within a farm family and as it relates to the safe handling and use of agricultural crop  
20 protection tools. We encourage EPA, OSHA, and other regulatory agencies to ensure the ability  
21 of children to work in a safe environment on a family farming operation and for farming  
22 operations to continue utilizing important crop protection formulations in a safe manner without  
23 unnecessary compliance burdens.  
24

#### 25 *Licensing Requirements:*

26 We generally support the continuation of various license programs and registration requirements  
27 for professional services offered to the agricultural industry. While we do not support  
28 unnecessary or overly burdensome regulations related to occupations, we believe in reasonable  
29 regulations, such as licensing, bonding, insurance and training, for businesses and occupations  
30 containing inherent risks, including commercial and private applicators, grain dealers, and others  
31 with general certification and licensing requirements.

#### 32 **Energy Policy**

33 The Ag Council supports policy that assures adequate and reliable energy supplies necessary for  
34 rural community viability as well as agricultural production, harvesting, processing and  
35 transporting agricultural commodities. Use of renewable energy resources, alternate fuel sources,  
36 recycling and conservation should be the basis of any energy policy. The Ag Council supports  
37 public policy that continues to provide incentives for entities in the development of biofuel.  
38

39 The Ag Council encourages research and development necessary to provide adequate electricity  
40 for rural communities as well as production agriculture. The Ag Council encourages research  
41 and development to promote increased production and utilization of ethanol, biodiesel and all  
42 other alternative energy sources. The Ag Council supports tax credits as incentives to promote  
43 research, development, production and utilization of all alternative energy sources. As the  
44 alternative fuel infrastructure develops, the Ag Council encourages utilization of alternative fuels

1 by governments for State and Federal vehicles. The Ag Council also encourages the use of  
2 biodiesel fuel in farm equipment.

3  
4 The Ag Council supports policy related to net-metering by the Arkansas Public Service  
5 Commission that offers economically attractive payment ratios for power generated and  
6 delivered to the electric grid from agricultural areas utilizing renewable energy production  
7 systems including solar, wind and bio-based power. Net metering rates should incentivize  
8 renewable production from the agriculture sector and should provide long-term certainty for  
9 investments made in the power generation and delivery systems.

10  
11 The Ag Council encourages the Public Service Commission (PSC) to improve and update its  
12 databases as it relates to schedules for usage rates and tariffs as well as the categorization of type  
13 of user to provide greater uniformity, transparency and public accessibility to relevant data filed  
14 with the PSC.

15  
16 The Ag Council opposes any efforts by any utility provider currently regulated by the Public  
17 Service Commission (PSC) to be “self-regulated.”

18  
19 We support legislation to further encourage investment in solar energy systems for agriculture,  
20 rural communities and rural utility providers.

21  
22 The Ag Council opposes the use of eminent domain in the development of utility transmission  
23 lines and other energy systems, especially in instances that primarily benefit private parties rather  
24 than the general public. Landowners should be compensated adequately for any land use for  
25 such purposes, and such utility companies should utilize existing right a ways and infrastructure  
26 when developing such lines. In addition, proposals to develop such infrastructure should be  
27 subject to scrutiny and review from regulatory agencies, legislative bodies, and the general  
28 public prior to approval. The Ag Council supports legislation introduced by members of the  
29 Arkansas Congressional Delegation that would require state approval for energy transmission  
30 lines that are being sought through eminent domain under section 1222 of the 2005 Energy  
31 Policy Act.

32  
33 We strongly opposed the Clean Line Energy’s use of Section 1222 of the 2005 Energy Policy  
34 Act, which effectively forced landowners to grant right of way for the high voltage direct current  
35 transmission line between Oklahoma and Tennessee without sufficient compensation for  
36 landowners or appropriate consideration of alternative route options. Lastly, the use of Section  
37 1222 severely limits the state’s ability to influence the project. We were pleased that this project  
38 was ultimately abandoned by its investors.

39  
40 The Ag Council supports the development and use of renewable fuels from agricultural sources.  
41 Policies that support the development and use of such fuels provide an alternative market for  
42 agricultural commodities and helps create stability in commodity markets. Any policies to create  
43 a mandate for the development and use of such fuels should provide adequate “off-ramps”  
44 should any unintended consequences arise in association with food supply or domestic security.

1 The Ag Council supports expanding the Renewable Fuel Standard (RFS) and blending  
2 requirements for fuel to at least year-round E-15 provided there is sufficient supply of ethanol  
3 inputs and animal feed supply, and there are no mechanical issues with increasing the blending  
4 levels. We oppose the granting of unwarranted “small refinery” exemptions to the RFS  
5

6 The Ag Council believes to the maximum extent possible that government regulators and fuel  
7 providers should work to ensure that the Arkansas agriculture industry has safe access to  
8 adequate and affordable fuel supplies.  
9

10 “*Cap & Trade*” Systems: The Ag Council believes that the U.S. should not establish Cap and  
11 Trade or carbon tax policies until all developed and developing nations reach a full and fair  
12 agreement on how to reduce emissions of greenhouse gases. China and India, the two largest  
13 cotton and textile producing countries, are competitors with United States cotton in the  
14 international market. Both countries are significantly increasing greenhouse gas emissions and  
15 both have thus far refused to sign on to any agreement to curtail their emissions.  
16

17 However, we do support the establishment and participation in voluntary carbon and greenhouse  
18 gas (GHG) markets where credits are established to benefit agriculture with potential payments  
19 for farms that voluntarily implement farming practices that reduce GHG emissions. We also  
20 generally support the development of Ecosystems Services Markets (ESMs) either through  
21 public policy or the private market provided they are free of excessive government mandates and  
22 offer sufficient incentives for landowners for the conservation activity.  
23

24 The Ag Council opposes arbitrary renewable energy portfolio standards for utility companies.  
25 Such mandates could prove costly in states like Arkansas that are heavily reliant on fossil fuels  
26 as energy sources. Compliance costs would be transferred to users, and that would greatly  
27 impact agriculture and other major energy users in Arkansas putting us at a disadvantage to  
28 competitors in other states and around the world. The Ag Council opposes the recent EPA rule  
29 on carbon emissions (“Clean Power Plan”) that would establish state goals for carbon output as it  
30 unfairly punishes Arkansas, and could lead to increased energy costs through utility bills in order  
31 to allow companies to pay for compliance with the federal mandates. We support the multi-state  
32 lawsuit that the State of Arkansas has taken against the EPA on this rule, and we were pleased to  
33 see the Trump Administration withdraw from this plan.  
34

35 In the event of such legislative action, the Ag Council believes USDA should develop and  
36 administer agriculture offsets in a Cap and Trade program. The development of these offsets is a  
37 means to mitigate, to some degree, the impact of significantly higher energy and input costs to  
38 production agriculture and agribusiness; all production, marketing and processing will be  
39 adversely affected in varying degrees. The Ag Council remains concerned that additional  
40 production costs resulting from implementation of provisions of any Cap and Trade program will  
41 place United States’ agriculture and agriculture products at a clear disadvantage in international  
42 markets.  
43

44 We support the development of new (private sector, voluntary) markets for greenhouse gases and  
45 water, and other ecosystems services, that carry the potential to directly benefit landowners and

1 producers with compensation for implementing systems or techniques that provide energy  
2 efficiencies, irrigation efficiencies, or otherwise reduce levels of GHG emissions.

3  
4 **Transportation Policy**

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

11  
12 The Ag Council supports interaction with Arkansas Dept. of Transportation (ARDOT) to  
13 improve the ability to move farm commodities and farm equipment on Arkansas' roads and  
14 highways more effectively and efficiently, and the Ag Council supports the concept of securing  
15 low-cost permits and tags for such movements. We encourage ARDOT and the U.S. Department  
16 of Transportation (USDOT) Federal Highway Administration (FHWA) to consider expanding  
17 reciprocity opportunities for Commercial Drivers Licenses (CDLs) and exploring quicker  
18 licensure of driver's licenses for farm workers, especially as they relate to H-2A workers.

