

Idaho Barley Newsbrief

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Inside this edition... NBGA President Dwight Little and Gordley & Associates lobbyist Dale Thorenson talk 2018 Farm Bill; NAFTA under the microscope; 2017 Idaho barley production stats.

Idaho barley producer Dwight Little takes helm of National Barley Growers Association

Teton barley grower Dwight Little has served Idaho barley and wheat growers for more than two decades, first as an Idaho barley commissioner (2009-2014) and more recently as an officer and soon to be president of the Idaho Grain Producers Association (2014-2017). Now Dwight has a bigger mission: as president of the National Barley Growers Association, an elected position he assumed in June, he is charged with helping shape a new five-year federal farm bill, reduce the federal regulatory burden, and improve trade agreements that can open markets to U.S. barley and malt. Fortunately, he has a seasoned team of federal policy experts at Gordley and Associates helping him represent barley growers' national policy interests.

"My job is to represent the interests of barley growers in our nation's capital, so I take producers' opinions and concerns very seriously," said Little. His right hand in the policy arena is Dale Thorenson, a North Dakota barley farmer-turned-policy-advocate who has worked on behalf of barley growers in Washington, D.C. for the past 18 years. Dale's top priority is to work with other farm organizations and congressional agriculture committees to craft farm support, conservation and crop insurance programs under the constraint of reduced spending limits.

Farm safety net program payments represent only 0.2% to 0.3% of total federal outlays, but could face sizeable cuts under pending budget bills in both the House and Senate. Additionally, some of the key programs in the 2014 farm bill have seen declining payments, like cotton and milk price protection, which have reduced the overall spending baseline calculated by the Congressional Budget Office (CBO). "For

barley, our priority is to preserve the existing grain Price Loss Coverage (PLC) and Average Revenue Coverage (ARC), with a few tweaks,” emphasized President Little. That charge might sound easy but Dale notes that “spending reductions create a significant challenge to meet everyone’s needs while improving certain programs that have not worked as well as intended in recent years.”



NBGA President Dwight Little accepts award from Anheuser-Busch during Idaho Falls grower appreciation held July 17 at Idaho Falls malt plant.



NBGA lobbyist Dale Thorenson (left) visits barley fields with his Gorldey & Associates' colleague Blair Elias.

2018 Farm Bill Timeline

- The 2014 farm act expires September 30, 2018. It took more than two and a half years to negotiate and pass both congressional chambers.
- The House Ag Committee has completed hearings and listening sessions across the country and is now drafting the bill. Their preference is to mark-up and report their bill out of Committee in November, but only if they receive assurances of floor time before end of the year adjournment from the House Leadership.
- The Senate Ag Committee finished their hearings last month and has signaled their intent to mark-up and report out their version this fall; but they will need the same assurances of floor time for a full Senate vote.
- **The danger of letting the farm bill debate linger into 2018 is the potential of a lower spending baseline from the Congressional Budget Office next winter.**

10-Year Farm Bill Spending Baseline (billion dollars)

Title	May 2013 Baseline	AA14 Changes CBO Score	Jan 2014 Baseline	Jan 2017 Baseline	Change from 2014
Commodity	58,765	{14,307}	44,458	58,450	13,992
Conservation	61,567	{3,967}	57,600	60,052	2,452
Trade	3,435	139	3,574	3,434	{140}
Nutrition	764,433	{8,000}	756,433	672,357	{84,076}
Credit	(2,240)	-	(2,240)	(3,708)	{1,468}
Rural Development	13	228	241	47	{194}
Research	111	1,145	1,256	849	{407}
Forestry	3	10	13	10	{3}
Energy	243	879	1,122	743	{379}
Horticulture	1,061	694	1,755	1,750	{5}
Crop Insurance	84,105	5,722	89,827	79,033	{10,794}
Miscellaneous	1,410	953	2,363	2,232	{131}
	972,906	{16,504}	956,402	875,249	{81,153}

