

THE AGRICULTURAL COUNCIL OF ARKANSAS



2023 RESOLUTIONS

FROM THE BOARD OF DIRECTORS OF THE AGRICULTURAL COUNCIL OF ARKANSAS

12/12/2022

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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.



1
2 **THE AGRICULTURAL COUNCIL OF ARKANSAS**
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4 **RESOLUTIONS**
5
6 **2023**

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9
10 **TITLE I**
11 *General Policy Statements*

12
13 **TITLE II**
14 *Farm Bill Policy Statements*

15
16 **TITLE III**
17 *Policy Statements on Miscellaneous Items*

18
19 **TITLE IV**
20 *Policy Statements on State Issues*

21
22 **TITLE V**
23 *Commendations*

24
25
26
27

1
2 **TITLE I – General Policy Statements**
3

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 better understand States’
21 agriculture. Ag Council members recommend that the Ag Council seeks opportunities to partner
22 with other farm and agribusiness organizations to develop public relations campaigns for
23 agriculture in Arkansas and nationwide.

24
25 The Ag Council remains committed to working with agriculture-based organizations to educate
26 policymakers and the general public of the importance of agriculture. Such efforts should focus
27 on the role of farmers in providing food, fiber, and fuel, while also being environmental stewards
28 for the land, soil, air, water, and wildlife. The Ag Council encourages its members to consider
29 donating to such organizations to help fulfill missions to promote the agriculture industry in
30 Arkansas. The Ag Council also encourages its members to give gifts to the Agricultural Council
31 of Arkansas Trust to help fulfill its mission to research, education, public safety, and charity on
32 behalf of the agriculture industry in Arkansas. In addition, the Ag Council encourages members
33 to consider giving to the Agricultural Development Council of the University of Arkansas
34 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 or excessive input costs. Such support should work as a
22 safety net to protect American farmers and keep them in business following disasters. The
23 federal government should provide affordable risk management tools for farmers that protect
24 against price, input costs, revenue, and yield risks. The federal government should also continue
25 to invest in conservation measures 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, margin protection insurance,
28 price protection, and revenue protection insurance policies to protect against yield and revenue
29 losses are more applicable and more critical to Mid-South agriculture than a program that only
30 offers yield protection. However, there must be multiple options of each for farmers to choose
31 among for each commodity. For each risk management program, the Government should
32 adequately share costs.

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

38
39 The Ag Council appreciates the initiatives of Secretary Tom Vilsack and Sonny Perdue to
40 provide gin cost share assistance for cotton producers between the conclusion of the 2014 Farm
41 Bill and the 2018 Farm Bill. We also appreciate the work of Secretary Perdue to provide trade
42 mitigation assistance in recent years through the Market Facilitation Program (MFP), Food
43 Purchase Program (FPP), Agriculture Trade Promotion (ATP) program, as well as assistance
44 provided through the Coronavirus Food Assistance Program (CFAP), Quality Loss Assistance
45 Program (QLAP), Paycheck Protection Program (PPP), Wildfire, Hurricane Indemnity Program
46 (WHIP+), and Emergency Relief Program (ERP). These support measures were extremely

1 critical in helping farmers offset some of the damage caused by trade disputes resulting from
2 efforts of the U.S. to renegotiate trade relations with key export markets as well the COVID-19
3 pandemic and other natural disasters. However, such assistance is not sufficient in fully
4 offsetting expected economic losses. Failure to provide this needed assistance would have caused
5 irreparable harm to Arkansas farmers, the agriculture industry of Arkansas, and many rural
6 communities in Arkansas.

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

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

18
19 For all commodities, we oppose mandatory base updates for Title I programs. However, we do
20 support opportunities for farmers to adjust their base acres on a voluntary basis.

21
22 The Ag Council believes Congress should increase reference prices to reflect the rising cost of
23 production.

24
25 We believe cotton farmers should be able to purchase STAX insurance while electing to
26 participate in ARC & PLC programs in the commodity title.

27
28 *Disaster Support:*

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

38
39 The Ag Council supports broad discretion to Secretary of Agriculture in utilizing Section 32
40 Commodity Credit Corporation (CCC) funds to provide direct emergency assistance to farmers
41 on an ad-hoc basis without Congressional approval.

42
43 We oppose basing disaster payments on insurance coverage level or insurance claims made.

44
45 The Ag Council supports the Economic Adjustment Assistance for Textile Mills, which provides
46 per bale assistance payments for domestic cotton mills.

1
2 **Insurance Title**
3

4 *Federal Crop Insurance:*

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

11
12 The crop insurance program should be administered in a manner that discourages abuse of the
13 program while encouraging participation.

14
15 The crop insurance program should maintain a high level of government cost share for premiums
16 to help share risk and keep premiums reasonable and affordable. It should cover all commodities
17 and be available to producers in all counties.

18
19 The crop insurance programs should not have eligibility requirements or other means testing
20 requirements. Crop insurance program should not have payment limits either.

21
22 The Ag Council believes the federal crop insurance programs should be improved upon to
23 operate as a more effective insurance program. It should allow the farmer to insure his
24 investment in the crop or cost of production, but not allow the farmer to earn a profit from an
25 insured loss.

26
27 The Ag Council believes crop insurance program should provide price support as well as support
28 for yield loss, revenue loss, and excessive input costs. Price support should be at a level for each
29 commodity that will allow farmers to remain viable during times of exceptionally low market
30 prices. The Ag Council believes the shallow loss insurance programs for cotton (STAX) first
31 initiated in the 2014 farm bill was lacking the safety net needed by U.S. cotton farms. The Ag
32 Council would like Congress and the Risk Management Agency (RMA) to work with different
33 commodity groups to develop a new risk management tool that would provide coverage for cost
34 of production increases, price declines, and revenue declines for all commodities in all counties.

35
36 The Ag Council opposes further cuts to the Standard Reinsurance Agreement (SRA) would have
37 a negative effect on the agriculture sector by weakening crop insurance and the companies
38 offering such policies. This could lead to increased costs to accessing coverage, and could limit
39 the choices of providers and policies available to producers.

40
41 **Conservation Title**

42 *USDA, NRCS & Natural Resources:*

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

1
2 The Ag Council believes that USDA should continue to deem farmland, which could be classed
3 as wetland, eligible for conservation payments. We encourage increased funding in conservation
4 in order to increase the number of acres that could be enrolled in conservation programs. We
5 oppose acreage limitations on Conservation Title programs.
6

7 The Ag Council places a high priority on national and state legislation which offers incentives to
8 farmers to impound water for irrigation purposes, to recover tail water, make other land
9 improvements, or invest in other irrigation water management (IWM) systems to better
10 maximize on-farm water use.
11

12 The Ag Council opposes any restrictions on streams in agricultural areas which would limit the
13 use of excess flow. In fact, additional excess surface water flow should be made available for
14 non-riparian agriculture water users. We encourage additional incentives be provided to offset
15 costs of purchasing advanced irrigation water management (IWM) systems, including hardware
16 and software. We also support the establishment of a permanent conservation funding program to
17 support various voluntary efforts to reduce ground water consumption in the alluvial aquifer
18 basin area.
19

20 The Ag Council encourages the continued development of surface water storage and usage,
21 especially conjunctive water management. Conjunctive water management allows agriculture to
22 withdraw surface water from rivers and streams during periods of excess flow in order to deliver
23 to reservoirs and other distribution infrastructure for the purposes of providing agriculture with
24 irrigation water during the growing season.
25

26 The Ag Council supports the use of USDA funds, USACE funds, state funds, and other funding
27 sources to develop USACE projects including the Bayou Meto Irrigation Project and the Grand
28 Prairie Irrigation Project as both of these projects are considered to be environmentally sound
29 and represent improved surface water utilization to help ensure long-term sustainable agricultural
30 production in Arkansas. The Ag Council supports “earmarks” for these critical water projects,
31 which are of national significance and important for the environment and sustainability of
32 Arkansas farmers. The Ag Council believes the USDA Natural Resources Conservation Service
33 (NRCS) should provide some financial and technical help to these projects.
34

35 Conservation programs should abstain from means testing for qualifying and should not contain
36 payment limitations.
37

38 We strongly support the Regional Conservation Partnership Program (RCPP), especially the
39 ongoing USA Rice/Ducks Unlimited Rice Stewardship Partnership. We encourage continuation
40 of this program, and we support additional Environmental Quality Incentives Program (EQIP)
41 dollars to support continued advancement in irrigation water management technologies and best
42 practices.
43

44 We support the U.S. Cotton Trust Protocol (USCTP) and encourage members to enroll in this
45 program, which aims to bring quantifiable and verifiable goals and measurements in sustainable
46 cotton production to the discussion as we continue to move towards improvement in six key

1 sustainability metrics of land use, soil carbon, water management, soil loss, greenhouse gas
2 emissions, and energy efficiency. We believe farmers enrolled in the USCTP should be eligible
3 for bonus payments and incentives under various farm bill programs.

