

## House aid bill includes key ag provisions, sets up battle with GOP

It's not everything that farm groups wanted, but the broad array of agricultural provisions in a \$3 trillion coronavirus relief bill that the House is expected to vote on Friday are likely to find many supporters in the Senate.

[The HEROES Act](#), as the 1,815-page House bill is called, lacks a proposal backed by the American Farm Bureau Federation to raise USDA's Commodity Credit Corp. spending authority from \$30 billion to \$68 billion.



House Agriculture Committee Chairman Collin Peterson

[But the legislation does authorize \\$16.5 billion in additional direct payments](#), building off of rules for \$16 billion in payments that the department is expected to release later this month or in June under the Coronavirus Food Assistance Program.

The bill also would compensate producers who have to dispose of livestock and poultry that can't be sold because of processing disruptions. That's a top priority for the National Pork Producers Council.

**"U.S. pork producers are facing an unprecedented financial and animal welfare crisis," said NPPC President Howard "A.V." Roth. "These provisions represent a critical lifeline for hog farmers struggling to weather this storm."**

And the bill also would provide special assistance targeted toward dairy producers, including additional sweeteners for the Dairy Margin Coverage program, and aid directed to biofuel plants, fruit and vegetable growers and local agriculture.

Biofuel plants would be eligible for payments of 45 cents a gallon for fuel produced from Jan. 1 to May 1. For plants that were unable to produce for a month or more, they could get payments of 45 cents on half their production during the corresponding period in 2019.

Growth Energy CEO Emily Skor said the bill “offers a sorely needed beacon of hope for biofuel workers, our farm partners, and thousands of rural communities struggling to stay afloat.”

**The bill’s instructions for dispensing the \$16.5 billion in direct payments reflect House Agriculture Chairman Collin Peterson’s insistence on restricting Agriculture Secretary Sonny Perdue’s spending authority and a desire on the part of Democrats to address groups of producers that feel they are being shortchanged by CFAP.** Perdue used USDA’s CCC spending authority to develop the CFAP payments as well as the 2018 and 2019 Market Facilitation Program payments that were intended to offset the damage caused by the trade war with China.

Under the House bill, recipients of the upcoming CFAP payments would get additional payments to cover 85% of their losses in the second quarter of the year. Producers who aren’t eligible for CFAP payments could get payments under the House bill for 85% of their losses for the first half of 2020.

USDA also is directed to account for price differences among commodities based on location, specialized varieties and farming practices, including commodities that are certified organic.

The \$68 billion limit in CCC authority that AFBF is supporting is the level the cap would be if the \$30 billion cap originally set in the 1980s had been adjusted for inflation. "We're asking for that \$68 billion. ... if we can get \$50 (billion) it would be a win for the farmers and for the USDA," AFBF President Zippy Duvall told reporters recently. It's too soon to know how much relief farmers will ultimately need, he said.

**Senate Minority Leader Chuck Schumer, D-N.Y., quickly signaled support for the bill. Senate Republicans should “heed the lessons of U.S. history and not repeat the mistakes made by President Hoover that helped lead to the Great Depression,” he said.**

But many of the bill’s far more expensive provisions will be difficult if not impossible for Republicans to swallow, and Senate Majority Leader Mitch McConnell, R-Ky., insisted again Tuesday that it was too soon to pass another massive aid bill.

**“We’ve taken a look at what we’ve already done. We’ve added about \$3 trillion to the national debt and assessing the effectiveness of that before we go forward,” McConnell** said. “We’re having discussions ... with the administration. If we reach a decision, along with the administration, to move to another phase, that will be the time to interact with the Democrats.”

The House bill would authorize a new round of stimulus checks worth \$1,200 to individuals and up to \$6,000 to families and \$875 billion in fiscal relief to states and local governments. Other Democratic priorities in the legislation include a \$10 billion increase for the Supplemental Nutrition Assistance Program, \$3 billion in additional funding to provide emergency financial relief to school meal providers and USDA’s Child and Adult Care Food Program, aid to pension funds, an elimination of the cap on deductions of state and local taxes, and an extension of expanded unemployment benefits.

*Read the bill text [here](#) and a summary [here](#).*

## It was a 'bit surreal': Inside a packing plant and community rocked by COVID-19

Farmers, employees, consumers, and residents in communities such as Waterloo, Iowa, can only hope the changes Tyson Foods has made in its sprawling pork processing plant there will soon have workers safely processing hogs again at something close to full capacity. The facility was back in operation for the first time May 7 after it voluntarily shut down operations.

**“All team members returning to work have been tested for COVID-19, and any team member who has tested positive will remain on sick leave until released by health officials to return to work,”** said plant manager Tom Hart. “Team members who have not been tested will be unable to return to work and all new hires will be tested prior to starting work.”

As of May 12, 12,912 Iowa residents had tested positive for COVID-19. In Black Hawk County, where the Waterloo facility is located, there were 1,768 positive cases, with 1,031 of those Tyson employees. The plant employs nearly 2,800 employees and is the company’s largest pork meatpacking plant. Three employees died of COVID-19 and local news outlets reported that a fourth – an immigrant from Congo – died Tuesday.

