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NEWS

Trump indicates potential U.S. reengagement in TPP negotiations; tries to calm China trade concerns

By Sarah Gonzalez, Director of Communications and Digital Media

Farm-state senators and governors who attended a private meeting on trade with President Donald Trump on Thursday revealed afterward that the president indicated he is reconsidering his stance on the Trans-Pacific Partnership (TPP) trade agreement.

Sen. Ben Sasse, R-Neb., told reporters following the meeting that Trump said he will direct U.S. Trade Representative Robert Lighthizer and National Economic Council Chairman Larry Kudlow to analyze re-entering the TPP negotiations. In one of his first actions in office, Trump withdrew the United States from the accord.

Sasse said the president "multiple times reaffirmed the point that TPP might be easier for us to join now once the TPP-11 is aligned and we might be the 12th party to those negotiations, as opposed to the long process" that took to complete TPP.

"The best thing the United States can do to push back against Chinese cheating now is to lead the other 11 Pacific nations that believe in free trade and the rule of law," Sasse said in a statement issued by his office later in the day. "It is good news that today the president directed Larry Kudlow and Ambassador Lighthizer to negotiate U.S. entry into TPP."

The president's comments during the closed-door portion of the meeting makes even more significant the scheduled April 17-18 meeting between Trump and Japanese Prime Minister Shinzo Abe in Mar-a-Largo. It will be the third summit between the two leaders, and the White House said the agenda will include a discussion on "ways to expand fair and reciprocal trade and investment ties between the United States and Japan, two of the world's wealthiest and most innovative economies."

Participants in the Thursday White House meeting also included Senate Agriculture Committee Chairman Pat Roberts, R-Kan., and Sens. John Thune, R-S.D., Deb Fischer, R-Neb., Chuck Grassley, R-Iowa, and Joni Ernst, R-Iowa. Secretary of Agriculture Sonny Perdue joined Lighthizer and Kudlow in the meeting. Farm-state lawmakers have pressed the administration about how it intends to de-escalate ongoing trade tensions with China, which is threatening to impose reciprocal tariffs on U.S. agricultural products in response to Trump's stated intent to impose tariffs as punishment for China's theft of intellectual property.

In addition, during a White House event on Thursday, Trump said there's been progress in talks with China on defusing trade tensions. "I think it'll end up with the tariffs off and the barriers down," he said. "We're doing really well with China. I think we're having some great discussions, and we'll see what happens...When used properly, (tariffs) really get people to the table. And that's what we want."

Chinese President Xi Jinping on April 10 signaled during his keynote speech at the Boao Forum for Asia that he will take steps to ease foreign ownership limits in the financial and automotive industries, reduce tariffs on imported automobiles and provide additional protection for intellectual property rights.

Sen. Roberts said that during the meeting, "Trump listened to those of us who represent farmers and ranchers and heard our call for trade, not aid. Many of us have called for the administration to engage the nations involved in TPP, whether it is through bilateral or multilateral negotiations. Our producers need markets to sell what we grow, and we need them now."

In a transcript released by the White House of the public discussion that preceded the closed-door session on Thursday, Perdue said he that he believed "we have set the stage for a balanced negotiation (with China) that can happen. And that's what all of us are hoping and praying for, that we get a good, sound, fair, balanced negotiation with all of these countries."

During a Senate appropriations committee hearing on April 11 – the day preceding the White House meeting – Perdue said the administration's "first goal is to negotiate ourselves out of the saber rattling that's occurred and to make sure that these market disruptions don't have a permanent impact."

He also commented on the administration's goals to improve the U.S.-Korea Free Trade Agreement (KORUS) and to modernize the North American Free Trade Agreement (NAFTA). "No doubt I'm anxious, but we do expect we can get negotiations done on those," Perdue said.

Perdue also said USDA is preparing to offer mitigation measures through the Commodity Credit Corporation (CCC) in the event tariffs ultimately are implemented by China against U.S. agricultural exports, but added: "Our goal is to finish NAFTA and then to work on the negotiations with China so we don't have to get into mitigation efforts."