4
5 We support the development of Ecosystems Services Markets (ESMs) either through public
6 policy or the private market provided they are free of excessive government mandates and offer
7 sufficient incentives for landowners for the conservation activity. Such marketplaces could offer
8 farmers additional revenue streams for voluntary conservation activities related to
9 carbon/greenhouse gas reductions and capture activities, water quantity/quality improvement
10 activities, soil health enhancement practices, energy production and use activities, wildlife
11 habitat services, and other related activities that carry known and measurable positive
12 environmental impacts. Such practices have been studied and recommended for such markets by
13 the Noble Institute and the Ecosystems Services Market (ESM) Consortium. The development of
14 such programs should not come at the cost of existing conservation programs or other Farm Bill
15 program funds.

16
17 We support enhanced conservation program payments for voluntary “climate smart agriculture
18 and forestry” practices that enhance land use efficiency, improve soil health, reduce water use
19 and energy use, and mitigate greenhouse gas emissions. These practices aim to increase
20 resiliency and adaptation to concerns related to climate change. We also support use of
21 Commodity Credit Corporation (CCC) payments for certain voluntary activities that are deemed
22 to be beneficial in relation to reducing carbon emissions or sequestering carbon provided new
23 funding is made available for such payments in a manner that does not conflict with existing
24 CCC funds that may be needed for emergency needs or other programs.

25
26 **With the USDA funding announcements by Secretary Vilsack to support various climate**
27 **smart initiatives, we are committed to working with USDA and grant recipients to**
28 **implement programs that provide the greatest benefit to farms in Arkansas.**

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

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

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

40 We believe any new climate smart agriculture and forestry programs should reward early
41 adopters remain available to all acres that engage in eligible practices in future years. We believe
42 payments for these voluntary practices should be at a level and rate that would likely to lead to

1 greater adoption among Arkansas farmers. Such programs should be made available to all
2 regions and all commodities.

3 **Energy Title**

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

10
11 The Ag Council also encourages continued support for research and development to promote
12 increased production and utilization of ethanol, biodiesel, renewable diesel, and all other
13 alternative energy sources. The Ag Council supports tax credits as incentives to promote
14 research, development, production and utilization of all alternative energy sources. As the
15 alternative fuel infrastructure develops, the Ag Council encourages utilization of alternative fuels
16 by governments for State and Federal vehicles. The Ag Council also encourages the use of
17 biodiesel and renewable diesel fuel in farm equipment. The Ag Council supports any tax credits,
18 loan programs or grants available to producers that purchase equipment or technology that will
19 improve energy efficiency, reduce energy usage on farms, increase use of renewable energy, and
20 improve irrigation systems.

21
22 The Ag Council opposes mandates on fuel storage infrastructure on farms if such regulations are
23 cost prohibitive or unwarranted. The Ag Council objects to any efforts to retroactively enforce
24 compliance with any federal regulation pertaining to on farm fuel storage.

25
26 We support expansion of the Rural Energy for America Program (REAP), which provides
27 guaranteed loan financing and grant funding to agricultural producers and rural small businesses
28 for renewable energy systems or to make energy efficiency improvements.

29
30 **Credit Title**

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

37
38 We strongly support an increase to the amount of funding available for the guaranteed loan
39 programs be increased to match demand and prevent a backlog of unfunded loan applications.
40 We encourage new credit programs that incentivize investments and purchases of new
41 technologies that advance agriculture in the areas of energy production, energy savings,
42 production efficiency, environmental sustainability, labor management, and other farm operation
43 systems. We also encourage the investment in and acceleration of innovative start-up businesses
44 developing products and services in this area.

45

1 **Trade Title**

2 The Ag Council would like the USDA to work with the Department of Commerce and other
3 agencies to expand trade opportunities, resolve trade disputes, and promote U.S. agriculture
4 products in foreign markets. The Ag Council also encourages USDA and other relevant trade
5 related agencies to serve as an advocate for U.S. agriculture when it comes to trade enforcement
6 and market development.
7

8 We support the efforts of USDA and USTR to proactively pursue WTO cases against
9 competitors who are in violation of their WTO obligations, and we support sufficient funding to
10 USDA for purposes of investigating and prosecuting such cases as well as providing defense for
11 U.S. agriculture interests.
12

13 The Ag Council urges increased funding and implementation of the export Foreign Agriculture
14 Services' enhancement programs so as to provide maximum benefit to producers. The Market
15 Access Program (MAP), Foreign Market Development (FMD) program, and other related
16 programs are important to promotion and market development for U.S. commodities. U.S. trade
17 policy and trade negotiations should enhance U.S. farm programs and thereby lower the cost of
18 such programs.
19

20 We support efforts to establish an office at USDA that would provide additional oversight and
21 protection the U.S. agriculture industry from threats of espionage, intellectual property and trade
22 secret theft, foreign direct investments, and other potential foreign and domestic threats to
23 American agriculture.
24

25 **Nutrition Title**

26 The Ag Council would like the federal government to utilize U.S. commodities to feed low
27 income, mal-nourished in the U.S. and around the world. We believe that school meal programs
28 are an important piece of the Nutrition Title of the Farm Bill, and we believe that these meals are
29 important to the health and education of children in America. The Ag Council strongly believes
30 that any additional funding for nutrition should not come from other agriculture programs.
31

32 The Ag Council believes that some savings could be achieved in administrative costs and
33 through reducing fraud and abuse within existing nutrition programs. In addition, the Ag
34 Council believes nutrition programs and other similar welfare programs should do more to
35 encourage participants to seek education, job training, and employment opportunities. Such
36 efforts should be designed to ultimately help citizens reduce and eliminate their dependence on
37 welfare programs.
38

39 The Ag Council believes that the Nutrition Title is a key component of farm and food policy and
40 should be included in a comprehensive farm bill. The Ag Council does not support efforts to
41 divorce the nutrition title from the other titles included in the farm bill. The Ag Council
42 understands that nutrition programs provide a market for agricultural commodities, helps feed
43 the less fortunate, and improves the economic conditions of food makers, transportation
44 companies, and food retail stores.
45

46 **Rural Development Title**

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

8
9 We encourage more investments in entrepreneurship and innovation in agriculture particularly as
10 it relates to value-added, bio-based products as well as production and processing efficiencies
11 and agriculture technologies in an effort to create new jobs, advance agriculture with new
12 products and services, and grow our economy. In order to ensure that agriculture technologies
13 can come to market, we encourage state and federal government to support initiatives and
14 programs to deliver broadband internet access and cellular networks to agricultural areas to
15 support technologies such as Internet of Things (IoT), autonomous machinery and robots,
16 advanced monitoring and control systems, and other artificial intelligence systems that support
17 agriculture. We support widespread use of American Rescue Plan funds and other federal funds
18 through USDA and other federal agencies for expansion of broadband in rural areas, especially
19 those areas lacking connection or those with insufficient upload and download speeds.

20
21 We believe rural electric cooperatives should be eligible for accessing rural broadband funds set
22 aside through telecommunication fees collected by consumers for purposes of delivering
23 broadband communication systems in underserved areas. We further believe rural electric
24 cooperatives should be eligible for all other state or federal rural broadband funds provided they
25 seek to use funds to expand broadband access in underserved areas.

26
27 We also encourage and support accelerator and venture capital initiatives designed to stimulate
28 innovation and entrepreneurship within agriculture. We continue to support the AgLaunch
29 Program of Memphis, the Winrock/Accelerate Arkansas Delta I-Fund Accelerator program, and
30 other similar regional initiatives.