During the two weeks the plant was shut down, Tyson [implemented](#) many safety features and precautions to protect employees from COVID-19, including a deep clean and sanitation of the entire facility, plastic dividers at work stations and in break areas, and increased availability of personal protective equipment. **Tyson also partnered with Matrix Medical Network, a medical clinical services company, to establish an on-site clinic to provide team members with enhanced care.**



Dividers like these have been installed at packing plants across the country. Photo: Tyson

Dr. Nafissa Cisse Egbuonye, public health director for the Black Hawk County Health Department, toured the Tyson plant on April 10, prior to the facility's shutdown, and then on May 6, before it reopened to see the new safety features that were implemented.

**“A huge change I saw was the implementation of social distancing,”** said Egbuonye, **specifically noting the barriers Tyson added to its line to physically separate workers in addition to the face masks they required in the facility.**

**“Before they reopened, I wanted to make sure they communicated the importance of these features to the team. Because it’s the team that makes the business,”** she added.

Egbuonye also noticed a plan to monitor the hallway, break rooms, and locker rooms to enforce proper social distancing and communicate with employees if they have been in a shared space longer than necessary. ‘I originally did not see that,’ said Egbuonye.



Dr. Nafissa Cisse Egbuonye

**Bob Waters of Local 31 of the United Food and Commercial Workers "100 percent" endorsed the reopening. "My message to all these other meatpacking plants — if you want a model to model your plant after, Tyson Waterloo is the model," Waters said.**

Black Hawk County Sheriff Tony Thompson, also the emergency commission chair for Black Hawk County, agreed. Thompson also toured the plant on April 10 after receiving many reports of concern for the safety of the workers and the widespread of COVID-19.

**“When we walked out of that facility, we were just absolutely convinced that this was horrible,”** Thompson said of his initial tour. He said he saw many workers not in proper PPE attire, with some wearing bandannas or face coverings fashioned from an old T-shirt or a used sleep mask.

Thompson also mentioned that social distancing standards were hardly enforced.

**A Tyson employee, who asked not to be named to discuss internal matters, agreed that, prior to the plant shutting down, few safety measures were in place.** On March 16, Tyson told employees face masks were optional to wear. On March 23, temperatures were taken at the entry of the facility and anyone measuring over 100.4 degrees was not allowed to work. On April 4, face masks were required, but the mandate was “lightly enforced,” he told *Agri-Pulse*. On April 13, 600-plus workers refused to work; another 700 refused to work on April 14. Tyson eventually halted operations April 22.

**Before the plant closed, working as an essential worker was “a bit surreal” he said, but he also noted he didn’t feel unsafe while he was doing his job because he worked in an area more secluded than the environments of workers on the processing lines.** But, he added, it was almost “impossible to social distance” everywhere else — entering and leaving the facility, break rooms, and bathrooms.

So far, the additional safety measures Tyson implemented seem to be working.

**“As of right now, the health department has not received any complaints that I'm aware of,” Egbuonye said. "It seems as though people are comfortable and feel safe at the moment.”**

Tyson did not reopen the plant at full capacity. The company would not comment on what level of production it is currently functioning.

**“I know that they stated they were running at 50% productivity and no additional shifts, though they have staggered their shifts and their personnel to allow for better social distancing,” said Sheriff Thompson.**

“They are advertising 50%, but I would say somewhere between 1/4 to 1/3 capacity. With about half the employees, we couldn't run normal speeds even without the precautions,” said the Tyson employee. “There are no additional shifts. Other than the cleaning crew, all third shift workers have moved to second shift.”

The employee also commented that there are at least five people making sure employees sanitize and have a new mask on the way into the plant. **“Temps are taken noncontact before you are allowed in. There are a number of nurses on hand, and they are also asking people how they feel on the way out.”**

When asked how to protect workers while also protecting the food supply, Egbuonye said, **“When you see a pattern like this, you realize that this issue is systemic. So, it doesn't just pertain to Waterloo. It doesn't just pertain to Georgia. It's happening across the nation. So, it means to me as a public health official, there is a systematic issue and we need to look at. The root cause of the issue is that there's a heavy focus on production and business outcomes, without recognizing that what makes the business is the employees.”**



Black Hawk County Sheriff Tony Thompson

“It's the people that make the business and the root cause is actually a lack of power priority in workforce safety,” reiterated Egbuonye.

The community and employees of Tyson are just one of the many sectors impacted by this plant; hog producers in the region have taken a heavy hit from these closures as well.

Iowa hog producer Al Wulfekuhle runs a farrow to finish operation with approximately 18,000 sows near Quasqueton, Iowa, right between the Waterloo plant and Tyson's Columbus Junction plant. He said the Waterloo plant is his main market, but he will occasionally take hogs to Columbus Junction.

Before COVID-19 struck, Wulfekuhle typically brought in five truckloads of about 165 hogs each to the Waterloo plant every week. Since COVID-19 struck and Tyson had to roll back operations, Wulfekuhle is only bringing one or possibly two loads in a week.

“Tyson's tried really hard working with us," he said. "Before this happened [the closing of the plant], they tried to speed up their capacity, work some extra Saturdays, trying to help producers get some pigs sold ahead but it didn't last long because this thing hit us really quickly.” While he was unable to sell the hogs that were on his farm, many bills started to pile up.

“It is amazing how fast your credit goes up when you don't sell anything,” he said.

**According to a new report by CoBank, hog producers may still be forced to euthanize as many as 7 million pigs in the second quarter of 2020 — about \$700 million worth of hogs at average prices — even with expected pork processing to pick up in the coming weeks.**

Many producers in the area have been forced to euthanize their herds after closures of several plants in the area. Aside from the Waterloo and Columbus Junction facilities, the Smithfield plant in Sioux Falls, S.D., and JBS plant in Worthington, Minn., have also experienced closures. But Wulfekuhle said he hasn't had to depopulate any of his livestock yet.

