

Vilsack: Carbon measuring key to wooing skeptical farmers

Companies and farm groups that are trying to recruit farmers to sign up for climate plans often face skeptical producers who fear that most, if not all, of the financial benefit will go to retailers and manufacturers who get to label their products as good for the environment.

“Naturally, everyone would like to be paid when they do something that makes their product more marketable,” said Kent Fountain, who recently stepped down as chairman of the National Cotton Council, which is working to enlist growers in a program aimed at meeting apparel companies’ demand for cotton that can be certified as sustainable.

“The big challenge is getting the grower to recognize that the benefit may not be at this point ... may not be tangible,” said Fountain, a ginner and farmer in Georgia.

Some congressional Republicans have questioned whether carbon markets, in particular, will directly benefit farmers.

“My concern ... is that there's going to be a value created out of thin air that's going to provide very little for the farmer or the environment, and then a whole bunch of people that don't have anything to do with agriculture are going to be getting the money,” said Rep. Austin Scott, R-Ga., said at a House Agriculture Committee hearing.



Secretary of Agriculture Tom Vilsack

Agriculture Secretary Tom Vilsack says the key to winning over farmers to the benefits of carbon markets and industry sustainability programs is to measure and validate the outcomes of ag practices, which is the primary goal of the administration’s \$1 billion [Partnerships for Climate-Smart Commodities](#).

The initiative will fund a series of pilot projects aimed at proving the value of climate-smart practices to farmers as well as their customers and potential investors.

Once the carbon impact of ag practices is properly measured and validated, then standards can be set to use in certifying climate-smart products, Vilsack said.

“Then, we can have a conversation about the value that adds and who gets the benefit of that value,” Vilsack said.

He envisions companies and consumers ultimately paying more for climate-smart products in the way they’re willing to pay a premium for food that’s certified to meet organic production standards.

Andrew Walmsley, senior director of congressional relations for the American Farm Bureau Federation, agreed that the pilot projects could help show how farmers can capture value from climate-smart practices.

The projects “will influence both private sector decisions going forward and potentially ... maybe the farm bill as we look at integrating climate more into conservation programs,” Walmsley said.

The combination of the pilot projects and the passage of the Growing Climate Solutions Act, which would authorize USDA to start certifying farm advisers and carbon credit verification services, would give farmers producers “a much better idea of where opportunities might exist and where pitfalls might be,” Walmsley said.

Walmsley also sees it as important that the projects also will include “early-adopter” farmers who often can’t qualify for carbon credits for practices such as conservation tillage and cover crops that they’ve already been using, sometimes for years.

AFBF is a founding partner in the Food and Agriculture Climate Alliance, [which laid out the basic concept for the initiative USDA is following](#).

For now, the administration is steering away from using the projects to develop standards that could then be used for registering and labeling low-carbon products akin to how USDA set standards and verification procedures for organic food more than two decades ago.

[USDA raised product labeling as a potential goal when it solicited input](#) on the climate-smart initiative last year, and Vilsack talked up the idea of green labeling [while attending the COP26 global climate conference in Glasgow last November](#).

“We’re sensitive to the fact that if USDA came out of the gate said, ‘Hey, we’re gonna do a standard,’ it would feel very, sort of top-down to producers,” Bonnie told *Agri-Pulse* in a recent interview.

Still, he said the information gleaned from the projects on measuring and monitoring the impact of climate-related practices could someday lead to the development of USDA standards.

"We're going to learn a bunch about methodologies, measurement, monitoring, all that stuff, and we're going to learn some things about standardization and what role USDA could play," Bonnie said.

“Ten years from now, is part of USDA more involved in standards? ... We don't know the answer to that yet,” he said.



USDA Undersecretary Robert Bonnie

The National Cotton Council is among several commodity groups that are expected to join in proposals to USDA for climate-smart pilot projects. Fountain says NCC hopes the funding will make the industry's U.S. Cotton Trust Protocol more attractive to farmers.

The [protocol is designed to provide mills and apparel companies with a source of cotton](#) that can be certified as sustainably grown. The goal is to create a revenue stream from the cotton that can be shared with farmers who are members of the protocol. For now, however, the only enrollment incentive is a \$250 gift card.

Some 525 mills and manufacturers and 37 global brands and retailers are currently members of the protocol, which enrolled about 6% of the 2020 crop, or about 950,000 bales. The protocol's board members include officials from Levi Strauss and Co. and British retailing giant Tesco.

Some 300 farmers were enrolled in the program for the 2020 crop, and the program needs to show continuous year-on-year growth, said Ken Burton, the protocol's enrollment manager.

The goal was to enroll 500 growers for 2021; as of last week, with six weeks left in the enrollment period, 350 growers had signed up, Burton said.

Selling farmers on the benefits of the program isn't the only hurdle. Farmers have been hesitant to sign up in part because of concerns about the privacy of the data they provide to the program, Burton said. "Individual data does not leave the walls of the U.S. Cotton Protocol," he said. Another factor is the verification process that is used to check compliance with the standards. Records for 25% of the enrolled growers in each region are selected for desktop verification. A smaller percentage are selected for farm visits. About 15 growers were selected last year for field visits.

Clothing brands and retailers are under pressure from consumers, investors and governments to prove that the cotton they are using is sustainably produced, Burton said.

“They're trying their best to make sure that they have the needed documentation that allows them to make impact claims,” he said.