31
32 We oppose any effort of USDA Agriculture Marketing Service (AMS) to terminate operations at
33 the Dumas Cotton Classing Office. We encourage our Congressional delegation, USDA AMS,
34 and the State of Arkansas to consider all available options for maintaining the facility and
35 operations in Dumas. The office is considered profitable and serves an important role for the
36 cotton industry of Arkansas and the economy of Southeast Arkansas.

37 38 **Research Title**

39 *Research and Extension Services:*

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

1
2 The Ag Council believes check-off funds should continue to be invested in research projects
3 done by the University of Arkansas’s Division of Agriculture Research and Extension Service.
4 We encourage collaboration with other research institutions in Arkansas.

5
6 The Ag Council encourages the UofA, USDA, and other government research institutions to
7 research, verify, and develop new technologies in information technology systems to increase
8 efficiency in energy and water use, chemical applications, and other components of precision
9 agriculture. Such technologies include, but are not limited to, smart phone and tablet apps,
10 unmanned aerial vehicle systems, robotics and artificial intelligence, farm data management and
11 analytics, remote irrigation and energy controls, irrigation systems management, field monitors
12 and sensors, and other technologies of the future.

13
14 *Agriculture Research Service:*

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

22
23 The Ag Council is concerned about the impact of staff losses to the National Institute for Food
24 and Agriculture (NIFA) and the Economic Research Service (ERS) following the decision to
25 move the offices from the Washington, D.C., area to Kansas City. We encourage USDA to
26 quickly ensure appropriate staff and financial resources to these agencies which provide key
27 services to the U.S. agriculture industry.

28
29 *Congressionally Directed Spending:*

30 The Ag Council understands that Congressionally directed spending in the form of “earmarks”
31 may be necessary to quickly direct federal funds to agriculture research projects critical to
32 Arkansas and the agriculture industry, and we support the use of earmarks for such purposes.
33
34
35

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 to reform the ESA to ensure the ability of working farmlands to
8 continue their operations without disruptions unless absolutely warranted.

9
10 The Ag Council believes that new listing of certain mussel species under the Endangered Species
11 Act should not prohibit or restrict a farmer's ability to continue their farming operations.

12
13 The Ag Council believes that the USFWS and USDA APHIS Wildlife Services should provide
14 landowners, farmers, and aquaculture operators with a sufficient permitting process to address
15 the concerns related to invasive and predatory species such as the double breasted comorant and
16 feral hogs.

17
18 *Pollinator Health:*

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

26
27 *USFWS Lacey Act and Carp:*

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

31
32 *Double Breasted Cormorant:*

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

36
37 *Feral Hogs:*

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

1 **Labor Policy**

2 *Right to work status:*

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

5
6 *Migrant Labor:*

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

11
12 *Department of Labor (OSHA):*

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

17
18 *Worker's Compensation:*

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

26
27 We support legislative fixes proposed by the Arkansas State Chamber of Commerce to limit fund
28 liability for the Death and Permanent Disability Trust Fund as well as those relating to
29 subrogation rights for the AG COMP SIF.

30
31 *Overtime Rules:*

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

35
36 The Ag Council supports new laws approved by the 91st General Assembly related to donning
37 and doffing that establish that an employer is not subject to liability on account of the failure of
38 the employer to pay an employee minimum wage or to pay an employee overtime compensation
39 for or on account of certain activities that are not principal to the employee's job.

40
41 *Worker Protection Standard:*

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

44
45 **Tax Policy**

46 *Social Security:*

1 We oppose further increases in Social Security taxes.

2
3 *Estate Taxes:*

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

10
11 *Opportunity Zones:*

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

19
20 *Other Taxes:*

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

25
26 *Federal Tax Reform:*

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

30
31 We oppose any efforts of reforming federal tax laws in a manner that would increase the tax
32 liability of farming operations.

33
34 *Arkansas Tax Reform:*

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

41
42 We believe property taxes should not be increased to accommodate any decreases in income tax
43 rates or any other tax benefits offered by government.

44
45 We support reduced income tax rates for individuals and businesses provided they are not paid
46 for by an increase to taxes on agriculture.

1
2 We generally supported the recommendations of the Arkansas Legislative Task Force for Tax
3 Reform and Relief, and we were pleased with the various changes to the state’s tax laws during
4 the 92nd and 93rd General Assembly as they reduced tax burdens for individuals and corporations,
5 maintained critical sales and use tax policy for Arkansas agriculture, and avoided increased
6 property taxes for Arkansas farmland owners.
7

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

15 We appreciate recent actions of the 93rd General Assembly in Act 1 of the 3rd Extraordinary
16 Session which brought Arkansas into conformity with federal tax law regarding Section 179
17 advanced depreciation deductions for purchases of machinery and equipment placed into work
18 for farms and businesses.
19

20 We support changes to the state tax laws to provide greater alignment and consistency with
21 federal tax law where such alignment would benefit farms and agricultural businesses.
22

23 We would support the following changes to state tax laws to benefit Arkansas farms and
24 agriculture businesses:
25

- 26 • Extend net operating loss-carryover for income averaging purposes beyond 10 years
- 27 • Reduce or eliminate the state’s ability to tax farm program and ad-hoc assistance
28 payments as income
- 29 • Reduce or eliminate sales and use taxes on parts and labor for used equipment and
30 replacement parts.
31

32 **Bankruptcy Policy**

33 The Ag Council supports statutory increases to debt levels to qualify for Chapter 12 bankruptcy.
34 We were pleased to see these levels increased in 2019. Such increases are important to reflect the
35 size and scale of U.S. agriculture and the costs associated with farming.
36

37 **Health Care Policy**

38 In light of the recent dissolution of the BRAVO Association Health Care Benefit Program for
39 industry associations, the Ag Council encourages the organization to seek out new potential areas
40 of collaboration in seeking more affordable health care options for members.
41

42 The Ag Council opposes federal mandates for businesses to provide health care to all employees.
43 The Ag Council supports the development of low-cost care systems and improved care for all.
44

45 **Regulatory Policy**

46 *Regulatory Agencies:*

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. We also support grandfathering relevant tariffs and usage rates as well as net
15 metering ratios for renewable projects established throughout Arkansas.

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

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

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

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

40
41 The Ag Council supports the development and use of renewable fuels from agricultural sources.
42 Policies that support the development and use of such fuels provide an alternative market for
43 agricultural commodities and helps create stability in commodity markets. Any policies to create
44 a mandate for the development and use of such fuels should provide adequate “off-ramps”
45 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, railroad strikes, and other transportation
32 union strikes which can pose serious threats to exports and domestic marketing of farm
33 commodities. With due regard to the position of both labor and domestic marketing of farm
34 commodities, we believe it is in the national interest and essential to the well-being of agriculture
35 in America, that government action be taken to prevent prolonged work stoppages in our nation's
36 transportation 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 91st and 92nd 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 92nd 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 With the rapid growth in electric vehicles expected over the next several years, we remain
31 concerned with this transition for several reasons primarily vehicle reliability, vehicle capability,
32 vehicle costs, and lack of existing infrastructure to maintain electric charges and a lack of
33 methods to collect sufficient revenues for highway infrastructure which will be lost due to lower
34 fuel tax collections.
35

36 The Ag Council understands that Congressionally directed spending in the form of “earmarks”
37 may be necessary to quickly direct federal funds to transportation projects critical to Arkansas
38 and the agriculture industry, and we support the use of earmarks for such purposes. We believe
39 that transportation infrastructure in Arkansas is an investment in national infrastructure and for
40 economic growth.
41

42 **Water and Water Infrastructure Policy**

43 The Ag Council recognizes the efforts of the officers of the various districts, the Mississippi
44 River Commission, the Corps of Engineers, and the Natural Resources Conservation Service,
45 participating in flood control and improvement of lands in Arkansas. The Ag Council

1 recommends that Congress direct the Corps to include availability of agricultural irrigation water
2 in their studies.

3
4 The Ag Council believes Congress and the Administration should develop a new infrastructure
5 plan that provides adequate funding for agricultural irrigation projects of national significance
6 and domestic security to help finance the construction and completion of irrigation distribution
7 systems that utilize conjunctive water management to deliver surface water during periods of
8 excess flows to agricultural areas producing food crops critical to our nation's security
9 domestically and internationally. Projects eligible to qualify for funding should be in the
10 construction phase and ready to build. Projects with public private partnerships and state and
11 federal government cost sharing should be given great consideration. Priority should be placed
12 on projects located in areas identified as having groundwater shortages by state government
13 entities or the federal government.

