

DC Update on Trade Aid 2 / Disaster Bill

To: NBGA Board
Friday, May 31, 2019

NBGA Family,

Special thanks to Dwight Little and Scott Brown for taking time to come to DC yesterday. Here's a recap of our meetings and a picture.



Left to Right; Dwight Little, Pres. Nat'l Barley Growers Assoc; Scott Brown, Chairman, Idaho Barley Comm; John Sandbakken, Exec. Dir. Nat'l Sunflower Assoc; Pat Murphy, Pres. U.S. Canola Assoc; Barry Coleman, Exec. Dir. Northern Canola Growers Assoc; Steve Censky, USDA Deputy Secretary; Beau Anderson, Pres. USA Dry Pea & Lentil Council; Tim McGreevy, CEO, USA Dry Pea & Lentil Council; Joe Cramer, Exec. Dir. Michigan Bean Comm; Bill Northey, USDA Under Secretary for Farm Production and Conservation, Clint Stoutenburg, Vice-Chairman, MI Bean Comm; Dr. Robert Johansson, USDA Chief Economist

Yesterday, representatives from National Barley Growers Association, National Sunflower Association, U.S. Canola Association, US Dry Bean Council, and USA Dry Pea & Lentil Council came to Washington, DC to meet with senior U.S. Department of Agriculture officials to reiterate that these crops have experienced price declines as a result of the retaliatory trade tariffs and should be included in the trade aid calculations at a value that accurately reflects the loss, even though these crops did not have direct tariffs imposed by China. The group met with USDA Deputy Secretary Steve Censky, Under Secretary for Farm production and Conservation Bill Northey, and USDA Chief Economist Rob Johansson.

Deputy Secretary Censky opened the meeting with an acknowledgement that the Market Facilitation Program (MFP) is a blunt and imperfect instrument. The groups each presented data and information demonstrating the correlation between prices of their commodities with those such as soybeans and wheat that have had tariffs directly imposed. USDA was urged to ensure that the loss values attributed to barley, canola, dry beans, peas and lentils is accurately calculated so that producers in counties where those crops are grown are not unfairly penalized. USDA indicated that the MFP is in the rulemaking process and therefore they could not disclose or discuss the specific numbers they are considering. The proposed rules are currently at the Office of Management & Budget (OMB) for review. Under Secretary Northey indicated that USDA did not expect to have a second round of the MFP, but that changed when negotiations with China broke down. He acknowledged the outcome won't be perfect between commodities and won't fully offset the losses, but is better than doing nothing. Chief Economist Johansson indicated that they have looked at the 2018 MFP to determine what worked and what didn't and the concerns that were voiced over the methodology used. He said there were "a lot of needles to try and thread". USDA indicated that more details would be provided in the coming weeks.

Following the meeting at USDA, the group also met with majority and minority committee staff for the Senate and House Agriculture Committees. These were information sharing meetings. The committees have not been directly involved in the development of the MFP methodology or decisions. The committee staff recognized and agreed with the perspectives and concerns we raised. The committees will be closely reviewing USDA's proposed methodology and calculations when that information is provided. Some of the individual crop groups also met with House and Senate offices in their home states to keep those members informed of our concerns and requests for the MFP process.

Gordley Associates will continue to follow-up with USDA and Congress and update you on any developments.