



**National  
Barley  
Growers  
Association**

Check out our updated  
website and priorities!

# WELCOME TO

## National Barley Growers Association



### In This Issue:

- June NBGA Meeting Info
- NBGA Pushes Broader CFAP Eligibility for Contract Malt Barley; USDA Issues List of Eligible & Non-Eligible Contracts
- China Approves Import Protocol for U.S. Barley
- WHIP+ Sign-Up for Drought and Excessive Moisture
- Mexico Adoption of Precautionary Principle
- FMCSA Extends COVID-19 Trucking Hours of Service Exemption to Mid-June
- American Farmland Trusts Releases New Publication on Loss of Farmland

### JUNE NBGA MEETING INFO

NBGA's annual summer meeting has been moved to an online platform.

**Please save the date for June 15th.**

An agenda with more details will be sent to the Board via email in the coming days.

Please reach out if you have any questions.

### NBGA Pushes Broader CFAP Eligibility for Contract Malt Barley; USDA Issues List of Eligible & Non-Eligible Contracts

Malt barley is listed as eligible for the Coronavirus Food Assistance Program (CFAP), however, some state FSA offices were providing different interpretations of whether contracted malt barley was eligible or not. NBGA urged USDA to clarify that contracted malt barley is eligible since it is still subject to price risk. NBGA also contacted congressional offices and staff for the House and Senate Agriculture Committees to request that they weigh-in with USDA in support of

broader malt barley eligibility. On June 1<sup>st</sup>, USDA issued a list of types of contracts that are and are not eligible.

*That information can be found here...*

On May 19<sup>th</sup> USDA released the final rule with details on payments to farmers under the Coronavirus Food Assistance Program (CFAP), which includes eligibility for malting barley. CFAP will provide financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline or who had losses due to market supply chain disruptions due to COVID-19 and face additional significant market costs.

For row crop producers, payments are based on inventory subject to price risk held as of January 15, 2020. A payment will be made based on 50% of a producer's 2019 total production or the 2019 inventory as of January 15, 2020, whichever is smaller, multiplied by the commodity's applicable payment rates. To ensure the availability of funding throughout the application period, producers will receive 80% of their maximum total payment upon approval of the application.

The remaining portion of the payment, not to exceed the payment limit, will be paid at a later date as funds remain available. USDA Farm Service Agency (FSA) offices began accepting applications on May 26<sup>th</sup>.

The uncertainty for malt barley eligibility centered around the term "unpriced inventory" and whether *contracted* barley that a farmer has in their inventory as of January 15<sup>th</sup> would be considered unpriced. The initial USDA guidance on unpriced inventory said, "All production, sales, and inventory of eligible commodities and livestock must be subject to price risk as of January 15, 2020. Unpriced inventory or production subject to price risk means any production, sales, and inventory that is not subject to an agreed-upon price in the future through a forward contract, agreement, or similar binding document. The producer's eligible commodity and/or livestock must still be at risk of price fluctuations after January 15, 2020, to be eligible for payment." The last two sentences could be conflicting for malting barley. Malting barley held by a farmer could be (and likely will be) under contract but will still be at risk of price fluctuation if it does not meet certain specifications.

**Barley growers and stakeholders are encouraged to contact congressional offices to make them aware of this issue.** Following are talking points you can use:

- Farmers are getting mixed responses from state FSA offices with some indicating that their malt barley will not be eligible for CFAP because it is contracted.
- We do not believe this is a fair determination and strongly urge USDA to include malt barley in the CFAP.
- While malt barley is listed as eligible under CFAP, the interpretation is effectively excluding nearly all malt barley.
- While malt barley may be under contract, it is still subject to price risk if it does not meet malt quality specs.
- Growers do not know when they will be able to deliver the contracted barley and some have been told to be prepared to store the grain for an extended period. The longer they must hold the barley the greater risk that it will not maintain quality specs.
- COVID-19 pandemic has disrupted supply chains and reduced demand for

malt barley. Low demand tends to result in more stringent application of quality specs