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

21
22 The Ag Council urges expedited completion of the river basin projects in Arkansas for which
23 funds have been authorized and appropriated. The Ag Council supports maximum appropriations
24 for all lower Mississippi Valley flood control and improvement projects.

25
26 The Ag Council urges authorization and appropriation of federal funds for maintenance of banks,
27 dikes and control structures along the Arkansas River. The Ag Council also supports funding for
28 inland ports and waterways. The Ag Council supports a 12' navigational channel in the
29 MKARNS. The Ag Council also supports dredging the lower Mississippi River, but not at the
30 expense of other water infrastructure projects in Arkansas.

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

40
41 The Ag Council supported Acts 359, 267, 266, and 265 approved by the 93rd General Assembly
42 to help improvement and levee districts in their efforts to collect assessments, dissolve, and
43 consolidate to better ensure appropriate upkeep and improvements to levee systems managed by
44 levee districts.

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

3
4 The Ag Council supports completion of the work proposed by the Corps of Engineers to improve
5 the Mississippi River levees, from Cape Girardeau, Missouri, to the Gulf of Mexico, so as to
6 fully protect the citizenry and property in the states of the lower Mississippi Valley.

7
8 The Ag Council also supports legislation to preserve wildlife habitat by authorizing the Secretary
9 of the Army, acting through the Chief of Engineers, to acquire easement in lieu of fee for lands
10 designated for acquisition in mitigation of losses or damage to fish and wildlife resulting from
11 Federal improvement.

12
13 The Ag Council recognizes that beavers have become a major impediment to drainage of both
14 farm and timber lands in Arkansas. The Ag Council pledges its cooperation with federal, state
15 and local agencies in searching for a solution to this problem.

16
17 The Ag Council supports the efforts of the US Geological Survey to map ground water reservoirs
18 throughout the alluvial aquifer basin for purposes of learning more about the position of
19 groundwater throughout the aquifer. We urge the USGS and USACE to continue its studies on
20 potential surface water to groundwater transfers to help recharge groundwater aquifers.

21
22 The Ag Council strongly supports use of American Rescue Plan Act (ARPA) funding for water
23 related infrastructure including water and waste-water systems, irrigation districts, drainage
24 districts, levee districts, and other water infrastructure that provides benefit to Arkansas's
25 agriculture industry.

26
27 The Ag Council understands that Congressionally directed spending in the form of "earmarks"
28 may be necessary to quickly direct federal funds to water infrastructure projects critical to
29 Arkansas and the agriculture industry, and we support the use of earmarks for such purposes. We
30 believe that flood control, navigation, and irrigation infrastructure in Arkansas is an investment
31 in national infrastructure and for economic growth.

32
33 *Drainage – Section 404:* The Ag Council believes in a healthy environment, and we are
34 committed to good drainage as we, know it to be essential to the productivity of the alluvial areas
35 of the country. The Ag Council is convinced that a reasonable balance can be achieved for the
36 good of the country between these two objectives if EPA and Corps of Engineers will
37 promulgate sensible regulations and administer them in a wise manner. The Ag Council opposes
38 the unfair increases in fees for obtaining a Section 404 permit which were proposed at one time
39 by the Corps of Engineers.

40
41 The Ag Council recommends restricting Section 404 jurisdiction to the historical definition of
42 "navigable waters." We also think Congress should adopt a reasonable definition of "wetlands."
43 We further recommend that any new legislation make it clear that the Corps of Engineers has
44 final authority to issue permits under Section 404. The Ag Council believes decisions on 404
45 permits should be rendered within six months.

1
2 *Farmed Wetlands:* We believe that any farmland that was in cultivation prior to 1985 should be
3 considered prior converted cropland regardless of how long water may stand on it during the
4 growing season.

5
6 **Food Safety Policy**

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

11
12 The Ag Council supports federal funding for USDA inspections of imported catfish from
13 overseas. This program was first authorized in the 2008 Farm Bill and reauthorized in the 2014
14 Farm Bill, finally went into full effect in early 2016 and has proven to be effective as many
15 shipments have already been rejected by USDA inspectors. We oppose any and all proposals
16 that would place catfish inspections in the FDA instead of the USDA.

17
18 The Ag Council also supports recently approved laws to identify country of origin labeling for
19 catfish and catfish like species sold in Arkansas restaurants and by food services to better inform
20 consumers. The Ag Council believes consumers should receive such notice at restaurants,
21 cafeterias, lunch-room, food stands, and other similar food facilities in Arkansas.

22
23 The federal government should establish an indemnity program for errors made by regulatory
24 agencies in food contamination recall cases.

25
26 The Ag Council supports recent grants under the Coronavirus Aid, Relief and Economic Security
27 (CARES) Act from the Arkansas Department of Agriculture to support local meat processing to
28 ensure a stable food supply and greater access to locally grown meat. We also support expansion
29 of this program, and the establishment of a state-wide meat inspection program to support the
30 growth of local meat processors.

31
32 We supported Act 418 of the 93rd general Assembly, which established a state meat inspection
33 program, and Act 918, which provided an appropriation for the state meat inspection program.
34 We were pleased Arkansas received certification by USDA for the new inspection program, and
35 we encourage the legislature to ensure the new program receives funding to become fully
36 operational.

37
38 The Ag Council is concerned with the use of food labels that are misleading to consumers,
39 particularly as it relates to “rice pretenders,” those who market products with little or no rice as
40 something that contains rice. We encourage the FDA to address this concern to ensure that no
41 food products can be described as rice without containing the grain or components derived from
42 the grain. We support the truth in labeling laws approved by the 92nd General Assembly (Act 741
43 and Act 501) to establish state standards for food labeling and penalties for false and misleading
44 labels as it relates to rice, and to allow the Plant Board to penalize related violations. We
45 encourage the Arkansas Department of Agriculture and the General Assembly to continue efforts
46 to combat the mislabeling issue, particularly as it relates to rice.

1
2 **Commodity Market Oversight Policy**

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

10
11 **Commodity Policies**

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

15
16 *Rice:* Rice has long been the world's number one food grain. It has become Arkansas' largest
17 program crop. It is vital to the state's economy and to Ag Council members. In order to fulfill
18 America's desire to help feed the world's needy people we recommend full use of all government
19 programs to maximize the exportation of rice.

20
21 We support the USA Rice Federation’s efforts to use all the money from the Columbian Free
22 Trade Agreement Tariff Rate Quotas (TRQ) for research.

23
24 We support the development of the new Northeast Arkansas Rice Research and Extension Center
25 (NERREC) as it looks to play an important role in supporting the Arkansas rice industry. We
26 recognize the need for the University of Arkansas System’s Division of Agriculture to raise
27 matching funds to meet its commitment to endow the new station and its operations, and we
28 therefore support the exploration of various opportunities to source funds for this purpose.

29
30 The Ag Council urges the governor and legislature to fund the \$16.5 million appropriation
31 established in Act 582 for purposes of funding multiple priorities of the UofA System’s Division
32 of Agriculture, including the NERREC, in lieu of a previously proposed private land sale of parts
33 of the University’s Pine Tree Research Center. We appreciate the \$6 million in surplus funds
34 secured by Governor Hutchinson and approved by the General Assembly in 2022 to aid the
35 UofA in some of its priorities, and we encourage continued progress in delivering more funds for
36 the remaining balance.

37
38 The Ag Council believes rice should be promoted as a nutritious food based upon its qualities.
39 The USDA, FDA, and other relevant federal and state agencies should encourage rice
40 consumption as an important component to any meal. The Ag Council believes arsenic levels
41 occurring in rice are naturally occurring organic or inorganic, and are not at levels deemed
42 harmful to human health. We support the FDA’s efforts to work with industry and researchers to
43 determine how arsenic levels in rice may be decreased.

