



## 2021 SPECIAL ORDER OF BUSINESS

### THE ENVIRONMENT, REGENERATIVE AGRICULTURE & THE FAMILY FARM

PFU supports:

PFU supports the pursuit of excellent environmental stewardship in the pursuit of Agriculture among farms of all sizes and types. This includes support for:

1. Regenerative Agriculture
2. Organic Agriculture
3. Local Food Systems

As well as support for the following, toward the end of promotion of same:

1. A rational, nationwide environmental policy. We believe that family farmers are great contributors toward preserving the environment and that society is interested in rewarding their contributions. Pennsylvania farmers work hard and take great pride in providing a safe and healthy product while contributing to the health of our region through their care of the land. We support environmental programs that encourage farmers to adopt conservation and environmentally friendly practices, and that reward them for their contributions to a healthy environment.
2. Programs that recognize farms as multifunctional and rewards farmers for their contribution to land stewardship, protecting clean air and water, open spaces, and wildlife, supporting rural heritage, supporting small towns and rural economies and tourism.
3. The adoption and promotion of agricultural practices that protect the soil and reduce the need for pesticides and fertilizers.
4. Increased emphasis on public interest research at the region's land grant universities with a higher priority placed in interdisciplinary research on the social, economic and environmental effects of agricultural policies, technologies, chemicals, and biotechnologies. We encourage the universities to establish policies to expand the availability of public information and disclosure of all research projects, whether publicly or privately funded.



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### SUPPLY CHAIN MANAGEMENT: DAIRY

PFU supports policies at the federal and state levels that preserve and protect the Pennsylvania region's dairy industry, assure a nationwide supply of milk from a diverse number of dairy operations and assure milk producers a fair return on their labor and investment. PFU recognizes that the present structure for the processing, packaging, marketing and pricing of farm milk is causing growing harm to Pennsylvania dairy families and threatens the future supply of fresh, high-quality, locally produced milk and dairy products for the region's consumers. H.R. 3062, the Dairy Security Act of 2011 (DSA), proposed for inclusion in the 2013 Farm Bill includes several provisions that will help in that effort, including a step toward supply management. The DSA, however, must also 1) ensure that dairy policy reforms will not result in further consolidation and vertical integration in the dairy industry and 2) provide a safety net for smaller dairy producers.

#### PFU priorities:

1. Continuation of the efficient and effective Milk Income Loss Contract (MILC) or similar program that provides significant benefits to small and medium-sized farms and based on an all-milk income/feed cost margin trigger;
2. Require full transparency in the calculation of producer pay prices by co-operatives, proprietary handlers and other entities purchasing and marketing farm milk;
3. Assure all domestic and imported dairy products comply fully with U.S. standards for identity, food safety and country-of-origin labeling;
4. Enforce antitrust laws to prevent predatory and anticompetitive behavior by processors and marketers of dairy products;
5. Encourage growth of markets for farm milk through research and development of new products and through expansion of exports. Support regional "buy local" efforts;
6. Support states' rights to legalize sales of raw milk and raw milk products to consumers, in conjunction with rigorous milk-handling inspections and consumer education. Oversight of raw milk sales should be the jurisdiction of state departments of agriculture;
7. Implementation of the existing provision in the Federal Milk Marketing Order (FMMO) which utilizes regional pricing based on cost of production;
8. The merging of the Livestock Gross Margin Program (LGM) with the Adjusted Gross Margin Revenue Lite (AGR Lite) Program and make the program more consumer friendly and more applicable to small-scale dairy operations;
9. Any review of the federal milk marketing order system should include a consideration of instituting a separate milk marking order for organic milk; and
10. Restrict the use of dairy descriptors such as milk, butter, cheese and yogurt on labels to only those products made from milk.
11. Reduce roadblocks in the emerging raw milk market by supporting:
  - a) The production and sale of raw milk as it provides a viable market niche for dairies. Because of the possible risks of cross-contamination, we recommend that raw milk be bottled as the product of a single source and wherever possible at the physical location of that source. Single-source bottling will keep intact the chain of responsibility and greatly aid in tracking possible cases of contamination,
  - b) Policies, practices and standards for responsible raw milk production for dairy producers that choose to produce raw milk (or raw dairy products) for human consumption, and
  - c) Equal access to raw milk (and or raw dairy products) for human consumption for all consumers that choose to consume raw milk.
  - d) Interstate commerce of raw milk and raw milk products for human consumption



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### PFU supports:

1. Establish a national supply management program that balances milk supply with demand and allow the farmer to choose their production base from any three-month consecutive period in the previous 12 months. Such a system should be designed to align production with market demand, prevent the extreme peaks and valleys of farm milk prices that characterize the dairy industry currently, and allow sufficient flexibility to permit entry of new producers and to keep up with growing population and changing production technology;
2. Base pricing formulas on surveys of competitive milk prices actually paid to dairy farmers from cheese manufacturers from across the country rather than on voluntary limited reporting on opaque, thinly traded wholesale commodity exchanges;
3. Recommend a national 400,000 Somatic Cell Count to increase the quality of milk and farm profitability;
4. Assure adequate supplies of milk and dairy products are always available for school lunch, food relief and other nutrition and humanitarian programs especially by fully utilizing the Emergency Food Assistance Program (TEFAP) that distributes dairy products to food banks and local food distribution agencies;
5. Require both mandatory and voluntary deduct programs such as milk promotion, beef check-off and CWT to demonstrate actual enhancement of producer income;
6. Provide grants to encourage dairy farmers to employ sound environmental and conservation practices and provide resources to assist them in achieving sustainable stewardship goals. Increase counter cyclical payment for environmental practices that address the social, economic and environmental benefits of dairy farm to some communities;
7. Acknowledge the impact of non-market influence and artificially inflated costs of input for Pennsylvania Dairy Farmers including ethanol mandate and subsidies, air and water regulations, 'freedom to farm' within an increasingly urban environment, labor costs, and lack of infrastructure;
8. Grant based incentives directed specifically at 'at risk' small operations that lack resources to:
  - a. Lower inputs (energy, fuel).
  - b. Change production practices to enable long-term lower cost production.
  - c. Initiate value-added programs.
  - d. Allow for whole herd buyout for herds under 200 cows with lifetime prohibition on returning to dairy and a 10-year agricultural restriction on development.
  - e. Allow for one-time payment to herds under 200 cows to permanently limit production to current levels or a stable pay price fixed to costs of production as defined by USDA tied to a fixed quota of milk entering commerce; and
9. Maintain high levels of quality and food safety in the entire dairy industry through effective regulation by USDA, FDA and counterpart state agencies.



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### CANNABIS

Recent developments around cannabis would suggest that at some point in the near future, its prohibition will end both state and nationwide. It has been observed that when medical cannabis was approved in our Commonwealth, the barriers to entry to become growers of cannabis were virtually insurmountable to small, family farmers. The purpose of PFU taking a position on legalizing adult-use recreational cannabis is to ensure that the same mistakes and inequities inherent in the current medical cannabis growing industry in PA are avoided if and when adult-use recreational cannabis becomes legal. And to allow small family farms equal opportunity to diversify their operations and potentially remain solvent and farming by adding this crop to their operation, should they choose to do so.

To that end, PFU supports:

- \* Creation of a regulated and fair marketplace for medical and recreational cannabis. One which is accessible to the small family farms that comprise the majority of PA agriculture and does not favor out of state companies, monopolies, or large, well-funded conglomerates. PFU opposes a “pay to play” system, which disadvantages small family farms and farmers.
- \* A permitting and operating system which is inclusive of a diverse number and size of suppliers so that small Pennsylvania farmers, businesses, and their employees can benefit from the market and be compensated fairly for their time and effort.
- \* Reasonable fees and capital requirements to obtain the permits necessary to grow, process, store, transport or sell (retail or wholesale) cannabis-based products
- \* Cannabis being federally declassified as a Schedule 1 Narcotic, and reclassified as an alternative agricultural crop.
- \* Allowing access to the federally insured banking system for profits from legal medical and/or cannabis-based businesses.
- \* Reasonable and scale appropriate security requirements so not to impede involvement of small operators
- \* Limiting the number of licenses that one person or entity can obtain (including wholly owned subsidiaries), to prevent monopoly.
- \* A “microbrewery model” which would allow growing, processing, and sale by the same operator, at the same location, so that growers who choose could participate in the retail market.

### Priorities

1. Equitable access to medical and adult use recreational cannabis markets for small, family farms, the revenue from which could preserve their ability to stay in business.
2. Limiting the number of licenses that one person or entity can obtain (including wholly owned subsidiaries), to prevent monopoly.
3. Reasonable fees and capital requirements to obtain permits
4. Reasonable and scale appropriate security requirements so not to impede involvement of small operators
5. Removal of prohibitions against funds from cannabis-based businesses to the federally insured banking system
6. Bringing to light the idea that, done fairly & properly, adult-use recreational cannabis in PA has the potential to reverse the plight of struggling small farms throughout our Commonwealth AND provide much needed tax revenue.