19  
20 We encourage the ARDOT and General Assembly to provide more reasonable policies on the  
21 enforcement of size and weight restrictions for grains and other agricultural commodities,  
22 especially during harvest season and upon leaving the field en route to first location of  
23 processing or handling. We believe such weight exemption should apply to cotton seed from its  
24 first point of severance (cotton gin) to its first place of processing thereafter – especially in-state  
25 oil mills.

26  
27 The Ag Council would point out that construction of interstate highways should consider present  
28 land use and provide proper access to land, and we support fair compensation for landowners  
29 when use and access is restricted.

30  
31 The Ag Council remains concerned with dock strikes and other transportation union strikes  
32 which can pose serious threats to exports and domestic marketing of farm commodities. With  
33 due regard to the position of both labor and domestic marketing of farm commodities, we believe  
34 it is in the national interest and essential to the well-being of agriculture in America, that  
35 government action be taken to prevent prolonged work stoppages in our nation's transportation  
36 system.

37  
38 The Ag Council favors export shipment of agricultural products by the least costly method. The  
39 Ag Council also supports size and weight exemptions for truck carrying agricultural  
40 commodities and products, including cotton seed. The Ag Council supports the development of  
41 a voluntary statewide system of pre-inspections for safety compliance that would reduce the risk  
42 of targeted pull-overs of agricultural trucks transporting grain and other agricultural products,  
43 especially during harvest season.

44  
45 The Ag Council supports provisions approved by the 91<sup>st</sup> and 92<sup>nd</sup> General Assembly and signed  
46 into law by Governor Hutchinson that would allow the ARDOT to provide waivers to certain

1 truckloads carrying agricultural products (commodities and equipment) issue one-year, special  
2 transportation permits to allow for trucks with 5 axles to carry up to 100,000 pounds of gross  
3 weight. We encourage ARDOT to make this exemption permanent and applicable to all  
4 agricultural commodities including cotton seed, and make associated fees nominal in cost.  
5

6 The Ag Council supports reforms to the Surface Transportation Board (STB) that would provide  
7 more shippers rights for the transportation of agricultural commodities and products while  
8 maintaining a healthy railroad industry.  
9

10 The Ag Council supports the development and use of Unmanned Aerial Vehicle (UAV) systems  
11 for precision agriculture practices. Regulations for use must work for farmers and landowners.  
12 Such regulations should not increase cost of use or limit the ability to use on private property.  
13 The Federal Aviation Administration (FAA) should provide rules that will permit agriculture to  
14 take advantage of the many benefits promised through UAVs.  
15

16 The Ag Council requests that the Corps of Engineers manage, maintain, and improve waterways  
17 in a manner that will ensure the full use of navigable waterways at all times. The Ag Council  
18 also supports funding for inland ports and waterways. The Ag Council supports a 12'  
19 navigational channel in the Arkansas River Navigation System (MKARNS).  
20

21 The Ag Council also supports the continued expansion of our national and state highway system  
22 including I-40, I-69, I-555, and I-55.  
23

24 The Ag Council supported the 2020 ballot initiative approved by the 92<sup>nd</sup> General Assembly and  
25 Arkansas voters to provide for a permanent continuation of the ½ cent sales tax dedicated to  
26 transportation infrastructure in Arkansas. These funds are critical to maintaining and improving  
27 farm to market roads, including federal highways, state highways, county roads, and municipal  
28 roadways.  
29

30 The Ag Council understands that Congressionally directed spending in the form of “earmarks”  
31 may be necessary to quickly direct federal funds to transportation projects critical to Arkansas  
32 and the agriculture industry, and we support the use of earmarks for such purposes. We believe  
33 that transportation infrastructure in Arkansas is an investment in national infrastructure and for  
34 economic growth.  
35

### 36 **Water and Water Infrastructure Policy**

37 The Ag Council recognizes the efforts of the officers of the various districts, the Mississippi  
38 River Commission, the Corps of Engineers, and the Natural Resources Conservation Service,  
39 participating in flood control and improvement of lands in Arkansas. The Ag Council  
40 recommends that Congress direct the Corps to include availability of agricultural irrigation water  
41 in their studies.  
42

43 The Ag Council believes Congress and the Administration should develop a new infrastructure  
44 plan that provides adequate funding for agricultural irrigation projects of national significance  
45 and domestic security to help finance the construction and completion of irrigation distribution  
46 systems that utilize conjunctive water management to deliver surface water during periods of

1 excess flows to agricultural areas producing food crops critical to our nation’s security  
2 domestically and internationally. Projects eligible to qualify for funding should be in the  
3 construction phase and ready to build. Projects with public private partnerships and state and  
4 federal government cost sharing should be given great consideration. Priority should be placed  
5 on projects located in areas identified as having groundwater shortages by state government  
6 entities or the federal government.  
7

8 The Ag Council requests Congress to address the failure of the Corps of Engineers to certify the  
9 levees in its districts and further request prompt certification of said levees to alleviate the  
10 farmers of paying millions of dollars in unnecessary flood insurance coverage. The levee  
11 certification issue is vital to members of this organization and the rural communities throughout  
12 much of the state. The Ag Council opposes FEMA’s efforts to set new regulations related to  
13 flood plains that would mandate the purchasing of flood insurance.  
14

15 The Ag Council urges expedited completion of the river basin projects in Arkansas for which  
16 funds have been authorized and appropriated. The Ag Council supports maximum appropriations  
17 for all lower Mississippi Valley flood control and improvement projects.  
18

19 The Ag Council urges authorization and appropriation of federal funds for maintenance of banks,  
20 dikes and control structures along the Arkansas River. The Ag Council also supports funding for  
21 inland ports and waterways. The Ag Council supports a 12’ navigational channel in the  
22 MKARNS. The Ag Council also supports dredging the lower Mississippi River, but not at the  
23 expense of other water infrastructure projects in Arkansas.  
24

25 The Ag Council supports the ongoing work of the Governor’s Levee Task Force, which was  
26 established following the 2019 floods to assess the status of levees and flood control  
27 infrastructure and their related management structures to determine how to ensure that the  
28 infrastructure is sufficiently managed and funded. We also support the Governor’s deployment  
29 of \$10 million of rainy-day funds to provide funding to rebuild damaged flood control  
30 infrastructure, and we support making this program permanent to provide state support for flood  
31 control infrastructure. We will continue to monitor the work of the Task Force and seek solutions  
32 that work for landowners and farmers.  
33

34 The Ag Council supported Acts 359, 267, 266, and 265 approved by the 93<sup>rd</sup> General Assembly  
35 to help improvement and levee districts in their efforts to collect assessments, dissolve, and  
36 consolidate to better ensure appropriate upkeep and improvements to levee systems managed by  
37 levee districts.  
38

39 The Ag Council opposes proposals to enhance the Inland Waterways Trust Fund through  
40 increased lockage fees.  
41

42 The Ag Council supports completion of the work proposed by the Corps of Engineers to improve  
43 the Mississippi River levees, from Cape Girardeau, Missouri, to the Gulf of Mexico, so as to  
44 fully protect the citizenry and property in the states of the lower Mississippi Valley.  
45

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

5  
6 The Ag Council recognizes that beavers have become a major impediment to drainage of both  
7 farm and timber lands in Arkansas. The Ag Council pledges its cooperation with federal, state  
8 and local agencies in searching for a solution to this problem.