1 We are concerned with stagnant and declining revenue levels collected and allocated to research
2 and promotion of rice, and we encourage the rice industry and the General Assembly to explore
3 various opportunities to strengthen the rice check-off program with additional investments.
4

5 *Soybeans:* The assurance of viable Soybean seed is vital to Arkansas' farmers. We encourage
6 uniform standard testing of soybean seed and results made available to farmers upon request.
7 The Ag Council supports continued development of biodiesel and renewable diesel from
8 soybeans. We support the Natural Soybean and Grain Alliance (NSGA), which was established
9 to develop new markets for non-GMO soybean varieties in an effort to provide farmers with
10 premiums for new niche markets.
11

12 *Cotton:* The Ag Council encourages cotton commodity brokers to be bonded. The Ag Council
13 supports the seed cotton Price Loss Coverage (PLC) Program. We encourage further incentives
14 from USDA and Cotton Incorporated to develop woven and non-woven markets in the U.S.
15 through investments in innovation and consumer demand. We also encourage Cotton
16 Incorporated to continue to contrast natural fibers with synthetic fibers to identify environmental
17 advantages associated with cotton. We encourage Ag Council members to enroll in the U.S.
18 Cotton Trust Protocol.
19

20 *Peanuts:* The Ag Council supports the continued growth of the peanut industry in Arkansas,
21 especially the newly developed Delta Peanut LLC company, which is composed of many Ag
22 Council of Arkansas members. We will support the policy needs of this industry as it continues
23 to develop and grow in Arkansas, including the exploration of a research and promotion board.
24

25 **Fertilizer Costs**

26 The Ag Council supports efforts to conduct a feasibility study on the viability of developing and
27 operating fertilizer production facilities in Arkansas for the purposes of increasing competition
28 among producers and providing farmers with lower cost options for fertilizers. The Ag Council
29 supports the reduction or elimination of duties on imported fertilizer products in order to keep
30 such costs to a minimum.
31

32 **Property Rights Policy**

33 *Trespass:*

34 The Ag Council supports private property rights and encourage the strict enforcement of trespass
35 laws. Additionally, we support newly approved laws from the 91st General Assembly that would
36 assign felony crimes to individuals previously convicted two times for criminal trespass provided
37 proof of intent to steal can be determined on the act of trespass.
38

39 We support laws approved in the 91st General Assembly that would strengthen employers'
40 defenses against common forms of corporate espionage and employee sabotage by prohibiting
41 any person from placing a camera or electronic surveillance device on the employer's premises
42 without permission. The law also prohibits employees from capturing or removing the
43 employer's data, papers or records, or from recording sounds or images. We believe the
44 Arkansas Attorney General should defend this law vigorously when under challenge by non-
45 agricultural interest groups.
46

1 *Eminent Domain:*
2 Property acquired under the right of eminent domain, when not used for the purpose for which it
3 was taken, should be offered for resale to the person from whom it was seized at the price at
4 which it was confiscated.

5
6 The Ag Council opposes the use of eminent domain in the development of utility transmission
7 lines and other energy systems, especially in instances that primarily benefit private parties rather
8 than the general public. Landowners should be compensated adequately for any land use for
9 such purposes.

10
11 If any governmental entity takes, appropriates, seizes, restricts, or modifies the use of private
12 property, the owner should be adequately compensated for any present or future loss.

13
14 *Landlord:*
15 The Ag Council supports Article 9 of the Arkansas Uniform Commercial Code that gives
16 automatic priority status of landlord liens on crops under Ark. Code Ann. Section 18-41-101.

17
18 *Foreign Ownership:*
19 The Ag Council supports enhancing certain restrictions regarding foreign ownership of farmland
20 and industry infrastructure in the United States. Additional reporting, risk analysis, and potential
21 limits on foreign ownership may be warranted. At a minimum, the Ag Council supports better
22 reporting, additional reviews and detailed analysis of foreign investments to determine potential
23 risks and to better understand the level of foreign ownership of agricultural production and
24 processing.

25
26 **Welfare Policy**

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

33
34 The Ag Council supports new reforms to welfare programs, including nutrition programs, in
35 order to limit the eligibility and use of these programs and encourage participants to seek and
36 accept employment opportunities.

37
38 *Workforce Development:*
39 The Ag Council supports public investment in workforce education and training for agriculture
40 sector to improve local labor pool for employers. Workforce shortages in agriculture is a
41 growing threat to the industry and additional public resources are needed to invest in workforce
42 training and development that expands the labor pool in agriculture jobs and careers. Such
43 investments should be made towards enhancing work ethic; ag technology; machinery &
44 equipment; and maintenance/repair work.

45
46

1 **Anti-Trust Policy**

2 Ag Council members are increasingly concerned with recent and ongoing mergers and
3 consolidation between agricultural suppliers and the resultant erosion in competition reflected in
4 increased prices of crop production inputs (primarily seed, fertilizer, and ag chemicals).
5

6 In addition, we are concerned with the market power among grain merchants. Recent activities
7 during the 2018 harvest period related to basis and adjustments to soybean damage discount
8 schedules and moisture discounts negatively impacted farmers. We support the Grain Grading
9 Act of 2019, which established greater adherence to grading standards and better ways for sellers
10 to challenge the grade findings and discounts of buyers. These activities should be closely
11 reviewed by appropriate state and federal government entities to determine if there should be
12 reforms to state or federal laws and regulations to better protect farmers.
13

14 The Ag Council is concerned about recent consolidation among grain merchants in the
15 Mississippi River corridor, and we urge appropriate state and federal oversight of such deals to
16 review any risks associated with foreign ownership or concentration of market power.
17

18 The Ag Council believes it is crucial that producers not be placed at the mercy of one or two
19 dominant companies for various input products and post-harvest services. Such consolidation can
20 lead to fewer seed and crop protection choices, higher input prices, reduced customer care, lower
21 farm income and generally a lack of innovation and competition.
22

23 Due to the economic challenges facing row crop farmers (ever increasing input cost, historically
24 low commodity prices, and shrinking farm income), we encourage seed and crop protection
25 companies to consider reducing the costs of their products.
26

27 We encourage the federal government to increase investments in land grant university research
28 for agriculture seed and crop protection technologies in order to stimulate innovation in this area,
29 encourage competition in science, and to develop and maintain more affordable alternative
30 options for producers to counter the expected issues related to mega merger consolidation of seed
31 and crop protection companies.
32

33 The Ag Council recommends that the Arkansas Attorney General and the U.S. DOJ continue to
34 remain vigilant in identifying and prosecuting violations of anti-trust laws, especially as they
35 relate to agriculture suppliers, grain merchants, agricultural service and equipment providers.
36

37 *Right to Repair:*

38 The Ag Council supports greater access to after-market repairs and replacement parts, including
39 software (components/subscriptions), for farm machinery and equipment.
40

41 **Education Policy**

42 The Ag Council supports required learning related to educating students of the importance of
43 agriculture to our economy and our nation's history. Students should learn more about the farm
44 families that produce the food they eat. The Ag Council supports scholarship programs to
45 students seeking degrees related to agriculture.
46

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

8
9 The Ag Council supports the Ag Council of Arkansas Trust and the Presidents' Scholarship
10 program, which aims to provide financial aid to students at the University of Arkansas-
11 Fayetteville and Arkansas State University who are seeking education in agriculture related
12 studies and who are likely to enter the workforce. The Ag Council encourages members to
13 contribute to this effort with donations, mentorships, and internships for scholarship recipients.

14 **Science Policy**

15 *Biotechnology:*

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

20
21
22 The Ag Council urges USDA and other appropriate governmental agencies to expedite the
23 testing and release of recombinant plants containing the useful genes which have the potential to
24 render crop production more efficient.

25
26 The Ag Council encourages research to develop traits beneficial to consumers which will open
27 new uses and new markets for commodities.

28
29 The Ag Council encourages the development and deployment of new technologies in the area of
30 artificial intelligence, robotics, internet of things (IoT), data processing and analytics, and other
31 emerging technologies that can advance agriculture, improve efficiency in agriculture, and make
32 farming more profitable.

33 **Immigration Policy**

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

37
38
39 We oppose any legislation to further limit the number of migrant workers in agriculture or any
40 legislation that makes it more difficult to hire such labor, including cumbersome paperwork and
41 costly identification systems.

