

FEDERAL ISSUE

Economic Viability (Product Labeling, Foreign Workers, Taxes)

LABELING OF GENETICALLY ENGINEERED FOODS

- *The Council supports a uniform federal standard for labeling of products derived through the use of biotechnology (genetic engineering).*

ISSUES OF CONCERN

- Many states have considered mandating their own labeling standard for products produced with genetic engineering (GE or genetically modified organisms, GMOs). This could create a patchwork of standards across the United States.

IMPACT ON AGRIBUSINESS

- Modern agribusiness is reliant on the interstate and international sale and movement of products. Individual states' requirements would be inconsistent and difficult to follow and the record-keeping and separate processing along the supply chain would prove to be costly and nearly impossible, with these costs being passed on to consumers.
- Furthermore, the scientific community is nearly unanimous in its assessment that GMO products are no more dangerous than their non-GMO counterparts, but labels that notify consumers that a product contains GMOs wrongly give the impression that those products are somehow materially different and potentially harmful.

ACTIONS REQUESTED

- Support legislation that prevents states from implementing their own GMO labeling standards and instead creates a national framework. The House has passed HR 1599, which creates a voluntary standard, and the Senate has passed S 764, which creates a mandatory standard. We encourage both houses to resolve their differences and pass a bill that prevents a patchwork of state laws and creates a national standard.

FOREIGN WORK FORCE

The Virginia Agribusiness Council urges Congress to immediately pass comprehensive immigration reform that:

- *Implements policies for the agribusiness industry that create a skilled, affordable, and accessible workforce, including legal foreign workers. The use of legal foreign workers is vital to the operation of agribusinesses and our economy.*
- *Ensures access to foreign workers, secures our borders, and improves the employment verification system while maintaining federal jurisdiction over immigration issues.*
- *That would not adversely impact businesses acting in good faith to comply with federal immigration and employment laws.*
- *Reduces frivolous lawsuits against employers by allowing the recovery of legal costs if the employer is not found guilty.*
- *Continues to authorize and improve the federal E-Verify program for employers to utilize on a voluntary basis and not mandate its use unless significant improvements are made to ensure a constant and future flow of workers through programs that are viable and effective for supplying the needed agricultural labor.*
- *Minimizes costly implications of mandated health insurance coverage for seasonal and temporary agricultural workers, and especially related to the Affordable Care Act's employer mandate for "full-time employees," recognizing the traditionally seasonal nature of many jobs completed by foreign workers.*
- *Implements a program for non-seasonal workers that meets the demand for workers and that can be utilized by food processors, dairies, and other sectors of the agribusiness industry that rely on guest workers when American citizens are not available and for a longer duration of time due to the non-seasonal nature of that workforce.*

ISSUES OF CONCERN

- The federal E-Verify program is an important tool for some employers and should continue to be authorized, improved, and funded as a voluntary program.
- Many sectors of the agribusiness industry are non-season and rely on labor year round. When American workers are not available, it is important that there is an adequate amount of foreign workers available and the non-seasonal worker program cap should be set at a higher level reflective of those needs.

OVER

H-2A (AGRICULTURAL WORKER) AND H-2B (SEASONAL WORKER) PROGRAMS

If comprehensive immigration reform is not acted on, the H-2A and H-2B programs must be reformed in order to ensure an affordable and continuous guest workforce. The Council supports:

- *H-2A (Agricultural Workers) Program Changes:*
 - *Immediately eliminate the Adverse Effect Wage Rate (AEWR) to be replaced by the Prevailing Wage Rate, a realistic market based wage rate.*
 - *Streamline the application and employee crossing processes for guest worker programs, eliminate the referral process, and end the requirement for upfront payment of visa and crossing fees to result in more expedient, less costly, and legal labor availability.*
 - *Oppose a cap on the number of H-2A workers allowed in the United States.*
- *H-2B (Seasonal Workers) Program Changes:*
 - *Eliminate the Department of Labor's revised wage calculation and return to the previous wage rate calculation method.*
 - *Eliminate the new (as of April 23, 2012) requirement for payment for visa and visa-related expenses, transportation and housing fees that result in less expedient, more costly, and less legal labor availability.*
 - *Eliminate the program cap on the number of workers entering the United States under the H-2B program.*
 - *Continue, at a minimum, the exemption of certain repeat workers from being counted in the H-2B program cap.*
 - *Permanently reinstate the issuance of visas for the H-2B program.*
- *In addition to these items, the Council urges both the Department of Labor and Department of Homeland Security to consider the timeliness of workers to ensure a steady flow of labor. (Adopted 4/16)*