9  
10 The Ag Council supports the efforts of the US Geological Survey to map ground water reservoirs  
11 throughout the alluvial aquifer basin for purposes of learning more about the position of  
12 groundwater throughout the aquifer.

13  
14 The Ag Council strongly supports use of American Rescue Plan Act (ARPA) funding for water  
15 related infrastructure including water and waste-water systems, irrigation districts, drainage  
16 districts, levee districts, and other water infrastructure that provides benefit to Arkansas's  
17 agriculture industry.

18  
19 The Ag Council understands that Congressionally directed spending in the form of "earmarks"  
20 may be necessary to quickly direct federal funds to water infrastructure projects critical to  
21 Arkansas and the agriculture industry, and we support the use of earmarks for such purposes. We  
22 believe that flood control, navigation, and irrigation infrastructure in Arkansas is an investment  
23 in national infrastructure and for economic growth.

24  
25 *Drainage - Section 404:* The Ag Council believes in a healthy environment, and we are  
26 committed to good drainage as we, know it to be essential to the productivity of the alluvial areas  
27 of the country. The Ag Council is convinced that a reasonable balance can be achieved for the  
28 good of the country between these two objectives if EPA and Corps of Engineers will  
29 promulgate sensible regulations and administer them in a wise manner. The Ag Council opposes  
30 the unfair increases in fees for obtaining a Section 404 permit which were proposed at one time  
31 by the Corps of Engineers.

32  
33 The Ag Council recommends restricting Section 404 jurisdiction to the historical definition of  
34 "navigable waters." We also think Congress should adopt a reasonable definition of "wetlands."  
35 We further recommend that any new legislation make it clear that the Corps of Engineers has  
36 final authority to issue permits under Section 404. The Ag Council believes decisions on 404  
37 permits should be rendered within six months.

38  
39 *Farmed Wetlands:* We believe that any farmland that was in cultivation prior to 1985 should be  
40 considered prior converted cropland regardless of how long water may stand on it during the  
41 growing season.

42  
43 **Food Safety Policy**

44 The Ag Council supports the development and enforcement of regulations by USDA/FDA to  
45 ensure the safety of all food and sources of food for the nation, whether produced domestically

1 or internationally. The Ag Council believes inspection of imported agricultural products is  
2 lacking and should be enhanced.

3  
4 The Ag Council supports federal funding for USDA inspections of imported catfish from  
5 overseas. This program was first authorized in the 2008 Farm Bill and reauthorized in the 2014  
6 Farm Bill, finally went into full effect in early 2016 and has proven to be effective as many  
7 shipments have already been rejected by USDA inspectors. We oppose any and all proposals  
8 that would place catfish inspections in the FDA instead of the USDA.

9  
10 The Ag Council also supports recently approved laws to identify country of origin labeling for  
11 catfish and catfish like species sold in Arkansas restaurants and by food services to better inform  
12 consumers. The Ag Council believes consumers should receive such notice at restaurants,  
13 cafeterias, lunch-room, food stands, and other similar food facilities in Arkansas.

14  
15 The federal government should establish an indemnity program for errors made by regulatory  
16 agencies in food contamination recall cases.

17  
18 The Ag Council supports recent grants under the Coronavirus Aid, Relief and Economic Security  
19 (CARES) Act from the Arkansas Department of Agriculture to support local meat processing to  
20 ensure a stable food supply and greater access to locally grown meat. We also support expansion  
21 of this program, and the establishment of a state-wide meat inspection program to support the  
22 growth of local meat processors.

23  
24 We supported Act 418 of the 93<sup>rd</sup> general Assembly, which established a state meat inspection  
25 program, and Act 918, which provided an appropriation for the state meat inspection program.  
26 We'd like to see that the new program receives funding to become fully operational.

27  
28 The Ag Council is concerned with the use of food labels that are misleading to consumers,  
29 particularly as it relates to "rice pretenders," those who market products with little or no rice as  
30 something that contains rice. We encourage the FDA to address this concern to ensure that no  
31 food products can be described as rice without containing the grain or components derived from  
32 the grain. We support the truth in labeling laws approved by the 92<sup>nd</sup> General Assembly (Act 741  
33 and Act 501) to establish state standards for food labeling and penalties for false and misleading  
34 labels as it relates to rice, and to allow the Plant Board to penalize related violations.

### 35 36 **Commodity Market Oversight Policy**

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

### 44 45 **Commodity Policies**

1 It is the Ag Council's position to work with the various national and state commodity-based  
2 organizations to promote agriculture and advocate for policies where the Ag Council and the  
3 commodity organizations are in agreement.  
4

5 *Rice:* Rice has long been the world's number one food grain. It has become Arkansas' largest  
6 program crop. It is vital to the state's economy and to Ag Council members. In order to fulfill  
7 America's desire to help feed the world's needy people we recommend full use of all government  
8 programs to maximize the exportation of rice.  
9

10 We support the USA Rice Federation's efforts to use all the money from the Columbian Free  
11 Trade Agreement Tariff Rate Quotas (TRQ) for research.  
12

13 We support the development of the new Northeast Arkansas Rice Research and Extension Center  
14 (NERREC) as it looks to play an important role in supporting the Arkansas rice industry. We  
15 recognize the need for the University of Arkansas System's Division of Agriculture to raise  
16 matching funds to meet its commitment to endow the new station and its operations, and we  
17 therefore support the exploration of various opportunities to source funds for this purpose.  
18

19 The Ag Council urges the governor and legislature to fund the \$16.5 million appropriation  
20 established in Act 582 for purposes of funding multiple priorities of the UofA System's Division  
21 of Agriculture, including the NERREC, in lieu of a previously proposed private land sale of parts  
22 of the University's Pine Tree Research Center.  
23

24 The Ag Council believes rice should be promoted as a nutritious food based upon its qualities.  
25 The USDA, FDA, and other relevant federal and state agencies should encourage rice  
26 consumption as an important component to any meal. The Ag Council believes arsenic levels  
27 occurring in rice are naturally occurring organic or inorganic, and are not at levels deemed  
28 harmful to human health. We support the FDA's efforts to work with industry and researchers to  
29 determine how arsenic levels in rice may be decreased.  
30

31 *Soybeans:* The assurance of viable Soybean seed is vital to Arkansas' farmers. We encourage  
32 uniform standard testing of soybean seed and results made available to farmers upon request.  
33 The Ag Council supports continued development of biodiesel and renewable diesel from  
34 soybeans. We support the Natural Soybean and Grain Alliance (NSGA), which was established  
35 to develop new markets for non-GMO soybean varieties in an effort to provide farmers with  
36 premiums for new niche markets.  
37

38 *Cotton:* The Ag Council encourages cotton commodity brokers to be bonded. The Ag Council  
39 supports the seed cotton Price Loss Coverage (PLC) Program. We encourage further incentives  
40 from USDA and Cotton Incorporated to develop woven and non-woven markets in the U.S.  
41 through investments in innovation and consumer demand. We also encourage Cotton  
42 Incorporated to continue to contrast natural fibers with synthetic fibers to identify environmental  
43 advantages associated with cotton. We encourage Ag Council members to enroll in the U.S.  
44 Cotton Trust Protocol.  
45

1 *Peanuts:* The Ag Council supports the continued growth of the peanut industry in Arkansas,  
2 especially the newly developed Delta Peanut LLC company, which is composed of many Ag  
3 Council of Arkansas members. We will support the policy needs of this industry as it continues  
4 to develop and grow in Arkansas, including the exploration of a research and promotion board.  
5

6 **Fertilizer Costs**

7 The Ag Council supports efforts to conduct a feasibility study on the viability of developing and  
8 operating fertilizer production facilities in Arkansas for the purposes of increasing competition  
9 among producers and providing farmers with lower cost options for fertilizers. The Ag Council  
10 supports the reduction or elimination of duties on imported fertilizer products in order to keep  
11 such costs to a minimum.  
12