42
43 We appreciate recent efforts of the Arkansas Department of Agriculture to aid Workforce
44 Services to expedite paperwork related to inspections of housing. We encourage expansion of
45 these services by the Department of Agriculture to help ensure a more efficient application
46 process and greater advocacy for intra-government policy related to critical H2A labor.

1 We support state and federal funding for the operations of the H2A visa program.

2

3

4

5

6

7

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, assist in commodity marketing programs, and aid in the efficient function
10 of state government in relation to critical programs, laws and regulations regardless of
11 department or agency.
12

13 The Ag Council supports raising the awareness of the importance of agriculture to the state’s
14 economy among the citizens of Arkansas and within state government. The Ag Council will
15 assist in the development of marketing strategies to enable the producer to receive a fair market
16 price. Development of alternative fuel production and use is just one example of added value to
17 oil seed production that the Agriculture Department should explore. The Arkansas Department
18 of Agriculture should continue to encourage innovation in the agriculture industry and develop
19 markets for Arkansas grown products.
20

21 The Arkansas Department of Agriculture should continue to work directly with farmers in
22 Arkansas and seek their advice. The Ag Council would like to work with the Department of
23 Agriculture to educate members of the state legislature on the functions and purposes of the state
24 commodity promotion boards.
25

26 The Secretary of Agriculture should be a strong proponent and supporter of row-crop production
27 in Arkansas and be familiar with the state’s agriculture industry and state government.
28

29 Generally speaking, we support efforts of the Agriculture Department to seek efficiencies in use
30 of tax dollars by eliminating duplicative or outdated expenses and making reinvestments in
31 matters of critical importance today. However, we express concern about too much agency
32 reform without proper review and input from agriculture groups like the Ag Council. We
33 encourage the Governor and Secretary of Agriculture to work closely with us and other
34 agricultural organizations in the state as they continue to enhance the agency and its contribution
35 to the state’s top industry. Such work should initiate well in advance of future legislative sessions
36 in order to fully vet any proposal to improve efficiencies. We appreciate being able to provide
37 input and guidance in the development of the Government Transformation Act approved in 2019.
38

39 We believe any efficiency measures, legislative or administrative, should not impact the makeup
40 and constructs of the Plant Board or its authorities in establishing rules and regulations.
41

42 We were pleased that the Government Transformation Act approved by the 92nd General
43 Assembly strengthened the Arkansas Department of Agriculture while maintaining the structure
44 and functions of the State Plant Board. We were also pleased to see the Department of
45 Agriculture absorb the Arkansas Natural Resources Commission and the unpaved roads program.
46 We believe the Department of Agriculture and its related agencies will be able to better serve the

1 interests of Arkansas agriculture and rural communities by working together through the
2 Department of Agriculture.

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

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

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

26
27 **Arkansas State Plant Board**

28 *Role in Chemical Permit Requests:*

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

38
39 The Ag Council strongly supports the State Plant Board and the role it plays in regulating the
40 agriculture industry. We believe that the volunteer system of self-regulation by industry is
41 superior to allowing such decision-making authority to government bureaucrats. We believe it's
42 also critical that industry groups maintain an opportunity to help recommend people from their
43 organizations to serve.

44
45 We believe that the positions assigned to the Plant Board, as individuals, must be actively
46 engaged in their respective industry segments in Arkansas in order to serve in those roles.

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Penalty Matrix:

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

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

New seed and crop protection technologies:

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

Abandoned Pesticide Program:

The Ag Council supports the abandoned pesticides program administered by the Plant Board. This program, which allows for safe disposal of crop protection programs serves a very important purpose and role in protecting the environment and ensuring sustainable use of crop protection products. We believe this program should be expanded to include more opportunities to dispose of products in East Arkansas.

Seed pre-emption clarification:

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

Industrial Hemp:

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

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

6
7 **Check-off/Commodity Support Programs**

8 The Ag Council continues to support mandatory check-offs for cotton, soybeans, rice, wheat, and
9 corn and grain sorghum in Arkansas. The Ag Council believes the state should explore the
10 possibility of developing a new check-off program for peanuts to support research and promotion
11 of this industry, which continues to expand and grow in Arkansas. The Ag Council strongly
12 believes the Ag Council and other producer interest organizations should continue to have a role
13 in recommending persons to serve on research and promotion boards. We are committed to
14 working with the governor to identify qualified candidates to serve in these important positions.
15 In addition, the Ag Council believes the research and promotion boards should continue to
16 represent grower interests by requiring all board members be farmers.

17
18 The Ag Council supports the programs of Cotton Incorporated, the National Cotton Council,
19 Arkansas Soybean Association, the Arkansas Soybean Promotion Board, the United Soybean
20 Board, the Arkansas Rice Research Board, the Arkansas Rice Federation and Arkansas Rice
21 Farmers, the Arkansas Wheat Promotion Board, the Arkansas Wheat Growers Association, the
22 Arkansas Corn and Grain Sorghum Board, the United Sorghum Check-off Program, and the Soil
23 Test Review Board. The Ag Council opposes a policy of allowing an individual to
24 simultaneously serve on the USB and on the American Soybean Association Board.

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

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

44
45 The Ag Council strongly supports a nomination and appointment process for all state agriculture
46 related boards and commissions that allows for relevant industry organizations to recommend

1 individuals to serve on behalf of the industry. This opportunity is important as it provides for a
2 peer evaluation and can aid in the selection of qualified business leaders to serve in important
3 roles of government that directly impact agricultural businesses. We encourage the governor to
4 place priorities on individuals who are members of organizations that can provide aid in peer
5 review and peer accountability.

6
7 **Taxes**

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

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

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

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

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

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

1 We appreciate recent actions of the 93rd General Assembly in Act 1 of the 3rd Extraordinary
2 Session which brought Arkansas into conformity with federal tax law regarding Section 179
3 advanced depreciation deductions for purchases of machinery and equipment placed into work
4 for farms and businesses.

5
6 We would support the following changes to state tax laws to benefit Arkansas farms and
7 agriculture businesses:

- 8
- 9 • Extend net operating loss-carryover for income averaging purposes beyond 10 years
- 10 • Reduce or eliminate the state's ability to tax farm program and ad-hoc assistance
- 11 payments as income
- 12 • Reduce or eliminate sales and use taxes on parts and labor for used equipment and
- 13 replacement parts.
- 14

15 **Boll Weevil Eradication Board**

16 The Ag Council supports a post boll weevil eradication maintenance program with assistance
17 from State surplus revenues. The Council should maintain a key role in identifying prospective
18 members for the governor to consider in appointments for the Boll Weevil Board. The Council
19 also supports federal financial assistance for boll weevil maintenance in Arkansas and all cotton
20 producing states.

21
22 The Boll Weevil Board should reduce to the maximum advisable extent overhead costs and fees
23 collected during the post-eradication period while also maintaining enough resources to respond
24 to a future outbreak. The Ag Council believes that the Arkansas Boll Weevil Eradication Board
25 should work with neighboring states and the National Cotton Council to prevent a re-infestation.

26
27 The Ag Council is pleased with the leadership of the Boll Weevil Foundation Board as they
28 successfully repaid ahead of schedule all debt owed to the USDA Farm Service Agency (FSA) as
29 it relates to the boll weevil eradication effort in Arkansas. We are also pleased that the
30 Foundation Board has significantly lowered per acre assessments while still maintaining a viable
31 program.

32
33 The Ag Council is concerned with the 2018 finding of two male Mexican boll weevils in
34 Mississippi, and we believe that this finding further justifies the need and importance of
35 maintaining a trapping program with sufficient response resources should an outbreak occur.

36
37 The Ag Council is concerned with the marketing and sale of cotton seed as a wild game feed for
38 deer as it carries risk of infestation of boll weevils and boll worms due to volunteer cotton and
39 cotton seed feed contaminated with bugs or eggs. We encourage a multi-state effort to mitigate
40 these risks with reasonable safeguards while not hindering much needed market opportunities for
41 cotton seed.

