

USA Dry Pea & Lentil Council
Policy Positions 2018
Farm Policy

The USADPLC seeks to be included and treated equally with other farm program commodities in the area of farm and conservation program support.

- 1. Federal Crop Insurance Reform.** The USADPLC supports equitable Federal Crop Insurance programs for all dry peas, lentils and chickpeas at an affordable price. The USADPLC supports the following improvements to federal crop insurance for pulse crops:
 - a. Level of Support.** Maintain at least present level of support for Crop Insurance in Farm Bill 2018.
 - b. “Dry Pea” loss data.** Encourage RMA to establish accurate dry pea loss adjustment standards data for autumn and spring sown peas, lentils and chickpeas using studies and actual evaluations of pulses to more accurately represent losses.
 - c. Non-Futures Pulse Crop Revenue Program Insurance.** USADPLC supports the full implementation of the pulse crop revenue insurance utilized in the “pulse crop non-futures revenue pilot program” for dry peas, lentils and chickpeas.
 - d. Credit for Small Grains Premiums.** Request RMA continue to consider how policy premiums are discounted when a pulse crop is included in a cropping system. University research shows that pulse crops reduce production risk when included in a cropping system.
 - e. New Producers.** Request RMA policies do not discourage new producers taking advantage of Risk Management products.
- 2. Farm Bill 2018-** USADPLC is working for full equality for pulse crops as commodities under Federal Farm Policy. The USADPLC supports:
 - a. Farm Bill 2018 Safety Net:** USADPLC supports farm bill programs that include pulse crops, ensuring equality with other program crops in the 2018 Farm Bill.
 - b. Pulse Crop Health Initiative.** USADPLC supports permanent funding of the Pulse Crop Health Initiative (PCHI). Permanent funding of the PCHI will insure that it accomplishes its overall purpose: to find solutions to the critical health and sustainability challenges facing the US and the world through research on pulse crops. The focus of the PCHI is on three major goals—Reducing Obesity, Increasing Food Security, and Improving Sustainability. USADPLC expects to play a key advisory role in working with the USDA-ARS, NIFA and USDA-REE to set up the PHI infrastructure, strategic goals, and performance measures. *The USADPLC supports permanent funding of the PCHI of \$25.0 million per year for five years in the 2018 Farm Bill.*
 - c. School Pulse Crop Products Program.** USADPLC supports permanent funding of the Pulse Crop Products Program (PCPP). Permanent funding of the PCPP will help insure that the program is set up to evaluate acceptability of pulses (dry peas, lentils, chickpeas and dry beans—both whole and as ingredients), identify suitable products for school lunches, evaluate adoption of pulses outside of school and evaluate the effects of the products on nutrition. *The USADPLC supports permanent funding of the PCPP for \$2.0 million for five years in the 2018 Farm Bill.*
 - d. Reduction in Paperwork.** USADPLC supports utilizing current business systems like email, texting, and electronic communications to improve notifications and sign up procedures. The Council encourages sharing data so the customer is only asked for the same information at the first point of service, i.e. crop records established at FSA are shared with the Crop Insurance Agent.

3. Childhood Nutrition Act Reauthorization: Pulses are nutrient dense foods high in protein and fiber with little or no fat. Increasing pulses in school meals is an economical way to add plant proteins and fiber into children’s diets without increasing saturated fat or cholesterol. In 2015 and 2016, Congress considered reauthorizing the Healthy, Hunger-Free Kids Act of 2010 that expired on September 30, 2015. The current legislation identifies ”beans and peas (legumes)” as unique foods that can be counted as either a meat alternative or a vegetable. However, current legislation limits the acceptable form to “whole cooked beans, dry peas, and lentils (with the exception of hummus)”. Legislation includes pulses in the vegetable subgroup “Beans and peas (legumes)” with a requirement of only 1/2 cup per week for all ages. Increasing flexibility to meet this requirement will enhance the nutritional quality of school and government meal programs.