Description of law amending Section 199A tax provisions available to NGFA Members

By Todd Kemp, Senior Vice President of Marketing and Treasurer

As reported previously in the *NGFA Newsletter*, the omnibus spending bill for fiscal year 2018 was enacted on March 23, and included a legislative solution to correct the unintended consequences of Section 199A in the tax law passed in December 2017.

In broad terms, the legislation replicated as closely as possible the tax benefits of the previous Section 199 that existed for cooperatives and their farmer-patrons, while at the same time restoring the competitive landscape of the marketplace that existed in December 2017. Analysis has shown that at various levels of pass-through deductions from cooperatives to producers, and at various levels of producer income, the Section 199A fix mirrors very closely the results accrued by cooperatives and producers of the previous Section 199 that existed prior to passage of the tax law in December.

Since then, many NGFA members have requested a “plain-English” explanation of the newly revised Section 199A, and what it really means, especially the tax impacts on producers. In response, the NGFA has produced a [one-page summary](#) of those impacts that is available on the NGFA web site, and [can be viewed here](#).

House Agriculture Committee chairman releases 2018 Farm Bill proposal with conservation program changes

By Max Fisher, Director of Economics and Government Affairs; and Sarah Gonzalez, Director of Communications and Digital Media

House Agriculture Committee Chairman Mike Conaway, R-Texas, on Thursday released his draft of the [2018 farm bill](#), which includes some major changes to conservation programs.

Under the bill’s draft conservation section, the Conservation Stewardship Program and the Environmental Quality Incentives Program would be combined and the ceiling for the Conservation Reserve Program (CRP) would be increased from the current 24 million acres to 29 million acres – increased incrementally by 1 million acres per year through 2023. However, the bill also proposes to restrict maximum CRP rental rate payments at 80 percent of the cash rent at the time of enrollment.

A summary of other provisions in the CRP section of the draft bill include the following:

- Increases the grasslands enrolled in CRP in increments of 500,000 acres to at least 3 million acres by 2023.
- Requires USDA to maintain the distribution of enrolled CRP acres across the states in proportion to the historic state enrollment in the program, and requires general signups to be conducted at least every other year.
- Sets the duration of general CRP contracts at the current 10 to 15 years, and continuous signup practices at either 15 years or 30 years.
- Limits the enrollment of land with established hardwood trees to one reenrollment.
- Reduces the acreage cap for farmable wetland enrollment from 750,000 to 500,000 acres, and removes discretionary authority for USDA to increase the cap by 200,000 acres.

- Requires USDA, in determining CRP rental rates, to consider the impact to local farmland rental market.
- Establishes a declining scale for each subsequent reenrollment in CRP beginning with 15 percent for the first reenrollment and 10 percent for each subsequent reenrollment.
- Increases the frequency of the CRP rental rate estimate survey from every other year to annually, and requires the rental rates to be published by Sept. 15 each year.
- Allows a one-time early termination of contracts in fiscal year 2019.

As expected, the changes to the farm program portion of the farm bill (Title I) are minor compared to the sweeping changes enacted under the 2014 farm law that replaced direct payments with Agriculture Risk Coverage/Price Loss Coverage (ARC/PLC) payments. ARC/PLC payments would continue to be applied to base acres, not planted acres, an important policy so as not to encourage farmers to plant specific crops based upon expected farm program payments.

In a provision sought by the NGFA, Conaway's draft bill also includes language that would allow domestic grain-handling facilities to restore official inspection service agreements they previously had with USDA-approved official grain inspection providers outside of designated geographic territories prior to enactment of the reauthorization of the U.S. Grain Standards Act (USGSA) in 2015. Under the bill, grain handlers would be allowed to restore their prior exceptions to official inspections within 180 days of enactment. Eligible facilities would be those that previously had been granted an exception and that exception must have been revoked after Sept. 30, 2015. No unilateral termination would be allowed. Two or more parties to the exception – including the grain handling facility, must agree with the termination (such as the grain handling facility and the official grain inspection agency that previously provided the service).

