

AmericanHort 2020 Policy Priorities

Workforce Development

While industry employers are eager to hire every willing and able American that applies, for years, agricultural/horticultural employers have struggled to meet workforce needs solely from the domestic labor pool. The existing legal visa programs to access foreign workers – H-2A for growers and H-2B for seasonal non-agricultural jobs – are bureaucratic, oversubscribed, and straining under growing demand. Labor shortages mean domestic growers and employers are losing growth opportunities and market share to imports. U.S. GDP and job growth also suffer, since seasonal workers' contributions sustain two to three jobs in the surrounding economy. Statistics show that many of the most experienced and productive workers lack proper work authorization. AmericanHort favors reform that addresses the critical labor needs of employers while strengthening our foreign-labor visa programs and securing the integrity of our future workforce.

Streamlining and improving the H-2A visa program

The H-2A program is vital to greenhouse and nursery growers who are unable to find enough seasonal workers to meet their production and shipping needs. Yet the program is marred by high costs and bureaucracy. AmericanHort seeks legislative and administrative improvements to the H-2A program to reduce employer cost and process burdens in order to provide an affordable and efficient labor safety net to horticulture industry employers.

Providing relief to the H-2B visa cap and improving the program

The H-2B program is vital to landscape businesses across the country that struggle to find enough seasonal workers to sustain their businesses and supplement their American workforce during seasonal peaks. By enabling companies to staff up for these peaks, H-2B helps secure and sustain employment opportunities for U.S. workers in the landscape sector and the horticulture industry supply chain. AmericanHort supports immediate H-2B visa cap relief, permanent program reform, and better coordination among the federal agencies involved.

Securing America's domestic horticultural workforce

AmericanHort supports sensible solutions for current experienced, but unauthorized, nursery and greenhouse farm workers to earn legal presence and authorization to continue contributing in the horticulture sector.

Developing tomorrow's workforce

AmericanHort and its Horticultural Research Institute (HRI) foundation actively support scholarship, career development, vocational and apprenticeship programs to attract

people to horticulture. In addition to our internal efforts, we support policies that increase access to education for students interested in careers in the horticulture industry.

Business Best Practices

AmericanHort has a long history of involvement in federal policy debates with an eye toward ensuring members' business profitability and growth. Our members are mostly small, family-owned or closely held, horticultural businesses. Many are multi-generational, and many are diversified. Human resources, tax reform, and other small business issues affect all AmericanHort members, so our approach is to engage on issues that present special challenges for our members based on the nature of our industry.

Clarifying the Department of Transportation's "Agricultural Commodity" Definition

The "agricultural commodity" definition currently in-use by the Federal Motor Carrier Safety Administration (FMCSA) continues to lead to compliance confusion for horticultural crop growers. AmericanHort supports the explicit inclusion of nursery and greenhouse crops under the agricultural commodity definition, ensuring shippers are allowed access to an exemption for "Hours of Service" regulations available to those transporting highly perishable goods within a 150 air-mile radius.

Protecting Cash Accounting & Interest Expensing

Cash accounting and interest expensing are essential elements of industry accounting as many businesses rely on these practices to remain solvent. Modifying or eliminating these two practices would significantly hurt growth and sustainability not only for the industry but small businesses across the country. AmericanHort remains committed to ensure efforts to reform tax and accounting practices take into account the necessity of these tools.

Limiting ambiguity around internet sales taxes

Decided in 2018, the Supreme Court's ruling in *Wayfair v. South Dakota* allowed states to collect sales taxes from online businesses located beyond their borders. With increasing industry development of direct-to-consumer sales through the internet, this has the effect of potentially subjecting a retailer to over 12,000 taxing jurisdictions in 45 states. AmericanHort supports legislation and regulations that will:

- Limit ambiguity in the enforcement of state and municipal sales tax laws to across state lines;
- Impose reasonable exemption levels for retailers performing only small levels of commerce across state lines; and
- Streamline the collection and remittance of interstate sales taxes, thus limiting the cost burdens absorbed by sellers.

Protecting generational transfers with a realistic estate tax

With the horticulture industry experiencing many generational transfers, and with highly valued land and facilities, mitigating the burden of the estate tax remains a key priority in any

discussions of reforming the tax code. The Tax Cuts and Jobs Act doubled the Estate Tax exemption level to \$11.4M/taxpayer (\$22.8M/married couple), but those expanded limits are set to expire on 12/31/2025. AmericanHort will continue to monitor this issue and seek fairness and predictability into 2026 and beyond.

