NASDA Policy Statements

Updated February 3, 2017

NASDA Policy Statements updated with amendments passed during the 2017 Winter Policy Conference.

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1 Animal Health Protection and Disease Control

(Updated September 2016)

Timely prevention, identification, control and, where appropriate, eradication of animal diseases are essential to U.S. agricultural production, food security, public health, animal welfare, and international market access. NASDA supports science-based policies promoting the responsible use of production practices to maintain the health, safety, and welfare of livestock, poultry, and other species in animal agriculture needed to produce an abundant, safe, and affordable food supply.

1.1 FOREIGN AND DOMESTIC ANIMAL HEALTH PROTECTION AND DISEASE CONTROL

- NASDA supports the funding and resources needed to maintain a robust state and federal animal health infrastructure necessary to facilitate early detection, response, and control activities to both domestic and foreign animal diseases.

- NASDA supports enhanced investment in science-based research needed to advance diagnostics, vaccines, and other response or treatment options to current or emerging animal diseases.

- NASDA believes federal animal disease control programs are essential to eradicate or prevent the introduction of foreign animal diseases.

- NASDA supports enhanced outreach, education, and implementation of science-based biosecurity protocols.

- NASDA recognizes the prevention, containment and eradication, where appropriate, of domestic and foreign animal diseases requires a robust collaborative effort among federal, state, industry and academia.

- NASDA supports enhanced coordination between USDA-APHIS-Veterinary Services and regional state alliances to improve the nation's integrated animal health network through an integrated approach to prevention, preparedness, response, and recovery to livestock disease outbreaks of national significance.

- NASDA supports cooperative efforts, such as the National Animal Health Emergency Management System and the National Animal Health Laboratory Network, as part of a robust animal health emergency management system for the United States.

- NASDA supports the rights of state jurisdictions to adopt and enforce statutes, regulations, or policies that may be more restrictive than federal requirements in order

to have necessary protections of animal health and animal industries in their respective states.

1.2 INTERNATIONAL TRADE AND HARMONIZATION

- In the event of a reportable animal disease incident, NASDA supports the expedited normalization of trade and consideration of regional barriers, where appropriate, to minimize the overall effect on U.S. producers while regional disease issues are resolved.
- NASDA supports the immediate activation of all activities and resources necessary to facilitate a timely renormalization of trade for U.S. producers.
- NASDA supports harmonization of animal health standards and other activities needed to ensure U.S. producers achieve an above Minimal Risk status with our trading partners.
- NASDA believes the U.S., Canada, and Mexico should work together to develop disease testing protocols based on a risk assessment of disease introduction and to develop uniformity and transparency in disease control programs.

1.3 DISPOSAL OF ANIMAL CARCASSES AND ANIMAL PARTS

- NASDA supports the development of a national coordinated carcass disposal utilization plan and guidance framework to assist states in addressing emergency and routine livestock disposal while protecting both public health and the environment.

1.4 HOMELAND SECURITY AND AGRICULTURE

- NASDA supports protecting our citizens, stakeholders, and agricultural producers from the intentional or unintentional introduction of select biological agents and toxins.
- NASDA supports the mission of the Department of Homeland Security in protecting our citizens, stakeholders, and agricultural producers from the introduction of Agro-terrorism or bioterrorism agents.

1.5 WILDLIFE MANAGEMENT AND EXOTIC ANIMALS

- NASDA supports the mission of USDA-Wildlife Services (WS) in protecting and mitigating the impact wild or exotic species may have on the health, welfare, and viability of U.S. agricultural production.

- NASDA supports USDA-WS activities in managing the impacts wildlife may have on natural resources, agricultural crops, forests, pastures, urban and rural structures, and livestock or human health.

1.6 ANIMAL WELFARE

- NASDA supports the humane care and handling of all animals, and NASDA opposes activities or policies seeking to establish production or welfare standards outside of sound veterinary science and science-based best management practices.

- NASDA supports science-based management practices and systems ensuring the health and well-being of animals while maintaining the affordability and competitiveness of U.S. producers.

- NASDA supports the humane transport and slaughter of horses for human consumption.

1.7 ANTIMICROBIAL RESISTANCE

- NASDA supports the judicious and prudent use of antimicrobials as a priority for animal caretakers and veterinarians to ensure the health and welfare of animals.

- NASDA supports enhanced outreach and educational programs for livestock producers, veterinary and medical practitioners, and the public as part of any antimicrobial initiative.

- NASDA encourages federal agencies to work with the state departments of agriculture to support the veterinary and public health communities as they continue to develop infection control practices, which should reflect principles within existing quality assurance programs.

- NASDA encourages the promotion and further implementation of antimicrobial judicious use principles that will safeguard the food supply, protect public health, maintain healthy animals and enhance food production systems.

1.8 DOMESTIC BEE PROTECTION

- As livestock, NASDA supports the enforcement of the Honeybee Act and scientifically-sound efforts to protect commercially managed honeybees from disease, pests, parasites, and pathogens.

- NASDA supports science-based research and integrated pest management practices to develop new tools for Varroa mite management and other scientifically-sound solutions to reduce potential stressors to pollinators.

1.9 AQUACULTURE

- NASDA supports enhancing the aquaculture industry's access to USDA financing, crop insurance, soil and water conservation, commodity grading and other marketing services and be subject to USDA's inspection and regulatory requirements comparable to those currently applicable to meat and poultry.

1.10 ANIMAL IDENTIFICATION

- NASDA believes the ability to efficiently track food producing animals from birth to slaughter is vital to safeguarding animal health and protecting the safety of the U.S. food supply.

2 Plant Health Protection and Disease Control

(Updated September 2016)

State Departments of Agriculture play a critical role in safeguarding agriculture from plant pests, diseases, and invasive species, which significantly impact agricultural crops, public and private lands, and natural habitats. NASDA supports enhanced federal-state collaboration and cooperation in program delivery to facilitate timely prevention, identification, control, and where appropriate, eradication of injurious plant pests and diseases impacting U.S. agricultural production, food security, environmental and public health, and international trade.

2.1 DOMESTIC PLANT PEST AND DISEASE ISSUES

- NASDA supports the funding and resources needed to maintain a robust state and federal plant health infrastructure necessary to facilitate early detection, response, control, and where appropriate, eradication activities of plant pests and diseases.

- NASDA supports enhanced investment in science-based research needed to prevent the introduction of pathogens, control plant pests and diseases, and develop new methods for reducing or eliminating potential plant health hazards.

- NASDA opposes activities or policies seeking to infringe or diminish the authorities of the state departments of agriculture related to plant heath or disease control.

- NASDA supports enhanced funding for federal-state cooperative programs to facilitate timely control, containment, and where appropriate, eradication activities of plant pests and diseases.

- NASDA supports enhanced outreach, education, and communication with federal agencies, private landowners, producers, and private citizens to facilitate timely detection and minimize the environmental and economic impact invasive species have on public and private lands.

2.2 FOREIGN PLANT PEST AND DISEASE ISSUES

- NASDA supports protecting our citizens, stakeholders, and agricultural producers from the intentional or unintentional introduction of select biological agents and toxins.

- NASDA supports the mission of the Department of Homeland Security in protecting our citizens, stakeholders, and agricultural producers from the introduction of Agro-terrorism or bioterrorism agents.

- NASDA supports the funding and resources needed to maintain pest exclusion activities and quarantines at ports of entry to enhance pest exclusion activities.

- NASDA supports the appropriate adjustment or modification in user fees collected from the traveling public and commercial carriers to support critical surveillance and plant protection activities.

- NASDA urges enhanced federal agency coordination to support monitoring, diagnostic tools, and mitigation activities necessary to prevent pest and disease introduction threats.

2.3 STRATEGIES FOR CONTROLLING PESTS

- NASDA believes increased federal agency coordination and federal-state collaboration is essential to facilitating timely and effective prevention, identification, control, and where appropriate, eradication activities of injurious plant pests and diseases.

- NASDA supports science-based pest risk analysis and continued review of current regulatory programs to ensure the most current science and technologies are incorporated into control and eradication efforts.

- NASDA supports the use of biological control tools as a successful strategy, and NASDA supports USDA leveraging state activities and regional plant protection centers to deliver a more expeditious process to approve release permits for biological control agents.

- NASDA supports irradiation as an effective tool for preventing and controlling the introduction of plant pests.

- NASDA supports Integrated Crop Management (ICM) and Integrated Pest Management (IPM) to assist producers in monitoring, treating, and mitigating the impact pests and diseases have on crop systems and soil health.

- NASDA supports improving and expanding pest and disease exclusion and eradication programs and continued access to all tools vital to these efforts.

2.4 REGULATION OF INTERSTATE MOVEMENT OF NURSERY STOCK

- NASDA supports the efficient and effective inspection and certification of nursery stock to facilitate stream-of-commerce and protect against the potential introduction of plant pests and diseases.

- NASDA supports the interstate movement of nursery stock consistent with long standing reciprocity agreements and the state of origin's inspection and certification authorities under state and/or federal quarantine regulations.

2.5 SEED HEALTH AND REGULATION

- NASDA supports efficient and effective state seed inspection and verification programs to protect against the introduction or spread of plant pests, disease and pathogens.

- NASDA supports the funding and resources necessary to enhance and maintain a robust seed laboratory infrastructure to facilitate the consistent, timely, and sound accreditation, testing, and certification of seed.

2.6 INVASIVE SPECIES AND NOXIOUS WEEDS

- NASDA encourages the federal government to assert primary jurisdiction and assume a more dynamic leadership role in the interdiction and eradication of destructive invasive species and noxious weeds.

- NASDA believes it is critical for federal agencies to work in partnership with state and local governments in developing scientifically-sound policies and procedures to identify, prevent, control, and where appropriate, eradicate destructive invasive species and noxious weeds.

- NASDA calls for enhanced federal funding for control and elimination projects utilizing block grants to the state departments of agriculture to manage and lead such activities.

- NASDA supports cooperative and coordinated approaches related to public and private lands to successfully implement statewide noxious weed plans.

- NASDA calls for increased federal support in funding and control activities under statewide noxious weed management plans, and this federal funding should reflect the activities consistent with the scope and geographical range of all state and federal lands within these defined areas.

- NASDA supports the funding and resources necessary to enhance and maintain a robust federal action framework focused on education, research, prevention, monitoring, control, and where appropriate, eradication of destructive invasive species and noxious weeds.

3 Biotechnology

(Updated February 2016)

Agricultural Biotechnology plays an important role in meeting the growing global demand for food, feed, and fiber. The development and approval of products with biotech traits has given farmers and ranchers important tools to utilize when making decisions which impact the sustainability of their land and operation for generations to come. New biotech traits in the foods we eat are providing benefit directly to consumers.

- NASDA supports the current federal framework (EPA, FDA, USDA), which regulates agricultural products produced through biotechnology, and delivers timely registrations.
- NASDA supports that technology providers should seek all appropriate approvals to assure the regulatory acceptance of new biotech traits in the global marketplace. In addition, NASDA supports the establishment of an international asynchronous approval regulatory framework.
- NASDA does not support state or local initiatives and/or ordinances that would prohibit or restrict plant and/or animal biotechnology.
- As it relates to the health, safety, and nutrition of foods, NASDA supports the role and responsibility of FDA to determine appropriate food labeling.
- Any marketing label for the purpose of labeling foods containing, or not containing, genetically modified organisms (GMOs) should be developed using a voluntary, federal system so as to avoid a patchwork of state-by-state standards.
- NASDA supports that low-level presence of a biotech trait should be tolerated in a seed, commodity or products produced from a commodity, so long as it does not pose a plant pest risk or a health or environmental safety concern.

4 Food Regulation and Safety

4.1 INTRODUCTION

Consumers in the United States enjoy the safest and healthiest food supply in the world. The foundation of this success is our system of food safety and inspection laws. Important federal regulatory programs have been effectively applied in recent years to improve all segments of our extensive food safety system, including food production and distribution chain, animal and plant husbandry, processing, transportation, and preparation. Recently there has been increased interest in nutrition policy. It is recognized that healthy and nutritious products are critical to preventing cancer and other diseases, reducing obesity and diabetes, and maintaining overall good health.

The U.S. food safety system should be consistently reviewed and updated. Reform should be based on risk, as well as the best available, scientifically-proven technologies, such as irradiation. It should eliminate duplication and improve efficiency. It should ensure consistency between federal agencies, and afford state regulators and industry a forum in which to seek clarification when information is inconsistent. Reform should also retain those elements of current laws which meet the current-science standard, and which have assured the U.S. the safest food supply to date.

4.2 GLOBAL FOOD SAFETY SYSTEM

Today's global economy and threats of terrorism require that we take a new look at how we ensure a safe food supply in the United States. Our food supply could provide a vulnerable point for intentional acts of terrorism. However, because we source food products from all corners of the globe, we also increase our vulnerability to pathogens, contaminants, adulterants, diseases and a myriad of food quality issues. The U.S. is well-positioned to address these threats by improving the way that federal, state and local food protection agencies work together. The answer is an efficient and effective, integrated, seamless food safety system. Such a system leverages resources that already exist at all levels of government, it clearly defines roles and responsibilities, it allows for maximum information flow between government agencies, it recognizes and accredits the expertise of all parties, and it results in higher degree of uniformity and protection across the nation's food safety programs.

4.3 ROLES & RESPONSIBILITIES

Our current food safety regulatory system is the shared responsibility of local, state and federal partners. The Food and Drug Administration (FDA) is responsible for ensuring that domestic and imported food products are safe, sanitary, nutritious, wholesome and properly labeled. The primary statutes governing FDA's activities are the Federal Food, Drug, and Cosmetic Act (FFDCA) and the Public Health Services Act. The FDA establishes regulatory requirements and

guidance for assuring that food is safe and not adulterated. State, local and county public health and agriculture departments play a major role in helping FDA carry out these responsibilities by conducting state inspections of food establishments, laboratory analyses of foods, and by taking enforcement action when violations result in unacceptable risk to the public. FDA works with states to set safety standards for food establishments and commodities, and evaluates the states' performance in upholding such standards as well as any federal standards that may apply.

While FDA has primary authority in the food safety network, there is an entire system of complementary state and local laws working in harmony to protect our national food supply. Because all problems exist locally first, states often act as sentinels for emerging issues and have the ability to rapidly respond, often before such issues rise to the level of national concern, and thus before FDA takes action.

To support FDA's statutory authority, state agencies are primarily responsible for the actual inspections, enforcement, training, and carrying out a wide range of other food safety regulatory activities. For example, FDA contracts with states to monitor medicated animal feeds and to investigate incidents of pesticide or drug residues in foods. Approximately 80 percent of food safety inspections in the United States are completed at the state and local level.

These numbers dwarf the activities of our federal partners and demonstrate a real commitment to food safety at the state and local level. States for the most part have greater regulatory authority than FDA, including license revocation, detention (embargo) authority, and administrative penalties. This highly-integrated system has resulted in a more effective and efficient regulatory process than FDA could achieve alone. We use our resources to the utmost in our efforts against food-borne illness, food adulteration, and intentional contamination of our food supply.

State Food Inspection Programs

NASDA believes the federal government should guide the collaborative development of food safety goals and policy and provide for national consistency through technical support, audit/oversight, and a significant level of funding.

Ideally (conceptually at least), state and local governments should be the primary deliverers of domestic food safety regulatory services, so the federal government could devote more resources to imported foods. This funding must be: adequate, ongoing, allocated based on risk, used flexibly by states to minimize food safety risk, and contingent on federally evaluated attainment of agreed upon food safety outcomes (e.g., program performance standards).

This concept is not a new. A program funded by FDA from 1998 - 2002 called the "National Food Safety System" project [NFSS] was intended to integrate the food safety resources of government at all levels. The primary objective of NFSS was to improve food safety through a collaborative effort of federal, state and local government. The belief being a fully integrated seamless system, which was science-based, would build consumer confidence and address all of

our food safety challenges. It would be foolish to ignore some of the progress already in place, which resulted from the activities of the NFSS project. The following are examples of significant NFSS accomplishments achieved since the inception of this project in 1998:

- eLEXNET – a secure electronic data sharing system for food safety laboratory data
- ISO Accreditation – an internationally recognized laboratory accreditation program aimed at assuring uniform methodologies for federal, state and local laboratories.
- Directory of Laboratory Capabilities – a compilation that identifies federal, state and local laboratory capabilities in preparation for emergency needs.
- AFDO Recall Workgroup – an effort involving state and federal (FDA and FSIS) officials to streamline and better coordinate recalls for increased effectiveness in removal of contaminated product from the marketplace.
- Validation of Laboratory Methodologies – a joint federal/state effort to standardize and develop national rapid detection methods.
- Foodborne Illness Outbreak Coordination Guidelines – developed to provide uniform investigational procedures and information-sharing protocols.
- ORA-U – development of a comprehensive national training and certification system to better facilitate uniform food safety activities among all federal, state and local field inspectors.
- Uniform Criteria Workgroup – development of uniform national regulatory program standards.
- Integrated Food Safety Partnership – provides a pilot program that integrates the food safety functions of a state and the FDA.

The goals of the NFSS project are to establish a system that would better utilize and leverage all the committed food safety resources [at all levels of government], build uniformity and consistency [with inspectional, analytical, enforcement and surveillance activities], increase the level of consumer confidence by improving food safety, and implementation of ONE food safety system.

NASDA believes there is a need to double the value of new federal funding by funding state regulatory programs.

The food safety bills being proposed by Congress today fail to take into consideration food safety networks already exist within each state – but they need bolstering and support. There is no need to re-create existing infrastructure at the federal level. Utilizing a cooperative

agreement model such as EPA uses in pesticide enforcement and USDA/FSIS uses for state meat inspection programs, FDA should provide funding to existing state programs and obtain the following "seamless food safety system" benefits:

- Establishment of food safety program standards;
- Provide national food safety priorities, uniformity and a response network;
- Greatly increase the total number of food safety inspections done throughout the nation;
- Establish a national food safety communication system and database;
- Obtain twice the value in work for the money expended;
- Accessible and uniform regulator training programs;
- Allow for a quick response down to the local level throughout the nation, especially important with food safety crisis issues;
- Free up the federal agencies to focus on 1) border protection, 2) setting national food safety standards, and 3) cooperative agreement compliance.

NASDA believes there is a need to expand and fund cooperative agreements. A line item in the federal budget should be established for funding state contracts, partnerships, and cooperative agreements.

FDA should have cooperative agreements with state and local food protection programs for the purpose of conducting strategic food safety inspections and surveillance. Currently, three unfunded cooperative programs exist where states perform independent regulatory control: interstate milk shipments, retail food and food service, and shellfish shipment. The Environmental Protection Agency [EPA] has cooperative agreements with state pesticide programs and utilizes the states activities and results for enforcement and planning purposes. Utilizing cooperative programs and nationally recognized standards will create national uniformity, reduce duplication of efforts, and allow us to address food safety challenges in a more coordinated fashion. States are better positioned, for example, to take on new roles in mandatory food safety regulation beginning at the farm level. Working with imported foods is another burgeoning area to leverage state resources.

There is ample precedence for federal funding of state and local environmental protection efforts. FDA and USDA simply do not have the resources to protect the nation’s food supply without State and Local government assistance. According to the AFDO 2001 survey, State and Local Departments of Health and Agriculture conduct more than 2,500,000 food safety

inspections at food and dairy facilities and take over 100,000 enforcement actions each year. Federal funding should be adequate, ongoing, allocated based on risk, used flexibly by states to minimize food safety risk, and contingent on federally evaluated attainment of agreed upon food safety outcomes (e.g., program performance standards). This funding should also be directed for training of state and local officials to ensure uniformity in the application of food safety laws and regulations.

Federal Preemption

Federal preemption of state food regulation under the Federal Food, Drug, and Cosmetic Act should not be allowed. States should retain the right to regulate the food supply in a manner at least equal to or greater than federal standards, and have the authority to regulate food products and food handling establishments not regulated by the federal government. The effect of federal preemption is to take away states' authority to impose requirements to ensure the safety of the food, drug, and cosmetic supply. States would not be able to impose stricter food safety standards than the federal government.

State Meat Inspection Programs

State and federal meat inspection programs should function together as a seamless system in both intrastate and interstate commerce. The 1967 and 1968 Meat and Poultry Acts prohibit state-inspected products (beef, poultry, pork, lamb, and goat) from being sold in interstate commerce. However, the prohibition does not apply to "non-amenable" products such as venison, pheasant, quail, rabbit, alligator, and a host of others. State-inspected meat and poultry are the only commodities that are restricted from sale across state lines. Removing the outdated 1967 ban on interstate sales would create a more uniform system and enhance consumer confidence in the food supply.

Today there are no real distinctions between federal and state inspection requirements. State meat and poultry inspection programs must equal or exceed the level of food safety for the federal inspection program. This has been verified through USDA's annual reviews and oversight of state inspection programs over the past 35 years. The question of allowing interstate sales of state-inspected products is a simple fairness issue. Most of the state-inspected meat plants are owned and operated by small business owners. The prohibition on interstate meat sales—the only such prohibition of any food product—disrupts the free flow of trade and restricts the ability of small business entrepreneurs to economically compete in the marketplace. Interstate sales will spur more competition and innovation in the industry by giving farmers and ranchers more opportunities to sell their livestock at a better price. Without change, growing concentration in the processing sector will continue to leave smaller farmers and ranchers with fewer buyers for their livestock and poultry.

Passage of interstate meat legislation in the 2008 Farm Bill will resolve a basic issue of inequity which has existed since 1967. Interstate markets for state-inspected products will spur more competition and innovation in the industry that will provide consumers with more choices in the

supermarket. Increased markets will stimulate small business sales, expand rural development and increase local tax bases—all of which will benefit farmers and ranchers, processors, related industries, and consumers.

State Meat Inspection Programs are required to be audited by the FSIS Office of Program Enforcement, Evaluations and Review (OPEER) to be verified as meeting "equal to" requirements set by FSIS. The audit or review process consists of two parts; the self assessment and the on-site audit. Self assessments are written documentation of how a state program implements its program in a manner "equal to" FSIS and are annually submitted to OPEER. On-site audits are conducted every three years to verify the information in the state self assessments. This process has become fundamentally flawed because of three primary issues; FSIS is exceeding its statutory authority by requiring state programs to address all federal directives, notices and policies; FSIS has no standard to measure "equal to" criteria because the audit branch does not review federally inspected plants and; FSIS continually changes its expectations of state programs. It is unreasonable for state inspection programs to be subject to ever-changing expectations and standards. NASDA urges FSIS to develop standards which are applied to federal inspection practices and require OPEER auditors to use those standards as the benchmark for determining "equal to" status of state inspection programs.

Amenability

NASDA strongly supports an inspection system that is fair and equitable to all segments of the industry. The system must be based on risk, rather than the point of sale or origin of the product.

Traditionally, the Secretary has assumed authority over various segments of the meat and poultry industry based on the type of operations being conducted such as inspection at wholesale operations but not at retail operations. Inspection of the production of meat and poultry food products has been based on the amount of meat or poultry in a product and not on the potential risks of those products.

A more efficient and effective method of inspection would include a risk assessment of the food safety hazards associated with the type of product or processes involved in production. The percentage of meat or poultry in a product should not be the determining factor in a food safety program. The process used to control, monitor, and verify the production of that food is the most important consideration for consumers.

All food entering commerce, both traditional and non-traditional, aquatic and exotic animals, should be included in the inspection process. Many of the currently exempted items pose the same potential health risks as those presently mandated for inspection. With increased productivity, varying consumer preference, and the lack of a consistent nationwide inspection program, exempting meat and poultry food products from inspection as is currently done under the present system cannot be justified.

Redeployment of Federal Inspectors in Retail—In an effort to re-deploy federal inspection staff, USDA has proposed an "in-distribution" pilot test project. Under this proposal, federal inspectors will expand a presence at retail-level food establishments. State and local food agencies have traditional responsibility at this level.

