

October 31, 2011



This week's issue of the AgNews Update is sponsored by The NC Growers Association (NCGA), a non-profit cooperative that consists of approximately 750 North Carolina grower-members who grow a wide variety of diversified crops from flowers, turfgrass, and Christmas trees to tobacco, cucumbers and sweet potatoes. NCGA provides its members a labor force via the H-2a program, which is a legal guestworker program, authorized by the Immigration Reform and Control Act (IRCA) of 1986. H-2a enables farmers to secure a legal and adequate labor force that is available and capable of assisting with the seasonal/temporary manual labor associated with some agricultural crops. In order to utilize the H-2a program, growers must certify with USDOL they have first engage in independent positive recruitment of US workers through the local employment security commission, word of mouth with other growers and by placing ads in newspapers and on the radio, as well as soliciting the return of any former, qualified workers..

Washington NEWS

Jones Continues Fight Against Obamacare: This week Congressman Walter B. Jones (NC-3) continued his fight against Obamacare by cosponsoring two bills to repeal provisions of the recently enacted health care law. Jones cosponsored H.R. 1173, the Fiscal Responsibility and Retirement Security Act of 2011, and H.R. 1549, the Homeowner Tax Fairness Act of 2011. H.R. 1173 would repeal the Community Living Assistance Services and Supports Act (CLASS Act) provisions of Obamacare, which authorized a new federal long term health insurance program. The Homeowner Tax Fairness Act of 2011 would repeal the Obamacare provision that established a new 3.8% tax on the investment income, including capital gains on home sales, of many American families. The tax was included in Obamacare in order to raise revenue to pay for the bill's dramatic expansion of government-funded healthcare.

Campaign NEWS

Ag Interests Contribute to Rouzer's Run for McIntyre's Seat: Johnston County State Senator David Rouzer will be running for the U.S. 7th Congressional District seat currently held by Democrat Mike McIntyre now that the new lines make the district friendlier to Republicans. Rouzer's first federal campaign report shows that he's taken in a lot of contributions, and ag interests are throwing their support behind his campaign. The report shows contributions through Sept. 30 and includes hog producer Wendell Murphy, tobacco farmer Benson Lee's family, and Goldsboro Milling Company leadership. Rouzer's contributors also include ag-related PACS, such as N.C. Pork Council, N.C. Farm Bureau PAC, all of whom made contributions to Rouzer during the first six weeks of his campaign. Rouzer is the current chairman of Agriculture and Environment Committee in the NC Senate.

Fuel & Energy NEWS

Enviva Signs Biomass Deal with Dominion Virginia Power; N.C. Plant to Start Soon: Enviva LP, a leading manufacturer of processed biomass fuel in the U.S. and Europe, announced that it has signed a contract with Richmond, Va.-based Dominion Virginia Power to supply biomass to two power facilities in southeast Virginia. In the last year, Enviva has rapidly expanded its operating footprint in the Mid-Atlantic region. Enviva is best known in the Mid-Atlantic region for its growing wood pellet manufacturing and export business. This fall, Enviva's flagship wood pellet plant in Ahoskie, N.C., will commence operations, producing up to 400,000 metric tons of wood pellets per year. In August, the company also announced plans to develop a second wood pellet facility in nearby Northampton

County and a strategic partnership with Biomass Energy to operate its Bumpass, Va.-based wood chip and pellet manufacturing facility.

Environmental NEWS

Cost of Senate Inaction on Reducing Regulatory Burdens Act: The Washington Examiner published an editorial by Ag Committee Chairman Frank D. Lucas on Oct. 27 calling on the Senate to take action on H.R. 872, the Reducing Regulatory Burdens Act. The legislation would ensure that businesses are not subject to redundant pesticide permitting requirements. It passed the House with bipartisan support but is languishing in the Senate. H.R. 872 is among the "forgotten 15" jobs bills that the House approved as part of House Republicans' *Plan for America's Job Creators*. [Click here](#) to read the story.

