

Roberts: Not the time for a revolutionary farm bill

Farmers and ranchers would like to see a new farm bill “sooner rather than later,” says Kansas Sen. Pat Roberts, but he is still in the process of listening to members and various interest groups, while waiting for final budget numbers. The chairman of the Senate Committee on Agriculture, Nutrition & Forestry says formal work on a new bill can begin sometime after those efforts are complete. There is still plenty of time: The current bill expires on Sept. 30, 2018.

“This is not a time for a revolutionary farm bill,” Roberts told *Agri-Pulse* in an exclusive interview. “We’re in a pretty rough patch right now in agriculture across the board.”

“The two issues that we have heard in Kansas, Michigan, Montana, Alabama and other places are -- crop insurance, probably the number-one issue, and right next to it is trade. And then you split off into regions of the country where they feel that certain aspects of the farm bill can be improved.”

However, it’s difficult to know what can be changed in a new farm bill without knowing the budget parameters. Asked if he expects more money for the bill, less money or the status quo, he says: **“That’s the big question.”** Whatever Congress does or doesn’t do on health care or tax reform will have big impacts on the budget and “we’ll just have to see” what numbers are forthcoming in the next couple of weeks.



Chairman Pat Roberts talked to Agri-Pulse Editor Sara Wyant in his personal office on Tuesday.

“I just left a meeting with (Senate Budget Committee Chairman) Mike Enzi who started off by saying, ‘Well, with Pat Roberts in the room we’re not going to talk about cutting agriculture.’ Maybe out of the room they will. Who knows? But that budget figure will determine a lot of what we’re able to do.”

Timing is also an important factor, given that lawmakers will still be trying to hold hearings on President Trump's nominees and potentially tackle health care, tax reform, and infrastructure before the end of the year. His committee will hold another farm bill listening session within the next couple of weeks, but the date and location has not yet been announced.

“Time is probably the most valuable commodity that we have and whether we can get two days or three days for the farm bill determines whether or not we can put something together that is truly bipartisan and will get over 60 votes,” Roberts added.

Here are some of Roberts’ other comments on farm bill topics.

Crop Insurance: Asked if he was assured by budget negotiators that crop insurance would not be cut, Roberts said, **“We’ve sure made a good argument. We were able to convince the president, we ought to be able to convince the budget writers.”** But he lamented the “constant critics” of crop insurance who “don’t fully understand how this has evolved over the years as the primary tool in a farmer’s tool box to assist with risk management. If we didn’t have crop insurance, I don’t know of any lending institution that would lend a farmer for the next year’s crop. The access to capital would be greatly hindered. That would be felt all up and down Main Street.” Roberts says doesn’t want to end up with – under the banner of reform -- fewer crop insurance companies serving only low-risk operations.

Regulatory Reform: In the next farm bill, Roberts wants to look for ways to further streamline regulations and paperwork confronting producers who participate in government programs. For example, he’d like to make it easier to certify compliance with USDA conservation requirements.

Cotton: “We know the past farm program did not work well -- at least to the degree (cotton producers) feel it should. Crop insurance is sort of a hard fit. They requested the secretary put them back in Title One (of the farm bill). We will consider that. But that’s along with requests from everybody else. As soon as we get the budget figures, we will figure it out.”

Dairy: Roberts says dairy policy has always been complicated because of smaller dairy operations in the Northeast and the larger dairies in Kansas and throughout the West. “It’s a disparate kind of thing. You may have a farm program that would help a smaller producer and the larger producer might not even need it or want it. So that’s going to be a hard thing to deal with.”

Conservation Reserve Program (CRP): Some committee members would like to increase the size of the CRP, but Roberts says you get into the pros and cons of that issue real quickly, including: “it’s too costly, you tie up land for a long time,” and, “you want to hay and graze if you have a problem with Mother Nature.” All of those questions have to be considered, Roberts said. “Probably the biggest situation, if you tie up too much ground in a county or area of the country, it really takes away from the economic situation with our small communities. They don’t die on the vine, but if you lock up a lot of acres you are denying a lot of economic benefit.”

Research: Lawmakers developed the Foundation for Food and Agriculture Research in the last farm bill to leverage public funds with private investments. “They’ve done some things that are interesting and we’ll have to work on that funding as well,” Roberts said. In addition, he pointed out that ag research funding has been flat for about six years. “I don’t think you can do that with a global economy and keep up with a lot of our competitors,” he said. “That’s not a good thing to be putting on the back burner.”

Foot and Mouth Disease Bank: USDA’s Animal and Plant Health Inspection Service currently manages a vaccine bank at Plum Island, N.Y., where a limited number of FMD strains are stored. But livestock groups are concerned that, if an outbreak occurred, the antigen would have to be shipped overseas, turned into finished vaccine and shipped back to the United States - taking weeks or even months. Roberts said he hopes the National Bio and Agro-defense Facility (NBAF), which is being sited in Manhattan, Kansas, and is expected to be finished in 2022, will come up with a “permanent fix. “But that takes money. That’s got to fit into the package of where we think we ought to be,” he said.

