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# Agri-Pulse farm bill preview: Key issues and proposals for each title

The House and Senate Agriculture Committees are still several months away from voting on a new farm bill, but the major issues in each of the 12 titles are coming into focus even as lawmakers continue offering new proposals they'd like to see included.

The bill is setting up to be more evolutionary than revolutionary, reflecting in part farm groups' satisfaction with the structure of the 2018 farm bill, as well as the tight budget environment and divided Congress.

Plus, the 2022 Inflation Reduction Act pumped \$17 billion into farm bill conservation programs with additional funding for clean energy and forestry programs that were priorities for President Joe Biden's climate policy.

The 2018 farm bill was "very effective" 'and tried and tested under some difficult circumstances," including the trade war with China and COVID-19 pandemic, ," House Agriculture Committee Chairman Glenn "GT" Thompson, R-Pa., said in an *Agri-Pulse* Open Mic interview.

"All of it's going to get critical analysis to make sure that we don't miss an opportunity for refinement. But ... what's the old adage? If it's not broken, don't fix it," Thompson said.



Top left: Senate Ag Chairman Debbie Stabenow, D-Mich. Top right: Senate Ag Ranking Member John Boozman, R-Ark. Bottom left: House Ag Ranking Member David Scott, D-Ga. Bottom right: House Ag Chairman Glenn Thompson, R-Pa.

Still, Thompson and the top Republican on the Senate Agriculture Committee, John Boozman of Arkansas, have pledged to provide for or some kind of increase in Price Loss Coverage reference prices. there There also are an array of issue that while relatively small in the grand scheme of

the \$1.5 trillion bill are important to key sectors, including producers of fruits, vegetables and other specialty crops who are looking to the farm bill in part to expand their crop insurance options and also help accelerate automation.

Advocates of major farm bill reform "likely believe that this is not the right farm bill to move very far to achieve their ends," said Ferd Hoefner, a farm policy consultant and former policy director for the National Sustainable Agriculture Coalition.



Ferd Hoefner, farm policy consultant

But Hoefner sees the potential for a fight with long-term implications over <u>bringing IRA funding into the farm bill in order to ensure that it can be used to permanently increase funding levels for conservation programs</u>. "The ability to turn short term IRA funding into long term farm bill funding could yield an additional \$60-plus billion dollars in future farm bill baseline looking out over the horizon of the next five or so farm bills toward agriculture's net zero goal by 2050," he said.

Here is a description of each of the 12 titles as well as a summary of the major issues in play and a listing of notable measures, known as marker bills, that lawmakers have introduced for possible inclusion in the farm bill.

# **Title I: Commodity**

What it does: Authorizes income-support programs — including the Agriculture Risk Coverage and Price Loss Coverage programs for grains, oilseeds, cotton and pulse crops — and the Dairy Margin Coverage program for milk producers. Disaster assistance programs for livestock producers and the Noninsured Crop Disaster Assistance Program (NAP) also are included in the title, as well as the Tree Assistance Program to help orchards and nurseries replant and rehabilitate damaged trees, bushes and vines.

**What it costs:** \$69 billion, or 5%, of the projected 10-year cost of farm bill programs through 2033, according to the latest Congressional Budget Office forecast <u>as analyzed by the Congressional Research Service</u>.

What's in play: Under pressure from commodity groups, the Republican leaders of the House and Senate Agriculture Committees have pledged to provide some increase in PLC reference prices. Under PLC, payments to farmers are triggered when the average market price for the year falls below the reference price. Commodity groups argue the reference prices don't reflect recent increases in market prices, despite an escalator provision that allowed the reference prices to rise by as much as 15% when the five-year average of market prices increases. The challenge for lawmakers is not only to find the money to address reference prices but to raise them in a way that doesn't pit commodities and regions against one another.

Some House Ag Committee members also would like to allow an update of PLC and ARC base acreage that would allow farmers without base to get into the programs. PLC and ARC payments are tied to historical cropping patterns rather than actual plantings.

Payment eligibility rules will almost certainly be an issue on the House and Senate floor when amendments are debated. <u>Leading the charge again in the Senate will be Iowa Republican Chuck Grassley</u>, who has long called for tightening the definition of being "actively engaged" in farming, a requirement for receiving payments. There also are proposals to modify the \$900,000 limit on adjusted gross income for eligible producers.

The National Milk Producers Federation says dairy producers should be allowed to update the production histories used for DMC coverage.

There had been some discussion about creating a permanent disaster assistance program but that has died down. There are several proposals in play to liberalize rules for the disaster assistance programs, including NAP and the Tree Assistance Program.

House Republicans also have eyed USDA's Commodity Credit Corp.



account as a potential source of funding for the farm bill. Reinstating restrictions on USDA's use of the CCC that were in place before the Donald Trump administration would save an estimated \$1 billion a year, according to the Congressional Budget Office. The restrictions face stiff Democratic opposition, however.

A handful of House progressive are proposing a sweeping overhaul of farm programs, the <u>Food and Farm Act</u>, which would eliminate the two primary income-support programs for row crops, Agriculture Risk Coverage and Price Loss Coverage, and increase conservation compliance requirements, which apply to crop insurance and conservation assistance as well as commodity programs. As of early July, the bill introduced by Rep. Earl Blumenauer, D-Ore., has just five co-sponsors, all Democrats.

#### **Notable marker bills:**

<u>S.2097</u> — Bipartisan proposal led by Sen. John Hoeven, R-N.D., to adjust rules for the Livestock Forage Disaster Program (LFP) and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP).

<u>S.2035</u> — Proposal by Sen. Mike Rounds, R-S.D., to expand coverage under the Noninsured Crop Disaster Assistance Program for crops and grasses used for grazing.

<u>H.R.1020</u> — The BAITS Act, sponsored by Rep. Barry Moore, R-Ala., would expand the Livestock Indemnity Program (LIP) to producers of farm-raised fish.

<u>H.R.1824</u> — The Food and Farm Act, led by Rep. Earl Blumenauer, D-Ore., would impose sweeping new limits on commodity subsidies and tighten eligibility rules, cutting the AGI limit from \$900,000 to \$400,000.

#### **Title II: Conservation**

What it does: Authorizes and provides mandatory funding for conservation programs. They include the Conservation Reserve Program, which pays landowners to retire environmentally sensitive acreage; the Environmental Quality Incentives Program, which provides cost-share assistance for practices, equipment and structures that address natural resource concerns; and the Conservation Stewardship Program, which provides annual payments to farmers who undertake conservation practices.

The Regional Conservation Partnership Program funds public-private projects. The Agricultural Conservation Easement Program pays landowners for protecting wetlands or preventing development of farmland.

Both EQIP and CSP have been oversubscribed in recent years, despite EQIP receiving a 10-year budget increase of more than \$1 billion in the 2018 farm bill.



cost of farm bill programs through 2033.

The conservation programs were projected to cost \$59.7 billion over 10 years under the 2018 farm bill. EQIP, CSP, RCPP and ACEP received a total of \$17 billion in additional new funding in 2022 through the Inflation Reduction Act for promotion of climate-smart farming practices. Under the budget reconciliation rules used to pass the IRA, the funding must be distributed by the end of fiscal 2031.

**What it costs:** Not counting the IRA funding, \$60 billion, or 4%, of the projected 10-year

**What's in play:** The biggest issue by far is whether to bring the IRA funding into the farm bill. The money could then be reallocated so that it could provide a permanent increase in funding for conservation programs beyond the 2031 cutoff date imposed by the budget reconciliation rules.