13 **Property Rights Policy**

14 *Trespass:*

15 The Ag Council supports private property rights and encourage the strict enforcement of trespass  
16 laws. Additionally, we support newly approved laws from the 91<sup>st</sup> General Assembly that would  
17 assign felony crimes to individuals previously convicted two times for criminal trespass provided  
18 proof of intent to steal can be determined on the act of trespass.  
19

20 We support laws approved in the 91<sup>st</sup> General Assembly that would strengthen employers'  
21 defenses against common forms of corporate espionage and employee sabotage by prohibiting  
22 any person from placing a camera or electronic surveillance device on the employer's premises  
23 without permission. The law also prohibits employees from capturing or removing the  
24 employer's data, papers or records, or from recording sounds or images. We believe the  
25 Arkansas Attorney General should defend this law vigorously when under challenge by non-  
26 agricultural interest groups.  
27

28 *Eminent Domain:*

29 Property acquired under the right of eminent domain, when not used for the purpose for which it  
30 was taken, should be offered for resale to the person from whom it was seized at the price at  
31 which it was confiscated.  
32

33 The Ag Council opposes the use of eminent domain in the development of utility transmission  
34 lines and other energy systems, especially in instances that primarily benefit private parties rather  
35 than the general public. Landowners should be compensated adequately for any land use for  
36 such purposes.  
37

38 If any governmental entity takes, appropriates, seizes, restricts, or modifies the use of private  
39 property, the owner should be adequately compensated for any present or future loss.  
40

41 *Landlord:*

42 The Ag Council supports Article 9 of the Arkansas Uniform Commercial Code that gives  
43 automatic priority status of landlord liens on crops under Ark. Code Ann. Section 18-41-101.  
44

45 *Foreign Ownership:*

1 The Ag Council supports enhancing certain restrictions regarding foreign ownership of farmland  
2 and industry infrastructure in the United States. Additional reporting, risk analysis, and potential  
3 limits on foreign ownership may be warranted. At a minimum, the Ag Council supports better  
4 reporting, additional reviews and detailed analysis of foreign investments to determine potential  
5 risks and to better understand the level of foreign ownership of agricultural production and  
6 processing.

## 7 8 **Welfare Policy**

### 9 *Unemployment Compensation:*

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

15  
16 The Ag Council supports new reforms to welfare programs, including nutrition programs, in  
17 order to limit the eligibility and use of these programs and encourage participants to seek and  
18 accept employment opportunities.

### 19 20 *Workforce Development:*

21 The Ag Council supports public investment in workforce education and training for agriculture  
22 sector to improve local labor pool for employers.

## 23 24 **Anti-Trust Policy**

25 Ag Council members are increasingly concerned with recent and ongoing mergers and  
26 consolidation between agricultural suppliers and the resultant erosion in competition reflected in  
27 increased prices of crop production inputs (primarily seed, fertilizer, and ag chemicals).

28  
29 In addition, we are concerned with the market power among grain merchants. Recent activities  
30 during the 2018 harvest period related to basis and adjustments to soybean damage discount  
31 schedules and moisture discounts negatively impacted farmers. We support the Grain Grading  
32 Act of 2019, which established greater adherence to grading standards and better ways for sellers  
33 to challenge the grade findings and discounts of buyers. These activities should be closely  
34 reviewed by appropriate state and federal government entities to determine if there should be  
35 reforms to state or federal laws and regulations to better protect farmers.

36  
37 The Ag Council is concerned about recent consolidation among grain merchants in the  
38 Mississippi River corridor, and we urge appropriate federal oversight of such deals to review any  
39 risks associated with foreign ownership or concentration of market power.

40  
41 The Ag Council believes it is crucial that producers not be placed at the mercy of one or two  
42 dominant companies for various input products and post-harvest services. Such consolidation can  
43 lead to fewer seed and crop protection choices, higher input prices, reduced customer care, lower  
44 farm income and generally a lack of innovation and competition.

1 Due to the economic challenges facing row crop farmers (ever increasing input cost, historically  
2 low commodity prices, and shrinking farm income), we encourage seed and crop protection  
3 companies to consider reducing the costs of their products.  
4

5 We encourage the federal government to increase investments in land grant university research  
6 for agriculture seed and crop protection technologies in order to stimulate innovation in this area,  
7 encourage competition in science, and to develop and maintain more affordable alternative  
8 options for producers to counter the expected issues related to mega merger consolidation of seed  
9 and crop protection companies.  
10

11 The Ag Council recommends that the Arkansas Attorney General and the U.S. DOJ continue to  
12 remain vigilant in identifying and prosecuting violations of anti-trust laws, especially as they  
13 relate to agriculture suppliers, grain merchants, agricultural service and equipment providers.  
14

15 *Right to Repair:*

16 The Ag Council supports greater access to after-market repairs and replacement parts, including  
17 software (components/subscriptions), for farm machinery and equipment.  
18

19 **Education Policy**

20 The Ag Council supports required learning related to educating students of the importance of  
21 agriculture to our economy and our nation’s history. Students should learn more about the farm  
22 families that produce the food they eat. The Ag Council supports scholarship programs to  
23 students seeking degrees related to agriculture.  
24

25 The Ag Council supports Future Farmers of America (FFA), 4-H, and other agriculture  
26 education programs for children and young adults. The Ag Council would like to work with  
27 these organizations to educate these students and future agriculture leaders on the importance of  
28 organizations like the Ag Council. It is the intent of the Ag Council to establish and fund a non-  
29 profit charitable organization known as the Ag Council Trust for the purpose of donating to  
30 research and education efforts that benefit agriculture and residents in the communities in which  
31 we live.  
32

33 The Ag Council supports the Ag Council of Arkansas Trust and the Presidents’ Scholarship  
34 program, which aims to provide financial aid to students at the University of Arkansas-  
35 Fayetteville and Arkansas State University who are seeking education in agriculture related  
36 studies and who are likely to enter the workforce. The Ag Council encourages members to  
37 contribute to this effort with donations, mentorships, and internships for scholarship recipients.  
38

39 **Science Policy**

40 *Biotechnology:*

41 Recognizing that biotechnology may contribute useful technology to agriculture which could  
42 enhance both quality and competitiveness of farm products, the Ag Council encourages  
43 continued development in this field. Such research and development is necessary to meet global  
44 food demands of the future.  
45

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

4  
5 The Ag Council encourages research to develop traits beneficial to consumers which will open  
6 new uses and new markets for commodities.

7  
8 The Ag Council encourages the development and deployment of new technologies in the area of  
9 artificial intelligence, robotics, internet of things (IoT), data processing and analytics, and other  
10 emerging technologies that can advance agriculture, improve efficiency in agriculture, and make  
11 farming more profitable.

12  
13 **Immigration Policy**

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

17  
18 We oppose any legislation to further limit the number of migrant workers in agriculture or any  
19 legislation that makes it more difficult to hire such labor, including cumbersome paperwork and  
20 costly identification systems.

