

Ohio Farmers Union

Proposed Special Orders of Business

for 2017

As Submitted to the Delegates to the 83rd Annual Convention
Columbus Airport Marriott
January 27-28, 2017



Special Order of Business
2017-01
Current Agricultural Use Valuation

The Ohio Farmers Union supports further efforts to improve the Current Agricultural Use Valuation (CAUV) Law, so that farmers can pay reasonable real estate taxes and remain productive and help to feed the world. Specifically, the Ohio Farmers Union endorses any legislation to come before the Ohio General Assembly, including any budget bills, that would:

1. Update and clarify computations of the CAUV and help Ohio farmers and woodland owners stay on their land and preserve and protect “conservation” and woodland acres in Ohio.
2. This legislation should improve the formula for determining CAUV values for real property taxation in Ohio and clarify and better define the factors used to determine the capitalization-interest rate component used in the CAUV calculations.
3. This legislation should also provide that CAUV land used in a conservation practice, either state or federal program, would be valued at the lowest value assigned on the basis of soil type. Woodlands should be included at ‘0’ (zero) value, as is the case in many states. The conservation requirement would encourage farmers to engage in practices that protect the environment and water quality. Currently, under the CAUV rules, farmers are discouraged from participating in these programs because the farmland is taxed as though it is producing crops. The legislation would provide that conservation acres under CAUV would be valued at the minimum values used in the formula which would be appropriate because these lands are not producing any crop income. Woodlands would be valued at ‘0’ (zero) value.

All these improvements, plus others to come, are desperately needed to alleviate the skyrocketing increases (200-300%) in farm real estate taxes over the last few years, which have lead to a heavy and unwarranted “tax burden switch” onto the backs of local rural taxpayers. This tax relief must be granted if Agriculture is to remain the number one industry in Ohio!

Special Order of Business
2017-02
Maintaining Link Between Agricultural Policy and Public Nutrition

The Ohio Farmers Union believes that it is critical to maintain the linkage between agricultural policy and public nutrition in the Farm Bill. We recognize the importance of this historic partnership among taxpayers, producers and consumers. Ohio Farmers Union is committed to working with other groups in Ohio to keeping the nutrition title in the Farm Bill.

Special Order of Business
2017-03
Maximum Livestock Carrying Capacity for Ohio Watersheds

The Ohio Farmers Union applauds the Governors of Ohio, New York, Pennsylvania, Michigan and the province of Ontario, for their commitment to reduce nutrient runoff into Lake Erie by 40%.

We support the thousands of voluntary conservation initiatives already undertaken by farmers. We also support industry certification initiatives such as the 4Rs program, as well as the modest regulatory initiatives enacted by the Ohio General Assembly (OGA) and the Ohio Dept. of Agriculture. (ODA) Cumulatively, these actions have helped to reduce runoff and improve water quality.

Despite all those initiatives, scientists say that much more will be needed from all sectors, including agriculture, in order to meet the 40% reduction goal. We strongly believe that most farmers are judicious in their use of nutrients and stand willing to do their part in reducing nutrient runoff and improving our region's water quality -- providing that all sectors of the economy are being treated equally.

Because most farmers take great care to guard against nutrient losses, it follows that much of the nutrient runoff is likely to come from a small number of farms, where nutrients may be applied improperly or at excessive rates. Crop farmers, who normally purchase their nutrient supplements from commercial sources, are unlikely to over apply, due to cost considerations. However, livestock farmers, who accumulate nutrients in the form of manure, often find their stockpiles far exceed their cropland's nutrient needs.

In order to achieve the 40% reduction goal, The Ohio Farmers Union supports the adoption of the following actions, which we believe could result in very significant nutrient runoff reductions:

- 1.) ODA, working with the Ohio Environmental Protection Agency (OEPA), should develop a "Maximum Livestock Carrying Capacity" (MLCC) for each sub-watershed within the Western Basin of Lake Erie (and eventually statewide).
 - a. This MLCC will reflect the total amount of nutrients produced by all livestock within the sub-watershed – balanced against the total nutrient demands for growing crops in the sub-watershed, when applied at agronomic rates.
 - b. The OGA should expand the obligation of ODA to include permitting responsibilities that include Medium CAFOs as well as Large CAFOs.
 - c. ODA should not approve any permit for the construction or operation of any Animal Feeding Operation (AFO) if the balance between manure nutrient load and growing crop demand will be exceeded. Any new permits that might exceed the MLCC balance must be accompanied by a concrete, detailed plan to export the manure to another sub-watershed where the MLCC has not been exceeded.