EPA Accepting Comments on CAFO: EPA co-proposes two options for obtaining basic information from CAFOs to support EPA in meeting its water quality protection responsibilities under the Clean Water Act (CWA). The purpose of this co-proposal is to improve and restore water quality by collecting facility-specific information that would improve EPA's ability to effectively implement the NPDES program and to ensure that CAFOs are complying with the requirements of the CWA. Under one co-proposed option, EPA would use the authority of CWA section 308 to obtain certain identifying information from all CAFOs. Under the other option, EPA could use the authority of CWA section 308 to obtain this information from CAFOs that fall within areas that have been identified as having water quality concerns likely associated with CAFOs (focus watersheds). Comments on this proposed action must be received on or before December 20, 2011. EPA plans to hold two Webinars in November, 2011 to provide an overview of, and answer questions about, the proposed rule requirements. Submit your comments, identified by Docket ID No. EPA-HQ-OW-2011-0188 at www.regulations.gov.

Business NEWS

R.J. Reynolds Tobacco Employees Vote Against Union Representation: A preliminary count of ballots cast indicates that a majority of R. J. Reynolds production and maintenance workers at the Tobaccoville and Whitaker Park facilities chose not to be represented by the International Association of Machinists and Aerospace Workers (IAM) and the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM) for the purpose of collective bargaining. The preliminary vote count stands at 686 against union representation, 556 for, and no challenged ballots. This is the third union vote in six and a half years. However,

with 45 percent voting in favor, union representatives could look for another vote as early as fall 2012.

N.C. Farmers Eligible for Grant Awards: \$225,000 in grants will be awarded to independent family farms in N.C. for new farming enterprises that demonstrate innovative opportunities in production, processing and marketing. The grant program, known as the Tobacco Communities Reinvestment Fund, is managed by the Rural Advancement Foundation International-USA (RAFI), a non-profit organization based in Pittsboro. Exclusively supported by a grant from the N.C. Tobacco Trust Fund Commission, the grant program is designed to keep farmers in farming and to maintain the economic base of N.C.'s rural communities. The program makes awards of up to \$10,000 to individual farmers and for collaborative farmer projects. The deadline for applications is December 15, 2011. "How to apply" workshops will be held across N.C. from Nov. 3-Nov. 14. For more info go to www.ncfarmgrants.org.

N.C. Congressional Delegation Votes to Repeal Withholding

Tax: The U.S. House passed H.R. 674, which would repeal a federal mandate to require state, local and federal governments to withhold three percent of payments made to companies that do business with the government. The tax was scheduled to go into effect on January 1, 2013. The entire N.C. congressional delegation voted in favor of H.R. 674. The bill passed by a vote of 405 to 16 and now goes to the Senate for further consideration.

Cabinet Manufacturing Company to Create 136 Jobs in

Rutherford County: Gourmet Group LLC will acquire the assets of Geppetto Kitchens and expand the manufacturing capacity of the plant in Rutherford County. Gourmet Group will continue to produce the Geppetto brand of kitchen cabinets over the next five years. The project is expected to create 136 jobs and the company expects to invest over \$2.3 million in the project over the next three years. The project was made possible in part by a \$270,000 grant from the One North Carolina Fund.

University NEWS

NCSU Receives USDA Funding for Farmers: Ag Secretary Tom Vilsack announced more than \$7.9 million in economic development loans and grants to help rural cooperatives and small businesses expand, create jobs and strengthen their capacity to serve rural citizens and communities. The grants are being provided through USDA Rural Development's Rural Cooperative Development Grant program. Grants of up to \$225,000 may be awarded to colleges, universities and non-profit groups to create and operate centers that help individuals or groups establish, expand, or operate rural businesses, especially cooperatives and mutually-owned businesses. North Carolina State University received a \$225,000 grant to coordinate and facilitate technical and financial assistance to help farmers in N.C.