H-2A ISSUES OF CONCERN

- In March, 2010, the U.S. Department of Labor enacted new H-2A rules that will drive more producers away from utilizing the H-2A program. Instead of streamlining and simplifying regulatory processes to encourage agricultural businesses to utilize this program, these changes go in the opposite direction.
- Regulations reinstate the costly Adverse Effect Wage Rate and combine wage rates for supervisory, skilled, and unskilled labor, in effect artificially raising the wage rate for unskilled labor.
- Regulations increase the transportation and subsistence fees paid for by H-2A program employers, require upfront payment of employee visa and crossing fees by the employer, reinstate the "50 Percent Rule", and expand domestic worker recruitment period.

H-2B ISSUES OF CONCERN

- The program's annual cap of 66,000 workers (33,000 for each half of the fiscal year) is not adequate to meet the demands of a growing economy. The caps for fiscal year 2015 were reached on January 26 and March 26, leaving many seasonal employers without access to legal seasonal workers.
- New regulations issued jointly on April 29, 2015 by DOL and DHS make the program even more burdensome for employers by complicating the application process and increasing the cost of bringing in foreign labor.
- The Departments also issued a rule to drastically change the wage methodology utilized for the H-2B seasonal worker program. This rule is similar to the interim final rule DOL proposed in 2013, and the change will result in significant artificial wage increases across many sectors.

IMPACTS ON AGRIBUSINESS FROM LABOR PROGRAM CHANGES

- Virginia businesses large and small rely on the availability of legal immigrant labor. Farmers need laborers to perform arduous, seasonal work in tobacco, fruit and vegetable fields, nurseries, greenhouses, and forests. Small businesses and employers such as sawmill operators, landscapers, and golf courses along with the food processing industry need to fill many seasonal positions with legal foreign workers. Food processors, poultry farms and dairies are year-round operations that rely on legal foreign non-seasonal workers.
- Producers unable to adjust prices to offset their increasing labor costs must now choose between doing without legal labor and going out of business. Immediate and robust immigration reforms are needed.

ACTIONS REQUESTED

- Support comprehensive immigration reform legislation that ensures access to foreign workers, secures the borders, improves the employment verification system, and maintains federal jurisdiction over immigration issues.
- Support legislation to either remove the caps on the programs or to allow returning worker exemptions.
- Within immigration reform, incorporate changes to fix harmful U.S. Department of Labor H-2A and H-2B program regulations; furthermore, take action through Congressional oversight hearings and formal requests to President Obama and the Department of Labor to rescind these harmful rules.

TAX POLICY

- *The Council supports permanently maintaining the Internal Revenue Code Section 179 depreciation deduction to encourage capital investment by agribusinesses.*
- *To ensure the future existence and economic viability of farming operations and agribusinesses, the Council supports maintaining the permanent estate tax revisions enacted in the American Taxpayer Relief Act of 2012 at \$5.2million (indexing for inflation), or \$10 million per couple, and taxed at a 40% rate.*
- *The Council continues to prefer that Congress enact permanent repeal of estate taxes on family farm and small business holdings. The elimination of the Estate Tax boosts economic growth and allows existing family farms and small businesses the opportunity to invest, prosper and generate increased revenue without the threat of considerable tax bills levied due in the event of a death in the family.*

ISSUES OF CONCERN

- As American agriculture prepares to transition from one generation to the next, the estate tax is a very real concern and consideration for farm families making future planning decisions. Furthermore, agribusinesses are often asset rich but illiquid enterprises, with large expanses of land and major capital investments required for even the smallest operations.

IMPACT ON AGRIBUSINESS

- Many farmers rely on the Section 179 deduction to make large capital purchases, like farm equipment, financially feasible. Thank you for extending this deduction permanently.
- Many farm families are already having to make difficult decisions with regard to planning for farm transition. Whether this includes selling off parts of the operation, breaking up the business among various family members, or other management decisions, many families are finding it difficult to plan for the next generation to take over the farm.

ACTIONS REQUESTED

- At a minimum, support maintaining the federal estate tax at its current rate and threshold, but the Council prefers that Congress enact permanent estate tax repeal, such as in HR 1105 and S 860.