



# 2021 Agricultural Retailers Association Public Policy Issues



AGRICULTURAL  
RETAILERS  
ASSOCIATION

4201 Wilson Blvd. • Suite 700 • Arlington, VA 22203

T 202.457.0825 • F 202.463.0474 • [www.aradc.org](http://www.aradc.org)

Agricultural retailers supply valuable goods and services to our nation's farmers including seed, crop protection chemicals, fertilizer, crop scouting, soil testing, custom application services and development of comprehensive nutrient management plans. Certified Crop Advisors (CCAs) and Pest Control Advisors (PCAs) are often retained on retailer's staff to provide professional guidance and crop input recommendations to farmers and consumers.

The Agricultural Retailers Association (ARA) is a 501(c)(6) non-profit trade association that represents the interests of agricultural retailers and distributors across the United States on legislative and regulatory issues. As the political voice of agricultural retailers and distributors, ARA represents its membership by educating members of Congress and agency officials on important issues affecting the industry.

ARA members range in size from family-held businesses to large companies with many outlet stores. Retail facilities are scattered throughout all 50 states and provide important jobs in rural and suburban communities.

ARA is a dedicated business partner with its membership by offering programs and services designed to keep retailers on top of critical issues that impact their profitability. The landscape of crop input practices, technology developments and government regulations are constantly changing. ARA offers a wide variety of educational opportunities and training manuals to keep retailers informed and compliant with regulatory and current business management practices. Staying informed means staying ahead, and nothing helps the retail-distribution industry more than ARA.

## PUBLIC POLICY STAFF

For questions or comments regarding issues and policy relevant to agricultural retailers, distributors and suppliers, please contact the Agricultural Retailers Association public policy staff.

Richard Gupton  
Senior Vice President of Public Policy  
and Counsel  
richard@aradc.org | 202.595.1699

Hunter Carpenter  
Director of Public Policy  
hunter@aradc.org | 202.595.1705

Danielle Sikes Nelson  
Director of Public Policy  
danielle@aradc.org | 202.595.1706

# Transportation & Broadband Infrastructure Investment



## RURAL ROADS & BRIDGES

Rural America's transportation infrastructure needs serious investment. Home to 60 million people and playing a vital role in the U.S. economy, rural America contains much of the country's natural resources, and is the primary source of food, fiber and energy. Connectivity remains critical to supporting the competitive advantage that rural communities bring to the economy. Roads, bridges, highways and waterways provide the first and last links in the supply chain from farm to market.

The roads and bridges that serve and connect our country's rural areas face significant challenges. Inadequate capacity to handle growing levels of traffic and commerce, limited connectivity, the inability to adequately accommodate growing freight travel and deteriorating road and bridge conditions top the list. The nation's rural roads and bridges have significant deficiencies due to underfunding: 15 percent of the nation's major rural roads have pavements rated in poor condition, 21 percent rated in mediocre condition and 10 percent of rural bridges rated structurally deficient. ARA is a member of Rebuild Rural, which supports transportation infrastructure investment in rural America. ARA is also a member of the Transportation Fairness Alliance, a diverse coalition that supports a competitive and equitable transportation sector.

## RAILROADS

Freight railroads are a safe and effective means of transporting bulk commodities and ensuring an economically strong rail network is critical to the health of the U.S. economy. Freight rail is a vital link that connects thousands of U.S. manufacturers, agricultural distributors and retailers, farmers, and energy producers with consumers. Unfortunately, freight railroads are failing to deliver reliable service and competitive rail rates to many shippers. Modernizing the Surface Transportation Board (STB) regulations will ensure that it works better for both the railroads and America's shippers that rely on them.

The nation's 603 short line and regional railroads operate 29 percent of the nation's freight rail network. In four states, short lines operate 100 percent of freight rail, and in 36 states they operate more than 25 percent. For large areas of rural and small-town America, short lines offer the sole method for shippers to connect to the national rail system, helping businesses and employment stay local. The Short Line "45G" Rehabilitation Tax Credit, first enacted by Congress in 2004 and extended with bipartisan support on seven occasions, has successfully allowed short lines to privately invest more than \$4 billion since its inception.

