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# THE FEDERAL WEEKLY REPORT

IMPORTANT NEWS FROM WASHINGTON D.C.

## NATIONAL MALL SHOWCASES MODERN FARM IMPLEMENTS FOR NATIONAL AG DAY

Agri-Pulse writes that equipment companies and industry groups rolled in equipment and set up tents for the Celebration of Modern Agriculture on Monday and Tuesday, an event sponsored by the Association of Equipment Manufacturers that was held on the National Mall. With Capitol Hill and the Washington Monument in the background, members of Congress, government officials, and roughly 16,000 visitors wandered the booths as they talked to vendors and learned about high-tech farm equipment.

Among the technology up for display was an X9 combine from John Deere, which the company had to ship to a local dealer and then move through the city

from there, according to Chad Passman, the public and industry relations manager for North American agriculture at John Deere.

Clean Fuels Alliance America, a group advocating for expansion in the biodiesel, renewable diesel and sustainable aviation fuel industries, displayed sanitation trucks that ran on 100% biodiesel. The trucks are part of the larger District of Columbia municipal fleet.

Agriculture Secretary Tom Vilsack, Senate Agriculture Committee Chairwoman Debbie Stabenow, and industry leaders all toured the exhibits.

## SENATE AG LEADERS SET FARM BILL TIMELINE

Senate Agriculture Committee Chairwoman Debbie Stabenow (D-MI) and Ranking Member John Boozman (R-AR), both told The Hagstrom Report that their plans are to write a new farm bill in 2023.

The current farm bill expires Sept. 30, 2023. There have been rumors that Republicans don't want to write a new farm bill until after the 2024 presidential election.

But Stabenow said after a hearing that the committee is still on track to write the bill in 2023. Stabenow noted that there will be field hearings in her home state of Michigan and in Boozman's home state of Arkansas in the next few months, and after that there will be title-by-title hearings on the bill.

# SCOTT SUMMONS MEATPACKING CEOS FOR HOUSE AG HEARING

House Ag Committee Chair David Scott (D-GA) announced Monday the plans for an April 27 hearing in a statement. He then clarified at the Agri-Pulse Ag and Food Policy Summit that the hearing would include the CEOs of the so-called “big four” meatpackers, if they accept the committee’s invitation.

Rep. Glenn Thompson, the committee’s ranking member, expressed some frustration over the hearing and the “direction” of the committee.

“If there has been manipulation or wrongdoing by packers, then the law needs to be enforced under the existing authorities at both USDA and DOJ,” Thompson (R-PA) said in a statement. “Unfortunately, this hearing — scheduled with zero input from Republicans — has the appearance of a political charade designed to further this Administration’s narrative of blaming

industry executives, instead of the Democratic party’s own reckless spending, for skyrocketing inflation.”

Julie Anna Potts, president and CEO of the North American Meat Institute, pointed to hearings on the subject that have already taken place – two in House Ag and additional oversight by the House Judiciary and Senate Judiciary and Agriculture committees – and said the group would offer familiar thoughts at the upcoming hearing.

“The Meat Institute and its members have already made themselves available to Chairman Scott and all Members of Congress on several occasions to help improve the understanding of the beef markets,” she said. “This hearing will be no different. The questions have been asked and answered.”

# UKRAINE: RUSSIA’S ATTACK ON AG SECTOR IS DEVASTATING

Agri-Pulse reports that Ukraine used a special session of the World Trade Organization’s agriculture committee to charge that Russia is targeting Ukraine’s ability to feed both its own people as well those in countries that rely on its ag exports.

“Ukraine accused Russia of continual bombardment of critical infrastructure, major ports, grain storage facilities and agricultural land and equipment,” a Geneva trade official said Tuesday.

“Information gathered by Ukraine showed that Russia stole and blockaded cargo ships with grains from Ukraine ports and prevented humanitarian aid passing through and delivering food aid to people close to starvation.”

The United Nations Food and Agriculture Organization launched a [Ukraine crisis webpage](#) to integrate up-to-date information on the situation with FAO’s response. The page includes a visualization of Ukraine’s crop calendar accompanied by a timeline of FAO’s emergency response and articles about the impact of the war on global food security.

# EU OPENS CONSERVATION LAND; U.S. GROUPS URGE CRP RELEASE

With the war in Ukraine dragging on, farmers in the European Union are going to be allowed to plant crops on conservation acreage this spring, and there is new pressure on the Biden administration to do the same, reports Agri-Pulse.

On Wednesday, the European Commission announced a series of measures to aid the ag sector, including about \$550 million in direct payments “to directly support farmers most affected by higher input costs and the closure of export markets.” The commission also will

allow farmers to plant crops on fallow conservation acreage without taking a cut in what are called “greening payments.”