Conaway now will begin the process of shepherding the bill through the House Agriculture Committee, where amendments will be offered. If the bill is passed out of committee, it's next stop would be the House floor for consideration. The bill is scheduled for mark-up in the House Agriculture Committee on April 18.

In a media statement, Conaway said "taxpayers will reap the more than \$112 billion in budget savings projected under the current law."

He also commented on expanded work requirements for the Supplemental Nutrition Assistance Program (SNAP), which led to a partisan impasse within the committee and caused Conaway to delay committee action on the legislation. "The farm bill also keeps faith with these families by not only maintaining SNAP benefits, but by offering SNAP beneficiaries a springboard out of poverty to a good paying job, and opportunity for a better way of life for themselves and their families," Conaway said.

NGFA recommends Senate confirmation of STB nominees

The NGFA and a diverse range of agricultural producers and agribusinesses urged the leaders of the Senate Commerce Committee to recommend the confirmation of Patrick Fuchs and Michelle Schulz to serve as new members of the Surface Transportation Board (STB).

The groups noted in an [April 10 letter](#) that the STB needs a full and functioning set of members, as the agency "serves a vital role, given its charge to provide fair, objective and fact-based regulatory oversight

of a freight rail industry that is exempt from U.S. antitrust law and now consists of only seven major Class I railroads – with two dominant in the West and two in the East.”

Fuchs and Schulz appeared before the committee on April 11 for a confirmation hearing, where they received praise for their past work. Chairman John Thune, R-S.D., described both as “exceptionally well-qualified to serve the nation in the positions to which they have been nominated.” He also pledged to move both nominations out of committee and onto the Senate floor for consideration “as quickly as possible” prior to the Memorial Day recess.

In their letter to the committee, NGFA and 21 other groups noted that the STB is charged with taking a balanced approach in weighing the need for effective competition in the rail marketplace while allowing railroads to earn sufficient revenues to maintain their infrastructure and a national rail system.

“Unfortunately, the STB currently is hamstrung in its ability to act on several important proceedings given the lack of a full complement of commissioners. That is why we particularly appreciate the Committee scheduling a hearing on April 11 to consider these two nominees, and urge their speedy confirmation by the full Senate,” the letter noted.

Fuchs, whose nomination the group strongly recommended earlier to President Trump, “is superbly qualified” to serve as a member of the STB, the letter said, highlighting his background as senior professional staff member for surface transportation and merchant marine for the Senate Commerce Committee. He was instrumental in working with the committee in helping draft and coordinating enactment of the first reauthorization bill since the STB’s establishment in 1996 as the successor to the Interstate Commerce Commission.

During his testimony before the committee, Fuchs noted the STB has “a robust workload before it,” as well as “strong leadership, and talented and dedicated staff, and – if confirmed – it would be an honor work with them and this committee to help ensure an efficient and competitive rail system.” Fuchs also said he would use objective, data-driven analysis to inform his rail regulatory policy decisions. He also specifically referenced recent letters to the STB from NGFA and The Fertilizer Institute voicing widespread service-related problems being experienced by agricultural shippers and receivers.

The agricultural groups also noted Schultz’s pedigree, having worked as deputy general counsel at the Southeastern Pennsylvania Transportation Authority (SEPTA), the nation’s sixth largest public transit agency in terms of ridership. During her testimony, Schultz repeatedly expressed a desire to foster productive dialogue between rail carriers and their customers.

NGFA Hill Briefing: Farm bill alters conservation programs, new NGFA committee apprentices come to town

By Bobby Frederick, Director of Legislative Affairs and Public Policy

The Week that Was: This week, the Senate focused on confirmation hearings and votes for more of President Trump’s nominees for administration positions. Meanwhile, on the heels of last month’s \$1.3 trillion omnibus spending agreement, House Republicans considered a balanced budget amendment, which fell short of the two-thirds support necessary to pass. An even bigger development occurred on April 11, as House Speaker Paul Ryan, R-Wis., announced he would not seek re-election in November. Control of the House will be extremely competitive and no matter who claims the majority, Republicans are facing a reduction in House seats and a new leader heading in to the 116th Congress.