1  
2 **TITLE IV – Policy Statements on State Issues**  
3  
4

5 **STATE GOVERNMENT**  
6

7 **Arkansas Department of Agriculture**

8 It is the policy of the Ag Council to work closely with the Agriculture Department of Arkansas  
9 to promote agriculture and assist in commodity marketing programs. The Ag Council supports  
10 raising the awareness of the importance of agriculture to the state’s economy among the citizens  
11 of Arkansas and within state government. The Ag Council will assist in the development of  
12 marketing strategies to enable the producer to receive a fair market price. Development of  
13 alternative fuel production and use is just one example of added value to oil seed production that  
14 the Agriculture Department should explore. The Arkansas Department of Agriculture should  
15 continue to encourage innovation in the agriculture industry and develop markets for Arkansas  
16 grown products.  
17

18 The Arkansas Department of Agriculture should continue to work directly with farmers in  
19 Arkansas and seek their advice. The Ag Council would like to work with the Department of  
20 Agriculture to educate members of the state legislature on the functions and purposes of the state  
21 commodity promotion boards.  
22

23 The Secretary of Agriculture should be a strong proponent and supporter of row-crop production  
24 in Arkansas and be familiar with the state’s agriculture industry and state government.  
25

26 Generally speaking, we support efforts of the Agriculture Department to seek efficiencies in use  
27 of tax dollars by eliminating duplicative or outdated expenses and making reinvestments in  
28 matters of critical importance today. However, we express concern about too much agency  
29 reform without proper review and input from agriculture groups like the Ag Council. We  
30 encourage the Governor and Secretary of Agriculture to work closely with us and other  
31 agricultural organizations in the state as they continue to enhance the agency and its contribution  
32 to the state’s top industry. Such work should initiate well in advance of future legislative sessions  
33 in order to fully vet any proposal to improve efficiencies. We appreciate being able to provide  
34 input and guidance in the development of the Government Transformation Act approved in 2019.  
35

36 We believe any efficiency measures, legislative or administrative, should not impact the makeup  
37 and constructs of the Plant Board or its authorities in establishing rules and regulations.  
38

39 We were pleased that the Government Transformation Act approved by the 92<sup>nd</sup> General  
40 Assembly strengthened the Arkansas Department of Agriculture while maintaining the structure  
41 and functions of the State Plant Board. We were also pleased to see the Department of  
42 Agriculture absorb the Arkansas Natural Resources Commission and the unpaved roads program.  
43 We believe the Department of Agriculture and its related agencies will be able to better serve the  
44 interests of Arkansas agriculture and rural communities by working together through the  
45 Department of Agriculture.  
46

1 With regard to the State Plant Board, we believe that revenues collected from the plant industry  
2 should be reserved for the State Plant Board activities and not redirected to the Agriculture  
3 Department or other places in state government. We support the staff of the Plant Industry  
4 Division of the Arkansas Department of Agriculture and believe salaries at the agency should be  
5 at a level that can attract and retain highly qualified and motivated staff. We also believe the  
6 agency should invest in modern technologies, equipment, and resources that can improve  
7 efficiency, reduce workload, conduct enforcement and help the agency better serve the industry.  
8 We believe the position of Assistant Director should be maintained and filled upon vacancies as  
9 it's a critical position for the plant industry and the agency.

10  
11 We were disappointed that the cotton oil mill representation was stricken from the Plant Act as  
12 the position reserved for fertilizer and oil mills was amended to only provide a position from the  
13 fertilizer industry. We encourage the legislature to reconsider this change in the future as plant-  
14 based oil mills are regulated by the Plant Board. We were pleased that Act 361 of the 93<sup>rd</sup>  
15 General Assembly increased farmer representation on the Plant Board. We supported the  
16 addition of two new row crop farmer seats to the Plant Board, and we intend to work with future  
17 administrations on identifying qualified candidates to serve in these important roles.

18  
19 We believe that the Plant Board should consider amending its by-laws to ensure that the  
20 pesticide committee includes a majority of row crop farmer representation and the decisions of  
21 the pesticide committee are not easily over-ruled by the full board without opportunities for  
22 reconsideration by the pesticide committee.

### 23 24 **Arkansas State Plant Board**

#### 25 *Role in Chemical Permit Requests:*

26 The Ag Council believes the Arkansas State Plant Board (ASPB) should work closely with the  
27 Ag Council in seeking permits for products to be used in Arkansas. The Ag Council would like  
28 the ASPB to review and approve beneficial new seed and crop protection products at the earliest  
29 moment possible provided there is science-based data supporting the need for such a product.  
30 Products that will assist farmers in mitigating damages from threatening pests from bugs to  
31 weeds should take a high priority. The ASPB should take considerable steps to penalize and  
32 discourage the misapplication of agricultural crop protection tools that may cause harm to off-  
33 target crops. The ASPB should also take considerable steps to educate and train inspectors and  
34 users of proper use of such crop protection tools.

35  
36 The Ag Council strongly supports the State Plant Board and the role it plays in regulating the  
37 agriculture industry. We believe that the volunteer system of self-regulation by industry is  
38 superior to allowing such decision-making authority to government bureaucrats. We believe it's  
39 also critical that industry groups maintain an ability to recommend people from their  
40 organizations to serve as it allows for accountability among industry stakeholders and offers  
41 opportunities for industries to recommend individuals they feel are well suited to serve in such a  
42 critical role of representing their segment of industry. We were pleased to see that Act 361 of the  
43 93<sup>rd</sup> General Assembly changed the nomination and appointment process for Plant Board seats in  
44 a manner that was largely consistent with the processes related to the Research and Promotion  
45 Boards where the industry organizations recommend nominees to serve and Governor would  
46 have the power to appoint.

1  
2 We believe that the farmer positions assigned to the Plant Board, as individuals, must be actively  
3 engaged in production agriculture in Arkansas in order to serve in this role.  
4

5 *Penalty Matrix:*

6 The Ag Council supports the new laws (Act 778 of the 91<sup>st</sup> General Assembly and Act 423 of the  
7 92<sup>nd</sup> General Assembly) that establishes a new provision in the Plant Board’s penalty matrix to  
8 increase the maximum fine for egregious violations of crop protection tools within the penalty  
9 matrix from \$1,000 and *up to* \$25,000 for illegal and egregious applications of dicamba and  
10 other auxin herbicides. We believe such a fine structure is necessary to provide a significant and  
11 workable deterrent for illegal, and potentially harmful use of these crop protection tools.  
12

13 The Plant Board should use caution in assessing the new maximum penalties by only applying  
14 the full civil penalty fines in cases where off target crop damage was likely caused and where the  
15 application was made unlawfully in a knowing and willing manner that exhibited complete  
16 disregard for the laws regulating use. We support legislation to further modify the civil penalty  
17 structure for egregious violations in order to ensure that the authority is appropriately applied to  
18 cases based on the degree of severity of the alleged violations.  
19

20 *New seed and crop protection technologies:*

21 The Ag Council supports the development and use of new seed and crop protection technologies  
22 in a manner that is consistent with safety standards established by the EPA or the State Plant  
23 Board. However, we also expect companies that deliver such technology that carries off-target  
24 risks to conduct due diligence in marketing their product and implement sufficient measures to  
25 trace sales, penalize misuse of product, and ensure proper stewardship and use. We encourage  
26 the companies to work with the University of Arkansas to conduct verification studies on new  
27 products and to deliver technology stewardship education and training for end users.  
28

29 *Seed pre-emption clarification:*

30 The Ag Council supports laws approved by the 91<sup>st</sup> General Assembly that would allow for the  
31 state plant board to be recognized as the singular regulatory body over seeds within the state of  
32 Arkansas so that their regulations would supersede any attempts by counties or municipalities to  
33 attempt to regulate seeds. This would bring parity for seeds in line with existing state laws  
34 regulating fertilizers and pesticides.  
35

36 *Industrial Hemp:*

37 The Ag Council supports law changes in the 91<sup>st</sup> General Assembly, 92<sup>nd</sup> General Assembly, and  
38 93<sup>rd</sup> General Assembly (Act 565) that now allow for the Plant Board to establish rules,  
39 regulations and processes that would lead to commercial development of industrial hemp in  
40 Arkansas to benefit farmers, the agriculture industry and the economy of the state.  
41

42 The Ag Council supports new regulations by the Plant Board to implement a commercial hemp  
43 program in Arkansas. Since Congress has removed hemp from the controlled substance act, we  
44 support the state expansion of the commercialization of industrial hemp. We also encourage state  
45 and federal regulators to provide more flexibility on THC levels in hemp prior to processing into  
46 consumer products.

