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WELCOME TO

National Barley Growers Association



In This Issue:

- New CBO Farm Bill Baseline Issued in May
- House Releases Agriculture Appropriations Bill
- President Biden Met with Ag Committee Leaders to Discuss Farm Bill
- Farm Program Critics Oppose Reference Price Increases
- NBGA Reps Attend Pet Food Forum
- EPA Proposal Would Approve Chlormequat Chloride for Barley, Comment Period Extended
- Supreme Court Rules on WOTUS
- NBGA Supports Action on Trucking, Research, and Pesticide Laws
- USDA Holding Listening Sessions on Prevent Plant Rules
- NBGA Hosts Event at Craft Brewers Conference

New CBO Farm Bill Baseline Issued in May

In early May, the Congressional Budget Office (CBO) released their updated baseline projections which would be used to "score" a new Farm Bill, assuming Congress moves forward on a new Farm bill this summer. The latest CBO baseline projections are not helpful for putting together the next Farm Bill as it shows increased costs for SNAP and Farm Programs and the more costly the bill, the harder it is to garner votes for passage. The CBO projections for crop prices are mostly unchanged from their last update and they project a period of depressed crop prices, especially for the large commodities. For barley, the CBO projects prices to dip below the current Reference Price of \$4.95 per bushel from 2027 through 2033. As a result of the projected low prices, CBO estimates federal price support (ARC & PLC) outlays of \$595 million over 10 years for barley.

The CBO baseline can be found here: USDA Mandatory Baseline and Appendix—May 2023 (cbo.gov)

Farm Bureau has a CBO analysis with graphics that show the aggregate and

House Releases Agriculture Appropriations Bill

On May 17th the House Agriculture Appropriations Subcommittee released its FY24 Agriculture appropriations bill. The bill would reduce USDA funding by 2.1% or over 30%, depending on what perspective you use. House Republicans frame the bill as a total of \$25.313 billion in funding, which a 2.1% reduction compared to FY2023 enacted level. However, the bill includes \$8.150 billion of funding that would be offset by clawing back some spending enacted over the last few years through the COVID relief packages and the Inflation Reduction Act for energy and farm loan forgiveness. Those funds could be included in the debt limit package and if they are not available to use as offsets for the Ag Appropriations bill, House Republicans would need to find replacements or increase the allocation for the Agriculture Appropriations bill to avoid steep cuts from the FY23 levels.

In the proposal released by House Republicans, funding for USDA's Agricultural Research Service (ARS) would be increased by \$1.2 million to \$1.75 billion but funding for the National Institute of Food and Agriculture (NIFA), which supports research at land-grant universities, would be cut by \$9.5 million to \$1.69 billion. The bill restricts USDA Secretary Vilsack's use of the Commodity Credit Corporation. The House Ag Appropriations Subcommittee advanced the proposal, but full committee consideration is still pending.

President Biden Met with Ag Committee Leaders to Discuss Farm Bill

President Biden and leaders of the House and Senate Ag Committees met on May 11th to discuss the Farm Bill. In a joint statement issued following the meeting, the Ag Committee leaders said, "Today, the four leaders of the Agriculture Committees had a conversation with President Biden and Secretary Vilsack on the importance of passing a bipartisan Farm Bill this year. The Farm Bill is a jobs bill. It is a safety net for farmers and consumers, and it is an investment in our rural communities and the health of the American people. The Agriculture Committees have a long tradition of bipartisan cooperation, and we look forward to continuing that tradition through our work on the 2023 Farm Bill."

Farm Program Critics Oppose Reference Price Increases

A collection of conservative and progressive groups sent joint letter to Congressional Agriculture Committee leaders expressing opposition to any increases in Reference Prices in the next Farm Bill. Citing data showing that net farm income has been at record levels the groups said, "At a time when net farm income is well above historic norms, Congress should not be increasing farm subsidies." "Increasing price guarantees for covered commodities would only boost federal payments to the largest and most successful farmers, who already received almost 66 percent of all commodity subsidies in 2021." The group also refuted claims that the reference prices have not kept up with inflation, saying: "While some farm groups cite rising input and land costs in support of these proposals, gross farm income has outpaced and will likely continue to outpace

the cost of farm production." The groups that signed the letter included the Council for Citizens Against Government Waste, Environmental Working Group, FreedomWorks, Independent Women's Forum, Land Stewardship Project, National Sustainable Agriculture Coalition, Taxpayers for Common Sense and U.S. PIRG.