Next Week: The House Agriculture Committee on April 18 will mark-up its version of the 2018 farm bill (H.R. 2), dubbed the “Agriculture Nutrition Act.” From NGFA’s perspective, the 80 percent Conservation Reserve Program (CRP) rental rate ceiling will help ameliorate the enrollment of whole farms and productive farmland in the program, while also hopefully enabling beginning farmers to acquire sufficient land to build economically viable farming enterprises. However, NGFA believes more needs to be done to ensure that good, productive acres are not idled and H.R. 2’s CRP reenrollment provisions are problematic and could further erode the U.S. cropland base.

NGFA continues to support the CRP reforms outlined a Senate bill (S. 2557), the so-called “Give Our Resources the Opportunity to Work” (GROW) Act introduced by Sens. Joni Ernst, R-Iowa, Chuck Grassley, R-Iowa, Sherrod Brown, D-Ohio, and Bob Casey, D-Pa. The GROW Act contains a stronger approach on preventing good farmland from entering CRP, would help prevent whole farm enrollment in CRP, would reduce the CRP enrollment county cap from 25 percent to 15 percent and retain the current CRP cap 24 million acres. NGFA will continue to work with Senate allies on including these provisions in the Senate’s version of the farm bill.

Committee Apprentices Coming to Washington! All 22 NGFA apprentices serving on NGFA committees are scheduled to be in the nation’s capital from April 16-18 to participate in a DC Experience that will include meetings with key government officials within their respective committees’ areas of expertise, as well as meetings with members of Congress and their staffs.

This will be the first advocacy trip to Washington for most of these committee apprentices. During their meetings with more than a dozen members of Congress and their staffs, the NGFA will be expressing appreciation for enacting legislation correcting the unintended consequences of Section 199A of the tax law passed last December. During the congressional visits, the NGFA also will focus on the importance of completing negotiations to modernize the North American Free Trade Agreement, resuming trade negotiations with Asia-Pacific countries, advancing common-sense farm bill policy (such as the GROW Act), and urging infrastructure investments to bring the U.S. inland waterways transportation system in to the 21st century.

EVENTS

Save the Date: Ag Transportation Summit registrations opens April 16

Registration will begin April 16 for the Ag Transportation Summit, taking place in Arlington, Va., on July 25-26. Hosted by NGFA and the Soy Transportation Coalition, with the support of the U.S. Department of Agriculture’s Agricultural Marketing Service, the Ag Transportation Summit unites leaders from agricultural producer organizations, commodity groups, agribusinesses and government to focus on the importance of all modes of transportation to the profitability of U.S. agriculture.

The 2018 event will focus on “Connecting Growing Supply with Growing Demand” and feature panels highlighting port and rail issues, speakers from USDA and STB, and several “Innovation Sessions” focusing on new and emerging technologies. After the Summit concludes, USDA’s Agricultural Marketing Service, in cooperation with Washington State University, Texas A&M Transportation Institute, and Texas A&M AgriLife Extension, will host the “Agricultural Transportation Infrastructure Workshop” on the afternoon of July 26.

Registration underway for CONVEY '18

The NGFA and *Grain Journal Magazine* once again are teaming up for their annual summer conference. **CONVEY '18** will be conducted July 25-26 at the Hilton Omaha hotel in Omaha, Neb. The conference will focus on operations, compliance and grain quality issues facing the grain and feed industry.



CONVEY '18 will include an informative general session, an afternoon of educational breakout tracks focusing on safety and grain quality/operations, and an interactive workshop that walks attendees through best practices during OSHA inspections. CONVEY '18 also will feature a 50-exhibitor trade show and several networking meals/receptions.

Confirmed speakers include:

- Eric Conn, a founding partner of Conn Maciel Carey and chair of the firm's national OSHA Workplace Safety Practice Group;
- Doug Fletcher, president of Fletcher Safety Consulting Inc.;
- Nick Friant, food safety, quality and regulatory leader for grain, Cargill Agricultural Supply Chain North America; and
- Matt Shurtliff, director of safety and environmental issues at J.D. Heiskell & Co.