The National Academy of Sciences, in its August 1998 report, "Ensuring Safe Food From Production to Consumption," stated that the ideal federal food safety system would be "organized to be responsive to and work in true partnership with nonfederal partners. These include state and local governments, the food industry, and consumers." The FSIS is testing the feasibility of using its inspectors in food safety activities outside of federally inspected plants. Many of the activities proposed for the "in-distribution" FSIS inspections have historically been conducted by FSIS compliance officers. Responses by the leadership of the Association of Food and Drug Officials (AFDO) and the Food Marketing Institute (FMI) suggest inadequate FSIS coordination with its nonfederal partners for this initiative.

NASDA has urged the USDA, Food Safety Inspection Service (FSIS) to ensure that its food safety initiatives are integrated with food safety activities of its nonfederal partners. Potential impacts if this is not done include:

- Limited federal resources deployed without a systematic evaluation of risk or need
- Duplication of regulatory effort between federal and nonfederal agencies
- Precedent for unilateral federal action without effective coordination with nonfederal food safety agencies.

State Egg Inspection and Quality Assurance

State egg inspection and egg quality assurance programs have worked in cooperation with the table egg industry for many years to reduce the risk of Salmonella enteritidis in shell eggs. As the responsible federal agencies discuss their approach to reducing the public health risk of Salmonella enteritidis in shell eggs, the success and expertise of state programs should be recognized and included. If a mandatory federal program is implemented, the state programs that are equal to the federal program should be accepted. Aspects of quality assurance programs that should be addressed for the egg industry include biosecurity, rodent and pest control programs, environmental and egg sampling, etc. If a mandatory federal program is implemented, the state programs that are equal to the federal program should be accepted.

Dairy Product Safety

As the marketing of dairy products expands further into international markets, NASDA supports milk regulatory agencies utilizing uniform interpretations of the FDA Pasteurized Milk Ordinance

and the USDA Milk for Manufacturing Purposes and its Production and Processing Recommended Requirements.

Passage of the GATT and NAFTA agreements are advancing the National Conference on Interstate Milk Shipments (NCIMS) into the area of international trade. State and federal milk regulators and the NCIMS Program must ensure that regulations are uniform and equivalent, providing a safe and wholesome product, while allowing international commerce to progress.

Only pasteurized milk, milk products and properly aged cheeses should be sold for human consumption. Sale includes distribution by use of animal or herd sharing, bartering, exchange or agistment. In those states where the sale of unpasteurized milk is authorized, those products should be labeled "Not Pasteurized and May Contain Organisms that cause Human Disease."

Apparently healthy cows and goats can shed in their milk organisms which are pathogenic to human beings and may cause diseases such as brucellosis, Campylobacter enteritis, salmonellosis, and tuberculosis; and inasmuch as milk handlers may introduce pathogenic agents during the handling of unpasteurized milk (including certified raw milk). As a precondition for the importation of all dairy products (Grade A and Non-Grade A) into this country, the FDA should be required, through legislation or other means, to make a timely determination as to whether a dairy product proposed to be imported meets the sanitary standards of this country. The determination could be made by either (1) inspection of individual plants and farms by FDA or by FDA certified private firms or individuals; or (2) by FDA's determination that the foreign country's dairy inspection system is equivalent to that of the United States.

Verification of Food Safety Programs for Fresh Produce and Citrus

NASDA supports the concept of uniform third party audits as a means of verification of produce supplier food safety programs, providing the audit programs are science based, and utilize trained licensed federal or state auditors, or suitably licensed private auditors.

Fresh fruits and vegetables are important to the health and well being of the American consumer. Consumers enjoy one of the safest supplies of fresh produce in the world. However, over the last several years, the detection of outbreaks of food borne illness associated with both domestic and imported fresh fruits and vegetables has increased.

In 1997 the U.S. Food and Drug Administration and the U.S. Department of Agriculture collaborated to produce the "Guidance for Industry" - a guide to minimize microbial food safety hazards for fresh fruits and vegetables. This guidance document (The Guide) addresses microbial food safety hazards and good agriculture and management practices common to growing, harvesting, washing, sorting, packing, and transporting most fruits and vegetables sold to consumers in an unprocessed or minimally processed (raw) form. Both domestic and foreign fresh fruit and vegetable producers can use this voluntary science based guidance to help insure the safety of their produce.

The produce guide is guidance, not a regulation. As guidance, and if applied as appropriate and feasible to individual fruit and vegetable production operations, the guide will help to minimize microbial food safety hazards for fresh produce.

The food retail companies have an ever-increasing awareness of the consumer demand for safe food. Due to this awareness, these companies are requiring their suppliers of fresh fruits and vegetables to adhere to the guidance document and minimize the possibility of microbial contamination to the food supply. The retail food companies are requesting that their suppliers provide verification of their food safety programs through third party audits. The third party audit system in no way provides or implies any assurance that suppliers produce is free from microbial contamination. It is only a means to verify that the producers have a system in place to minimize microbial contamination.

Imported Food

NASDA encourages FDA and USDA to ensure that regulations and inspection methods for imported foods be based on risk-based analysis; that the regulatory and inspection process be applied in a uniform manner by both agencies; that resources for import activities be distributed equally across both agencies; and that state food safety agencies who meet federal accreditation standards be a key partner in the import activities.

International trade agreements have dramatically increased the amount of imported and exported food products to and from the United States. Most trade agreements addressed the issues of non-tariff trade barriers and other mechanisms often used to support domestic production programs. Phytosanitary restrictions, intended to provide safeguards against the importation of new, exotic, or serious pest problems, are still in place and allowable under the trade agreements. However, an issue that has not been adequately addressed is harmonization of food safety standards among trading partners. While the United States has imposed many restrictions on domestic food producers - limiting use of pesticides, mandating production under HACCP plans, mandatory labeling and container requirements - these requirements are not uniformly imposed upon imported products. This creates problems in two areas - uniformity of food safety for United States consumers and economic uniformity among the industry. NASDA strongly encourages the federal government to seek legislative and trade agreement reform that will ensure a uniform standard for food safety on both domestically - produced and imported food products.

All regions of the United States have been faced with significant and continuing problems regarding the safety and threat posed by certain imported foods, and the potential for a bioterrorism threat involving the safety of our foods from deliberate contamination is a reality.

FDA & USDA regulations and inspection methods for imported foods should be based on risk-based analysis. The regulations and inspection methods resulting from this process should be applied in a uniform manner by both agencies. Resources allocated for import inspection activities should distributed equitably across agency lines.

The federal government must assure that all imported food is subject to the same food safety standards required of US food manufacturers. This will require the federal agency with jurisdiction over a particular category of food products to make an equivalency determination in regard to a country's food safety system for that product before imports are allowed into the US from that country. Additionally the federal agency must also establish appropriate auditing and monitoring systems to assure that the food safety system is operating effectively. Furthermore, for those items that are involved in a previous food contamination and food safety incident, a full risk assessment, analytical testing, and certification of food items should be required by USDA and APHIS before importation of those items.

Repeated incidents involving imported foods including four years of food borne outbreaks from Salmonella poona in imported Mexican cantaloupes, recent findings of chloramphenicol residues in Asian shrimp, other seafood species, and honey in the U.S., Canada and Europe, and the findings of Mediterranean fruit fly in Clementine fruit from Spain illustrate the need for heightened surveillance and inspections.

NASDA urges all states to modify their programs to inspect and test for the food safety problems being noted in the marketplace involving antibiotic residues, food borne pathogens, and pesticide residues, and strongly encourages the federal government to provide needed resources to conduct such programs.

NASDA commends APHIS for action to prohibit the entry of medfly infested Spanish Clementine fruit and urges APHIS to continue this prohibition until adequate medfly-free certification criteria can be implemented. NASDA urges the U.S. Food and Drug Administration to establish systems and procedures to prevent the introduction of food borne pathogens, antibiotic residues, and pesticide residues into the food supply from other nations and to prohibit further importation of products involved in known problems until assurances of contamination problems can be resolved.

The United States still imports milk products from foreign countries without regard to whether those countries have equivalent inspection systems to assure the safety of those products, subject only to spot-checking of these products on arrival in the United States, except in cases where state laws have forced state authorities to establish more stringent controls. The Import Milk Act should be amended to extend the prohibitions applicable to the importation of milk to milk products, so that neither may be imported unless the Food and Drug Administration has conducted its own premises inspection, accepted a foreign official's certification of the quality of the product in question, or determined that the shipping country maintains a milk and milk product inspection and control system equivalent to that of the United States.

NASDA believes a more integrated approach for addressing imported foods is needed. By allowing state agencies to handle more of the domestic food safety matters, FDA can devote more time to imported food concerns.

FDA should expand current contracts with States to assist in import food surveillance. States are well positioned to utilize unique authorities to monitor and analyze imported foods in domestic and import status.

Despite the added resources provided to FDA, less than 1% of imported foods entering into this country is physically examined. The imported food models that exist in New York and Texas should be used as a national strategy. In New York and Texas, state investigators are utilized for imported food inspections at border crossings, food warehouses, and ethnic food stores. State authorities are employed where necessary and information is shared among all government agencies associated with imports.

FDA should provide training for states in imported food issues and fund strategic cooperative agreements with importing states and state laboratories to monitor imported food products marketed domestically.

Transportation

As authorized by the 2005 Sanitary Food Transportation Act, FDA should write regulations to support an integrated food transportation oversight and regulatory program. The rules should recognize the role of states in their responsibility to assure the protection of food and feed in transit.

An important component of the "farm to fork" food safety continuum is transportation. Food and feed are susceptible to contamination from a wide variety of physical, microbial, and chemical hazards while being held, transported, or delivered. Whether transported by truck, rail, air, or ship, the oversight and regulation of the transportation of food products across our country can be one of the weakest links in the food distribution system.

The 2005 Sanitary Food Transportation Act shifted authority for the regulation of sanitary food transportation practice from DOT to FDA. The Act requires FDA to develop regulations governing the safe transportation of food and food products. As of 2008, those rules have not been developed but FDA has begun the research process that will lead to rule promulgation.

Food protection and defense of in-transit food & feed can be improved by the control of hazards through the use of preventive measures. Those measures include good sanitation practices, tracking & documentation, temperature control, and the use of HACCP systems throughout the distribution chain. Not all current transportation industry practices employ adequate controls. State agriculture agencies can play a large role in safe food & feed transportation using new and existing authorities to focus regulatory attention on this segment of the food supply chain.

The federal government should fund cooperative agreements or contracts with states to monitor food transportation.

4.4 INFORMATION, COMMUNICATIONS & INTEGRATION

***Food Recall Management*—FDA should have cooperative agreements with state and local food protection programs for the purpose of conducting strategic food safety inspections and surveillance.**

Currently, three unfunded cooperative programs exist where states perform independent regulatory control: interstate milk shipments, retail food and food service, and shellfish shipment. The Environmental Protection Agency [EPA] has cooperative agreements with state pesticide programs and utilizes the states activities and results for enforcement and planning purposes. Utilizing cooperative programs and nationally recognized standards will create national uniformity, reduce duplication of efforts, and allow us to address food safety challenges in a more coordinated fashion. States are better positioned, for example, to take on new roles in mandatory food safety regulation beginning at the farm level. Working with imported foods is another burgeoning area to leverage state resources.

A number of states are leading the way in mandatory requirements for vegetable growers and packers. California and Florida have introduced mandatory programs for specific commodities in their states. FDA should model these programs through cooperative agreements so they become nationally accepted. New York and Texas have imported food initiatives with various federal agencies in these states and successfully monitor imported foods that enter into domestic commerce. These programs should be expanded to other states through cooperative agreements.

Federal food safety agencies must be authorized to share food product distribution information with State and Local government during the course of outbreak investigations, recalls and other food emergencies.

Quick response action prevents foodborne illness and saves lives. State and Local agencies are in the best position to respond quickly or to conduct recall effectiveness audits and ensure that contaminated food products are removed from commerce. State Health agencies need distribution information to conduct thorough foodborne illness outbreak investigations and link similarly exposed cases of illness. Currently, distribution information is held as proprietary information and the federal agencies are unable to share this information unless State representatives sign non-disclosure agreements or memorandum of understanding agreements that cannot be adhered to or may place States in violation of the federal Freedom of Information Act. Effective response to emergency situations such as Class 1 recalls, which involve contaminated foods cannot be accomplished until this matter is resolved.

For example, North Carolina recently employed an Incident Command System [ICS] utilizing state and local government officials from a multitude of agencies within that state to address a widely marketed chili sauce recall. They performed more recall audit checks in North Carolina than the rest of the country combined and removed from sale approximately 32,000 units of the tainted product from domestic channels in that state. They also found a large number of these botulism-tainted products in children’s camps and other non-traditional food venues ready for

sale or service. Federal agencies need to review their response efforts with recalls and establish a formalized strategy with state and local government to significantly improve recall response as was done in North Carolina.

FoodShield– The National Communications Platform for ALL Food Protection Stakeholders

Rapid and accurate communications between federal, state, and local officials and industry is the foundation of a successful response to minimize the public health and economic impact of any food emergency. The need for improved communications between all stakeholders is commonly cited in lessons learned from real events and exercises. The FDA and USDA must require all federal, state, and local food regulators, public health officials, and other agencies with a role in food protection to use a central communications platform.

FoodSHIELD allows the diverse groups of regulators, public health officials, laboratories, industries, academia, and other stakeholders that are responsible for protecting the nation's food supply to interact and function as one unified network. The result will be enhanced emergency preparedness, identification, response, and recovery efforts to minimize the public health and economic impact of any food emergency. Multiple layers of security exist within FoodSHIELD allowing users to securely share information with a targeted audience. Communication tools including workgroups for sharing documents, polling tools for obtaining situational awareness, 24/7 emergency contact directory, and webinars for training and meetings build the partnerships necessary before, during, and after an emergency.

FoodSHIELD is the premiere national communication, collaboration, education, and training tool among the farm-to-table food and agricultural sectors. However, the lack of investment and promotion by Federal counterparts has limited its adoption. NASDA recommends further promotion, adoption, and funding of FoodSHIELD as the national communications platform for all food protection stakeholders.

Laboratory Issues

NASDA believes that federal agencies should be directed to establish protocols by which they can accept state inspection and food sampling analytical work and use it in enforcement activities including import alerts. The promotion of ISO 17025 accreditation by providing funds to meet and maintain accreditation will exponentially increase the Nation's laboratory capability and capacity and allow for international acceptability of data.

Failure to accept food safety information developed by the states creates delays in addressing public health risks and increased costs. A 2001 survey of food safety program managers from all 50 States, conducted by AFDO found that, nationally, State Public Health and Agriculture labs analyze more than 300,000 food samples each year. Federal agencies must integrate state and federal inspection and analytical data to guide operational, enforcement, and policy decisions. The U.S. Food & Drug Administration [FDA] does not currently accept State inspection and analytical data and must duplicate analysis before acting to protect consumer health and safety.

In the last 5 years, the New York State Department of Agriculture and Markets has coordinated 1,400 recalls of imported food products from 61 countries based on laboratory analysis of the food products. FDA re-analyzed only 13 of these food samples from the 1,400 and issued an import alert in all 13 instances. FDA did not act on the remainder of these foods that NYS found to be in violation of State and Federal requirements.

The Food Emergency Response Network (FERN) is a nationwide network of federal and state laboratories capable of testing foods for biological, chemical, and radiological contamination. The FERN network builds vital analytic surge capacity for responding to a terrorist attack on food. NASDA supports efforts to expand the FERN system through cooperative agreements and technical support to states.

Food Labeling

More effort needs to be placed on finding effective ways to inform consumers of risk without relying solely on warning statements placed on food products. Criteria need to be established on which to base justification for warning statements or any other disclosure about a food product. Food label claims must be both true and not misleading. Labels are powerful ways to inform, persuade, frighten or misinform consumers and care should be exercised to require only information that represents a material fact. Warning information should only be required when warranted by experimental or clinical evidence.

The United States food supply is rapidly changing as consumers demand diverse and minimally processed foods. At the same time, the number of people at high risk for foodborne illness (pregnant women, individuals with compromised immune systems, the elderly and the very young) has never been higher. Unfortunately, food safety educational efforts have not kept pace.

Consumers frequently cannot evaluate microbiological risks when they are purchasing food products. Organisms such as E. coli 0157:H7 can cause severe illness when a susceptible individual consumes even a few organisms. Consumers have no way of knowing when low level contamination is present and they must rely on government agencies and the food industry to ensure that the foods they purchase are safe. Although outbreaks of severe illness are relatively rare, when they do occur, they are often associated with consumer feelings of outrage and broken trust.

Warning and safe handling labels are used to inform consumers of potential foodborne illness risks. Food producers are reluctant to have their products publicly linked with foodborne illness and prefer more general food safety educational approaches, such as the "Fight BAC" campaign. A 1996 consumer survey conducted by the Food Marketing Institute suggested that consumers take action to reduce their risks of foodborne illness in response to information contained in safe handling labels. Sixty five percent of consumers participating in the survey indicated the labels made them more aware of food safety issues. However, only 43% reported changing their

behavior based on this information. It was not determined if the behavioral changes were maintained over a long period of time. The most commonly reported changes were:

- Increased cleaning/disinfecting for food contact surfaces (41%)
- Cooking foods to proper temperatures (19%)
- Increased handwashing (19%)
- Not thawing meat on kitchen counter (11%).

Disparagement of Ag Products

NASDA supports laws and regulations that requiring factual information be used when making allegations against agricultural products and/or producers will protect the industry and enhance the general public welfare by prohibiting the dissemination of false, disparaging, and economically damaging information.

Apple growers were financially devastated in 1989 by the highly-publicized Alar scare. It was later determined that disseminators of the sensationalized allegations against apples had no recognized, scientific data to validate their charges. This prompted agricultural interests aggrieved by the apple scare to seek ways to deter such efforts in the future. One option, which several state legislatures have enacted, is to promulgate legislation protecting producers from unfounded scare campaigns. Biotechnology is an emerging tool that will likely become an important part of agriculture's future, resulting in the development of a host of new food products. This technology and its products are and will continue to be the subject of emotionalized, undocumented, unscientific attacks by certain organizations. To prevent this situation from occurring, the free flow of agricultural products and the financial security of producers must be protected.

Education

Public education should include a general, science-based food safety program directed toward all consumers and target programs for those persons at high risk for foodborne illness. Consumer education should also provide information on technological advances, such as irradiation and agriculture biotechnology that can enhance the safety of the food supply, to promote wider consumer acceptance of such beneficial progress. Federal law should also provide consistent information regarding warning labels and other information statements on food products.

The final control in any system of food safety rests with the consumer. Observations in the United States and other countries have demonstrated that the incidence of foodborne illness can dramatically decline as a result of active public education and effective media coverage.

Government and industry must share the responsibility for educating consumers on appropriate food handling and cooking practices.

While it is important to make information available to sensitive populations, statements that are required on some products, but not on other similar products, lead to confusion and misinformation about those products. NASDA would welcome the opportunity to work with federal policymakers on a consistent label and information policy for food products.

4.5 PREVENTION

4.5.1 Risk in Perspective

Very conservative risk assumptions, which are intended to err on the side of health protection, may frequently result in substantial overestimates of risk. There is a need for improved methods of estimating potential foodborne disease in order to prevent and reduce foodborne illness, while ensuring a strong and viable food industry.

Risk is often put into perspective using numerical estimates, such as "a one in one million chance" of an accident occurring. How are these numbers derived? Many statistics, such as the average person's risk of dying from accidents and violence, are based on hard actuarial data. In contrast, the human cancer risks resulting from low-level chemical exposure in air, food, and water are rarely based on direct observation of human populations. These figures are typically based on high-dose animal studies, which are then extrapolated to determine risks to humans from exposure to low doses.

Within the field of environmental health, some risks are far less speculative than others. The risks of childhood lead poisoning, indoor air pollution, and occupational exposures to chemicals are relatively well understood by citizens and policy makers. Some of the non-cancer health effects from pollution, ranging from aggravation of asthma to neurobehavioral effects, have a stronger technical foundation than is commonly realized. In contrast, many of the traditionally popular and expensive environmental protection programs have a weak foundation in risk analysis.

4.5.2 The Science of Risk Assessment

NASDA supports the development of uniform food safety regulations and policies that also permit a certain degree of state flexibility to promulgate regulations that address circumstances that may be unique to that state.

No subject is a greater source of misinformation and public confusion than the assessment of relative risk to human health, safety, and the environment. The mathematics of probability is not easy to understand. It is difficult to distinguish the relative difference in the degree of risk between a probability of one in 10,000 and a probability of one in 1,000,000. The issue is further complicated when seemingly qualified scientists dispute the underlying data and assumptions

upon which risk calculations rest. Even when the science of risk assessment is crystal clear, there are still value judgments to be made about which risks deserve the highest priority and how safe is safe enough.

Generally, when public health issues are ranked by experts, microbial threats are a greater problem than chemical hazards. However, both chemical and biological hazards present separate potential public health problems that must be addressed in the nation's food safety policy. While microbial threats are often manifested in immediate, acute reactions ranging from gastrointestinal upset to death, chemical threats may take a lifetime to manifest themselves as disease or genetic changes that affect the next generation. Both problems demand a diligent and effective response from state and federal governments.

No magic risk number can substitute for informed and thoughtful consideration by accountable officials who work with the public to make balanced decisions. Public officials play a key role in determining which involuntary threats to human health are unacceptable and which are acceptable based upon the best available science and not just perception.

In general these regulations and policies should be applied in a consistent manner across federal, state and local agencies. However a necessary first step in the introduction of uniform nationwide food safety policy and the prioritizing of resource allocation is the need to develop sound scientific information on which to base that policy.

A national risk assessment model must be developed at the federal level for use in conducting risk assessments of commercial food handling operations from farm to retail. The model should be suitable for use in assessing the risks associated with both accidental and intentional contamination of our food supply and should take into account both food safety and food defense. Standardized risk management procedures based on risk assessment results should be used to weigh policy alternatives and to develop and implement the appropriate regulatory response. An active risk communication network should be established to facilitate the exchange of information among those in industry and government who are assessing risk or developing methods to mitigate or manage risk.

A voluntary Model Food Defense Code should be developed to ensure that states have the tools necessary to close gaps identified through risk assessments. The development of standardized food safety protocols embodied in the Model Food Code have enabled jurisdictions at all levels to establish a uniform system of regulation to ensure that food is safe for consumers. The very real threat of an attack on the food supply demands that additional measures be taken to ensure that food offered for sale has been handled under the most secure conditions from farm to table.

4.5.3 Decisions Based on Sound Science

No magic risk number can substitute for informed and thoughtful consideration by accountable officials who work with the public to make balanced decisions. Public officials play a key role in

determining which involuntary threats to human health are unacceptable and which are acceptable based upon the best available science and not just perception.

4.5.4 Risk Analysis In Food Safety Regulation

A national risk assessment model must be developed at the federal level for use in conducting risk assessments of commercial food handling operations from farm to retail. A voluntary Model Food Defense Code should be developed to ensure that states have the tools necessary to close gaps identified through risk assessments. NASDA supports the development of uniform food safety regulations and policies that also permit a certain degree of state flexibility to promulgate regulations that address circumstances that may be unique to that state. In general these regulations and policies should be applied in a consistent manner across federal, state and local agencies. However a necessary first step in the introduction of uniform nationwide food safety policy and the prioritizing of resource allocation is the need to develop sound scientific information on which to base that policy.

The model should be suitable for use in assessing the risks associated with both accidental and intentional contamination of our food supply and should take into account both food safety and food defense. Standardized risk management procedures based on risk assessment results should be used to weigh policy alternatives and to develop and implement the appropriate regulatory response. An active risk communication network should be established to facilitate the exchange of information among those in industry and government who are assessing risk or developing methods to mitigate or manage risk.

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Microbiological testing, as necessary to verify the effectiveness of an establishment's procedures for controlling microbiological hazards, should be an integral part of the risk-based system. This testing should be done to determine if the process is effective and not attempt to establish microbiological standards. The frequency of testing required should be proportional to production volume and frequency of detection, and not based on a calendar schedule.