Senate Agriculture Committee Chairwoman Debbie Stabenow, D-Mich., would have to go along with moving the IRA money into the farm bill. She has insisted the funding remain dedicated to increasing adaptation of climate-related practices. The committee's ranking Republican, John Boozman of Arkansas, has said he respects that "red line."

The Conservation Reserve Program, which wasn't touched by the IRA, will likely receive some attention. Some producers would like to see CRP payment rates increased for the southern and western Plains to attract more acreage under CRP's general signup. Sen. Michael Bennet, D-Colo., argues the rates are too low.

On the other hand, <u>Sens. Chuck Grassley</u>, <u>R-Iowa</u>, and <u>Cory Booker</u>, <u>D-N.J.</u>, have called for reducing the overall acreage cap from 27 million acres to 24 million acres while increasing payments for more environmentally sensitive tracts that can be enrolled through rules of the Continuous CRP signup. Enrollment in CRP Grasslands and Continuous programs has been steadily increasing in recent years, while general CRP enrollment has declined in recent years, according to University of Illinois economists.

Other things to watch out for include a push by Prairie Pothole Republicans to <u>do away with the NRCS</u>'s ability to enter into permanent easement agreements, an effort to <u>increase funding for the Conservation Stewardship Program</u>, and a <u>proposal to create a small farm subprogram under EOIP</u>.

#### Notable marker bills:

- <u>S.1509</u> The Conservation Reserve Program Reform Act, led by Booker and Grassley.
- <u>S.174</u> The Conservation Reserve Program Improvement Act, led by Sen. John Thune, R-S.D., would permanently establish the State Acres for Wildlife Enhancement initiative under Continuous CRP and increase the CRP annual rental payment limitation from \$50,000 to \$125,000.
- <u>H.R.2975</u> A bill led by Rep. Kim Schrier, D-Wash., to permanently authorize the State Acres For Wildlife Enhancement initiative.
- <u>H.R.3779</u> A bill by Rep. Thomas Tiffany, R-Wis., would impose a one-year moratorium on CRP enrollment and restrict the type of land that could be put in the program after that.
- <u>S.1365</u> and <u>H.R.2942</u> The Conservation Reserve Program Amendments Act, proposed by Sen. Marco Rubio, R-Fla., and Scott Franklin, R-Fla., would allow enrollment of citrus acreage.
- <u>H.R.4425</u> The Food and Farm Act, a sweeping proposal led by Rep. Earl Blumenauer, D-Ore., would, among other things, bar concentrated animal feeding operations from EQIP and prioritize EQIP for projects that "demonstrably improve the quality of the environment."
- <u>S.1078</u> The NRCS Wetland Compliance and Appeals Reform Act, led by Sen. Mike Rounds, R-S.D., would bar the Natural Resources Conservation Service from signing permanent easements and would require USDA to establish state oversight committees to oversee appeals of wetland determinations.
- <u>H.R. 1459</u> The Precise Act, led by Rep. Ashley Hinson, R-Iowa, would increase EQIP and CSP assistance for precision agriculture technology.
- H.R. 708 The Climate Agricultural Conservation Practices Act, led by Julia Brownley, D-Calif., would require NRCS to consider climate concerns in revising conservation practice standards.
- <u>S.658</u> The EQIP Improvement Act, led by Booker and Sen. Mike Lee, R-Utah, would eliminate the requirement that 50% of EQIP funding go to livestock operations and reduce the payment limit from \$450,000 to \$150,000.
- <u>S.2180</u> A proposal led by Sen. Michael Bennet, D-Colo., to create a small farm subprogram under EQIP.

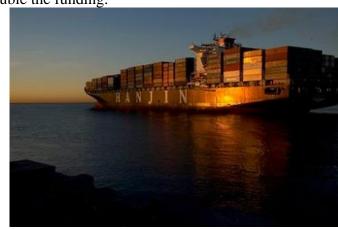
#### Title III: Trade

What it does: Promotes U.S. agricultural commodities to new and expanding foreign markets and provides international food and agricultural aid to mitigate the damage of foreign disasters as well as bring relief and stability to countries struggling to feed their people.

**What it costs:** \$5 billion, less than 1% of the projected 10-year cost of farm bill programs through 2033.

What's in play: Congress consolidated USDA's export promotion programs under the Agricultural Trade Promotion and Facilitation Program in the 2018 farm bill. Now, a broad array of commodity groups are <u>calling for increased funding for two of those programs – the Market Access Program (MAP) and the Foreign Market Development (FMD)</u>. Lawmakers in both the House and Senate have proposed bills to double the funding.

While MAP allows USDA and farm groups to share the costs of marketing and promotional activities that help build commercial export markets for U.S. agricultural products, FMD helps U.S. farm groups pay for their presence in international markets. The last time Congress increased funding for MAP was in 2006, and for FMD in 2004.



Some lawmakers are pushing to end any

use of Food for Peace funding for cash assistance rather than distribution of U.S.-grown commodities. A proposal led by Rep. Tracey Mann, R-Kan., would also require that at least half of Food for Peace funding be used for commodities and ocean shipping. Humanitarian groups strongly oppose the legislation, saying the prohibition on cash assistance could deprive aid to millions.

# Notable marker bills:

<u>H.R.648</u> and <u>S.176</u> – Bipartisan proposals led by Rep. Dan Newhouse, R-Wash., and Sen. Angus King, I-Maine, to double mandatory funding for MAP to \$400 million and FMD to \$69 million.

<u>H.R.4293</u> – The American Farmers Feed the World Act, led by Rep. Tracey Mann, R-Kan., would restrict Food for Peace – also known as P.L. 480 Title II – to providing U.S-grown food.

#### Title IV: Nutrition

What it does: Reauthorizes the Supplemental Nutrition Assistance Program and other nutrition assistance programs. SNAP has long accounted for the lion's share of spending under the farm bill, and its price tag has nearly doubled from the enactment of the 2018 farm bill, when its 10-year cost was estimated at \$664 billion, to the latest 10-year forecast of \$1.2 trillion. The title also reauthorizes food distributions, including The Emergency Food Assistance Program (TEFAP), which provides products to food banks, and several small nutrition assistance programs. Those include the Farmers' Market Nutrition Program and the <a href="Gus Schumacher Nutrition Incentive Program (GusNIP)">Gus Schumacher Nutrition Incentive Program (GusNIP)</a>.

School meal programs are largely funded through other legislation, but USDA's fresh fruit and vegetable program for schools is funded through this section of the farm bill.

What it costs: Nearly 84% of the projected 10-year cost of farm bill programs through 2033.

What's in play: Congress already had an ugly battle over work requirements during the debt ceiling bill negotiations, which resulted in expanding the requirements from 49-year-olds to 54-year-olds but also added new exemptions for veterans, homeless individuals and foster children graduating out of the system. Amendments may still come up during the farm bill related to work requirements, but Republicans may also push for tightening rules for states to get waivers from the work rules.

Another hot issue heading into the farm bill debate is <u>USDA's update of the Thrifty Food</u>
Plan, which is used to calculate SNAP benefits, following language in the last farm bill. Senate Republicans have been particularly upset with the process USDA used to make those changes, as many assumed the changes would be budgetneutral. While a few House conservatives would like to claw back the \$256 billion estimated cost increase of the TFP change, House Republicans are likely to focus more on imposing guardrails around future TFP updates.



(AP Photo/Nam Y. Huh) | (AP Photo/Nam Y. Huh)

Some lawmakers want to allow SNAP benefits

to be used for hot foods such as rotisserie chickens. But those products can be costly, and it could be tricky to avoid picking winners or losers in the deli case, a House Republican aide says. Still, the bill might allow the idea to be tested. USDA has allowed SNAP purchases of hot foods after natural disasters.