USADPLC requests legislation supporting increased use of pulse crops in school meal programs as follows:

- a. Continue requirements for minimum weekly servings of vegetables from subcategories including “BEANS AND PEAS (LEGUMES)” in the school meal program.
- b. Include the term Pulses collectively known as beans, dry peas, lentils, and chickpeas into the “BEANS AND PEAS (LEGUMES)” category definition.
- c. Allow both whole or pureed pulses and ingredients derived from an eligible pulse crop to be credited in federally reimbursable meals. These food products include pulse flours and pulse-based products such as chips and pastas.

4. Trade Sanction Policy. The USADPLC opposes any trade sanctions on food, except in cases of extreme national emergency or a declaration of war.

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Research

Research is the backbone of any successful farm commodity. USADPLC supports the efforts of Congress and the Administration to help farmers and America's economy by increasing the investment in agricultural research. The public is asking for help understanding the health benefits of their food and discovering the sustainability of their food system. USADPLC is working to increase the pulse crop research dollars in health information, functionality and sustainability.

1. Pulse Crop Health Initiative \$25,000,000 in 2018 Farm Bill. The purpose of the PCHI is to find solutions, through research on pulse crops, to the critical health and sustainability challenges facing the U.S. and the world. The Initiative will focus on three major goals: 1) reducing obesity and related chronic diseases; 2) increasing food security; and 3) improving sustainability. The USADPLC supports permanent funding of the Pulse Health Initiative. This will require establishment of policy and procedures to establish goals, provide guidance, and prioritize the research funded through the PCHI. USADPLC will participate in the establishment and administration of this initiative to insure funding, help prioritize research efforts and meet the needs of our nation. ***USADPLC requests \$25 million per year for five years for the Pulse Crop Health Initiative in the 2018 Farm Bill to find solutions to the Health, Nutrition and Sustainability issues facing our country through research on pulse crops.***

2. USDA/ARS Cool Season Grain Legume (Pulse) End-Use Research Program \$500,000. The USADPLC supports the immediate creation of a USDA/ARS program to develop new uses for pulse crops through the evaluation of end-use characteristics such as cooking time, canning quality, frying traits, milling characteristics, extrusion consistency, protein, starch and other nutrient factors important to end-users. Nutritional and functional characteristics would be linked to genetic information to improve the breeding efforts and overall quality of the crop. With the creation of the NDSU Pulse Quality Lab at Fargo, the USDA-ARS Pulse Crop End Use Research Lab would complement the efforts of the State Lab and provide additional national support for Pulse Quality. USDA-ARS has quality labs located throughout the northern tier. With an additional scientist, any one of these labs could provide the industry the needed support. ***The USADPLC requests a \$500,000 appropriation in FY 2019 to fund a new USDA/ARS scientist dedicated to developing new food and industry end uses for dry peas, lentils and chickpeas at a USDA/ARS quality lab facility in the northern tier (WA, ID, MT or ND).***

3. USDA/ARS Fall Seeded Grain Legume Plant Geneticist Position \$380,000. Dry pea, lentil and chickpea growers have a need for winter-sown cool season legumes in their crop rotation. Development of high-yielding fall seeded pulse varieties will help US growers remain competitive with rapidly expanding pulse acreage in Canada and Australia. This position would be established at the USDA/ARS Grain Legume Genetics and Physiology Research (GLGPR) Unit at Washington State University, Pullman, WA. In FY 2006, Congress appropriated \$120,000 for this position. Since FY 2006, the partial funding of this critical position continued and is part of the USDA-ARS budget. ***The USADPLC requests a \$380,000 appropriation in FY 2019 to fully fund a new USDA/ARS Winter Grain Legume Plant Geneticist located in Pullman, WA.***

4. Sclerotinia Initiative \$500,000. For the past twelve years, the pulse industry has joined with soybeans, dry beans, canola, sunflowers and the USDA-ARS to manage an Initiative currently funded at \$1.5 million to combat Sclerotinia or "white mold". This project receives industry input, selects competitive, scientifically sound research, and uses an outside review process to audit the progress toward goals. Reported outcomes include finding sources of resistance, improving basic knowledge about the pathogen, and exploring efficacy of management tools. Since formation of the initiative, additional genetic resources have become available such as the genetic map of soybean, medicago truncatula and the Sclerotinia pathogen itself. The participants in the initiative request funding be increased \$500,000 to expand the program to utilize these resources. ***USADPLC requests an increase to funding of \$500,000 to the Sclerotinia Initiative to a total of \$2.0 million for FY 2019.***