A significant difference exists between microbiological testing in raw and ready-to-eat foods. Science and technology indicate that it is currently impossible to ensure that raw meats and poultry are free of potential pathogens. As a result, microbiological testing of raw meat and poultry for other than informational purposes and verification of HACCP systems is inappropriate. Microbiological testing in ready-to-eat foods is appropriate and should continue to be mandatory.

4.5.5 HACCP and HACCP Plans

In order to provide efficient utilization of current resources, risk assessments must be made in all segments of meat, poultry, exotic, and aquatic food production, and resources should be allocated in areas where significant risks to consumers can be reduced.

The production of wholesome food for consumers is a cooperative effort between the food industry and governmental agencies. In order to be successful, a sincere spirit of cooperation between the food industry and the government is essential. The incorporation of HACCP plans into the industry must change the way the Secretary of Agriculture allocates resources for inspection.

While HACCP has primarily been required in the meat, poultry, exotic animal, and aquatic industries, HACCP's application is much broader than just food inspections. HACCP has proved effective in canned food processing, and HACCP or HACCP-compatible systems should be applied to all food production and processing. General guidelines to assist producers, processors, and distributors in HACCP plan development should be available. Testing should be used as a tool to verify the effectiveness of HACCP plans.

HACCP programs can result in enormous safeguarding benefits for the food system, however, it requires a resource commitment on the part of industry. Government agencies should support the movement towards HACCP systems in the food industry. Support could be in the areas of training, research, model plans, and other tools to assist the industry in HACCP implementation.

These HACCP plans must be unique for each operation. Critical control points should be identified, critical limits established, and corrective action procedures developed for processes that are outside of acceptable limits. These plans must be reviewed and updated on a regular basis. Flexibility is necessary in preparation and implementation of these plans. The Secretary of Agriculture and state meat and poultry inspection agencies should monitor the overall effectiveness of these industry plans. A sincere sense of cooperation and collaboration between the industry and the government is essential for a successful risk-based inspection system.

While NASDA supports the use of HACCP programs along the complete "farm to fork" continuum, we recognize that there are major gaps in knowledge and information, making it effectively impossible to implement in some areas. In particular, we know little about effective intervention at the farm production level.

Modernization of the nation's meat, poultry, and seafood inspection system must be based on the principal idea of reducing the risks of foodborne disease to consumers. Inspection programs should provide oversight that focuses on prevention of food safety hazards. Risk-based inspection will lead to overall safer products by focusing scarce inspection resources in areas with a greater risk potential. Government resources can then more efficiently be directed at ensuring that the hazard control procedures achieve the program's objective through monitoring and verification of the industry's activities.

The main value of a Hazard Analysis and Critical Control Point (HACCP) system is prevention rather than detection. The HACCP system involves determining points along the food production chain where contamination can occur. Safeguards are then developed for these critical control points to prevent food safety hazards. Records are kept to help trace problems to their origin. Verification systems are established to ensure that the program is effective.

Therefore it is unwise to mandate HACCP programs. However, with sufficient research we believe it possible to identify strategies that will significantly reduce the incidence of on-farm foodborne contamination. Furthermore, it is critical to have an effective transfer of technology and information to the farm. Coordination of research efforts is necessary between state and federal agencies. Enhanced disease reporting procedures would allow agencies to identify research needs at an early stage.

4.5.6 Expanded Use of HACC

NASDA believes government agencies must focus regulatory efforts on preventing or minimizing food safety risks (i.e., verifying the efficacy and application industry designed and operated food safety systems).

Food safety management regulations based upon the Hazard Analysis Critical Control Point [HACCP] principle currently exist at the federal level for meat & poultry products, fruit juices, and fishery products. HACCP is recognized as a systematic and prevention oriented control mechanism for dealing with food safety hazards. It should be employed for all food processing types.

4.5.7 Research

While NASDA supports the use of HACCP programs along the complete "farm to fork" continuum, we recognize that there are major gaps in knowledge and information, making it effectively impossible to implement in some areas. In particular, we know little about effective intervention at the farm production level; therefore it is unwise to mandate HACCP programs. However, with sufficient research we believe it possible to identify strategies that will significantly reduce the incidence of on-farm foodborne contamination. Furthermore, it is critical to have an effective transfer of technology and information to the farm. Coordination of research efforts is necessary between state and federal agencies. Enhanced disease reporting procedures would allow agencies to identify research needs at an early stage

4.5.8 Preharvest Food Safety

NASDA supports development of uniform, but voluntary standards for pre-harvest food safety, with input from all parties and a clear articulation of the risks and benefits associated with adoption of those standards. Basic and applied research is needed to define specific interventions that will positively impact food safety, and which can be used in the development of uniform standards. Moreover, pre-harvest food safety efforts should also be integrated with

overlapping issues such as nutrient and waste management, environmental protection, rural economic development, and animal health and welfare.

NASDA encourages continued work on the Federal/State National Auditing Alliance to verify good agricultural practices and good handling practices. NASDA also supports the concept, similar to the approach used for environmental protection efforts, to provide federal support and incentives to producers who voluntarily establish verifiable pre-harvest food safety programs. NASDA proposes a Food Safety Quality Assurance block grant program, administered by the states, to facilitate the adoption of innovative food safety assurance programs on farm. In addition, there is a need for uniform education regarding the national program to Retailers and International Market Buyers of the USDA Federal State Program. NASDA requests that USDA AMS Fresh Products Branch begin an educational campaign to inform retail buyers of the program and the advantage of the uniformity provided by the Federal State Auditing Program.

Pre-harvest food safety relies on activities conducted by livestock and crop producers which prevent or reduce the occurrence of organisms, agents or conditions that pose an animal health or food safety risk. Most current regulatory programs, however, are focused on post-harvest food safety practices (transportation, processing, retail sale). NASDA believes measures can be taken at the farm level to minimize or reduce the potential for foodborne illness further down the processing chain. We believe this because such measures are successfully being taken in many cases.

Many food retailers and distributors are now calling for third-party food safety inspections of their producer suppliers. In these instances, producers engage the services of a third party to verify that plant and animal production is occurring in accordance with a set of standards. The on-farm standards used vary among states, third-party verifiers, buyers, as well as by crop or animal produced. Consistent standards are needed to ensure that food producers can ensure food safety, satisfy consumer concerns, address the emergence of new organisms and satisfy current and potential export markets. On-farm quality assurance standards should be voluntary, well conceived, sustainable over time, flexible, transparent, uniform and include an evaluation mechanism. Many states are already moving forward to design and implement effective producer-oriented quality assurance programs. For example, the California Department of Food & Agriculture is participating in several on-farm quality assurance programs. The structure of the programs and degree of involvement varies by commodity and their unique needs. More basic and applied research, as well as educational efforts, is also needed.

Incentives, technical assistance, and a comprehensive approach can be used to increase the speed and the extent that standards are adopted on farms. Because of the nature of food handling activities on farms, a comprehensive, integrated approach is needed for ensuring that standards are utilized. Verification that food safety standards are being utilized effectively can be accomplished in a number of ways including third party, HACCP, an overarching audit, or by epidemiological indicators.

4.5.9 Harvest

NASDA supports requiring those facilities involved in animal harvest to develop and implement written HACCP plans, which identify and control public health hazards for products of animal origin during harvest. The plans should encompass ante-mortem and post-mortem procedures in addition to other identified critical control points (i.e. dressing procedures, sanitation, facility requirements, etc.).

Harvest activities include the conversion process from a live animal to a carcass, the removal of plant material from its growing media, and the harvesting, picking, or collecting of a raw agricultural product or seafood. Once a facility's plan has been satisfactorily implemented, the Secretary of Agriculture should focus efforts on verifying the effectiveness of the facility's plan and the facility's compliance with it. The intensity of government oversight should depend upon many factors including the risks presented by particular products and slaughter operations, the effectiveness of a facility's plan, and each facility's compliance with the plan. In facilities that slaughter a uniform, high quality animal, produced under an effective, well documented quality assurance program, the Secretary should not be required to provide 100 percent evaluation of the animals for disease or aesthetic defects (organoleptic inspection). The facility should assume this responsibility as a part of its HACCP plan. A HACCP system developed and implemented by the establishment which could include government verification and minimal inspection oversight would be superior to continuous organoleptic inspection used alone. Facilities harvesting animals that are not uniform and/or of high quality or originate from farms that do not have an effective quality assurance program should still be subject to 100 percent evaluation of animals by the Secretary for disease or aesthetic defects. Facilities involved in plant material harvest should follow HACCP-compatible good agricultural and sanitation practices.

4.5.10 Processing

The most significant reduction in risk of foodborne disease can be made by controlling the processes that occur during post harvest production. Processing includes the wholesale and retail handling and modification of plant and food products after the harvest phase and prior to consumption. Wholesale processing includes meat and poultry processing, egg product processing, and further processing of other food products for wholesale and distribution in commerce. It also includes cooking, baking, heating, drying, mixing, churning, separating, extracting, cutting, freezing, or otherwise manufacturing a food or changing the physical characteristics of a food, and the packaging, canning or otherwise enclosing such food in a container, but does not mean the sorting, cleaning, or water-rinsing of a food. Retail processing includes the handling of foods at restaurants, retail stores, vending operations, and other institutions. The steps that are taken at these facilities pose risks to consumers.

4.5.11 Wholesale Processing

Mandatory HACCP plans should be required for all post harvest wholesale processing operations. Each wholesale food processing facility should develop a HACCP plan to control,

monitor, and verify the critical processes that are conducted in that operation. Plant operators and plant employees should be responsible for implementing these plans and taking control of the food production processes in their operations. The Secretary of Agriculture and states should monitor and verify the implementation of those plans.

It is important to note that not all establishments must have a HACCP plan. NASDA believes all processors should conduct a "hazard analysis" of their operation. Where significant hazards are identified, then a HACCP plan is required. Many establishments will not have significant hazards and would not need a HACCP plan.

4.5.12 Manufactured Food Regulatory Program Standards (MFRPS)

MFRPS is currently being piloted in five states, such as North Carolina. The goal of MFPRS is to establish equivalency among the state regulatory programs by identifying key elements of a high quality regulatory program such as laboratory, resources, inspection program, outreach, training, etc. NASDA encourages states to participate in MFPRS and urges FDA to provide additional funding for states to fulfill the requirements of the standards.

4.6 RESPONSE

4.6.1 Tracebacks

NASDA strongly urges the immediate development and implementation of a uniform farm animal identification and tracking system, as well as systems that make possible the identification and tracking of domestic and imported food products.

The need for an ability to track crops, livestock and food products from farm to table cannot be overstated in terms of protecting public health and preserving the economic viability of the food and agriculture industry. Consumer and market demands have already begun driving trends to greater accountability and traceability. Increasing threats from a food safety and animal health perspective alone would be sufficient argument in favor of developing comprehensive product identification and tracking systems. Last summer Canada was, and now the United States is, under a global microscope as we struggle to trace the source of a cow infected with BSE as well as other animals associated with that cow. The specter of terrorist attacks makes the development and implementation of such systems even more imperative. If we require more than a few hours to locate all products associated with a terrorist incident, we risk a massive loss of consumer confidence in the nation’s food and agriculture system. That could have far costlier consequences than the immediate cost of the incident.

An effective preharvest quality assurance program should contain a feedback loop whereby food producers and food processors share relevant information on disease agents and disease incidences, diagnostic procedures and intervention strategies. The various segments of the industries can work together through an effective quality assurance program to identify and implement effective intervention strategies to achieve a safer food supply for consumers.

The Secretary should have some oversight of preharvest activities and authority to trace disease agents through all points of production to the place of origin, or at least to the last point of production. In order to make such tracing of organisms and agents possible, the Secretary should have the authority to require appropriate identification of individual animals and plant material. Such identification can lead to a more effective, rapid recall of potentially contaminated food products along the entire food chain, as well as minimization of illness and/or death resulting from exposure. Such a system also provides increased consumer confidence, while possibly minimizing the economic loss to industry in the event of a product recall. Plant records should identify the grower, and such identification could be coded.

Traceback of foods that are inapparent carriers of potential human pathogens should be for the purpose of developing ecological, epidemiological, diagnostic and intervention information and strategies. Quarantine of farms, however, is inappropriate for potential foodborne pathogens that have a number of host species, are found in the environment, and for which there are no effective preharvest diagnostic procedures or intervention strategies. Should quarantine authority become necessary it should continue to reside with state animal health agencies. Seizures/embargo authorization is necessary to halt the movement of adulterated products in commerce.

The federal government should work closely with state governments and industry to develop an identification system that will address the diversity of production, marketing and distribution mechanisms for fresh and processed food products.

It is also important for consumers and industry, as they move between states, to have the confidence that a consistent and uniform set of minimum standards exists that will ensure the safety of the food they serve and consume. This can be accomplished by having all states incorporate the FDA Model Food Code. The 1997 FDA Model Food Code is a document that provides scientifically based retail food safety advice for food regulatory agencies at all levels of government. It is a living document that will continue to be reviewed and updated on a regular basis through input from state and local food regulatory agencies, industry, academia, and consumers through such forums as the Conference for Food Protection and the Association of Food and Drug Officials. It has received endorsement from USDA, CDC, and various food industry organizations.

4.6.2 FDA Rapid Response Team and Infrastructure Development

NASDA believes FDA should expand the grant program to include additional states. This is the most efficient way to increase the Nation’s capability to rapidly identify and respond to a food safety issue. The grants provide not only training and exercising of RRT members, but also for infrastructure development necessary to support the teams.

4.7 RECOVERY

4.7.1 Salvage Food

In order to assure that the public health of consumers is protected from the sale or distribution of foods which have become adulterated or misbranded, a fully integrated and uniform system of salvaging and reconditioning of these products is needed. The Model Food and Drug Salvage/Recondition Code to regulate food and drug salvage processing plants and distributors should be offered to and adopted by the states. State and federal agencies should require that HACCP or HACCP-compatible plans are in place for all salvage food operations.

Food and drug products can become distressed or non-marketable for a variety of reasons that include but are not limited to natural disasters (floods, tornadoes, hurricanes, etc.), shipping accidents, fires, etc. Some food and drug products can be reconditioned or salvaged safely for redistribution and sale to the ultimate consumer.

4.8 FOOD DEFENSE

4.8.1 Emergency Action Plans

All states either have developed or are developing livestock, crop and food emergency response plans. NASDA has developed a model Food Emergency Response Plan through a cooperative agreement with federal partners. The state departments of agriculture and other state government agencies need assistance to develop and implement these plans, along with preparedness training and education. NASDA urges the Department of Homeland Security to provide funding for these activities. We believe it is cost-effective to provide state and local government with a valuable readiness tool to facilitate seamless regional and national responses to food emergencies.

4.8.2 National Incident Management System (NIMS)

NIMs was developed so that local, state and federal responders from different jurisdictions and disciplines can work together in responding to natural disasters, emergencies and terrorism. NIMS provides a unified approach to incident management using the Incident Command Structure (ICS). NASDA believes more efforts are needed to address the communications gap between state and federal partners in the sharing of critical information and intelligence. NASDA also believes the development of rapid communications and incident notification systems should be a top priority and include both public and private sector decision-makers.

North Carolina recently employed an Incident Command System [ICS] utilizing state and local government officials from a multitude of agencies within that state to address a widely marketed chili sauce recall. They performed more recall audit checks in North Carolina than the rest of the country combined and removed from sale approximately 32,000 units of the tainted product from domestic channels in that state. They also found a large number of these

botulism-tainted products in children's camps and other non-traditional food venues ready for sale or service. Federal agencies need to review their response efforts with recalls and establish a formalized strategy with state and local government to significantly improve recall response as was done in North Carolina.

5 Nutrition and Food Assistance

5.1 INTRODUCTION

(Revised September 2015)

Federal policy related to nutrition or dietary guidelines should be based on sound and peer-reviewed nutrition science, should not prejudice particular agricultural commodities or products, and should not consider non-nutrition related elements such as environmental impacts or agricultural practices.

5.2 NATIONAL FEEDING AND NUTRITION ASSISTANCE PROGRAMS

NASDA supports the National School Lunch and Breakfast Programs, Supplemental Nutrition Assistance Programs (SNAP), WIC and Senior Farmers Market Nutrition Programs, and the Emergency Food Assistance Program (TEFAP).

National School Lunch/Breakfast Programs

NASDA opposes restrictive dietary guidelines on meat protein and calories served through the National School Lunch and Breakfast program that do not take into consideration individual needs, especially those of physically active and growing students. Dietary guidelines should not deprive students of sufficient calories and protein for healthy growth and mental alertness.

Overly restrictive dietary guidelines in the school lunch program will not solve the serious, national problem of childhood obesity. Rather, a more comprehensive approach, including dietary education and increased physical activity, is needed to help students adopt a healthier lifestyle.

States should not be required to submit waiver request for the state department of agriculture to operate and manage the National School Lunch and School Breakfast Programs. State departments of agriculture have close ties to the safety, production and marketing of food and have a proven track of managing grants.

Supplemental Nutrition Assistance Program (SNAP)

NASDA encourages the continued investments in increasing the number of farmers markets who accept SNAP benefits as a means of encouraging participants to consume a greater volume and variety of fruits and vegetables while also supporting the farmers closest to their community. Every effort should be made to assist farmers with becoming qualified SNAP retailers, including full support of grant funding for wireless point-of-sale equipment.

The effectiveness in providing a healthy diet under SNAP depends upon improvements in providing food to those who need it the most. The elimination of provisions allowing for the cash-out of food stamps is important to protecting the program from increased fraud and abuse.

WIC and Senior Farmers' Market Nutrition Programs

The WIC Farmers' Market Nutrition Program (FMNP) and Senior Farmers' Market Nutrition Program (SFMNP) are outstanding investments for agriculture and the nation and should be continuously funded. NASDA supports the expansion of the WIC FMNP and SFMNP to additional states and farmers' markets.

6 International Marketing and Trade of Agricultural Products

6.1 INTRODUCTION

Federal and state governments play a critical role in ensuring American agricultural producers access to international markets that are operated in an equitable manner to our own. Obtaining market access for our agricultural products should be one of the highest priorities for the Administration and Congress.

6.2 EXPANSION OF TRADE

(Updated September 2015)
The multilateral WTO process has the greatest potential in raised and harmonized standards that level the playing field in regard to treating labor fairly, not degrading the environment and empowering family farmers and ranchers rather than exploiting them.

- NASDA supports efforts to liberalize world trade in agriculture that we believe should continue through the multilateral process and through regional free trade agreements.
- Until such time as other countries phase out their export subsidies entirely, NASDA encourages the federal government to work to end export subsidies across all countries.
- NASDA encourages the federal government to utilize export subsidies to the fullest level allowed under our current WTO commitments.
- NASDA opposes excluding a specific agricultural commodity or product from any trade agreement unless this exclusion is specifically at the request and benefit of the agricultural commodity producers or product manufacturers to be impacted.

Trade with Cuba

Current U.S. economic sanctions against Cuba allow for U.S. food and agricultural sales to Cuba but contain very challenging and specific licensing and financial provisions to which U.S. exporters must adhere. U.S. trade policy to Cuba is inconsistent with trade policy to other countries.

- NASDA urges the Administration and the U.S. Congress to reexamine U.S. policy towards Cuba and lift the current embargo against Cuba. The U.S. should:
- eliminate the “Cash Only” sales provision of the current law as well as extend trade to other areas besides food and medicine;

- streamline laws and regulations related to visa and license requirements to better promote trade activities and
- allow long term contracts, which will provide more efficiencies for both parties;
- allow exchange of biotech research would have a benefit to both countries;
- allow importation of Cuban products into the U.S. only on the condition that there are appropriate safe guards for our domestic markets, particularly for import-sensitive commodities;
- hold Cuba to the same sanitary/phytosanitary standards as the rest of the world trading community; and
- ease travel and tourism restrictions for both countries, or at the very least, allow plant and animal health officials, as well as food safety officials of both countries to travel to and from Cuba.
- NASDA urges the Administration and the various U.S. government agencies to interpret the Trade Sanctions Reform and Export Enhancement Act as broadly as possible, especially the financial terms so companies can compete with other countries in the global marketplace.

Trade with China

China is a growing market for U.S. agriculture and the third largest market for U.S. exports in recent years. Expansion of the Chinese market for U.S. products could be larger if more Chinese buyers could visit U.S. suppliers but too often U.S. visas are delayed or denied to prospective China buyers, resulting in lost sales and decreased U.S. competitiveness in the China market.

- NASDA urges the Secretary of State to issue visas for temporary entry into the United States of Chinese nationals who demonstrate a full itinerary of purchasing activities.
- NASDA urges the Administration to continue to seek changes in the way China values their currency to ensure domestic producers are not competitively disadvantaged due to currency manipulations.

Unilateral Sanctions

Unilateral sanctions that limit commercial, government-assisted, or humanitarian movement of agricultural products have proven to be ineffective mechanisms to further foreign policy and are disruptive to international food trade.

- NASDA opposes any unilateral sanctions pertaining to agricultural exports.

Trade Promotion Authority

Under trade promotion authority, the President is able to negotiate trade agreements and submit them to Congress for a simple up or down vote. The Congress then has a limited time period in which to approve or reject the agreement without any amendments. Current fast track trade promotion authority expired in 2007.

- NASDA supports reauthorizing trade negotiating authority for the Administration to allow flexibility for U.S. negotiators but include consideration for import-sensitive commodities.

- NASDA supports the continuation of the position of the Office of Chief Agricultural Negotiator, an Ambassador level position, within the Office of the U.S. Trade Representative.

- NASDA urges the Agricultural Negotiator to ensure NASDA is included in stakeholder consultations during trade negotiations.

- NASDA further encourages the Agricultural Negotiator to work closely with USDA's Foreign Agricultural Service given their long history of promoting the sale and consumption of domestic agricultural products abroad.

- NASDA strongly recommends that the United States Congress once again grant Trade Promotion Authority (TPA) for the President.

Harmonization of International Standards[1]

Sanitary or phytosanitary measures provide for the protection of animal and plant health and are contained in the WTO Agreement on Sanitary and Phytosanitary Measures (SPS Agreement). Non-sanitary or phytosanitary measures (e.g., certain labeling requirements) also affect international trade in food and agricultural products and are contained in the WTO Agreement on Technical Barriers to Trade (TBT).

Sanitary and Phytosanitary (SPS) Measures

The SPS Agreement requires countries to base health and safety measures affecting products in international trade on sound science and appropriate risk assessment. Despite the agreement, a number of WTO member countries continue to impose sanitary and phytosanitary measures which lack a sound scientific basis, which create significant barriers to market access abroad for U.S. agricultural products.

- NASDA urges negotiators to actively seek trade remedies when the SPS Agreement is not being adhered to in accordance with trade agreements.

- NASDA urges the U.S. government to make the elimination of unjustified non-tariff barriers characterized as SPS measures a priority and to take all appropriate actions, consistent with our international rights and obligations, to redress this problem.

- NASDA urges the U.S. not to agree to reopen the SPS Agreement in either the current or any future WTO negotiations.

- NASDA urges U.S. regulatory bodies to work on a multilateral or bilateral basis with other trading partners interested in increased harmonization of SPS measures to reach agreements that would permit trade, as appropriate, on the basis of mutual recognition, equivalence or reciprocal agreement on the adoption of international standards.

Technical Barriers to Trade (TBT)

NASDA is concerned that the TBT Agreement does not currently provide for greater international harmonization of standards, and does not contain the types of enforceable disciplines that would permit U.S. exporters to effectively challenges protectionist trade measures.

- NASDA urges the U.S. government to pursue a stronger and clearer TBT Agreement in multilateral negotiations.

Genetically Modified Organisms (GMOs)

The movement of GMOs and other biotechnology products to the international market is constrained by the unwillingness of some foreign governments to accept these products. In addition, labeling of genetically modified products has been proposed by many foreign governments as a condition for accepting these products, potentially presenting an additional barrier to trade.

- NASDA urges the federal government should work to ensure that the same sanitary and phytosanitary measures and standards are applied to genetically modified organisms in the international market place. Labeling of such products should conform to international standards and should not be construed in a way that acts as a barrier to trade.

- NASDA supports global market access for genetically modified organisms in all WTO countries.