<continued>

# Transportation & Broadband Infrastructure Investment



## RURAL BROADBAND

Broadband is vital to rural economic development, education, precision agriculture, health care & public safety activities. A predictable and enough high-cost Universal Service Fund is critical to reach rate and service parity for rural and urban areas. Rural communities deserve the same robust, affordable and reliable broadband services available in urban areas. It's the only way to compete and participate in our national and global economy. ARA is part of Rebuild Rural Coalition, which believes that rural broadband service will increase if providers of all kinds – whether traditional telecom providers or others such as electric cooperatives – have access to effective incentives and tools to deploy and sustain broadband networks in certain rural areas.

## HOURS OF SERVICE (HOS) EXEMPTION

Agricultural retailers heavily depend on commercial drivers for “just in time” delivery of farm supplies and other essential products and services to their farm and ranch customers. Commercial truck traffic is a vital component to the nation’s economic prosperity. Our industry, like many others, are experiencing a growing driver shortage and higher shipping prices due to increased regulatory costs and burdens from Hours of Service (HOS) regulations do not work for today’s agricultural industry and the Electronic Logging Device (ELD) requirements. There is also a growing driver shortage due to retirements or departures to other industries due to increased regulations.

<continued>



# Transportation & Broadband Infrastructure Investment



## POLICY SOLUTIONS

- Support for an increase in federal transportation funding and a recognition of the unique needs that rural roads and bridges present to ensure their eligibility for federal grants and funding.
- Ensure everyone using the roads should pay their fair share, including electric vehicles.
- Oppose bans on the internal combustion engine or setting vehicles quotas for dealers to buy or sell a minimum percentage of electric vehicles. A government ban of the internal combustion engine by 2035 or 2050 would cause an adverse economic impact on the U.S. agricultural industry and rural communities.
- Utilities and non-utilities should be on a level playing field when it comes to charging infrastructure for electric vehicles. Utilities should not raise rates for everyone to cover the cost of electric vehicles infrastructure and chargers that only serve a few.
- State, local, rural and agricultural stakeholders should prioritize federal funds to best meet the transportation needs of their communities.
- Support an “All of the Above” energy strategy, including the year-round use of E-15, E-85, and biodiesel. Ethanol and biodiesel can reduce emissions and increase the fuel economy if manufacturers optimized their vehicles to run on higher blends
- Support an expansion of the Federal Railroad Administration (FRA’s) CRISI grant program to benefit short line infrastructure projects in rural areas and cautions against unnecessary regulations such as crews size mandates that provide no safety or operational benefits.
- Support increased USDA rural broadband programs to continue the progress already being made.
- Support smart federal regulations that lessen the burdens for permits and increase access to government lands in order to boost additional investments in rural broadband.
- Support the standardization of application, fee and approval policies and procedures across federal land-managing and property-managing agencies, and other measures that will facilitate reasonable sequencing and completion of environmental and historical reviews.
- Support legislation eliminating the HOS ag exemption’s planting and harvesting season provision. Over 30 states already have a year-round “planting and harvesting season” designation. Eliminating this provision ensures the HOS ag exemption is year-round for all states, promoting regulatory consistency and alleviating unnecessary regulatory burdens highlighted by the ELD mandate. We also request support for expanding the current air mile radius from 150 to up to 300 for transporters of farm supplies following a FMCSA pilot program to collect safety data to address continued industry consolidation and driver shortages.

## BACKGROUND

With the world population estimated to reach 9 billion by 2050, the entire agriculture supply chain must work together to efficiently and responsibly lay the groundwork for the future. While the public has a growing interest in how food, fiber, and fuel is produced, the agricultural community continues to find innovative ways to increase efficiency and produce more with less, while protecting the environment. Not only do farmers look to their ag retailer for advice to boost yields and profits, they are increasingly seeking out agronomic insights that also help improve soil, water and other natural resources.

As farming becomes increasingly complex, many factors must be considered by farmers as they make decisions about planting; fertilizing; managing for disease and pests; and conserving energy, soil and water. A new opportunity emerges for ag retailers to help farmers navigate this complex decision matrix by combining agronomic advice with sustainability insights to drive continuous improvement in the productivity, profitability and environmental outcomes of farmers' operations.