In the U.S., the American Farm Bureau Federation has joined grain and oilseed processors in [urging USDA to allow cropping of Conservation Reserve Program](#) acreage that is classified as prime farmland or is less environmentally sensitive. Agriculture Secretary Tom Vilsack has so far resisted that idea.

# US, JAPAN REACH AGREEMENT TO EASE US BEEF EXPORTS TO JAPAN

Trade Representative Katherine Tai and Agriculture Tom Vilsack late Wednesday announced that the United States and Japan have reached an agreement to increase the beef safeguard trigger level under the U.S.-Japan Trade Agreement, writes The Hagstrom Report.

The new three-trigger safeguard mechanism will make it less likely that U.S. exports will reach the levels that trigger the safeguard provision that allows Japan to impose higher tariffs.

A senior U.S. official told reporters late Wednesday in a telephone call that the real importance of the agreement is that Japanese importers will not be faced with higher tariffs on U.S. beef.

The senior U.S. official said negotiations had been going on for almost a year, but Tai and Vilsack credited U.S. Ambassador to Japan Rahm Emanuel, who was well known for strong-arm tactics when he was mayor of Chicago, served in Congress and worked in the Obama White House.

The U.S. official said the date on which the agreement will go into effect is not certain because the text must be published and the Japanese Diet must approve it.

“The United States, in consultation with Japan, will publish the final text of the agreement at the soonest, appropriate time,” USTR said in its official release.

# LAWMAKERS URGE ITC TO REVERSE COURSE ON FERTILIZER DUTIES

Dozens of House lawmakers are urging the Biden Administration’s International Trade Commission and Commerce Department to rethink decisions to allow duties on imported fertilizer from Morocco and stop the process to hit exports from Trinidad and Tobago, reports Agri-Pulse.

“Eliminating these duties on fertilizer imports provides the most immediate opportunity for a near term, partial remedy to the high costs of fertilizer facing U.S. farmers before the end of the 2022 planting season,” [the lawmakers wrote in a letter to Jason Kearn](#)s, chairman of the U.S. International Trade Commission. “Currently, in a time of tight global supply and demand for corn, soybeans, wheat, and other commodities, planting decisions are increasingly being made not on market fundamentals but rather on the cost of production driven by the price and supply of fertilizer.”

The ITC and Commerce Department ruled last year to slap steep duties on phosphate from Morocco and Russia. The U.S. is collecting cash deposits on imports of urea ammonium nitrate solutions (UAN) from Russia and Trinidad and Tobago in preparation for final duty rulings.

OCP, one of the largest global players in phosphate fertilizer, is laying the groundwork to recapture lost U.S. market share. Strong demand, coupled with high U.S. prices, farmer desperation and Capitol Hill outrage are all part of the game plan.

“Even though we’re temporarily out of the U.S. market because of these duties, we’re still here and we’re not going anywhere,” OCP North America CEO Kerry McNamara told Agri-Pulse.

# FARM GROUPS URGE STRONGER USDA ENFORCEMENT OF ‘BUY AMERICAN’ RULE

Fifty-one farm groups, trade associations, farmer co-ops and agribusinesses on Tuesday [urged Agriculture Secretary Tom Vilsack](#) to strengthen President Biden’s “Buy American” executive order as it applies to USDA’s National School Lunch and School Breakfast programs.

“[W]e strongly believe that the guidance related to Buy American needs to be strengthened and a uniform waiver procedure developed for food products not

produced or manufactured in the U.S. in sufficient quantity and quality to meet school demands. Our school food authorities need clearer, simpler, and definitive guidance,” the groups wrote. “A uniform waiver procedure for food products not produced domestically (i.e., bananas, pineapple, spices, etc.) or not available in sufficient quantity would reduce unnecessary regulatory burdens and paperwork for school food authorities.”

# FARM GROUPS URGE STRONGER USDA ENFORCEMENT OF 'BUY AMERICAN' RULE (CONTINUED)

The letter urged USDA to focus its efforts on food distributors as well, including those serving many rural areas.

"Additionally, as USDA looks to revitalize our supply chains, emphasis should be placed on increasing the number of suppliers willing to serve low population

areas of our country. School food authorities need options and should not be forced to buy foreign products because their sole supplier does not stock a sufficient supply of domestically produced items," the groups state. "At the end of the day, as long as the 'significant cost differential' exemption remains, we essentially have no Buy American requirement for school meals."

## EPA ADDS CLIMATE MITIGATION CHARGE TO AG ADVISORY COMMITTEE

EPA Administrator Michael Regan has asked the agency's ag advisory committee to analyze how the agency's policies and programs should help farmers address climate change, reports Agri-Pulse.

An EPA document announcing the new charge lists several topics for the committee to address, including alternative manure management, better greenhouse gas emissions quantifications for biofuels, reduction of food waste, water management and quality issues, and "evolving pest pressures due to climate change."

