



2013 DISTRICT WORK PACKET

ISSUE TALKING POINTS TO USE IN MEETINGS

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The 2013 Farm Bill is at a standstill. Earlier this year, the U.S. Senate passed a comprehensive five-year bill on a bipartisan vote and the U.S. House of Representatives passed a farm-only bill that excluded the nutrition title on a strict party-line vote. Now, Congress must begin the process of working out the differences between the two versions of the legislation before the current bill expires on Sept. 30, but progress toward that goal has stalled. The Senate has appointed farm bill conferees, but the House has yet to act.

ASKS:

Urge House leaders to move the farm bill process forward by appointing a conference committee as soon as possible.

Reach out to farm bill conferees and ask them to support the following NFU priorities in the conference negotiations:

- Include **fixed reference prices**, such as those proposed by the House bill's commodity title, rather than basing price protection on a rolling Olympic average, as in the Senate bill;
- Defend and strengthen **livestock disaster programs**, which were included in both the House and Senate bills;
- Ensure the new **dairy program** includes both margin insurance and market stabilization programs to provide protection against rising production costs and market collapse;
- Provide \$900 million of **mandatory funding for energy title programs**, and include eligibility for blender pumps and feasibility studies under the Rural Energy for America Program (REAP);
- Oppose any additional, unnecessary studies on the implementation of Country-of-Origin Labeling (COOL) rules, which are already the law of the land, and **resist any efforts to undermine COOL law**;
- **Support fair and competitive markets** for independent family farmers and ranchers and do not include any language that would undercut enforcement of the Packers and Stockyards Act;
- Link crop insurance premium subsidy eligibility with **conservation compliance** requirements;
- Do not rescind existing **permanent farm bill law**; and
- Reunite the nutrition title with the rest of the legislation and ensure any changes made to the **Supplemental Nutrition Assistance Program** (SNAP) will be ultimately accepted by both houses of Congress and signed into law by the president.



UNITED TO GROW FAMILY AGRICULTURE

RENEWABLE FUEL STANDARD

The United States must decide whether to continue to get its fuel from an increasingly volatile Middle East or from America's farmers in the Midwest and across the country. The primary driver of the biofuels market is the Renewable Fuel Standard (RFS), which calls for 36 billion gallons of renewable fuel to be blended into our fuel supply by 2022.

- Ethanol comprises about ten percent of the liquid fuel market, but has the potential to expand and give consumers choices at the pump
- America's farmers can easily meet our renewable fuel needs without sacrificing food security
 - › E.g., the corn crop doubled between 1980 and 2009 by planting just three percent more acres
 - › One-third of every bushel of grain processed into ethanol is returned in the form of highly nutritious livestock feed
- The biofuels industry supports jobs for more than 365,000 Americans
- Commercial-scale, next generation and cellulosic biofuel production facilities are starting to come online
- Much of the financial and economic benefit of biofuels production stays in rural America, boosting farmers' incomes and revitalizing rural communities
- Domestically produced renewable fuel saves consumers costs at the pump
 - › Fuel prices are projected to continue to rise, reaching \$125/barrel by 2035¹
 - › Ethanol is cheaper than conventional gasoline, and the RFS saves the average American about \$1,200 a year in fuel costs
- Rising food prices are caused by oil, not ethanol
 - › Almost two-thirds of the post-2004 food price increase is attributable to the price of crude oil, and there is a near-perfect correlation between the price of oil and food²

ASKS:

Protect the RFS and oppose any legislative changes.

Policy stability is necessary to transition to the next generation of renewable fuels and see the RFS timeline through to 2022.

OIL IS THE PROBLEM. RENEWABLE FUEL IS THE SOLUTION.



THE RENEWABLE FUEL STANDARD,
the policy requiring increasing production of
renewable fuel in the U.S.