5. Grain Legume Genetics and Physiology Research Unit. The 2016 reorganization and consolidation of the pulse crop research units at Prosser and Pullman WA is a good idea. USADPLC believes this is the beginning of USDA-ARS providing scientific leadership and direction for national pulse crop scientific needs. The USADPLC recognizes that the only way this good idea will work is with proper funding and manning. USADPLC supports two measures to improve the responsiveness of the USDA-ARS GLGP Research Unit.

- a. ***The first is to end the hiring freeze for USDA-ARS.*** The increased funding provided to the Prosser scientists provided the industry hope for responsive and innovative research focused on the pulse industry as it has grown and is projected to grow over the next decade. Due to the hiring freeze, needed technicians cannot be hired and this is significantly hampering the ability of the GLGP laboratories, particularly in Prosser, to provide the industry much needed research. **USADPLC supports ending the hiring freeze for USDA-ARS scientists and technical support staff.**
- b. ***The second measure is a request to increase funding for the three scientific positions located at Pullman, WA.*** Current funding for these three positions is \$830,000 which amounts to only 2.8 full time positions. With funding reductions due to sequestration and increased costs inherent in scientific research, these critical scientific positions are in danger of being reduced or cut in spite of the acreage increasing to over 2.3 million acres in the last 5 years. Fully funding this research unit should be a high priority for the USDA-ARS to be able to provide scientific leadership and guidance for the industry research efforts. **USADPLC requests an increase of \$700,000 per year to the GLGP Research Unit beginning in FY 2019.**

6. Research Plant Based Food as source of Nutrients of Concern. Nutrients of Concern, established by the Secretary of Ag, provide an important tool to focus agriculture and food research. USADPLC requests USDA devote a portion of the Ag and Food Research Institute (AFRI) competitive grants on using plant based food as a source of nutrients of concern. Research should add investigations into nutrients provided by plant based foods; development of processing, functionality, and bioavailability of nutrients in plant based foods and food products; and improvement of nutrition and functionality of plant based foods. Pulses, i.e. dry peas, lentils, chickpeas and dry beans would be plant based foods that provide a major source of nutrients of concern. **USADPLC requests \$25 Million per year for FY 2018.**

7. Alternatives to Fumigation as protection against Bruchids and Nematodes. The US Pulse Industry has faced market uncertainty with India each year due to a requirement to fumigate shipments of US pulse crops with methyl bromide (MeBr) prior to arrival at Indian ports. The purpose of the fumigation is to prevent bruchids and nematodes from entering the country of India. India is the largest market for US dry peas and lentils and in the top 5 markets for US Chickpeas. US exporters are faced with US regulatory pressure to reduce MeBr use, technical problems due to labeled usage in US, and no effective alternatives to control the pests. **USADPLC requests USDA-ARS focus the MeBr Alternatives Initiative on finding effective alternatives for fumigation of stored grains.**

USA Dry Pea & Lentil Council
Policy Positions 2019
Market Promotion

The US pea, lentil and chickpea industry consists primarily of small, family-owned businesses that provide value-added jobs in rural and export communities. Over 60% of these legumes are exported overseas. In order to keep our rural economies strong, we need the Federal Government to join with our industry to aggressively promote our product. Congress and the Administration need to increase funding for market promotion for US farm commodities. Last year the pea, lentil and chickpea industry contributed over \$475,000 to MAP and FMD market promotion activities.

