

November 15, 2018

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Classic Thanksgiving Dinner for 10 Cost Drops for the Third Year: AFBF

The overall cost of Thanksgiving dinner for 10 this year will be \$48.90, less than \$5 per person and 22 cents cheaper than last year, according to the American Farm Bureau Federation's (AFBF) annual survey of the cost of holiday dinner components. This is the third decline in as many years, AFBF said.

The group also surveyed the price of a traditional Thanksgiving meal from "popular food delivery services," confirming convenience comes at a price. Overall, the cost per person for a delivered meal was 60% higher at \$8 per person, or slightly more than \$80 for a group of 10 diners.

The turkey will cost a bit less this year, with a price tag of \$21.71 for a 16-pound bird. At about \$1.36 per pound, the cost is down about 3% from 2017, and the lowest since 2014, AFBF reported. The price reflects "an ample supply of turkeys" affordable for consumers.

Other price declines included a gallon of milk costing \$2.92, \$3.39 for a 10-pound bag of sweet potatoes, a dozen dinner rolls at \$2.25, and \$1.47 for a one-pound bag of green peas. Components costing "modestly more" than last year include cranberries, pumpkin pie mix and stuffing.

The annual survey uses 166 volunteer shoppers checking prices at grocery stores in 37 states, looking for the "best possible price" and uses special promotional coupons or purchase deals. In addition to the cost of a turkey, the survey looks at stuffing, sweet potatoes, rolls with butter, peas, cranberries, a veggie tray, pumpkin pie with whipped cream, coffee and milk. Amounts are calculated to include "plenty for leftovers," AFBF explained.

"Big Four" Smell a Farm Bill Deal; Roberts, Conaway Agree Consensus "Darn Close"

Senate Agriculture Committee Chair Pat Roberts (R, KS) and his panel's ranking member, Sen. Debbie Stabenow (D, MI), both declared they want a 2018 Farm Bill final conference deal as soon as this week, and after a November 15 meeting, Roberts declared "we're darn close." It all comes down to how cooperative House Agriculture Committee Chair Mike Conaway (R, TX) decides to be, and by all reports the Texas and Kansas lawmakers may be ready to declare victory as early as this weekend.

"We're close now. We've closer than we've ever been before," Roberts said after a meeting of the "big four" Farm Bill negotiators – he, Stabenow, Conaway and House agriculture panel ranking member

Rep. Collin Peterson (D, MN). "I'm very happy about the progress we've made," he said, adding the four will meet again "as soon as we can lock this up – we might even do it by phone" given Congress is in recess next week for Thanksgiving.

Earlier in the week, Roberts was more cynical. "Bottom line, we've got to get a bill. We can't just talk about this back and forth, and back and forth, and not get any solution. I'm sorry it has to be this way, but it is what it is," Roberts told reporters.

Both House and Senate leadership from both parties say enacting a Farm Bill this year is a top priority. Senate Majority Leader Mitch McConnell (R, KY), a conference committee member so he can protect his language legalizing industrial hemp production, said he talked with President Trump this week about lame duck priorities, telling reporters, "We will finish the Farm Bill before the end of the year."

"I feel like we're that turtle on the fence post – legs going 900 miles an hour, but we can't make any progress," Conaway said earlier this week. "We've got to get off the fence post." To that end, Roberts called the November 15 meeting to hash out a deal, putting an end to counter-proposals to what were deemed agreed-to titles. The November 6 midterm Democrat recapture of the House "changes the dynamic" of negotiations, Conaway acknowledged.

The 800-pound political gorilla in the mix remains House language to require a greater percentage of federal food stamp recipients to work or be in training to remain eligible for food assistance. Roberts said late this week a compromise on the nutrition title is evolving quickly, one that is a "mix" of Senate and House approaches to updating federal feeding/nutrition programs.

The Senate rejected the House work/training language, and the House countered with a proposal to make it tougher for states to get waivers from the federal requirements. Roberts said USDA should write new rules on state food stamp work waivers. The department said it has a rewrite almost ready to go, but Trump, who supports the House work/training language, has reportedly put the brakes on publishing the waiver proposal while Hill negotiations continue.

Conaway said there are a handful of "regulatory things" that need to be ironed out, and at the same time, distinct differences remain in the commodity title, including eligibility for programs, payments on base acres not planted to program crops, and payment limitations; capping on the Conservation Reserve Program (CRP) so it doesn't negatively impact land rental rates, as well as minor disagreements in the research and rural development titles, according to reports. "These are not things we can't work out," Roberts said.