3 out of 4 people think we
**SHOULD HAVE MORE RENEWABLE
FUEL OPTIONS** at gas stations

FUELSAMERICA.ORG

Interviews were conducted between June 7th and June 12th, 2013 among
a nationally representative sample of 1,000 adults (18+) nationwide

FUELSAMERICA
IT'S ALREADY GROWING

¹International Energy Agency's World Economic Outlook, in year-2011 dollars (www.worldenergyoutlook.org)

²World Bank report, 2013

Farmers and ranchers have long experienced difficulty in obtaining workers who are willing and able to work on farms and in fields. Reforms to the immigration system can assure that American agriculture has a legal, stable supply of workers, both in the short- and long-term for all types of agriculture. This will require a legislative solution that deals with the current unauthorized and experienced agricultural workforce and ensures that future needs are met through a program that will admit a sufficient number of willing and able workers in a timely manner.

Congress must do better for our economy and country by modernizing our immigration system. Failure to act is not an option. We can't afford to be content to watch a generation-old immigration system work more and more against our overall national interest.

- Multiple H-2A regulatory changes and rigid program administration have made use of an already difficult program nearly impossible
- Under current H-2A rules, administrative delays result in workers arriving on average 22 days after the date of need, causing an economic loss of nearly \$320 million for farms that hire H-2A workers¹
- Costly recruitment requirements result in less than 5 percent of those referred by the government working the entire contract period
- For every farm worker engaged in high-value, labor-intensive crop and livestock production, two to three off-farm jobs are sustained
- The Senate has passed a comprehensive immigration bill, which includes agriculture provisions that are endorsed by NFU, the rest of the agriculture community, and the United Farm Workers
- The House has not yet taken action, although H.R. 1773, sponsored by Rep. Bob Goodlatte, R-Va., starts this process but leaves many questions

ASKS:

Support a long-term, comprehensive immigration reform package that provides certainty and stability for farm owners and workers alike.

Make sure that worker visa programs are appropriately structured to be functional for all sectors of agriculture.

¹National Council of Agricultural Employers, national survey of H-2A employers

The Commodity Futures Trading Commission (CFTC) is required by law to be reauthorized periodically. CFTC was last renewed in the 2008 Farm Bill, but it is being considered separately from the farm bill this year. The House and Senate Agriculture Committees held hearings in July and the process will continue in the fall.

- Family farmers and ranchers, like any other players in the economy, need access to commodity markets that are stable, fair, and free from manipulation
- NFU has long advocated for stronger market protections and safeguards, such as the reinstatement of the Glass-Steagall Act, repealed in 1999
- CFTC needs the tools, data, and authority to ensure that functional markets are available
- The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 assigned enormous, additional responsibilities to CFTC
 - › E.g., keeping tabs on the \$600 trillion derivatives market and ever-changing trading technology, including high-frequency trading.
 - › Several important rules resulting from Dodd-Frank have yet to be fully implemented
 - › The most important of these are regulations on position limits, which would prevent any one interest from controlling too much of one market or commodity at a time
- In the last two years, two commodity trading firms, MF Global and Peregrine, went under, leaving farmers without their investments
- This underscores the need for regulatory oversight of our financial and commodity markets
- In July, the Senate Appropriations Financial Services Subcommittee approved \$315 million in FY 2014 funding for the CFTC, the full amount requested by the Obama administration
 - › This is \$110 million above the FY 2013-enacted level of \$205 million and represents a significant improvement in CFTC enforcement
- The pending House Agriculture Appropriations bill for 2014 would provide \$194.6 million and included several policy riders that NFU opposes, taking a giant step backward in protecting our commodity markets and economy

ASKS:

Fund CFTC at the level the Senate has approved for FY14 so that regulators can tackle the gargantuan task at hand.

Reauthorize the CFTC and allow the agency to continue its work to prevent future collapses of trading firms and the economy in general.

COUNTRY-OF-ORIGIN LABELING (COOL)

Farmers and ranchers are proud of what they produce and consumers want to know the origins of their food. That's why NFU supports Country-of-Origin Labeling (COOL). COOL for most meat products was included as part of the 2008 Farm Bill and has been in effect since 2009.