## SPARC

To achieve this objective, ARA is a leading voice in the Sustainability Programming for Ag Retailers and CCAs (SPARC) Initiative. By providing voluntary, incentive-based tools to farmers, ranchers and forest owners, they are able to maximize the sequestration of carbon and the reduction of other greenhouse gas emissions, as well as increase the resilience of the land. ARA also is in favor of:

- Supporting the development and oversight of private sector markets for GHG credits.
- Promoting public and private sector tools to incentivize farmers, ranchers and forest owners to prioritize and scale climate-smart practices.
- Offering incentives for farmers to reduce energy consumption, increase use of on-farm renewable energy, and make continued progress toward reducing the lifecycle GHG emissions of agriculture- and forestry-based renewable energy.
- Increasing federal investment in agriculture, forestry and food-related research substantially and continuously.

<continued>

## FOOD & AG CLIMATE ALLIANCE

ARA is a member of the Food & Ag Climate Alliance, a coalition consisting of organizations representing all sectors of America's agricultural industry as well as forest owners, the food sector and environmental advocates working together to define and promote shared climate policy priorities. Ag retailers and their farmer customers are on the frontlines of climate impacts and an integral part of the climate solutions. Progress in addressing climate change and promoting sustainable agricultural practices can only be achieved by:

- Supporting voluntary, market- and incentive-based policies.
- Advancing peer reviewed, science-based outcomes.
- Promoting resilience and helping rural economies better adapt to climate change.



## POLICY SOLUTIONS

### CARBON SEQUESTRATION

- Support a menu of voluntary federal policy options to encourage carbon sequestration, including:
  - Performance-based tax credit modeled after 45Q carbon capture credit.
  - USDA-led Commodity Credit Corporation carbon bank.
- Provide a one-time payment for early adopters.
- Support passage of the Growing Climate Solutions Act.

### CHANGES TO USDA'S NATURAL RESOURCES CONSERVATION SERVICE (NRCS)

- Increase NRCS funding to reflect program needs and enhance work on GHG mitigation and adaptation.
- Enhance conservation technical assistance related to soil health and climate outcomes.
- Streamline the NRCS conservation practice approval process.
- Incentivize contracts that improve soil carbon and climate resilience.
- Support the use of cover crops to support soil health and cropland sustainability efforts.

### CAPACITY BUILDING FOR STATE-LEVEL SOIL HEALTH EFFORTS

- Establish a USDA grant program to help states improve soil health on agricultural lands.

### CROP INSURANCE

- Direct USDA to conduct a study on the interaction between crop insurance and soil health practices.

## AG VISA REFORM

In some industry areas, the H-2A visa program is the only guest worker program currently available and serves as the only means to a dependable workforce. However, the H-2A visa program only allows for temporary or seasonal workers. In other areas of the industry, there is no access to H-2A visas or any workforce due to the year-round nature of the job at hand.

The agricultural community is dependent on a sustainable workforce now more than ever. Every farm worker engaged in high-value labor intensive crop and livestock production sustains an average of two to three off-farm jobs. With the added burden of a global pandemic, employers and employees are strained even further.

The current H-2A ag guest worker visa program is broken and only available for part of the agricultural industry. Additionally, agriculture needs the H-2A program to be more flexible because it currently requires the cooperation of multiple federal agencies which can complicate the program even further.

ARA is a member of the Agriculture Workforce Coalition (AWC) which brings together organizations representing the diverse needs of agricultural employers across the country. AWC serves as the unified voice of agriculture in the effort to ensure that America's farmers, ranchers and growers have access to a stable and secure workforce now and in the future.

## DRIVE SAFE ACT

Seventy percent of the nation's freight is carried by commercial trucks, yet as our economy strengthens, motor carriers are having difficulty finding the drivers they need to handle growing capacity. According to a recent estimate, the nation needs an additional 50,000 truck drivers immediately – a shortage that is expected to grow to more than 174,000 by 2026. In many supply chains, companies are being forced to increase prices to account for higher transportation costs. This will ultimately result in higher prices for consumers on everything from electronics to food.

