WASHINGTON REPORT January 15, 2014 Lee Van Wychen

Good News for FY 2014 USDA Budget

House and Senate appropriators are on the verge of passing an actual omnibus appropriations package. It's been pretty dismal over the past couple of years with continuing resolutions, sequestration, and no clear policy guidance. The conference agreement numbers released on Jan. 13 for USDA's research, education and extension initiatives were all quite positive.

The National Institute of Food and Agriculture (NIFA) is slated for \$1.277 billion, which is over \$100 million more than last year's sequester levels and the highest since 2010. The Agriculture and Food Research Initiative (AFRI) will receive its highest appropriation ever of \$316.4 million. The funding for federal land-grant capacity programs for research and extension will also receive some of the largest appropriations in recent memory. Smith-Lever 3b & c programs will get \$300 million, the highest level in at least a decade. The same can be said for the Hatch Act which will be funded at \$243.7 million in FY 2014. The Sustainable Agriculture Research and Education (SARE) program will also receive its highest-ever funding of \$22.6 million.

There is a new line item under the Integrated Activities section of the USDA NIFA budget called "Crop Protection/Pest Management Program." This line item combines the following five programs: Extension IPM Coordinators (Smith-Lever 3d), Regional IPM Centers, the Expert IPM System, the IPM Grants program, and the Pest Management Alternatives Program (PMAP). The Crop Protection program is funded at \$17.1 million in FY 2014. Congressional appropriators accepted USDA's Crop Protection proposal the second time around since, much to our relief, it did not include the IR-4 program. Last year, the House and Senate appropriators rejected USDA's proposal because IR-4 would have incurred indirect cost recovery of approximately 30 percent if they were moved from the Research activities account to the Integrated activities account. Under the USDA NIFA budget for FY 2014, IR-4 will receive \$11.9 million, which is over \$1 million more than last year's sequester amount.

Other USDA agencies also fared pretty well. The USDA Animal and Plant Health Inspection Service (APHIS), Agricultural Research Service (ARS), and Economic Research Service (ERS) all received their largest appropriation since 2011. In FY 2014, APHIS will receive \$821.7 million, ARS will receive \$1.122 billion, and ERS will receive \$78.05 million. The House and Senate did reject ARS's proposal to reallocate funds and it's proposal to close six more research locations in FY 2014.

Appropriators Include \$4 Million for Aquatic Plant Control Research

The U.S. Army Corps of Engineers' Aquatic Plant Control Research Program (APCRP) is the nation's only federally authorized program for research and development of

science-based management strategies for invasive aquatic weeds. For three years in a row now, the Administration has not requested any funding for APCRP. However, the Senate Energy and Water appropriators have understood the true value of APCRP and have recommended funding the program each year. It would be a grave mistake by the Corps' to eliminate the expertise and institutional knowledge encompassed by APCRP. Thankfully, the FY 2014 omnibus appropriations bill includes \$4 million for APCRP.

Farm Bill Fate "Udderly" Uncertain

Having grown up on a dairy farm near Green Bay, Wisconsin, I couldn't resist using some cow humor in these trying times. There have been a number of contentious issues delaying Farm Bill negotiations like food stamps and commodity support programs, but the biggest sticking point has been dairy policy. There are two entrenched camps of thought surrounding the dairy farm safety net. One is supply management and the other is margin insurance. Both have their good points and not-so-good points, but it appears that a new margin insurance plan could be the compromise. For USDA to hold down the cost of the margin insurance, the program's rates would be scaled back so that they do not provide an incentive to overproduce when market prices are low and costs are high. Let's just hope the negotiatons keep "Mooo-ving".

2, 4-D Resistant Crops Draft Environmental Impact Statement

On Jan. 3, USDA-APHIS released its Draft Environmental Impact Statement (DEIS) as part of its review to determine whether to deregulate genetically engineered corn and soybean plants that are resistant 2,4-D. APHIS is holding a virtual public meeting on **Jan. 29, 2014, from 5:00 - 8:00 p.m. EST** to receive comments on the DEIS, which analyzes the potential environmental impacts of one corn and two soybean varieties genetically engineered by Dow AgroSciences to be resistant to 2,4-D, and several other herbicides.

APHIS developed the DEIS after conducting a thorough scientific analysis and considering public comments received during a scoping process that helped inform the development of the DEIS. APHIS will consider all public comments made during the virtual meeting and through <u>www.Regulations.gov</u> before finalizing the DEIS and preliminary plant pest risk assessment, and making its final regulatory decision on the Dow petitions. The public comment period is open from now through February 24, 2014.

For complete details and supporting documents, please go to: http://www.aphis.usda.gov/biotechnology/meetings_24d_deis.shtml

Supreme Court Denies Hearing Organic Seed Growers Hypothetical Lawsuit

In March 2011, seed and organic groups and farmers preemptively filed a lawsuit against Monsanto seeking a ruling that they could not be held liable for patent infringement should their products or fields be found to be contaminated with Monsanto's GMO products.

The lawsuit is not based on an actual dispute over a farmer getting caught with Monsanto's licensed seed in a field (i.e. the Bowman case where he harvested his GMO beans and then replanted them next year), but rather an effort to bar such actions from being initiated by Monsanto. The district court dismissed the suit in February 2012, agreeing with an argument made by Monsanto that the plaintiffs lacked subject matter jurisdiction, finding "it is clear that these circumstances do not amount to a substantial controversy and that there has been no injury traceable to defendants." Later in 2012, the U.S. Court of Appeals also dismissed the case, thus the organic farmers and seed growers tried one last desperation attempt with the Supreme Court.

Monsanto has repeatedly told the plaintiffs that the company has no desire or intent to sue if their patented seed or traits are found in a farmer's field as a result of inadvertent means. Both the constitution and the Declaratory Judgment Act "do not permit federal courts to exercise jurisdiction over such artificial and hypothetical disagreements, engineered solely to advance a political position." The Supreme Court's decision not to review the case brings closure on the matter.

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