**"It's the last thing you want to do as a producer, when you spend your whole career trying to figure out how to save animals and keep them healthy and keep them growing fast ... I'm gonna do everything I can to not have to do that," said Wulfekuhle.**

Wulfekuhle has been working to mitigate his losses by slowing the growth rate of his hogs — taking out some of the protein source in their feed and feeding them mostly corn as an energy source. He has also taken additional measures such as rationing the feed to smaller portion sizes and also raising the temperatures in the barn to decrease the hogs' appetites.

## **Ag issues central in US-UK trade talks**

U.S. farm groups are looking for big wins as U.S. negotiators push the U.K. to abandon European barriers to agricultural trade in the countries' first round of trade talks, according to officials aware of the proceedings.

**At the root of U.S. demands in the ag trade talks is that the U.K. agree to divorce itself from the European Union's global quest to restrict the use of some food names — think Asiago cheese — as well as convince the British to accept U.S. poultry.**

The U.S. Trade Representative has not yet commented on results of the ongoing talks being held virtually across the Atlantic, but U.S. dairy and poultry leaders are confident their concerns are being fought for.

This is the second week of talks between about 200 negotiators on both sides who are meeting via videoconference out of COVID-19 precautions.

**"These negotiations are a great opportunity for American agriculture," says International Dairy Foods Association President and CEO Michael Dykes.**

The U.K. will remain beholden to EU policies through December 2020, but on Jan. 1, the U.S. dairy sector and lawmakers want Britain to abandon Europe's quest to restrict what it calls geographic indications.

**"It is imperative that the U.S. government seizes the opportunity ahead of us in the U.S.-U.K. negotiations,"** said Jaime Castaneda, executive director of the Consortium for Common Food Names and an executive with the U.S. dairy industry. "The U.K. doesn't have to abandon the GI system entirely, it just needs to establish reasonable, trade-friendly rules for handling them and to safeguard the use of common names so U.K. and U.S. producers and consumers can take advantage of new market opportunities."

**The EU has been successfully inserting GI protections for food names like black forest ham and feta, Gorgonzola, fontina and Roquefort cheese into free-trade agreements across the globe with countries like Mexico, Japan and Canada.**

The damage can be extensive to U.S. companies that sell food under those names to countries, only to find out they have to call the products something else that consumers don't recognize.

**So, getting a former EU member country to at least partially turn its back on GIs would be a satisfying accomplishment, Dykes told *Agri-Pulse*.**

**“It would be a breach in the dam,” he said.**

But it would also ensure the U.S. could sell products to British importers that it can't now.

“For far too long U.S. food and beverage producers have been barred from selling their accurately labeled products to the U.K. by virtue of its adherence to protectionist EU GI policies,” the Consortium for Common Food Names said in a statement provided to *Agri-Pulse*. “This agreement must put an end to that in order to create a level playing field for competition and create a model for dealing with GIs that does not give short shrift to the rights of companies relying on widely used, everyday food names to market their products.”



Michael Dykes, IDFA

The U.K. imports about \$3 billion worth of cheese, butter and skim milk powder annually, but only about \$9 million worth of the products come from the U.S. because of EU tariffs and GI restrictions.

Another EU policy that U.S. negotiators are addressing in talks with their counterparts at the British Department of International Trade is the country's barrier to U.S. poultry.

It's still common in the EU for government officials and the public to express opposition to importing “chlorinated chicken” from the U.S., but that's a fiction, says Jim Sumner, president of the USA Poultry and Egg Export Council. While it is common for U.S. producers to use antimicrobial rinses to prevent salmonella contamination, chlorine is not used, he and other officials stress.

Getting the U.K. to acknowledge the safety of U.S. poultry is intrinsic to any FTA, Sumner tells *Agri-Pulse*.

**“If our industry is going to be supportive of the FTA, they're going to have to come up with a way of dealing with this issue and recognizing that both systems are safe and effective,” he said.**

Sumner is not alone. He has dozens of U.S. lawmakers behind him. A group of 47 House members [wrote to](#) USTR Robert Lighthizer in March, demanding that negotiators fight to open up the British poultry market.

“As the second largest exporter of chicken and largest exporter of turkey, the U.S. sends poultry products to more than 120 countries around the world,” the lawmakers said in the letter. “Lifting this ban will set the stage for future agreements, such as with the EU and reinforce the (Trump) administration's stance that U.S. farmers and ranchers are an integral part of the American economy that should not be left behind.”

National Chicken Council President Mike Brown lauded the support from Congress.

“With almost one of five pounds of chicken being exported, a robust and expanding overseas market is extremely important to the economic health and well-being of the U.S. chicken industry,” he said. “Including U.S. chicken is critical in any new trade agreement with the U.K. — an agreement that should not be hampered by artificial trade barriers.”

## Could Kenya FTA open new biotech potential in Africa?

Anti-biotech activists and sentiment are entrenched throughout Africa, but U.S. farm groups and businesses are hoping a free-trade agreement with Kenya will help the country break through its GMO barriers and provide an example to other nations of what the science can do for farmers and food security.



Andrew Conner, BIO

The U.S., home to an agriculture sector that heavily depends on biotechnology to produce soybeans, corn, cotton and sugar, [announced on March 18](#) that it would begin negotiating an FTA with the East African country that still bans the technology despite a growing interest in using it.