- Barley growers are likely to see reduced contracts for 2021 due to the lack of demand resulting from the pandemic
- Other crops that are not contracted will receive a CFAP payment and when they do sell they could possibly see an increase in market/sale price relative to their prices in 2019

---

## China Approves Import Protocol for U.S. Barley

On May 15th, China announced approval of an import protocol for U.S. barley. This is a positive step the industry has been seeking for several years and will hopefully open up opportunities in that market. NBGA joined with the U.S. Grains Council on [\*this press release\*](#). The announcement of this approval has led to some media speculation that China will make purchases of U.S. barley in the near future due to their Phase I trade agreement commitments and their recent posturing with Australia, where they typically source their barley. NBGA is communicating with U.S. Grains Council to identify and follow-up on potential market opportunities.

---

## WHIP+ Sign-Up for Drought and Excessive Moisture

In May, USDA started making payments through the Wildfire and Hurricane Indemnity Program- Plus (WHIP+) to agricultural producers who suffered eligible losses because of drought or excess moisture in 2018 and 2019. Signup for these causes of loss opened March 23, and producers who suffered losses from drought (in counties designated D3 or above), excess moisture, hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms or wildfires can still apply for assistance through WHIP+. USDA has not yet developed the WHIP+ rules and payments for quality losses experienced in 2018 and 2019 that were also authorized by Congress.

---

## Mexico Adoption of Precautionary Principle

In early April, the Mexican Environment Ministry (SEMARNAT) denied import permits for multiple shipments of pesticide products which are currently approved for use within Mexico, citing the Precautionary Principle as justification. In May,

the head of SEMARNAT, Minister Victor Toledo, doubled down on this alarming new policy direction by authorizing an Op Ed that attacks not just pesticides, but all of production agriculture, suggesting that the world's modern food production system is responsible for pandemic diseases. Given Mexico's importance as a trade partner and market for US agricultural goods, this new development is deeply concerning and NBGA signed onto a letter to President Trump and relevant cabinet members requesting direct intervention with Mexican President Andrés Manuel López Obrador to resolve this issue.

*Read more here...*

---

## FMCSA Extends COVID-19 Trucking Hours of Service Exemption to Mid-June

The Federal Motor Carrier Safety Administration (FMCSA) announced that they have extended Hours of Service (HOS) exemptions until June 14th. This is the second time that FMCSA has extended the order. This extension of the Emergency Declaration addresses national emergency conditions that create a need for immediate transportation of essential supplies, equipment and persons, and provides necessary relief for motor carriers and drivers engaged in the transport of essential supplies, equipment and persons. Carriers and drivers hauling freight that supports COVID-19 relief efforts have been granted emergency relief from Parts 390 through 399 of federal motor carrier regulations, which includes HOS rules. The exemption *was expanded* to include raw materials and other cargo to be essential to coronavirus pandemic relief.

---

## American Farmland Trusts Releases New Publication on Loss of Farmland

This month, American Farmland Trust released "Farms Under Threat: The State of the States" that shows 11 million acres of agricultural land were lost between 2001 and 2016- an area equal to all the farmland devoted to fruit, nut, and vegetable production in 2017. The report also shows the location and quality of each state's agricultural land. Additionally, an "Agricultural Land Protection Scorecard" was created for each state that evaluates their policies and programs for protecting and retaining agricultural land.

---

## Upcoming Industry Events

**July 2020:** International Barley Genetics Symposium, Riga, Latvia, 7/5-7/9

**August 2020:** MBAA and ASBC World Brewing Congress, Minneapolis, MN 8/1-8/4

**September 2020:** Great American Beer Festival, Denver, CO 9/24-9/26

*Send upcoming events here...*

National Barley Growers Association  
(202) 548-0734

Connect With Us:

