Greetings from Versant Strategies.

The PA Winery Association, a Versant client, marked PA Wine Day on October 15th with proclamations from the Governor and the PA Legislature. To commemorate, Secretary Greig visited Shade Mountain Winery in Mifflinburg where all four college-educated children returned to the farm and joined the business. Check out the photo and caption on the PDA website at www.agriculture.state.pa.us

The Pennsylvania Department of Environmental Protection offers grants and loans for everything from Brownfield Remediation to Alternative Fuels incentives. To check eligibility and more details, log on to their website.

The PA Senate and House are in session this week with a full legislative agenda. Debbie monitors the daily activity and keeps us abreast of any new issues. Please call our office if we can be of specific help.

Sincerely,

MeeCee

**Articles of Interest**

**Pennsylvania News:**

**New Gas Regulations**
The Environmental Protection Agency is developing new rules to govern the treatment of water used in hydraulic fracturing while drilling for natural gas. The rules would require extra steps to remove contaminants before water is released into natural water sources.

**National News:**

**No New Dust Regulations**
The Environmental Protection Agency announced that it will not tighten restrictions on dust from agricultural operations. The proposed regulations would be burdensome to producers and could put many small farms out of business.

**Offering Drought Assistance**
Farmers across the country are pitching in to help producers in drought-stricken states that are out of feed and hay for their livestock. Truckers are also donating time and resources to transport hay to affected areas and several restrictions on shipping have been lifted temporarily.

**Increasing Veterinary Oversight**
US officials are struggling to find a balance between addressing public-health concerns related to antibiotic resistance and providing appropriate drugs for livestock production. It is likely that more veterinary oversight will be required in the future to administer medications.

**Global News:**

**Chinese Corn Consumption**
China recently purchased over 900,000 tons of American corn, despite expectations for a record corn crop in China. Although China was once a net exporter of corn, growing livestock production has led to increasing demand which will influence corn prices in global markets.

**Opportunities for Korean Trade**
Leaders at the US Meat Export Federation noted the value of recently-approved free trade agreements, especially the access to South Korean markets. The deal will eliminate 40% Korean import tariffs over a period of 15 years.

**New Japanese Rules**
Japanese policymakers are considering changing requirements for beef imports, allowing the US to sell beef from animals as old as 30 months. The decision is not finalized, but reflects reduces concerns over BSE in US beef and low domestic Japanese production.

**Livestock Vital Worldwide**
The use of animals for food and livelihood is critical across the globe. This is especially important when considering regions such as Africa- where much of the population is often malnourished and children do not get the essential nutrients that they need. Meat consumption allows for proper physical and cognitive development.

**Cattle Management Articles:**

**Scours Vaccinations**
Producers can work to prevent scours problems by vaccinating cows in the fall. This allows the cow to develop antibodies which will be passed to the calf in her colostrum. Vaccinating early help to maximize antibodies and avoids handling cows too close to calving.

**Calculating Calf Gain**
When the decision is made to background calves it is important to know how much the calves will grow before marketing. By knowing the nutritional value of the feed as well as the energy requirements of the animals, producers can calculate an expected rate of gain.

**Understanding Tax Regulations**
Tractorlife.com is offering a free webinar aimed at educating farmers about tax rules and how to take advantage of tax breaks on their operations. The one hour program will take place on November 15 and producers can register online.

**Technology for Grading Beef**
USDA has introduced cameras and computer software at processing plants across the country to improve the consistency of grading on beef carcasses. A certified USDA grader still remains on hand to correct problems and oversee the grading process.

**Animal Handling Training**
The American Meat Institute and Alchemy Systems worked together to develop training materials for workers at processing plants. The lessons cover humane animal handling
procedures and ensure that workers are following USDA requirements and industry best practices.