<u>GusNIP has gotten increased attention from advocates of "food is medicine,"</u> the idea that good nutrition can improve health outcomes, but <u>Senate Ag Committee Chairwoman Debbie Stabenow</u>, D-Mich., is playing down the prospects for a funding increase.

#### Notable marker bills:

<u>S.1488</u> — The EATS Act of 2023, not to be confused with a bill by the same name introduced by Sen. Roger Marshall, R-Kan., is the Enhance Access to SNAP Act of 2023, introduced by Sen. Kirsten Gillibrand, D-N.Y. It would permanently allow college students enrolled half-time or more to get SNAP benefits.

<u>S.1485</u> — The Healthy SNAP Act of 2023, proposed by Sen. Marco Rubio, R-Fla., would bar purchases of junk food with SNAP benefits.

<u>H.R.1550</u> and <u>S.1062</u> — The Jobs and Opportunities for SNAP Act of 2023, led by Rep. Jake LaTurner, R-Kan., and Sen. John Kennedy, R-La., would expand work requirements to adults up to age 65 and parents with dependents under 7 years of age.

<u>H.R.3474</u> and <u>S.1036</u> — Proposals led by Rep. Suzanne Bonamici, D-Ore., and Sen. Bob Casey, D-Pa., to increase the minimum monthly SNAP benefit for all participants and simplify the application and certification process for nutrition programs.

<u>S.497</u> and <u>H.R.1763</u> — Military Family Nutrition Access Act of 2023, led by Sen. Tammy Duckworth, D-Ill., and Jimmy Panetta, D-Calif., would exclude military housing allowances from income when determining eligibility for SNAP.

<u>S.949</u> and <u>H.R.253</u> — The Puerto Rico Nutrition Assistance Act, introduced by Gillibrand and Jennifer González-Colón, Puerto Rico's resident commissioner in Congress, would make the territory eligible as a state in SNAP. Food assistance in Puerto Rico and other territories is funded through block grants.

<u>S.2210</u> — The Rubio-proposed SNAP Education Allocation Modernization Act of 2023 would increase funding for nutrition education and obesity prevention.

<u>S.1474</u> — The Dairy Nutrition Incentive Program Act of 2023, led by Sen. Amy Klobuchar, D-Minn., to incentivize SNAP purchases of milk, cheese and yogurt by expanding the Health Fluid Milk Incentives Program.

<u>H.R.3037</u> and <u>S.1336</u> — The Closing the Meal Gap Act of 2023, led by Rep. Alma Adams, D-N.C., and Gillibrand, to change how SNAP benefits are calculated from the Thrifty Food Plan to the Low-Cost Food Plan.

<u>H.R.4149</u> and <u>S.2015</u> — Proposal by Rep. Lisa Blunt Rochester, D-Del., and Sen. Cory Booker, D-N.J., to <u>increase funding for GusNIP</u>.

# Title V: Credit

What it does: Authorizes lending by USDA's Farm Service Agency, modifies rules for the Farm Credit System, and authorizes the State Agricultural Loan Mediation Program.

According to the Congressional Research Service, FSA provides about \$13 billion of direct loans and guarantees another \$17 billion in loans made by Farm Credit institutions and commercial banks. Direct USDA operating loans are capped at \$400,000 while direct ownership loans are limited to \$600,000. Guaranteed operating and ownership loans are capped at \$1.8 million. Microloans are capped at \$50,000.

<u>The Farm Credit System</u>, a government-sponsored enterprise, is regulated by the Farm Credit Administration under rules somewhat different from commercial banks and is largely restricted to lending to agricultural entities, producers and harvesters of aquatic products, farmer-owned agricultural processing facilities, farm-related businesses, ag cooperatives, rural utilities, and rural home buyers.

What's in play: Several farm groups as well as the Farm Credit Council and representatives of the commercial banking sector have called for increasing FSA loan limits, citing inflation and rising land prices.

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Representatives of the Farm Credit Council asked the Senate Agriculture Committee to allow farm credit associations to boost investments in rural community facilities, including hospitals, rural clinics and skilled nursing facilities.

As part of a pilot program that expired in 2014, Farm Credit financed community facility projects (hospitals, senior care centers, walk-in clinics, schools, childcare facilities, etc.) authorized by the FCA. Today, the FCA Board of Directors must provide specific and individual approval for each community facility investment made by each Farm Credit institution. The FCC argues that this is an inefficient approach to investing in community facilities and wants Congress to clarify their authority and encourage partnerships on these projects with community banks.

The Farm Credit Council also wants to ensure CoBank can make loans for fishing-related businesses such as lobster boat builders, marine engine repair businesses and bait suppliers.

The Independent Community Bankers Association has told lawmakers to keep the Farm Credit System restricted to farm lending.

The National Sustainable Agriculture Coalition says lenders making guaranteed loans should be required to follow FSA loan servicing regulations and meet target participation rates for beginning and socially disadvantaged farmers.



#### **Notable marker bills:**

<u>H.R.2423</u> — A bipartisan proposal led by Rep. Brad Finstad, R-Minn., would require Farm Credit System institutions to ask borrowers who are small farmers to provide their race, sex, and ethnicity.

<u>H.R.1495</u> and <u>S.719</u> — The Farm Service Agency Loan Program Act, led by Rep. Randy Feenstra, R-Iowa, and Sen. Deb Fischer, R-Neb., would create a USDA loan program for helping farmers purchase precision agriculture equipment.

<u>H.R. 3139</u> — Feenstra's The Credit for Our Rural Economy (Acre) Act would allow community banks to make agricultural real estate loans with tax exempt status on earned interest. Some home mortgages also would be eligible.

<u>S. 1756</u> - A bipartisan proposal by Sens. Angus King, I-Maine, and Lisa Murkowski, R-Alaska. to allow fishing-related businesses to borrow from Farm Credit System lenders.

# **Title VI: Rural Development**

**What it does:** Authorizes USDA programs tailored toward fostering growth and services for residents of rural areas and includes the Rural Utilities Service, which oversees rural power and telecommunications programs. Other energy programs, including the Rural Energy for America Program, are in the energy title.

Other programs in this title authorize grant and loan programs for rural businesses, health care, and water and wastewater systems.

Most programs in the rural development title are funded through the annual appropriations process based on authorization levels set in the farm bill.

What's in play: While the rural development title contains programs that deal with broadband programs, the USDA's ReConnect program has not been one of them. It was first authorized as a pilot program in 2018 and has been funded through subsequent appropriations bills and the 2021 bipartisan infrastructure law.

Some lawmakers are proposing reauthorizing ReConnect in the farm bill and merging it with the existing Rural Broadband Program. Among other things, the bipartisan Rural Internet Improvement



Act would also limit funding to areas where at least 90% of households lack access to broadband service.

#### **Notable marker bills:**

<u>H.R.3216</u> and <u>S.130</u> — Rural Internet Improvement Act of 2023, a bipartisan proposal led by Sen. John Thune, R-S.D., and Kat Cammack, R-Fla., to reauthorize the ReConnect program.

<u>H.R.4227</u> and <u>S. 1642</u> — Bills proposed by Rep. Zach Nunn, R-Iowa, and Sen. Peter Welch, D-Vt., establishing ReConnect Program under the Rural Electrification Act.

<u>S.1079</u> — Assistance for Rural Water Systems Act, led by Sen. Jeanne Shaheen, D-N.H., to provide low- and zero-interest loans, loan forgiveness and loan refinancing for rural water and wastewater systems.

<u>H.R. 922</u> — Proposal by Rep. Harriet Hageman, R-Wyo., intended to restrict RUS grants or loans that would overbuild or duplicate existing broadband networks.

<u>H.R.3595</u> and <u>S.1580</u> — Bipartisan proposal led by Rep. Chris Stewart, R-Utah, and Sen. Catherine Cortez Masto, D-Nev., to make it easier for rural communities in areas with significant amounts of public lands to compete for grants.

<u>S.1867</u> and <u>H.R.3922</u> — The bipartisan Expanding Childcare in Rural America Act, which would authorize USDA to carry out an initiative to develop, expand, and improve rural child care.

<u>S.1611</u> – Proposal by Sen. Tina Smith, D-Minn., to reauthorize the Community Connect Grant Program and increase required internet service speeds.

#### **Title VII Research**

**What it does:** Authorizes the principal research, education, and extension authorities, addressing both extramural and intramural activities. USDA's National Institute of Food and Agriculture, for example, administers extramural programs by providing capacity funding to land-grant institutions. It also provides funding under competitive grant programs.

What it costs: \$1.3 billion of the projected 10-year cost of farm bill programs through 2033.

What's in play: Ag research supporters warn that funding in the U.S. has been falling for years — by one-third since 2002 — which has had the effect of ceding primacy in the space to international competitors, especially China, which is now the largest funder of research in the world.



Dozens of groups want to see \$8 billion in mandatory funding in the title, which would be a switch from the standard practice of simply reauthorizing programs and funding them through annual appropriations. An exception is the Foundation for Food and Agriculture Research, which uses its direct farm bill funding (\$185 million in the 2018 farm bill) to leverage private funds.

Land-grant universities have been especially vocal about getting money to fix aging research facilities that have become obstacles both to

scientific advancement and to the ability of institutions to attract students.

The Specialty Crop Farm Bill Alliance is seeking funding for a number of priorities, <u>including</u> \$20 million annually for automation research and \$50 million annually for the IR-4 Project, which is aimed at developing alternative pest management solutions.

#### Notable marker bills:

<u>S.98</u> - The Agriculture Innovation Act of 2023, led by Sen. Amy Klobuchar, D-Minn., would require USDA to analyze the producer data it collects to assess the impact of farming practices on crop yields, soil health and farm profitability.

<u>H.R.4135</u> – The AuGmenting Research and Educational Sites to Ensure Agriculture Remains Cutting-edge and Helpful Act, or the AG RESEARCH Act, led by Rep. Kim Schrier, D-Wash., would require \$1 billion in mandatory spending and authorize another \$1 billion in appropriations over five years for infrastructure grants to agricultural research facilities.

<u>H.R.2720</u> — The Strengthening Organic Agricultural Research (SOAR) Act of 2023, led by Rep. Dan Newhouse, R-Wash., would increase funding for the Organic Agriculture Research and Extension Initiative (OREI) through the life of the farm bill.

<u>S.834</u> and <u>H.R. 2385</u> — The ACE Agriculture Act, led by Sen. Michael Bennet, D-Colo., and Rep. Jimmy Panetta, D-Calif., would elevate the role of the Agricultural Advanced Research

Projects Agency, which is authorized by Congress but yet to be created by USDA. The bill would double the authorized funding level to \$100 million annually.

#### **Title VIII: Forestry**

What it does: Authorizes programs that allow the Forest Service to carry out forest health activities on the 193 million acres of national forests, an area about the size of Texas. The Canadian wildfires that have spread smoke across the Midwest and eastern United States have brought home the threat of wildfires to regions that usually don't see their results. The National Interagency Fire Center estimates that federal suppression costs totaled nearly \$4.4 billion in 2021, well more than \$1 billion higher than the previous record. The Forest Service's share of that was \$3.7 billion, also a record.

What's in play: The forestry title looks to be relatively non-controversial. A fairly diverse set of about three dozen groups, from the Society of American Foresters to Defenders of Wildlife, have endorsed a broad swath of recommendations centered on a science-based approach.

"We support reforestation and afforestation efforts where ecologically appropriate but want to make sure that decisionmakers and the public understand the importance of ongoing maintenance of new and existing trees and



forests – including monitoring, thinning, fuels reduction activities, and other management to optimize the suite of ecosystem services (including carbon sequestration and storage) that they provide," says SAF spokesperson Danielle Watson.

Another request from stakeholders is to expand the Good Neighbor Authority that facilitates cooperation in timber projects on federal lands, to allow state and other partners to use revenue generated by those projects to pay for projects on non-federal lands. Groups also want to modify the Conservation Reserve Program to allow landowners who planted trees using the program to re-enroll in CRP even if they harvest them.

#### **Notable marker bills:**

<u>S.540</u> and <u>H.R. 1236</u> – The Protect the West Act of 2023, led by Sen. Michael Bennet, D-Colo., and Rep. Jason Crow, D-Colo., would provide \$20 billion in grants to state and local governments, tribes, special districts, and nonprofits to support restoration, drought resilience, and fire mitigation projects. Another \$40 billion would go to a Restoration and Resilience Partnership Program.

<u>S.1853</u> – Bennet's Healthy Forests Restoration Act would increase authorized funding levels for the Water Source Protection Program and the Watershed Condition Framework.

<u>S.808</u> – The Expediting Forest Restoration and Recovery Act of 2023 proposed by Sen. John Thune, R-S.D., would expedite hazardous fuel or insect and disease risk reduction projects in national forests.

# Title IX: Energy

What it does: The 2018 farm bill was the fourth to contain an energy title, with total spending estimated at \$428 million over the life of the legislation, or 0.1% of the total cost, according to the Congressional Research Service.

**What it costs**: Not counting IRA funding, \$500 million of the projected 10-year cost of farm bill programs through 2033.

**What's in play:** The bulk of the funding, 87%, goes to the popular Rural Energy for America Program (REAP) and the Biorefinery, Renewable Chemical and Biobased Product Manufacturing Assistance program.

REAP, which provides loans and grants for renewable energy and energy efficiency projects, got \$250 million over five years and then \$2 billion in funding from the Inflation Reduction Act. The IRA money must be spent before fiscal 2032 under the budget reconciliation rules used to pass that legislation. House Republicans are trying to use the fiscal 2024 appropriations process to reduce the IRA funding and limit its use to loans.

Three other programs have no funding beyond 2023: Biorefinery Assistance, the Bioengineered Program for Advanced Biofuels and the Biobased Markets Program, according to the Congressional Research Service.

The title has long been a priority for Senate Agriculture Committee Chairwoman Debbie Stabenow, D-Mich., who is not running for re-election in 2024.

#### **Notable marker bills:**

<u>S.1495</u> – The HEAT Act, led by Sen. Peter Welch, D-Vt., would allow REAP to be used for industrial heat pumps.

#### **Title X: Horticulture**

**What it does:** A small title — CBO-projected outlays for 2019-2023 totaled \$1 billion, or less than 0.5% of total projected farm bill spending — it is nonetheless significant, dealing with fruit, vegetable, tree nut and nursery crops, as well as hemp production, which was legalized in the 2018 bill. It also covers organic farming and certification.

What it costs: \$2.1 billion of the projected 10-year cost of farm bill programs through 2033. What's in play: Persistent labor shortages have put a focus on automation and mechanization research that could help create long-term solutions. To that end, House lawmakers have introduced a bill that would set up a program at USDA focused on technology.

The Specialty Crop Farm Bill Alliance noted that 17 of the 20 most popular fruits and vegetables still require hand harvesting, which results in higher grower production costs and higher prices for consumers. "In addition, domestic labor is increasingly limited due to an aging workforce."

The alliance called for a funding increase in the Specialty Crop Block Grant program, from the current level of \$85 million per year to \$100 million. In addition, the Organic Trade

<u>Association</u> is asking for a 10% annual increase in the current \$24 million funding level for the National Organic Program.

OTA also would like to see an update to the Organic Foods Production Act to set up a "preplanned, predictable timeline (no less than once every five years) to review and update the organic standards to meet consumer expectations in the evolving marketplace."

#### Notable marker bills

<u>S.1582</u> — The Opportunities in Organic Act was introduced in the Senate by Sen. Peter Welch, D-Vt., and in the House by Reps. Jimmy Panetta, D-Calif., and Alma Adams, D-N.C. It would authorize USDA to make cost-share payments for organic certification up to \$1,500 or more.

<u>H.R.4173</u> — Introduced by Rep. Doug LaMalfa, R-Calif., and three other lawmakers, the bill would require development of a specialty crop mechanization and automation initiative.

<u>H.R.679</u> — From Rep. Kim Schrier, D-Wash., the bill would authorize USDA to waive the matching funds requirement for grants under the National Institute of Food and Agriculture's Specialty Crop Research Initiative. The bill has 24 co-sponsors.

<u>S.980</u>, <u>H.R.3755</u> — The Industrial Hemp Act, introduced by Sens. Jon Tester, D-Mont., and Mike Braun, R-Ind., and Reps. Matt Rosendale, R-Mont., and Chrissy Houlahan, D-Pa., the bill would, <u>say the senators</u>, "exempt farmers exclusively growing industrial hemp from the burdensome background checks and costly sampling and testing protocols required for farmers growing cannabinoid hemp."

# **Title XI: Crop Insurance**

What it does: The federal crop insurance program, which now provides coverage for livestock and dairy producers, as well as crops, is permanently authorized, but this title can make modifications to rules or require USDA to create pilot programs. Premiums are subsidized, and private insurance companies share the risk of losses with the government. The policies provide indemnities when yields or revenue fall below guaranteed levels.

Section 508(h) of the Federal Crop Insurance Act already authorizes private companies to develop new insurance products, but they have to be actuarially sound and approved by USDA.

**What it costs:** \$101 billion, or 7%, of the projected 10-year cost of farm bill programs through 2033.

What's in play: The program continues to grow significantly because of new products that have been especially attractive to livestock and dairy producers. However, producers of specialty crops, defined in law as "fruits and vegetables, tree nuts, dried fruits and horticulture and nursery crops, including floriculture," are lobbying Congress for rules changes to address a variety of issues that limit participation in many areas. Among the issues is how to cover crops for which there is little publicly available data.

There also are pending proposals to fix specific concerns with coverage for wheat, wine grapes and other crops.

Some lawmakers are pushing ideas for tying crop insurance more closely to climate concerns. A bipartisan proposal, the COVER Act, would revive a \$5-per-acre premium subsidy program for growers who plant cover crops. USDA offered the payments in 2020 and 2021, using pandemic funding.

Policymakers and farm groups continue to wrestle with ideas for making the Whole Farm Revenue Protection program more appealing to farmers, and to insurance agents who are often reluctant to market the complex product. Whole Farm was designed to appeal to diversified operations and specialty crop producers, but participation has been disappointing. <a href="USDA"><u>USDA</u></a> doubled the annual coverage limit to \$17 million, but some specialty crop producers say that's not high enough.

#### Notable marker bills

<u>S.1690</u>, <u>H.R.3478</u> — COVER Act of 2023, led by Sen. Sherrod Brown, D-Ohio, in the Senate and Rep. Sean Casten, D-Ill., in the House would provide premium subsidies for cover crops, with mandatory funding starting at \$60 million a year.

<u>H.R.1840</u>, <u>S.1016</u> — The Agriculture Resilience Act of 2023, led by Chellie Pingree, D-Maine, and Sen. Martin Heinrich, D-N.M., would make broad changes to commodity, crop insurance, research and other programs to address the impact of climate change. USDA would be authorized to offer performance-based insurance discounts for practices that reduce risk of damage from climate-related disasters.

<u>S.1539</u> — American Prairie Conservation Act, led by Sen. John Thune, R-S.D., would reduce crop insurance coverage nationwide for new cropland converted from native sod. The restriction is now limited to the Prairie Pothole region.

<u>S.2104</u> — Sen. Roger Marshall, R-Kan., offered a proposal to allow for the separation of enterprise units by continuous and fallow cropping systems, an issue for wheat growers.

<u>S.1816</u> — Proposal by Sen. John Fetterman, D-Pa., to require research and development of an insurance policy for mushrooms.

<u>S.2134</u> — Proposal by Sen. Alex Padilla, D-Calif., to require research and development of an insurance policy for wine grape losses due to smoke exposure.

#### Title XII: Miscellaneous

What it does: It's a catchall title for issues that don't fit in the other eleven, and typically provisions dealing with livestock and animal welfare or reorganization of USDA wind up here.

What it costs: \$800 million of the projected 10-year cost of farm bill programs through 2033.

**What's in play:** As with recent farm bills, the livestock industry has asked for support from Congress in the farm bill to support disease response and prevention.

The <u>Foreign Animal Disease Prevention</u>, <u>Surveillance</u>, and <u>Rapid Response Act of 2023</u> has been introduced in both the House and Senate to fund foreign animal disease prevention programs at \$233 million a year. Another bill introduced in both chambers, the <u>SAFE Act of</u>

<u>2023</u>, not to be confused with the <u>SAFE Act</u> that would ban horse slaughter, would allow USDA to negotiate regionalization agreements to limit the impact of foreign restrictions on U.S. exports after disease outbreaks.

Animal welfare issues also will be in play again this year. House Agriculture Chairman Glenn "GT" Thompson, R-Pa., wants to use the farm bill to preempt California's Proposition 12 and other state laws that attempt to regulate how food animals are raised. The Ending Agricultural Trade Suppression (EATS) Act would bar states from mandating animal production standards for products sold within their borders.

There also are pending proposals in Congress to prohibit cockfighting, require USDA to toughen its enforcement of the Animal Welfare Act and permanently ban horse slaughter, extending a prohibition that has been part of USDA's annual appropriations bills for years.

Sen. Cory Booker, D-N.J., is sponsoring a number of bills that pose challenges to the animal agriculture sector and could wind up being offered as floor amendments. They include the Opportunities for Fairness in Farming Act of 2023, or OFF Act, that would



tighten regulations on commodity checkoff programs. A similar bill has been introduced in the House.

The battle over foreign ownership of U.S. agricultural land may also find its way into the farm bill. A series of bills have been introduced that seek in some ways to restrict purchases of U.S. land or to improve reporting on land acquisitions. The <u>Protecting America's Agricultural Land from Foreign Harm Act of 2023</u>, for example, would prohibit the purchase or lease of U.S. agricultural land by individuals associated with China, Iran, North Korea or the Russian Federation.

#### Notable marker bills:

<u>H.R.3419</u> and <u>S.1666</u> — The Foreign Animal Disease Prevention, Surveillance, and Rapid Response Act of 2023, a bipartisan proposal led by Rep. Ronny Jackson, R-Texas, and Sen. Amy Klobuchar, D-Minn., to reauthorize USDA's animal disease prevention and management programs.

<u>S.926</u> and <u>H.R.3357</u> — The Protecting America's Agricultural Land from Foreign Harm Act of 2023 led by Sen. Mike Braun, R-Ind., and Rep. Dale Strong, R-Ala., would ban the sale of U.S. ag land to people associated with some foreign governments, including China's.

<u>H.R.809</u> — The Prohibition of Agricultural Land for the People's Republic of China Act, sponsored by Rep. Dan Newhouse, R-Wash., to prohibit the sale of U.S. ag land to "nonresident aliens, foreign businesses, or any agent, trustee, or fiduciary associated with the Government of the People's Republic of China."

- <u>H.R.513</u> FARM Act, led by Rep. Ronny Jackson, R-Texas, would add USDA to the Committee on Foreign Investment in the United States.
- <u>S.1613</u> and <u>H.R.714</u> The Feral Swine Education Act, led by Sen. John Cornyn, R-Texas, and Rep. Monica De La Cruz, R-Texas, would reauthorize USDA' feral swine education and control pilot program.
- <u>H.R.1788</u> Goldie's Act, led by Rep. Nicole Malliotakis, R-N.Y., would strengthen enforcement of the Animal Welfare Act by requiring more frequent inspections of dog breeders and other operations.
- <u>H.R.3475</u> The bipartisan Save America's Forgotten Equines (SAFE) Act, led by Rep. Vern Buchanan, R-Fla., would ban horse slaughter. Sen. Robert Menendez, D-N.J., is sponsoring a similar bill, <u>S.2037</u>.
- <u>S.1529</u> The FIGHT Act of 2023, sponsored by Sen. Cory Booker, D-N.J., would prohibit cockfighting.
- <u>S.1512</u> DIRECT Act of 2023, led by Sen. Roger Marshall, R-Kan., would allow interstate sales of certain state-inspected meat and poultry.
- <u>S.907</u> and <u>H.R.2814</u> The PRIME Act would permit meat processed at custom slaughterhouses to be sold to grocery stores, restaurants, hotels and directly to consumers without federal inspection if it's sold in the state in which it's processed.
- <u>S.747</u> and <u>H.R.1517</u> Relief for Farmers Hit with PFAS Act would fund grant programs administered by states to monitor PFAS contamination on farms and provide relocation assistance to affected producers.
- <u>S.346</u> The Meat and Poultry Special Investigator Act of 2023 would establish an Office of the Special Investigator for Competition Matters at USDA that would work in conjunction with the Department of Justice to investigate and prosecute potential violations of the Packers and Stockyards Act.
- <u>S.557</u> and <u>H.R.1249</u> Opportunities for Fairness in Farming Act of 2023 (OFF Act), led by Booker and Rep. Nancy Mace, R-S.C., to tighten regulations on checkoff programs.
- **S.1809** Proposal by Booker to create an Office of Small Farms in USDA.
- <u>S.1736</u> The Farmers First Act of 2023 led by Sen. Tammy Baldwin, D-Wis., would reauthorize the Farm and Ranch Stress Assistance Network.
- <u>S.271</u> and <u>H.R.797</u> Farm System Reform Act of 2023, led by Booker and Rep. Ro Khanna, D-Calif., would place a moratorium on large concentrated animal feeding operations. or CAFOs, and require country of origin labeling on beef, pork and dairy products.

# Russia threatens Ukraine grain exports, but China may have a say in the matter

Russia's threat to pull out of the Black Sea Grain Initiative continues to imperil global supplies of wheat and corn, but China would be one of the biggest losers if that happens.

China hasn't condemned the Russian invasion of Ukraine, and the China-Russia relationship only seemed to tighten after Chinese President Xi Jinping's trip to Moscow in March, but China is showing signs that it wants to see Ukrainian grain continue to flow out of Odesa.



Port of Odesa in Ukraine (Photo courtesy: President of Ukraine)

The Black Sea Grain Initiative needs to be renewed, Geng Shuang, China's deputy permanent representative to the United Nations, said during a recent meeting of the UN Security Council, according to a UN translation.

The initiative – a UN-negotiated deal between Ukraine, Russia and Turkey that has allowed Ukraine to export more than 32 million metric tons of grain and other farm goods through three Odesa ports despite the ongoing war – will expire July 17 if Moscow follows through on its threat.

Spain, Turkey, Egypt and the Netherlands are all recipients of Ukrainian grain that that are shipped from the Odesa ports, but China is the largest recipient, and the country stands to lose the most if Moscow shuts down the initiative.

Since the initiative was put in place a year ago, China has imported about 5.7 million metric tons of corn, 1.5 million tons of sunflower meal, 370,000 tons of soybean oil and 340,000 tons of barley, according to UN data.

According to a recent analysis published by USDA's Foreign Agricultural Service, about 25% of all the grain and oilseeds that were allowed to ship because of the Black Sea Grain Initiative have gone to China, "making it the single largest recipient of food and feed commodities."

Most recently, two ships carrying 63,405 tons of corn and 63,423 tons of sunflower meal from the Ukrainian Port of Chornomorsk to China passed through inspection in the Bosporus Strait on Friday, according to the UN's Joint Coordination Center.

Those ships, which were bound for China, are two of only about 13 operating in the Black Sea because inspection and ship approval activities have slowed substantially, UN spokesman Farhan Haq said Friday. Ukrainian officials have blamed Russian inspectors for slowing down Black Sea operations.

An ample supply of inexpensive corn is critical for China, said Collin Watters, director of exports and logistics for the Illinois Corn Marketing Board and the Illinois Corn Growers Association.

"They have a massive hog herd that needs to eat," Watters told *Agri-Pulse*. "At this point they're experiencing drought in some corn growing regions."

If China can no longer get corn from Ukraine, he said, the country will have to rely more heavily on getting supplies from the U.S. or Brazil.

UN officials say the organization is doing all it can to ensure the initiative is renewed, but that job likely got more difficult last month when an ammonia pipeline that runs from UralChem's Togliatti Azot facility in Russia to the Ukrainian port of Yuzhny was damaged in the war.



Collin Watters, Illinois Corn

Russia has been demanding for months that Ukraine reopen the pipeline through which Russia exported its ammonia before the war. Russia insists that the reopening of the pipeline is covered under a second deal that the UN, Ukraine, Turkey and Russia signed at the same time as the Black Sea Grain Initiative.

Haq said efforts to save the initiative are ongoing.

"We're continuing with our talks," he said. "We're doing the best we can to make advances in certain key sectors. And we will see what can be done, but we're doing our very best to ensure the continuing success of these initiatives."

Russia has twice previously threatened to pull out of the Black Sea Grain Initiative, said Joe Glauber, a senior research fellow at the International Food Policy Research Institute and former USDA chief economist, but he stressed that "this time looks more serious."

The fact that the Russian inspectors in the Joint Coordination Center have been blocking ships from loading grain at Yuzhny – one of the three Odesa ports reopened under the initiative – for more than a month is a sign that the threat from Moscow this time is more grave, Glauber tells *Agri-Pulse*. Furthermore, the JCC hasn't approved any new ships to enter through the Bosporus Strait since June 26.

The last time a ship picked up grain from Yuzhny was on May 11 when a vessel loaded about 30,000 tons of corn for delivery to Egypt, according to UN data.

# AGCO charges ahead on autonomous, clean energy farm solutions

At AGCO, two big engines of innovation for the farm equipment company emphasize a path to fully autonomous and clean energy solutions for farmers in the firm's quest to help increase net farm income 20%.

During a recent on-farm media event in Kentucky, AGCO offered a hands-on look at several pieces of equipment the company plans to roll out in the next several years, as it seeks to offer fully autonomous solutions by 2030 across the entire farm value chain – starting with soil and seed preparation, planting, fertilizing, spraying, harvesting and grain storage.

In the next one to three years, AGCO plans to introduce for the North American marketplace a fully autonomous grain cart and tractor for use at harvest, an autonomous baler and tractor, AI weed sensing technology on sprayers, targeted fertilizer applications, self-adjusting planter technology and a fully electric small horsepower tractor. The potential savings? As much as 21% on hired labor, 28% in crop protection, and 5% on fertilizer, as measured at the Kentucky farm.