Highway Trade Corridors

The North American Free Trade Agreement contains provisions for national treatment of cross-border trucking. Differences in trucking standards between the three NAFTA countries have created inefficiencies and increased transportation costs borne by producers and shippers.

- NASDA supports the implementation of the trucking provisions contained in NAFTA and the elimination of transportation system barriers, which will help to lower transportation costs for continental trade in agricultural products and enhance the competitiveness of North American exports to world market.

- NASDA believes consideration should be given to harmonizing trucking standards among the three countries, including streamlining the obtainment of interstate and international trucking permits and establishing one-stop, joint vehicle inspection facilities.

Cargo Preference Laws/Jones Act

The Cargo Preference Laws require up to 75 percent of U.S. food aid shipments to be shipped on U.S. flag vessels, increase the cost of shipping food aid and reduce the quantity of food aid that can be made available to needy countries. The Jones Act requires all goods carried from one point in the United States to another to be carried on vessels built and repaired in the United States, owned by U.S. citizens, manned by U.S. citizen crews, and registered in the United States, creating a competitive disadvantage for American agriculture, as compared to our foreign counterparts.

- NASDA supports repeal of the Cargo Preference Laws and the Jones Act.

State Trading Enterprises (STEs)

State trading enterprises can have the effect of distorting trade in the world market place. These enterprises can disrupt the market place if they become subsidized entities which enjoy monopoly buying authority.

- NASDA believes the federal government should ensure that future trade agreements address trade distorting effects of state trading enterprises to end monopoly rights and exclusive import rights.

- NASDA further believes the U.S. should require that activities of state trading enterprises be transparent and that the practice of subsidizing these enterprises be eliminated so as to remove price discrimination in the market place.

Perishable and Seasonal Commodities

When shipments of perishable and seasonal commodities, or live animals, get held up in a port of destination, due to SPS issues or other trade related disputes, a rapid resolution of the issue is critical to prevent deterioration of the perishable cargo. Very few trade agreements include protocols for resolving these kinds of situations in the timely fashion that is needed to allow the quick release of perishable and seasonal commodities.

- NASDA urges the Administration, when negotiating trade agreements, to include protocols that address the time sensitivity needed to move perishable and seasonal commodities, particularly related to dispute resolution.

Canadian Ministerial Exemption System

The Canadian system of ministerial exemptions, or "easements" that control the importation of U.S. produce, in particular potatoes, inhibits trade for U.S. producers and serves to protect Canadian producers from competition and supply from the United States.

NASDA urges the U.S. Trade Representative and the U.S. Department of Agriculture to include the ministerial exemption system on the agenda for bilateral trade negotiations, and seek its removal to facilitate agricultural trade between the United States and Canada.

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[1] *This section addresses the SPS agreement as it relates to trade. For NASDA policy on sanitary and phytosanitary measures please see Section 1 Animal Health and/or Section 2 Plant Health.*

6.3 FEDERAL DOMESTIC POLICIES AFFECTING TRADE

Legislation that blocks the use of federal resources for the agricultural marketing and promotion of a United States grown agricultural product hurts our farmers. Congress should be encouraged to repeal legislation that blocks promotion of any legal agricultural products grown in the United States.

- NASDA supports the promotion of international markets for American grown agricultural products and opposes legislative efforts that specifically exclude the ability to promote and market those products abroad.

Foreign Agriculture Service (FAS)

FAS provides valuable assistance to state departments of agriculture and agricultural producers of both bulk commodities and high valued food products in establishing and maintaining markets around the world and in promoting the sale and consumption of U.S. grown agricultural products through a variety of programs, including foreign market development, market promotion, outreach, direct credits and loan guarantees.

- NASDA supports FAS programs aimed at meeting the objective of expanding trade for agricultural products.

- NASDA supports fully funding, at the authorized levels, both the Foreign Market Development (FMD or "Cooperator") Program, which provides cost-share assistance to help boost U.S. agriculture exports and the Market Access Program (MAP), which helps U.S. agricultural producers, exporters, private companies and other organizations finance promotional activities overseas**.**

Market Access Program (MAP)

The Market Access Program authorizes funding to support partial reimbursement to private companies for qualified overseas brand promotion of U.S. agricultural products. The policy rationale is that the promotion of brands containing U.S. agricultural products helps to boost exports of U.S. products.

- NASDA supports the objectives of the MAP and believes the federal government and the Congress should support this critical resource for agricultural producers and promote an equitable international market place for agricultural products.

Export Financing & Credit Guarantees

Programs have been designed to increase or maintain U.S. agricultural exports by having a federal agency act as the guarantor of financing for sales of U.S. agricultural commodities in foreign markets. NASDA believes that export financing and credit guarantee like GSM 102 and 103 programs are important resources for agricultural producers entering the foreign market place.

- NASDA supports the expansion of these programs to cover transportation costs from the U.S. border to export destinations.

Export Enhancement Program

The Export Enhancement Program (EEP) and similar policies became necessary because U.S. exporters faced unfair and highly subsidized competition from the European Union. Current U.S trade policy favors the elimination of export subsidies and the United States has put forth an ambitious proposal in the current round of multilateral trade negotiations to eliminate export subsidies completely with reductions phased in over a five-year period in equal annual increments.

- NASDA supports export subsidy elimination in multilateral agreements if the implementing legislation for that agreement allows up to 50 percent of unused EEP funds to be used for related market development and promotion activities.

- NASDA's support for the elimination of the EEP and similar programs is contingent upon a world-wide commitment to end export subsidy practices.

NASDA supports the promotion of international markets for American grown agricultural products and opposes legislative efforts that specifically exclude the ability to promote and market those products abroad.

6.4 INTERNATIONAL FOOD AID

International food aid program budgets have been reduced over the years due to fiscal constraints.

- NASDA supports continued US efforts to provide humanitarian assistance in the form of food.

6.5 THE GLOBAL ECONOMY

Global economic conditions impact the value and volume of trade. It is in the United States' interest to promote and ensure a financially stable global marketplace so that trade between nations is not disrupted.

- NASDA supports efforts to promote and improve economic and financial stability in the global marketplace.

6.6 COUNTRY OF ORIGIN LABELING

(Updated September 2013)

Existing Federal law requires most imports, including many food items to bear labels informing the ultimate purchaser of their country of origin. There is value in policy that allows for differentiation of product in this manner, offering American consumers important Country of Origin Labeling (COOL) information as they make purchases within the U.S. retail food supply.

There is equal value in assuring that COOL policy be implemented in a manner that ensures the United States is able to maintain its obligations under negotiated regional and international trade agreements and does not prompt retaliatory trade actions against U.S. agricultural products.

6.7 DISPUTE RESOLUTION

Under current U.S. law, the federal government has certain legal means and remedies in place to address concerns with agricultural trade. A special rapid dispute resolution mechanism should be established for use specific to perishable commodities.

- NASDA supports federal laws and rules designed to resolve agriculture trade issues and encourage their use by the USTR to ensure our domestic producers are not competitively disadvantaged by unfair trade practices.

6.8 MONETARY VALUATION AND EXCHANGE RATES

NASDA supports the establishment of international monitoring tools to address possible trade-distorting manipulation of monetary valuation and exchange rates.

7 Conservation and Resource Management

7.1 AGRICULTURE CONSERVATION

(Updated February 2016)

Voluntary, incentive-based conservation programs are the bedrock for agriculture's efforts to improve water quality, soil health, air quality, and address water quantity concerns. Taking a broad look at a landscape for planning purposes minimizes the challenges associated with managing lands for the benefit of a particular species or to address a specific need. NASDA encourages federal conservation planning processes to be streamlined and focused on working with producers and land managers to achieve desired goals.

- NASDA supports voluntary, incentive-based conservation programs. Additionally, NASDA encourages locally-led, flexible and landscape scale approaches to address diverse state and regional differences.

- NASDA supports effective and efficient cross-jurisdictional coordination that enables local, state, and private entities to undertake necessary management actions. NASDA supports a combination of policy tools, financial incentives, education and technical assistance to enhance environmental performance by producers.

- NASDA believes federal agencies should recognize "functionally equivalent" state programs and believes voluntary programs should offer some form of presumption of compliance with regulatory programs.

- NASDA believes conservation and environmental programs should respect personal property rights and confidentiality of producer data and conservation plans.

7.2 CONSERVATION PROGRAMS

(Updated February 2016)

USDA conservation programs are effective tools in helping farmers and ranchers implement and maintain conservation practices. NASDA supports Farm Bill conservation programs for addressing environmental concerns.

- NASDA encourages Congress to adequately fund Farm Bill conservation programs. In particular, NASDA supports funding for EQIP, CSP, RCP and ACEP.

- NASDA supports increased funding for technical assistance (TA) and availability of TA for all producers seeking to implement improved management practices.

- NASDA supports increased flexibility of farmland preservation programs. NASDA emphasizes the need to focus on farm viability, deference to local and state conservation entities.

7.3 WATER QUALITY

(Updated February 2016)

The protection and conservation of our nation's water resources is a key priority. NASDA supports efforts to ensure the maintenance of water quality at levels that protect human health, as well as physical and biological aquatic environments, that are science-based, technically sound, practical, cost-effective and achievable, while also ensuring that agricultural production remains economically viable across the nation.

- NASDA believes local, voluntary, incentive-based approaches are the best way to address water quality challenges and that these approaches, rather than proscriptive regulatory programs, must be the foundation for addressing these challenges. Water quality programs must preserve private property rights, producer confidentiality, and allow for a balance between economical agricultural production and wetland conservation

The Clean Water Act and State Roles:

- The Clean Water Act (CWA) established a cooperative approach between the federal government and state governments to restore and maintain the chemical, physical, and biological integrity of the Nation's waters. It is imperative the federal government respects that the primary responsibility for planning the development and use of water resources rests with the states. Federal policies must ensure state laws regarding water rights and allocations are honored and that states are given maximum flexibility in the management of both their water resources and their water quality programs.

- The role of the federal government should be to establish national water quality goals that are achievable, support state efforts for implementing water programs, provide technical and financial assistance, support research and development, and providing appropriate oversight of state programs. The federal government should also recognize state certification and assurance programs.

- EPA's implementation of the CWA must avoid overly prescriptive requirements on states, be financially feasible for states and the regulated community, and be based on sound science.

- NASDA opposes any expansion of federal Clean Water Act jurisdiction.

- NASDA opposes the duplicative regulation under the CWA for activities that are already regulated under other statutes (such as pesticide use which is regulated under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA))

- The CWA's agricultural exemptions under Sections 402 and 404 must be preserved and respected.

Nonpoint Source Pollution

- Non-point sources of pollution (NPS) should not be subject to mandatory regulations under the CWA, but rather be addressed through voluntary, outcome-based programs.

- The central focus for NPS management solutions should be on reasonable, voluntary, and incentive-based solutions utilizing education and technical assistance as well as financial assistance. All of these efforts must be grounded in solid, scientific, research-based, and financially viable solutions. NPS pollution management programs should emphasize the protection of water resources and state-designated water uses, recognizing the importance and needs of individual agricultural producers and other landowners affected by the CWA.

- Programs at the federal, state and local levels must be funded fully, and coordinated with, not superseded by, the CWA. In particular, the state-led programs, when coupled with various Farm Bill, Clean Water Act and Safe Drinking Water Act incentives and support, can provide significant opportunity for major environmental quality protection.

- The CWA's citizen suit provisions must not apply to individuals participating in NPS management programs.

- NASDA encourages the further development and adoption of best management practices and new technology to address NPS water quality concerns.

- NASDA supports the CWA's Section 319 program as the means for states to identify nonpoint sources in critical areas, and to develop management programs to control discharge. Federal funding for Section 319 dedicated to on-the-ground work with producers and to help them adopt BMP practice implementation must be increased. EPA and the state water quality agencies should actively work with the state agricultural agencies and producers in identifying agriculture's needs and priorities for 319 funding.

7.4 ENVIRONMENTAL MANAGEMENT

Animal Feeding Operations (AFO's)

The Clean Water Act (CWA) and the National Pollution Discharge Elimination System of permits (NPDES) do not stand alone in protecting America's waters from NPS runoff from animal feeding operations. In particular, the state-led programs, when coupled with various Farm Bill, Clean

Water Act and Safe Drinking Water Act incentives and support, can provide significant and continuing opportunity for major environmental quality protection. Federal water policies must recognize that the value of the state programs, if enhanced through federal efforts, could provide a firm foundation for a sound national NPS policy, including addressing the runoff associated with animal agriculture. States should have the flexibility and the authority to protect their natural resources from potential negative impacts resulting from livestock production by enacting statutes, regulations, and voluntary programs based upon sound science, economic feasibility, and the specific needs of the state. As an example, natural resource protection on medium-sized livestock farms will be best served by state programs which match requirements with available resources, because conservation does not occur without farm viability. States implementing effective zero discharge programs for confined animal feeding operations (CAFO's) should not be forced to require CAFO's to also have NPDES permits.

EPA does not have authority under the CWA to subject the land application of manure to some form of NPDES permit requirements, as it has recently sought to do. The intent of the CWA is clear – non-point sources of pollution are not subject to mandatory regulations under the CWA, but are to be addressed through voluntary, outcome-based programs. The legislative language makes a clear and concise distinction between point and non-point source management. The land application of manure has been a standard practice in agriculture since humans first introduced livestock into their agricultural activities. It has been an integral part of agriculture's fertility and land improvement ever since. As such, and as for any of the other agricultural activities taking place across the land, the land application of manure is a nonpoint source activity under the CWA. It is imperative that the federal clean water program not require states to operate in any different manner.

Congress must support USDA's incentives and NRCS technical assistance to help producers deal with their livestock manure management challenges, and EPA must continue to work with USDA in support of these efforts. Private sources of technical assistance on nutrient management matters will increase in importance as animal agriculture works to improve its manure management activities. Although the private technical assistance delivery system has been growing dramatically in recent years, it is nowhere near the capacity needed to prepare the number and kind of plans that EPA and USDA have envisioned. The federal agencies must not rely on the private sector delivery system beyond its capacity to provide solid and technically sound assistance. To do so would result in poor nutrient management plans, little help to the environment, and great damage to the credibility and future usefulness of this fledgling service sector. Such an initiative must build off the existing federal-state public conservation delivery system. The private sector can provide little of the needed services without maintaining a viable NRCS field staff and county Soil and Water Conservation District capability.

Compliance with state and federal regulations by livestock operations should offer some form of presumption of compliance with the objectives of regulatory programs and provide reduced liability associated with off-farm environmental degradation or nuisance law suits. This so-called environmental assurance concept or "safe harbor", which incorporates relief from additional regulations and enforcement, is necessary to ensure active voluntary participation.

Concentrated Animal Feeding Operations (CAFOs)

(Updated September 2012)

The Environmental Protection Agency (EPA) has been regulating Concentrated Animal Feeding Operations (CAFOs) for more than 25 years. In many cases, the states preceded the federal government in both recognizing and regulating issues related to animal feeding operations. Throughout the 1970's, 1980's and 1990's, a number of states set higher or more restrictive standards for CAFOs, usually as a result of local issues or information. Some states developed permit programs and/or required design criteria for protection of both surface water and ground water. Other states implemented voluntary, incentive-based programs with strategies for nutrient management. These efforts have been led by state agriculture and conservation agencies working together with federal agencies, livestock and poultry industries, land grant universities, engineering consultants, scientists, and other local stakeholders.

Both state and federal CAFO rules have been reevaluated and updated over the past several years to keep up with industry changes, new technologies, and public perceptions. EPA finalized new regulations for CAFOs in 2003 which expanded the number of operations covered by the Clean Water Act (CWA) permit program to an estimated 15,500 operations. New permit requirements were added to include comprehensive nutrient management planning, and to extend coverage to include all poultry operations of a certain size. EPA is currently revising its 2003 CAFO rules to conform to a ruling of the 2nd Circuit U.S. Court of Appeals in 2005. EPA proposed a revised rule in 2006, but it has not yet been finalized.

NASDA supports EPA's proposed 2006 revised rule. Now, the state agriculture departments and other agricultural stakeholders are anxiously awaiting the agency's final rule. We have urged EPA to limit the final rule to the issues addressed by the court ruling and to provide more clarity on the regulatory obligations of livestock operations. States will need time to modify their CAFO programs to conform with the final rule. In late July, EPA announced that certain compliance deadlines would be extended until February 2009. This is helpful and will allow the states and other stakeholders an opportunity to adjust to the new requirements.

Although states have additional time to implement the new CAFO program requirements, the changes will create a resource and administrative challenge for state agriculture and conservation agencies. EPA has estimated that the CAFO regulations could result in compliance costs of $850 million to $940 million per year.

States will need to increase our efforts to identify, permit and inspect CAFOs. A major challenge is the ability of producers and state agency personnel to prepare the thousands of new nutrient management plans that will be required under the new rule. Livestock operators will need to address multiple nutrients in their waste management plans. They will need additional technical assistance, education, and training to comply with their permits. This creates additional demands on the state agriculture and conservation agencies which provide technical and financial assistance.

The key to achieving the national goal of assuring that animal feeding operations are managed to protect water quality is to provide states with the flexibility and resources to meet legal and programmatic responsibilities. We strongly believe that programs for managing animal nutrients are most appropriately implemented at the state and local level.

NASDA opposes requiring CAFOs to obtain an NPDES permit by characterizing ventilation dust and feathers as point source pollution under the Clean Water Act.

Classification of Agricultural Byproducts in Environmental Regulations

Livestock manure, poultry litter, crop residue disposal and other agricultural byproducts contain or volatilize into naturally occurring organic compounds such as orthophosphate, ammonia and hydrogen sulfide. These naturally occurring organic compounds result from routine agricultural operations and therefore do not meet the definition of a "hazardous chemical" under the Community Right to Know Act (EPCRA), or a Superfund "release" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), nor do these compounds contain a "hazardous substance" as defined under CERCLA. As such, these agricultural byproducts produced during routine agricultural operations should not be subject to the provisions of EPCRA and CERCLA.

Rangelands, Pasturelands & Grasslands

NASDA recognizes the importance of grasslands and rangelands. These land resources account for almost one-half of the total area in the United States and are found in all 50 states.

Our land resources are important to agricultural and livestock production but also provide many benefits to society: clean air and water, open space, recreation and wildlife habitat. These lands are the base of our protein food supply and the proper grazing of these lands is essential to maintaining a healthy landscape and environment.

NADSA strongly supports efforts to promote and enhance the stewardship of these lands. The conservation programs of the NRCS, Forest Service, BLM, and EPA are strongly supported by state departments of agriculture.

NASDA fully supports the ongoing research by USDA's Agriculture Research Service (ARS) National Program in Rangeland, Pasture and Forages. This research will produce valuable scientific information and new tools for assessing and managing rangelands and pasture lands. NASDA appreciates the contribution of the Universities and Extension programs in this nation. The ability of this nation's people to feed themselves with less than 10% of their income is in a significant degree due to their efforts.

7.5 WATER QUANTITY

Congress made it clear in the Clean Water Act (CWA) that it is federal policy to recognize, preserve, and protect the primary responsibilities and rights of states to prevent, reduce, and

eliminate pollution, to plan the development and use (including restoration, preservation, and enhancement) of land and water resources, and to consult with the Administrator of the EPA in the exercise of federal authority under this chapter. It is essential that in the implementation of CWA and other federal statutes that the federal government recognize, preserve, and protect these responsibilities and rights of states and not take steps to directly or indirectly create any federal water law or program that supersedes, abrogates or impairs state water allocation systems and water rights.

7.6 AIR QUALITY

Air quality is an increasingly important issue for agriculture. Agriculture has always had some impact on air quality, whether through wind erosion and fugitive dust emissions, odors or smoke. Conversely, the quality of the atmosphere can affect plant and animal production. Federal, state and local regulatory agencies have been examining, and in some cases, regulating certain emissions from agricultural operations. Some of these are among EPA's six "criteria pollutants" which are regulated under the National Ambient Air Quality Standards (NAAQS) of the Clean Air Act, and for which specific, measurable threshold values have been established. EPA is required to review scientific studies associated with "criteria pollutants" every 5 years. One of the criteria pollutants related to agriculture is particulate matter (PM) which includes dust. Other criteria pollutants include ozone precursors (emissions that lead to formation of ozone, i.e. volatile organic compounds (VOCs), and oxides of nitrogen. There is significant debate over agriculture's contribution.

NASDA believes more study is needed. Very little science exists for agriculture related air quality issues. NASDA supports dust control measures, but does not believe agricultural dust should be regulated under the Clean Air Act. There is no scientific evidence.

NASDA believes more information and better technology is needed to fully address current and future agricultural air quality issues which are increasingly complex. USDA's NRCS is engaged in this process by developing information resources, providing technical assistance and training, and developing or implementing appropriate air quality technologies that will ultimately assist landowners and producers in making wise management decisions.

Practices to improve air quality include conservation tillage, residue management, wind breaks, road treatments, burn management, manure management, integrated pest management, chemical storage, etc. NASDA encourages these and other conservation activities. Addressing air quality concerns is an area of increasing emphasis in USDA's conservation programs, including EQIP, CSP which provide incentive payments for actions that benefit air quality, including improving viability, reducing ozone levels, reducing transport of fine and course particulate matter, reducing potential for airborne agricultural chemicals, etc.

NASDA believes EPA and USDA should develop partnerships with state agriculture departments to address these issues in a voluntary, incentive-based way because this will have better success.

Burning woody biomass for energy in highly efficient combustion systems such as boilers is preferable to emissions from wildfire and open burning of woody debris piles. It also supports utilization of waste wood, is a renewable form of energy, and helps local economies by keeping energy dollars local.

Climate Change

United States agriculture has a very momentous and meaningful challenge in regards to climate change. Greenhouse gases are crucial for plant, water, and atmospheric ecosystems, which all greatly affect our lives. Each region of the world will have different reactions to change in climates, and decisions regarding laws and enforcement of said laws need to be carried out by state and local governments.

NASDA recognizes that a cap on greenhouse gas (GHG) emissions could increase fuel, fertilizer, and utility costs in the agricultural sector, and it could possibly lead to regulated production methods and practices. At the same time, agriculture could also benefit from opportunities for producers to voluntarily moderate their GHG emissions through carbon sequestration in soils as well as in methane and fertilizer management. In any national policy on climate change, agricultural offsets should be eligible.

NASDA opposes mandatory restrictions on agriculture including mandatory methane restrictions under the Clean Air Act and restrictions on farming practices and farm machinery. NASDA also opposes a carbon tax. We support additional funding for USDA for carbon program implementation and agricultural sequestration research. NASDA believes the federal government needs to increase its effort to improve the scientific understanding of global climate change and how states can adapt to changing climatic conditions. The research should include potential impacts of climate change, including impacts on federal, state, and local infrastructure as well as impacts to natural systems at the local and regional scale, while keeping an economic balance.

American agriculture can continue to contribute to GHG emissions reductions through biofuels production, thus offering a clean supply of domestically produced energy. Climate discussions can lead to the development of a practical, voluntary carbon-trading system that includes access to the carbon market for agriculture and carbon sequestration for forestry.

Furthermore, NASDA supports Congressional actions to halt the Environmental Protection Agency's (EPA) efforts to regulate greenhouse gas (GHG) emissions through the Clean Air Act (CAA). NASDA prefers that Congress address this issue so as to ensure that agricultural concerns will be considered. Absent Congressional action, any regulatory activities related to GHG emissions must be done via a deliberative and transparent process that includes all agricultural stakeholders including state departments of agriculture and USDA.

Carbon Emissions Cap and Trade System

NASDA supports a national carbon emission cap and trade system to offset non-farm greenhouse gas emissions and which allows the agriculture sector to receive credits for greenhouse gas reductions. Such a system should include provisions for standardized, cost-effective protocols for estimating greenhouse gas emission reductions from agriculture. NASDA also urges continuation and expansion of the Chicago Climate Exchange or other similar markets to provide financial compensation to farmers and ranchers for environmentally sound practices.

Promotion of conservation practices which accrue carbon in the soil as well as protect water quality should occur.