Streamlining international trade

AmericanHort continues efforts to modernize plant quarantine and certification programs to facilitate domestic and international trade in healthy nursery and greenhouse plants. Our key priorities include completing the “offshore cuttings pilot” and the domestic Systems Approach to Nursery Certification (SANC) programs as well as implementing the revised U.S.-Canada Greenhouse Grown Plant Certification Program.

Reauthorization of the “199A” qualified business income deduction

Owners of many sole proprietorships, partnerships, S corporations and some trusts and estates became eligible for a qualified business income (QBI) deduction beginning in 2018. This “199A deduction” allows non-corporate taxpayers to deduct up to 20 percent of their QBI and certain other incomes. AmericanHort supports efforts to reauthorize this provision, which is among several provisions of the Tax Cuts and Jobs Act that are set to expire in 2025.

Support for the Risk Management Agency’s study into greenhouse crop insurance

The 2018 Farm Bill instructed the USDA’s Risk Management Agency to conduct research and development on a policy to insure the production of floriculture, nursery, and bedding plants, or the establishment of cuttings, seedlings or tissue culture in a controlled environment such as a greenhouse. AmericanHort will be monitoring developments to ensure better risk management options are available for our growers.

Sustainable Plant Production and Use

Plants and managed landscapes deliver benefits to local economies as well as human health and well-being. But successful plant production and use often depends on the availability of water, nutrients, and pest management tools. To that end, AmericanHort supports a science-based framework governing access to these critical inputs, while leading the way on developing and instituting industry-wide best management practices and sustainable management technologies. Our priorities include:

Protecting the science-based federal regulatory framework

Federal laws administered by the Environmental Protection Agency govern pesticide registration and worker protection. We believe that policies and decisions on these critically important subjects must be made and implemented following best available scientific research.

A commitment to Best Practices

AmericanHort and the Horticultural Research Institute (HRI) foundation believe in the potential for industry-wide adoption of best management practices (BMPs) for pest management,

pollinator health, and protection of the environment. We will continue efforts to advance these BMPs with stakeholders in the business community and throughout the government.

Support for the IR-4 Project

The IR-4 Project develops data to facilitate regulatory approval of sustainable pest management technology for specialty crops, including environmental horticulture crops, to promote public health and well-being. Funding for the IR-4 Project has remained flat for many years at \$11.9M annually. Coupled with rising research costs and service fees, IR-4's impact is diminishing. From 2016-2018, the number of field trials has decreased 21% in the Environmental Horticulture Program alone. We support increasing IR-4's budget by \$8M annually to restore and expand its capacity to better protect horticulture crops from devastating pests.

Research and Innovation

Research is often key to resolving challenges that have regulatory or other implications, and support for ample research funding is an integral component of our advocacy efforts. Beyond the Horticultural Research Institute's own direct research funding, we support funding for federal research programs and activities. To build on the momentum of AmericanHort's successful advocacy in the 2018 Farm Bill, we support funding the following successful research and innovation programs:

Floriculture and Nursery Research Initiative (FNRI)

The Floriculture and Nursery Research Initiative (FNRI) is a unique partnership involving USDA's Agricultural Research Service (ARS), universities, and industry (including AmericanHort and our Horticultural Research Institute foundation). It is often held up as a model for other industries. FNRI is vital to our industry efforts to overcome pest and diseases challenges, enhance the efficiency of our production practices, develop and promote sustainable growing practices, and advance the economic, environmental, and human health benefits of our industry's products and services. AmericanHort supports sustaining the FNRI program's funding, including the maintaining the additional \$1M Congress provided in FY18 and FY19 into FY2020.

National Clean Plant Network

AmericanHort supports continued investment in the National Clean Plant Network, a public-private partnership, supported by USDA, which protects key sectors from pathogen threats by providing access to pathogen-tested accessions of the newest varieties of tree fruit, berry, roses, and other high-value horticultural crops.

Specialty Crop Block Grant Program

The Specialty Crop Block Grant Program exists to enhance the competitiveness of specialty crops, including "horticulture, nursery crops (including floriculture), fruits, vegetables, tree nuts, and dried fruits." AmericanHort supports continued funding for the Specialty Crop Block Grant Program at the Farm Bill-authorized level of \$85M annually.