Court battle over chlorpyrifos rages as Feb. 28 tolerance revocation looms

Farmers will be banned from applying chlorpyrifos to food crops starting Monday unless farm groups can persuade an appeals court to intervene, and experts say many growers lack reliable alternatives for controlling insect pests.

Groups representing growers of soybeans, sugarbeets, cherries, cotton and wheat, among others are asking the 8th U.S. Circuit Court of Appeals to stay the EPA's revocation of food tolerances

for the insecticide. Gharda Chemicals, which holds a registration for chlorpyrifos and is the main supplier of the chemical in the U.S., joined the ag groups in requesting the stay that would allow farmers to continue using the insecticide this year.

The petition contends that EPA should continue to allow 11 “safe uses,” as proposed by EPA in December 2020, and stay its revocation as to all uses until it issues “an appropriate existing stocks order for those uses.”

The U.S. Court of Appeals for the 9th Circuit ordered EPA to revoke or modify tolerances last April, finding that the agency had not complied with the Federal Food, Drug & Cosmetic Act when it denied a petition filed by environmental and farmworker groups seeking to ban the insecticide’s use on food crops because of its neurotoxic effects, especially on infants and children.

The agency, the court said in its 2-1 decision on April 29, “has had nearly 14 years to publish a legally sufficient response to the 2007 Petition (to ban chlorpyrifos). **During that time, the EPA’s egregious delay exposed a generation of American children to unsafe levels of chlorpyrifos. By remanding back to the EPA one last time, rather than compelling the immediate revocation of all chlorpyrifos tolerances, the court is itself being more than tolerant. But the EPA’s time is now up.**”

The court told EPA to go back and either modify or revoke the tolerances, a point emphasized by the grower groups, who said the agency did not have to revoke all the tolerances but could have allowed growers of the 11 crops to continue using them. In August, though, EPA revoked all tolerances for chlorpyrifos.

Grower groups appealed administratively. EPA has not responded, which the groups said in their petition was “tantamount to a denial.” In its court response, EPA said it would respond to those objections by next Monday when the tolerance revocation takes effect. After EPA responds to those filings, the agency “intends to commence involuntary cancellation proceedings, if necessary, for all registrations for which voluntary cancellation requests are not submitted. Those proceedings will address existing stocks.”

The groups want the court to take action quickly. “Considering the consequences at stake for our growers if the rule goes into effect, that is certainly our hope,” said American Soybean Association spokesperson Wendy Brannen.

On the other side are EPA, as well as the environmental and farmworker groups that won the case in the 9th Circuit. Before filing a brief opposing the growers’ motion for a stay of EPA’s tolerance order, their attorney, Patti Goldman of Earthjustice, said, **“We will oppose industry’s attempt to derail protections for children from chlorpyrifos. A generation of children are needlessly suffering from learning disabilities from chlorpyrifos and it has to stop.”**

“Three recent published studies estimate that infant exposure to chlorpyrifos and other pesticides in the same class have caused millions of children to lose at least one IQ point and societal costs of \$30-\$50 billion annually,” the groups’ prospective *amicus* brief supporting EPA says.

The growers contend EPA doesn’t have to revoke all tolerances, but can instead examine them individually. They agree that EPA “must examine a tolerance’s safety in the context of other

relevant exposures. But Congress never required EPA to conduct this assessment for the ‘universe of proposed and approved uses for the pesticide,’ as EPA argued in its response.

EPA said it was required by the Federal Food, Drug, and Cosmetic Act to consider “all anticipated dietary exposures and other exposures” based on the existing registered uses when it determined chlorpyrifos tolerances were unsafe.

Referring to 11 “safe uses” that the growers want to remain, EPA said it “never formally concluded that the 11 uses *are* safe,” but that it had proposed continuing to allow those uses “under a different statute,” the Federal Insecticide, Fungicide, and Rodenticide Act.

Growers of soybeans, sugarbeets and cherries are among those concerned they will lose an important tool if they cannot use chlorpyrifos.

Chlorpyrifos “is the only option” to control both two-spotted spider mites and soybean aphid populations that have developed resistance to other insecticides, such as pyrethroids,” the grower groups said in their formal objections to the tolerance revocation. “These pests can inflict yield losses as high as 60% if left unchecked.”

Without chlorpyrifos, growers “will now have to choose between applying twice as much pesticide active ingredient (which will also significantly increase their operational costs) or face serious crop damage. This results in an increase in pesticides used in the environment and additional sprays which unnecessarily increase the use of water and fuel.”

University of Minnesota entomologist Bruce Potter says there are still chemicals to control aphids and mites, but both pyrethroid resistance and expense may limit those tools for growers.

Growers are “going to have to be better managers,” he says. “We’re telling them, make sure you're actually treating problems that you have, as opposed to spraying with a just-in-case approach.”

Sugarbeet growers could see significant yield losses from sugarbeet root maggots without chlorpyrifos, says Mark Boetel, an entomologist at North Dakota State University.

Last year saw “the worst outbreaks we've had in 15 years” of the pest, which can cause yield losses up to 45% that can amount to more than \$400 per acre, he said. There are other chemicals, but growers “are going to have to be aggressive and quite adept and nimble in using those other tools, because the efficacy is not quite where chlorpyrifos was.”

“It's a pretty major concern for our growers,” he said. “In the more severely infested areas, many growers will have to go and hit those fields two to potentially three times with a pyrethroid to do what one or two [applications] of chlorpyrifos would have done.”