7.7 ENERGY (SEE RURAL DEVELOPMENT POLICY STATEMENT)

7.8 THREATENED AND ENDANGERED SPECIES

(Revised September 2015)

NASDA members are regulators with responsibilities for conservation, environmental protection, and wildlife management and also serve as co-regulators with federal agencies on numerous federal environmental statutes, including the Endangered Species Act (ESA). The ESA seeks to conserve endangered and threatened species and in doing so, often places unreasonable land use restrictions on landowners. The Act is enforced by the United States Fish and Wildlife Service (FWS) and National Marines Fisheries Service (NMFS) (together as, the Services). States must be involved early and thoroughly in all listing, determination and other ESA regulatory procedures, as they are valuable resources for data and have a greater understanding of local landscapes. As regulatory partners, federal agencies should seek state agency involvement and consultation as the Services work toward the ultimate goal of delisting species.

1. NASDA supports the goal of conserving threatened and endangered species. Any program must also preserve private property rights and allow for a balance between agricultural production and species conservation.

2. NASDA believes listing and delisting decisions must be based on reasonable scientific criteria and sound science. Further, any decision-making in the petitioning, determination and listing processes should acknowledge and analyze the economic impact to landowners and the surrounding community.

3. NASDA supports a greater role for states in implementing and enforcing the Act. NASDA also supports greater partnership between the states and the Services on gathering species and habitat data, the petition and determination processes, preparation of recovery plans, identification of recovery areas, and subsequent delisting.

4. NASDA supports voluntary incentive-based agreements with landowners for captive propagation, species population support programs, and alternatives to listings.

Landowners should receive certainty from the Services that their cooperation in endangered species protection will not result in increasing demands and regulatory prohibitions on their farming or ranching operation.

5. NASDA believes that implementation of the ESA should consider overall watershed and landscape health as a primary goal in the context of threatened and endangered species.

6. The listing, designation of critical habitat, and implementation of recovery plans must utilize and solicit landowner feedback and public comment. NASDA supports transparency and extensive public input on the ESA listing, delisting, exemption and recovery processes. Also, NASDA believes the ESA must work towards delisting species while working with landowners. NASDA also supports ESA reform that includes the above tenets.

Endangered Species Act Consultation Process for Pesticide Registration and Use

1. NASDA believes EPA and the Services must establish a collaborative, transparent and streamlined consultation process for pesticide registrations. The process should include clearly communicated criteria between EPA and the Services, be based on best available science and eliminate any duplicative steps. Any decisions made between EPA and the Services should not place unreasonable requirements on registrants and producers.

2. EPA and the Services must include adequate time and robust opportunities for input from state departments of agriculture, who regulate pesticides in most states, and other impacted stakeholders. Regulatory decisions should be made in a timely manner that allows affected parties meaningful participation while addressing regulatory certainty.

7.9 FERTILIZER REGULATION AND USE

(Updated September 2016)

Just as soil, water, and air are essential for growing food, so too are nutrients provided by fertilizers. Balanced nutrition, soil testing, nutrient use efficiency measures, and other tools are essential considerations for appropriate fertilizer use. While some federal laws govern the manufacture and transport of fertilizer, due to the dramatic variability of soil conditions from state to state, primary responsibility for fertilizer regulation rests with the states, typically state departments of agriculture.

- Fertilizer regulation must be based on sound scientific and agronomic principles.

- Fertilizer quality, labeling, and application are most appropriately regulated at the State level, rather than the federal level. Additionally, fertilizers should not be regulated by political subdivisions of a State due to the scientific expertise required. States should implement legislation to this effect.

- NASDA supports the comprehensive use of Nutrient Management Planning (NMP) when using fertilizer products.

- NASDA supports the utilization of the 4R stewardship system: using the right nutrient source, at the right time, rate, and place.

- NASDA supports policies that assure regional and farm-specific conditions are considered as farmers develop and implement Best Management Practices. This flexibility is critical in order for farmers to maximize the economic and environmental benefits of adopting BMPs.

- NASDA encourages the adoption—by both states and industry—of electronic, paperless mechanisms for U.S. fertilizer tonnage reporting.

8 Federal Land Management

8.1 INTRODUCTION

Throughout the country's history, and up to the present day, the use and corresponding management of lands belonging to the federal government has received widespread attention. The grazing of domestic livestock on federal rangelands has become the center of controversy resulting in proposals advanced in both the regulatory and legislative arenas. The issue has commanded the attention of the administration, the Bureau of Land Management (BLM) and the U.S. Forest Service, Congress, the livestock and related industries, the general public, and a myriad of special interest groups.

8.2 GRAZING ON PUBLIC LAND

Established decades ago, public lands grazing supports many family-based operations and is vital to the culture, customs and economies of many regions. Ranching operations and public land grazing provide needed food for a growing population. These operations also maintain open spaces and important habitat conditions benefiting wildlife and recreation. Restrictions in public lands grazing have negative ecological impacts and dramatic negative economic impacts on ranchers and ranch dependent communities. Land management decisions are most effective when made through collaborative, cooperative and coordinated efforts. A majority of the land in the West is managed by the federal government, making public lands vital to Western agriculture. Continued grazing on public lands is essential to the future of ranching and farming in the West.

- NASDA supports the multiple resource use of federal lands, including livestock grazing.
- NASDA believes that proper land management is the responsibility of all stakeholders, including but not limited to, livestock grazing permittees and local, state and federal agencies, and that coordination, cooperation and or collaboration between all stakeholders throughout the land management decision making process is necessary for effective land use management.
- NASDA advocates for the use of sound, thorough, science-based processes in management decisions for federal lands.
- NASDA advocates for consistency between permittees, ranchers, farmers, and agricultural operations in the application of federal land management policies.
- NASDA believes appropriate management of livestock grazing on federal lands is compatible with recreation, conservation, wildfire control and wildlife management.

- NASDA maintains that water rights, which are granted by the states for livestock grazing, be used by the right holder for beneficial use for grazing and other appropriate uses.

8.3 RANGELAND MANAGEMENT

Land ownership patterns in the West underscore the purpose and vital need for a more coordinated and collaborative federal role in rangeland management. These public lands serve as critical economic drivers, and they provide numerous conservation benefits, wildlife habitat, water supply, and recreational opportunities for Western communities and the nation. States have a particular interest in improving the active management on federal lands. State governments have trust authority over water, and wildlife.. Poorly managed rangelands can have significant and broad impacts on the landscapes and communities, including negative impacts to air quality, economic sustainability, public health, degradation of rivers and streams and associated water quality (including drinking water), reduced forage for domestic livestock, impaired habitats for wildlife and fish, and associated jobs. Access to and the use of rangelands is essential to the future of agriculture in the Western U.S.

- NASDA supports sound rangeland management policies that maintain and promote ecologic, economic and social balance and sustainability.

- NASDA is concerned with the lack of federal funding and resources for federal land management agencies to implement rehabilitation, restoration maintenance projects, processing NEPA, and rangeland monitoring.

- NASDA believes clear, coordinated and consistent application of federal vegetation management practices is integral to maintaining the health of western forests, preventing dangerous and damaging fires and maintaining grid reliability.

- NASDA supports implementation of standard monitoring procedures to evaluate program benefits and ensure that fish and wildlife, soil, water and air goals are met, in conjunction with production agriculture goals.

- NASDA urges federal agencies to work with states and permittees on rangeland management decisions.

8.4 ANTIQUITIES ACT

The Antiquities Act of 1906 grants authority to the President of the United States to set aside land of historic or scientific interest. Recently, over three million acres of federal land have been withdrawn from public use by authority of the Antiquities Act. In many instances, this action was taken without formal input from the state or local governments involved or the states' congressional delegation, and was strongly opposed by the local citizens.

The Antiquities Act should be repealed, and the authority to withdraw land from public use returned to Congress. Failing repeal, the Antiquities Act should be amended as follows:

- All withdrawals should be subject to the National Environmental Policy Act;
- Governors of the affected states should be formally consulted; and
- No more than 5,000 acres will be withdrawn by any single executive action.

8.5 FEDERAL WILDERNESS AREAS

Various problems impacting the management of livestock grazing and natural resources management occur on existing federal wilderness areas. Pending or new legislation will likely propose certain new areas for wilderness designation in western states.

Any wilderness legislation must include the following provisions:

- Continue livestock grazing practices and protect private investments in a manner existing prior to passage of the Wilderness Act of 1964.
- Protect the states' and private water rights and water administration systems from federal encroachment by requiring the federal government to seek any water necessary for wilderness purposes through a state's water process.
- Include language which will release those lands not designated wilderness to multiple use.

8.6 EQUAL ACCESS TO JUSTICE ACT

(Added February 8, 2010)

The Equal Access to Justice Act (EAJA) was passed to aid small business, public interest groups, and individuals forced to sue or defend against the government in order to secure some right, privilege, or interest. Under EAJA, these individuals or small businesses can obtain reimbursement of attorney fees if the individual or small business prevails in litigation.

- NASDA supports policies, including those of the Equal Access to Justice Act (EAJA), that facilitate the ability of agricultural producers and other permittees on public lands to fully participate in the court system in order to address unreasonable government action.
- NASDA supports policies that provide reasonable reimbursement of attorney fees to prevailing individuals, small businesses, and public interest organizations in litigation intended to address unreasonable government action.

In order to guard against abuse of the EAJA and to help protect agricultural producers from onerous and excessive litigation, NASDA supports policies that:

- Provide greater transparency into the amount of funding provided to prevailing parties under the EAJA. This transparency should also include an accounting of the recipients of these funds.

- Ensure a level playing field for recipients of EAJA reimbursements. Individuals and small businesses are subject to net-worth limits to qualify for reimbursement under the EAJA; appropriate limitations should be set to restrain the ability of non-profit activist organizations to abuse the system.

- Enhance the ability of agricultural producers and other permittees on public lands to intervene in cases that could have direct financial consequences and other negative implications on these parties.

8.7 FIRE MANAGEMENT

Rangelands are subject and vulnerable to extremely large range fires as in the past; suppression costs are extremely high and the risk to wildlife, homes, human life, wildlife habitat, and grazing lands increases with an increasing population. Livestock numbers have been reduced to a fraction of what they once were and a massive buildup of fuels has resulted from an extremely small percentage of the annual forage being grazed by livestock. Knowledge and technology exists to cope with extreme fire seasons by using fire resistant plant species in reseeding efforts following fire occurrence. Livestock grazing is the most cost-effective, natural, productive tool for reduction of excess fuel and an effective tool in the reclamation of burned areas.

- NASDA is a strong supporter of ending the practice of fire borrowing, and encourages Congress to pass legislation to fund federal wildfires off-budget as many states already do, and ensure the federal land management budget for restoration, recreation, road maintenance, hazardous fuels reduction, and wildlife/watershed protection is fully restored.

- NASDA strongly urges the Bureau of Land Management and other land management agencies to seed more fire resistant plant species such as edible browses and crested wheat grass following a fire to reduce the spread of cheat grass, future suppression costs, fire size, and wildlife and private property losses; and propose the use of livestock grazing as a resource management tool and deterrent to wildfire and encourage flexibility in using livestock as part of the rehabilitation process after a burn.

8.8 WESTERN AGRICULTURE

Agriculture in the Western states is significantly different than in other regions of the country. There are greater variations in soil, climate, terrain, agricultural commodities and practices, and

water availability. Agriculture is an important contributor to the economy in the West, open spaces and habitats for wildlife. More than 630 million acres of the Western U.S. is managed by the Federal government. This figure is greater than the landmass of Texas, California, Florida and New York combined. Agriculture in the West is irrefutably and undeniably tied to Federal land management policies.

- NASDA supports federal programs that strengthen local farm families and communities, including programs for all agricultural working lands, forests, and rangelands.

- NASDA recognizes the contributions of private landowners as an integral part of both the remote and rural landscape and America's agricultural heritage, and support expanded opportunities for rangelands to support local farm families and communities.

- NASDA supports risk management strategies and a combination of tools to support agriculture and strengthen food safety and delivery systems providing quality food to the world.

9 Pesticide Regulation

9.1 INTRODUCTION

Pesticides are an important component of agriculture/horticultural production systems. Pesticides are utilized in integrated pest management programs and result in the production of abundant and safe food, fiber and ornamental crops which sustain the quality of life we enjoy.

Pesticide laws, regulations and policies ensure that pesticides are used correctly and that adequate protection is provided to applicators, workers, consumers, and the environment. This body of regulations is constantly changing to enhance protection of human health and the environment, and reflect new technology and scientific discovery as well as to improve safety.

9.2 FOOD SAFETY

Efforts to maintain and enhance the safety of the nation's food supply are critical. Regulations must assure that pesticides are properly labeled, and the producers apply those pesticides in accordance with the label. The continued and improved monitoring of pesticide residues in food crops, both domestic and imports, to reflect actual rather than estimated residues is critical. Risk calculations, wherever possible, should be based on real world data and be based on end-use or processed product sample data in order to accurately reflect dietary pesticide residue consumption. Periodic reevaluation of consumption data to reflect current tastes and practices, especially for children, should be a priority. Moreover, it is essential that programs like the Pesticide Data Program (PDP) continue to provide accurate and current use and residue data for risk calculations. Adequate funding for such activities is essential.

9.3 SOUND SCIENCE & HARMONIZATION

Pesticide regulation must be based on sound science. The international harmonization of data requirements, the presentation of data and its interpretation, and risk assessment methodologies is a positive goal. The mutual recognition among states, regions, and nations of each other's standards of testing is important when the standards are equivalent. In working toward international harmonization, the increasing costs of conducting scientific studies that support pesticide registrations must be considered so that unnecessary and duplicative studies are reduced. Harmonization efforts should not jeopardize U.S. agricultural exports, nor should they permit agricultural imports from other countries that cannot meet U.S. health and safety standards. Harmonization must occur at the highest levels of government to maintain the safety, quality, and integrity of our food supply.

U.S./Canada Harmonization

The EPA should increase resources and efforts of the U.S./Canada Technical Working Group (TWG) to harmonize pesticide regulations in the two countries. Current efforts of the TWG have

focused on new pesticide chemistry. Current imports of Canadian commodities should be disallowed unless adequate progress is made by the TWG to obtain registrations in the U.S. of Canadian-registered pesticides. The EPA must also make a greater effort to accept registration data currently accepted by Canadian officials in support of Canadian registrations. EPA should work with the Canadian Pest Management Regulatory Agency (PMRA) to develop mutually-acceptable joint EPA/PMRA labeling procedures for identical or substantially similar pesticides registered in both countries. More effort needs to be focused on establishing harmonized tolerances for pesticides used in either country on exported commodities. Pesticides that are registered in one country and are found moving illegally across international borders for use should be registered in both countries.

9.4 STATE-FEDERAL PARTNERSHIPS & FUNDING

States play an important role in the regulation of pesticides. They work cooperatively with EPA to regulate pesticide licensing and certification programs, and protect water resources, endangered species and agricultural workers. States conduct inspections in producer establishments, on farms, at pesticide dealerships, and in the marketplace; respond to complaints from a variety of individuals related to alleged pesticide misuses and work closely with the Cooperative Extension Service in educating the public about the use of pesticides; assist in the disposal of canceled and suspended and unusable pesticides; facilitate "Clean Sweep" pesticide disposal and container recycling programs; and sample pesticides as well as commodities. EPA should expedite approval of state equivalency applications under the federal container/containment regulations, supporting the implementation with sufficient inspector training and additional funding to support implementation.

Where states are given new mandates under the FQPA, and other federal programs, efforts to maintain and increase funding are essential for implementation of these programs. Increased regulations delegated to states without adequate companion funding are unacceptable and unproductive. Steps should be taken by EPA to ease reporting burdens and reduce paperwork, wherever possible. Ongoing efforts made by EPA to be as inclusive as possible with their state partners in developing regulations and making decisions should be continued. EPA should set certain basic minimum standards in cooperation with their state partners and avoid costly and labor intensive reviews of state-delegated management plans, thereby allowing sufficient flexibility in pesticide program activities to accommodate the great variety of resources and needs which exist in individual states. To ensure the safety of the American food supply, however, when implementing Performance Partnership Grants, the agency must ensure that all pesticide enforcement and program monies continue to be provided to the state lead pesticide agency responsible for pesticide enforcement. These resources must not be used for other environmental purposes.

EPA should move quickly to implement a program recognizing electronic labels for a variety of uses to include label amendments to products in the channels of trade, allow for filtering

lengthy labels for crop specific use directions, enhance label accessibility, and provide version controls.

EPA should take action to assure that pesticide registration programs comply with the Office of Pesticide Programs' (OPP) Label Review Manual by providing sufficient training to EPA staff, addressing referrals from states on problematic labels and label language and implement recommendations made by the Label Accountability Workgroup.

EPA has not yet managed to review and approve the majority of state generic pesticide and surface water management plans and will soon be faced with reviews of numerous pesticide-specific management plans. EPA should develop a common effects assessments methodology to support identification of endpoints for FIFRA risk assessments as well as develop aquatic life criteria under the Clean Water Act.

NASDA supports a uniform federal pesticide container recycling system that relies on partnerships between state departments of agriculture, local communities, extension, industry associations, grower groups and other interested parties. These programs should be supported by pesticide registrants, remain voluntary for farmers and retailers and should continue to recognize triple rinsed pesticide containers as non hazardous waste that can be legally landfilled.

9.5 IMPLEMENTATION OF FQPA

Risk Determination & Methodology

The FQPA institutes changes in the types of information EPA is required to evaluate in their risk assessment process for establishing tolerances for pesticide residues in food and feed. It also gives EPA a mandate to account for the special needs and sensitivities of infants and children when assessing dietary risks, to look at aggregate exposure, and to evaluate compounds with the same mechanism of toxicity simultaneously. Benefit considerations have been dropped except in cases where the compound is a carcinogen and the tolerance is already in existence and certain conditions regarding use and risk are met.

Throughout the law the term "available information" is applied to data to be used by EPA in their decision making process. How EPA defines "available information," in terms of valid animal models and scientific methods, will be crucial for regulations required under FQPA. In situations where the data do not yet exist (e.g., consumption studies for infants and children), funding for and design and conduct of studies are necessary to make the information "available."

A key provision of FQPA was that decisions be made on the basis of reliable information and data. In the absence of "available information," EPA may use default assumptions. Realistic risk estimates based on sound science are essential to avoid misguided decisions. Otherwise, valuable pest control options could unnecessarily be canceled. In addition, EPA must establish some orderly process to allow for pesticides no longer supported by tolerances, to clear

channels of trade and use. Failure to do so will result in costly disposal problems for states and possibly major disruption in production agriculture should tolerances expire during the use season.

NASDA recommends that EPA publish a "transition report" regarding how they will identify endocrine disruptors and their role in human health. This report could be used to identify data gaps and deficiencies, allow for the development of newly needed data, and let the agricultural community know how tolerance decisions will affect and impact production. EPA should communicate with NASDA regarding detailed guidelines and regulations for implementation of the endocrine disruptor portion of the FQPA.

Data Needs

EPA should develop a comprehensive database to address cancelled, amended, or additional uses for pesticide products with tolerance establishment or cancellation information. With FQPA and the re-registration process, changes in product availability is nearly impossible to track. EPA is the most appropriate agency to provide this information in a centralized database for public access.

Coordination of current pesticide recordkeeping requirements such as those required under FIFRA, state laws, the 1990 Farm Bill, and the Worker Protection Standard (WPS) would result in a more efficient comprehensive recordkeeping system.

NASDA strongly supports efforts to build program capacity within the National Agricultural Statistics Service (NASS) and its cooperative partners to expand pesticide use data collection through statistically valid survey procedures for all pesticide uses supported through the pesticide registration and FQPA process. NASDA encourages continued dialogue with USDA, EPA, the pesticide industry and other interested parties to ensure the use of the best available information collected in the most efficient manner.

Minor Use

Continued efforts on the part of EPA to ease the burden of the registration process for pesticides on minor crops is necessary. Minor crops are important to American agriculture and consumers. "Minor crops" are anything but minor and in fact represent over $31 billion annually to U.S. agriculture or 42 percent of total U.S. crop sales.

Twenty-six states rely on minor crops for at least 50 percent of their total crop sales. In Florida, minor crops account for 98 percent of crop production. Congress, recognizing the need to ease the burden on minor crops, enacted specific legislation under the FQPA designed to make it easier and less costly to register pesticides on minor crops. Among these were the establishment of a revolving grant fund of $10 million to support the development of data necessary to register minor use pesticides as well as the establishment of minor use programs within EPA and USDA to foster coordination on minor use regulations and policy. Congress

should appropriate these funds. EPA should eliminate the annual fee for 24c's charged to the registrant to further support pesticide availability for minor crops.

USDA should also immediately move toward the organization of a minor use office to complement but not duplicate the activities of IR-4 and to administer the awarding of minor use data development grants. In tandem, EPA should also organize its minor use office with the objective of assisting in the coordination of minor use pesticide registrations. A survey of what grower needs are, with respect to the registration process, should be conducted as a part of the formation of this office. This information is supposed to have been implemented under USDA as crop specific strategic plans, but most crops remain undocumented.

The IR-4 program develops data in support of minor use pesticides. This program has proven to be effective and important to agriculture. The goals and objectives of the IR-4 program, to generate data to support minor uses, are critical to preserving valuable pest control options. Congress should appropriate adequate funding for this program.

Consumer Communication

FQPA amended Section 408(c) of the FFDCA to require EPA to move forward with a consumer right-to-know program. FQPA specifies a discussion of the risks and benefits of pesticides and recommendations to consumers for reducing dietary exposure to pesticides while maintaining a healthy diet. Additionally, FQPA requires EPA to produce a listing of the pesticides for which there are benefit-based tolerances and the foods which may have residues of these pesticides.

The concept of an informed public is generally a positive goal, however information about pesticide use in food production should not unnecessarily frighten consumers. Misleading or misunderstood information could create confusion about the safety of the food supply, especially fruits and vegetables, which it is widely recognized that Americans should consume in greater quantities. The medical community has long promoted a diet high in fiber which research has shown to have increased health benefits, among these a reduction in certain forms of cancer. USDA, along with the medical community and other health advocacy organizations, continue to actively encourage an increased consumption of fruits and vegetables as part of a healthy diet.

EPA, with input from the Pesticide Program Dialogue Committee as well as other interested and impacted organizations, should develop a brochure written for the general public of a size which can easily fit into a shirt pocket or purse. The brochure should include a brief discussion on the risks and benefits of pesticides with some practical information for consumers on how they can reduce their dietary risks from pesticides. It is suggested that this brochure be initially field tested with groups of average consumers and evaluated in a limited area before national distribution. State regulatory agencies and land grant universities should be included in the development and any preliminary release for their review and evaluation of the material. In addition, plans for periodic updates of this information should be considered. Listing of benefit-based tolerances and associated foods should be included on the EPA web site and/or made

available on request rather than in the consumer brochure. The consumer brochure would contain a reference statement directing consumers to the EPA web site and to State Lead Agencies for more information.

9.6 SECTION 18'S

Section 18 of FIFRA permits the application, with appropriate safeguards, of unregistered pesticides for certain emergency conditions, if authorized by EPA. Substantial crop losses nationwide are prevented every year by treatments authorized under the emergency exemption provisions. This provision of FIFRA is necessary and valuable to American agriculture and we support its continuation.

An example of recent section 18s with great value to agriculture are the exemptions which allowed the use of several fungicides to control Soybean rust on soybeans and possibly other related crops. The failure to control strains of such diseases as Soybean rust could result in the destruction of entire crops within the United States. Such emergencies demand a quick response.

There is a need for the development of criteria for wildlife monitoring in connection with section 18 exemptions to be included in guidance documents to the states, so that states can better anticipate when wildlife monitoring may be a requirement and the potential costs of monitoring which might accompany a section 18 approval. EPA needs to clearly communicate their data needs to address endangered species protection for Section 18s.