NBGA Reps Attend Pet Food Forum

NBGA Board Member Charlie Bumgarner (MT) and NBGA staff attended the Pet Food Forum held in Kansas City, MO May 1-3. Pet food has been an increasing market for barley over the past few years and NBGA's attendance was aimed at learning more about the pet food industry dynamics and their barley utilization. There were a lot of ingredient suppliers at the Forum and many of them highlighted or listed barley as one of the ingredients they used or provided. Charlie and NBGA staff will provide a full report on their findings at the June Board meeting.

EPA Proposal Would Approve Chlormequat Chloride for Barley, Comment Period Extended

The U.S. EPA issued a Memorandum Supporting the Proposed Registration Decision to Approve the First Outdoor Food Uses on Wheat, Triticale, Barley, and Oats for Chlormequat Chloride. The Agency received an application from Eastman/Taminco USA, LLC to register the first domestic food uses of chlormequat chloride on wheat, triticale, barley, and oats for a newly proposed manufactured use product. The public comment period on the proposal has been extended to July 25, 2023. NBGA has written to EPA in support of the approval and intends to submit supportive comments.

Supreme Court Rules on WOTUS

On May 25th, the Supreme Court issued a ruling that significantly reduced the scope of the Clean Water Act as interpreted by the federal government, ruling that the law only regulates wetlands when they are "as a practical matter indistinguishable from waters of the United States." Five justices adopted a test from the court's 2006 plurality opinion in Rapanos penned by late Justice Antonin Scalia and rejected the "significant nexus" test crafted by former Justice Anthony Kennedy. The decision means the EPA and Army Corps of Engineers will have to re-examine their rule that went into effect in March, in which they "maintain that the significant-nexus test has been and remains sufficient to establish jurisdiction over 'adjacent' wetlands," Justice Samuel Alito said, writing for the majority.

NBGA Supports Action on Trucking, Research, and Pesticide Laws

The National Barley Growers Association supported a package of bills (HR 3372) considered by the House Transportation & Infrastructure Committee that included a 91,000 pound truck weight exemption pilot program, a 10% truck axle weight variance for dry bulk and other measures to streamline CDL licensing requirements and promote trucking safety.

NBGA signed on to a letter in support of the America Grows Act" a bill introduced by Senator Durbin (D-IL) and Senator Moran (R-KS) to prioritize funding for an expanded and sustained national investment in agriculture research. Modeled after the successful 21st Century Cures Act passed in 2016 which spurred additional funding for the National Institutes of Health (NIH), the America Grows Act appropriates a 5% inflation-adjusted annual increase for the next 10 years for agricultural research in the following USDA agencies:

Agricultural Research Service (ARS) Economic Research Service (ERS), National Agricultural Statistics Service (NASS), and National Institute of Food and Agriculture (NIFA). The support letter points out that while the return on investment for agricultural research is estimated at \$20 for every dollar spent, U.S. funding in this area has declined by 30 percent in real dollars since 2003, while other forms of domestic research have risen dramatically. At the same time, China has ramped up spending to more than \$10 billion a year on public agriculture research as they seek to help their farmers better compete with U.S. producers. The America Grows Act would help reverse this dangerous trend by reinvesting in our nation's scientists and producers and helping reassert U.S. research leadership on the global stage.

NBGA also joined on a letter calling on Congress to reaffirm federal law asserting that states and localities may not require health claim labels on pesticide packages inconsistent with federal findings. This reaffirmation would be important to prevent the emergence of an unworkable patchwork of contradictory pesticide label requirements that could disrupt commerce, limit user access to these vital tools, and undermine science-based regulation. Lack of certainty on EPA-approved, science-based nationwide labels will erode access to current and future pesticides, threatening crops and grower incomes, conservation practices, public health, vital infrastructure, and ultimately raise food prices for families amidst record-high inflation.

USDA Holding Listening Sessions on Prevent Plant Rules

USDA/RMA/FCIC announced they will be holding listening sessions and inviting comments on Prevent Plant issues and rules. They are specifically asking for input on contracted crops as well as Harvest Price option, and "1 in 4" requirement. There is a virtual listening session on June 8th and an in-person session scheduled for West Fargo, ND in August. If you have comments/input you want NBGA to consider submitting, send them to Tom Hance. The notice can be viewed here: Federal Register:: Request for Information and Stakeholder Listening Sessions on Prevented Planting

NBGA Hosts Event at Craft Brewers Conference

NBGA President Greg Kessel, along with ND grower Gary Beck and NBGA staff attended the Craft Brewers Conference in Nashville, TN May 7-10 hosted by the Brewers Association. Over the past few years, NBGA has maintained a regular presence at the event, and attendees enjoyed being able to catch up with fellow malt industry folks. NBGA hosted a happy hour event downtown on Broadway to bring together like-minded companies and researchers to discuss NBGA's efforts on Capitol Hill and priority items. More details will be shared at the upcoming June Board meeting.

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