42 **University of Arkansas Division of Agriculture**

43
44 Maximum development of the agricultural potential in any state is dependent on a strong Land
45 Grant institution. A successful College of Agriculture must maintain the interest and support of
46 farmers. The Ag Council will continue to improve communications with the University in order

1 to sharpen farmer interest in research, extension and teaching activities. The Ag Council pledges
2 its full support toward making Arkansas' Land Grant College the best possible. To this end, we
3 support increasing annual funding to the University Division of Agriculture, which has not seen
4 any increase in annual state funding in nearly a decade aside from one-time contributions of
5 surplus funds from Governor Hutchinson and Arkansas Attorney General Leslie Rutledge in
6 recent years. We appreciate funding increases provided by the 92nd and 93rd General Assembly
7 but we suggest this funding increase be increased further and made permanent to continue to
8 serve the needs of the Arkansas agriculture industry and rural communities of Arkansas. We
9 would like to see state surplus funds or eligible federal funds utilized to support the \$16.5 million
10 in funding appropriated under Act 582 of the 93rd General Assembly.

11
12 The Ag Council urges the University of Arkansas and Arkansas State University to engage in
13 research aimed at protecting the right of farmers to continue to use pesticides, fertilizers, growth
14 regulators, common agronomic practices, etc.

15
16 The Ag Council encourages members to consider giving gifts to the University of Arkansas
17 Agriculture Development Council's Foundation. Such gifts enhance the University's abilities to
18 serve the agriculture industry into the future through education, research and extension efforts.

19
20 *Extension Services:*

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

24
25 The Ag Council urges the Experiment Station and the Cooperative Extension Service to continue
26 addressing real-life, on farm problems, such as herbicide resistant weeds. It is imperative these
27 problems be given top priority.

28
29 In addition, the Ag Council would like for the Division of Agriculture to continue to seek and
30 retain highly qualified staff.

31
32 *Research:*

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

40
41 **Tourism**

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

44

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

4
5 The Ag Council supports efforts to generate tourism opportunities in Eastern Arkansas and
6 interest in agriculture history, culture, and rural arts.

7
8 **State Water Plan & Arkansas Natural Resources Commission**

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

12
13 While we had some initial concerns about the process by which the State Water Plan was
14 developed, we agree with most of the findings of the State Water Plan, especially where the plan
15 calls for increased incentives and investment to support the efficient use of surface and ground
16 water for irrigation. The Ag Council was pleased that the State Water Plan did not create
17 restrictions in use of ground or surface water for irrigation. We believe the Water Plan’s
18 recommendation for incentivizing precision agriculture and efforts to reduce energy and water
19 use on farms was very wise, and we look forward to helping change the laws to implement these
20 incentive enhancements.

21
22 The Ag Council believes the Governor and General Assembly should work to ensure that the
23 implementation of the State Water Plan does not negatively impact Arkansas farms.

24
25 We stand ready to assist the Commission, the Arkansas Department of Agriculture, the
26 Governor, and the General Assembly in quickly advancing legislation that will address these key
27 recommendations, which are cited below with comments from our organization:

- 28
29 **1) Tax Incentives and Credits for Integrated Irrigation Water Conservation (Section**
30 **2402.2)** The Ag Council of Arkansas agrees that the legislature should enhance
31 incentives for landowners to make land improvements and adopt certain conservation
32 practices that concern water. We believe the Water Resources Development and
33 Conservation Act (**ACA §26-51-1001 et seq.**) needs to be enhanced by a) increasing
34 allowable tax credits; b) extending the time in which the credits can be claimed; c)
35 expanding the program to include new technologies that can contribute to water savings;
36 d) extending the timeframe for filing the certificate of completion for projects; and e)
37 making tax credits transferable. These enhancements will assist landowners in water
38 conservation efforts.

39
40 **Acts 875 and 563 of the 93rd General Assembly and Act 1073 of the 92nd General**
41 **Assembly greatly improved these programs by addressing most of these items,**
42 **however, we believe these incentives can continue to be improved upon. The Ag**
43 **Council believes Chicot County should be listed as a critical groundwater area for**
44 **purposes of these tax incentives.**
45

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

8
9 **3) Funding Water Resources Development Projects (Section 2402.3)** The Ag Council of
10 Arkansas agrees that the state should increase the amount of funding for infrastructure related to
11 water systems. We support the recommendation that calls for an increase the bond authority for
12 the state from \$300 million to \$600 million for water projects. Increasing this borrowing
13 authority will assist the state in developing much needed water systems for wastewater and for
14 key regional irrigation systems for agriculture that will deliver water to critical groundwater
15 areas.

16
17 With regard to the recommendation regarding nutrient management plans under **Improving**
18 **Water Quality Through Nonpoint Source Management (Section 2402.8 D)**, we would like to
19 once again express our concern and opposition to this provision of the Water Plan. The provision
20 was the result of a recommendation submitted by a single commissioner at one of the later
21 Commission meetings. It would "*encourage the General Assembly to require nutrient*
22 *management plans for the application of poultry litter and animal manure throughout the state.*"
23 We oppose this for several reasons, beginning with the manner in which it was introduced and
24 ultimately included in the Water Plan. The subject of expanding nutrient management plans for
25 poultry litter was not discussed at any of the public meetings where policy was developed, and it
26 was not sufficiently vetted by stakeholders. In addition, there was no substantive scientific
27 evidence presented to suggest a need for such a requirement. We also have concerns about this
28 provision because it would create a new paperwork burden for both the farmer or landowner and
29 government agencies. We currently oppose this recommendation, and we would likely work to
30 oppose any legislative effort to implement this provision.

31
32 We support the continuation of state grants from the ANRC for levees, drainage systems, and
33 other flood control infrastructure. We also encourage the agency to enhance the recordkeeping
34 and efficiency of tax credit programs to ensure compliance with applicable law and rules, and to
35 assist the industry in telling the story of conservation activities taking place under these
36 programs. We also urge the agency and Department of Agriculture to focus on promoting the tax
37 credit programs to Arkansas farmers to provide greater participation for riparian repair and water
38 conservation and development.

39 40 **Education**

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

1 products and services, and grow our economy. We support greater workforce development for
2 agriculture related jobs and careers through all levels of education institutions.

3
4 **H2O Initiative & PipePlanner**

5 The Ag Council of Arkansas is a partner in the H2O Initiative with Delta Plastics and other
6 stakeholders in an effort to reduce water consumption through the adoption of conservation
7 programs and best management practices and technologies including multiple inlet irrigation,
8 alternate wetting and drying, surge valves, soil moisture monitoring, and other advanced
9 irrigation water management systems. A key component is utilization of irrigation efficiency
10 software known as PipePlanner. We will work to educate water users to the benefit of utilizing
11 these no-cost programs in an effort to increase adoption. Minimizing water consumption will
12 help sustain water supply, conserve energy, minimize water waste and run-off, and save farmers
13 money.

14
15 We encourage Ag Council members to contact their extension agents or representatives of Delta
16 Plastics to take flow rate measurements of their irrigation wells in order to utilize the
17 PipePlanner program to better conserve water. We also encourage use of Delta Plastics “Push for
18 Pickup” smartphone app that aids in the recycling of used polypipe and offers financial
19 incentives to those who utilize the program.

20
21 **Grain Grading Regulations**

22 The Ag Council of Arkansas was concerned with the impact of grain damage discounts applied
23 to the 2018 crops and the inconsistencies in grain grading experienced by farmers marketing
24 their crops. We generally support the Arkansas Grain Grading Act (Act 795) approved by the
25 92nd General Assembly as it is designed to provide more consistent grain grading by buyers
26 through adherence to federal grading standards and provides a mechanism for farmers to
27 challenge grades where significant discounts for damage are applied.

28
29 **Grain Marketing Regulations**

30 The 2014 failure of grain merchandiser, Turner Grain, caused many points of concern for the Ag
31 Council.

32
33 The Ag Council supports Act 601 of the 90th General Assembly, which is known as the Grain
34 Dealer Act. It’s our belief that the Plant Board and its staff has worked diligently in an honest
35 effort to develop rules in accordance with the new act. It’s clear that the Plant Board is
36 committed to protecting farmers and minimizing the risk of a future grain dealer catastrophe like
37 the one experienced through the failure of Turner Grain. The following components of Act 601
38 are important in protecting farmers from falling victim to a similar business failure in the future:

- 39 1. Requirement that grain dealer businesses to be registered and licensed with the State Plant
40 Board;
- 41 2. Requirement that grain dealers to prove a minimal level of creditworthiness;
- 42 3. Requirement that grain dealers to file annual reports to the State Plant Board (better record
43 keeping);
- 44 4. Granting the Plant Board authority to conduct periodic examinations and audits;
- 45 5. Granting the Plant Board authority to revoke licenses, suspend operations, and take
46 receivership;

6. Setting new penalties for grain dealers who operate out of compliance with the law;
7. Requirement that the State Plant Board publish on their website a list of all licensed grain dealers in the state; and
8. Establishment of a hot-line for sellers to report late payments from grain dealers

Smoke Management Guidelines

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

We support the development of a smart phone application for the voluntary program to increase participation and enhance its efficiency. We oppose any mandates or penalties that would prohibit farmers from utilizing crop burning as a management tool for post-harvest crop residue.