Cover crops can help reduce feeding injury, but they’re not a panacea, he said. In addition, industry attention to alternatives has been limited, because sugarbeets are not a major-acreage crop like corn or soybeans — meaning the large pesticide manufacturers are less likely to research alternatives — but neither is it small enough to qualify as a specialty crop, which would make it eligible for research funding from the [USDA-funded IR-4 Project](#).

“We're kind of right in the middle, and in this case it’s not a good place to be,” Boetel says.

Cherry growers in Michigan also are looking at a grim outlook without the chemical. John Wise, an entomologist at Michigan State University who also is research and extension coordinator of the MSU Trevor Nichols Research Center, says only chlorpyrifos has been effective in controlling three separate pests — the peach borer, lesser peach tree borer and plum borer.

“We have lots of new modern insecticides that have been labeled for stone fruits, including cherries in the last 20 years, it's just that none of them are labeled to control that complex of three borers,” he says.

In addition, he says “mating disruption is a tool that's available for the peach tree borer and lesser peach tree borer,” but it does not have any effect on the plum borer. “And it only works effectively when you have large, square rectangular shaped orchards. **If you've got smaller orchards, it's not reliable on its own.**”

The Cherry Marketing Institute, in comments to EPA, said mating disruption is not an effective tool and argued the loss of chlorpyrifos “would leave our industry needlessly defenseless against trunk borers, causing irreparable damage.”



John Wise, Michigan State University

The environmental and farmworker groups contend in their brief that economic harm to the industry “should be discounted because the asserted harms are due to the choices [they] made in the face of prolonged proceedings in EPA and the courts, moving toward revocation of chlorpyrifos tolerances.”

The petition to revoke food tolerances was originally submitted to EPA in 2007, the groups said. **“Due to EPA’s further unreasonable delays, growers have had many more years to shift to alternatives; indeed, growers have already made that shift in states that have banned chlorpyrifos.”**

Wise, the Michigan State entomologist, doesn't think chemical companies are to blame for failing to develop alternatives. **“Their margin of profitability for pesticides in the specialty crop market is razor-thin,” he said.**

There has been a “research void” on controlling the three borers for about 30 years, Wise said, primarily because “chlorpyrifos was so darn effective.”

Dairy on edge over Canada TRQ dispute

It's been three weeks since Canada submitted its proposal to fix the way it runs its dairy quotas under the U.S.-Mexico-Canada Agreement, but there's still no word from the Biden administration on accepting it and preventing yet another trade dispute between Ottawa and Washington that could affect far more than just dairy.

At issue is whether Canada made significant changes to the way it operates the quotas that allow importers to bring in U.S. dairy without paying duties. Neither government has released details of the Canadian proposal, and speculation is growing.

The three-member panel installed to hear the U.S. complaint that Canada was manipulating its tariff-rate dairy quotas under USMCA issued its ruling on Dec. 20, deciding mostly in favor of the U.S.

Canada, the panel said, effectively lowered the value of USMCA quotas designed to increase U.S. access to Canada's market for milk, cheese, cream, skim milk powder, butter, ice cream and whey by giving 85% to 100% of the quotas to large Canadian processors and only a maximum of 15% to Canadian distributors.

“We appreciate the U.S. government’s actions to defend the interest of the US dairy industry, however all the efforts will be in vain if Canada doesn’t fully comply and provide full access to the TRQ to those who have a real interest in buying high value US products as well as ensuring that the TRQs are fully utilized,” said U.S. Dairy Export Council Executive Vice President Jaime Castaneda.



Pat Pelliccione

U.S. dairy processors, who want to sell more cheese and other high-value products to Canadian retailers and Canadian importers who buy that cheese from Wisconsin, Michigan and elsewhere, are still hopeful that Canada did indeed make significant changes that will result in better trade conditions, but officials on both sides of the border who spoke to *Agri-Pulse* are pessimistic.

“I just don’t see how they’re going to change anything to allow our products to come in because we would displace Canadian cheese,” said Mike Durkin, president and CEO of Colorado-based Leprino Foods Co., the largest producer of mozzarella cheese in the world.

Pat Pelliccione, chairman of the International Cheese Council of Canada and president of the Ontario-based importing company Jan K. Overweel Ltd., said the Canadian government is scared of the potential for the U.S. to retaliate, but stressed that he is still skeptical that Canada will make any substantial changes to its quota policy.

“My past experience is they’re going to try to get around it in any way they can,” Pelliccione said about the Canadian government and any meaningful reform that opens up the market there to more U.S. cheese.

The U.S. wants to sell more cheese to Canada, Canadian importers want to buy more U.S. cheese, and Canadian retailers want to sell more U.S. cheese to consumers there. But under the current quota system it’s the Canadian processors who essentially get to decide how much of that commerce is allowed to take place.

It’s difficult to get a license to import under the 15% quota that distributors and retailers get now, says Pelliccione. **When there are a hundred applicants for a license, each gets an equal portion, and that’s just not enough for a solid business model, he said. Importers like his company can get licenses from the big processors that control 85% of the quota, but they have to pay for those rights.**

“What processors do with the licenses they’ve been given is they will call people like myself and they will rent the license for a fee,” he said. **“Your access is actually costing you money.**

We have to pay upwards of \$1.50 per pound for license access so we can bring in U.S. cheese.”