Special Order of Business
2017-04
Ensuring Same or Better Coverage as Affordable Care Act

While the Ohio Farmers Union supports universal healthcare, we supported the creation of the Affordable Care Act as a good first step in fixing our nation's health care system. To date, the ACA has benefited nearly 700,000 Ohioans who are now covered through the Healthcare Marketplace, through the expansion of Medicaid benefits or who have been allowed to remain on parents' health plans. The ACA also guarantees minimum standards for all insurers to meet and ended anti-consumer practices like refusing coverage to people with pre-existing conditions.

While we acknowledge that there are components of the ACA that need reform, we oppose calls by the Trump Administration and some leaders in Congress to repeal the ACA. We believe that problematic aspects of the ACA should be fixed or any full-scale repeal should be accompanied by a replacement plan that provides the same or better coverage as afforded by the ACA.

Special Order of Business
2017-05
Dairy Pricing Reforms

The Ohio Farmers Union stands in common cause with groups like the National Family Farm Coalition who are petitioning the USDA to conduct a national hearing on dairy pricing.

Today, dairy farmers in Ohio and elsewhere are being paid below the farmers' cost of production for their milk.

The Ohio Farmers Union calls for USDA to hold a national hearing aimed at producing a new milk price formula. We also support the National Farmers Union proposal to refund premiums paid by dairy farmers into the Margin Protection Program.

Special Order of Business
2017-06
Former Prison Farms Should Be Placed in Community Land Trust

The Ohio Farmers remains greatly disappointed in and opposed to the state of Ohio's closing of its penal farms. We believe that these enterprises taught inmates the value of hard work and provided vocational skills. We are also disappointed in the fact that these enterprises were closed and sold in a matter of weeks and with little transparency.

The Ohio Farmers Union calls upon the state of Ohio to make the over 12,000 acres of publicly-owned penal farm land made available for lease to young farmers of limited resources. We encourage the state to encourage the establishment of a community land trust for this purpose.

Special Order of Business
2017-07
Treatment of Woodlands in Ohio Property Tax System

Woodland landowners want to be taxed at \$0/acre. It would override all current Real Estate taxes charged to woodland landowners. It would not otherwise change the ongoing Ohio CAUV or OFTL programs from the landowner perspectives. It would be effective for the 2017 tax year. It should be clearly publicized by Ohio Dept. of Taxation and County Auditors to become a factor in every woodland owner's decision making.

Woodlands are identified as lands which are qualified in the Ohio Forestland Tax Law and also in the CAUV program as entirely woodlands or for portions rated as woodlands on farms. This means a high percentage of the 100,000 owners of CAUV parcels and all 2,900 owners of OFTL parcels would be automatically included. The new \$0/acre tax rate would also be open to most of the 142,000 woodland owners with 10 acres or more who do not yet participate in OFTL or CAUV programs. The \$0 tax/acre incentive will significantly boost the participation level to about 200,000 woodland owners and while protecting more than half of the 8.1 million total acres of Ohio's woodlands.

The reasons for this request are CAUV taxes have been increased by 300-600% and without any credit for woodland benefits to clean drinking water and clean air. These benefits are conservatively estimated at \$100/woodland acre/year (\$67 for water treatment and \$33 for CO₂ sequestration). Woodlands protect the public from stricter environmental regulations and from having to invest in more costly treatment facilities. These benefits have been provided by woodland owners at no cost to the general public. Also, the cost of local services for woodlands is much less than for any other type of land use.

This \$0/acre tax rate would also help prevent the loss of the raw material (timber) for Ohio's \$22 billion forestry industry which employs 119,000. Meanwhile woodland owners are just breaking even or losing \$10-20/acre especially under current tax burdens and this adds pressure to divest of woodlands. Eleven other states have the \$0 tax/acre tax incentive to protect woodlands from an increased rate of fragmentation or development. Iowa's \$0 tax for woodlands was enacted in 1906.

Woodland owners' support of a \$22 billion/year industry with 119,000 jobs plus a conservatively estimated \$500 million/year in pollution control benefits compared to the estimated \$60 million in tax reductions is a benefit to cost ratio greater than 350:1.

Funding to state of Ohio agencies is to be continued to oversee and provide education for woodlands programs. The estimated \$60 million in current woodland taxes should be shifted from woodland landowners to a small fraction of a percent tax surcharge on all other real estate to balance state and local budgets.

Special Order of Business
2017-08
Disposal Wells

The Ohio Farmers Union recognizes the growth in Ohio's oil and gas industry. We further note that along with our own state's wastewater from oil and gas operations, Ohio is accepting the hazardous wastewater from other states.

Much of this waste is being deposited in Class II injection wells throughout the state, many of which are older wells of suspect strength and construction.

Ohio Farmers Union urges state of Ohio officials to immediately place a moratorium on the further use of Class II injection wells for disposal of wastewater from fracking and other oil and gas operations.

OFU urges the state of Ohio to regulate that any new disposal wells that are intended for waste from horizontal hydro fracturing meet Class I standards which are more robust and overseen by the Ohio Environmental Protection Agency.