Many African countries still look to Europe, with its open distrust of genetically modified food, as a policy role model, but desires to use biotechnology are gaining ground in countries like Ethiopia and Kenya.

And Kenya, for its part, appears ready to take on the role. Scientists there have been developing genetically modified crops to fight off disease, pests and survive drought conditions for years, but the ban and the strength of activists have been holding the country back.

Biotech advocates are now hoping that will all soon change as the East African country draws closer to cementing new ties with the U.S.

**“We certainly expect to see a lifting of the ban,” said Andrew Conner, senior manager for international affairs at the Biotechnology Innovation Organization.**

A full acceptance of biotechnology and a modern system to approve biotech crop traits would protect Kenya’s farmers from pests and bolster food supplies in a country that still accepts international aid, say U.S. industry and government officials.

**The country is already on its way. Kenyan farmers are for the first time ever planting Bt cotton this year as the country hopes to save its textile industry.**

Bayer Science and the Kenya Agricultural & Livestock Research Organization (KALRO) developed the cotton — which is resistant to the African bollworm — that is going into the field from March through April.

**“Cotton is a commercial venture there and they just recently approved Bt cotton, and it's gone into the hands of about 1,000 farmers in Kenya,” said John McMurdy, director of emerging markets & development partnerships for CropLife International.**

But Kenya's ban on imports of genetically engineered ag food and seeds remains in place.

When the United Nations' World Food Programme wants to deliver food aid to Kenya, it cannot include the popular humanitarian assistance of corn-soy blend because it contains GMO's, say officials with USDA's Foreign Agricultural Service in Nairobi. The WFP cannot even use Kenya's major port of Mombasa to transport the GE products to inland East African countries without ocean access.

**“With an estimated 2 million people dependent on food assistance in Kenya in 2019, the ban on food aid containing GE products continues to put those already acutely food insecure at even greater risk,”** according to an analysis by the U.S. Grains Council, National Corn Growers Association and Corn Refiners Association that was submitted to the USTR. **“Unrestricted transshipment of food and feed corn products through Kenya should be a prerequisite to conclusion of an FTA.”**

Anyone caught breaking the ban faces a \$230,000 fine or 10 years in prison, according to the FAS officials in Nairobi.

**The ban was put in place eight years ago by Kenyan Health Minister Beth Mugo after reading a debunked study showing GE food caused cancer in rats. Mugo left office in 2012, but the ban remains in place, even as the country's research into biotechnology continues.**



John McMurdy, CropLife International

Perhaps the most needed biotech trait is the one that helps corn ward off the fall armyworm, a caterpillar-like bug with a voracious appetite that has spread across much of Africa. Years ago, the Kenya Agricultural & Livestock Research Organization, together with the African Agricultural Technology Foundation, International Maize and Wheat Improvement Center and Bayer developed a corn to survive the armyworm. It could be commercialized immediately if the ban were removed, said McMurdy, although much more advanced technology has since developed while the Kenyan product has idled for years.

**“If there was clarity on how to get those products approved, there really is a lot of stuff ready to go now, starting with corn products that will help Kenyan farmers deal with major issues,”** he said.

The situation is made even more dire by the fact that Kenya's population of 50 million is expanding rapidly, but the country does not produce or import nearly enough corn or feed, and the situation is deteriorating, according to the USGC-NCGA-CRA analysis.

**“In the short term, Kenya's feed industry is facing severe supply shortages,”** the groups said. **“Kenya produces nearly 730,000 metric tons of feed annually — enough to meet between 60 and 70% of feed grain demand.”**

Drought and massive locust swarms have only made the situation worse, and the country needs to lift its ban, which is also the country's leading trade barrier, the U.S. corn groups say.

And it's not just Kenya that would benefit. The country has the opportunity to pave the way for other African countries to shed their own barriers to planting and importing biotech crops. While some African countries, including Ethiopia, are already accepting the technology, others, such as Angola, are not. Many are in various stages of creating regulatory frameworks to potentially allow approvals.

"This trade agreement is an opportunity to really create processes that can better enable biotechnology to be deployed where its most needed," said BIO's Conner. "There are certainly challenges across the continent and ... we are looking at this with the intent of creating a type of model that can be replicated elsewhere."

## **Biofuel producers aim to meet volume requirements despite COVID-19 impacts**

Even though less than a quarter of U.S. ethanol plants are running at full capacity, biofuels advocates argue producers can meet this year's blending targets as another battle over the Renewable Fuel Standard heats up.

COVID-19 has collapsed both the ethanol and oil industries due to falling fuel demand the last two months; companies in both industries find themselves in tight financial situations and considering slowing or even halting production. Oil companies say they will struggle to blend the required amount of biofuels — set annually under the law that created the Renewable Fuel Standard — into the nation's fuel supply. Last year, [EPA set](#) the 2020 total blending target at 20.09 billion gallons, including 15 billion gallons of corn-based ethanol.

**According to the Renewable Fuels Association, 49 out of 204 U.S. ethanol plants are running at full capacity as of May 6. Some 82 plants are running at a reduced rate and 73 are fully idled, 58 alone since March 1, and the nation is using about half its processing capacity, which would equate to 8.6 billion gallons of annual production.**

From March 16 to May 4, the U.S. retail gasoline price fell by 46 cents per gallon, according to the [Energy Information Administration](#). On April 27, the average retail gasoline price was \$1.77 per gallon, the lowest price since February 2016.