10-23-2011  **U.S. offering loans for buying and running farms**  
The U.S. Department of Agriculture's Farm Service Agency is offering Socially Disadvantaged and Beginning Farmer Loans designed to help some people purchase and operate farms. Socially disadvantaged groups include women, blacks, American Indians and Alaskan Natives, Latinos and Asian and Pacific Islanders.... - *Reading Eagle*

10-19-2011  **PFB: Connection Established for Farmers Needing Commodities after Weather Losses**  
(Press Release)

10-19-2011  **State ag secretary sows seeds for Berks farm tour**  
|More * Keeler Electric * Reifsnyder Ag Center * Summer Mountain Woodworks Related Articles If you go [+] Enlarge. (2 pictures) - Buy This Photo Reading Eagle: Ryan McFadden see more photos by Ryan McFadden State Secretary of Agriculture George Greig, center, at Geissler Tree Farms... - *Reading Eagle*

10-18-2011  **Farmers Facing Loss of Subsidy May Get New One**  
By WILLIAM NEUMAN It seems a rare act of civic sacrifice: in the name of deficit reduction, lawmakers from both parties are calling for the end of a longstanding agricultural subsidy that puts about $5 billion a year in the pockets of their farmer constituents. Even major farm groups are accepting the move,... - *New York Times*

10-18-2011  **Inheritance tax a burden to small businesses and family farms, unmarried people**  
By Eric Boehm, PA Independent HARRISBURG — Pennsylvania’s inheritance tax often is a difficult financial hardship for families with small farms and businesses, but eliminating it would force lawmakers to cut $800 million from programs in the state budget. The state imposes the inheritance tax on the transfer of real estate and... - *Primos Delaware County Daily and Sunday Times*

### Legislative Activity

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<th>Bill Number</th>
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<td>HB 439</td>
<td>Mustio</td>
<td>Act prohibiting certain licensees from knowingly employing illegal aliens; and imposing sanctions.</td>
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**Companions:**

- **HB 1773** Mustio  (Refiled from 09R Session)

**Printer Number(s):**

- P0410  P2502

**Bill History:**

- 10-24-11 H Set on the Tabled Calendar

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<td>HB 858</td>
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<td>Act prohibiting employment of illegal aliens; requiring participation in</td>
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E-verify Program as a condition for Commonwealth contracts or grants; prohibiting business tax deductions for certain compensation; & authorizing private cause of action.

**Companions:** [HB 2033](#) Metcalfe (Refiled from 09R Session)

**Printer Number(s):** P0896

**Bill History:**
- 10-18-11 H Meeting set for 10:00 a.m., Room G-50, Irvis Office Building ...House State Government
- 10-18-11 H Passed over in committee House State Government
- 10-18-11 H Meeting set for Off the Floor, Room G-50, Irvis Office Bldg. ...House State Government
- 10-18-11 H Passed over in committee House State Government
- 10-25-11 H Meeting set for 9:00 a.m., Room 205, Ryan Office Building ...House State Government

**SB 390**  
**Brubaker**  
Amends Title 75 (Vehicles) further providing for vehicles exempt registration & use of farm vehicle plates; in commercial drivers, for definitions, periodic vehicle inspection w/out certificate, for securing loads & for width of vehicles.

**Companions:** [SB 1323](#) Brubaker (Refiled from 09R Session)

**Printer Number(s):** P0375  P1681

**Bill History:**
- 10-18-11 S Meeting set for 10:00 a.m., Room 8E-B, East Wing ...Senate Transportation
- 10-18-11 S Voted favorably from committee as amended Senate Transportation
- 10-18-11 S Reported as amended Senate Transportation
- 10-18-11 S First consideration
- 10-24-11 S Set on the Senate Calendar

**SB 1297**  
**Baker, L**  
Act providing for a Small Business Flood Relief Program; making an appropriation; and providing for termination of the program.

**Printer Number(s):** P1684

**Bill History:**
- 10-18-11 S Filed
- 10-18-11 S Introduced and referred to committee on Senate Community, Economic & Recreational

**SB 1298**  
**Smucker**  
Amends the Pennsylvania Farmland and Forest Land Assessment Act further providing for definitions and for land devoted to agricultural use, agricultural reserve, and/or forest reserve.

