



**National
Barley
Growers
Association**

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National Barley Growers Association



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Congress Working Through High Stakes Agenda

Continuing Resolution & Disaster Assistance

The federal fiscal year ends on September 30th and with the annual appropriations bills not complete, Congress passed a Continuing Resolution (CR) to keep the government functioning. The CR will run through December 3rd. The CR also includes \$10 billion for agriculture disaster assistance to cover losses in 2020 and 2021 due to drought, hurricanes, wildfires, etc. The ag disaster assistance will be administered by USDA using a similar structure as was used for the WHIP+ program for losses in 2018 and 2019.

Debt Limit

The Federal government is also approaching the statutory debt limit and action will be needed to suspend or increase the limit to prevent default on government

obligations and financial market impacts. While debt limit increases have been passed by both parties when they were in control of Congress, the exercise has become a political football.

Bipartisan Infrastructure Package

Democrat Leadership and the White House are trying to get the moderate and progressive factions of the House Democrat Caucus to an agreement that enables the passage of the bipartisan infrastructure bill and eventually the larger Reconciliation package. Progressives don't want to support the bipartisan infrastructure bill until the larger reconciliation package is also passed (or agreed to). Moderates don't want the reconciliation package scaled down. The bipartisan infrastructure bill would provide significant additional funding for roads, bridges, ports, waterways, and rural broadband.

Reconciliation Package

Progressive Democrats want to enact a Reconciliation package of "human infrastructure" programs and policies that total \$3.5 trillion. Included in the proposal would be significant funding for agriculture research and conservation programs, which would also increase the baseline spending for the next Farm Bill. However, moderates believe the package should be much smaller than \$3.5 trillion. Democrats have no votes to spare in the Senate and only a three-vote margin in the House.

The proposed Reconciliation package would be offset with revenues from changes in tax policies, including increases in the top rates for individuals and changes to capital gains and corporate tax rates. On September 8th, NBGA signed on to a letter to Congress regarding the need to preserve stepped-up basis, like-kind exchanges, the Sec. 199A small business deduction, and current estate tax exemption levels for farms. The letter was signed by 327 national, regional, and state trade associations. In a positive sign, the proposal unveiled by the House Ways & Means Committee preserved stepped-up basis and like-kind exchanges. However, the Senate has not yet released its proposed tax offsets.

Grains Council Hosts Meeting on U.S. Barley Production with Potential Chinese Buyers

On September 27th – or the morning of September 28th for the participants in China – the U.S. Grains Council (USGC) hosted a webinar to educate potential buyers in China on the production characteristics and marketing structure of the U.S. barley industry. Dr. Frayne Olson, Crop Economist and Marketing Specialist at North Dakota State University, provided an overview of barley production and marketing and barley growers and state staff from North Dakota, Montana, and Idaho provided direct perspectives. The webinar is intended to be the beginning of a renewed dialogue among stakeholders to determine if viable opportunities exist for establishing and expanding barley exports to China.

NBGA Joined Beer Institute Congressional Meetings

The Beer Institute held their annual membership meeting in Washington, DC that included updates on the state of the industry as well as virtual and some in-person meetings with congressional offices to highlight the industry's current priorities. Tom Hance represented NBGA at the meetings, which focused on the

need to address aluminum pricing irregularities and a tax credit to help offset losses incurred for recovery and disposal of unmerchantable beer during the pandemic.

Field to Market Previews Barley Trends in their Upcoming National Indicators Report

Field to Market staff provided an update to NBGA and state barley representatives on September 30th on the environmental and sustainability related barley production trends in their National Indicators Report which will be released later this year. NBGA and state barley organizations will be following up with growers, industry and Field to Market staff on the data to ensure it accurately reflects what's occurring in barley production.

Vilsack Announces \$3 Billion in New Assistance Programs

On September 29th Secretary Vilsack announced a set of investments to address challenges facing America's agricultural producers. These include assistance to address challenges and costs associated with drought, animal health, market disruptions for agricultural commodities, and school food supply chain issues. Secretary Vilsack also outlined and requested public comments on a new climate partnership initiative designed to create new revenue streams for producers via market opportunities for commodities produced using climate-smart practices.

USDA is preparing \$3 billion in investments that will support drought resilience and response, animal disease prevention, market disruption relief, and purchase of food for school nutrition programs. The support will be made available via the Commodity Credit Corporation (CCC). Specifically, funds will be used to provide:

- **\$500 million to support drought recovery and encourage the adoption of water-smart management practices**
- **Up to \$500 million to prevent the spread of African Swine Fever (ASF) via robust expansion and coordination of monitoring, surveillance, prevention, quarantine, and eradication activities through USDA's Animal and Plant Health Inspection Service.**
- **\$500 million to provide relief from agricultural market disruption, such as increased transportation challenges, availability and cost of certain materials, and other near-term obstacles related to the marketing and distribution of certain commodities.**
- **Up to \$1.5 billion to provide assistance to help schools respond to supply chain disruptions.**

Climate-Smart Agriculture and Forestry Partnership Initiative: Request for Information

Secretary Vilsack announced a new initiative to finance the deployment of climate-smart farming and forestry practices to aid in the marketing of climate-smart agricultural commodities. Guided by science, USDA will support a set of

pilot projects that provide incentives to implement climate smart conservation practices on working lands and to quantify and monitor the carbon and greenhouse gas benefits associated with those practices. The pilots could rely on the Commodity Credit Corporation's specific power to aid in expansion or development of new and additional markets. The Department published a Request for Information (RFI) seeking public comment and input on design of new initiative.

Biden Announces Chief Ag Negotiator

On September 13th President Joe Biden announced the selection of Elaine Trevino, a former California deputy secretary of food and agriculture, to be his chief agricultural trade negotiator. Trevino is currently President of the Almond Alliance of California. President Biden has not yet nominated a USDA undersecretary for trade and foreign agricultural affairs.

Rail Merger Changes Course

Kansas City Southern (KCS) is now seeking to merge with Canadian Pacific (CP) after attempts to merge with Canadian National (CN) hit a roadblock. The U.S. Surface Transportation Board (STB) unanimously rejected CN and KCS's motion for approval for use of a voting trust. The STB has approved the use of a voting trust for CP. As a result, KCS announced it would pursue a merger with CP instead of CN.

NBGA Attends Craft Brewers Conference

In early September, NBGA sent a delegation of staff and growers to the Craft Brewers Conference in Denver, CO. Participants had the opportunity to attend seminar presentations, keynote speakers, and the industry trade show. After networking, NBGA hosted a large crowd of maltsters and barley professionals for a meet and greet event nearby. NBGA leadership is excited to strengthen the new connections and work together with likeminded organizations!



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