The document says the committee's recommendations "should be rooted in EPA's foundational value of scientific integrity with a commitment to ensuring environmental justice for all communities."

"By identifying voluntary, incentive-based opportunities; public-private partnerships; and market-based approaches, EPA can support farmers and ranchers in their efforts to reduce emissions, sequester carbon, and accelerate a more resilient food and agriculture system," the agency said.

## ETHANOL INDUSTRY SEES HOPE IN LIFTING OF BRAZILIAN IMPORT TARIFF

Brazil's decision to lift its 18% tariff on all U.S. ethanol as of Wednesday through the end of the year has given the U.S. ethanol industry hope Brazil will import U.S. ethanol, writes The Hagstrom Report.

Geoff Cooper, president and CEO of the Renewable Fuels Association; Ryan LeGrand, president and CEO of the U.S. Grains Council; and Emily Skor, CEO of Growth Energy, said in a joint statement, "We are pleased to see the temporary elimination of the 18% tariff, which should improve access for Brazil's ethanol consumers as well as help meet its own decarbonization goals. This is an issue we have been working on for a number of years in meetings and correspondence with officials from Washington to Brasilia.

"We welcome this decision and see it as an opportunity to continue discussions with Brazil to expand the global use of low-carbon ethanol, reduce barriers to trade and elevate its prominence in energy discussions. Our hope is that with this action, Brazil and the U.S. will share with third parties the vision of free and open global ethanol markets.

"We will continue to pursue a long-term, open and mutually beneficial ethanol trading relationship with Brazil as we work to make this temporary reduction permanent. We look forward to continuing to work closely with USDA and USTR to return to a fair and reciprocal trading relationship with Brazil regarding ethanol."

## EPA AG ADVISER: E15 WORK UNDERWAY

With the start of the summer driving season fast approaching and year-round E15 sales no longer an option, EPA's Rod Snyder said on Thursday the agency continues to work to restore those sales, *reports DTN/Progressive Farmer*.

Snyder said EPA is working with several states, looking at how the law could be used to restore year-round sales at least for 2022. Specifically, he said, the Clean Air Act allows the governor of a state to file new requests for a 1-pound psi volatility waiver to allow for gasoline ethanol blends like E15 to be sold.

"This action has the potential to increase the availability to E15 in the summer months," Snyder said.

Snyder said there is another EPA meeting scheduled with Ricketts' office and the governors of seven Midwest states.

"While it is too early for me to comment on this option," he said, "please know that we are having meaningful conversations with people within the administration about how domestically produced biofuels can be a benefit during these unprecedented times."

## EPA CONSIDERS SOME CONTINUED USE OF CHLORPYRIFOS

The Environmental Protection Agency is considering how to allow some continued uses of chlorpyrifos in the future, even though the chemical's use on food crops has been revoked.

EPA says it's discussing with registrants the possibility of amended labels for chlorpyrifos products that currently allow both food and non-food uses, "as the food uses will need to be cancelled." In addition, the agency told Agri-Pulse "there are a few cases where food uses on the label could be amended to become non-food uses," such as for cattle ear tags or use on non-fruit-bearing trees.

The insecticide cannot be used on food crops this growing season, the result of a court decision last year from the 9th U.S. Circuit Court of Appeals that found EPA had not complied with the Federal Food, Drug and Cosmetic Act.

The agency has asked registrants to request voluntary cancellation by March 30, after which it will start involuntary cancellation proceedings.

## NGFA TO STB: ACT ON RAIL SERVICE DISRUPTIONS

National Grain and Feed Association President and CEO Mike Seyfert wrote Surface Transportation Board Chairman Marty Oberman today that rail customers are not being adequately served by the Union Pacific, Burlington Northern Santa Fe and Norfolk Southern railroads.

In the short run, NGFA asks STB "to request plans from these rail carriers to bring rail service up to an acceptable

level and to request weekly rail service updates," Seyfert wrote.

"In the long run, NGFA requests for STB to have rail carriers provide annual service assurance plans to help reduce the probability of future widespread rail service disruptions."



# CANADIAN PACIFIC RAILWAY, UNION REACH AGREEMENT

The Teamsters Canada Rail Conference and Canadian Pacific have agreed to final and binding arbitration. In such a process, both parties agree to accept the arbitrator's decision as final. The rail workers returned to work on Tuesday, March 22.

"CP is pleased to have reached agreement with the (Teamsters Rail Conference Canada union) Negotiating Committee to enter into binding arbitration and end this work stoppage," said Keith Creel, the company's president and CEO.

"The decision to agree to final and binding arbitration is not taken lightly," says Dave Fulton, TCRC spokesperson

at the bargaining table. "While arbitration is not the preferred method, we were able to negotiate terms and conditions that were in the best interest of our members."