People like Durkin and Pelliccione know the massive influence that the dairy producing and processing sector has in Canada.

“Basically the (Canadian) government is completely beholden to the domestic producer and processor lobby,” said Karl Littler, a senior vice president for the Retail Council of Canada, an organization that represents companies that want more access to U.S. products like cheese. “In this case we are cheering on the U.S. government as it pushes to actually have some of the free trade benefits go to (Canadian) consumers rather than producers and processors.”

Neither the Retail Council of Canada nor the International Cheese Council of Canada was invited by the Canadian government to take part in the process as Canada assembled its response to the USMCA panel's decision, according to Littler and Pelliccione.

Both said that the Canadian government did, however, consult with the Dairy Processors Association of Canada. The DPAC did not respond to *Agri-Pulse*'s request for comment.

The Office of the U.S. Trade Representative, which did not respond to requests to see the Canadian proposal or discuss the USTR's reaction to it, must now decide if it will accept or reject the Canadian response or perhaps something in between.

The Biden administration has shared the Canadian proposal with a select few industry “cleared advisors,” but sworn them to secrecy until the U.S. Trade Representative reacts publicly.



Shawna Morris

The wording of USMCA's dispute mechanism allows the U.S. to hit Canada with tariffs. If that happens, and Canada considers those tariffs unfair or too high, it can request that the panel be reconvened.

But the U.S. dairy industry and Canadian distributors and retailers just want to do more commerce.

“The USMCA panel's ruling was clear – what Canada's doing now on dairy market access is not compliant with USMCA,” said Shawna Morris, vice president of trade policy for the U.S. Dairy Export Council and National Milk Producers Federation.

“Canada needs to honor its commitments – that's what we expect of any trading partner but certainly one as close an ally as Canada is to the United States,” Morris said. “Thorough and good-faith follow-through on USMCA commitments is essential for the U.S. dairy industry, and it's been an important bipartisan priority for the U.S. government and Congress. As the process unfolds, it's critical that Canada deliver real reforms and not a shuffling of the deck chairs.”

Pelliccione stressed: “Just give the TRQ to people who are using it. We're just saying give the TRQ to the people who import U.S. cheese.”

Producers in dry regions turn to irrigation for growing cover crops

Harold Dueck sees cover crops as a necessity in his cotton fields to protect the fragile cotton seedlings from the harsh and unpredictable west Texas winds. But in the dry climate of Gaines County, he's often forced to tap precious underground water supplies to keep the cover crops alive.

It's a system that Dueck has been using for 15 years, and one many growers in the region use if they have access to underground water. The practice of seeding cotton into a cover crop each spring ultimately improves cotton production, he said.

“It's very beneficial in the long run because you can up your yield significantly,” Dueck said.

Gaines County, the [seventh-largest cotton-producing county](#) in the U.S., contained over 120,000 acres of cover crops on irrigated acres last year — the most of any county in the nation. Nationwide, farmers reported planting cover crops on 1.9 million acres of irrigated U.S. land to the Farm Service Agency in 2021.

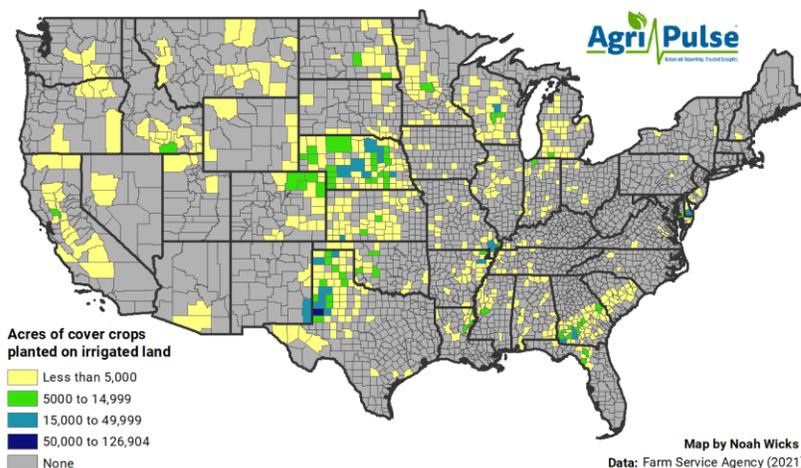
Cover crops qualified for a \$5-an-acre crop insurance premium subsidy in 2021 [and will be eligible again in 2022](#). There is no restriction for planting on irrigated land. President Joe Biden's Build Back Better bill, currently stalled in the Senate, would authorize payments of up to \$25 an acre to farmers who plant cover crops.

While planting cover crops on irrigated land doesn't necessarily mean the cover crops themselves will be irrigated, some cover crop irrigation likely happens in arid and semi-arid regions. Establishing cover crops requires water and in these areas, it often doesn't make sense for producers to plant without access to water sources.

“We are so limited with rainfall, we have to irrigate here for it to be beneficial,” Dueck said. **“If you don't irrigate, you may never even get your cover crop up.”**

Dunklin County, Missouri, had the second most cover crop acres planted on irrigated land, with 111,000 acres reported to the FSA in 2021. Between 21,000 and 43,000 acres of cover crops were planted on irrigated land in Dawson, Lamb, Hale, and Yoakum Counties in Texas and Stoddard and New Madrid Counties in Missouri.

Johnny Hunter, a farmer in Stoddard County, began planting cover crops in 2013 after dealing with poor water infiltration and irrigation efficiency during the 2012 drought. He doesn't actually irrigate his cover crops, and his cash crops now require less irrigation because the soil is capturing more water than it previously did, he said.



“Keeping the ground covered with either a living cover crop or the residue after you terminate, it holds that moisture a lot longer on the surface of the soil,” Hunter said. “Once you do irrigate, it’s more meaningful.”

Adding cover crops to already irrigated cropping systems can lead to better infiltration and a reduction in the amount of water producers need to use, according to Rob Myers, the national liaison on cover crops and soil health for the Sustainable Agriculture Research and Education (SARE) program and the director of the University of Missouri’s Center for Regenerative Agriculture.

Myers said cover crops can help stimulate earthworm activity under the soil, which creates tunnels that allow the water to quickly soak in. Additionally, the cover crop roots create holes in the soil that also contribute to increased infiltration.

“All these factors together lead to a better water situation in the soil for the cash crop and as a result, we don’t need as much irrigation water,” Myers said.

Julie and Shawn Holladay, who grow cotton next door to Gaines County in Dawson County, Texas, say they’ve seen the benefits of cover crops through water infiltration. They also noticed that their yields have increased since they started planting cover crops 10 years ago.

“We’re probably up 15% on our yields with using the same amount of water,” said Julie Holladay. The cover crop lowers the temperature of the soil, she said.

On the central and western Plains, depletion of the Ogallala Aquifer, the region’s main underground water source, is a chronic concern for farmers.

Rick Kellison, project director for the Texas Alliance for Water Conservation, has told *Agri-Pulse* it’s premature to know how much impact a \$25-per-acre payment would have on Ogallala water demand. But [he said a significant increase in irrigated cover crops could pose a challenge](#) for water availability.

Shawn Holladay said he believes that irrigating cover crops is worth the water it takes because of the many benefits they provide, including reduced nitrogen leaching.

The value of irrigating the cover crops themselves, however, largely depends on the farm, its location and the availability of water.

A Michigan State University article estimated that applying one or two half-inch applications of water in Michigan and Indiana [often costs](#) under \$5 per acre. Naveen Adusumilli, an associate professor of agricultural economics at Louisiana State University, says that cost is around \$4 to \$7 per acre in Louisiana. The cost of pumping water could be higher in Western states, which can range from \$48 to \$68 per acre, according to the [USDA](#).

Adusumilli, the LSU economics professor, said irrigating cover crops isn’t worth the cost for most water-strapped producers unless they were planning on using those cover crops for livestock feed.

“If they have it just to protect the soil moisture, it wouldn't make any economic sense for them to give a lot of irrigation to it,” Adusumilli said. “Because you're actually trying to keep the moisture in the ground, so why do you want to spend another \$4 or \$5 an acre each to put water to that cover crop?”

For both his cover crops and his cotton, Dueck said he pays around \$150 to \$200 for irrigation in a normal year, including the costs of monitoring and maintaining his irrigation system.

Dueck said the price varies based on the amount of water the crops need. On average, he said he uses around four to six inches of water to establish his cover crops, but on years with plenty of rainfall, he may not need to use any.

He also said the benefits to his cotton yield help to make those costs worth it.

“If we had the sand blowing on a year-to-year basis, it would deplete our soil of its nutrients and also stunt the growth of our seedling,” he said. “Through all of that, we would have a significant yield decrease across the board.”

Small meat processors try to grow while Congress questions competitiveness of beef marketplace

Recent attention to the country’s meatpacking plants has illustrated that when the four dominant companies face disruptions to processing, smaller, independent operations don’t have adequate capacity to pick up the slack.

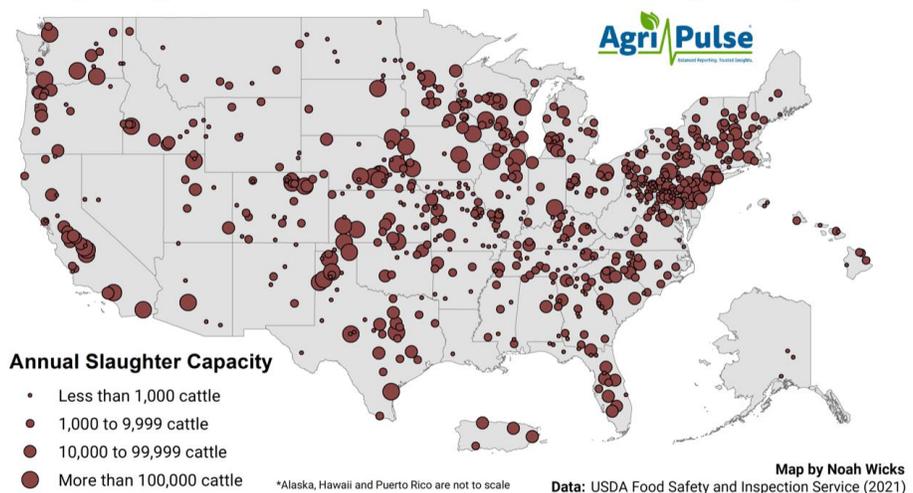
That’s part of the reason the [federal government has decided to invest in upgrades](#) to some of those local shops. Plus, when those smaller businesses are federally inspected, producers will be able to market their own branded meat products across state lines.