Farm Machinery and Equipment Quality Assurance Act

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

Petroleum Storage Tank Trust Fund

The Ag Council supports legislation approved in the 91st General Assembly that authorizes reimbursement for corrective actions paid by the owner, including farms and agricultural businesses, of above-ground petroleum storage tanks if the owner voluntarily registers the tanks.

TITLE V – Commendations

Arkansas Congressional Delegation

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

Arkansas General Assembly

The Ag Council commends members of the 93rd Arkansas General Assembly who supported the priorities of the Ag Council of Arkansas, especially in the House and Senate Agriculture Committee and House and Senate Revenue and Tax Committee. The Ag Council will continue to applaud those who support agriculture and our priorities in the future.

Agricultural Council of Arkansas

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

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Secretary Wes Ward

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

Governor Asa Hutchinson

The Ag Council appreciates the leadership and service delivered by Governor Asa Hutchinson. He’s proven to be a strong proponent of Arkansas agriculture and economic development. We owe him a great debt of gratitude for his continued service to the agriculture industry and the people of this state. We appreciate his efforts to reduce taxes on agriculture, strengthen the department of agriculture, and maintain a balanced budget with sufficient resources to manage future economic challenges.

Secretary Vilsack

The Ag Council commends USDA Secretary Tom Vilsack for his advocacy on behalf of U.S. farmers and his efforts to improve government services to farmers. We especially thank him for his leadership in aiding the agriculture industry through the COVID-19 pandemic, which has been a great struggle for farmers and the food and agriculture industries. We appreciate the Secretary’s recent investment in conservation initiatives that support Arkansas farmers, and we commit to working to implement those programs in a manner that benefits our membership.

DeAnne Vaught

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

Ronald Caldwell

The Ag Council commends Senator Ronald Caldwell for his leadership in the Arkansas General Assembly as Chairman of the Senate Agriculture Committee. Senator Caldwell has been a steadfast and reliable advocate for Arkansas agriculture, and he’s been a good friend to the Ag Council. We look forward to continuing to work with Senator Caldwell in the General Assembly.

Ben Gilmore

The Ag Council commends Senator Ben Gilmore for his efforts to provide tax relief to Arkansas farmers. We especially thank him for his work to bring Arkansas into conformity with federal law with regard to Section 179 depreciation deductions.

Howard Beaty, Jr.

The Ag Council commends Representative Howard Beaty, Jr., for his efforts to provide tax relief to Arkansas farmers. We especially thank him for his work to bring Arkansas into conformity with federal law with regard to Section 179 depreciation deductions.

Joe Jett

1 The Ag Council commends Representative Joe Jett for his leadership in the Arkansas General
2 Assembly as Chairman of the House Revenue and Tax Committee. Representative Jett has been
3 a steadfast and reliable advocate for Arkansas agriculture, and he's been a good friend to the Ag
4 Council as he's lead many efforts to reduce tax burdens of Arkansas farmers. We wish him well
5 as he retires from service in the General Assembly.
6

7 **Bill Sample**

8 The Ag Council commends Senator Bill Sample for his leadership in the Arkansas General
9 Assembly as Chairman of the Senate Revenue and Tax Committee. Senator Sample has been a
10 steadfast and reliable advocate for Arkansas agriculture, and he's been a good friend to the Ag
11 Council as he's lead many efforts to reduce tax burdens of Arkansas farmers. We wish him well
12 as he retires from service in the General Assembly.
13

14 **David Hillman**

15 The Ag Council commends Representative David Hillman for his leadership in the Arkansas
16 General Assembly. Representative Hillman has been a steadfast and reliable advocate for
17 Arkansas agriculture, and he's been a good friend to the Ag Council as he's lead many efforts to
18 reduce tax burdens of Arkansas farmers. We wish him well as he retires from service in the
19 General Assembly.
20

21 **Deacue Fields**

22 The Ag Council of Arkansas congratulates and welcomes Dr. Deacue Fields as he begins his
23 service as Vice President for Agriculture at the University of Arkansas. We thank him for his
24 time as Dean of the UofA Bumpers School of Agriculture & Life Sciences, and we look forward
25 to our continued work together to enhance Arkansas agriculture in service of Arkansas farmers
26 through the Division of Agriculture.
27

28 **Chuck Culver -**

29 The Ag Council of Arkansas is grateful for the selfless leadership of Chuck Culver with the
30 University of Arkansas. We particularly appreciate his leadership and accomplishments through
31 his time of service as interim Vice President for Agriculture. During this time, Mr. Culver
32 successfully led the day-to-day operations of the Division of Agriculture while also
33 strengthening stakeholder relationships across the state and accessing much needed supplement
34 state funds to address critical needs of the row crop industry, including dollars made available for
35 the Northeast Arkansas Rice Research, Education and Extension Center.
36

37 **Jon Lambi**

38 The Ag Council honors Jon Lambi upon his passing. We greatly appreciate his service to this
39 organization, especially through his time as President of the Ag Council.
40

41 **Chris Colclasure**

42 The Ag Council of Arkansas appreciates the work of Chris Colclasure as Director of the Natural
43 Resources Division of the Arkansas Department of Agriculture. We continue to work closely
44 with him to advance the interests of agriculture and rural communities. We congratulate him on
45 the successful USDA conservation grant known as Rural Investment to Protect the Environment

1 (RIPE), and we look forward to partnering with him to implement the program for the benefit of
2 Arkansas farmers.

3
4 **John Boozman**

5 The Ag Council appreciates the leadership and support of Senator John Boozman in his many
6 roles as U.S. Senator, including the Agriculture Committee, the Environment & Public Works
7 Committee, and the Appropriations Committee. We look forward to working with Senator
8 Boozman in the development of the next farm bill as he will be the highest ranking Republican
9 on the Committee. We appreciate him including the Ag Council in various hearings and
10 roundtables related to the farm bill and other policy areas impacting agriculture.

11
12 **Debbie Stabenow**

13 The Ag Council appreciates Senator Debbie Stabenow for her recent visit to Arkansas as Chair
14 of the Senate Agriculture Committee. It was a pleasure to host her for a breakfast and exchange
15 ideas for how to strengthen the farm bill in support of Arkansas farmers. We appreciate her
16 attentiveness and willingness to engage with us and offer interest in supporting our policy needs.
17 We look forward to working with her in the development of the farm bill.

18
19
20 **David Scott**

21 The Ag Council of Arkansas appreciates Chairman David Scott of the U.S. House of
22 Representatives. Chairman Scott has been a strong advocate for the interests of the row crop
23 industry, particularly as it relates to expanding conservation opportunities. We look forward to
24 working with Mr. Scott in the development of the next farm bill.

25
26 **GT Thompson**

27 The Ag Council of Arkansas appreciates Vice Chairman GT Thompson of the U.S. House of
28 Representatives. Vice Chairman Thompson has been a strong advocate for the interests of the
29 row crop industry, particularly as it relates to expanding risk management opportunities for
30 farmers. We look forward to working with Mr. Thompson in the development of the next farm
31 bill.

32
33 **Reece Langley**

34 The Ag Council gives thanks to Reece Langley for his many years of service in support of the
35 row crop industry as policy director for both USA Rice and the National Cotton Council. We
36 appreciate his efforts and accomplishments on behalf of Arkansas farmers, and we wish him the
37 best in his future endeavors.

38
39 **Ben Mosely**

40 The Ag Council gives thanks to Ben Mosely for his years of service in support of the row crop
41 industry as policy director for USA Rice. We appreciate his efforts and accomplishments on
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