"We are very pleased normal operations are resuming at one of the major transporters of agricultural products," said Mike Steenhoek, executive director of the Soy Transportation Coalition. "Every additional day of the shutdown would have imposed a compounding negative impact on agriculture and the broader economy."

# FDA LAUNCHES AGRICULTURAL WATER ASSESSMENT BUILDER

The U.S. Food and Drug Administration (FDA) has released a new user-friendly online Agricultural Water Assessment Builder, [Feedstuffs reports](#), to help farmers understand the proposed requirements for an agricultural water assessment in the Agricultural Water Proposed Rule.

If finalized, the proposed rule would require farms to conduct systems-based agricultural water assessments to determine and guide appropriate measures to minimize potential risks associated with pre-harvest agricultural water.

The Agricultural Water Assessment Builder prompts users to answer questions and/or fill in information specific to their farms. Information entered into the tool is not shared with the FDA and will not be saved. However, users have the opportunity save or print the information they provide to their local computers.

The tool incorporates information from the Agricultural Water Proposed Rule, the Final Qualitative Assessment of Risk to Public Health from On-Farm Contamination of Produce, and the 2015 Produce Safety Final Rule.

# FDA ISSUES STAY IN YOGURT RULE; IDFA UPSET

*The Hagstrom Report* writes that the Food and Drug Administration on Tuesday said in a [Federal Register notice](#) it is providing a "stay of the effectiveness of certain provisions" of a final rule on yogurt published in the June 11, 2021, Federal Register.

The final rule amended the definition and standard of identity for yogurt and revoked the definitions and standards of identity for lowfat yogurt and nonfat yogurt. FDA is publishing this notification in response to objections timely filed in accordance with regulatory requirements.

International Dairy Foods Association President and CEO Michael Dykes said in a news release that the dairy processors group had "forcefully objected" to the rule but was disappointed that the stay was the result.

"Yogurt makers have been waiting 40 years for the FDA to update and modernize the yogurt standard of identity," Dykes said. "Today, the FDA issued a notice telling us to keep waiting — and threw in a whole lot of uncertainty, to boot."

# SEC RULE MAY FORCE BETTER TRACKING OF CUTS IN AG CARBON EMISSIONS

A [proposed rule](#) approved 3-1 by the Securities and Exchange Commission on Monday would require publicly traded companies that have set goals for shrinking their carbon footprint emissions to start reporting on the progress they are making in cutting emissions in their supply chains.

The 510-page proposal is intended not only to provide investors with more information on what companies are doing to address climate change but also to force the standardization of how progress on emissions is tracked and disclosed.

Companies also would be required to disclose when they purchase carbon offsets, including credits generated from farm practices such as cover crops or no-till farming, to offset their emissions.

In an analysis of the rule, the consulting firm Michael Best Strategies said the rule is likely to be modified significantly before it is finalized and that it is likely to be challenged in court.

The commission will be taking comments on the proposed rule until May 20, or 30 days after the proposal is published in the Federal Register, whichever period is longer.

# FTC AND JUSTICE DEPARTMENT HOST LISTENING FORUM ON MERGERS AND ACQUISITIONS

On Monday, March 28, the Federal Trade Commission and U.S. Department of Justice will host a [virtual listening forum](#) to hear from those who have experienced firsthand the effects of mergers and acquisitions in food and agriculture.

This is the first part of a four series event that will also cover Health Care, Media and Entertainment, and Technology at the subsequent three events.

FTC Chair Lina Khan and Assistant Attorney General Jonathan Kanter will attend the event and provide brief

remarks, along with several other speakers. Following the speakers' remarks, the public is invited to share a two-minute comment on how mergers and acquisitions in agriculture have affected them.

The forums will supplement the agencies' recent request for comments on merger enforcement guidelines to ensure that the agencies hear from affected groups who might not otherwise participate in the process.

# DEERE TO ROLL OUT 'SELF-REPAIR' RESOURCES

John Deere announced today that next year it will give customers the ability to download software updates directly to equipment with 4G internet connections, writes *The Hagstrom Report*.

Deere and other companies are under pressure to make it easier for farmers to repair their equipment themselves. Sen. Jon Tester, D-Mont., has introduced a bill to give farmers the "right to repair" equipment.

"John Deere is continuously innovating, developing, and bringing to market new technologies and solutions that enable our customers to be more productive, efficient, and sustainable," said Luke Gakstatter, senior vice president for aftermarket and customer support. "These enhanced self-repair solutions follow that same guiding

approach."

"Customers with connectivity already receive proactive maintenance through over-the-air software updates and diagnostic code information available to their smart phone," Gakstatter said. "The next step for us to digitize and enhance the repairability experience is to enable customers themselves to remotely download secure software updates to controllers."

The company also announced today that this May it will give customers and independent repair shops in the U.S. the ability to buy its diagnostic service tool called Customer Service ADVISOR directly through JohnDeereStore.com.