1  
2 **Check-off/Commodity Support Programs**

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

10  
11 The Ag Council supports the programs of Cotton Incorporated, the National Cotton Council,  
12 Arkansas Soybean Association, the Arkansas Soybean Promotion Board, the United Soybean  
13 Board, the Arkansas Rice Research Board, the Arkansas Rice Federation and Arkansas Rice  
14 Farmers, the Arkansas Wheat Promotion Board, the Arkansas Wheat Growers Association, the  
15 Arkansas Corn and Grain Sorghum Board, the United Sorghum Check-off Program, and the Soil  
16 Test Review Board. The Ag Council opposes a policy of allowing an individual to  
17 simultaneously serve on the USB and on the American Soybean Association Board.

18  
19 The Ag Council strongly supports the various research and promotion check-off programs in  
20 Arkansas, and we encourage the members of these boards to ensure that the share of the check-  
21 off dollars intended for the state are wisely invested in the state, particularly with in-state  
22 University researchers for purposes of benefiting Arkansas farmers through research  
23 investments. We oppose any efforts to siphon our state's shares to a national program that would  
24 likely not prioritize or spend dollars in a way that benefits producers in Arkansas. We believe  
25 that USDA Agricultural Marketing Service (AMS) should ensure that funds intended for states  
26 are retained in the states in which they are collected and utilized in a manner that benefits  
27 producers in those states.

28  
29 The Ag Council urges Cotton Incorporated, with the assistance of land grant colleges, USDA,  
30 and other public scientists, to continue developing a national cotton breeding program with the  
31 following objectives: Develop new cotton varieties with 1) higher, more stable yields to enable  
32 cotton producers to earn a profit growing cotton, and 2) improved, more uniform fiber properties  
33 to enable cotton spinners to utilize new spinning technologies for more effective competition  
34 with imports. We encourage Cotton Incorporated to invest more resources into innovative  
35 research and entrepreneurship that supports in the development of new woven and non-woven  
36 products that could stimulate demand for cotton.

37  
38 The Ag Council strongly supports the current nomination and appointment process for all state  
39 related boards and commissions that relate to agriculture. The current structure allows for  
40 industry organizations to identify and nominate individuals to serve on behalf of the industry.  
41 This process is important as it allows for a peer review process and the selection of qualified  
42 business leaders to serve in important roles of government that directly impact agriculture  
43 businesses. In addition, this process helps keep the organization informed of the work done by  
44 the various boards and commissions as typically those appointees serve in leadership roles for  
45 the industry organization and report at the organization meetings. Any efforts to repeal this

1 nomination process could carry a negative impact on the regulated industries for a variety of  
2 reasons due to the lack of peer selection and peer accountability.

3  
4 **Taxes**

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

13  
14 The Ag Council supports the tax cuts provided in recent legislative sessions of the Arkansas  
15 General Assembly that reduced taxes for bale wrap supplies, replacement parts for equipment,  
16 and sales and use taxes for energy used in aquaculture, grain drying, rice milling, soybean oil  
17 milling, and cotton ginning. We also support recent tax cuts for incomes of individuals and  
18 corporations. The Ag Council was pleased that the 93<sup>rd</sup> General Assembly approved Act 875,  
19 which provided additional state tax incentives for making land improvements for better irrigation  
20 water management and to implement more efficient technologies and best management practices  
21 for water utilization under the Water Conservation and Development Act.

22  
23 The Ag Council supports tax cuts approved by the 91<sup>st</sup> General Assembly that over time would  
24 create a sales tax exemption for manufacturers, including gins and grain processors on their  
25 repair and replacement parts by phasing out the entire sales tax by 1 percent a year until  
26 complete by June 30, 2022.

27  
28 The Ag Council supports the new Act approved by the 90<sup>th</sup> General Assembly that clarified the  
29 exemption of migrant labor, which permits farms to not pay taxes for unemployment insurance  
30 because migrant labor would not utilize benefits if they did not have employment.

31  
32 The Ag Council supported legislation approved by the 93<sup>rd</sup> General Assembly that excluded  
33 from income taxes ad-hoc payments to Arkansas farmers under the Paycheck Protection Program  
34 (PPP), Market Facilitation Program (MFP), Coronavirus Food Assistance Program (CFAP). We  
35 also appreciate the 93<sup>rd</sup> General Assembly for establishing a voluntary pass-through entity tax  
36 that allows for a significant federal deduction for certain businesses and farms.

37  
38 The Ag Council supports the establishment of the Independent Tax Appeals Commission  
39 approved by the 93<sup>rd</sup> General Assembly under Act 586, which provides an opportunity for  
40 individuals and businesses to challenge the Department of Finance and Administration (DFA) on  
41 tax related claims.

42  
43 We would support the following changes to state tax laws to benefit Arkansas farms and  
44 agriculture businesses:

- 45  
46
  - Extend net operating loss-carryover for income averaging purposes beyond 10 years

- 1 • Increase depreciation deductions from \$25,000 to levels more in line with federal law,  
2 which allows for up to \$1 million
- 3 • Reduce or eliminate the state’s ability to tax farm program and ad-hoc assistance  
4 payments as income
- 5 • Reduce or eliminate sales and use taxes on parts and labor for used equipment and  
6 replacement parts.

7

8 **Boll Weevil Eradication Board**

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

13

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

18

19 The Ag Council is pleased with the leadership of the Boll Weevil Foundation Board as they  
20 successfully repaid ahead of schedule all debt owed to the USDA Farm Service Agency (FSA) as  
21 it relates to the boll weevil eradication effort in Arkansas. We are also pleased that the  
22 Foundation Board has significantly lowered per acre assessments while still maintaining a viable  
23 program.

24

25 The Ag Council is concerned with the 2018 finding of two male Mexican boll weevils in  
26 Mississippi, and we believe that this finding further justifies the need and importance of  
27 maintaining a trapping program with sufficient response resources should an outbreak occur.

28

29 **University of Arkansas Division of Agriculture**

30 Maximum development of the agricultural potential in any state is dependent on a strong Land  
31 Grant institution. A successful College of Agriculture must maintain the interest and support of  
32 farmers. The Ag Council will continue to improve communications with the University in order  
33 to sharpen farmer interest in research, extension and teaching activities. The Ag Council pledges  
34 its full support toward making Arkansas' Land Grant College the best possible. To this end, we  
35 support increasing annual funding to the University Division of Agriculture, which has not seen  
36 any increase in annual state funding in nearly a decade aside from the one-time contributions of  
37 surplus funds from Governor Hutchinson and Arkansas Attorney General Leslie Rutledge in  
38 recent years. We appreciate funding increases provided by the 92<sup>nd</sup> General Assembly but we  
39 suggest this funding increase be increased further and made permanent to continue to serve the  
40 needs of the Arkansas agriculture industry and rural communities of Arkansas. We would like to  
41 see state surplus funds or eligible federal funds utilized to support funding appropriated under  
42 Act 582 of the 93<sup>rd</sup> General Assembly.