Trade: “Whenever I get a chance to talk to Secretary of Commerce (Wilbur) Ross and others I tell them that we want to export things we make but also export things we grow. You don’t want to do one at the expense of the other.” Roberts says there is a lot of opportunity to “modernize, improve, and renegotiate NAFTA in a way that is conducive to trade” as well as expand commerce with the Pacific Rim countries and China’s 1.4 billion consumers.

USDA nominees sail through confirmation hearing

President Trump’s nominees for deputy agriculture secretary and the new position of undersecretary for trade used their Senate confirmation hearing to promise to be forceful advocates within the administration for expanding domestic and international markets.

Steve Censky (left above), the deputy secretary nominee who is now CEO of the American Soybean Association, assured the Senate Agriculture Committee that he would work to keep crop insurance “effective and viable,” champion the Renewable Fuel Standard and provide input into development of President Trump’s budget proposals.



USDA Nominees Ted McKinney (left) and Steve Censky

With Agriculture Secretary Sonny Perdue sitting behind the nominees, Censky also spelled out three personal goals that included ensuring that U.S. agriculture becomes more resilient to climate change. The other two goals: Expanding rural broadband availability and expanding market opportunities, both through foreign trade and promoting local and regional food markets.

The nominee for trade undersecretary, Indiana Agriculture Director Ted McKinney (right above), pledged to be a “happy warrior” for U.S.

producers on trade. **“I anticipate investing significant time in many foreign countries, building trust, opening doors for farmers and processors,” he said.**

He said he wanted to be known as “a high trust, high delivery person of our ag portfolio.”

Neither nominee ran into any problems in the hearing and both are likely to have broad bipartisan support. Censky's three goals were notable in part because they all had strong appeal with Democrats.

The committee's ranking Democrat, Debbie Stabenow of Michigan, told Censky she was pleased to see the climate goal in his written testimony. He told her that the Agriculture Department should use its research and education programs to help agriculture adapt to climate change. **"We can utilize the department's research programs to understand the trends that are happening, what pests might be emerging, to try to adapt our crops so that they can survive and are better in colder, hotter, wetter, drier climates,"** he said.

The committee cannot vote on the nominations until at least next week to give time for senators to get follow-up questions answered by the nominees.

Perdue, who is eager to get a team in place at USDA, made a surprise visit to the hearing to greet the nominees and to listen to their opening statements.

Committee Chairman Pat Roberts, R-Kan., and Stabenow made clear the committee was aware that Perdue needs Censky and McKinney on the job.

"Secretary Perdue and his team have hit the ground running to keep the department working on behalf of the nation's farmers, ranchers, and other rural stakeholders, but we need to get his team officially on board," Roberts said.

Stabenow said Perdue "can't single-handedly run the department which is why we are here to give him support."

Both Censky and McKinney emphasized their farm backgrounds – Censky's in southwest Minnesota and McKinney's in north-central Indiana – in their testimony.

"My roots are absolutely then and still are with the farm in north-central Indiana," said McKinney, who spent 19 years with Dow AgroSciences and 14 years with Elanco, a subsidiary of Eli Lilly and Co., before being appointed to the state post.

McKinney endorsed Perdue's plan to move the department's Codex Alimentarius program (U.S. Codex Office) to USDA's new trade mission area from the Food Safety and Inspection Service. The Codex Alimentarius develops international food standards.

Developing countries rely on those standards, but the Codex process has become increasingly politicized, McKinney said. **"We'll create a plan to somehow restore that on good grounds based on science, not on politics,"** he said.

McKinney also said that USDA should continue to push a regionalization concept in managing animal disease outbreaks. USDA urges other countries to limit their import restrictions to the specific U.S. regions where a disease such as avian influenza has been found.

“We’ve got to continue to use science and research to show that we can manage these diseases, and we have,” he told Sen. Amy Klobuchar, a Minnesota Democrat whose state was hit hard by the 2015 outbreak of avian influenza.

Censky said that he would consider requests from both cotton growers and dairy producers for additional forms of federal assistance but made no commitments. Stabenow had specifically pressed him on a pending proposal to expand crop insurance for dairy.

Censky didn’t specifically address the president’s fiscal 2018 budget request, which called for deep cuts in crop insurance and rural development, **but he said he looked forward to having a role in “developing (spending) priorities for future years.”**



Sen. Amy Klobuchar

Sen. John Thune, R-S.D., who worked for then-Sen. Jim Abdnor, R-S.D., at the same time as Censky did in the 1980s, recalled observing him work on farm policy. **“I always watched with great interest how he handled what was a very difficult time in agriculture, a time of great crisis, with great patience, diplomacy, empathy and knowledge,”** said Thune.

USDA eyes new crop insurance markets

Some 86 percent of U.S. crop acreage is covered by federal crop insurance, a 3 percent increase from 2011, but USDA's Risk Management Agency sees additional market potential for vegetables and livestock producers.

A new [report](#) by the agency on the market penetration and market potential for insurance products says there would be more demand for livestock insurance products if not for statutory limitations.

Sales of Livestock Gross Margin coverage to dairy producers are periodically halted because of the legal underwriting limit, the report notes. By law, USDA can spend just \$20 million a year for subsidies and administrative and operating costs for all livestock insurance products. Under the 2014 farm bill, dairy producers also are not allowed to participate in both LGM and the Margin Protection Program at the same time.