Timing is critical if a final bill is to be signed by Trump by the end of the year. Given there are just 12 legislative working days left until the scheduled end of the lame duck, it's still hoped a general agreement on the draft conference report will be in hand this week, giving staff next week when Congress is in Thanksgiving recess to finalize language, get Congressional Budget Office (CBO) cost estimates and prepare the report for a full conference committee vote. Once approved by the full conference crowd, House and Senate floor votes must be scheduled, with the Farm Bill competing with other issues which need to be cleared by the end of the lame duck session.

This week was set to be the final stretch in Farm Bill negotiations, and Conaway and his ranking member, Rep. Collin Peterson (D, MN) – destined to be committee chair in the next Congress –

emerged from a November 12 meeting with little to talk about when it comes to a potential bipartisan House offer to the Senate on hurdles which still exist in reconciling the commodity, conservation and nutrition titles.

Stabenow told reporters there is consensus on trying to reach agreement on the draft conference report this week, and while Roberts agreed, he slammed Conaway for blocking compromises on at least six of the 12 Farm Bill titles. The Kansas lawmaker said he, Stabenow and Peterson are on the same page.

“Three of us think we have a very good Farm Bill,” Roberts said, acknowledging he was getting 11th-hour “counter-proposals” on various Farm Bill titles from the House. “I’m very troubled by the fact that we have agreement among three, but we can’t get the fourth one,” he added, accusing Conaway of being slow to respond to various compromise offers put on the table.

Conaway said “We’re going to get a deal done,” but added he wants to keep negotiations behind closed doors until an agreement is finally achieved. “Neither of us is gaining anything by whacking on each other in front of the press,” Conaway said.

Roberts, when asked after the November 15 meeting if he and Conaway were still locking horns, said, “Absolutely not. I love Mike; I love Mike – and I love Mike.”

116th Congress House, Senate GOP Leaders Elected, Pelosi Battles for Speaker, Opposition Goes Public

House Majority Leader Kevin McCarthy (R, CA) this week handily defeated conservative Freedom Caucus co-founder Rep. Jim Jordan (R, OH) to lock up the minority leader job come the 116th Congress in January when Democrats retake control of the House. Meanwhile, Senate Majority Leader Mitch McConnell (R, KY) and Minority Leader Charles Schumer (D, NY) were reelected on voice votes to lead their caucuses going into the new Congress.

The House will not elect a Speaker until January 3, 2019, along with other majority party leadership positions, though the caucus will nominate candidates for those slots on November 28. While the Speaker need not be a Democrat – the Speaker need not be an elected member of Congress, for that matter – current Minority Leader Nancy Pelosi (D, CA), who served as the first woman Speaker from 2007-2011, has declared her candidacy, and is in full-on campaign mode to retake the gavel. However, she’s confronting increasing sentiment within her own party that a new, younger, more progressive Speaker is called for.

Rounding out the elected slate of House GOP leaders are Rep. Steve Scalise (R, LA) who will serve as minority whip; Rep. Liz Cheney (R, WY), who will chair the Republican Caucus; new National Republican Congressional Committee (NRCC) Chair Tom Emmer (R, MN); Rep. Gary Palmer (R, AL), new Policy Committee chair; Rep. Mark Walker (R, NC), who will be Cheney’s vice chair at the GOP conference, and Rep. Jason Smith (R, MO), who will serve as conference secretary.

Senate President Pro Tempore honors, surrendered by the retiring Sen. Orrin Hatch (R, UT), go to

Sen. Charles Grassley (R, IA), the most senior Republican Senator and now in formal line of presidential succession.

Other Senate agriculture champions have ascended to leadership roles, including Sen. John Thune (R, SD), who moves into the GOP number two slot as party whip, replacing Sen. John Cornyn (R, TX) who stepped aside because of term limits. Sen. John Barrasso (R, WY) will be GOP Conference chair, and Sen. Roy Blunt (R, MO) will be Republican Policy chair. Sen. Joni Ernst (R, IA) defeated Sen. Deb Fischer (R, NE) in the only contested leadership race to become vice chair of the Republican Conference, marking the first time in eight years a woman has held a GOP Senate leadership slot.

The remainder of the Democrat leadership team stays the same, with Sen. Dick Durbin (D, IL) serving as minority whip and Sen. Patti Murray (D, WA) serving as assistant Democrat leader.