As oil companies suffer financially, they are claiming the RFS is part of the problem because of certain ethanol blending requirements they say they cannot afford to meet.

Pennsylvania Governor Tom Wolf sent a [letter](#) to EPA Administrator Andrew Wheeler Monday requesting Wheeler exercise waiver authority to reduce the RFS volume mandates.



Sen. Joni Ernst, R-Iowa

**“Currently, significant harm to the energy economy is expected to result from depressed demand for transportation fuel,” Wolf wrote. “But the 2020 RFS compliance obligations, in their current form, risk transforming the current severe economic harm to existential harm for some of the refineries in our states.”**

In late April, a coalition of 24 organizations sent a letter to the Trump administration to waive the requirements this year, arguing RFS compliance is an additional burden for refiners.

“Inaccurate projections from 2005 and 2007, an inconsistent annual standard-setting and waiver process, and congressional inaction, punctuated by agency infighting, underscores the need for repeal of the program,” the [letter](#) read.

Biofuel-state senators led by Sen. Joni Ernst, R-Iowa, sent a [letter](#) of their own last week asking the administration to immediately reject the waiver request.

**"We are all suffering and to make ethanol suffer even more is certainly not following congressional intent of the RFS," Ernst told *Agri-Pulse*.**

Renewable volume obligations in the RFS are set amounts biofuel producers are supposed to make and refiners are supposed to blend. The numbers are based on the Environmental Protection Agency’s calculated projections of fuel demand for the following year. But when EPA released the 2020 RVOs in December, no one expected COVID-19 to happen and keep drivers off the road.

Renewable fuels advocates argue the volume requirements should be easy for refiners to meet because obligation projections are expressed in percentages and not by total volume.

“If gasoline and diesel consumption go down 10%, then the effective volumes that they have to use, also go down by 10%,” Scott Richman, chief economist at the Renewable Fuels Association, told *Agri-Pulse*.

Richman argues an abundance of renewable identification numbers, the biofuel mandate compliance credits tied to each gallon of ethanol produced, should help refiners.

**“We’ve got a bloated RIN bank of about 3.5 billion RINs that the EPA estimates. If that’s fixed and you have a lower blending obligation, then those RINs go further toward meeting the annual requirement,” Richman said.**

Once a gallon of ethanol is blended, the refiner may turn the RIN credit in to EPA, but some hold onto them if they blend more than required. Refiners can also sell the credits on the market to other refiners who cannot meet blending requirements.

For the ethanol industry, Richman said record ethanol stocks should help biofuel producers meet RVO requirements.

“There is plenty of ethanol compared to current usage levels,” he said. Richman also noted ethanol production levels have matched the drop in consumption and now, the slight improvement.

Ethanol production rose 11.4%, or 25.12 million gallons daily, to a four-week high, according to EIA data analyzed by RFA for the week ending May 1. However, the number is 42.3% below the same week in 2019.

These numbers correspond with rising gas consumption. Gas prices rose slightly to \$1.79 a gallon on May 4, EIA data showed.

“After a near 50 percent fall in demand from mid-March levels in early April, gasoline demand increased to 6.6 million barrels per day last week,” University of Illinois assistant professor Todd Hubbs wrote in [Farmdoc daily’s weekly outlook](#).

Hobbs said as many areas begin to open, an expectation of higher gasoline demand should be in place, but it will still be below pre-pandemic levels of nearly 9.5 million barrels per day.



Scott Richman, RFA

**Tristan Brown, energy resource economics professor at the State University of New York, called 2020 a “regulatory fluke” for the RFS. He said the ethanol sector needs to get used to the pandemic this year but said everything will change in January.**

**“The only reason the ethanol sector is being negatively impacted is because of the timing of the rulemaking versus the timing of the pandemic,” Brown told *Agri-Pulse*.**

Brown expects ethanol demand to fully recover because the new forecast will account for the effects of the coronavirus, presumably in the form of lower gasoline demand.

The biodiesel industry, which is not suffering as badly, also argued their industry will meet requirements.

**“We will still meet our obligation under the RFS, it just won’t be 2.43 billion gallons. It’s going to be less because those percentage standards will apply, but it will apply to a smaller pool of diesel fuel,” Kurt Kovarik, vice president of federal affairs at the National Biodiesel Board, told *Agri-Pulse*.**

Kovarik said there could be a loss of 250-300 million gallons of demand for biodiesel because of the lower demand for diesel fuel, which according to NBB’s estimates has dropped 20 to 30%.

“We’re a little bit more fortunate than ethanol is in the fact that our demand is not dropping off as much as gasoline,” he said.

Only two of 10 biodiesel plants that closed in February 2019 because of small refinery exemptions and the lapse of the biodiesel tax credit have come back online.

## Small meat lockers see surge in demand while farmers search for processing alternatives

While many large meat processing plants slowed down or temporarily closed due to the spread of COVID-19 among their employees, many small, local meat lockers are seeing a boom in demand for custom butchering. As consumers aim to fill their freezers, some meat shops tell *Agri-Pulse* they are booked full for several months and a few are full until next March.

“I’m seeing my schedule book up a lot further in advance than normal,” said Jerry Leonard, owner/member of Higginsville Processing, located in Higginsville, Mo. “Since this whole thing has started, we are pushing four months in advance that I am booked.”

