# AgNews UPDATE

#### Weekly News Critical to Your Agribusiness

#### November 14, 2011



# Washington NEWS

**McIntyre Pushes 3 Key Farm Issues:** U.S. Congressman Mike McIntyre announced he is taking action on three key agriculture issues to help N.C. farmers. First, McIntyre has become a cosponsor to permanently extend the current 15% capital gains and dividend tax rate. Second, McIntyre has signed on as a co-sponsor of the Beginning Farmer and Rancher Opportunity Act, which will provide strong support for new farm entrepreneurs. Limited land and high production costs are some of the barriers that new farmers face, and this bill would provide them with the training and resources they need to start or expand. Third, McIntyre is supporting legislation, HR 3265, which amends the Motor Carrier Safety Improvement Act of 1999 to provide clarification regarding the applicability of exemptions relating to the transportation of agricultural commodities and farm supplies, and for other purposes. Congressman McIntyre is a senior member of the U.S. House Agriculture Committee.

## Weather & Drought NEWS

**Irene Costs Tobacco Farmers \$114 Million:** Tobacco farmers have finished their harvest and Hurricane Irene losses have been totaled. This year's crop value has dropped \$114 million from last year. Although more acres were planted, yield dropped to 1,700 pounds from 2,100 acres last year. Over the past decade, average yield reached 2,204 pounds per acre.

## Legislative NEWS

**Brent Jackson to Co-Chair Ag Committees:** Sen. Brent Jackson, R-Sampson, was recently appointed to co-chair two agriculture committees in the N.C. Senate. Jackson will co-chair the Senate Agriculture/Environment and Natural Resources Committee and the Appropriations Natural and Environment/Resources subcommittee. Sens. Jackson is CEO of Jackson Farming Company, Inc., in Autryville and a N.C Agribusiness Council member.

## **People NEWS**

**Troxler, Rouzer Honored for Service**: North Carolina Commissioner of Agriculture Steve Troxler and state Sen. David Rouzer are the 2011 recipients of Distinguished Service Awards given by the North Carolina Agricultural Foundation at North Carolina State University. The awards are given annually to individuals who provide outstanding support to N.C. State University and the university's College of Agriculture and Life Sciences.

# **Commodity NEWS**

North Carolina Cotton Yields Continue to Decline: The N.C. field office of USDA's National Agricultural Statistics Service recently released the November crop report for N.C. crops. Corn for Grain: Yield is forecast at 82 bushels per acre, down 9 bushels per acre from last year. Production is forecast to total 65.6 million bushels, 14% less than last year. Harvested acres are forecast at 800,000 acres, down 40,000 acres from 2010. Cotton: Yield is forecast at 660 pounds per acre, down 21% from last year's yield of 838 pounds per acre. Production is forecast at 1.1 million bales, up 16% from last year's production of 951,000 bales. Harvested acres are expected to total 800,000 compared with 545,000 acres harvested last year. **Peanuts:** Yield per acre is forecast at 3,500 pounds per acre, up 800 pounds from 2010. Production is forecast at 283.5 million pounds, up 22% from last year's production. Harvested acres are projected at 81,000 acres, down 5,000 acres from 2010. Soybeans: Yield is forecast to average 31 bushels per acre up 5 bushels per acre from last year. Production is forecast to total 41.9 million bushels, up 4% from last year. Harvested acres are projected at 1.35 million acres, down 200,000 acres from 2010. October Weather Summary: The state received mostly below normal precipitation and temperatures during the month of October. The cooler, drier weather allowed producers to continue to harvest corn, cotton, peanuts, and soybeans. As of October 30, statewide soil moisture was rated at 1% very short, 13% short, 81% adequate and 5% surplus. Christmas Tree "Tax" Axed: USDA announced a final rule on the creation of a Christmas Tree Promotion, Research and Information Order, commonly known as a "checkoff." The program would have been funded by growers at a rate of 15 cents per tree sold. However, the White House called off the program after conservatives accused USDA of spoiling Christmas and characterized the growerfunded fee as a tax. Opponents of the program maintain that consumers would end up paying more for live trees. The National Christmas Tree Association said that consumers would not pay more. The program was requested by the industry in 2009 and has gone through two industry-wide comment periods. More than 70% of the growers posting comments and nearly 90% of the state and multi-state associations that posted comments indicated that they were in favor of the program.

FDA Rejects Antibiotic Ban Petition: The FDA denied two petitions to ban antibiotic use in food animals. The petition was filed by the Center for Science in the Public Interest, Environmental Defense, the American Academy of Pediatrics, the American Public Health Association, Food Animal Concerns Trust (FACT) and the Union of Concerned scientists. The coalition filed petitions in 1999 and in 2005. FDA said that formal proceedings take a tremendous amount of time and money. FDA said it is addressing antimicrobial resistance in animal production.

## **Business NEWS**

Ferraro Foods to Add 23 New Jobs in Alamance County: Ferraro Foods of North Carolina, a wholesale importer and distributor of Italian foods and restaurant related products, plans to create 23 new jobs and invest \$5.975 million dollars during the next three years in Mebane. The project was made possible in part by a \$70,000 grant from the One North Carolina Fund. As part of the project, the company will build a state-of-the-art warehouse and office building in Alamance County. The company is currently located in High Point and will offer to transfer the 58 employees at that location to the new facility in Mebane.