**Printer Number(s):** P1685
Capitol Review
Inside the walls of the State Capitol it has been very quite. Lawmakers returned to put the finishing touches on a bill that executes a state takeover of Harrisburg, to no one’s surprise. On Thursday, Governor Tom Corbett affixed his signature to the bill, and the takeover begins.

Meanwhile, a federal judge has scheduled a hearing in late November on city council’s petition for putting the city into Chapter 9 bankruptcy. Thompson and Corbett are teamed up on the side of “this is a bad idea” while four city council members are pushing the rock up the hill.

We recently learned that the Pittsburgh metropolitan area is home to the highest percentage of structurally-deficient bridges in the country, with 30% of the spans holding that designation. This is particularly troubling in a city that, as we all know, is surrounded by three rivers.

Apparently, this report was just a bridge too far for a powerful GOP State Senator, who announced that he is introducing a package of bills to make good on the recommendations of the governor’s task force on infrastructure funding. Centre County lawmaker Jake Corman officially becomes the man who grabbed the transportation bull by the horns. The governor’s office offered a somewhat muted response, as did the House GOP leadership. But make no mistake; this was a huge step.

Governor Corbett claims that the state is losing out on about $390 million in annual revenue from online sales, which typically happens without anyone remitting sales/use tax. He also said he wants that loot back, and wants it now. Corbett is obviously not the first governor faced with this so-called Amazon problem, so we’ll see how creative his team can get when trying to wrench just shy of $400 million from online retailers who, we are quite sure, don’t want to part with just shy of $400 million.

While the vote was largely symbolic in nature (because the U.S. Senate won’t ever take it up), the U.S. House voted to allow states to determine how to dispose of coal ash, as new potentially-tougher federal regulations loom on the horizon. This is obviously worth watching here in Pennsylvania, as we still burn a lot of coal. This is essentially another shot at the Environmental Protection Agency, the little regulatory outfit that has become everyone’s favorite punching bag these days.

In other federal news, the Obama Administration announced that it is scrapping its new long-term care program designed for the elderly and disabled due to cost concerns. Lots of folks pointed to this incident as evidence of the impending collapse of Obamacare. We pointed to it as another instance where the problem of caring for our elderly and people with disabilities persists, despite whatever political wrangling goes on around it.

The creation of a new agency designed to deal with drug and alcohol issues in Pennsylvania has been put on hold indefinitely, as Corbett Administration officials try to figure out how to fund it. This strikes us as a wee bit odd, since it was created at the time the last state budget was passed. Apparently nobody remembered to put the new agency on the expense side of the ledger when the fiscal year budget was passed, leaving it with the awkward status of being created by law but not funded.

Some school districts are finding a novel new way to deal with funding cuts and revenue shortages: selling sponsorships. We guess it was just a matter of time, since ESPNU is now also televising high
school football games. On the bright side, kids won’t be learning about capitalism from a boring old textbook, they’ll be living it.

The ongoing kerfuffle between health care giants Highmark and UPMC has caught the attention of state lawmakers. It was not a pretty show. It began with the state Insurance Commissioner saying he was largely powerless to force two companies to reconcile, and ended with not-so-veiled threats about new legislation designed to tighten the regulatory screws. Despite the media firestorm and now the legislative intervention, Highmark and UPMC seem to be content to fight.

Allowing Sunday hunting in Pennsylvania could generate upwards of $800 million for the Pennsylvania economy, we learned from a new study recently released. Anyway, don’t get too excited, this issue has been studied quite a bit, and it never seems to get enough critical mass to end up on the governor’s desk.

That’s all from Versant Strategies. Have a great week!