View the schedule and [register here](#).

SUPPLEMENTS

Collect resources and register employees who participated in the “Stand-Up for Grain Engulfment Prevention Week”

The National Grain and Feed Association (NGFA) and the Occupational Safety and Health Administration (OSHA) completed a major safety outreach effort, the “Stand-Up for Grain Engulfment Prevention Awareness Week” from April 9-13, to help raise awareness about grain bin engulfment hazards, provide education and training, and convey safety best practices.

Made possible by the NGFA-OSHA Alliance, in collaboration with Grain Elevator and Processing Society, the stand-up week promoted grain bin safety on both farms and at commercial grain handling facilities.

Missouri Governor Eric Greitens proclaimed April 9-13 “Stand-Up for Grain Engulfment Prevention Awareness Week” in Missouri during the kick-off event on April 9 at the Scoular grain facility in Adrian, Mo.

The event featured Deputy Assistant Secretary of Labor for Occupational Safety and Health Loren Sweatt, as well as a reading of the Missouri governor's Proclamation on Grain Bin Safety by Anna Hui, director of the Missouri Department of Labor and Industrial Relations. NGFA Executive Committee Chairman John Heck, senior vice president of Scoular, Omaha, Neb., hosted and moderated the event,

and NGFA President Randy Gordon provided remarks on behalf of the Association. “Enhancing safety in the workplace is everyone’s job,” Gordon said. “It also requires collaboration and a team effort, and NGFA is committed to making it a focus and priority within our industry not just this week, but every day of every week.” [View photos here.](#)

The week continued with a free webinar covering OSHA safety resources on April 10, featuring Sweatt and Greg Rowe, the vice president of operations, safety, health, and environment at Perdue AgriBusiness and chairman of NGFA’s Safety, Health, and Environmental Quality Committee. During the remainder of the week, NGFA distributed training materials on specialty safety topics, including [grain bin entry](#), [mechanical hazards](#), and [grain engulfment](#).

A certificate of participation is available for all employees who take part in Stand-Up events during “Stand-Up for Grain Engulfment Prevention Week.” Details are [available here](#).



NGFA’s Safety Tip Sheets are always available for your safety resources

The NGFA’s [“Safety Tips”](#) series is published periodically as part of the Association’s continued commitment to safety in the workplace. These documents are designed to provide more information on certain types of hazards and suggested ways to protect employees through safety best practices. View each “Safety Tips” sheet below.

- [Hazard Communication](#)
- [Quality Control](#)
- [Preparing Bins for Harvest](#)
- [Vehicle Struck-By](#)
- [Combustible Dust and OSHA Housekeeping Requirements](#)
- [Bulk Material Storage and Handling](#)
- [Dust Suppression Techniques](#)
- [Lockout/Tagout & Energy Isolation](#)
- [Lifting, Rigging, and Hoisting](#)
- [Hand Tool Safety](#)

NGFA welcomes new members

The NGFA is pleased to welcome the following organizations to the National Grain and Feed Association! The newest NGFA members represent applicants approved during the first quarter of 2018.

3 Silos Hedging Solutions LLC	David Burelli	Bloomington	IN
Brucker	Kent Heath	Tucson	AZ
Bryan Cave LLP	Liz Paspalas	St. Louis	MO
Charles Elsea	Charles L. Elsea	Salina	KS
Compass Compliance LLC	Bryce Nemitz	Cedar Rapids	IA
Great Lakes Grain & Transportation LLC	Philip Hageman	Sun City West	AZ
Midwest Commodities LLC	Steve Patton	Wayne	OH
Olam Americas Inc.	Susan McEwan	Southport	CT
Ragan and Associates	David Ragan	Franklin	TN
RESIDCO	Kevin Bahnline	Chicago	IL
Roach Ag Marketing Ltd.	Brian Roach	Boca Raton	FL

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