"Very little market penetration will be achieved while the legislated limitation on available funding for livestock insurance expenses is in place," the report says.

According to the report, 238 million acres of crops were insured in 2015, an increase of more than 11 million acres from 2011. The additional acreage added included fruits, nuts and vegetables as well as row crops such as barley, grain sorghum, peanuts, rice and soybeans. Insured sorghum acreage increased 57 percent over the period, while the insured peanut area grew 54 percent.

The growth in specialty crop coverage also has been substantial in some cases. Acreage in grapes doubled from 2011 to 2015, with an additional 1 million acres added. Cherry acreage increased by 51 percent and insured acreage rose 41 percent from 2011 to 2015.

Insured acreage of walnuts and almonds has increased by 19 and 16 percent, respectively, mirroring increases in increased production of those crops. Coverage of vegetable crops, however, still lags. RMA says that while crop insurance now covers about 74 percent of fruit and nut acreage, only 34 percent of the vegetable market is covered.

The insured vegetable acreage is up slightly from 32 percent in 2011. Just 949,000 acres of vegetables were insured in 2015 out of the 2.75 million acres that were planted that year. Tomatoes were the most widely covered vegetable crop, at 94 percent of planted acres in 2015, followed by green peas at 76 percent and onions at 71 percent.

RMA also analyzed crop production data from the National Agricultural Statistics Service and listed additional, near-term market opportunities for crop insurance. Those crops include apples in Iowa; barley in Illinois; canola in California, Colorado, Delaware, Nebraska, Ohio and South Dakota; chile peppers in Texas and California; potatoes in Arkansas and Illinois; soybeans in Massachusetts and Montana; and sunflowers in New Mexico.



USDA officials say they will be interviewing stakeholders and studying cropping practices and production data for the additional crops and states to see whether it makes sense to offer the insurance.

The report doesn't include acreage covered by Whole-Farm Revenue Protection insurance, a relatively new product.

The report notes that the rate of improper payments has dramatically improved, dropping to 2.02 percent in 2016, less than half of the rate in 2012, 4.08 percent.

Ag sector hopes NAFTA preoccupation isn't stalling new trade deals

The popular mantra from much of the ag sector as negotiators overhaul the North American Free Trade Agreement is "do no harm," but the very act of renegotiating the massive three-country trade pact may already be costing pork, beef, corn, soybean and wheat exporters in lost opportunity.

The Office of the U.S. Trade Representative still isn't fully staffed and it's now preoccupied with rewriting NAFTA, the 23-year old treaty that governs trade in everything from automobiles to sorghum between the U.S., Canada and Mexico.

Meanwhile, groups like the National Pork Producers Council and the National Cattlemen's Beef Association want the Trump administration to move forward with new trade deals to cut tariffs around the world in countries like Japan and Vietnam.

U.S. negotiators are very skilled, says Joe Glauber, a senior research fellow at the International Food Policy and Research Initiative (IFPRI), but renegotiating NAFTA is a massive undertaking.

“They know line by line how to go through these negotiations, but the fact is they could be doing other things,” said Glauber, who has served as USDA's chief economist as well as chief agricultural negotiator in the World Trade Organization Doha talks. “And other things are negotiating other trade agreements and trying to open markets. So rather than looking backwards, we could be looking forwards.”

One group that's looking forward and wants to get there as soon as possible is the National Pork Producers Council.

NPPC CEO Neil Dierks told reporters recently that the group believes the U.S. can work on more than one trade deal at a time, but without a full staff at USTR it's unclear exactly how much can be accomplished.

“There's no doubt that USTR has been fully occupied because of the renegotiation of NAFTA,” Dierks said. “There's a finite amount of resources there.”

Meanwhile, the European Union is moving expeditiously around the globe to secure as many trade deals as they can in order to get ahead of competitors like the U.S.

Farmers here would have loved to get Japan to reduce its tariffs on U.S. pork before the EU did so, but that didn't happen. The U.S. pulled out of the Trans-Pacific Partnership (TPP) with Japan and 10 other countries earlier this year, but afterwards the EU succeeded in nailing down a new free trade agreement with Japan.

“There's no question (NAFTA) can be improved, but in the meantime the rest of the world doesn't wait,” Glauber said. **“They're not saying, ‘Well, let's see what happens in NAFTA and then we'll go about our business.’ They are negotiating other trade agreements. Look at the European Union – how active they have been in markets. Look at China and India and other markets the U.S. has an interest in. Even Canada and Mexico have been looking elsewhere ... That's one of the big costs of a negotiation like this – the fact that our attention is diverted elsewhere.”**

The EU has closed trade pacts recently not just with Japan, but also with Vietnam and Canada. No it's negotiating with New Zealand, Australia and even MERCOSUR, a regional economic union including Brazil, Argentina, Paraguay and Uruguay.

“The world is spinning here and we’re not keeping up,” said Nick Giordano, NPPC’s vice president and counsel for global government affairs. “When you’re depending on exports like we are, that’s a real problem. We’re not the only ones in this economy and ... we’re a small part of the overall population.”