Nathan Genzler, owner of [Tulare Country Meats](#) based out of Tulare, S.D., is seeing the same thing. When reached by *Agri-Pulse*, he said his first opening to process a hog was in mid-November, and his first window for a beef cow wouldn't open until the end of December. **“We usually get scheduled two to three months out but not to this extreme,” he said.**

A spokesperson for the American Association of Meat Processors said members have reported exponential increases in sales, which they believe are due to demands being placed on grocery stores across the U.S., some of which are temporarily short on beef and pork. Most of their members are small retail establishments that are able to implement safety procedures, reduce the risk of exposure for employees in their businesses and remain open. These safety procedures include increased personal protective equipment for employees, curbside pick up, as well as increased cleaning and sanitizing, according to AAMP.



Diana Dietz

"We believe consumers will come out of this time period with a better appreciation for small butcher shops and their meat products," said AAMP spokesperson Diana Dietz.

Rick Reams, who owns [RJ's Meats](#) in Hudson, Wis., and serves as the AAMP president, said COVID-19 has "made many of us look at our businesses differently" but also has presented several opportunities for smaller meat processors.

"Possibly the most important element to this is the meat we sell," he wrote in a [post for AAMP](#) members. "Shuttered plants are creating havoc for farmers with animals ready for slaughter and no place to take them. This places more pressure on smaller plants that are called upon to take more animals in. This is another opportunity for you to earn the trust of your community and local farmers. Live market prices are down. If we pay a fair price to our farmers our integrity will show."

Some of the smaller processors have already raised prices due to the lack of boxed meat that they used to be able to buy from packing plants.

“With all the plants shut down, it's making it hard for me to get product, and it's making it very expensive, which in turn is making me have to charge more,” said Genzler.

Genzler said he is having a hard time coming across meat to make hamburgers, prompting him to mark up his retail burger meat to \$6/pound, double his usual price.

**“There's a lot of steak material out there because all the restaurants are shut down and not serving as much, and since the processing plants are no longer in production there's not much burger meat to buy,” he added.**

Disruptions at major packing plants, coupled with the long waiting lines for custom butchering, have encouraged some farmers to look at new alternatives.

One Northeast Iowa farmer is looking into creating his own space for processing his animals. Bob Schilling of Edgewood, Iowa, told *Agri-Pulse* he's researching the costs of building his own cooler to process his animals on his farm.

**“When I was a kid years ago, my family would get together to butcher a couple head of beef and hogs with my cousins and aunt and uncle. Either once or twice a year and that would be a part of our meat supply for the year,” said Schilling.**

Schilling worked for USDA as an interim meat inspector when he was in college, filling in for full-time inspectors using vacation days or that called in sick. “I had experience with both beef and hog kills as a USDA meat inspector. So, I got the background a little bit and I know how it works,” he said.

As Schilling researches different cooler options, he's focusing on building one that is 16x8 feet and will cost about \$6,500 if he does most of the labor, which would include laying the concrete, building the frame and insulation, and running all of the electrical work. He is looking at buying most of the equipment secondhand, but the most important piece would be the air conditioner that would cool down his space.

“It's not going to take much to pay it off; If you think about it, I really only need to run 9 beef cattle through there,” he noted. The local meat locker near Schilling charges \$725 to process a 800 lb. beef carcass and \$200 for a hog.

However, custom butchering comes with its own set of safety precautions and [regulations](#), according to the [Niche Meat Processing Assistance Network](#). “A custom-exempt plant can only slaughter and process livestock for the exclusive use of the livestock owner(s). This product cannot be sold. Facilities are subject to periodic, risk-based inspection by USDA FSIS and/or state authorities,” the network notes. However, someone who owns all or a share of an animal can pay a custom-exempt facility for slaughter and processing. Meats sold by the cut, like a package of pork chops, must use USDA-inspected or state-inspected processing services.

**“We've gotten a lot of phone calls about how to start a new meat plant,” said Dr. Kathryn Polking, chief of the Meat & Poultry Inspection Bureau for the Iowa Department of Agriculture. She says her bureau prefers to hear from interested individuals so staff can “discuss exactly what the individual wants to do and then walk them through each stage of what's required.”**

She advises those interested in starting to process their own meat to reach out to their state department of agriculture first or to USDA's [Food Safety and Inspection Service](#) for federal guidelines. In addition, there are several Iowa online reference guides available, including a

["Guide to Designing a Small Red Meat Plant,"](#) Marketing Local Foods for [Red Meat and Poultry,](#) a ["Beef and Pork Whole Animal Buying Guide,"](#) and the ["Iowa Poultry Slaughter, Processing and Sales Guidelines for Small Scale Producers."](#)

## News Briefs:

**China keeps pace in US ag purchases.** China snapped up another 136,000 metric tons of 2019-20 U.S. soybeans this week, according to a USDA announcement Tuesday, showing the country is not letting up on purchases that go toward meeting its promises under the “phase one” trade agreement. Last week, USDA reported sales of 378,000 tons of U.S. soybeans, 242,000 tons of which will be delivered in the 2020-21 marketing year. Chinese buyers are mostly loading up on Brazilian soy, but their focus is expected to shift heavily to U.S. new crop soon. Meanwhile, China is also buying extraordinary amounts of U.S. corn and wheat. [On Thursday,](#) Chinese importers bought a whopping 686,000 metric tons of U.S. corn. Of that, 371,000 tons is for delivery in 2019-20 and 315,000 tons is for delivery in 2020-21. Previously, on March 20, China purchased 756,000 tons of corn and 340,000 tons of wheat. On April 3, China bought another 567,000 tons of corn.