Smithfield Foods to Expand in Lenoir County: Smithfield Packing Company, a subsidiary of Smithfield Foods, Inc., will expand its facility in Lenoir County. The company plans to shift production from its Portsmouth, Virginia plant to Kinston, permanently closing the Portsmouth facility in early 2013. The Portsmouth plant produces hot dogs and lunchmeat. The Kinston expansion will create 330 new jobs and invest \$85.5 million during the next three years in Kinston. As part of the expansion, the company will add a new product line of packaged meats. Smithfield Foods currently has more than 12,400 employees across North Carolina. The project was made possible in part by a \$700,000 grant from the One North Carolina Fund. Senate Repeals Withholding Tax: The U.S. Senate voted 95-0 to repeal the 3 percent withholding mandate, which prevents a tax on small businesses. The vote repeals the requirement that the government would be required to withhold 3 percent of payment to contractors. The tax would have gone into effect in 2013.

# University NEWS

CALS Dean Johnny Wynne to Retire: Johnny C. Wynne, Dean of NCSU's College of Ag & Life Sciences, sent a letter of retirement to the Provost. Wynne's retirement will be effective July 1, 2012. North Carolina FFA Receives Major Grant: The North Carolina Tobacco Trust Fund Commission has awarded \$180,540 to the North Carolina FFA to improve high school agricultural education programs throughout the state. The new Agricultural Education Program Improvement Grant, which receives exclusive support from the Tobacco Trust Fund Commission, aims to provide much-needed resources to local ag education programs and FFA chapters in high schools. The North Carolina FFA, housed in the College of Agriculture and Life Sciences at NCSU, will distribute the gift in at least 32 grants in the amount of \$5,000 each. Any high school in North Carolina with an agricultural education program is eligible to apply. Award winners will be announced in spring 2012.

# Environmental NEWS

Swine Farmers Notified of Upcoming Water Quality Study: Swine farmers in eastern N.C. should have recently received a letter from the NC Division of Water Quality (DWQ) regarding an upcoming study of water quality in waters near swine farms. The study was accepted by the NC Environmental Management Commission as a reasonable alternative to a proposed mandatory monitoring rule that would have required all permitted animal operations to collect water samples from streams adjacent to the farm and pay for analysis of

those water samples. Please note that sample results will not be used for determination of compliance with your permit. A copy of the study plan prepared by the USGS can be obtained here. If you have any questions or concerns, please contact the NCPC office at 919-781-0361.

Senate Democrats Shoot Down EPA-Blocking Bill: U.S. Senate Democrats defeated a bill on Thursday that would have blocked the EPA's Cross State Air Pollution Rule. EPA's rule would have greatly cut emissions from coal-fired plants east of the Rocky Mountains. Rand Paul, R-KY, sponsored the bill and needed 50 votes to pass it. The bill received 41 votes in favor and 56 against. The U.S. House has passed several bills limiting, delaying, or overturning EPA regulations that would place heavy burdens on power plants.

# NCDA NEWS

Comment Period for New US Department of Labor Rules Very Short: N.C Ag Commissioner Steve Troxler on the Southern Farm Network to discuss "Today's Topic." Click here for more.

E. Coli Source Identified: The state Division of Public Health and the NCDA&CS say that the Kelly Building at the N.C. State Fairgrounds is the likely source of E. coli that resulted in 27 reported illnesses. The building houses sheep, goats, and pigs, and officials say that people likely contracted the bacteria because of animal contact.

NCDA&CS Seed Lab Returns to Permanent Home: The N.C. Department of Agriculture and Consumer Services' Seed Laboratory has moved back to its permanent location in the Old Health Building following the completion of renovations. Effective immediately, samples should be sent to NCDA&CS Plant Industry Division Complex, 216 W. Jones St., Raleigh, NC, 27603. The phone number for the lab is 919-733-3930, and the fax number is 919-733-1041.

#### USDA NEWS

Vilsack Announces Travel to Asia: U.S. Ag Secretary Tom Vilsack announced plans to travel to Vietnam and China in mid-November to help strengthen bilateral trade relations and support the American brand throughout the Asia Pacific region. Vilsack is the first sitting American Secretary of Agriculture to visit Vietnam.

USDA Streamlines Programs to Help Ag: USDA will streamline a host of programs and processes in an effort to help farmers, ranchers and businesses continue to drive America's productive agricultural economy. Improvements were announced by the Farm Service Agency (FSA), the Risk Management Agency (RMA), and the Animal and Plant Health Inspection Service (APHIS). From FSA: USDA is accepting comments on a proposed rule to streamline the process for its Secretarial Disaster Designation, allowing farmers and ranchers devastated by natural disaster. From RMA and FSA: Establishing 15 common Acreage Reporting Dates (ARDs) for farmers and ranchers participating in RMA and FSA programs. From APHIS: APHIS is making a number of improvements to its process for reviewing license applications for veterinary biologics and better serving USDA's customers in the areas of risk assessment and rulemaking for the importation of agricultural products. On petitions requesting nonregulated status for genetically engineered (GE) organisms, APHIS anticipates being able to significantly reduce the average length of the petition process while maintaining strong oversight.

## Mark Your Calendar

To see all upcoming events - click here for the AgCalendar.