Commodity NEWS

Tariff on U.S. Pork Lifted by Mexico: Last week, Mexico lifted tariffs on U.S. exports, including pork, and the U.S. government granted the first permit to a Mexican trucking firm to haul goods into the United States. In July, the two governments signed an agreement resolving the trucking issue with the U.S. Department of Transportation (DOT), crafting a cross-border trucking program, and the Mexican government cutting the retaliatory tariffs by 50 percent. The remaining tariffs were suspended last week after DOT issued the trucking permit. Mexico is the second largest market for the U.S. pork industry, which shipped \$986 million of pork south of the border in 2010. Since 1993 – the year before NAFTA was implemented – U.S. pork exports to Mexico have increased by 780 percent.

Crop Input Prices to Surge In 2012: Growing an acre of corn, soybeans or wheat in 2012 will cost producers a lot more than it did this year, says Alan Miller, a Purdue Extension agricultural economist. Farmland rental costs and volatile fertilizer prices are the two primary drivers of increasing costs, and, according to Miller, seed prices also will be up 5 to 10 percent in the coming year. Pesticide prices will vary by product. "Preliminary budgets show variable costs for rotation corn increasing by 16 percent, soybeans by 15 percent and wheat by 12 percent as compared with our January 2011 budgets," Miller said.

Ready-to-Cook Weight Down 1 Percent from Last Year: Poultry certified wholesome during September 2011 (ready-to-cook weight) totaled 3.71 billion pounds, down 1 percent from the amount certified in September 2010, according to USDA's latest Poultry Slaughter report. The August 2011 revised certified total, at 3.90 billion pounds, was up 4 percent from August 2010. The August revision represented an increase of 57.4 million pounds from last month's preliminary pounds certified. The preliminary total live weight of all federally-inspected poultry during September 2011 was 4.92 billion pounds, down 2 percent from 5.00 billion pounds a year ago. Young chickens inspected totaled 4.24 billion pounds, down 2 percent from September 2010. Mature chickens, at 73.8 million pounds, were up 2 percent from the previous year. Turkey inspections totaled 594 million pounds, up 2 percent from a year ago. Ducks totaled 13.1 million pounds, down 9 percent from last year. Young chickens slaughtered during September 2011 averaged 5.86 pounds per bird, up 2 percent from September 2010. The average live weight of mature chickens was 5.78 pounds per bird, up 1 percent from a year ago. Turkeys slaughtered during September 2011 averaged 29.1 pounds per bird, up 2 percent from September 2010.

NCDA NEWS

NCDA&CS Collecting Ideas, Opinions on New Propane Tank

Requirements: The N.C. Department of Agriculture and Consumer Services wants to know what propane customers who own underground tanks think of new safety requirements, and regulators have set up an online survey to collect comments. The latest edition of the national LP-Gas Code requires that underground propane tanks installed after Jan. 1, 2011 be equipped with a system to protect them from corrosion. The code also requires that the system known as a cathodic protection system be tested for effectiveness on a specified schedule. Test results must be documented and maintained. The Standards Division has posted a survey on its website to gather ideas from customers. Go to www.NCStandards.org and click on "Customer-Owned Propane Tanks." Customers without Internet access can request a copy of the survey by calling 919-733-3313. Comments will be accepted through Dec. 31.

USDA NEWS

Court Approves Pigford II Settlement Agreement: On Friday, the U.S. District Court for the District of Columbia approved the historic Pigford II settlement. On Feb. 18, 2010, USDA and the U.S. Department of Justice announced an agreement with African-American farmers to settle the Pigford II litigation for \$1.25 billion. Congress passed the Claims Settlement Act that funded the settlement in November 2010, and the bill was signed by President Obama in December 2010. The claims process will soon be established and announced for individuals who may have faced discrimination.

Mark Your Calendar

To see all upcoming events - [click here for the AgCalendar.](#)