While 48 states currently allow drivers to obtain a commercial driver's license at 18, they are prohibited from driving in interstate commerce until they are 21.

The DRIVE-Safe Act would create a two-step apprenticeship program to allow these younger drivers to enter the industry safely. Candidates would be accompanied in the cab by experienced drivers for a total of 400 hours of on-duty time with at least 240 hours of driving time. Trucks would be required to be outfitted with the latest safety technology including active braking collision mitigation systems, forward-facing event recording cameras, speed limiters set at 65 miles per hour or less and automatic or automatic manual transmissions.

The DRIVE-Safe Act will help our nation's freight continue to move while preserving the safety of our highway system. It will also provide the opportunity for younger individuals to enter a profession where they can earn an average of \$53,000 with full benefits.

<continued>





## POLICY SOLUTIONS

### AG VISA REFORM

- Support the establishment of a comprehensive immigration reform policy that provides for a new, usable ag guest worker visa program with a reliable verification system, secures the borders, and provides current farm workers the opportunity to apply for legal status through the sponsorship of an eligible agricultural employer.

### DRIVE SAFE ACT

- ARA urges Congress to support the DRIVE-Safe Act and move the bill for quick enactment by both the Senate and House. This bipartisan proposal will help fill desperately needed jobs while providing younger Americans with the chance to get the training they need.

## BACKGROUND

Food equity is a concept that all people have the ability and opportunity to grow and consume healthy, nutritious and affordable food. Access to healthy food is essential for a healthy life. Maintaining the ability to grow and produce food is at the heart of our food system. This effort is led by America's agricultural retailers working with their farm and ranch customers. Every item that consumers eat in the United States and around the world starts out being grown or produced and eventually makes its way to our plates.

It is critical for the federal government to make decisions based on sound science, peer-reviewed data and by following a risk-based approach. Farmers need to have access to critical crop input supplies (pesticides, fertilizers, seed) and precision agricultural technologies. The Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) has been amended by Congress on several occasions to strengthen the regulatory standard for safety, including specific protections for infants and children. FIFRA provides for the federal regulation of pesticide distribution, sale, and use and establishes stringent safety standards and oversight. Farmers use pesticides to fight invasive insects, weeds, and plant diseases that attack fruit, vegetable, grain and fiber crops. All applicators are required to follow the EPA-approved FIFRA label to ensure each pesticide is used as intended without unreasonable adverse or unintended effects on human health or the environment.

In addition to federal oversight, each state may develop their own pesticide regulations, reviewing and approving pesticide products already reviewed and approved by EPA for use in the state.

U.S. agriculture remains the leader in innovation for planting breeding innovation due to clear, predictable, and science-and risk-based regulations. Plant breeders continue to strive to provide solutions to new and emerging challenges facing farmers, consumers and the environment. Ag biotechnology such as genetically modified organisms (GMOs) and gene editing can help increase global food security. New innovations in plant breeding provides benefits such as reducing CO<sub>2</sub> emissions, dramatically increasing crop productivity, providing more food to remote communities, and decreasing food waste.

For healthy and productive growth of nutritious food, plants also require essential nutrients in the soil. Fertilizers and biostimulants serve as a supplement to the natural supply of soil nutrients, build up soil fertility to help satisfy the demands of crop production, and compensate for the nutrients taken by harvested crops. Higher crop yields are well documented with better crop and soil management. Adopting nutrient stewardship contributes to the preservation of natural ecosystems by growing more on less land.

<continued>



## POLICY SOLUTIONS

### FOOD AFFORDABILITY

Ensuring food prices remain low by:

- Protecting farmers' essential tools (i.e. seeds, pesticides, fertilizers, biostimulants, precision ag technologies).
- Government decisions based on sound science and risk-based, peer reviewed data.
- Exporting U.S. ag products and technologies.

### FOOD AVAILABILITY

Ensuring food supplies are produced and delivered in a timely and efficient manner by:

- Supporting U.S. agribusinesses and farmers as essential operations.
- Minimizing food waste and loss.

### FOOD SECURITY

Ensuring the long-term competitiveness and sustainability of U.S. agricultural industry by:

- Maintaining farm safety-net programs, including crop insurance and disaster assistance.
- Investing in research and development to enhance crop yields and improve plant health.