Allowing emergency exemptions for the purpose of resistance management or based on reduced risk is desirable. Resistance management is increasingly important to preserve existing pest control options. Many integrated pest management (IPM) programs require multiple strategies for effective pest control which may include the use of several pesticides at different stages of plant development and pest life cycles. The loss of registered pesticides jeopardizes successful IPM programs by limiting options. Emergency exemptions based on reduced risks would allow states to provide an alternative, to a registered use, when unusual conditions exist under which the registered use would pose unacceptable risks on a temporary basis. It is anticipated that reduced risk emergency exemptions would be rare and would result from conditions difficult, if not impossible, to anticipate in the usual registration review procedures and likely be temporary and localized in nature.

A common sense approach in determining whether to grant section 18 emergency exemptions and tolerances is desirable. In the absence of available information, it is recommended that the EPA not rush to establish default assumptions not required by FQPA. EPA should not deny valid section 18 applications for use of pesticides that have resulted in no detectable residues and pose no additional risk.

9.7 REDUCED RISK PESTICIDES

The substitution of reduced risk pesticides for conventional pesticide materials should be encouraged whenever the reduced risk pesticide offers a practical alternative in terms of cost and effectiveness. Emphasis should be placed on finding reduced risk solutions to pest control problems currently addressed with materials having a high potential to cause adverse effects to human health and the environment.

EPA should review their decision of allowing the exemption from registration under FIFRA 25(b). Allowing products to claim to control pests in any site without at least a simplified review of risk factors and appropriate label language has shifted the burden of enforcement to the SLAs. In addition, worker risk and other adverse effects of these products are not identified or mitigated.

Due to the large investment of resources required to develop new reduced risk pesticides, measures should be taken to sustain their efficacy over time. It will require a cooperative effort among government, industry, farmers, and academic institutions in order to establish viable resistance management programs.

9.8 CERTIFICATION AND TRAINING

Certification and training of private and commercial pesticide applicators is a function of both state pesticide lead agencies and the Cooperative Extension Service. This program is essential to the safe use of pesticides. While there have been significant changes in the requirements of both commercial and private applicator certification and training programs since their inception, there has been little corresponding increase in funding to the Cooperative Extension Service for this purpose.

EPA continues to add rules that impact the amount and type of information which must be conveyed through pesticide applicator training such as the WPS, the use of IPM, endangered species, water protection, container/containment, recycling, product specific training, etc. . EPA should move forward with recommendations of the Certification and Training Advisory Group.

NASDA emphasizes that FIFRA grant funding for certification and training programs should be consistent in federal/state match funding requirements with the 85/15 requirement of other programs such as enforcement and WPS.

Periodic reviews of state certification programs by EPA and state pesticide lead agencies with the intention of strengthening certification and training programs, such as adding new information necessary for the safe application of pesticides, is desirable. However, any major required changes in this program should be carefully considered as to cost and feasibility. Other than certain minimum requirements established by EPA in cooperation with their state partners, any additional requirements should be set by state pesticide lead agencies as they are likely to bear the increased costs. Adequate funding to implement any required changes to private applicator certification programs should accompany such requirements.

9.9 WORKER PROTECTION

EPA finalized Worker Protection Standards (WPS) for Agricultural Pesticides in August 1992. The regulations govern the protection of employees on farms, forests, nurseries, and greenhouses from occupational exposure to agricultural pesticides. The standards cover both workers in areas treated with pesticides, and employees who handle (mix, load, apply, etc.) pesticides for use in these areas. As the national organization of the lead state pesticide regulatory agencies, NASDA supports the underlying goals of the WPS — the protection of farmworkers — and believes that the continuation of a strong education and information campaign is needed.

EPA made several changes to the WPS. The agency should continue to review the regulations to determine if additional changes are necessary to ensure proper implementation of the program. Such changes should increase worker protection while streamlining the regulations placed on agricultural producers and employers."

Any contemplated changes in risk assessment which might limit uses due to concerns over pesticide exposure to workers and handlers should be given an opportunity for debate in an open forum. Worker exposure risk assessments should not be added to the "risk cup" but should be handled via separate risk reduction measures already in place under FIFRA prior to FQPA. Extensive education and training programs are already underway throughout the United States to address worker exposure from pesticides.

9.10 STRUCTURAL PESTICIDE CONTROL ISSUES

Formosan termites (*Coptotermes formosanus Shiraki*) are an aggressive non-native termite species with diets consisting of wood fibers, plants and crops, which can penetrate plastic, plaster and asphalt in order to fulfill their harmful dietary needs. It is believed that Formosan termites were first brought into the United States on military ships carrying supplies from the Pacific Ocean following World War II.

The Formosan termite is potentially the most damaging structural and agricultural insect which has caused tremendous damage to many homes, public and private buildings, trees, significant historic properties and too much infrastructure. The Formosan termite differs from the native subterranean termite in that its colonies are many times the size of the native termite colonies, it flies during the day, is attracted to and not repelled by light, does not have to return to the ground for its life-sustaining moisture and infests live trees, dead wood, and building materials. A single Formosan termite colony can produce 2000 eggs per day and may contain over 10 million termites. It is estimated that Formosan termites cost consumers more than $1 billion dollars a year including the cost of repairs and control measures.

Formosan termites repeatedly test chemical barriers and find ways to penetrate soil in the states in which they are found which includes Alabama, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Texas. Supported by the belief that the United States government shares in responsibility for the importation of

Formosan termites, NASDA encourages the USDA to work with the states to develop a program for the suppression of the Formosan termites. NASDA also urges USDA and other federal agencies to fund this program of Formosan termite suppression and control

9.11 METHYL BROMIDE

The harmonization of the Clean Air Act with the Montreal Protocol requires that both the production and use of methyl bromide for non-critical or non-exempted uses be gradually phased out in the United States by 2005. The current regimen will require a 50 percent reduction in non-critical/non-exempt methyl bromide use by the end of calendar year 2000 with a complete phase-out by 2005. Developing countries such as Mexico and China will have until 2015 to complete phase-out. The Montreal Protocol also provides for a process for exemption from phase-out for agricultural quarantine and pre-shipment uses of methyl bromide.

Methyl bromide provides highly effective control for a broad spectrum of economically important pests on a wide range of food and non-food commodities. It provides rapid and complete control of pests, mostly within twenty-four hours of exposure, for fumigation of large and small quantities of material. When applied properly, it does not leave residues of any toxicological significance. The compound is widely used in agriculture as a soil fumigant, for post-harvest applications (including quarantine and stored agricultural commodities and durable products, such as, cotton timber and artifacts) and structural fumigation. It is active against a diverse variety of organisms at low concentration, including rodents, insects, mites, nematodes, fungi, weeds, bacteria, and viruses. Methyl bromide is often the preplant treatment of choice given its easy application and wide variety of uses.

The greatest use of methyl bromide is for soil fumigation during intensive production of high value crops, such as strawberries, tomatoes, cucumbers, peppers, melons, and eggplant. Methyl bromide is particularly important in quarantine treatments. It is effective against a large variety of indigenous and non-indigenous pests. Methyl bromide can easily and economically be applied to both small and large shipments; U.S. regulations require that a wide array of imported food and non-food commodities be fumigated with methyl bromide as a condition of entry. A number of commodities exported by the United States must be fumigated with methyl bromide in order to comply with the quarantine requirements of recipient countries. In addition, methyl bromide plays a critical role in the United States as the only practical emergency treatment to move commodities out of areas quarantined for outbreaks of exotic pest insects, such as, the Mediterranean fruit f fly.

Structural fumigation of food production and storage facilities, non-food facilities, transport vehicles are very reliant on methyl bromide for control of a large number of pests. It is used either on an entire structure or a significant portion of a structure. Fumigation is utilized whenever the infestation is so widespread that localized treatments may result in re-infestation or when the infestation is within the walls or other inaccessible areas

Failure to find an alternative to methyl bromide will cost billions of dollars in lost exports and increased cost of production in the United States. We must ensure that American farmers can continue to raise and market their crops. Adequate funding is needed for a research program to find and develop alternatives for methyl bromide. In addition, Congress must ensure that the EPA gives expedited treatment to a methyl bromide alternative during the registration process.

NASDA urges the U.S. EPA to work closely with USDA and the U.S. Congress to allow the continued use of critical use exemptions for agriculture. Many economically important uses of methyl bromide, such as quarantine and pre-shipment uses of methyl bromide do not have viable alternatives for use. It is in the best interest of all states and segments of the agricultural industry to find safe and environmentally sound alternatives to methyl bromide, but until those alternatives are available for use, critical use exemptions must be continued. Domestic policy issues and international consensus on environmental protection must be resolved so as not to put U.S. agriculture and trade at a competitive disadvantage.

As alternative fumigants are registered and existing fumigants go through reregistration, label amendments associated with calculating buffer zones, monitoring access to buffer zones by unprotected persons and other use restrictions though important must be functional and enforceable. Proposals to require written management plans may not be the best alternative for documenting compliance. Also, required "certification" programs administered by the registrant and approved by EPA will cause a variety of enforcement problems for states and therefore should undergo state review for accountability and enforceability.

9.12 FIFRA AND OTHER ENVIRONMENTAL STATUTES

(Revised September 2010)

By way of background, the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) established a unique, effective, and comprehensive regulatory web to provide pesticide-related environmental and public health protection in which state lead agencies have primacy in the enforcement of pesticide matters. FIFRA created requirements for pesticide registration, labeling, and use that are the end result of an extensive pre-market approval process. This registration process requires products to meet strict safety guidelines and includes rigorous examination of environmental fate data and health exposure assessments.

NASDA supports the original intent of Congress that FIFRA be the primary federal statute under which pesticide registration and use is regulated.

Pesticide registration and use should not be regulated under other federal statutes (e.g. the Clean Water Act, the Endangered Species Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, etc.). Pesticide uses that have been reviewed and registered under FIFRA should not be subject to additional requirements (including permit requirements) under other federal statutes.

In situations where requirements of other environmental statutes overlap with FIFRA, those requirements should be incorporated into the FIFRA registration process in a manner that is science-based, transparent, and allows stakeholders the opportunity to comment upon and fully analyze the ramifications of the proposed action. EPA must recognize that state lead agencies are not only important stakeholders, but are also co-regulators under FIFRA and must, therefore, be intimately involved in this process. *(See also: Sections 7.5 and 7.10)*

9.13 PESTICIDE SPRAY DRIFT

(Added September 2011)

Off-target pesticide spray drift is a complex and difficult to solve regulatory issue that has vexed federal and state regulators, applicators, and registrants for years. Minimizing off-target spray drift is an important policy goal. Currently a number of pesticide products feature label language for drift that is often unclear, difficult to enforce, or unrealistic. In some cases labels even feature "do not drift" instructions. Federal policy related to spray drift should:

- Provide flexibility for state regulators to enforce state laws and regulations
- Encourage state and federal regulators, registrants, and applicators to collaborate on label improvements to ensure pesticide labels include clear, consistent and enforceable instructions and expectations
- Preserve the integrity of FIFRA's risk-based "no unreasonable adverse effects" standard
- Encourage adoption of best management practices, effective training and certification, the development of new technologies, and other drift reduction strategies
- Recognize that a small amount of de minimis drift often occurs and that a "zero drift" standard is impractical, if not impossible
- Recognize that there may be situations when off-target drift occurs, but not a violation of federal law. In situations where there is economic harm to others (for example, drift onto organic crops where no tolerance violation has occurred and the crop can still enter the chain of commerce), tort law, negligence and other common law concepts can often be used to appropriately address the issue.

10 Agriculture Infrastructure

(Updated September 2016)

Farmers and ranchers depend on reliable infrastructure to deliver their products and expand their operations. Out-of-date, underfunded transportation systems and a lack of available labor hinder agriculture production, while advancing technology encourages growth. NASDA believes in maintaining fairness and equity within the agriculture community through the development of a strong agriculture infrastructure.

10.1 AGRICULTURE TRANSPORTATION

Agriculture relies heavily on a consistent and dependable transportation system including rivers, rail, and roadways. Farmers and ranchers need the ability to move products and equipment to sustain their normal farm and ranch enterprises. The U.S. transportation as a whole needs drastic upgrades to allow for efficient movement of goods.

- NASDA believes improvements to the U.S. highway system and bridges are urgently needed. Adequate state and federal funding is needed to maintain these structures.

- NASDA supports increased weight bearing limits on roads and bridges and the allowance of higher truck weights on federal roads.

- NASDA believes the U.S. waterway system needs improvements and supports efforts to fund lock and dam maintenance and improvement programs. NASDA urges the Corps to maintain waterways to help ensure a smooth flow of commerce.

- NASDA believes that Congress and the federal government should substantially increase oversight of railroads, including rates and services, where competition is not present. NASDA supports the expansion of the Surface Transportation Board (STB) authority and measures that allow shippers to seek nonperformance arbitration. Further, NASDA supports the ability of state attorney generals to bring producer or shipper cases to the STB for legal remedies.

- NASDA urges all railroads to charge reasonable rates and offer fair, consistent and equitable rate spreads, service, and treatment to all shippers. NASDA believes monthly rail shipper survey information should be published.

- NASDA believes container availability is crucial for access to international markets and surveys of the location and availability of containers are needed.

10.2 GRAIN INSPECTIONS

(Updated September 2016)

- NASDA supports the role of the Federal Grain Inspection Service (FGIS) in conducting mandatory official inspections of exported grains and oilseeds under the Grain Standards Act. If grain inspections are interrupted, USDA should take appropriate steps to ensure that commodities can reach export countries.

- NASDA encourages the use of procedures to ensure that grain grading and inspection results of all official grain inspection laboratory services are uniform, consistent, and provide the services required to efficiently market the nation's grain crops.

- NASDA believes that the USDA should cooperate with the state departments of agriculture in the regulation of agricultural commodities' warehouse activities to provide producers with the best protection possible while subjecting the industry to the minimum amount of regulatory oversight.

10.3 AGRICULTURAL WORKFORCE

(Updated September 2016)

Farmers and ranchers need a framework that provides for a legal, reliable workforce that supports the industry and treats workers with respect. American agriculture faces a critical shortage of labor that harms annual harvests, animal agriculture production and processing facilities. This damages American competitiveness and overall food security. NASDA supports border control and border security measures in conjunction with meaningful federal, Congressional reform as a means toward a legal and stable workforce.

- NASDA believes both the current H-2A visa for temporary agriculture workers and the H-2B visa for temporary non-agricultural workers are unworkable.

- NASDA supports reforms to temporary agriculture worker programs and recommends the following principles:

- An “at-will” visa where employees do not have contractual commitments and can move between employers as seasons and labor demands change.

- A contract visa where employees commit to working for an employer for a fixed period of time when stability is preferred between both parties.

- NASDA supports a process where experienced, but unauthorized, agricultural workers who currently reside in the U.S. can obtain legal status.

- NASDA supports labor policy that protects employers of non-U.S. citizens when those employers make reasonable efforts to document labor status.

10.4 WEIGHTS AND MEASURE - NATIONAL MEASUREMENT SYSTEM

NASDA recognizes the need for a nationally uniform and effective weights and measures system. A sound weights and measures system is critical to commerce in the national and international marketplace. Measurement standards are essential for fair competition, promoting good business practices and protecting consumers.

- NASDA recognizes the value of the National Conference of Weights and Measures (NCWM) to promulgate regulations on a consensus basis.

- NASDA supports increased federal funding for the weights and measures system to help form partnerships and establish programs to strengthen the national measurement system.

10.5 EMERGING TECHNOLOGY

Science-based, pragmatic approaches to innovation are essential to maintaining the U.S.'s status as the safest and reliable food supplier in the world. Innovation results in new and better crop and livestock genetics, more efficient and effective cultivation methods and equipment, faster and clearer communication and wider and more profitable commerce.

- NASDA encourages the federal government foster a favorable regulatory environment for new technologies and supports funding for research and development of agriculture technology.

- NASDA supports a science-based and calculated approach to use of Unmanned Aircraft Systems (UAS) technology that allows producers to effectively utilize the technology within their operations.

- NASDA encourages state and federal UAS policies to recognize the privacy of agriculture producers and private citizens and emphasizes that privacy concerns must be addressed in development and use of new technology.

11 Domestic Marketing and Promotion

Domestic marketing and promotion of agricultural products will become increasingly important for agricultural producers as global trade increases. NASDA believes regulation of marketing and promotional arrangements are only appropriate when they do not hinder commerce.

11.1 MARKETING INTEGRITY

Structural Change and Concentration

- NASDA believes the federal government has failed to enforce federal antitrust statutes such as the Sherman Act and the Clayton Act to prevent consolidation. Current antitrust laws, including those applied to packers and stockyards, should be more stringently enforced and that such enforcement is necessary to achieve a beneficial end for producers, food retailers, and consumers.

- NASDA believes the USDA, the Department of Justice, and the Federal Trade Commission, directed by Congress, all have an obligation to understand the changing business dynamic in food delivery today and ensure that marketplace trade practices remain fair.

- NASDA supports the accurate reporting of all imports and exports of live animals as well as all meat and meat products. The reports need to include prices paid, volume information, and destination (for exports), and should be timely and accurate.

Price Discovery

NASDA believes federal policy should protect producers in production and marketing contract negotiations against issues such as fraud, retribution, and unreasonable confidentiality clauses, as well as providing for plain language review, protecting the right to litigate, providing fair price discovery, and granting a limited time to review a contract. Moreover, certified farmer cooperatives should have the protected right to negotiate contract terms on behalf of their members.

NASDA believes federal policy that requires packers and processors to report market prices for cattle, swine, lamb, and products from such livestock should be maintained to ensure producers have access to fair, accurate and complete market information.

Technology

Advances in technology have made production information collected at the farm level a commodity in itself. NASDA supports:

- The protection of data collected for/from/or by farming and agricultural operations, and believes proprietary data should remain the property of the farmer or rancher to be shared with whomever he/she chooses.

- Requiring those who provide services in collecting proprietary data to fully disclose to the producer the intended use of the information.

11.2 FEDERAL MILK MARKETING ORDERS

The USDA has administered the federal orders, as required by the Agricultural Marketing Agreement Act, and has balanced the interests of dairy farmers with those of processors and consumers. NASDA encourages USDA to review and broaden the petitioning process while also expediting the formal hearing process.

NASDA believes that while changes may be appropriate, they should be undertaken only after careful consideration of their long-term impact. Continuation and reform of the federal milk marketing order system should be considered with continued interest in the benefit of producers, processors, and consumers, as well as meeting the objective of maintaining an orderly supply of milk.

11.3 REGIONAL MARKETING AGREEMENTS

NASDA believes that states should have the flexibility to create multi-state marketing agreements in order to enhance farm prices within their borders. Such authority would not be intended to permit states to erect trade barriers nor distort market conditions in any other geographical area.

11.4 PERISHABLE AGRICULTURAL COMMODITIES ACT

NASDA believes that the Perishable Agricultural Commodities Act (PACA) provides an important mechanism for resolving disputes.

11.5 TOBACCO

NASDA recognizes the vital work performed by FDA in the areas of food and drug safety, especially in light of threats to the integrity of our food production, distribution, and preparation systems. NASDA believes expansion of the FDA's duties and jurisdiction into the area of tobacco product regulations should be based on scientific data. . NASDA encourages the use of good agricultural practices (GAP) as adopted by growers and the buying industry for growing and curing raw tobacco at the farm level. Cornerstones of the Tobacco GAP program include agricultural practices which produce a quality crop while protecting, sustaining or enhancing the

environment with regard to soil, water, air, animal and plant life as well as protecting and ensuring the rights of farm laborers. NASDA believes that any imported leaf and tobacco products should be held to the same standards as domestically grown leaf or manufactured tobacco products.

Regulation and Classification of Tobacco

Tobacco remains vital to the economy and social fabric of tobacco growing states by providing jobs and income for thousands of farm families in addition to generating billions of dollars annually in federal, state, and local tax revenues. Federal tax revenues go directly to the general fund of the United States. Cigarettes, cigars, smokeless tobacco products (chewing tobacco and snuff) and electronic cigarettes remain legal products. There is unanimous agreement that children should not use tobacco products, and every state in the Union has laws that prohibit the sale of tobacco products to minors.

Crop Insurance

NASDA requests that USDA, Risk Management Agency (RMA) treat all states equally in setting price elections for tobacco at levels which offer adequate risk protection and take into consideration the true cost of production for each type of tobacco. We encourage RMA to set appropriate levels of insurance coverage to reflect the true market price of each type of tobacco sold at market. We also request that RMA treat tobacco similarly to all other fully covered and insured crops. Furthermore, we support stricter enforcement of rules necessary to prevent fraud and abuse of the Federal Crop Insurance Program.

Marketing

NASDA supports efforts of tobacco leaf dealers and manufacturers to continue offering full production multi-year contracts to tobacco producers that cover costs of production and adequately compensate tobacco producers with a fair profit. We recommend that no new laws or regulations be created that would hinder the current system of marketing leaf tobacco.

Exports

NASDA recognizes the significant positive economic impact that domestically produced leaf tobacco exports have on farm economies and related agribusiness. We request that U.S. government regulations do not hinder these efforts. We further request that USDA, Foreign Agricultural Service, not discriminate against tobacco, but treat tobacco as any other crop that receives export assistance. Trade agreements should treat tobacco products and tobacco companies equal to other commodities.

Federal Excise Taxes

NASDA supports the intent of the State Children's Health Insurance Program (SCHIP) administered by the U.S. Department of Health and Human Services. However, NASDA opposes

the use of increased federal excise taxes on tobacco products to fund federal health insurance programs, and believes more equitable funding options should be used. Such taxes will likely not meet the revenue targets they were originally designed to supply and will certainly have a negative impact on employment, farm preservation and agribusiness development in states whose economies are supported by tobacco production and manufacturing.

11.6 FEDERAL-STATE MARKETING PROGRAMS

NASDA believes:

- Federal-state marketing programs should be continued and expanded where feasible.
- The Secretary should take a strong position in defining the concept and use of federal marketing orders based on the original concept of marketing orders as designated in the 1937 Act.
- The Secretary should enforce these uses and if they are being abused take aggressive action to correct any abuses.
- The Federal State Market Improvement Program (FSMIP) should be continued and market oriented demonstration projects prioritized.

State/Federal Memorandums of Understandings

NASDA believes:

- State/Federal Memorandums of Understanding's (MOU) for certifying fresh and processed products for "quality and condition" in both domestic and export markets should be incorporated into current MOU's with APHIS to inspect and issue federal phytosanitary certificates. Certification for quality and condition is the responsibility of the Agricultural Marketing Service (AMS).
- All domestic marketing initiatives should address the feasibility of moving into international markets.

Federal and State Inspection of Peanuts

NASDA supports the continuation of Federal-State Inspection Services official inspection and grading of all peanuts produced and marketed in the U.S.

Federal State Shipping Point Inspection Program

NASDA recognizes the need for funding the standardization and development of programs that respond to produce industry needs within the Federal State Shipping Point Inspection Program. The Agricultural Marketing Service’s (AMS) Fresh Products Branch provides the

services of standardization and oversight of the cooperating states. The Fresh Products Branch and cooperating states are implementing automated systems to standardize the inspection program nationally and programs such as Good Handling Practices, Good Agricultural Practices and Identity Preservation are being developed to address national food security concerns. Many of the cooperating states have experienced significant reduction in agricultural revenues resulting in a reduction in revenues to the Fresh Product Branch to administer and develop programs that respond to changing industry requirements. Any additional assessments of overhead charges to the state cooperators will be passed on through fee increases to the produce industry because of to new shipping and handling requirements that address national food security concerns.

NASDA is committed to working with AMS's Fresh Products Branch to secure funding from Congress to support the services of standardization and program development and implementation.

11.7 CHECK OFF PROGRAMS FOR GENERIC ADVERTISING

NASDA supports check off programs and their role in promoting farm products in a generic, but fair and equitable manner.

Any changes or adjustments to national checkoff programs must comply with the intent and spirit of the controlling legislation, ensure programs are fair and easy to administer, maximize state level involvement, and are developed and implemented with input and support from the state departments of agriculture.