While the lack of a viable opponent remains Pelosi's biggest advantage in her run for Speaker, her message to those she's wooing to support her bid – she's met with the Hispanic Caucus, the Congressional Black Caucus and the Progressive Caucus – is direct: She's the best qualified/most experienced to protect Obama era victories, like the Affordable Care Act (ACA), and the Democrats need a woman at the table to deal with Trump. She says she's already locked up the votes she needs within her own caucus, a claim many dispute.

While her bid for a second speakership appeared to be a shoe-in to a second term, it may not be as smooth sailing as assumed. Some pundits are advising Pelosi "to be careful what you wish for" as Democrat supporters of a Speaker more reflective of the new make-up of the Democrat caucus claim they've locked up enough votes to block Pelosi in a floor vote.

Pelosi supporters, however, say they're tired of the "Never Nancy" contingent within the caucus, and vow to ensure fence-sitters understand "what the costs are...of not cooperating," and say they'll counter any move to elect a substitute candidate by denying 218 votes to "any other candidate not named Nancy Pelosi," reports *The Hill*.

The political complexion of the House Democrat caucus in the 116th Congress will be younger, more progressive, perhaps more inclusive, but certainly less bound to the old guard, which critics argue Pelosi represents. At least two dozen Democrats – 12 freshmen and 12 incumbents – publicly declared opposition to Pelosi retaking the Speaker's gavel during midterm election campaigning, and it's likely others share that view, but are staying silent.

Rep. Seth Moulton (D, MA) told *Rollcall* this week he's "100% confident" he and his 17 or so supporters have the commitments to deny Pelosi the 218 votes she needs to be elected Speaker, assuming all GOP members vote against her. The Moulton group, co-led by Rep. Kurt Schrader (D, OR), argues Pelosi opposition is much larger than it appears to be and that for a host of reasons – not the least of which is fear of Pelosi – opponents have stayed silent. The group has been actively courting newly elected freshmen to sign on to a letter along with incumbents asking Pelosi to step aside.

Moulton said the goal is to get Pelosi to bow out of the race early, not to defeat her on the floor, but both men declined to say how many members have signed the letter. However, they also said they'll force as many ballots as they need to defeat Pelosi if she insists on a floor fight.

The group plans to send its letter prior to the November 28 Democrat caucus leadership meeting at which point Pelosi will likely secure the caucus nomination to be Speaker needing only a simple majority of the caucus membership. The formal election vote is January 3.

Adding a new wrinkle to the game, Rep. Tom Reed (R, NY) said this week he and a group of other Republicans are willing to vote to elect Pelosi Speaker if she agrees to a set of 10 House rule reforms, or as one GOP staffer described it, “an overhaul of House rules.” Reed, co-chair of the House Problem Solvers Caucus, claims he’s got more than 20 colleagues willing to vote against her. While Pelosi says she doesn’t need the GOP support – “No, never,” she told a group this week – analysts say she would be well served to study the 10 or so proposed rule changes Reed and his caucus are espousing as they go to expediting action on bipartisan legislation and blocking procedural gambits designed to slow or derail floor action on certain bills.

Cautious Optimism Grows Around Trump, Xi G20 Meeting

An exchange of letters and memos, a rescheduled trip to Washington, DC, by China’s lead trade negotiator and a slap down of one Trump trade guru by a senior White House economic advisor gives hope to China-U.S. tariff watchers that President Trump’s dinner and one-on-one meeting with Chinese President Xi Jinping later this month during the G20 meeting in Buenos Aires, could yield at least the framework of a trade war solution.

Ambassador Terry Branstad, former Iowa governor and a close friend of Xi’s, was in Washington, DC, for meetings prior to the Trump-Xi meeting, and he confirmed the short-term goal of the G20 sit-down is a framework for ending the tariff tit-for-tat, and “hopefully, out of that can come the beginnings of a resolution for the trade issues.”

One fix sure to be discussed is resumption of Chinese soybean purchases as soon as any accord is reached, said USDA Deputy Secretary Steve Censky, who is the former president of the American Soybean Assn. (ASA). “We would want to make sure it (a deal) includes the commodities that we normally have exported there that have been affected by their retaliation,” Censky told a reporter. Soybeans are at the top of China’s list for tariff retaliation.

China’s Foreign Affairs Director and Politburo member Yang Jiechi, fresh off a meeting with Secretary of State Mike Pompeo, said he’s optimistic. “Let’s not forget how our two sides have successfully navigated through previous rough patches in our economic and trade relations,” Yang said. At the same time, China’s chief trade negotiator Liu He, who cancelled a Washington, DC, trip in September as trade tensions grew, is expected to be in the U.S. soon, “positive momentum” created by a November 1 phone conversation between Trump and Xi. China’s Vice President Wang Qishan told a Singapore audience this week, “Both China and the U.S. would love see greater trade and economic cooperation. The Chinese side is ready to have discussions with the U.S. on issues of mutual concern and work for a solution on trade acceptable to both sides.”

