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**A FOCUS ON PORK**

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JANUARY 16, 2019 | VOL. 86, NO. 20 | IOWAFARMBUREAU.COM

# SPOKESMAN

## REVITALIZING IOWA'S BEGINNING FARMER TAX CREDIT PROGRAM

Farm Bureau is working to increase opportunities for beginning farmers and ensure the program's long-term viability.

By Dirck Steimel

The Iowa Farm Bureau Federation (IFBF) is working with state lawmakers during the 2019 legislative session to revitalize the Iowa Beginning Farm Tax Credit program to help increase opportunities for qualifying beginning farmers and ensure the program's long-term viability.



Hill

Farm Bureau will work with lawmakers to increase the annual dollar cap on tax credits through the program, said Craig Hill, a Warren County farmer and IFBF president. It will also work to improve the program's implementation to allow for increased participation, he said.

"The Beginning Farmer Tax Credit is a key tool to help promote the long-term sustainability of Iowa family farms, and popularity of the program has been grown in recent years as new generations move into agriculture," Hill said. "It's important that we revitalize this important program to help qualifying beginning farmers get a foothold in agriculture."

The Beginning Farm Tax Credit program was launched in 2007 to encourage Iowa landowners to rent land to beginning farmers. Under the program, a landowner who cash rents land to a qualified beginning farmer is entitled to a 5 percent nonrefundable tax credit on their Iowa

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**BRIEF**

### USDA extends trade mitigation deadline

The U.S. Department of Agriculture last week eased concerns of many Iowa farmers by announcing that it would extend the deadline for farmers to apply for Market Facilitation Program payments. Applications had been due Jan. 15, but the department's Farm Service Agency (FSA), which operates the program, closed on Dec. 28 after the agency ran out of funding because of the partial shutdown of the federal government.



Perdue

Agriculture Secretary Sonny Perdue said the application deadline will be extended "for a period of time equal to the number of business days FSA offices were closed, once the government shutdown ends."

The Market Facilitation Payments are being made to help offset losses farmers are experiencing as a result of trade tensions between the U.S. and other countries, particularly China.



Mark and Kim Riesselman check their laptop at their farm in Crawford County. Despite their efforts to find an upgrade, the Riesselmans still struggle with relatively slow and unreliable internet service. PHOTO / DIRCK STEIMEL

## MISSING OUT ON BROADBAND

While broadband coverage has improved in rural Iowa, many farmers are still left out.

By Dirck Steimel

Mark and Kim Riesselman worry they are being left in the dust as broadband internet transforms Iowa agriculture.

With relatively slow and often unreliable internet service at their Crawford County farm, the Riesselmans find it difficult to access detailed reports on

markets and weather they need. It's next to impossible to download and use one of the growing number of apps that help farmers analyze yield data to improve production practices. And with only satellite-based internet service available, the Riesselmans find it tough to access internet videos that can provide

detailed instructions on caring for hogs or repairing equipment.

"It really feels like we are being left behind, like we are sort of second-class citizens because of where we live," Kim said last week at their farm near Manilla.

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## EPA STILL PUSHING FOR YEAR-ROUND E15 SALES

The agency says it will meet the deadline despite the partial government shutdown.

By Dirck Steimel

The partial government shutdown will not delay the implementation of rule changes to allow year-round sales of E15, an official with the Environmental Protection Agency (EPA) said last week.

Farmers and rural state lawmakers have expressed concern that the government shutdown could delay the implementation of the rule until after June 1, when E15 sales would be

sharply restricted under current rules. "We have to make sure the shutdown doesn't slow this up," Sen. Charles Grassley said last week in a conference call with ag reporters.

Amid the growing concerns about the potential for a delay, the EPA maintained last week that the agency would complete the rule before the summer driving season, according to a report by Reuters news service.

EPA spokesman Michael Aboud told Reuters that a rule allowing year-round E15 sales is a priority for both President Donald Trump and Andrew Wheeler, acting EPA administrator who was recently nominated to lead the agency. "The partial shutdown will not impede EPA's ability to keep our deadline," he said.