1. Market Access Program (MAP) \$400 million. MAP is an effective program for the US pea, lentil and chickpea industry. Strong market promotion programs are critical to increasing the demand for our commodities around the world. MAP promotional efforts also resulted in increased sales to India, Latin America, Asia and Europe. The USADPLC fully supports the continuation of MAP. Effective market promotion programs are critical to the long-term financial health of US farmers. ***The USADPLC requests funding of \$400 million for Market Access Program in 2018 Farm Bill.***

2. Foreign Market Development (FMD) Program \$69 million. The USADPLC has been a USDA Foreign Ag Service (FAS) Cooperator since the late 1960s. This market development program is jointly funded between the industry and the Federal Government to provide technical and trade service assistance to our overseas customers. FMD funds have been used effectively to develop new markets for dry peas, lentils and chickpeas in Asia Pacific, Europe, the Indian Sub-continent and Latin America. ***The USADPLC requests funding of \$69 million in 2018 Farm Bill for the Foreign Market Development program.***

3. Food Aid Funding \$1.9 billion. P.L. 480 is a food aid program designed to assist those in need around the world. The American people have a long history of sharing their wealth with those facing natural disasters and economic hardship. The program builds goodwill and strengthens the relationship between the US and developing countries. Peas, lentils and chickpeas provide a cheap source of protein, vitamins and minerals to those P.L. 480 recipients facing food shortages. The USADPLC strongly supports the P.L. 480 program for humanitarian purposes and as a tool for developing future markets for US commodities. India, Pakistan, Colombia and the Philippines were P.L. 480 customers and are among our highest volume commercial customers today. USADPLC supports continued funding for the PL480 and McGovern Dole programs in Farm Bill 2018. ***The USADPLC requests funding of \$1.9 billion in Farm Bill 2018 to fund P.L. 480 Title II & McGovern-Dole food aid programs.***

4. Free Trade Agreements. The USADPLC supports free and fair trade between countries. Over 60% of the peas and lentils produced in the US are exported overseas. Reducing trade barriers is vital to the continuing growth of our industry. We support enforcement of current trade agreements already in place.

5. Trade Barriers. The USADPLC will continue to work toward its goal of reducing and/or eliminating unfair trade barriers. Top priority for the industry is elimination of phyto-sanitary issues for the following countries: a) China, b) India, c) Canada, and d) Brazil. A second priority is the normalization of trade with Cuba, including the creation of financial mechanisms to facilitate payments to US suppliers. With NAFTA being re-opened for negotiation, the USADPLC supports fair and equal phytosanitary standards for pulses.

6. Export Import Bank Funding. USADPLC supports full funding of the ExIm Bank. The service provided by this bank helps the industry to trade with many less developed countries and opens important markets for our products.

USA Dry Pea and Lentil Council
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Crop Protection Regulations

If US pea, lentil and chickpea growers are to compete effectively, crop protection materials must evolve just as the pests they help control evolve. In addition, US producers must not lose markets due labeled use of crop protection materials which are more effective, less costly or reduced risk.

1. Crop Protection Labels. The USADPLC plans to forward the following emergency and special label requests to EPA for the upcoming crop year. It is critical that these crop protection materials be approved by EPA prior to spring planting:

- a. Restore the Codex MRL for **Bentazon (Basagran)** for Dry Peas.
- b. Work toward Section 3 Label including dry peas for **Intego® (Ethaboxam)** as a seed treatment against aphanomyces.
- c. Work toward Section 3 Label for **Tough® (Pyridate)** on Chickpeas, add lentils and peas to label.
- d. Section 3 Federal Label for **Omega® (Fluazinam)** for lentils (dry peas) through the IR-4 Program.
- e. Section 3 Federal Label for **BeLeaf® (Flonicamid)** in dry peas, lentils and chickpeas to control sucking insects like aphid and lygus bug.
- f. Federal Label for **Transform® Insecticide (Sulfoxaflor)** on dry peas and lentils through IR-4 Program.
- g. Continued support for the Section 3 Federal Label for **Dimethoate** to control aphid in peas and lentils.