**US and other countries unite to oppose EU dairy purchases.** The European Union's plan to buy up skim milk powder and butter from European producers is spurring U.S. producers to join in protest with farmers from Argentina, Brazil, Chile, Costa Rica, Ecuador, Guatemala, Mexico, Paraguay and Uruguay. The broad coalition says it is fearful the EU's plan to purchase the dairy commodities at below-market prices and sell them into the international market will depress global prices and hurt non-European producers. “The European Commission must avoid dumping government-purchased SMP and butter on the world market and implementing policies that undermine global dairy markets under the guise of protecting its farmers,” the coalition said in a statement released Tuesday. “The EU's market-distorting practices are harmful enough during normal operations. If used in the wake of the COVID-19 pandemic, which has dramatically eroded dairy prices, they would be disastrous to the world dairy market by prolonging the current crushing economic conditions.”

**Singapore lifts BSE restriction on US pet food.** Singapore, at the persistent insistence of USDA and the Pet Food Institute over the past two years, has lifted a ban on U.S. pet food containing bovine material, according to a [new report](#) from USDA's Foreign Agricultural Service. The 13-year-old restriction was based on fears of the spread of bovine spongiform encephalopathy, more commonly known as mad cow disease. USDA's Animal and Plant Health Inspection Service pointed out the World Organization for Animal Health gave its lowest possible risk factor rating of “negligible” to the U.S. in 2013, and Singapore's Animal Veterinary Service eventually relented, removing the restriction. That's good news for U.S. pet food manufacturers because Singapore's imports are rising. The country imported \$49 million worth of pet food in 2019, up from \$44 million in 2018.

**Senators call for DOJ inquiry into meatpacker practices.** A bipartisan group of senators are asking the Justice Department to “expediently” investigate what they call “concerning circumstances” within a beef sector rocked by processing capacity issues and accusations of profiteering at the highest levels of the supply chain. In a [letter](#) led by Nebraska Republican Deb Fischer, 19 senators — 16 Republicans and three Democrats — ask DOJ to “investigate suspected price manipulation and anticompetitive behavior in the highly concentrated cattle industry, in order to identify more clearly the factors contributing to a dire situation for producers.” In their letter, the senators say decreases in live cattle prices — down

18% since February, they say, while wholesale beef prices have jumped 115% over the same period — “are pushing cattle producers and feeders to the brink, adding to the longstanding concerns stemming from the state of competition among beef packers.” President Donald Trump has previously said he would ask DOJ to look into the state of the industry. The Department of Agriculture has also expanded an investigation that started by looking into pricing practices after an August fire at a Kansas packing plant to include the COVID-19 pandemic. “Given the opaqueness of this concentrated industry, DOJ is in a distinct position to gather the facts and evidence necessary to determine the forms of collusion or other unfair and deceptive practices that might exist behind identical prices or certain buying and selling patterns among packers,” the letter notes.

## Farm Hands on the Potomac...

**Cindy Nickerson** has been appointed USDA's deputy chief economist, effective June 7. Nickerson has served 20 years at the department, and before her latest appointment, served as the director of the market and trade economics division at the Economic Research Service. USDA has selected **Jason Suckow** to serve as the new director of the National Wildlife Research Center, headquartered in Fort Collins, Colo. NWRC is the research unit of APHIS' Wildlife Services (WS) program. Most recently, Suckow served as director of the WS' Western Region overseeing WS work in 19 states and Guam. He has been a member of the WS Management Team since 2014 and has been serving as acting director of the NWRC since January.



Alexa Lamm

The Council for Agricultural Science and Technology has announced **Alexa Lamm** is the recipient of the 2020 Borlaug CAST Communication Award. Lamm is an associate professor of science communication at the University of Georgia. Lamm's work examines the impacts of communication and educational practices as they relate to technology that advances agricultural production while maintaining a sustainable environment. Much of her work explores how people make decisions about water conservation, water protection, and water policy.

**Sam Eathington** has been tapped by Corteva Inc. to be the next senior vice president and chief technology officer and will lead Corteva Agriscience's research and development organization. He comes to Corteva from The Climate Corporation, a division of Bayer Crop Science, where he was chief science officer. Eathington replaces **Neal Gutterson**.

The American Soybean Association hired **Virginia Houston** as a new director of government affairs. The Tennessee native most recently worked for the American Seed Trade Association as a director of government relations handling federal legislative issues and she's also worked for the National Pork Producers Council and the Animal Agriculture Alliance. She'll handle trade issues when she joins ASA at the beginning of June.

**Elvis Cordova** is now the vice president of public policy and advocacy at the National Recreation and Park Association. Cordova previously opened his own consulting firm called Statecraft Strategies. Before that, he worked at USDA in various leadership roles, including chief of staff, deputy undersecretary and acting undersecretary.

**Kevin Roepke** has been named regional director of the Asia Sub-Continent for U.S. Soybean Export Council. Roepke currently serves as regional director of the Americas region and will relocate to the ASC region when USSEC 's travel safety policy allows. Before joining USSEC, Roepke served as regional director of South and Southeast Asia for the U.S. Grains Council.