That wheat farm showcased the need for many different pieces of equipment running in tandem and spotlighted the technological solutions on the way. On one side of the farm was a combine harvesting wheat, followed by a planter immediately planting double-crop soybeans, the need to spray for weeds, as well as baling wheat straw that is a byproduct from harvesting.

"Every automated feature that we put in, whether it's on a new machine, or a retrofit solution, is purely based on farmer economic improvement," said Eric Hansotia, AGCO's chairman, president and CEO.



One task AGCO identified within its strategy of providing autonomous solutions is the tractor-pulled grain cart that moves beside the combine during harvest and then unloads at a grain truck.

In May, AGCO reported first quarter 2023 sales growth of 24%, with a third straight quarter of operating margins above 10.5%.

Unlike other companies in the large farm equipment space, AGCO allows its products to be used as a retrofit on competitor's equipment, such as a John Deere planter or Case IH sprayers, as well as its own line of equipment with Massey Ferguson and Fendt.

Hansotia said he sees AGCO's retrofit and machine sales divisions as growth businesses. "Retrofit has never had a down year," he said. In a tighter economy farmers may not buy a \$400,000 piece of equipment, but they may be willing to spend \$100,000 on upgrades. AGCO aims for a one- to two-year payback on investments for farmers to drive adoption, he said.

"Precision Planting is always our cutting-edge sharp edge of the spear on technology," Hansotia said. "We always come to the market first there. And then after it's matured for two to three years, then we'll put it in the factory and make it broad-based" across AGCO's equipment lines.

Hansotia expects AGCO's Fendt tractor segment to continue to grow. It saw its sales in the Fendt brand increase by 139% in North America in the first quarter, and 94% in South America. Fendt and Challenger sales in North and South America are expected to double over the next four to six years, he added.

#### Autonomous grain cart

One task AGCO identified within its strategy of providing autonomous solutions is the tractorpulled grain cart that moves beside the combine during harvest and then unloads at a grain truck. At harvest, an operation requires many workers than at any other time of the year. Grain cart operators often spend a lot of time sitting and waiting in a field while the combine runs, but freeing up this position allows that employee to be driving a grain semi-truck or doing other tasks on the farm.

The product, in its beta stage in 2024 and scheduled for limited rollout in 2025, is a retrofit system which allows it to be used on any tractor. The grain cart is programmed to come alongside the combine, which the combine operator can also control from the cab of the combine to speed up or slow down, and then drives without an operator seated in the cab to the grain truck at a specified location and on a specified path through the field to minimize compaction over the same path.

"The goal for the autonomous grain cart is to keep the combine moving and grain trucks transporting as well," said Darcy Cook, general manager of JCA Technologies, a recent acquisition of AGCO from Canada that AGCO identified as an emerging leader in autonomous and connected agriculture machine control systems.

AGCO estimates by removing bottlenecks in grain harvest within its combine and an autonomous grain cart, it can offer a 33% increase in harvest efficiency and provide a 9% boost in net farm income for the Kentucky sample operation.

If a farmer doesn't have a grain cart driver all the time, or even 50% of the time, which is common on many farms, 33% of that operation's crop would be harvested too late, resulting in a 10% loss on that third of their crop. Cook said the savings of spillage is another benefit of the autonomous grain cart, which has a perfect record of never spilling any grain.

Cook said the autonomous framework consists of high-end processing systems, advanced sensors and AI machine learning capabilities in the communications systems, which are installed into the tractor to tie into the drive-train system to control the steering propulsion braking system.

Cook said many of the building blocks of the autonomous systems can be used through different applications.

"So even though this system has a very specific user experience for the autonomous grain cart operation, it still needs perception systems and guidance and navigation and mission management. And these are building blocks that have been refined and increase with robustness through using a variety of different applications," he said.

#### Weed sensing technology

Another focus in the transition to autonomous at AGCO is how farmers manage weeds.

Today, producers spend \$50 to \$70 per acre on crop protection products for insecticide, herbicide and fungicide. AGCO's Symphony Vision retrofit suite of products uses camera technology and AI which allows for the right rate, placement, source and time to combat weeds. This can help save money for producers and creates less potential impact on the environment from overuse or runoff.

"It intelligently applies the right rate of herbicides and only where it's needed," said Jason Stoller, senior manager, product engineering at Precision AGCO.

Today, most farmers blanket spray an entire field at a set rate. Stoller said the new technology allows not only for variable rates – if, for instance, weeds are thicker – but can be turned off if no weeds are present.



One task AGCO identified within its strategy of providing autonomous solutions is the tractor-pulled grain cart that moves beside the combine during harvest and then unloads at a grain truck.

The weed sensing technology takes images 3 feet to 12 feet ahead of the sprayer boom where the herbicide is eventually sprayed. The AI cameras look ahead and process the images and determine what is a weed and what's not. That is then communicated through the nozzle control and applied based on the camera data. Stoller said the target speed is 15 mph, with trials now running between 5 to 10 mph.

Justin McMenemy, vice president of disruptive products at Precision AGCO, said the technology is so complex to work in the microseconds for making the decisions as the images are taken and decisions made on application levels.

McMenemy said AGCO is within a couple years of commercializing the product with corn, cotton and soybean growers as initial targeted crops, with as many as 25 crops able to use the technology. Precision Planting will offer the retrofit option for two to four years before rolling it out to AGCO's line of sprayers. No price has been set yet, but AGCO hopes it pays for itself in the first year to two years and generate revenue for the grower after that period.

"The ability to offer technology and get it on farms across America in the next five years, the only way to do that is really to be able to get that on the piece of equipment they already own," McMenemy said.

#### **Automated baler**

Another autonomous technology in development by AGCO is its virtual driver baling system, which has a projected 2025 rollout. It includes collision avoidance and windrow detection and guidance.

Kai Saworski, director of product management at Green Harvesting, said there is 25% of the grain value in wheat straw. Operations can lose 50% or more of the value of that wheat straw with a single rain event if there isn't someone to run a baler, Saworski said.

Wheat fields provide income from both the wheat grain harvested and wheat straw baled. "It's not really this labor cost itself that you save, it's the security that you have machines running when you need," he said.

Audrey Guillet, manager of research and advanced engineering of systems architecture, said the autonomous driving system for baling splits the process into subtasks. Route planning is developed based on where the combine drove and recorded in its internal data collection and spits out the wheat straw and establishes a preliminary line for where to bale and where to turn.

The tractor has a laser imaging, detection and ranging (LIDAR) sensor on top of the cab that also detects the swath of straw to be baled and also has collision avoidance.

# **Clean energy solutions**

AGCO has also focused on research and development in alternative power technologies that help improve farmer profitability but also meet the sustainability and environmental requirements pushed by a growing number of regulations around the world.

"Carbon neutrality and your carbon footprint is on the radar for everybody," said Leo von Stillfried, Director of Product Management, at Fendt. Different alternative fuel sources have varying applications and limitations as AGCO looks to a combination of biofuels, biogas, hydrogen and electric options to run its machinery.

A fully electric tractor, the Fendt E100, plans to hit the European market in 2024 and North American in 2025, which offers five hours of working time and can recharge 80% in 40 minutes. Rawley Hicks, director of product management at AGCO, said farmers can easily charge the tractor with a nearby power source, such as a grain bin site. It offers an 8- to 10-year battery life.



AGCO's autonomous tractor encountered a dog in its path and stopped automatically

Due to the size and weight of the battery needed, the first iteration of the electric tractor is a 67-horsepower product, and ideal for greenhouse, specialty crop, livestock or municipality customers, von Stillfried said. Additional platforms up to 150 horsepower are projected for launch through 2030, although von Stillfried said larger electric horsepower tractors required for planting and tilling fields is just not reasonable because of the needed power.