Still, it will be a tall order to compete in the marketplace, which several senators allege is already [not operating in a transparent and consistently fair way](#).

The White House has put out a [comprehensive plan](#) to improve competition in the meat sector, specifically naming as priorities increasing and

diversifying processing capacity, improving farmer and rancher income, and promoting state, tribal and private investment. USDA already has awarded \$32 million from its [Meat and Poultry Inspection Readiness Grant \(MPIRG\)](#) program, intended to help meat and poultry processing businesses expand, improve or update their abilities.

Capacity and locations of US beef slaughter plants



“It’s big providing the dollars. It’s not a small action, it’s a big action,” Sen. Jon Tester, D-Mont., told *Agri-Pulse*. “We also need to make sure that folks aren’t violating the antitrust laws that we have in this country.” Tester said industry consolidation that has led to the four large companies controlling about 85% of the beef market is devastating small farms and ranches. “I’ve got cow-calf operators that are going broke because of that consolidation.”

Tester, one of the few farmers in Congress, [joined Sens. Chuck Grassley, R-Iowa, Deb Fischer, R-Neb., and Ron Wyden, D-Ore.](#), in sponsoring the [Cattle Market Transparency Act](#) with the goal of improving price discovery and ensuring transparency so the large companies are held accountable. That could mean better prices at the farm gate and the grocery store, Tester said.

In an interview with [Agri-Pulse Newsmakers, Sen. John Boozman, R-Ark., ranking member of the Senate Ag Committee](#), suggested the concerns of these senators don’t reflect the beef industry as a whole.

“It’s a regional problem,” Boozman said, because how cattle are bought and sold is different in Oklahoma and Texas compared to Nebraska and Iowa.

“We’re all working towards the same goal,” he added, “to make it such that producers have more money in their pockets.” But as he’s sought input from economists at land-grant universities, [he’s heard concerns the proposed changes could actually make prices worse for producers.](#)

Even if the bill becomes law, it will mostly address the pipeline for large farms and ranches, feedlots and slaughter-processing operations. Smaller livestock producers also are seeking opportunities to increase the availability of federally inspected meat for consumers.

USDA estimates there are [about 850 livestock slaughter plants in the United States operating under federal inspection, and nearly 1,950 non-federally inspected](#) slaughter plants (which are either state-inspected or custom-exempt, meaning the meat cannot be sold commercially). While the number of smaller plants is big, the amount of meat they can handle is often quite small. USDA’s MPIRG program aims to help some of these existing plants grow.

Rebecca Thistlethwaite, director of the [Niche Meat Processor Assistance Network](#), says the grants and USDA guaranteed loans now being offered could lead some custom lockers to expand to year-round processing, keeping workers employed and providing new options for farmers and ranchers.



Rebecca Thistlethwaite (photo: Jay Fram)

Indiana farmer Jason Mauck has stepped into that space of trying to make a smaller packing plant practical for local producers. “My big dream is to become a facilitator for brands of farms,” he said.

When he started to consider integrating livestock on his farm, he looked around and saw “zero infrastructure” for small-scale producers. Then, when the pandemic threatened to shutter a small USDA-certified processor in his area, he saw an opportunity.

“We bought the company for not too much,” Mauck said. “We got trucks, we got 12,000 square feet of cold storage.” And he and a few collaborators set about turning [Munsee Meats](#) into a niche local processor for area beef cattle.

He said it took a year to get certified so they could sell across state lines. Mauck worked with a regional wholesaler to get premium local beef into Indianapolis restaurants and visited area farmers' markets, shops and gas stations with his idea to put meat kiosks in them.

His vision is for a system big enough to be profitable but an alternative to the four major packers. Mauck said he hopes eventually this approach will make it possible to operate a successful farm on 20 or 40 acres instead of needing hundreds to participate in the existing mainstream commodity beef market.

Thistlethwaite said profit margins are “tiny” for these small operators, if they can exceed break-even at all. Construction of new small plants is very limited because she said it takes about \$2.25 million for a 5,000 square-foot plant that would process about 2,000 cattle a year. And that’s only if it can find and keep enough workers to maintain year-round operations.

Investors are not lining up for such risky businesses and banks are more interested in lending for projects that improve existing plants, she said, especially if they have USDA loan guarantees. Her group, which is based at Oregon State University, has a contract with USDA's Agricultural Marketing Service to provide technical assistance to people applying for grants.

They also offer a virtual course called Western Meat School that teaches farmers and ranchers how to build their brands, including everything from processing to packaging and labeling to distribution. They expected 250 people and had 650 take the course during the pandemic.

Thistlethwaite said investment in smaller-scale processing may increase niche meat availability, but it won’t change the overall market dynamics.

“It's smart to have kind of a multipronged approach,” she said. Enforce antitrust laws, prevent any further consolidation, “and then work to strengthen smaller, midscale processors.”

For producers who want to expand from raising cattle to operating a meat company, it’s “not an easy proposition,” she said. “But I know hundreds of farmers and ranchers who have done it.”