43

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

1  
2 The Ag Council encourages members to consider giving gifts to the University of Arkansas  
3 Agriculture Development Council's Foundation. Such gifts enhance the University's abilities to  
4 serve the agriculture industry into the future through education, research and extension efforts.  
5

6 *Extension Services:*

7 The Ag Council supports the concept of multiple research and extension centers as well as  
8 research stations and extension centers by the University of Arkansas, Division of Agriculture, to  
9 serve Arkansas's row crop industry.  
10

11 The Ag Council urges the Experiment Station and the Cooperative Extension Service to continue  
12 addressing real-life, on farm problems, such as herbicide resistant weeds. It is imperative these  
13 problems be given top priority.  
14

15 In addition, the Ag Council would like for the Division of Agriculture to continue to seek and  
16 retain highly qualified staff.  
17

18 *Research:*

19 The Ag Council would like for the University to continue its research efforts on behalf of the  
20 promotion boards. The Ag Council would like to work with the University and other institutions  
21 to encourage entrepreneurship and innovation in agriculture in an effort to create new jobs,  
22 advance agriculture with new products and services, and grow our economy. The Ag Council  
23 has concerns with the contractual non-disclosure agreements between the University researchers  
24 and private companies they partner with. We encourage the University to seek agreements that  
25 allow for greater disclosure between researchers and the public.  
26

27 **Tourism**

28 The Ag Council supports efforts of the State of Arkansas to promote agri-tourism throughout  
29 Arkansas. To the extent possible, the Ag Council would like to participate in these efforts.  
30

31 The Ag Council supports state laws providing liability protection for farms providing the public  
32 with agri-tourism opportunities. These laws may need to be amended to provide additional  
33 protections.  
34

35 The Ag Council supports efforts to generate tourism opportunities in Eastern Arkansas and  
36 interest in agriculture history and rural arts.  
37

38 **State Water Plan & Arkansas Natural Resources Commission**

39 The Ag Council commends the Arkansas Natural Resources Commission (ANRC) for the  
40 sincere effort to develop a rational State Water Plan to help conserve water without negatively  
41 impacting Arkansas's ability to produce crops.  
42

43 While we had some initial concerns about the process by which the State Water Plan was  
44 developed, we agree with most of the findings of the State Water Plan, especially where the plan  
45 calls for increased incentives and investment to support the efficient use of surface and ground  
46 water for irrigation. The Ag Council was pleased that the State Water Plan did not create

1 restrictions in use of ground or surface water for irrigation. We believe the Water Plan’s  
2 recommendation for incentivizing precision agriculture and efforts to reduce energy and water  
3 use on farms was very wise, and we look forward to helping change the laws to implement these  
4 incentive enhancements.

5  
6 The Ag Council believes the Governor and General Assembly should work to ensure that the  
7 implementation of the State Water Plan does not negatively impact Arkansas farms.

8  
9 We stand ready to assist the Commission, the Arkansas Department of Agriculture, the  
10 Governor, and the General Assembly in quickly advancing legislation that will address these key  
11 recommendations, which are cited below with comments from our organization:  
12

13 **1) Tax Incentives and Credits for Integrated Irrigation Water Conservation (Section**  
14 **2402.2)** The Ag Council of Arkansas agrees that the legislature should enhance incentives for  
15 landowners to make land improvements and adopt certain conservation practices that concern  
16 water. We believe the Water Resources Development and Conservation Act (**ACA §26-51-1001**  
17 **et seq.**) needs to be enhanced by a) increasing allowable tax credits; b) extending the time in  
18 which the credits can be claimed; c) expanding the program to include new technologies that can  
19 contribute to water savings; d) extending the timeframe for filing the certificate of completion for  
20 projects; and e) making tax credits transferable. These enhancements will assist landowners in  
21 water conservation efforts.  
22

23 **2) Excess Water for Non-Riparian Withdrawal and Use (Section 2402.5-B)** The Ag Council  
24 of Arkansas agrees that the water available for non-riparian use should be increased. We suggest  
25 that in doing so, the level be raised from 25 percent of excess flow to 75 percent of excess flow.  
26 Making more surface water available in times of excess flow will minimize agriculture’s  
27 dependence on groundwater sources and ensure that we better utilize water during periods of  
28 heavy streamflow rather than experiencing floods or allowing the water to simply leave the  
29 state’s boundaries.  
30

31 **3) Funding Water Resources Development Projects (Section 2402.3)** The Ag Council of  
32 Arkansas agrees that the state should increase the amount of funding for infrastructure related to  
33 water systems. We support the recommendation that calls for an increase the bond authority for  
34 the state from \$300 million to \$600 million for water projects. Increasing this borrowing  
35 authority will assist the state in developing much needed water systems for wastewater and for  
36 key regional irrigation systems for agriculture that will deliver water to critical groundwater  
37 areas.  
38

39 With regard to the recommendation regarding nutrient management plans under **Improving**  
40 **Water Quality Through Nonpoint Source Management (Section 2402.8 D)**, we would like to  
41 once again express our concern and opposition to this provision of the Water Plan. The provision  
42 was the result of a recommendation submitted by a single commissioner at one of the later  
43 Commission meetings. It would “*encourage the General Assembly to require nutrient*  
44 *management plans for the application of poultry litter and animal manure throughout the state.*”  
45 We oppose this for several reasons, beginning with the manner in which it was introduced and  
46 ultimately included in the Water Plan. The subject of expanding nutrient management plans for

1 poultry litter was not discussed at any of the public meetings where policy was developed, and it  
2 was not sufficiently vetted by stakeholders. In addition, there was no substantive scientific  
3 evidence presented to suggest a need for such a requirement. We also have concerns about this  
4 provision because it would create a new paperwork burden for both the farmer or landowner and  
5 government agencies. We currently oppose this recommendation, and we would likely work to  
6 oppose any legislative effort to implement this provision.  
7

8 We support the continuation of state grants from the ANRC for levees, drainage systems, and  
9 other flood control infrastructure. We also encourage the agency to enhance the recordkeeping  
10 and efficiency of tax credit programs to ensure compliance with applicable law and rules, and to  
11 assist the industry in telling the story of conservation activities taking place under these  
12 programs. We also urge the agency and Department of Agriculture to focus on promoting the tax  
13 credit programs to Arkansas farmers to provide greater participation for riparian repair and water  
14 conservation and development.  
15

### 16 **Education**

17 We support all Arkansas institutions of higher learning, especially those which contribute to  
18 agricultural research and education. All levels of education in Arkansas should consider required  
19 learning of the importance of agriculture in Arkansas. The Ag Council would like to work with  
20 the institutions of higher education and other centers of innovation to encourage entrepreneurship  
21 and innovation in agriculture in an effort to create new jobs, advance agriculture with new  
22 products and services, and grow our economy.  
23

### 24 **H2O Initiative & PipePlanner**

25 The Ag Council of Arkansas is a partner in the H2O Initiative with Delta Plastics and other  
26 stakeholders in an effort to reduce water consumption through the adoption of conservation  
27 programs and best management practices and technologies including multiple inlet irrigation,  
28 alternate wetting and drying, surge valves, soil moisture monitoring, and other advanced  
29 irrigation water management systems. A key component is utilization of irrigation efficiency  
30 software known as PipePlanner. We will work to educate water users to the benefit of utilizing  
31 these no-cost programs in an effort to increase adoption. Minimizing water consumption will  
32 help sustain water supply, conserve energy, minimize water waste and run-off, and save farmers  
33 money. We encourage Ag Council members to contact their extension agents or representatives  
34 of Delta Plastics to take flow rate measurements of their irrigation wells in order to utilize the  
35 PipePlanner program to better conserve water.  
36

### 37 **Grain Grading Regulations**

38 The Ag Council of Arkansas was concerned with the impact of grain damage discounts applied  
39 to the 2018 crops and the inconsistencies in grain grading experienced by farmers marketing  
40 their crops. We generally support the Arkansas Grain Grading Act (Act 795) approved by the  
41 92nd General Assembly as it is designed to provide more consistent grain grading by buyers  
42 through adherence to federal grading standards and provides a mechanism for farmers to  
43 challenge grades where significant discounts for damage are applied.  
44