Meanwhile, White House trade advisor Peter Navarro, an arch conservative on China trade, caused market confusion when he told a private audience last week he wants Wall Street types who have business in China to cease “shuttle diplomacy” and to stay out of the mix over tariffs. Any deal with China “will be on President Donald J. Trump’s terms. Not Wall Street’s terms,” Navarro said.

However, White House chief economic advisor Larry Kudlow slammed Navarro in a CNBC interview this week, saying Navarro "was not speaking for the president, nor was he speaking for the administration. His remarks were way off base. They were not authorized by anybody. I actually think he did the president a great disservice."

Trade Notes

Tariff Assistance Payments Top \$835 Million – Growers of soybeans, wheat, corn, dairy and hogs are the largest recipients of the \$837.8 million paid out so far by USDA to try and temper the economic impact of the various tariff skirmishes President Trump continues to wage. The five states to which most of the direct payments have been mailed are Illinois, Iowa, Kansas, Indiana and Minnesota. Agriculture Secretary Sonny Perdue this week again reminded farmers the second tranche of tariff direct payments will be outlined "on or around" December 3. Those who applied for the first round of assistance are automatically eligible for the second round. The payments are based upon a producer's 2018 actual production, which is self-reported, so the department will be conducting "spot checks" on farmer data to ensure accuracy. "We want to make sure we're making the payment to the right person...in the right amount," USDA said. A total of \$12 billion has been earmarked for direct payments, surplus commodity purchases by USDA and joint government-industry trade promotion activities.

U.S, EU Close to New Deal on Increased Beef Exports – An increase in the U.S. share of the import quota of non-hormone treated beef that can be sold to the European Union (EU) is nearly finalized, according to reports from the EU this week. While the EU bans the use of growth hormones in beef production, the U.S. won a World Trade Organization (WTO) complaint in the late 1990s, and was given permission to slap tariffs on about \$117 million in EU exports to the U.S. In 2009, the U.S. ended the tariff punishment when the EU set up a 45,000-metric-tonne duty-free quota on imports of non-hormone, grass-fed beef, with the U.S. snagging about 35% of the quota. However, competition from other beef-producing countries inspired the U.S. to threaten a return of the tariffs if the EU didn't increase its quota.

Canada, U.S. Talking Steel Tariff Abatement; Canada Talks China Trade Deal(s) – The Canadian government is anxious to get out from under the U.S.'s 25% steel import tariff, so anxious it's begun informal chats with U.S. trade officials about creating a series of relevant quotas in exchange for President Trump's elimination of the steel levy, at least that's the word from the Canadian Ambassador to the U.S. David MacNaughton as reported by *Pro Canada* this week. At the same time, Canada's Trade Minister Jim Carr confirms his government is pursuing sector-by-sector trade talks with China, including agriculture and energy, in hopes of eventually creating a comprehensive bilateral trade treaty. Carr explained it's "imperative" Canada diversify its global trade as today 75% of its exports go to the U.S., a reality some contend hamstrung Canadian negotiations over NAFTA 2.0. On the steel tariff abatement, when Trump yanked an exemption to the steel tariffs enjoyed by Mexico and Canada during negotiations for a new U.S.-Mexico-Canada Agreement, Canada retaliated by slapping tariffs on about \$12.6 billion in U.S. exports, including some food and beverages. MacNaughton was quick to point out there's no need to reopen the USMCA to set the quotas.

NGFA Tells ITC the Good News About Grain Trade, USMCA

“Several significant advancements” in the North American trade of oilseeds, grains and “their derived products” will likely evolve thanks to the recently agreed-to U.S.-Mexico-Canada Agreement (USMCA), according to the National Grain & Feed Assn. (NGFA) in testimony before the International Trade Commission (ITC) this week.

However, the groups are disappointed the new treaty doesn’t provide access to investor-state dispute settlement procedures for agricultural trade as it does for oil and gas, power generation, telecom, transportation and infrastructure.

Randy Gordon, NGFA president, testified on behalf of his group and the North American Export Grain Assn. (NAEGA) at a public hearing on the ITC evaluation of the economic benefits of the USMCA. Gordon said that on balance, “(USMCA) can serve as a model for future state-of-the-art trade agreements.”