11.8 NEW USES OF AGRICULTURAL PRODUCTS

NASDA supports:

- Industrial and pharmaceutical uses for agricultural products as they offer U.S. farmers an opportunity for market growth. This includes the ongoing development of alternative fuels such as ethanol, biodiesel, and other biomass fuels.
- Additional research to develop alternatives to traditional uses of agricultural products.
- NASDA supports government policies for alternative fuel sources, focusing on the use of ethanol, biodiesel and biomass production.

Industrial Hemp

- NASDA supports revisions to the federal rules and regulations authorizing commercial production of industrial hemp.

- NASDA urges the U.S. Department of Agriculture (USDA), the Drug Enforcement Administration (DEA) and the Office of National Drug Control Policy (ONDCP) to collaboratively develop and adopt an official definition of industrial hemp that comports with definitions currently used by countries producing hemp.

- NASDA also urges Congress to statutorily distinguish between industrial hemp and marijuana and to direct the DEA to revise its policies to allow USDA to establish a regulatory program that allows the development of domestic industrial hemp production by American farmers and manufacturers.

11.9 FEDERAL SEED ACT ENFORCEMENT

The Federal Seed Act (FSA) (7 U.S.C. 1551 1611) is a truth-in-labeling law that regulates the labeling of seed in interstate commerce. The label must contain information on origin, purity, germination, chemical treatment and noxious weeds as well as the lot identity number, the date of test, and the labeler's name and address or AMS number.

Interstate seed shippers are required to keep receiving and shipping records that include documentation for each seed lot they ship in interstate commerce (7 CFR 201.7). Currently, the records are not being routinely examined for origin verification, allowing violations to go undetected. Origin violations are usually uncovered only during a record examination pertaining to other labeling violations such as purity, germination and noxious weed seed content. Inaccurate origin labeling can result in seed dealers and farmers purchasing seed that is not adapted for the area of intended use, or purchasing seed that is of inferior quality than represented on the label.

NASDA encourages the increased investigation of origin labeling of seed shipped in interstate commerce. Investigation needs to be supported by both state seed inspectors, state directors of agriculture, and federal Agricultural Marketing Service (AMS) officials. Vigorous enforcement of the origin labeling provisions of the Federal Seed Act will help to ensure that farmers have the ability to purchase seed that is adapted for the area of intended use and have the assurance that the seed they are purchasing is of represented quality.

11.10 ORGANIC AGRICULTURE

- NASDA supports recommendations that enhance National Organic Standards (NOS) and the National Organic Program, (NOP) and efforts to increase growth of the organic industry. These efforts include, but are not limited to, increases in organic research and in the collection of organic production and market data. For purposes of trade,

- NASDA supports the establishment of bi-lateral agreements on the equivalency of organic standards provided those standards are truly equivalent.

- NASDA supports the following policies:
- Congress should provide funding at levels to support adequate NOP staffing and activities that will accomplish regulatory intent of the NOP Final Rule;
- Congress should direct funds to states to assist with implementation of the NOP, including consumer protection and local enforcement of standards;
- Congress should provide permanent funding for Organic Certification Cost Share Assistance;
- The Secretary of Agriculture should encourage and support cooperative relationships between the NOP and state departments of agriculture;
- USDA should fully and consistently implement and enforce the National Organic Program Final Rule and its organic production and handling standards;
- USDA should actively encourage cooperation between the NOP and experienced public and private certifying agencies when addressing the practical aspects of organic production and certification issues;
- USDA should bring the NOP into compliance with the International Standards Organization (ISO) standards for accreditation bodies.

Organic Markets and Marketing

NASDA supports efforts to increase the economic growth of the organic industry through the following:

- USDA should include “organic” as a defined commodity in USDA market promotion programs.
- USDA should target marketing assistance to small, medium sized, and beginning organic growers to help them capitalize on the value of their production.
- USDA should provide adequate funding for collection and distribution of domestic organic market price data by the Agricultural Marketing Service (AMS), or through non-governmental organizations funded by cooperative agreements with AMS.
- Congress should encourage cooperation among federal agencies and entities such as the Department of Commerce, Department of Homeland Security, and the U.S. International Trade Commission, in order to code and track organic import and export sales.
- USDA should pursue efforts to reform the premiums and price elections in federal crop insurance programs in order to render participation more equitable for certified organic

producers.

11.11 SPECIALTY CROPS

- NASDA supports the Specialty Crop Block Grant Program (SCBG) as an effective collaboration between state departments of agriculture, the specialty crop industry, and USDA.
- NASDA believes the SCBG program must be flexible and state-driven in order to be nimble, locally responsive, and efficient.
- NASDA supports full funding of the (SCBG) program as authorized.
- NASDA supports additional crop insurance resources for specialty crop farmers.
- NASDA supports the inclusion of specialty crop farmers in conservation programs.
- State block grants should be directed towards state departments of agriculture and used (1) to strengthen state-led efforts to promote the marketing and consumption of specialty crop products; (2) to strengthen state-led efforts to promote investments in specialty crop research; and (3) enhance food safety of specialty crop products.

11.12 ESTABLISHMENT OF PRODUCTION STANDARDS

(Added February 2014)

NASDA supports the rights of state governments to establish statutes, regulations or policies regarding the production or manufacture of agriculture products, as those products are defined in Section 207 of the Agricultural Marketing Act of 1946. These statutes, regulations or policies must be constructed in such a way as to allow for the free flow of interstate trade that is afforded by the Commerce Clause of the Constitution of the United States of America.

11.13 LABELING AND MARKETING CLAIMS

Added January 2017

Food labeling required by federal law for the purpose of disclosing ingredients, allergens, and nutritional value of food products should provide accurate, science-based information to consumers. Such requirements should not prejudice particular agricultural commodities or practices.

Additionally, terms or claims used (print, electronic, or otherwise) to market food products should be accurate, and should not mislead or misdirect consumers, or prejudice particular agricultural commodities or practices.

12 Financial Security for Agriculture

Financial security is crucial to agriculture producers, who face a multitude of risks each year as they work to bring their products to market. Consistent, reliable financial security policies, including Farm Bill programs and crop insurance, are necessary for producers who need to know the long-term viability of their operations. NASDA supports policies that seek to ensure the long-term viability of agricultural operations and assist future generations of agricultural producers.

12.1 AGRICULTURAL CREDIT

(Updated February 2016)

The availability of competitively priced credit is critical to the success of the American agriculture and food industries. The Farm Credit System (FCS) has a strong relationship with agricultural borrowers and agricultural enterprises that is built on a long history of mutual cooperation.

- NASDA supports the critical and unique role FCS plays as a supplier of accessible, credit for U.S. farmers, ranchers and agribusinesses. In some regions, the FCS is even more critical, as it is the only provider of agriculture credit.

- NASDA supports the continued cooperative ownership of the Farm Credit System and its status as a government sponsored enterprise; and supports maintaining the Farm Credit Administration as the System's independent regulator.

- NASDA believes Farm Credit should be provided with the authority to finance value-added enterprises that may be on-farm or off-farm investments.

- NASDA supports raising the loan limits for the Business and Industry Guaranteed Loan Program to $300 million and waiving the population limits associated with the program when the applicant can demonstrate they provide a direct value-added service to agriculture.

12.2 FARM INCOME AND PRODUCTION STABILITY

Modern, comprehensive risk management programs are vital to maintaining an affordable, reliable food supply. Risk management encompasses commodity programs, marketing, and crop insurance programs. U.S. farm policy must balance the cost of agricultural production and need for a market-driven safety net, while finding innovative ways to support producers and provide a consistent, affordable food supply. NASDA encourages Congress and USDA to work with state departments of agriculture in the development and implementation of new products and programs.

- NASDA believes federal policies should support and ensure farm profit viability and production stability.

- NASDA believes financial tools that assist beginning and financially distressed producers should be developed and enhanced through federal, state, and private resources.

Farm Service Agency

- NASDA encourages adequate funding for all FSA loan programs. NASDA supports wide access to FSA programs and encourages FSA to develop materials to help producers graduate to commercial credit.

- NASDA believes the FSA beginning farmer down payment program should be improved by extending the program's current loan amortization to 30 years. NASDA recommends removing "Aggie Bonds" from the individual state limits on bond volumes.

Risk Management

- NASDA believes risk management tools must be flexible, comprehensive, and readily available to producers. Programs should allow for frequent updating of production data and utilize sound actuarial practices.

- Crop and livestock insurance and disaster programs must complement one another to ensure adequate coverage for producers, while working with risk management programs.

- In addition, the federal government should provide a commodity safety net in a manner that minimizes production distortion.

12.3 AGRICULTURAL MEDIATION PROGRAMS

Agricultural mediation programs are run by state departments of agriculture and are a confidential, accessible resource for producers who need dispute resolution. USDA was authorized to assist state mediation programs in 1987 and since then, these programs have continued to grow.

- NASDA supports state mediation programs as a positive alternative to dispute resolution with USDA and encourages federal and state funding of these programs. NASDA emphasizes that mediation flexibility and confidentiality must be maintained.

- NASDA supports the expansion of state mediation programs. NASDA urges the Secretary to authorize all agricultural disputes approved by individual state mediation programs as eligible under the USDA grant program.

12.4 TAX PROVISIONS AFFECTING AGRICULTURE

NASDA supports tax policies that protect and strengthen U.S. agriculture, promote the economic vitality of U.S. farmers and ranchers, reduce the tax compliance burden on agricultural producers, and facilitate access to competitive markets around the world.

NASDA identifies the following specific policy principles necessary to achieve these goals:

- NASDA supports tax incentives for new beginning farmers and ranchers.
- NASDA supports significantly reducing, or eliminating, the capital gains tax for agricultural producers and decreasing tax liabilities on capital investments.
- NASDA recommends Congress establish Farm Savings and Retirement Accounts as a necessary management tool for U.S. farmers and ranchers.
- NASDA supports elimination of the self-employment tax on income from rent of farmland, including CRP rents.
- NASDA supports allowing farmers and ranchers to utilize the cash accounting method to deduct expenses as incurred.
- NASDA supports the elimination of the estate tax for family farms and any policy that deters or impedes the successful transition of agricultural operations to the next generation of producers.

13 Rural Development

13.1 INTRODUCTION

(Revised September 2015)

NASDA recognizes the vital link between agriculture and rural communities. Agriculture and rural policy must be designed to reflect and reinforce the dynamic interface occurring among farming, agriculture and rural America. To support this dynamic, NASDA recognizes the need for flexible policy that helps support and cultivate rural economies.

NASDA support)s substantially increasing investments in rural communities to drive economic growth, entrepreneurship and innovation, and improve rural life. Retaining agricultural and rural youth in next generation businesses, attracting new capital and new business, and maintaining profitable agriculture must be a priority of rural development and agricultural policy.

13.2 RURAL DEVELOPMENT

NASDA supports rural development programs and acknowledges their role in providing funding and assistance for rural businesses and communities. Rural development programs should encourage growth within these communities and help stem the loss of business within rural America.

1. NASDA believes federal policy should support rural communities; not adversely impact their economic viability.

2. Programs should focus on supporting agriculture-related development while meeting educational, economic and technological needs and objectives.

3. Programs should offer grants to collaborating rural communities for initiatives to spur entrepreneurial development, including small business education, technical assistance, leadership programs, youth retention, and intergenerational business transfers.

4. NASDA supports inexpensive and easily accessible Internet access; particularly initiatives to expand the availability of broadband and wireless to increase access to technology and information in rural areas, as well as help modernize rural businesses.

5. NASDA recommends that Congress extend eligibility of federal economic development programs to agricultural and rural community projects in metropolitan and micropolitan counties across the U.S.

13.3 VALUE-ADDED PROCESSING AND COOPERATIVE ENTERPRISES

NASDA recognizes the powerful economic contributions of agricultural and other cooperatives in the United States. Producers traditionally look to expand their market share through exports, but they also realize there is an opportunity to increase their market access through value-added processing. Strategies to increase market share through value-added processing include cooperative and other business ventures focused on agricultural processing, farmer-owned cooperatives, and marketing the value of "high-end" crops and livestock.

1. NASDA supports opportunities to grow value-added processing, including cooperatives and other business ventures. These enterprises increase product values and help expand marketing opportunities for farmers and ranchers.

2. NASDA supports the preservation of the Capper Volstead Act to ensure the continued ability of farmers and ranchers to form cooperatives and create cooperative development centers and technical assistance for new cooperative enterprises.

13.4 AGRICULTURE DATA AND INFORMATION COLLECTION

Effective agricultural policy must be based on accurate and objective data that describe the structure and operation of agricultural enterprises and measure their economic health. Proper data is needed both to administer programs and measure their performance. Data requirements need to be developed in parallel with policy.

1. NASDA strongly supports agriculture data collection and information gathering by the National Agriculture Statistics Service (NASS).

2. NASDA strongly supports providing adequate resources for conducting censuses of agriculture and for additional research to improve response, ease data reporting, and enhance data quality. Furthermore, NASDA supports resources for continuing current surveys and/or adding additional surveys as industry, consumer and regulator needs arise.

3. NASDA supports strong federal-state partnerships between individual state departments of agriculture and NASS. NASDA strongly endorses NASS efforts to support a highly trained, competitively paid corps of part-time enumerators who collect the data that form the foundation of the NASS census and survey programs.

4. NASDA supports National Agricultural Statistics Service (NASS) initiatives to develop electronic data reporting systems.

NASDA recommends that the U.S. Department of Homeland Security's Customs and Border Protection provide individual states with data on plant, animal and food entries into states to enhance states' ability to prevent introduction of harmful plant and animal pests and diseases.

13.5 RURAL EDUCATION

NASDA strongly supports K-12 agricultural education programs. State departments of agriculture should support various efforts to develop and implement agricultural education programs which are focused on public awareness and leadership.

13.6 BIOECONOMY AND ENERGY

Historically, agriculture has provided food and fiber to America. Now, with the development of new biofuels such as ethanol and biodiesel, and greater commercial interest in wind and solar energy; America's farms and ranches are increasingly seen as a promising source of clean, renewable, home-grown energy. Producers are also downstream energy users and rely on stable energy prices for stable profit margins. These linkages show the ever growing relationship between agriculture and energy.

1. NASDA supports energy strategies that focus on enhancing renewable fuel use, development and research. Domestic energy production methods, including traditional fuels, are needed to ensure an accessible, affordable energy supply.

2. NASDA supports the establishment of on-farm incentives to produce and utilize solar energy, wind energy, biodiesel fuel, methane, and any other biopowers, biofuels and bioproducts. Further, NASDA supports bio-based product development as a means to create opportunities for farmers and ranchers while creating sustainable, environmentally friendly products.

3. NASDA supports continued focus on energy in the Farm Bill. NASDA supports programs to further renewable energy opportunities such as: the Rural Energy for America Program, the use of CRP acres for energy and biobased crops and the Biomass Research and Development Program.

4. NASDA supports the Renewable Fuel Standard.

14 Agriculture Research, Extension, and Education

14.1 INTRODUCTION

(Updated September 2015)

Agriculture research, educational and extension efforts are vital in creating short and long-term advancements in food and agriculture to benefit farmers, ranchers, industry and consumers. Research is needed to advance technology; delve into market and economic questions; address environmental concerns; and advance food and agriculture as a whole. Studies have shown that every dollar invested in agricultural research creates $20 in economic activity. Innovation investments over the past several decades have spurred the development of new products and procedures—continuing these investments is critical for the continued growth of American agriculture.

While agriculture research funding has dramatically increased around the globe, principally in China and India; public agriculture research funding in the U.S. has reduced by 20% in the last 10 years. The agriculture sector must increase its production by 100% by 2050 in order to feed the world's growing population. Resources and investment of public funds for Land Grant Universities (LGUs) to continue REE (Research, Education, and Extension) are needed for the U.S. to continue leading the world in the global food, agriculture, and natural resources sectors and train the next generation of agriculture leaders. The U.S. has a need for individuals pursuing agriculture careers, and research enhances and supports that effort.

NASDA believes increased public research funding is especially needed in the areas of positive agricultural economic viability, pollinator health, food safety, water quality and other emerging priority issues.

14.2 SUPPORTING RESEARCH INVESTMENTS

NASDA recognizes the need for research as a means to increase food production capabilities, pest and pathogen prevention, extension capacity and other mechanisms that affect our nation's capacity and global preeminence in the food, agriculture, and natural resources sectors.

1. NASDA supports efforts at the federal level to enhance publicly funded REE to support short-term and long-term research needs. Specifically, NASDA encourages the efforts of the National Coalition for Food and Agricultural Research (NC-FAR) and the Foundation for Food and Agriculture Research (FFAR), the National Institute for Food and Agriculture (NIFA) and USDA-Agricultural Research Service.

2. NASDA supports competitive research grant programs including the Agriculture and Food Research Initiative (AFRI), as well as other competitive-based funding initiatives.

NASDA also supports maintaining and strengthening program funding through the Hatch, Smith-Lever Act and other formula-based funding authorities.

14.3 ENHANCING RESEARCH THROUGH PARTNERSHIPS

NASDA supports state and stakeholder-driven involvement in federal research priority setting.

1. NASDA supports enhancing the partnerships among state departments of agriculture, LGUs and USDA.

2. NASDA supports state and federal-level communication strategies highlighting the importance and necessity of research to the general public; especially as a means to increase state and federal funding.

3. NASDA encourages incentives for private research and public-private research partnerships. Further, NASDA believes programs and incentives aimed at regional cooperation around research and extension should be employed to best utilize limited funding

15 Food and Agriculture Security

15.1 INTRODUCTION

(Updated September 2012)

The food and agriculture industry in the United States is not only key to the public health and welfare of this nation but is an important force in the economic, social and political fabric, as well. Farming and ranching are the foundations of our $1 trillion food and fiber business with nearly $60 billion in annual exports. This vast industry is essential to the economic health of virtually every community. It generates almost 15 percent of the total economic activity in the nation, as well as providing almost 18 percent of the country's jobs.

Since the September 11, 2001 terrorist attacks, we are more keenly aware of the need to protect the integrity and safety of our agriculture and food infrastructure. Historically, our food safety, plant protection and animal health regulatory systems have assumed the accidental contamination of food or inadvertent introduction of animal disease or plant pest. The prospect of an intentional, or terrorist, attack on our food and agriculture industry raises grave concerns that present challenges for producers and policy makers alike.

The "farm to table" food supply chain is a complex system that includes millions of acres of cropland, millions of livestock, thousands of feedlots, processing plants, warehouses, research facilities, and packaging and distribution networks that bring food from around the nation and the world to neighborhood markets and restaurants across the nation.

Components of the farm to table continuum include:

- Farm inputs (seed, feed, fertilizer, pesticides, machinery, farm services)
- Domestic farm production (grain, oilseeds, fruits/vegetables, ornamental plants, meat/poultry, dairy, fish/seafood, eggs)
- Farm product assemblers (grain elevators, fruit/vegetable shippers, feedlots)
- Processing (milling, crushing, slaughtering, flavoring, canning, baking, pasteurizing)
- Wholesalers (general line wholesalers, specialty products)
- Retailers (supermarkets, restaurants, hotels, hospitals, military, prisons, vending, community feeding)
- Transportation
- Consumers

From a security standpoint, there are an array of sectors ranging from farms with relatively open croplands to highly secure food and dairy processing facilities. At the retail end, small neighborhood bodegas and cafes operate in markets with large supermarket chains and nationally franchised restaurants. Continuous changes in the way that food is produced, distributed, and consumed present new challenges for ensuring its safety and security.

The President's National Homeland Security Strategy recognizes the importance of securing the nation's food supply and designated agriculture as a "critical infrastructure." The threat of a terrorist attack on the food and agriculture industries is likely to involve the contamination of resources rather than the destruction of infrastructure. However, the diverse and widespread nature of the industry makes it extremely difficult to identify and secure every facility that might be a potential target. In the case of food, for example, introduction of minute levels of certain hazardous agents could cause widespread harm, including serious economic and social disruption. Local, state and federal partners as well as the industry itself have already taken important steps to help protect the food and agriculture industry from terrorist attack. Greater linkage at all levels of government and the private sector of resources, expertise, and initiatives is needed to achieve shared security and emergency preparedness objectives.

American agriculture and the rights of property owners to live and work on their land is a national security concern. When farmers and ranchers are threatened by transnational criminal organizations based in a foreign country that conduct repeated operations and trafficking across the private property and land that is cultivated to provide the food and fiber our industry and consumers depend upon, the federal government must act to protect and defend the people and its inhabitants.

NASDA seeks tangible resolution of these matters with the following policy principles to help guide the association and lawmakers in their efforts to secure the United States borders and rural lands across this country:

- The Department of Homeland Security should categorize cartel violence as a global terroristic threat that threatens our allies and citizens.
- Congress and the President should commit more resources to confront this terrorism.
- Tactics should be changed to allow forceful engagement and effective cross-border enforcement, when and where appropriate.
- Landowners should be equipped with tools to secure their property and to protect the domestic food supply, including security cameras, brush eradication program and report hotlines.

The federal government should ensure adequate infrastructure is in place along the border to facilitate the legal movement of people and goods at our international ports of entry.

15.2 STAKEHOLDER ROLES AND RESPONSIBILITIES

The Administration has emphasized that states play a key role in homeland security and provide the first line of defense in protecting critical infrastructure, health, and safety. Protecting the nation's food and agriculture industry demands the coordinated effort of public, private and university partners in the same way that all of these stakeholders have cooperated for decades on issues of food safety, animal health and plant protection. In the area of food safety, for example, the statistics are surprising: while this is the shared responsibility of all partners, an estimated 80% of all food safety inspections are conducted by state and local agencies.

While these existing programs should serve as a basis for efforts needed to enhance security, there are limitations and gaps. Notably, current systems were developed primarily to prevent the accidental introduction of pathogens, pests and diseases and the assistance of public security partners is not fully developed.

Accordingly, the roles and responsibilities of each stakeholder must be more carefully defined, understood, and supported. NASDA calls on each of these partners to collaborate to establish clear roles under the general policy that:

- Federal partners are best positioned to guide the risk assessment and policy-setting processes; address oversight and control of imported food and agricultural products; provide guidance and training to state and local partners; foster appropriate regionalization of security activities, and supply resources to ensure the uniform application of laws and regulations to counter the emerging security threats.

- States and localities can provide the field inspection forces needed to promote biosecurity of food and agriculture businesses; enhance prevention by enforcing uniform food and agriculture safety and security laws with industry; provide routine surveillance of food, plant and animal products; respond quickly in the event of an attack; and provide the means to restore confidence in the food and agriculture sector. States play the key role in prevention, detection and eradication of plant and animal pests and diseases.

- Private sector food and agriculture businesses must be a full and active partners in the process to develop a national integrated security and emergency management capability.

- Universities should be provided resources to support research, education and training to enhance preparedness and response.

An emerging area of concern is the increased complexity of federal responsibility for preventing, detecting and responding to emergencies. The new Department of Homeland Security has important new mandates and has been charged with overseeing the response to any event deemed to be the act of terrorism. In this context, the agency has taken over responsibility for

administering port and border security activities, and certain staff and responsibilities from USDA have been transferred to DHS.

NASDA remains concerned that the emphasis on homeland security in border protection not overshadow the need to remain vigilant in protecting the food and agriculture industry from the introduction of pests and disease at the border. NASDA strongly believes that prevention of animal and plant bioterrorism and provision of security for the nation's food supply must be considered a critical priority of the new agency. NASDA urges the DHS to reconsider the de-emphasis of agriculture inspections at medium and large ports of entry and the elimination of agriculture inspections at small ports of entry. NASDA requests that legacy agriculture inspectors, with the proven education, skills and experience in cargo and baggage agriculture inspection, be immediately reassigned as CBP Agriculture Specialists and that the CBP Officer positions be open to all legacy customs, immigration and agriculture inspectors.

15.3 COMMUNICATION AND COORDINATION

At the core of efforts to enhance our food and agriculture preparedness and response capabilities will be the establishment of a well coordinated and efficient communication strategy that links all stakeholders and allows for the rapid dissemination of: specific threat alerts from intelligence partners; incident notifications from field staff; industry or others; routine surveillance information from inspections, laboratory analyses and other local and state sources; and other information deemed critical to preventing illness, death or serious economic harm to the industry from a terrorist attack at any juncture from farm to fork.