**In Other News**

10-23-2011  
**Many condemn cuts to education made by the state**
To make up for its share of the $1 billion in budget cuts that the state dealt education last year, the Bethel Park School District dropped 13 teaching positions and cut the hours of five full-time teachers in half. The district no longer offers a summer reading program, and the only field... -  *Pittsburgh Post-Gazette*

10-23-2011  
**State voter ID measure expected to see some changes in Senate**
HARRISBURG -- A hotly debated bill that would require voters to show a government-issued photo ID before they could cast a ballot will undergo changes to lengthen the list of acceptable IDs, a key Pennsylvania state senator said Friday... - *AP*

10-23-2011  
**Corbett won't rush plan to increase transportation funding**
Gov. Tom Corbett said on Friday he is in no rush to offer a long-term plan to increase transportation funding, despite calls to put more money right away toward Pennsylvania's crumbling infrastructure and strained transit systems. "I don't have a deadline in mind of this year. This General Assembly ends... -  *Pittsburgh Tribune-Review*

10-23-2011  
**Liquor sales, shale fee fight for spotlight**
HARRISBURG - The juggling of agendas competing for the spotlight is emerging as a major theme mid-way through the fall legislative session. Marcellus Shale impact fees. Selling the state-owned liquor stores. Expanding school choice programs. Plugging a gap in transportation funding.... - *Wilkes-Barre Citizens' Voice*

10-20-2011  
**Governor Corbett Signs Senate Bill 1151**
(Press Release)

10-20-2011  
**GOP lawmaker drafts funding plan to fix Pa.'s roads, bridges**
HARRISBURG -- A key Republican lawmaker is trying to jump-start discussions about funding improvements to Pennsylvania's crumbling roads and bridges and ailing public transit systems. Sen. Jake Corman, R-Centre, chairman of the Appropriations Committee, said... - Pittsburgh Post-Gazette

10-20-2011 Revenue chief: 40 percent chance of recession in 2012
State leaders are bracing for the possibility of a second recession as tax revenue that continues to fall below expectations threatens to drag Pennsylvania's budget back into the red. The state collected $250 million less than expected during the past three months, Revenue Secretary Dan Meuser told 40 members of the Penn Hills... - Pittsburgh Tribune-Review

10-20-2011 Sunday hunting could generate $804 million in Pennsylvania
HARRISBURG, Pa. -- Pennsylvania could generate up to $804 million in economic activity by allowing Sunday hunting, according to a bipartisan legislative study released Wednesday... - AP

10-20-2011 Pa. senator challenges Corbett on transportation
HARRISBURG - A top state senator says he plans to introduce legislation to pump another $2.5 billion a year into Pennsylvania's transportation system and is challenging Gov. Corbett to come up with his own plan... - AP

10-19-2011 Legislators seek to intervene in Highmark-UPMC dispute
At Harrisburg hearing, stance on Highmark split criticized Wednesday, October 19, 2011 By Tracie Mauriello, Post-Gazette Harrisburg Bureau HARRISBURG -- Health officials were on the hot seat Tuesday during a hearing on legislation aimed at forcing UPMC to negotiate a new contract... - Pittsburgh Post-Gazette

10-19-2011 Surge in energy costs push wholesale prices up in September
WASHINGTON -- A surge in gas costs drove wholesale prices up in September by the most in five months... - AP

10-19-2011 Lawmakers: It's time for legislative remedy to UPMC-Highmark war
Democratic lawmakers from Western Pennsylvania on Tuesday called for Gov. Tom Corbett to get involved in efforts to break the stalemate between health care giants UPMC and Highmark Inc. as they push legislative solutions. The months-long standoff between UPMC, the dominant hospital network in the... - Pittsburgh Tribune-Review

10-19-2011 Privatization efforts could benefit Pa. in many ways
By Charlie Gerow □ □ T□he bankruptcy of our capital city is a national embarrassment. Although Harrisburg has taken the unprecedented step of formally filing for bankruptcy, cities across the commonwealth are struggling with choking debt and overstrained budgets. Solutions to these situations are difficult, but... - Harrisburg Patriot-News
5 legislators propose $50M jobs package
Five Democratic female state senators on Tuesday will push a package of six bills aimed at providing jobs and job training programs for thousands of women, minorities and youth at an estimated annual cost of $45 million and $5 million in tax credits. The senators will discuss their efforts for job... - Pittsburgh Tribune-Review