



February, 2018

Subject: Policy Priorities for 2018

Dear Member of Congress:

We are in the thick of a *Pulse Revolution*! Since the United Nations' 2016 International Year of Pulses designation, acreage has skyrocketed, and domestic sales are on the incline. Our 2017 marketing efforts expanded on the momentum of the *Pulse Pledge Challenge* (over 3.4 billion impressions), and our new "*Half-Cup Habit, Just Add Pulses*" campaign resulted in over 2.0 billion social media impressions among health-conscious millennial and baby-boomer consumers.

Pulses are now trending. Consumers are moving at a rapid pace to include more plant-based foods in their diets. Health concerns, weight control in particular, are desired attributes of new food products and ingredients. Preliminary research conducted at three different universities show that pulses can play a key role in weight management. Pulses and pulse-based products have the potential to lead our "Plant Forward Future." Yet, despite these achievements, we find some hurdles in the road to success.

One hurdle is a serious market disruption created by the Government of India imposing tariffs on imports of dry peas (50%), lentils (30%), and chickpeas (30%). This disruption by one of our most important trading partners hammers home the importance of free trade agreements that allow U.S. pulse crops to compete around the world. Another concern is the potential disruption to our industry created by unintended consequences of section 199A of the new tax bill. Finally, lack of funding for pulse crop research focused on the nutrition, functionality and sustainability is a significant hurdle for our industry. With your help, we can clear these hurdles (or leap over them!) and continue to build a strong pulse industry. We are asking for the following measures:

- **Technical Corrections to Tax Cuts and Jobs Act 2017.** The USADPLC supports an immediate amendment to Code Section 199A of the Tax Cuts and Jobs Act of 2017 to provide equitable treatment for tax purposes of all income from sales of agriculture products sold by producers to farmer owned cooperative or private entities, **including farmers who sell crops as a C corporation entity.**
- **Appropriations for FY 2019**
 - **Pulse Crop Health Initiative (PCHI)**—Funding for this research initiative authorized by the 2014 Farm Bill would provide enhanced research in Nutrition and Health, Functionality and Sustainability of pulse crops.
 - **Pulse Crop Products Program (PCPP)**—Funding for this program, also authorized by the 2014 Farm Bill, would assist school nutritionists to introduce pulse products into school menus, improving nutrition and quality of meals provided to school children across the nation.

- **Farm Bill 2018**—Pulse growers across the nation support the following issues in Farm Bill 2018:
 - **Maintain a strong Crop Insurance Program.** A strong safety net is critical to the pulse producer and crop insurance is a key component of the risk management toolbox. USADPLC supports maintaining current funding levels for crop insurance programs.
 - **PLC and ARC Safety Net Changes.** ARC and PLC provide another critical tool in the risk management toolbox. USADPLC supports changes to make these programs more equitable across county or state borders and by using RMA crop insurance yield data.
 - **Base Acre Updates.** Producers who have added pulses to their crop rotation in the past five years should be able to rebalance their base acre distribution to reflect current cropping history
 - **Permanent funding for the PCHI and the PCPP.** Farm Bill 2014 authorized funding for the PCHI and PCPP but these measures were never funded. Permanent funding for these programs is needed to actually realize the benefits and impacts provided by research and increased consumption of pulses.
 - **Include Language in AFRI Research for “Nutrients of Concern”.** USDA Dietary Guidelines have defined a gap in the health of Americans, identifying particular “nutrients of concern” important to a healthy diet. We support language to establish an AFRI research priority that would find solutions, using pulses, to address the “nutrients of concern” described in the Dietary Guidelines.
 - **Increases in funding for MAP/FMD.** Funding provided by USDA-FAS to the USADPLC International Marketing programs is critical to the success of our industry. Over 65% of our products are exported. The Industry supports increases in funding to competitive granting programs like the Market Access Program (MAP-\$400 mil.) and the Foreign Market Development (FMD-\$69 mil.).
- **Section 32 Funding directed to pulses.** As a result of the unexpected tariffs imposed on dry peas and lentils, the USADPLC requests Section 32 funding be used to reduce stocks of dry peas (green and yellow) by 80,000 MT, and lentil stocks by 33,000 MT to reduce excess stocks caused by the Government of India’s decision to impose market disrupting tariffs.

Pulse crops are grown or processed in 35 U.S. states and play an important role in creating jobs for rural America. Furthermore, pulses have a nutrition profile that makes them a true *superfood*, improving the health and nutrition of our nation. We invite you to review the policy priorities of the USADPLC and the APA on our website at www.usapulsemovement.org. Thanks for your support for the Pulse Industry and your support of the Pulse Revolution!

Sincerely yours,



Tim McGreevy, CEO
American Pulse Association
USA Dry Pea & Lentil Council