The Ecosystem Services Market Consortium announced four new members have joined its team. **Paul Meints** will serve as the research director of ESMRC, the research arm of ESMC. **Cassie Kniebel Aherin** and **Benjamin Bartley** have been hired as project managers who will oversee coordination of pilot projects and protocol and certification work. And **Deke Alkire** has joined the team to develop the ESMC Certified Technical Assistance Provider Program and the ESMC Certified Verifier Program.

Danone named **Shane Grant** as the new executive vice president and chief executive officer of Danone North America. He will report to **Emmanuel Faber**, chairman and CEO of Danone. Grant previously worked for the Coca-Cola Co., where he held various leadership roles in marketing, commercial and general management. Most recently, he led Coca-Cola's noncarbonated beverage business in North America.

**Sally Grimes** now serves as the CEO of Clif Bar & Co., effective June 1. Grimes will succeed owners and co-CEOs **Gary Erickson** and **Kit Crawford**. Erickson founded Clif Bar. Grimes previously was group president of prepared foods at Tyson Foods.

**Ryan Krabill** is now the director of business development at Medius Ag. He previously worked for Potatoes USA as the director of research and analysis.



Sally Grimes

**John Stewart** has left the Beltway and moved to Indianapolis to start a new job with Elanco as an adviser for state government and public affairs. Stewart previously worked at the American Feed Industry Association as the director of membership and stakeholder engagement.

NASDA has brought back **Autumn Lankford** to be the new executive administrator to CEO **Barb Glenn**. Lankford was NASDA's 2019 summer public policy intern. She is a native of Georgia and recently graduated from the University of Georgia with a degree in agricultural communication.

Federal Agricultural Mortgage Corporation (Farmer Mac) has added **Amy Gales** and **W. David Hemingway** to serve on the company's board of directors. They replace **Thomas Hill** and **Clark Maxwell** on Farmer Mac's board, both of whom chose not to stand for re-election. Gales most recently served as an Executive Vice President and member of the management executive committee of CoBank, ACB. All of Hemingway's 42-year career was spent working at Zions Bancorporation.

The Animal Agriculture Alliance recently hired **Emily Solis** as the new communications specialist. Solis began her role on May 11 and will focus on executing the alliance's issues

management and communications strategy. Solis previously worked as the communications manager at Maryland Farm Bureau, communicating legislative and regulatory updates to Maryland farm families. Solis is a previous intern for the alliance.

**Tyler Hardy** now serves as a deputy legislative director for Sen. **John Hoeven**, R-N.D. He covers appropriations, foreign trade, small business, and transportation and public works. He previously was a legislative assistant for Hoeven.

**Rich Sheedy** has been promoted to legislative director for Rep. **George Holding**, R-N.C. Sheedy covers the portfolio for animal welfare, immigration, science and technology, and telecommunications.

**Liam Forsythe** now serves as the chief of staff to Rep. **Nanette Diaz Barragán**, D-Calif. He previously served as a chief counsel to Sen. **Heidi Heitkamp**, D-N.D.

**Nate Riggins** is a legislative assistant for Rep. **Andy Kim**, D-N.J. He covers the portfolio for animal welfare, energy, environmental protection, public lands and natural resources, science and technology and telecommunications.

**Kara Verma** has taken a new role as a legislative assistant for Rep. **Sheila Jackson Lee**, D-Texas. She covers the portfolio for immigration and foreign trade. She previously was a legislative fellow.

**Jeffrey Rapp** has been promoted to senior policy adviser for Rep. **Stephanie Murphy**, D-Fla. He covers small business and telecommunications issues. He previously was Murphy's senior legislative assistant.

The International Food Policy Research Institute (IFPRI) announced the appointment of **Emorn Udomkesmalee** as the next chair of the institute's board. Udomkesmalee is a senior adviser and former director of the Institute of Nutrition, Mahidol University, Thailand. She is also an adjunct associate professor in the Department of International Health at the Bloomberg School of Public Health at Johns Hopkins University.

Purdue University's office of international programs in agriculture has created a new award named in honor of late Purdue professor **Lowell Hardin**. The award was created to honor Hardin's legacy and his contributions to international agriculture. This year's award recipients are as follows: **Gebisa Ejeta**, professor of agronomy and 2009 World Food Prize laureate; **Thomas Hertel**, professor of agricultural economics with a focus on issues related to international trade and environmental sustainability; **Jules Janick**, professor of horticulture and landscape architecture; **Suzanne Nielsen**, professor of food science who has been an advocate for international research, outreach and education; and **John Sanders**, professor of agricultural economics with a focus on the impacts of international agricultural activities and systems.

**Sam Kain**, assistant vice president and national sales manager for the Farmers National Company, has announced he will be retiring effective July 31. Kain's successor will be **David Whitaker** of Ames, Iowa, who will join the company on June 1. He previously owned Whitaker Marketing Group where he was broker and auctioneer. Kain has been with the company since 1990, where he first took a position in the Des Moines office. In 2013, Kain was promoted to assistant vice president and national sales manager where, in addition to fulfilling his area sales manager responsibilities, he recruited real estate sales associates across the United States to

join Farmers National Company. Kain also served on the Farmers National Company board of directors.

**Bill Page**, of Insight FS, has been awarded the 2020 Wisconsin Certified Crop Adviser (CCA) of the Year Award. Page has been with Insight FS since 1977. The award recognizes a certified crop adviser who delivers exceptional customer service, is highly innovative, and has shown they are a leader in their field.

**Best Regards,**

**Sara Wyant**

**Editor**

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