- U.S. packers and processors, packer-dominated producer organizations and Canadian and Mexican interest groups have gone to great lengths to undermine COOL
- Canada and Mexico filed suit in the World Trade Organization's (WTO) legal review process
 - › Canada is currently working to implement a COOL system, while fighting ours, and 47 other countries had either enacted or were planning to enact COOL in 2007
- The WTO's Dispute Settlement Body found that the laws that dictate U.S. COOL were in compliance with WTO guidelines, but the way in which those COOL laws were implemented was not
- USDA released new rules in May that make COOL more detailed in order to comply fully with WTO's requirements
 - › Instead of simply stating "Product of USA," the labels would now read "Born, raised and slaughtered in USA"
 - › The Office of Management and Budget found that the proposed changes to the rule were not economically significant, since the law has already been in effect for more than four years
- NFU, along with allies at the U.S. Cattlemen's Association and the American Sheep Industry Association, have intervened in the case on USDA's behalf, and other livestock groups and consumer advocates may do so as well.

ASKS:

Stand strong on COOL and don't bow to the pressure that processors and foreign interests are applying. The laws that underpin COOL are not a problem and the rules that implement it are legal in the eyes of the WTO.

Oppose any efforts to amend or rescind COOL through the farm bill, appropriations, or other means.

SHUANGHUI PURCHASE OF SMITHFIELD FOODS

Smithfield Foods is the largest processor of pork in the United States and the world. It processes 26 percent of the pork in the United States and also controls or owns 15 percent of domestic hog production. Shuanghui International Holdings is China's largest pork producer and has proposed to buy Smithfield. If approved, this is likely to be the largest Chinese takeover of a U.S. company in history.

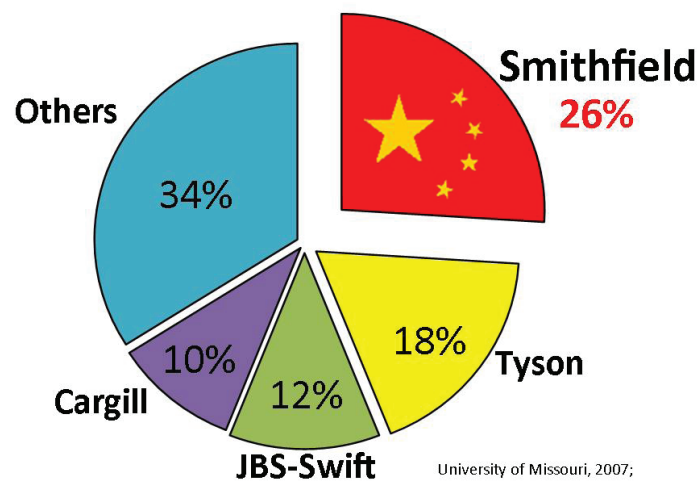
- This purchase will decrease competition in the U.S. pork market in the long-term, and it poses threats to U.S. farmers
- Chinese facilities will now have access to important processing technologies that will help China to catch up to the United States in production standards – and further lower the prices for pork products made in China
- The stated purpose of the merger is to increase Smithfield's exports to China – very likely at the expense of U.S. consumers
- The Chinese government will provide unlimited resources to Shuanghui/Smithfield to grow and further dominate the U.S. pork market
- A secretive governmental review process may be underway by the Committee on Foreign Investment in the United States (CFIUS)
 - › NFU has sent multiple letters to CFIUS, urging it to stop the deal
 - › CFIUS mostly considers national security concerns, but economic and food security factors may also play into its decision

ASKS:

Contact Treasury Secretary Jack Lew, the chairman of CFIUS, and urge his committee to reject the proposed deal.

Raise concerns in the media about the largest Chinese purchase of an American company and how it jeopardizes our food and economic security.

Control of the U.S. Pork Processing Market



University of Missouri, 2007;
Financial Times, May 30, 2013