### 45 **Grain Marketing Regulations**

1 The Ag Council of Arkansas is very concerned with the recent failure of grain merchandiser  
2 Turner Grain. We encourage the judicial process to expeditiously consider all cases related to  
3 the failure of Turner Grain. If illegal activities are identified, we urge appropriate prosecution  
4 and sentencing of guilty parties. We also encourage bankruptcy proceedings to place high  
5 priority on grain sellers in the order of creditors eligible for any payments to be received.  
6

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

- 13 1. Requirement that grain dealer businesses to be registered and licensed with the State Plant  
14 Board;
- 15 2. Requirement that grain dealers to prove a minimal level of creditworthiness;
- 16 3. Requirement that grain dealers to file annual reports to the State Plant Board (better record  
17 keeping);
- 18 4. Granting the Plant Board authority to conduct periodic examinations and audits;
- 19 5. Granting the Plant Board authority to revoke licenses, suspend operations, and take  
20 receivership;
- 21 6. Setting new penalties for grain dealers who operate out of compliance with the law;
- 22 7. Requirement that the State Plant Board publish on their website a list of all licensed grain  
23 dealers in the state; and
- 24 8. Establishment of a hot-line for sellers to report late payments from grain dealers  
25

### 26 **Smoke Management Guidelines**

27 The Ag Council of Arkansas continues to support the voluntary smoke management guidelines  
28 established in cooperation with agricultural organizations and the Arkansas Department of  
29 Agriculture. We encourage our members to participate in this voluntary, no-cost program in an  
30 effort to enhance on farm sustainability and mitigate undesired outcomes from crop residue  
31 burning. Such participation should be recognized as a best management practice and a method  
32 for maintaining ability to maintain this important management tool.  
33

### 34 **Farm Machinery and Equipment Quality Assurance Act**

35 The Ag Council supports legislation (Act 588) approved in the 92<sup>nd</sup> General Assembly that  
36 improved lemon laws related to farm machinery and equipment purchased by farmers.  
37

### 38 **Petroleum Storage Tank Trust Fund**

39 The Ag Council supports legislation approved in the 91<sup>st</sup> General Assembly that authorizes  
40 reimbursement for corrective actions paid by the owner, including farms and agricultural  
41 businesses, of above-ground petroleum storage tanks if the owner voluntarily registers the tanks.  
42  
43  
44  
45

1 **TITLE V – Commendations**

2  
3 **Arkansas Congressional Delegation**

4 The Council extends its sincere thanks and appreciation to the Arkansas Congressional  
5 delegation from Arkansas, especially Senator John Boozman and Congressman Rick Crawford  
6 for their efforts to represent our industry interests on the Agriculture and Forestry Committee.  
7

8 **Arkansas General Assembly**

9 The Ag Council commends members of the Arkansas General Assembly who supported the  
10 priorities of the Ag Council of Arkansas during the 93<sup>rd</sup> Session in 2021, especially in the House  
11 and Senate Agriculture Committee and House and Senate Revenue and Tax Committee. The Ag  
12 Council will continue to applaud those who support agriculture and our priorities in the future.  
13

14 **Agricultural Council of Arkansas**

15 The membership is grateful to the officers; directors and committee members who have given of  
16 their time and efforts on behalf of this organization.  
17

18 **Secretary Wes Ward**

19 The Ag Council appreciates the service provided by Secretary Wes Ward serving as the third  
20 Secretary of Agriculture for the State of Arkansas. We appreciate his unwavering service and  
21 dedication to the row crop farmer and agriculture industry in Arkansas. He has served agriculture  
22 interests well, and we look forward to continuing to work with him in the future.  
23

24 **Governor Asa Hutchinson**

25 The Ag Council appreciates the leadership and service delivered by Governor Asa Hutchinson.  
26 He’s proven to be a strong proponent of Arkansas agriculture and economic development. We  
27 owe him a great debt of gratitude for his continued service to the agriculture industry and the  
28 people of this state.  
29

30 **Secretary Vilsack**

31 The Ag Council commends USDA Secretary Tom Vilsack for his advocacy on behalf of U.S.  
32 farmers and his efforts to improve government services to farmers. We especially thank him for  
33 his leadership in aiding the agriculture industry through the COVID-19 pandemic, which has  
34 been a great struggle for farmers and the food and agriculture industries.  
35

36 **DeAnne Vaught**

37 The Ag Council commends Representative DeAnne Vaught for her leadership in the Arkansas  
38 General Assembly as Chairman of the House Agriculture Committee. Representative Vaught has  
39 been a steadfast and reliable advocate for Arkansas agriculture, and she’s been a good friend to  
40 the Ag Council. We look forward to continuing to work with Representative Vaught in the  
41 General Assembly.  
42

43 **Ronald Caldwell**

44 The Ag Council commends Senator Ronald Caldwell for his leadership in the Arkansas General  
45 Assembly as Chairman of the Senate Agriculture Committee. Senator Caldwell has been a

1 steadfast and reliable advocate for Arkansas agriculture, and he's been a good friend to the Ag  
2 Council. We look forward to continuing to work with Senator Caldwell in the General Assembly.  
3

4 **Joe Jett**

5 The Ag Council commends Representative Joe Jett for his leadership in the Arkansas General  
6 Assembly as Chairman of the House Revenue and Tax Committee. Representative Jett has been  
7 a steadfast and reliable advocate for Arkansas agriculture, and he's been a good friend to the Ag  
8 Council. We look forward to continuing to work with Representative Jett in the General  
9 Assembly.  
10

11 **Bill Sample**

12 The Ag Council commends Senator Bill Sample for his leadership in the Arkansas General  
13 Assembly as Chairman of the Senate Revenue and Tax Committee. Senator Sample has been a  
14 steadfast and reliable advocate for Arkansas agriculture, and he's been a good friend to the Ag  
15 Council. We look forward to continuing to work with Senator Sample in the General Assembly.  
16

17 **David Hillman**

18 The Ag Council commends Representative David Hillman for his leadership in the Arkansas  
19 General Assembly. Representative Hillman has been a steadfast and reliable advocate for  
20 Arkansas agriculture, and he's been a good friend to the Ag Council. We look forward to  
21 continuing to work with Representative Hillman in the General Assembly.  
22

23 **Mark Cochran**

24 The Ag Council of Arkansas honors Dr. Mark Cochran as he retires from Vice President for  
25 Agriculture at the University of Arkansas. We thank Dr. Cochran for his service to the row crop  
26 agriculture industry in the areas of research and extension as Vice President and his other roles  
27 within the Division of Agriculture.  
28

29 **Gus Lorenz**

30 The Ag Council of Arkansas honors Dr. Gus Lorenz as he retires from the University of  
31 Arkansas. We thank Dr. Lorenz for his service to the row crop agriculture industry in the areas of  
32 research and extension in the field of entomology. His wisdom and shared knowledge was highly  
33 valued by Arkansas's row crop industry.  
34

35 **Bruce Holland**

36 The Ag Council commends Mr. Bruce Holland for his leadership and service to Arkansas  
37 agriculture, and we wish him well in his retirement from the Arkansas Natural Resources  
38 Division of the Department of Agriculture where he served as Director.  
39

40 **Chris Colclasure**

41 The Ag Council of Arkansas recognizes and welcomes Chris Colclasure as he assumes the  
42 position of Director of the Natural Resources Division of the Arkansas Department of  
43 Agriculture. We look forward to working with him in this new role as he serves the interests of  
44 agriculture and rural communities.  
45

46 **David Scott**

1 The Ag Council of Arkansas appreciates Chairman David Scott of the U.S. House of  
2 Representatives. Chairman Scott has been a strong advocate for the interests of the row crop  
3 industry, particularly as it relates to expanding conservation opportunities.