Giordano remains optimistic that the Trump administration will follow through with promises to negotiate bilateral deals to make up for the loss of TPP.

“While the president signed the executive order stopping TPP, he also said he was going to crank up the bilateral FTA machine,” Giordano said. “We want that to happen. He doesn’t have his team in place yet, so it’s still early in the game, but we need it to happen ... We need the United States to be out negotiating state-of-the-art FTAs ... If the European Union can be out all over the world negotiating with everybody, surely the United States of America can do likewise and do better.”



Joe Glauber

Glauber and others maintain the U.S. could be doing more right now if it wasn’t mired in renegotiating NAFTA and demanding that changes be made to the U.S. trade pact with South Korea, known popularly as KORUS.

“We think back a year ago when we were talking about, ‘When can we get TPP passed? When can we get on with (the Transatlantic Trade and Investment Partnership with the European Union)?’” Glauber said. **“No one was expecting to turn around 180 degrees and say, ‘OK, let’s check our rear now and make sure that we’re not going to lose access to markets that we’ve already secured like Mexico and Canada.’”**

Beyond the opportunities lost while trying to rewrite NAFTA, there’s also the real threat of failing to overhaul the deal to Trump’s liking. The president has threatened more than once to simply pull out of NAFTA and that would be catastrophic for much of the U.S. ag sector, which ships about \$40 billion worth of products yearly to Mexico and Canada, most of which is tariff-free.

The loss of that tariff-free status could eventually cause the U.S. pork industry to completely lose the Mexican pork market to the Europeans and others, NPPC officials say.

Farmers get an average of \$140 per pig, but without NAFTA that value could drop by as much as \$16 to \$18 per animal, said NPPC President Ken Maschhoff.

“We have to have tariff-free trade in North America,” Giordano said.

New ways to spur funding for ag research and innovation?

American and international participants in agricultural research policy and funding gathered Tuesday at the National Press Club for a public forum, followed by a seminar through Wednesday, to pry out possible solutions to the U.S. and global stinginess toward agricultural research and development. The [Farm Foundation](#), USDA's Economic Research Service and the global Organization for Economic Cooperation and Development (OECD) sponsored the events.

Participants discussed a bevy of dilemmas for ag R&D.

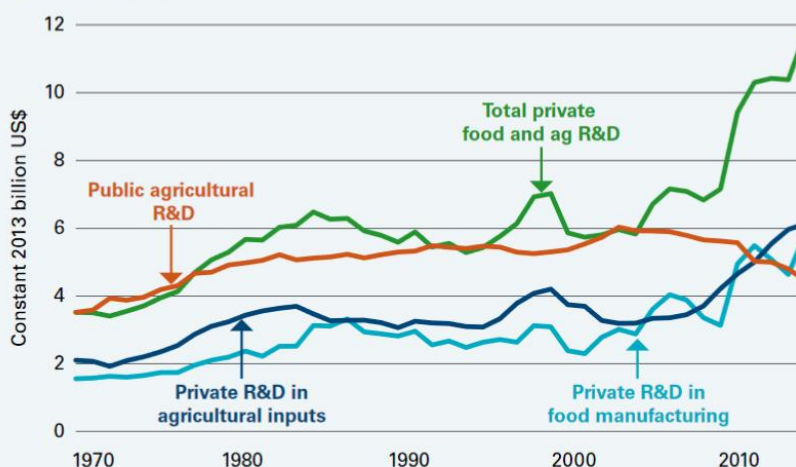
Nienke Beintema, reporting on science and technology indicators for the International Food Policy Research Institute, said most nations need to spend about 1 percent of their agricultural gross domestic product on R&D to produce strong growth long term, but only a few affluent countries do so, and the continent of Africa, on which IFPRI has recently focused, spends only 0.4 percent.

Philip Pardey, professor of science and technology policy at the University of Minnesota, reported that, from 1980 to 2011, a fourth of wealthy nations actually reduced overall public and private spending on ag R&D, as did more than a fourth of mid-income countries.

On the other hand, some mid-income countries, especially China and India, are spending more on research. Beintema noted that such countries, overall, funded 58 percent of world agricultural research in 2013, up from 44 percent in 2000.

Meanwhile, in the U.S., private ag research investment soared to \$4.6 billion in 2010, compared to under \$1.5 billion in 1970, after adjusting for inflation, said Margaret Zeigler of Global Harvest Initiative, which produces annual Global Agricultural Productivity reports (see chart above).

Figure 1.1: Agricultural Research Funding in the U.S. Public and Private Sectors, 1970–2012



Source: USDA, ERS based on data from National Science Foundation, USDA's Current Research Information System (CRIS), and various private sector data sources. Data are adjusted for inflation using an index for agricultural research spending developed by ERS.

Still, OECD, in an assessment called "Innovation, Agricultural Productivity and Sustainability in the United States," estimated that less than 5 percent of total agricultural spending in the U.S. – public and private – goes toward research and development, said Ken Ash, who heads OECD's Trade and Agriculture Directorate.

But, he said, "I don't want to give the impression that it is only about spending more money." He said that U.S. ag R&D needs more collaboration and cooperation among participants. Plus, he said that 45 percent of the value of exports comes from the services sector, so it is crucial to have effective, efficient services if you want to have competitive products.

Robert Thompson, former USDA assistant secretary for economics, sees big political hurdles to better public ag research funding. “Farm organizations, while they generally talk a good line about supporting agricultural research, when push comes to shove in the allocations of the budget, they protect their subsidies and income transfers first, and if there is any money left on the table it can be invested in ag research.” That means little cash for research.

Further, he sees “a lack of trust in science by a lot of the general public today. When it comes to agriculture, from the left we have the anti-GMO perspective and from the right (denial of) climate change,” and the polarized views don’t help make the case for research funding.

US whiskey, bourbon, rum – all counting on successful NAFTA talks

If you don’t think the folks at Jim Beam and Jack Daniel’s have a stake in the current efforts to renegotiate the North American Free Trade Agreement, you’d be very wrong.

The distilled spirits industry in the U.S., which uses about 150 billion pounds of grain per year to make everything from Kentucky bourbon to Utah vodka to Iowa rum, has seen exports increase by about 570 percent over the past 25 years, and much of that success is directly tied to NAFTA, according to Christine LoCascio, a senior vice president for the Distilled Spirits Council of the United States.

Similar to U.S. pork, poultry, rice and corn farmers, U.S. makers of whiskey and bourbon saw Mexico and Canada completely lift all tariffs when NAFTA was implemented. Similarly, those tariffs could come back even quicker for grain and grain-based alcohol if efforts to renegotiate the three-country trade pact fail.

“Canada is our number-one export market,” LoCascio said at a recent event hosted by the Washington International Trade Association to highlight the importance of NAFTA to the ag sector. “Exports in 2016 were \$191 million and Mexico is our 10th largest market. So when we talk about an opportunity to modernize NAFTA, we pretty much agree with the mantra of ‘first, do no harm.’”

The U.S. is at a disadvantage in the ongoing negotiations demanded by the Trump administration to overhaul the 23-year-old pact and reduce the overall U.S. trade deficit with Mexico and Canada. While those two countries lifted their tariffs on U.S. distilled spirits as part of the original NAFTA deal, the U.S. had already got rid of its tariffs on spirits from Mexico and Canada as part of its World Trade Organization obligations. That means if NAFTA is dissolved, Mexico and Canada could impose tariffs, but U.S. levies would have to stay at zero.



Christine LoCascio

“Our exports have increased from \$278 million in 1990 to over \$1.4 billion last year, and clearly NAFTA has been an important part (of that growth) and a success story,” LoCascio said.

Beyond getting tariffs removed, another major success in NAFTA – and the Canada-United States Free Trade Agreement (CUSFTA) before it – were agreements among the countries to

protect certain product categories. For example, Canada and Mexico agreed that Tennessee whiskey and bourbon could only be produced in the U.S., and the U.S. agreed that tequila could only be produced in Mexico and Canadian whisky (spelled without the E up north) could only be made in Canada.

Protecting tariff-free trade with Canada and Mexico and keeping in place the name protections – technically referred to as "distinctive product recognition" – are the primary goals of the industry, but producers are also hoping to gain something out of the new negotiations.

“We’re also looking forward to opportunities to improve (NAFTA),” LoCascio said. “With regard to distinctive products, one new category that we are urging to be recognized – and this is the opportunity to do that – is the category called American rye whiskey.”

Ten years ago there were just a handful of American rye whiskies being made in the U.S., but now there are more than a hundred as smaller, artisanal distilleries continue to pop up.

“This is a concrete example of something that we see as an opportunity to improve the protection for American spirits,” she said.

Darci Vetter, diplomat in residence at the University of Nebraska’s Clayton Yeutter Institute of International Trade and Finance, said it’s understandable why the ag sector is defensive when it comes to protecting gains under NAFTA, but also stressed there are ways to improve the pact.

“Do no harm – a status quo agenda – does not recognize that there are some opportunities in agriculture to make this agreement better,” said Vetter, who served both as the USTR chief agricultural negotiator and deputy under secretary for USDA’s Farm and Foreign Agricultural Services during the Obama administration.

European ruling: Favorable for some, but may not advance GMOs

A recent European Court of Justice opinion may boost the spirits of biotechnology backers, but it’s unlikely to advance the prospects for biotech agriculture on that continent.

The court [decided](#) Sept. 13 that neither the European Commission – the European Union’s governing arm – nor EU member states can adopt emergency prohibitions on cultivation of genetically modified crops unless it is “evident” that such cultivation is “likely to constitute a serious risk to human health, animal health or the environment.” Countries cannot simply rely on the EU’s “precautionary principle” in acting to avert potential risks without meeting that test, the court said.

The case arose from the prosecution of three Italian farmers who grew MON810, a Bt maize variety produced by Monsanto, despite their country’s adoption of emergency measures prohibiting the sowing of such seed.

Taken alone, the opinion “adds to the chorus of helpful statements from around the world that science should be the key factor in determining the safety of biotech crops,” said Matt O’Mara, vice president of international affairs at the Biotechnology Innovation Organization.

And Ron Moore, president of the American Soybean Association, said that “from a scientific standpoint, (the) ECJ ruling is a comforting one,” adding that he hopes “it will lead to similar science-based stances on genetic engineering in Europe in the years to come.”

But the decision is unlikely to make much difference in how genetically modified seed is treated in Europe, where only one variety – MON810, the genetically engineered corn at issue in the case – is approved for cultivation.

The ruling “sends an important signal in favor of science-based decision making, and against bans of safe products,” said Beat Späth, director of green biotechnology at EuropaBio. “Unfortunately, arbitrary bans on GMO cultivation will continue regardless under the more recent ‘opt out’ scheme.”

Späth is referring to a [law](#) approved by the European Parliament in 2015 that allows member states to ban cultivation on various grounds, including “environmental or agricultural policy objectives, or other compelling grounds such as town and country planning, land use, socioeconomic impacts, coexistence and public policy.”

Because of that legislation, Späth said, “We do not expect a direct impact from this court case on GMOs in the EU.”

“It is worth remembering,” he added, “that only one single GM crop (MON810) is authorized in the EU, but banned in more than half of the member states, and that our member companies have withdrawn most cultivation applications in the last few years, due to the improper implementation of the GM authorization system for cultivation.”



Beat Späth, EuropaBio

Nineteen of the 28 EU countries have adopted GMO cultivation bans. By contrast, nearly 60 genetically modified crops [have been approved](#) “for import and processing and/or for food and feed in Europe,” Späth said. About half of the approved crops are types of GM maize, but others include soybeans, rapeseed, sugar beet and cotton.

GianCarlo Moschini, professor and Pioneer Chair in Science & Technology Policy in Iowa State’s Department of Economics, called the ruling “a welcome (and overdue) move in the right direction,” but added that he was “pessimistic that this is going to change much in the short term.”

“Things in Europe on this matter (GM crops) move at a glacial pace,” he said.

Steve Suppan, senior policy analyst at the Institute for Agriculture and Trade Policy in Minneapolis, said he did not find the decision surprising, and questioned the validity of the European Food Safety Authority’s review of MON810. When Italy asked the EC to adopt emergency measures in 2013, the commission relied on an EFSA opinion that said there was no justification for a ban. (EFSA, ECJ noted, said Italy had presented no new scientific evidence to justify its ban on cultivating MON810.)

But Suppan, citing a recent Corporate Europe Observatory report, said [close to half](#) of EFSA scientists have either direct or indirect financial conflicts of interest. (EFSA [strongly disagreed](#) with the findings of the study, calling CEO's figures “misleading and based on a specific interpretation of financial interests that EFSA does not agree with.”)

Suppan said it's important that countries be allowed to prohibit GM crop cultivation because of the importance of organic agriculture in Europe and the fact that European law does not provide legal protection to growers whose crops are contaminated by genetically modified pollen.

Bayer Crop Science looks for more innovations, sustainability

The proposed merger between Bayer and Monsanto will need a little more time to finalize, but Bayer executives who spoke at the Future of Farming Dialogues here remain optimistic about what could lie ahead for the new company.

Liam Condon, president of Bayer's Crop Science division, said the delay – 10 working days – pushes the expected completion date for the merger into early 2018, or January 22 to be exact.

While the companies remain competitors until the deal officially closes, Bayer leaders described what the priorities of the shared venture will be. **Condon's presentation included broad bullet points for the joint Bayer and Monsanto company: operating as an “innovation engine”; a commitment to sustainability; and an acknowledgement of social responsibility.**

Critics of this merger as well as others in the agrochemical space contend that fewer companies will result in less competition, and therefore, less motivation to produce new products. Condon says he doesn't see it that way.

“The goal of what we're doing is to produce more for growers,” Condon told U.S. reporters attending the event. “We're completely convinced that we can together generate more innovation than just as standalone companies.”

Condon said a number of things are still up in the air, but should be clear on day one of the new company. For example, the leadership structure of the new company will need to be explained, as will the new venture's name. He said he doesn't expect the merger to lead to any loss of employment, but some employees may end up working for other companies due to divestitures.



Liam Condon

Anyone with a social media account knows Monsanto has struggled with issues of consumer perception surrounding their products and business practices. Condon says the new company will have to take that problem head on and will “have to engage much more in consumer dialogue.”

“This would be a big company with big responsibility,” he said, predicting the new company would “step up in our advocacy work.”

“I think we’ve always felt very comfortable reaching out to farmers, but we haven’t really seen the consumer space as our territory,” Condon continued, “but a lot of the issues are due to myths and rumors and false assumptions about what modern agriculture is actually about.”

Joining the two companies into one could grease the wheels of the product development process through quicker development of complementary products, said Adrian Percy, who serves as Bayer Crop Science's global head of research and development. Speaking to a crowd of reporters and industry leaders, Percy said that while science and technology are in a "golden age," worldwide approvals for new products often get bogged down. He said the U.S. Environmental Protection Agency is actually “one of the more science-based regulatory authorities that we have worldwide,” and adopting science-based protocols in other countries could be part of the solution.