Hicks said as higher horsepower levels are needed, that's where AGCO will explore battery fuel cell electric solutions or renewable fuels and hybrid solutions for combustion engines to help lower emissions.

Hansotia said he believes the clean energy portfolio offers savings for producers to save on fuel, but some producers such as wineries may buy it for the sustainability image it can bring to their operations. He also said he believes some growers will choose to look to alternative fuel solutions due to government policy, either through incentives on the front end or regulations requiring electric use such as in California.

# **News Briefs:**

**USDA announces millions to expand meatpacking competition.** Agriculture Secretary Tom Vilsack has announced \$115 million in USDA funding will go to increase independent meat processing capacity. The USDA is giving 15 grants to projects in 17 states through two programs — the Meat and Poultry Processing Expansion Program (MPPEP) and the Meat and

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Poultry Intermediary Lending Program (MPILP). "While American farmers and ranchers have been responding to the demand to produce more, their communities have struggled to see their share of the benefits," Vilsack said. "USDA is committed to championing meat and poultry processors, increasing competition and lowering costs for working families." Created following calls to diversify the industry's production capacity during the COVID-19 pandemic, MPPEP aims to help independent meat and poultry processes expand. Similarly, MPILP makes grants available to lenders who "finance the start-up, expansion, or operation of independent meat and poultry processing facilities." Additionally, USDA's National Institute of Food and Agriculture is supporting educational programs to boost the meat processing workforce. Community colleges and tech schools in seven states will get \$4.5 million through the Meat and Poultry Processing-Agricultural Workforce Training (AWT) program to develop, expand, and standardize meat and poultry processing training programs.

Ohio EPA submits plan to reduce phosphorus in Lake Erie. The Environmental Protection Agency has 90 days to approve or disapprove a plan released by the Ohio EPA focused on reducing phosphorus in the Maumee River watershed, a major source of water in the western Lake Erie basin. The implementation plan in the Total Maximum Daily Load (TMDL) technical report says it was "developed as part of the TMDL process and considers where and how implementation activities are targeted." Most nonpoint source reductions, however, will remain voluntary. "The science behind Ohio EPA's TMDL program will help guide our work as we continue to seek ways to improve the health of Lake Erie and all the waterways in Northwest Ohio," said Ohio Department of Natural Resources Director Mary Mertz. In a news release, the Ohio EPA states the plan was developed through "extensive" outreach and that it addresses 15 months of public comment. "Water quality continues to be a top priority here at the Ohio Department of Agriculture. The Maumee TMDL is an important tool that compliments the voluntary practices our agricultural community is diligently implementing through H2Ohio and other conservation programs," said Ohio Agriculture Director Brian Baldridge. The plan says no concentrated animal feeding operations in the watershed require National Pollutant Discharge Elimination System permit coverage. "While CAFOs are defined as point sources, unless they are designed to discharge non-agricultural stormwater, they are not compelled to seek NPDES permit coverage," the plan says.

USDA Tribal Advisory Committee seeking members. USDA is taking nominations for membership on the department's Tribal Advisory Committee. The committee was established in the 2018 farm bill and provides guidance to the agriculture secretary regarding tribal affairs. "Establishing the Tribal Advisory Committee is an important step towards ensuring tribal perspectives are well represented at USDA and positioned to inform how the Department meets its trust responsibility to tribes across the nation," said Agriculture Secretary Tom Vilsack. "I encourage applicants from across the country to apply and look forward to working with my counterparts on the Hill to appoint members who represent the diversity of voices across Indian Country." In a release, the USDA says the Tribal Advisory Committee is among the department's attempts to "remove barriers to service for tribal governments, citizens, and tribal nations." The committee is required to meet twice a year but is expected to meet quarterly. The committee will produce an annual report to Congress along with recommendations to the USDA on its programs and policies. "While USDA will continue to consult with tribes on a regular basis, this Tribal Advisory Committee is an important partner in the Office of Tribal Relations mission of advising the secretary on tribal issues," said Acting Director of Tribal Relations Deb DuMontier. Nominations will be accepted through Aug. 14.

# Farm Hands on the Potomac:



Matt Mika, AmericanHort

**Matt Mika** has moved to AmericanHort as its new vice president of advocacy and government affairs. Mika most recently worked at Atlas Crossing as the vice president of government affairs and was previously a lobbyist for Tyson Foods.

**Cami Ryan** has been hired as a senior business partner of industry affairs and sustainability for Bayer CropScience Canada. Ryan previously worked as a Bayer science fellow.

**Brendan Foley** has been elevated to CEO of McCormick & Co., effective Sept. 1. Foley previously served as the president and

chief operating officer. In this new promotion, he will continue to serve as president. Foley joined McCormick in 2014 as president of the U.S. Consumer Products Division He succeeds **Lawrence Kurzius**, who will continue to serve as executive chairman of the board.

**John Linder** has been tapped as the new president of MAIZALL, a group made up of corn growers from the U.S., Brazil, and Argentina as a way to focus on eliminating regulatory obstacles to innovation in agriculture. His term began on Monday, July 3. The presidency rotates between the three countries each year. Linder is an Ohio corn grower and previously served as the president of the National Corn Growers Association.

AgResources Company President **Dan Basse** has been selected to serve as the chair of the Farm Foundation's board of directors. He succeeds **Jerome Lyman**, a retired executive of the McDonald's Corporation. **Cheri De Jong**, principal owner of Natural Prairie Dairy and owner and CFO of AgriVision Farm Management, was elected vice chair, and **Andrew LaVigne**, president and CEO of the American Seed Trade Association, was elected treasurer.

The Farm Foundation Board has also added six new members: former Secretary of Agriculture **Mike Johanns**; former Deputy Secretary of Agriculture **Jewel Bronaugh**; **Michael Doane**, global managing director of food and freshwater systems at The Nature Conservancy; **Jimmy Kinder**, co-owner and operator of Kinder Farms; **Cristina Rohr**, managing director of food and agriculture at S2G Ventures; and **Todd Van Hoose**, president and CEO of the Farm Credit Council.



Dan Basse, Farm Foundation

**Carla Soto** is the new coordinator for the National Association of State Departments of Agriculture Foundation. She will be leading NASDA's programs including NASDA Next Generation, Ag Policy Summit, and Farm2Food Accelerator. She previously interned with AllergyGuard Internship.

**Ron Kovach** is the new communications director for Rep. **Jodey Arrington**, R-Texas. He previously was the press secretary at the Federation for American Immigration Reform.

**Sam Aleman** has started as Rep. **Jimmy Gomez's**, D-Calif., digital director. He previously worked at 270 Strategies as a senior associate and before that, was the digital organizer for the Democratic National Committee.

**Grace Anne Looney** has been brought on to Rep. **Kay Granger's**, R-Texas, staff as a staff assistant. She previously interned for Rep. **Brian Babin**, R-Texas.

**Josue Peralta** has joined Sen. **Tammy Baldwin's**, D- Wis., office as a staff assistant. Peralta previously was Baldwin's constituent services intern and before that interned in Rep. **Grace Napolitano's**, D-Calif., office.

**Anna Rose Keltto** now serves as the correspondence manager for Sen. **Amy Klobuchar**, D-Minn. Keltto previously worked for Minnesota Gov. **Tim Walz** as his public engagement coordinator.

**Chad Vorthmann** has left the Colorado Farm Bureau Federation, where he served as the executive vice president, to assume a new role in government relations with Lockheed Martin. He had been with the Colorado Farm Bureau since 2003, first joining as the director of communications.

# Best Regards,

# Sara Wyant Editor

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