At present, there are serious impediments to establishing such a system. These include:

- Federal restrictions on access to classified information and the loss of information through the unnecessary "classification" of documents;
- Federal resistance to accepting state and local laboratory and other investigation results, recalls and other actions as comparable to federal actions;
- The lack of comprehensive secure communications network to share threat alerts and other information linking local, state, federal and private partners, with appropriate security clearance;
- The lack of a comprehensive incident notification system for the food and agriculture industry.

Immediately, USDA, FDA and DHS should facilitate states in obtaining adequate security clearances for key state personnel to access and communicate critical information from the USDA Emergency Management Operations Center as well as critical plant and animal health and food security information. Federal agencies should review currently classified information and make determinations about whether it needs to remain classified for security purposes. The

results of state and local inspections and laboratory analyses found to be consistent with federal requirements should be recognized as equivalent to federal inspections and analyses. Development of rapid communications and incident notification systems should have top priority and include both public and private sector decision-makers.

As a part of the solution, the development of a national Agriculture Information Sharing and Analysis Center (AGISAC) has been recommended to provide a central mechanism of reporting and analysis of agriculturally related incidences. An AGISAC would not replace existing data management systems, but would integrate information related to reportable animal diseases, food safety, agricultural chemicals, animal feed and other vulnerable agriculture targets and reach virtually every local state and federal partner. A privately organized Food and Agricultural ISAC has been established, and NASDA urges that government agencies seek ways to partner in this effort.

15.4 DEVELOP NATIONAL FOOD AND AGRICULTURE INDUSTRY PROTECTION STRATEGY

NASDA supports the development of an integrated national food and agriculture protection strategy that draws on the strengths of all stakeholders. Efforts to establish an integrated food safety system were begun almost decade ago, and the threats of an intentional attack on food and agriculture are placing increasing demands on states to develop strategies for protecting the food and agriculture industry in the absence of a uniform national policy.

In general, the strategy should assume that an intentional attack is more likely to involve the contamination of food or the introduction of plant and animal diseases, rather than the physical destruction of agricultural assets. Moreover, it must be flexible enough to address the diversity of sectors. Finally, components must be cost effective and based on a scientific risk assessment of their value. In addition, the development of a National Food and Agriculture Protection System should:

- Focus on safeguarding both the safety and security of food and agriculture. Existing surveillance and response systems should be used to form the basis for new measures to protect agriculture security.

- Be based on scientific principles that include an assessment of the risks and vulnerabilities of the food and agriculture system. The federal government through USDA and FDA need to develop uniform standards that can be readily implemented by state and local regulatory partners.

- Integrate the efforts of federal, state and local partners into a seamless system. Federal partners must lead collaborative efforts that establish standards, build on existing capabilities, provide training, foster assessments as needed, and provide appropriate funding to ensure the uniformity of the nationwide system. Federal partners must also take responsibility for ensuring the safety of all food products imported into the country

through a uniform system based on establishing and monitoring the equivalency of foreign food safety programs. State and local partners must take primary responsibility for the inspection and sampling of local establishments.

- Coordinate appropriate security at all points in the production, processing and distribution, and retail sale of food to ensure the protection of food and food products.

NASDA strongly believes that the implementation of new policies and protocols by the food and agriculture industry under the new protection strategy must be accomplished in a way that is helpful to industry and will not create unnecessary financial or operational burdens. In addition to assuring that all measures are evaluated as to cost and effectiveness, and as circumstances warrant, new measures should be phased-in for adoption and federal funding made available to support the proposed measures.

Through a cooperative agreement with USDA APHIS, NASDA completed an assessment of the capabilities of the United States and state governments, foreign governments and the livestock industry to protect this nation's livestock and human health from animal disease. The report considered the growing threat of terrorism and made more than 150 recommendations to strengthen domestic detection and surveillance, exclusion of disease, international information and response. The Animal Health Safeguarding Review was completed in 2001, and recommendations remain timely, in particular the need for a National Surveillance System and National Response Plan, improved and expanded research, and increased funding. NASDA believes that the recommendations of the Review must be prioritized and efforts redoubled to implement key actions within the context of developing a security strategy.

Furthermore, the existing NASDA policies with respect to Animal Health Protection and Disease Control, Food Regulation and Nutrition, and Plant Health should also be carefully considered and serve as a basis for additional action in this area. Actions should be considered on a priority basis to enhance the nation's overall level of preparedness and response to food, plant protection and animal health threats.

Finally, NASDA fully supports the development of a national critical infrastructure protection plan that includes the food and agriculture sector and urges DHS to utilize the expertise of NASDA members to ensure national strategies adequately address food and agricultural considerations. NASDA urges DHS to call on state and local agriculture and food officials to participate in the development of national strategies.

Threat and Vulnerability Assessments

The assessment of terrorist threats to food and agriculture and evaluation of the industry's vulnerabilities will form the basis for developing a preparedness and response strategy for the nation's food and agriculture industry. The challenge is to determine the likelihood of various forms of attack and identify on a priority basis the gaps in the existing systems. With this information, we can develop cost-effective measures to enhance our ability to prevent an attack, detect an attack at the earliest possible time, respond to protect both the public health

and industry and recover from an attack by restoring public confidence and the economic viability of affected sectors.

NASDA urges USDA, FDA, DHS, and other federal partners to complete assessments as rapidly as possible and share information relevant to the development of specific state preparedness strategies. Such information sharing is imperative as states develop and refine individual State Homeland Security Strategies (SHSS) and will be important for the seamless integration of state plans into the National Homeland Security Strategy.

Uniform Standards

To enhance state efforts to develop a well-coordinated integrated strategy for all stakeholders, uniform security standards should be developed. NASDA urges USDA, FDA and other federal partners to join with the state partners in developing standards:

- A voluntary Model Food Security Code based on the concept of the existing Model Food Code for food safety would help states close gaps identified through the risk assessments;

- Standards must afford the flexibility to recognize local, state and regional differences; for uniform agricultural and food protection with flexibility built in for regional, state, and local differences;

- National preparedness and security standards (e.g., response equipment, training, staff capabilities) are needed to guide decision-making and assess progress towards stated objectives;

- Development and implementation of standards should proceed only after careful assessment of cost and effectiveness;

- Support is needed for research to assess the standards, and NASDA urges its federal partners to coordinate development of the research agenda with local and state government, industry and university partners.

- Develop a national policy on the accessibility and availability of ammonium nitrate, urea and other products that can be converted from their intended use (fertilizer) to powerful explosives, in order to secure these products against easy transport across state lines and subsequent misuse by terrorists or other criminals. The Fertilizer Institute has demonstrated commitment to such protective measures, and those involved in agriculture will welcome actions to protect the country, while enabling them access to materials necessary for their success.

Exclude Foreign Animal and Plant Diseases and Contaminated Food Products

Increased trade in food and animal and plant stocks likewise adds challenges to ensure that imports do not include pests or diseases harmful to US agriculture. The increasing ease of global trade and travel raises concerns for the introduction—intentional or accidental—of pathogens, disease or pests.

Existing systems to exclude animal and plant diseases and contaminated food have been called into question in the wake of rising terrorist threats. Because it is virtually impossible to ensure the safety and security oversight at the port of entry for all imports arriving into the United States, NASDA urges USDA and FDA to consider a new model: certifying the equivalency of safety and security systems employed by our trading partners. While this is employed already by USDA in meat and poultry inspection, this concept needs to be greatly expanded to help reduce the risk of an intentional attack via imported food, plant or animal products.

Traceback

The need for an ability to track crops, livestock and food products from farm to table cannot be overstated in terms of protecting public health and preserving the economic viability of the food and agriculture industry. Consumer and market demands have already begun driving trends to greater accountability and traceability. Increasing threats from a food safety and animal health perspective alone would be sufficient argument in favor of developing comprehensive product identification and tracking systems. Last summer Canada was, and now the United States is, under a global microscope as we struggle to trace the source of a cow infected with BSE as well as other animals associated with that cow. The specter of terrorist attacks makes the development and implementation of such systems even more imperative. If we require more than a few hours to locate all products associated with a terrorist incident, we risk a massive loss of consumer confidence in the nation's food and agriculture system. That could have far costlier consequences than the immediate cost of the incident. NASDA strongly urges the immediate development and implementation of a uniform farm animal identification and tracking system. NASDA further urges the consideration of systems that make possible the identification and tracking of farm products from farm to table.

Risk Reduction Strategies

Industry should be encouraged in every possible way to adopt cost effective measures that address identified vulnerabilities and wherever possible reduce the risk of a broad range of possible hazards (i.e., "all hazards" prevention). NASDA urges the establishment of financial or other incentives to reduce the cost of capital or other investments by food and agriculture businesses. Particularly important are the immediate establishment of incentives to develop uniform identification and tracking systems to provide timely traceback of all livestock, consumer foods and food products.

Priority should be given to investments that will enhance prevention, such as good on-farm biosecurity, and to investments that address prevention or response to all hazards.

National Surveillance System

There also exists a very real possibility that we will face threats that will not be immediately apparent, and because of the lag in identifying and responding, will have more widespread and harmful impact on our food and agricultural industries. New systems that are capable of providing ongoing surveillance, early detection and effective response must be designed to maximize the limited resources available at all levels of government and to leverage private capacity that exists throughout the food and agriculture industry.

While the U.S. has historically enjoyed strong, well-functioning food safety, animal health and plant protection systems new threats have changed the nature of the surveillance and inspection that will be required in the future.

Existing systems should form the basis for actions now required to provide protection against intentional attacks against any of the sectors. However, resources are needed to enhance routine monitoring of the domestic food system at all points from farm to table, including the monitoring of plant and animal health. NASDA urges a comprehensive review of existing staffing levels of food, milk and horticulture inspectors and veterinarians and animal health technicians at the federal, state and local levels. Staffing increases should be prioritized based risk assessment. Systems for improved sharing of surveillance information must be developed and implemented.

Laboratory Capacity

The current capacity for rapidly and accurately diagnosing diseases used as weapons is limited and would certainly be overwhelmed by the volume of demand for testing services in the face of an outbreak. Just as the nationwide public health laboratory infrastructure was hard pressed to support investigations in the face of the recent Anthrax attacks, the intentional introduction of certain animal or plant diseases into the United States would result in massive needs for diagnostic testing, even in states without confirmed cases.

There are at the national level efforts to coordinate and enhance local efforts. One example of this kind of program is the proposed National Animal Health Laboratory Network (NAHLN). Similar efforts are being made to establish an integrated nationwide system of food laboratories through the formation of the Counter Terrorism Food Emergency Response Network (FERN) by the federal Food and Drug Administration. Adequate qualified laboratory testing capacity has proven time and again to be a critical component in dealing with disease outbreaks.

Despite progress in these areas, resources are needed immediately to support development of enhanced veterinary diagnostic laboratory capacity, food and milk safety testing, and plant inspection to support the development of an enhanced surveillance network.

Response Systems

The accidental introduction of disease or illness has historically resulted in incidents limited in scope, number of individuals affected and geographic area involved. The intentional

introduction of disease has the potential to extend impacts over a wide area and involve a much larger population—either directly or indirectly through fear and other social disruption.

Systems designed to respond to incidents today need to be flexible and scalable—able to adjust to rapidly changing circumstances and expanding scope. NASDA urges all partners to join in the development of systems that seamlessly augment prevention and surveillance resources. Response will also require the coordinated communications systems in place to enhance overall preparedness. Response efforts for all agricultural emergencies are now addressed through the Incident Command System (ICS). It is imperative that standardized training and exercises be provided for all state and local officials that would be expected to participate in response activities.

Once a response has been initiated, NASDA further urges all partners to develop mechanisms for ensuring that placement and release of control measures are targeted as specifically as possible.. The ongoing viability of the food and agriculture industry will depend on its ability to restore operations to near normalcy as soon as possible. The release of quarantined product or animals for example should take place as soon as possible to aid in the recovery phase.

Incident Recovery

Rapid recovery will be critical to ensuring the ongoing viability of food and agriculture businesses affected by an incident. Recovery can be facilitated by:

- A Public Communications Plan. The Plan must address not only the details of the incident but also the attendant fear and potential social disruption. Maintaining consumer confidence will be an important factor in preserving the resiliency of our agriculture and food infrastructure.

- Disaster recovery funds provided to fairly compensate for the loss of livestock, crops, and other costs of the incident. NASDA recommends a comprehensive review of current emergency assistance authority and development of plans to mitigate shortcomings.

- Technical assistance and other support for farms and businesses.

15.5 FEDERAL FUNDING AND SUPPORT

Managing the short- and long-term consequences of terrorism is among the responsibilities of state and local government supplemented by the resources of the federal government. Issues related to activities such as initial response, animal quarantines, security in communities following an event, and short- and long-term recovery are some of the many responsibilities faced by state and local officials.

To date, federal support for state departments of agriculture has been very limited. Modest USDA support was provided to enhance animal and plant laboratories and to begin work on projects including rapid notification and other systems. While billions of dollars in funding was

provided through CDC to state health departments for uses including food security, cost share mechanisms and other barriers have all but excluded agriculture departments from receiving funds.

NASDA urges that immediate support be provided to departments of agriculture to enhance bioterrorism preparedness and response capacity across the nation. Further, funding is needed immediately for research in all critical aspects, and funds must be targeted not just to traditional defense research laboratories, but to institutions with expertise in food and agriculture issues.

NASDA urges that all federal homeland security funding, including funds earmarked for local jurisdictions, be distributed through the states and territories in order to enhance regional response capabilities within the states and territories and to advance the comprehensive homeland security strategy of each state and territory. Federal funds and technical assistance should be provided for the completion of state and local risk and threat assessments.

The Food and Agriculture Protection Strategy

Based on identified risks and vulnerabilities Congress should guide funding decisions. Federal funds are specifically needed to enhance or improve:

- Inspection, testing and surveillance activities;
- Information sharing through web-based and other electronic systems;
- Oversight of imported foods;
- Food, veterinary diagnostic and plant laboratory capacity;
- Epidemiology, investigation and traceback efforts;
- Standard training and certification;
- Risk mitigation;
- Animal identification and product traceback mechanisms;
- Threat, vulnerability, and risk assessment
- Research

Funding to state and local agricultural and food agencies needs to be dedicated on a long term basis through a predictable, multi-year mechanism to maximize the ability of local and state governments to plan for necessary program enhancements. Developing enhanced agriculture and food protection capacities requires a long-term commitment from the federal government to state and local agencies.

15.6 INCENTIVE AND MARKET FORCES

The food and agriculture industry has made significant investment in security where there has been a demonstrated need to reduce product loss due to theft or to ensure the safety of crops, food or livestock. Universal tamper resistant and tamper evident packaging was introduced after the famous Tylenol incident, and current domestic and international market trends are having an increasing impact on product identification and traceback.

But market forces alone are not likely to provide sufficient incentive for the investment in new security equipment and systems. Consequently, NASDA recommends that government partners cooperatively work to explore options for supporting and encouraging further investment. Additional issues that need to be considered include:

- Insurance
- Third-party verification of security protocols
- Evaluation of indirect benefits, such as improved operating efficiency and facility management
- Continuity of operations plans to assist in recovery
- Training for industry in incident management
- Low cost financing for new security investments
- Tax credits or other incentives for investment

16 Guiding Principles for Agricultural Competitiveness and Working Partnerships

Agriculture is an important force in the economic, social, and political fabric of America. Policy decisions for and about agriculture, from the Homestead Act that helped settle the West, to the development of our Land Grant college system, were essential building blocks of our society. Now, as America faces the information age and the technology revolution of the 21st century, policy makers must not forget the agricultural foundation that supports our place in the world. Moreover, since the United States has experienced terrorist attacks and it continues to monitor and plan against terrorism in all its forms, there will be an unprecedented focus on the integrity and safety of our farm to table food supply chain. This will be a challenge for producers and policy makers alike.

Farming and ranching are the foundations of our $1 trillion food and fiber business and nearly $60 billion in annual exports. Agriculture is a major contributor in our country's trade balance. This vast industry is not only essential to the economic health of rural America, it generates almost 16 percent of the total economic activity in the nation, as well as providing almost 18 percent of the country's jobs. This economic mainstay is rooted in the land resources of the country. More than 900 million acres of agricultural land is in the care of farmers and ranchers and their families, accounting for 60 percent of land use in the lower 48 states. Not only is a sound agricultural sector critical to the health and prosperity of our nation, it is essential to the environmental health of the nation as well.

However, the business of producing food and fiber is undergoing unprecedented change. Economic, environmental, consumer, and technological forces beyond the control of individual farmers and ranchers drive this change. And as we have learned, so too does the necessary defense of our nation. Federal and state policy makers need to be aware of these forces to make prudent policy decisions that will help position American agriculture to benefit from the opportunities this change will bring about. To ensure the future viability of our nation's production agriculture industry, it is clear that state and federal policy makers must work together.

NASDA's Guiding Principles offer certain priorities for federal policy. Those priorities include important new roles for states, especially in the area of program and service delivery. These concepts are put forth as an attempt to best serve the needs of our agricultural producers in an increasingly competitive worldwide marketplace.

16.1 PURPOSE

The commissioners, secretaries, and directors of the state departments of agriculture are keenly aware of the changing dynamics in food and fiber production around the world. As the chief agricultural officers in their states, they understand the importance of the entire food and agricultural sector — not only to their states but to the national economy as well. From their

vantage point comes the National Association of State Departments of Agriculture's (NASDA) comprehensive set of strategic policy initiatives designed to enhance U.S. agricultural competitiveness and ensure the survivability and enhance the profitability of American producers. Our purpose is to contribute to a wide-ranging and constructive debate on agricultural policy in the new century.

16.2 GUIDING PRINCIPLES

NASDA's policy process is guided by six principles designed to be the guidelines for a comprehensive, coordinated, agricultural policy. We urge federal policy makers to adopt similar guidelines.

Profitability and Viability

A financially healthy and profitable agricultural sector is essential to the production of a safe, fresh, and affordable food supply. Moreover, economically viable farming and ranching enterprises will enable producers to increase their efforts to maintain a healthy environment, protect our natural resources, and build stronger rural communities.

Level Playing Field

A financially healthy and competitive agricultural economy can only result from a fair marketplace — domestic and global — where efficient, productive farmers and ranchers have economic marketing and bidding power commensurate to their assets and production capabilities.

Non-Trade Distorting

American producers are among the most efficient in the world. Open international — and domestic — markets would not only benefit U.S. producers, but are a foundation upon which U.S. agriculture relies. Thus, NASDA's recommended polices are intended to be market-based and non-trade distorting, which means that certain safeguards may be pursued, such as access to information and reasonable but certain anti-trust enforcement.

Flexibility in Regulation

One size does *not* fit all. Government policies and programs should be flexible, and to the maximum extent possible, based on voluntary participation through incentive-based approaches. While regulations should be appropriately based on national goals, they should also be controlled and implemented at the state level.

Sound Science

The foundation of the agricultural sector has long been the development and adoption of science-based practices derived from reliable data and information. As business people,

agricultural producers have looked to science for the best information possible to make decisions. Sound, peer-reviewed science policies and methodologies for assessing risk must be the standard for government regulations and international trading rules.

Maximum Delivery Through States

New and expanded programs should emphasize the role of states in terms of delivery. Particular emphasis should be placed on partnerships and pilot projects.

16.3 A BROADER POLICY HORIZON FOR AGRICULTURE

The focus of farm policy has varied throughout history. The Agricultural Adjustment Act of 1933 established the first major price support and acreage reduction program and set parity as a goal for farm prices. Much of the policy infrastructure of today remains a legacy of that seminal 1933 act.

As American agriculture enters the 21st century, however, the traditional approach will not be enough to ensure adequate opportunities for success. The extent of global competition for U.S. producers has expanded into capital, tax burdens, labor supplies, environmental and regulatory constraints, food safety concerns, land costs, and the relative degree of access to foreign markets. In one sense, all of these factors can be viewed merely as different "forms" of risk to be managed.

16.4 MANAGING RISK

NASDA's ideas are built on the principle that the most effective agricultural policy is one that allows today's producers to manage all the risks they face in order to maximize their opportunities for profitability. U.S. farm policy should not guarantee that every farmer makes a profit; it should, however, provide an adequate "safety net" and a range of tools to manage risk, in all its forms, to ensure that good producers are not put out of business due to arbitrary forces beyond their control.

Indeed, risk goes beyond commodity price fluctuations. Broader economic changes, such as energy and fertilizer costs, are perhaps some of the biggest economic challenges facing producers today. The range of environmental and food safety challenges faced by farmers and ranchers are complex, involve a higher level of scientific scrutiny and uncertainty, and are influenced by a diverse mix of stakeholders and interests. Moreover, in today's global market producers face food security risks from animal health issues and plant diseases, both here and abroad. The goal of government policy at both the federal and state level must be to ensure that opportunity accompanies each new risk that faces American agriculture. Those risks are economic and environmental; and they are local and global. They come from both the marketplace and governmental policies. This broader, more encompassing concept of risk, should be what we mean when we use the terms "risk" and "risk management." And this broader meaning of risk management must, in turn, be the foundation of comprehensive

agricultural policy that is designed to both protect producers' assets and provide new market opportunities.

16.5 CORE AREAS FOR POLICY

NASDA has identified six core areas of a broad, risk management/opportunity-based agricultural policy. Together they encompass the elements that a comprehensive agriculture policy for the 21st century must include.

Farm and Food Security

Federal farm policy should provide an adequate safety net which ensures good producers are not put out of business due to forces beyond their control. Providing this safety net will assure consumers of a safe, affordable supply of food.

Stewardship

Protection of our natural resources and the safety of our food supply is a necessary element to any comprehensive farm and food policy.

Market Integrity, Opportunity, and Expansion

Whether in global trade or a local farmers' market, the integrity of the marketplace in terms of transparency, price discovery, and competitiveness, is paramount. Farm policy should also focus on what tools are necessary to find new market opportunities, through trade, new uses, or even new technologies from e-commerce to biotechnology.

Investments in Critical Needs

These critical needs encompass the infrastructure — both physical and economic — which runs the range from locks and dams, to research, to price discovery. These are the cornerstones to a viable agriculture sector.

Agriculture Flexibility and Partnership

To target and streamline the delivery of services and administration of selected programs to producers, states may assume the responsibility for implementing certain federal programs. With agriculture flexibility (Ag-Flex), states are encouraged to create innovative solutions to local priorities, with performance based on benchmarks. The potential is for a system that benefits federal agencies by better using the inherent local strengths and accountability of the states.

Biosecurity

Protection of the security of our nation's food and agricultural resources from deliberate or accidental introductions of harmful biological, chemical, radiological, incendiary or explosive

agents is critical. Biosecurity needs to include plants, animals, foods produced and stored as well as the equipment and chemical products used in agricultural production.

16.6 COOPERATIVE FEDERALISM AND ROLES OF THE STATES

(Updated September 2016)

NASDA Members play a critical role in food and agriculture policy in the United States. As regulators and advocates for the agriculture industry, NASDA's voice is unique in the nexus between the states and the federal government. NASDA members lead in areas ranging from food safety to resource conservation and promote agriculture locally and abroad. They and their departments are on the ground with agriculture every day yet, many of their federally-mandated programs have received fewer resources and more unfunded mandates year after year.

In a time of increased risk and challenges for the industry, federal legislation and regulations should work to promote economic stability while guaranteeing safe and accessible food.

This work must be a joint venture between the states and federal government. Looking forward, NASDA calls for a renewed commitment to Cooperative Federalism. It is critical this partnership between states and the federal government recognize and enhance the role of states in federal policymaking. Due to the importance of Cooperative Federalism in advancing agriculture, we promote the following principles:

1. Advancing the role of states—as co-regulators and not simply stakeholders—in the federal regulatory process

2. Ensuring federal legislation reflects the unique role states serve in implementing federal legislation

3. Increasing flexibility for state program delivery

4. Enhancing resources for states and no unfunded mandates

5. Supporting the roles and respecting the authorities of states