News Briefs:

Bayer, MS Technologies enter into distribution agreement over Enlist E3 soybeans. Bayer has entered into a distribution agreement with MS Technologies to offer soybeans containing the Enlist E3 trait to its customers, beginning in the 2023 growing season. Soybeans with the Enlist E3 trait provide tolerance to glufosinate, new 2,4-D choline, and glyphosate herbicides, allowing growers to employ multiple sites of action against herbicide-resistant weeds. The purpose of the distributor agreement is to provide Bayer customers with more choice and additional tools for integrated weed management. “There are no one-size-fits-all solutions to herbicide and weed management, and we want to provide our customers with more choices to manage tough-to-control weeds,” said Wes Hays, Bayer U.S. soybean portfolio lead. MS Technologies is a leading trait, technology and soybean genetics provider that features a

portfolio of in-house traits, as well as wide access to other traits and technologies through collaborative agreements with other parties. In 2012, MS Technologies announced a collaboration with Dow AgroSciences to develop Enlist E3 soybeans, becoming the industry's first three-way gene stack in soybeans. The soybeans later came to the marketplace in 2019. Later this decade, Bayer intends to launch HT4 soybeans which, when approved, will be the industry's first five-tolerance soybean trait stack, adding 2,4-D and HPPD tolerance to XtendFlex soybeans.

Growth Energy, EPA reach agreement on 2021, 2022 RFS finalization. The Environmental Protection Agency and biofuel trade association Growth Energy have finalized a proposed consent decree that would set an early summer publishing deadline for the biofuel mandate targets of the current and prior year. Under the decree – [expected to be published in the Federal Register Wednesday](#) – EPA will finalize the Renewable Volume Obligations for the Renewable Fuel Standard by June 3. If achieved, that timeline would be more than six months after the 2022 targets were to be finished and more than a year and a half following the statutory deadline for 2021's volumes. [Growth Energy first filed its intent to sue the EPA](#) over the publishing delays in November. Then, the group said it planned to take the agency to court if it failed to meet the Nov. 30 deadline to publish the following year's RVOs set in law. The [RVO proposals were not released until December](#) and frustrated the biofuels industry with proposed retroactive reductions to the 2020 and 2021 RVOs. Growth Energy CEO Emily Skor called the agreement “a significant milestone for the biofuels industry” that “reflects Growth Energy's persistent efforts to hold EPA accountable to its responsibilities under the RFS to issue timely RVOs and provide market certainty.” “Furthermore, we are hopeful that EPA's agreement to submit to judicial oversight of a binding RVO deadline gives credence to the agency's commitment to get the RFS back on track and provide regulated parties and the biofuels industry with timely guideposts to enhance market certainty and incentivize innovation for the future of biofuels,” she added. “This is particularly important as EPA moves to consider the blending obligations for the already-delayed RFS 'Set' in the year ahead.” EPA will take comment on the consent decree for 30 days.

Stabenow, Boozman form Senate FFA Caucus. The leaders of the Senate Agriculture Committee have formed a new caucus they say will be aimed at supporting the work of teachers and parents of students currently enrolled in agricultural education curriculums across the country. Senate Ag Committee Chair Debbie Stabenow, D-Mich., and the committee's ranking member, John Boozman, R-Ark., announced Tuesday the creation of the Senate FFA Caucus. The move comes as the organization, which currently boasts more than 735,000 members across the country, celebrates its annual National FFA Week, which runs through Feb. 26. Stabenow said the organization “prepares our youth to be leaders both on and off the farm, and I am glad we can come together on a bipartisan basis to support the next generation of agriculture leaders.” Boozman said the creation of the caucus “will help our colleagues highlight the participants and alumni who are making a difference in their states, share those success stories with a larger audience and encourage more involvement from our nation's youth.” A bipartisan House caucus championed by Reps. Tracey Mann, R-Kan., and Jimmy Panetta, D-Calif., [was announced in December](#). That group [currently boasts 20 members](#). “We know FFA members are not only our future leaders, but they are the ones who will continue to fill the talent pipeline in the industry of agriculture,” FFA CEO Scott Stump said. “It is exciting to be able to share this message with a broader audience through this Senate caucus.”

USDA: Organic dairy production growing at slower rate than conventional counterparts. The nation's organic dairies are growing in their ability to produce milk relative

to the inputs in the production process, but not nearly at the same rate as other dairies in the country, according to new research from the Department of Agriculture. A recent measurement of total factor productivity – a ratio of the total amount of goods produced relative to all inputs – showed conventional farms are growing their output at a rate about four times greater than that of organic operations. For organic farms, the TFP grew at an annual rate of 0.66% from 2005 to 2016. Conventional farms experienced annual growth of 2.5% from 2000 to 2016, [ERS said in a report](#). “While weather-related feed factors reduced productivity for organic farms, they contributed to a productivity growth for conventional dairy farms,” ERS said. “Technical efficiency increased productivity slightly on organic farms, but reduced productivity on conventional farms, while scale-and-mix efficiency reduced productivity for both types of farms.” Productivity growth also demonstrated variations according to geography. ERS noted the fastest-growing states were in the West and Southwest, with the slowest growth taking place in the South. According to ERS, annual TFP growth in the U.S. ag sector was 0.97% from 2000 to 2016.

Farm Hands on the Potomac...

Former Secretary of Agriculture **Sonny Perdue** has been named the sole finalist for the position of chancellor of the University System of Georgia. The board voted without dissent to name Perdue the finalist, saying they interviewed several excellent candidates for the job in addition to the former Georgia governor. A veterinarian and agribusiness owner, Perdue served as Georgia governor from 2003 to 2011 and Secretary of Agriculture from 2017-2021.