“We can’t speed up the regulatory process so much, that’s kind of fixed,” Percy added. “But what we can perhaps speed up is the discovery process of actually developing a product and adapting it to different geographies.”

Percy and Condon were also asked about mobile, app-based offerings affiliated with Bayer and whether the diagnostic tools in those apps would steer the user toward Bayer products as the solution to something like a weed or insect infestation. Both were adamant that wouldn’t be the case.



Adrian Percy

“We’ve got to be open for solutions also that are not from Bayer,” Condon said. “It could well be that our digital solutions will actually be making recommendations for products of competitors, because that will be seen as the better, more efficacious or more sustainable solution in certain cases. That’s simply a fact of life that there is no single company that has all products and all solutions and, very honestly, I don’t think there ever will be.”

Percy, speaking more broadly about product innovation and less specifically about app-based recommendations, also acknowledged the need to look beyond what Bayer can do in-house.

“We can’t afford to have a ‘not invented here’ syndrome and only look to technology areas that we’re comfortable with, that we’ve traditionally developed as a company” Percy said. “We have to look to the outside world and we have to find ways of capturing and harnessing that innovation that’s going on beyond our doors.”

Condon’s and Percy’s comments were made during the Future of Farming Dialogues, an event hosted by Bayer with more than 200 participants from 36 countries. Speakers and panelists touched on a wide variety of subjects at the event, but there was a consistent theme of communicating agriculture’s successes and innovations to a skeptical consumer.

News Briefs:

Iowa says no to factory farm petition. Iowa's Environmental Protection Commission has rejected a [petition](#) to strengthen factory farm siting requirements, saying it's a job for state legislators. The petition sought to increase the distances between new facilities and schools, nursing homes, wells and other "public use areas," and proposed changes to the state's "master matrix" scoring system used to approve new facilities. As implemented, the matrix is no more than a "rubber stamp," [according to the groups](#) petitioning the EPC, Iowa Citizens for Community Improvement and Food & Water Watch. They said only about 2 percent of all applications are turned down. "We won't stop fighting the corporate cronyism that pollutes Iowa's water. Today was only the beginning," farmer and Hardin County CCI member Nick Schutt told the commission. After Monday's meeting, CCI members delivered letters to state lawmakers and Gov. Kim Reynolds demanding a moratorium on new livestock facilities and local control over siting. Farmers who spoke to the commission defended the current system and their operations. Brianne Streck, whose family raises pigs and grows corn and soybeans, told the EPC, "We care for livestock and take care of our land because that's where we live. It's where we work, and it's where we raise our children," according to [coverage](#) in the Des Moines Register.

Post Holdings to buy Bob Evans Farm for \$1.5 Billion. Post Holdings, the maker of Honey Bunches of Oats and Grape-Nuts cereals, is buying Bob Evans Farms for \$77 a share, a deal valued at about \$1.5 billion. Bob Evans, which [sold its restaurants](#) earlier this year to Golden Gate Capital, sells frozen foods such as refrigerated potato, pasta, and pork sausages under Bob Evans, Owens, Country Creek and Pineland Farms brands. The deal comes months after St. Louis-based Post Holdings agreed to buy British breakfast cereal brand Weetabix for 1.4 billion pounds (\$1.8 billion). In a [release](#), Post Holdings said the transaction is expected to close by the end of Post's second quarter of fiscal 2018..

Zinke seeks reductions in national monument designations. Interior Secretary Ryan Zinke has recommended shrinking the size of four land-based national monuments and "prioritizing" public access at a total of 10 monuments, in a review of 27 monuments he delivered to President Trump [last month](#). The review, which is in the form of a memo to Trump, was leaked to The Washington Post and has been [posted online](#). The memo does not recommend specific boundary changes, but Zinke is clearly seeking smaller designations, writing that designations should ensure that the monument areas "be limited to the smallest area compatible" with management of the objects to be protected. The monuments targeted for downsizing are Bears Ears and Grand Staircase-Escalante in Utah, Gold Butte in Nevada, and Cascade-Siskiyou in Oregon, as well as two marine monuments – the Pacific Remote Islands and Rose Atoll. Public Lands Council Executive Director Ethan Lane said PLC did not want to get ahead of the process but that "we certainly are happy with what we have seen so far. This is the review process that should have happened when the monuments were created in the first place." The memo discusses grazing briefly, saying that while "it is uncommon for proclamations to prohibit grazing outright, restrictions resulting from monument designations on activities such as vegetative management can have the indirect result of hindering livestock-grazing areas." In Grand Staircase-Escalante, monument designation did not result in a reduction in permitted livestock grazing, but cattle runs have decreased because of BLM actions to reduce erosion, vegetation management and the movement of water lines, the memo says. Environmental groups said size reductions or changes in monument management would be met with litigation.

Farm Hands on the Potomac...

Agriculture Secretary **Sonny Perdue** is beefing up his press operation at USDA. New to the Communications Office are **Meghan Rodgers** as press secretary and **Jake Wilkins**, who most recently was working as a press assistant at the Republican National Committee. Rodgers, a Villanova University alum, had been working for Rep. **Tom Rooney**, R-Fla. Wilkins will be picking up his master's degree in political management from George Washington University in December.