“The NGFA and NAEGA are pleased USMCA maintains and expands current agricultural market access and preserves the dispute settlement process for antidumping and countervailing duty cases, while modernizing the agreement to address the challenges of 21st century trade,” Gordon said. NGFA advocated throughout the negotiations that the U.S. “preserve and build upon current market access and tariff concessions” that were part of the old NAFTA treaty.

The benefits to the grain trade, Gordon said, include expanding current market access, maintaining dispute settlement processes for anti-dumping and countervailing duties, and significant improvements to reduce non-tariff trade barriers. The latter occur, he said, when export shipments are detained by customs officials at the border, and he praised inclusion in the new treaty of an NGFA-NAEGA “rapid-response mechanism” – requiring any border access restrictions to be explained within five calendar days – proposed by the two organizations.

“NGFA and NAEGA believe USMCA will help facilitate cross-border trade flows by addressing significant non-tariff trade barriers through higher levels of regulatory coherence and cooperation, the implementation of timelines and notifications for adverse import checks, the inclusion of steps to reduce the likelihood of trade disruptions involving products derived from agricultural biotechnology, the use of technical consultations to resolve SPS issues and requiring SPS standards be grounded in science, based upon appropriate risk assessments and implemented using accepted risk management procedures,” Gordon testified.

EPA Moving on Tougher Big Rig NOx Emission Standards

EPA this week announced its “Cleaner Trucks Initiative (CTI),” with plans for a 2020 rulemaking updating federal standards for nitrogen oxide (NOx) emissions from highway heavy-duty trucks for the first time in nearly 20 years, calling the plan “a clean air priority for this administration.”

The announcement was made by Acting EPA Administrator Andrew Wheeler at a press event where he was flanked by White House and state government officials, labor group representatives and leaders from the trucking and engine manufacturing industries.

Catching environmental group critics by surprise – one group called the action “one in a row for the Trump administration and the environment” – the action comes as the result in part of petitions from at least 20 organizations, including state and local air agencies, EPA said. The agency last revised NOx standards for on-road heavy-duty trucks and buses in 2001.

Over the last 10 years, U.S. NOx emissions have dropped by more than 40%, but EPA expects heavy-duty trucks will be responsible for one-third of NOx emissions from transportation in 2025.

“Updating these standards will result in NOx reductions from mobile sources and could be one important way that allows areas across the U.S. to meet National Ambient Air Quality Standards for ozone and particulate matter,” the agency said in a statement. “Updating the standards will also offer opportunities to reduce regulatory burden through smarter program design.”

ERS, NIFA Relocation Now Part of FY2019 Appropriations Battle

More than 60 technical, sustainable agriculture, economics, research and consumer groups turned this week to congressional appropriators in hopes of delaying any final action on Agriculture Secretary Sonny Perdue’s plan to move the Economic Research Service (ERS) and the National Institute of Food & Agriculture (NIFA) out of Washington, DC.

The groups are asking House and Senate appropriators currently hammering out a final version of the FY2019 ag/FDA spending bill to temporarily delay the move until an independent cost-benefit analysis can be conducted and a public hearing on the analysis and the overall move can be held.

“Our fundamental concern is that the proposal relocation and realignment will undermine the quality and breadth of the work these agencies support and perform – work that is vital to informing and supporting U.S. agriculture, food and rural economies,” the groups wrote in a letter to Congress. The groups are concerned the cost of moving the agencies could undercut operational budgets.

Jobs Needing Foreign Ag Labor Visas, Others Must be Advertised First: DOL/DHS

Jobs for which employers seek temporary foreign labor visas, including agriculture H-2A seasonal worker visas and H-2B nonagricultural visas, must be advertised on-line for at least 14 days before visas are applied for, according to a November 9 notice of proposed rulemaking announced jointly by the Department of Labor (DOL) and the Department of Homeland Security (DHS).

Agriculture Secretary Sonny Perdue said the rulemaking is a good idea because as he travels the country, one of the biggest concerns farmers raise is the shortage of legal farm labor. “Where American workers are not available, farmers turn to the H-2A program that is overly bureaucratic and cost prohibitive,” Perdue said. “Using regulations like this is one way to modernize H-2A to reach more American workers while providing relief to farmers.”

The government said the on-line advertising requirement will “modernize recruitment” and facilitate U.S. workers who may qualify for the jobs. The action is part of the DOL calculation of U.S. worker availability by requiring employers for foreign labor certification to “actively recruit” American workers.” Comments are due on the NPR by December 10.

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