Dale Thorenson reports that most farm groups have identified several areas of agreement:

Commodity Title

- Continue PLC & ARC
- Allow a choice between PLC & ARC by crop
- Revise PLC & ARC to be more effective and fair
- Keep payments paid on historical crop bases
- Oppose lowering payment limits
- Oppose means testing of commodity programs

Crop Insurance

- Oppose reducing premium discounts
- Oppose payment limits on premium discounts
- Oppose Means Testing on crop insurance programs
- Oppose the release of names and other personal data from the RMA regarding crop insurance premium discounts and indemnities received for losses

Conservation

- Maintain strong funding for federal conservation programs which preserve environmental benefits, while continuing the prioritization of working lands conservation programs.
- Maintain strong funding of the EQIP and the CSP.
- Examine the rental rates of CRP and CREP annually at enrollment to ensure they mirror the rental rates of comparable land in the immediate area.
- Improve State Technical Committees to make them more ag-friendly by encouraging producers' participation and input

Trade

- Increase funding for trade promotion programs known as Foreign Market Development or FMD (currently funded at \$34.5 million/annually) and Market Access Program or MAP (currently funded at \$200 million annually).
- Under new rules enforced by the Trump Administration's Office of Management Budget, all programs with mandatory spending levels below \$50 million, do not have baseline spending, which means that continuing FMD, let alone increasing spending, will have to compete with other high priority programs to be included in the final farm bill baseline.

The US Grains Council, the non-profit trade association that promotes barley, corn and sorghum and their co-products in international markets, received \$ 3.4 million in FMD and \$ 8.3 million in MAP funding this year.

U.S. withdraws from TPP; North American Free Trade Agreement subject to re-negotiation

Upon taking office in January, President Trump immediately withdrew the U.S. from the Trans Pacific Partnership Agreement or TPP which was completed in February 2016. If ratified by the 12 member countries, TPP would have become the world's largest free trading bloc, representing more than 40% of world trade. At the core of the TPP was a 90% reduction of all tariffs between the member countries. The TPP would have opened Asian markets to many important Idaho agricultural exports. In May, the other 11 member nations agreed to press ahead with a free trading accord without the involvement of the U.S.

More concerning is the Trump Administration's current re-negotiation of the North American Free Trade Agreement, a 23 year trade pact between the U.S., Canada and Mexico which has spurred considerable growth in agricultural exports from

Idaho. Negotiators recently completed the fourth of seven scheduled rounds of negotiations, with press reports describing this latest round of talks in Washington, D.C. as largely unproductive with little progress made in ironing out differences between the three trading partners. This has stoked fears of an impasse and possible U.S. withdrawal from NAFTA.

Some of the current sticking points include U.S. demands to include (1) a five year sunset clause that would link a new deal's potential termination to trade deficits; (2) changes to rules of origin which are strongly resisted by both Canada and Mexico; (3) elimination of current dispute settlement mechanisms which would force injured parties to pursue remedies in court (4) creation of seasonal produce import remedies which are intended to protect Florida tomatoes from Mexican imports; and (5) new provisions to address currency manipulation. After making slow progress, negotiators have acknowledged that talks are likely to continue into 2018 and the three partners remain very engaged in their efforts to modernize the NAFTA trade agreement.

US Ag Wins Under NAFTA

Since passage (1994), US ag exports:

Tripled to Canada 

Quintupled to Mexico 

1 **IN EVERY** **10**

Acres of American farmland
harvested goes to
CANADA or MEXICO.

MEXICO **#1**
IS THE

IMPORTER
OF U.S. MALT,
WHEAT & CORN

2017 Idaho barley crop represented 34% of total U.S. barley production.

Harvested area	510,000 acres, down 12%
Production	48.45 million bu, down 22%
Ave. Yields	95 bpa, down 11%

If you have questions or would like more information on any of these topics or Idaho Barley Commission programs, please email Administrator Kelly Olson at kolson@barley.idaho.org or call 208.409.9165.