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## BROADBAND

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The Riesselmans, who are Crawford County Farm Bureau members, are far from alone. While broadband coverage has expanded across rural areas in Iowa and other states over the years, there are many farms that find themselves stuck with slow and unreliable service, according to internet experts. A report by the Federal Communications Commission showed that rural households made up 80 percent of the 24 million American households that lack reliable, affordable high-speed internet.

At the same time, agriculture's need for broadband is increasing quickly as farmers

adopt more precision agriculture and big data programs, said Brian Whitacre, an economist at Oklahoma State University who specializes in rural broadband access.

"Farmers' need for broadband is going to continue to grow," Whitacre said recently at a seminar on agriculture technology hosted by the Federal Reserve Bank of Chicago. "Systems that are adequate to handle today's technology aren't going to be adequate in the future."

### ECONOMIC DEVELOPMENT

Access to high-speed broadband will also be key for economic development in Iowa rural communities, said Dave Duncan, the CEO of the Iowa Communications Alliance.

"Robust and reliable internet service has really become essential for businesses in rural areas,"

Duncan said.

High-speed internet is critical for communities to attract and retain businesses, and for businesses that are trying to retain workers in rural communities, he said. "Broadband is just something you have to have now."

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### A RURAL PRIORITY

The Empower Rural Iowa initiative, launched last year by Iowa Gov. Kim Reynolds to spur rural economic development in the state, cited building broadband internet capability as one of three key factors in strengthening rural communities. In December, the Empower Rural Iowa task force, led by Lt. Gov. Adam Gregg and Sandy Ehrig of the Iowa Farm Bureau Federation, recommended



Duncan

optimizing the existing broadband program to ensure that state funding stretches as far as possible and identifying new funding sources for broadband grants.

Congress, the U.S. Department of Agriculture (USDA) and other agencies are also pushing to expand rural broadband. The recently enacted 2018 farm bill included a provision to support building broadband infrastructure, and the USDA plans to launch a \$600 million program of grants and loans to provide incentive for rural broadband expansion.

Iowa's rural telecommunications and broadband companies have been pushing to build capacity to offer high-speed broadband to farms and residents in rural communities, said Duncan, whose organization represents the state's rural broadband providers. The providers have invested to extend their fiber optics networks to some 316 Iowa rural communities, and 180 of those offer very

high-speed "gigabit" service, he said.

It's costly for the rural broadband providers to extend the fiber to farms or use other systems to provide broadband service, especially those that are miles away from a town, Duncan said. "But it's been a big priority for our members," he said.

### KIM RIESELMAN

say there are many Iowa farmers, like the Riesselmans, who can't access the high-speed broadband service now and don't know when they will be able to.

### FRUSTRATION ON ACCESS

It's especially frustrating, Mark Riesselman said, because neighboring farms are able to access high-speed broadband. "My brother, who lives less than a mile away, has a fiber optic line to his home through his local telephone company, but we can't get it," he said.

Over the years, the Riesselmans have searched other methods of accessing broadband service, such as DSL or wireless internet that is beamed from a grain elevator or other high point.

But none of the alternatives have worked for them.

"It really seems like since the late 1980s or early 1990s we've been promised that upgrade on our internet service was just around the corner," Kim said. "But we are still waiting."

## E15

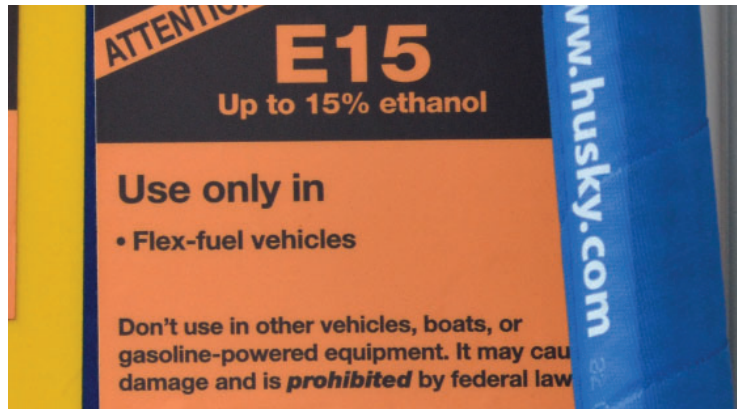
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Year-round sales of E15, a fuel that is 15 percent ethanol and 85 percent gasoline, have been a priority for several years of ag and biofuel groups, as well as farm-state lawmakers. Currently, the sales are restricted to flex-fuel cars between June 1 and Sept. 15. Year-round E15 sales, biofuel supporters said, will be good for consumers, will help the environment and is a big win for Iowa farmers, who currently sell about one-third of their corn crop for renewable fuel production.

### ENCOURAGE RETAILERS

Ag and ethanol groups said year-round E15 will also encourage more retailers to carry the blend. That will help ethanol break through the so-called "blend wall" that has limited sales to around 10 percent of national motor fuel supply.

Late last year, Trump ordered the EPA to begin the process



Biofuel supporters and Iowa lawmakers are pushing EPA to finish rules that allow year-round sales of E15 so that drivers won't see warnings, like the one in this photo, during the summer months. FILE PHOTO

of allowing year-round sales of E15 before traveling to a rally in Council Bluffs. "Today, we are unleashing the power of E15 to fuel our country all year long," Trump told the Council Bluffs crowd. "I kept a promise to people from Iowa and Nebraska. With today's E15 announcement, I am protecting ethanol."

However, as Grassley noted last week, the rule allowing year-round E15 still must be finalized and put out for a 60-day public comment. "Getting out soon for comment is pretty darn important to meet the June deadline,"

he said.

Iowa Sen. Joni Ernst also said she expected the E15 rules to be ready for the summer driving season.

"The president has said we will have E15 year-round, and I will hold Andrew Wheeler's feet to the fire in this regard," Ernst said during a conference call. "Even though we have a government shutdown, he knew and understood the president's push to have this done by about that May time frame so that consumers could purchase E15 through the summer months."

## A LEGISLATIVE OUTLOOK AND A GLIMPSE INTO CHANGING MEAT DEMAND IN THE SPOKESMAN SPEAKS PODCAST

In the latest edition of "The Spokesman Speaks" podcast, Don Petersen, the Iowa Farm Bureau Federation's director of government relations, highlights the key areas of focus for Farm Bureau during the 2019 Iowa legislative session. Farm Bureau members, he says, will focus on making changes to the state's Beginning Farm



a look at changing, but strong, consumer meat demand with

Tax Credit program, protecting property taxpayers and other areas. The podcast also takes

Fareway CEO Reynolds Cramer and Jessica Dunker of the Iowa Restaurant Association.

Podcast episodes can be accessed at IowaFarmBureau.com/Spokesman or by subscribing to "The Spokesman Speaks" in your favorite podcast app — including Apple Podcasts, Google Play, Spotify, Stitcher and TuneIn Radio.

## BEGINNING

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income taxes during the lease. The program allows landowners using a crop-share agreement a credit worth 15 percent of the gross amount paid.

Leases to beginning farmers in the program must be between two and five years in length.

### RAISING THE DOLLAR CAP

The funding cap for the Beginning Farm Tax Credit program was expanded in 2013 to \$12 million per year, from the original \$6 million. However, lawmakers didn't renew the expansion

in the 2018 session and the \$6 million cap was reinstated.

With the reduced funding, the program took no new applications in 2018 because the \$6 million cap was already allocated to previously approved credits. The Iowa Finance Authority is taking limited applications for the 2019 crop year with less than \$2 million left under the cap.

Farm Bureau, Hill said, believes it's important to raise the dollar cap so that more qualifying beginning farmers and landowners can take advantage of the program. Farm Bureau will also work to change accounting for the tax credits to help streamline administration of the program.