2. Crop Protection Harmonization. Improved crop protection tools are a major goal of the USADPLC, but without wide acceptance of Maximum Residue Limits (MRLs), new products risk becoming an artificial barrier to trade. USADPLC is working on the following efforts to harmonize MRLs and improve access to newer crop protection materials:

- a. **Codex Reform.** USADPLC is working with Global Pulse Confederation partners to encourage efficiencies at the Codex Committee on Pesticide Residues (CCPR) which provide better access to trade through harmonization of international MRLs. **USADPLC supports efforts to create efficiencies at the Codex CPR.**
- b. **Harmonization of MRL's.** To prevent serious disruptions in trade, MRLs should be harmonized between our trading partners. Many of our partners use the CODEX standard as their default MRL. Currently, the CODEX standards lack MRLs for many widely used crop protection products. **USADPLC supports the efforts of our agency partners—EPA, IR-4, FAS and others to add MRLs for pulse crops to all our trading partners but particularly the CODEX.**
- c. **Use of Crop Groups:** Crop Groups in the USA are used to gain maximum use of residue testing. Multiple crops within one group are registered with the MRL established for a single “representative” crop. With this system, an MRL established with trials for dry peas can be applied to lentils and chickpeas. **USADPLC endorses efforts by US IR-4 and EPA to gain acceptance for this system in the CODEX standards and with our trading partners.**
- d. **Establish International Crop Zones.** Crop Zones are another method of making residue testing more efficient. International crop zones encourage international cooperation and joint registrations by combining work done in several geographic regions rather than just one country. **The USADPLC supports sharing both data and regulatory capacity through the use of expanded international crop zones and crop use patterns to evaluate residue data. USADPLC supports increases in capacity to improve the responsiveness for gaining CODEX MRLs.**

3. IR-4 Program & Pesticide Registration \$19.0 million. The USADPLC supports funding for the IR-4 program to assist in the registration of crop protection products for specialty crops. The USADPLC supports an appropriation of \$19.0 million in FY 2019 to fund IR-4 programs. In addition, the USADPLC supports continued funding of complementary USDA-ARS programs in support of IR-4.

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Taxes

Pea, lentil and chickpea farmers are facing escalating competition from around the world. There is increased pressure to lower the cost of producing these products in order to compete. If US farmers are to compete in this new world order, then production costs must be lowered and incentives to reinvest in their businesses encouraged. The USADPLC feels the following changes to the US tax code would help farmers compete in today's marketplace.

1. Inheritance Tax Reform. Family farms are one of many small, family-owned businesses that would benefit from reforms in the inheritance tax laws. The current law is a financial burden on those trying to pass their small businesses on to their children. The USADPLC supports the reform of the inheritance tax system so that family farms can remain in the family. USADPLC also supports continuation of the rule to allow “the step up in basis” for the heirs at the time of inheritance.

2. Section 179 Deductions & Bonus Depreciation. The USADPLC supports the provisions enacted in the "Protecting Americans from Tax Hikes Act of 2015" (PATH Act) that was signed into law on December 18, 2015. USADPLC will monitor provisions of this law as it is enacted. The bill included the following provisions:

- a. *Section 179 Deduction:* Section 179 was extended permanently at the \$500,000 level. Businesses exceeding a total of \$2 million of purchases in qualifying equipment have the Section 179 deduction phase-out dollar-for-dollar and completely eliminated above \$2.5 million. Additionally, the Section 179 cap will be indexed to inflation in \$10,000 increments in future years.
- b. *50% Bonus Depreciation extended for 5 years, through 2019.* Businesses can depreciate 50% of the cost of equipment acquired and put in service during 2015, 2016 and 2017. The bonus depreciation phases down to 40% in 2018 and 30% in 2019.

Transportation Issues

Transportation: The USADPLC supports fair, efficient and cost effective movement of dry peas, lentils and chickpeas in the US transportation system. Specifically, the USADPLC endorses:

Rail Transportation

1. The USADPLC supports timely implementation of reforms included in the Surface Transportation Board (STB) Reauthorization Act that was passed by Congress in December, 2015. Specifically, the USADPLC supports implementation of the provisions in the bill which:

- a. Support the promulgation of rules allowing streamlined rate reasonableness cases for small shippers.
- b. Expand voluntary arbitration procedures to address both rate and service disputes.
- c. Finalize the rules that will allow the STB, acting on its own initiative, to investigate issues that are “of national or regional significance”.

2. USADPLC is working to improve the following aspects of Rail Transportation in the US:

- a. **Railcar Supply.** Increasing railcar supply and service to all shipment sizes.
- b. **Short line railroads.** Increase State and Federal funding of short line railroads.
- c. **Northern Tier Double Track.** The USADPLC supports the construction of a double track across the northern tier of the US (Chicago to Seattle) to assist our industry in moving its product to market.
- d. **Equitable Rates for Commodities.** Support equitable rates for similar shipments of pulses and grains.