## BACKGROUND

ARA sees a need to support and advocate for pro-growth economic policies that will aid in our members finding a more business-friendly marketplace in which to operate. There are several barriers to entry within the American tax code that we would like to see changed in order to protect our freedom and license to operate.

Protecting current tax provisions allowing for deductions for retailers is also paramount in stemming growth. The estate tax has long been seen as a detriment to our member business and, as such, we support its full repeal.

ARA has also been supportive of a workable sale and use tax collection system to shield retailers and farmers from burdensome tax compliance requirements and we continue to support efforts to streamline these requirements. Additionally, ARA will work with members of Congress to protect provisions of interest such as the fertilizer deduction for farmers' tax credit and the Section 199 Domestic Production Activities Deductions.

ARA is also confident that the free and fair trade of agricultural products, equipment, and crop inputs will be met with support from members of both houses of congress. We believe this will create opportunities of economic benefit between farmers, ranchers, retailers, and other members of the supply chain. We also are supportive of federal energy policies to increase domestic natural gas production, the reduction of U.S. manufacturing costs for crop input materials and promote the development and use of renewable fuels.

Agricultural retailers and distributors play a vital role in the success of the nation's food security. Their farmer customers produce goods for global markets and seek free and fair trade with foreign countries. ARA supports these ends and a reduction in tariffs placed on these goods, enabling farmers to make planting choices based on what can make them the most money in a fair trade market.

ARA supports free and fair agricultural product trade among countries and sees tariffs as a barrier to entry for many.



## POLICY SOLUTIONS

- Support needed tax reforms, domestic energy production, and fair trade agreements.
- Support creative solutions that pairs federal investment with state/local government and private sources of capital to raise the necessary funds to get the job done.

## EARLY FARM BILL DISCUSSIONS

Agricultural retailers and distributors play a vital role in the success of the nation's food security. These businesses are responsible for getting the right crop inputs to their farmer customers at the right time, which can be difficult in the short timeframe farmers have to plant. Retailers also provide their farmer customers with crop consulting services and custom pesticide and fertilizer application services. The following are issues of importance to the agricultural retail industry in the next Farm Bill:



### POLICY SOLUTIONS

#### CROP INSURANCE PROGRAM

**Preserve the crop insurance program, and like important safety nets; improve preventative planting dates.** In order to provide a reliable inventory of crop production inputs to farmers, agricultural retailers take on a significant amount of risk. Crop insurance gives input suppliers the reassurance that repayment for crop inputs supplied at the beginning of the growing season is likely. However, Congress should ask USDA to consider changes to the crop insurance program, like extending the preventative planting date, to reflect the advances in improved technologies. These changes would help provide farmers and suppliers with more certainty while perhaps saving money expensed on crop insurance payments.

#### "RETAIL FACILITIES" DEFINITION

Codify the definition of "retail facilities" using the "fifty-percent" rule as it has been since the inception of the PSM regulations. Agricultural retailers selling anhydrous ammonia have been exempt from the Occupational Safety and Health Administration's (OSHA) Process Safety Management Standard (PSM) under the "retail exemption" since the Standard's inception in 1992. The definition of a "retail facility" was outlined in 1992 to mean "an establishment ... at which more than half of the income is obtained from direct sales to end users," otherwise known as the "fifty-percent" rule. These facilities are already required to comply with OSHA standards at 29 CFR 1910.111, for the storage and handling of anhydrous ammonia.

To prevent OSHA from removing agricultural retailers, also known as farm supply dealers, from the retail exemption, Congress should codify the definition of "retail facilities" using the "fifty-percent" rule as it has been since the inception of the PSM regulations. This could be accomplished by amending 29 USC § 652 by adding a definition for "retail facility":

29 USC § 652

(15) The term "Retail facility" means "an establishment, which would otherwise be subject to the PSM standard, at which more than half of the income is obtained from direct sales to end users or consumers. A qualified end user includes a farmer or rancher. Fertilizer establishments meeting this criterion would be exempt from the requirements of 29 CFR 1910.119.