The Senate has confirmed **Martha Williams** by voice vote as the director of the U.S. Fish and Wildlife Service. Since January 2021, Williams has served as the principal deputy director of the agency. Before that, Williams was director of the Montana Department of Fish, Wildlife and Parks from 2017 to 2020 and was an assistant professor of law at the Blewett School of Law at the University of Montana, and served two years as deputy solicitor for parks and wildlife at the Interior Department.



Martha Williams

Jessica Shade has accepted the position of national program leader for USDA’s National Institute of Food and Agriculture. Shade previously worked at The Organic Center as the director of science programs. **Amber Sciligo** has been tapped to succeed Shade. Sciligo most recently served as the associate director of science programs at TOC. She has been with the organization since 2018.

Gustavo Valle has been named executive vice-president, North America, for Mondelēz International, effective March 1. Valle brings over 30 years of experience in consumer goods to the position and previously served as the lead of the company’s Latin America business since January 2020. He replaces **Glen Walter**, who will leave the company to pursue another opportunity.

The Department of Agriculture has announced the appointment of 33 individuals to serve on the National Potato Promotion Board. They will serve a three-year term from March 1 through Feb. 28, 2025. Individuals appointed to serve on the board are as follows: **Ed Staunton**, California; **Les Alderete**, **Bevan Lenz**, and **Jason Tillman**, Colorado; **Kurtis Crapo**, **Tyson Funk**, **Taylor Grant**, **Eric Jensen**, **Jordan Johns**, **Braden R. Lake**, **Rick S. Miller**, **Adam**

Nielsen, and **Jeff VanOrden**, Idaho; **Colin Szawlowski**, Massachusetts; **Alison Sklarczyk** and **Erwin J. Styma**, Michigan; **Peter A. Ewing** and **Jocelyn Schlichting**, Minnesota; **Martin H. Kimm**, Montana; **Leah Halverson**, North Dakota; **Nathan Bender**, Nevada; **Kory Hansen** and **Luke Robison**, Oregon; **Benjamin Zechmann**, South Dakota; **Matthew Linehan**, Vermont; **Jennifer Bunger**, **Daniel Gundersen**, **Andrew Hyer**, **Rod Schutte**, **Samueal Stahl** and **Marvin Wollman**, Washington; **Jon Gay**, West Virginia; and **Norbert Bomm**, Illinois.

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John Weber

The American Egg Board has named **Veronica Rovelli** as vice president for outreach, experience and administration. Rovelli previously worked for the American Feed Industry Association, where she was senior director of meetings and events.

John Weber is leaving Capitol Hill and heading to Monument Advocacy as a principal. Weber previously worked as legislative director in Rep. **Dusty Johnson**'s, R-S.D., office. He helped cover the agriculture and food, energy, commerce, foreign trade, public lands, natural resources, telecommunications, environmental protection, science and technology portfolio.

Global Farmer Network Foundation has hired **Elly Sukup** and **Gina Gutierrez**. Sukup is the new director of programs. She is also the Food Security Technical Officer for Mercy Corps. Sukup previously managed the Clinton Foundation's community nutrition program in Malawi and spent two years with the UN World Food Program in Ghana and Ethiopia. Gutierrez will serve as the community outreach advocate. She is a fifth-generation dairy farmer from the central region of Mexico. She started a Facebook page in 2015 advocating for the dairy industry and has grown her following to 60,000 followers.

The BASF board of executive directors has made changes to the responsibilities of two board resorts, which will take effect on March 1. **Saori Dubourg** (Ressort IV) will assume responsibility for the Monomers, Performance Materials, Petrochemicals and Intermediates divisions. She will also continue to be responsible for the Europe region. **Michael Heinz** (Ressort V) will assume responsibility for the Agricultural Solutions, Care Chemicals and Nutrition and Health divisions. He will continue to be responsible for the North America and South America regions.

Paige Godden is the new communications director for Rep. **Cindy Axne**, D-Iowa. She succeeds **Ian Mariani** who is headed to his home district congressman's office to be **Salud Carbajal**, D-Calif.'s, new communications director.
Rep. Jim Hagedorn, R-Minn.

Gabrielle Blacker and Danna Sabolik have joined Ten Acre Marketing as account coordinators. Blacker most recently worked for the International Fresh Produce Association as a creative solutions coordinator and before that helped lead the merger of United Fresh Produce Association and Produce Marketing Association as the two groups dissolved. Sabolik previously worked as a freelance agriculture journalist in Fargo.



Rep. Jim Hagedorn, R-Minn.

[Rep. Jim Hagedorn, R-Minn., died Feb. 17 after a three-year battle with kidney cancer.](#) He was 59. Hagedorn was first diagnosed in Feb. 2019, just six weeks into his tenure as a member of Congress. Hagedorn was elected to represent the 1st District in 2018 following the retirement of Tim Walz, a Democrat who decided to run for governor of the state. Hagedorn also worked on Capitol Hill and in the Treasury Department before his run for Congress.

Longtime farm broadcaster **Jerry Passer** died Feb. 11. He was 79. Passer attended the Brown Institute of Broadcasting in Minnesota and shortly after graduation joined the Navy and served in the Vietnam War. He joined WMT Radio in Cedar Rapids, Iowa, and covered agriculture for 18 years. In 1991, Passer left WMT and started farm broadcasting at KOEL Radio in Oelwein, Iowa. He also worked for Brownfield Ag News, retiring from there in June 2017.

Best Regards,

**Sara Wyant
Editor**

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