President Trump's nomination of **Glen R. Smith** to be a member of the Farm Credit Administration Board has been sent to the Senate. Smith is president and co-owner of Smith Land Service, which specializes in farm management, land appraisal and farmland brokerage services, working in about 30 Iowa counties. Smith also owns Smith Generation Farms, Inc., which encompasses about 2,000 acres of primarily corn and soybeans in western Iowa.

The National Association of State Departments of Agriculture elected a new slate of officers for the coming year during its annual meeting last week in New Orleans. Connecticut Commissioner of Agriculture **Steven Reviczky** will serve as the group's president for 2017-2018 and will host NASDA's annual meeting in Hartford, Conn., from Sept. 9-12. Elected to NASDA's board of directors were New Mexico Secretary of Agriculture **Jeff Witte** (vice president), Michigan Director of Agriculture **Jamie Clover Adams** (second vice president), and Kentucky Commissioner of Agriculture **Ryan Quarles** (secretary-treasurer).

Megan Provost is joining join the Farm Foundation as vice president of policy and programs. Provost currently serves as U.S. government affairs manager for Dow AgroSciences. She previously served as a legislative assistant for then-Sen. Richard Lugar and as special assistant to the administrator at USDA's Foreign Agricultural Service. She also worked as an economist at the American Farm Bureau Federation. Provost starts the new job Oct. 2.

Sonia Jimenez has been named the new deputy administrator for the Specialty Crops Program at USDA's Agricultural Marketing Service. Jimenez began her USDA career over 25 years ago as a marketing specialist with AMS and spent the last three years as deputy administrator for the AMS Management and Analysis Program.

The Sorghum Checkoff has named **Kim McCuistion** as the organization's animal nutrition director. Most recently, McCuistion served as the interim dean of the Honors College at Texas A&M University - Kingsville. She holds a master's degree in animal science from Kansas State and a doctorate in agriculture from West Texas A&M..... The National Sorghum Producers (NSP) hired **Christi Stulp** as relationship manager where she'll lead the efforts of the Industry Partner and Elevator-Member programs. Stulp spent the last nine years farming with her husband Jeremy in southeast Colorado, and also leading a consumer-based direct sales team. Before that she worked for NSP where she had several duties, including launching the magazine *Sorghum Grower* and expanding the E-Member program to other states from Texas.

Kim Dietz, senior manager for Environmental, Natural and Organic Policy at the J.M. Smucker Co., has been elected as president of the Organic Trade Association's board of directors. Dietz has served as the board's vice president since 2016. She succeeds **Melissa Hughes** of Organic Valley, who served as president since 2014. Other officers announced at OTA's annual members meeting in Baltimore last week include **Marci Zaroff** of Under the Canopy/MetaWear as secretary, and **Rick Collins** of Clif Bar and Co. as treasurer.

Matt McAlvanah is joining Farmers for Free Trade as senior director of communications. The organization is a bipartisan non-profit co-chaired by former senators **Max Baucus** and **Richard Lugar** focused on driving global competitiveness for the U.S. agriculture industry and supporting jobs that depend on agricultural trade. McAlvanah is a former assistant U.S. Trade Representative for Public and Media Affairs

Tracy Stone-Manning, the former chief of staff for Montana Gov. **Steve Bullock** and a longtime conservationist, is the new associate vice president for public lands at the National Wildlife Federation. Before serving as Bullock's chief of staff, she was Montana's director of the Department of Environmental Quality. She was also a natural resources adviser and state director for Montana Sen. **Jon Tester**.

The Louis D. Brandeis School of Law at the University of Louisville is honoring **Marshall Matz** as its distinguished graduate this year for his work on national and global food security. Matz, who has an undergraduate degree in business administration from the University of Connecticut, specializes in agriculture and global food security at OFW Law in Washington. The award will be presented at an Oct. 12 dinner in Louisville.

Noble Research Institute Professor **Twain Butler** has been named a Fellow of the Crop Science Society of America, the CSSA's highest honor. The award recognizes outstanding contributions to agronomy through education, national and international service, and research. Butler's research is focused on tall fescue, alfalfa, wheat and bermudagrass grazing systems to determine the optimal forages for the Southern Great Plains. Butler will be presented with the award at CSSA's annual meeting in October.

Wesley Buchele, a former professor emeritus at Iowa State University who is widely recognized as "the father of the big round baler," died Sept. 13 at a hospice in Ames, Iowa. He was 97. Buchele, who held a doctorate in agricultural engineering, was awarded 23 patents during his career, the most notable being the large round baler and the axial-flow threshing cylinder for combines. He said the hard work he put in as a teenager working on his family's farm in Kansas led him to a lifelong interest in making the lives of farmers easier and safer.

(Correction: In the Sept. 13 Farm Hands on the Potomac column, Connor Hamburg's predecessor as manager of public policy and regulatory affairs at the National Corn Growers Association was incorrectly identified. Hamburg succeeded Layla Soberanis, who left NGCA in July. Agri-Pulse regrets the error.)

Best Regards,

Sara Wyant.

Editor

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