River Transportation

1. **Dredging.** Adequate funding for maintenance and dredging of water transportation channels.
2. **Dam Removal.** The USADPLC supports maintaining the current Pacific Northwest (PNW) river transportation system and opposes the removal of PNW dams.

Trucking

1. **Hours of Service Exemptions.** USADPLC supports continuation of agricultural exemptions from hours of service rules at the state and federal levels.
2. **Harmonizing Weight and Length Limits.** USADPLC supports legislation or regulations harmonizing weight limits and lengths on all federal highways at the highest safety level.

Transportation Networks

1. **Container Hub.** USADPLC supports the establishment of an inland container hub in all pulse growing states to facilitate expeditious shipping of container freight to ocean going ports in the USA.
2. **West Coast Port Congestion.** USADPLC supports measures to prevent disruptions at port facilities and/or mitigate the impacts of any such disruptions. USADPLC encourages re-establishment of Port of Portland container service.
3. **Transportation Infrastructure.** Federal Highway Systems—bridges and roads, Port Access. Harmonization of heavy haul routes in all port areas. Port congestion reduction particularly movement of commodities through populated areas.

**USA Dry Pea and Lentil Council
Policy Positions 2018
FGIS & NASS Policies**

- 1. Monitoring Additional Pulse Grading Office.** The USADPLC supports the FGIS certification of ND private grading service and will continue to monitor the establishment of this services for the pulse industry.
- 2. Track chemical residues on Pulse Crops.** Maximum Residue Levels (MRLs) are becoming very important criteria for export to overseas customers. Over the last few years, the Industry has faced violations from MRLs in the EU and in Japan. Currently, there is no impartial scientific sampling of residues on pulse crops. US Wheat and other crops are sampled routinely for chemical residues by FGIS. The lack of this data leaves US pulse producers at a disadvantage to other competitor countries that routinely test their products. *USADPLC requests that FGIS conduct random samples at several ports at least twice a year to determine the level of residues on pulse crops. USADPLC would assist FGIS to determine the panel of chemicals required for testing.*
- 3. Funding Stocks on Hand Reports in June and December and Seed Planted Report in June.** SOH report in June and December and Planted acreage reports for lentils and peas were eliminated by sequestration funding cuts. Congress restored funding for these reports in FY 2015. *USADPLC requests that USDA find consistent source of funding for these critical reports, SOH in December and June and Planted Acres for dry peas, lentils and chickpeas in June.*
- 4. Standardize USDA statistical support for Pulses.** Currently, the classes of export products tracked by USDA Foreign Agriculture Service (FAS) are different than those tracked by USDA National Ag Statistics Service (NASS) in production and planting reports. In addition, the prices tracked by USDA Economic Research Service (ERS) are different than either the FAS or the NASS. Finally, the acres reported by USDA Farm Service Agency (FSA) are not consistent between states. *USADPLC requests that the USDA standardize tracking information for pulse crops across all services to include: 1) Dry peas, green and yellow; 2) (Export Data) Dry split peas, green and yellow; 3) Lentils (green or regular), small, medium, and large; 4) Lentils, red (all sizes); 5) Chickpeas, Kabuli--small and large; and 6) Chickpeas, desi.*

Miscellaneous

- 1. Earmarks:** The USADPLC believes that Congress has a duty to fund projects, programs and infrastructure that will benefit the people of this country. We believe that those projects should be fully debated and considered in the normal legislative process and not in the dark of night with no debate. We believe that earmarks like the Cool Season Food Legume (CSFL) program was openly debated and considered under the normal legislative process. The debate over “earmarks” is really a debate over whether or not the legislative branch should pass all control of the federal budget to the Administrative branch. We believe that our elected officials, versus the Administration, are in a better position to evaluate the infrastructure needs of their individual states. *Therefore, the USADPLC supports Congressional Earmarks as the responsibility of Congress to direct funds to needed projects that will benefit the citizens of this country.*