

FAMILY FARMING AND COOPERATIVES

2018 SPECIAL ORDER OF BUSINESS

Tax Reform signed into law in December 2017 included Section 199A that give farm families the ability to deduct up to 20% of gross agriculture sales made to agriculture cooperatives. This significant tax benefit will allow farm families to realize meaningful tax savings, empower farmers to better control the price of our commodities, strengthen the financial health our local farmer-owned cooperatives and stimulate the economy in our rural communities.

Unfortunately, multinational grain companies have worked to undermine this provision in Washington DC. This comes on the heels of one of the largest corporate tax cuts in our nation's history. Before supporting regulatory guidance is even written, which would provide clearer insight into the true impacts of this tax change, corporations are working to undermine family farms.

Section 199a represents a significant and meaningful tax benefit for family farms. It also benefits farmer-owned cooperatives. The economic impact and jobs that could come from this tax credit could increase growth in rural America. This new tax law takes important steps toward improving the financial health of our family farms, farmer-owned co-ops, and our rural communities. Simply repealing these provisions would have dire consequences for cooperatives. Any changes that do not give cooperatives equitable treatment in tax reform also hurts cooperatives. NFU calls on congress to reject calls for the elimination of Sec. 199a.

FAMILY FARMING AND CROP INSURANCE ENHANCEMENT

2018 SPECIAL ORDER OF BUSINESS

Farmer's crop insurance enhancement product resolution (Inventory Management Soil Enhancement Tool) (IMSET)

Whereas, American farm economy has returned to economic challenges faced in years past,

Whereas, American farmers currently have limited mechanisms available for managing their inventory while addressing needed soil improvements,

Whereas, USDA funding for farm bill programs continue to face challenges to fully meet farmers' needs in a timely manner,

Therefore, be it resolved, NFU deems it necessary for American family farming operations to have a mechanism farmers can voluntarily use annually to enhance individual farmers pricing inventory while enhancing their land's marginal soil. NFU endorsed the Inventory Management Soil Enhancement Tool (IMSET) and encourages RMA and congress to expedite IMSET to be available to farmers as quickly as possible, alleviating our current economic challenges and allowing family farmer's individual choice to save their farms and our rural economy from repeating history. Many positive economic possibilities can be realized in rural American communities and farms while lowering farmer's dependence on USDA. A lower national debt will also be realized as farmers become more reliant on their own management abilities and less on USDA.

FAMILY FARMING AND DAIRY
2018 SPECIAL ORDER OF BUSINESS

U.S. dairy farms are an important segment of our nation's economy. As one of the world's largest dairy producing nations, the industry provides roughly \$140 billion in economic output, \$29 billion in household earnings and more than 900,000 jobs.

The economics of the dairy sector over the last four years have forced producers to shutter dairy farms across the country. The United States Department of Agriculture (USDA) projects the nationwide average price paid to dairy farmers will be \$15.80 per hundred weight (cwt), while average cost of production is \$22.70 per cwt. Dairy farmers nationwide are paid 30 percent below average production costs.

Despite dairy's economic contribution to our nation, federal programs are failing producers who face such difficult conditions. NFU recognizes efforts made by members of congress to improve federal dairy programs, but the changes to the Margin Protection Program (MPP) included in the "Bipartisan Budget Act" are insufficient because they do not fix the fundamental brokenness of U.S. dairy policy. Additional support will be necessary to reverse the harm dairy farmers have endured the last four years. Federal dairy policy must provide *both* a safety net for family dairy farms in all regions and of all herd sizes, *and* a mechanism that manages milk inventories or dairies will continue to receive chronically low milk prices.

NFU calls on Congress to provide much needed reform in the upcoming farm bill for dairy farms. Farm bill reforms should include the following:

The establishment of an incentives-based inventory management program to manage milk inventories based on market demand and pricing stability,

Passage of the Dairy Premium Refund Act,

An increase in federal spending to establish an effective dairy net,

Additional risk management policies for dairy farmers, including Livestock Gross Margin (LGM) for Dairy,

Programs that account for the actual cost of production; and

Federal contract protections between dairy farmers and their milk handlers, including at least 90 days notice of any termination of service.

FAMILY FARMING AND E30

2018 SPECIAL ORDER OF BUSINESS

All American auto owners should have the opportunity to save several dollars per tank fill by fueling with lower cost, better performance, same mileage splash blended 94 octane Premium E30 ethanol blends to protect themselves and family members from gasoline octane's poisonous benzene and other polycyclic aromatic hydrocarbon (PAH) emissions identical to those found in cigarette smoke.

There is no recommended safe level of exposure to benzene or cigarette smoke and ethanol's two carbon molecule simply does not contain or produce them; plus its added oxygen assures more complete combustion of all poisonous carbon based molecules,

All American auto owners should have the opportunity to take the E30 challenge to typically save several dollars per tank fill by fueling with better performance, same mileage splash blended 94 octane Premium E30 when available and practical, significantly stimulating US rural economies and significantly curbing our children's exposure to known human carcinogens/mutagens such as benzene, plus other associated similar PAH emissions identical to those found in cigarette smoke.

FAMILY FARMING AND FARM BILLS

2018 SPECIAL ORDER OF BUSINESS

The primary objectives of national agricultural policies are to protect net farm income in challenging economic times, improve the quality of rural life, and increase the number of family farmers. Family farmers and ranchers continue to provide a reliable supply of food, fuel and fiber and serve as stewards of our nation's resources. U.S. agriculture touches all Americans and others around the world. It is important that the next farm bill reflects the diversity of the people and interests impacted by the legislation.

Over the last several years, producers have been subjected to dramatic reductions in commodity and livestock prices, increasing the need for timely passage of a new farm bill. In addition to price pressure that has reduced net farm income by half over the last five years, devastating wildfires, hurricanes, and other natural disasters continue to punish American family farmers and ranchers and their communities. Legislation in 2018 must strengthen the safety net so that farmers and ranchers can continue to feed our country.

National Farmers Union believes a Farm Bill should be passed by September 30, 2018, the expiration of the 2014 Farm Bill. In the event a new Farm Bill is not passed on time, NFU encourages Congress to extend the 2014 Farm Bill in its entirety until a new Farm Bill is passed.

National Farmers Union believes the next farm bill should provide:

Increased and robust reference prices under the Price Loss Coverage program that accounts for cost of production,

Technical corrections to the Agricultural Risk Coverage program for improved performance,

Substantial reform to the Margin Protection Program,

Expansion of insurance options for livestock,

Continuation of disaster relief programs,

Meaningful mechanisms to address oversupply of grain and dairy,

Incentives to encourage young and beginning farmers to enter and remain in agriculture,

Strong nutrition programs to provide a safety net against hunger,

Increases to overall conservation spending,

Additional acreage under the Conservation Reserve Program,

Maintenance of funding for working lands conservation programs that promote active stewardship and locally led conservation activities, and;

Climate mitigation research and technical assistance at national and local levels.

FAMILY FARMING AND IMMIGRATION

2018 SPECIAL ORDER OF BUSINESS

Today, many of our nation's farmers face a daily struggle to identify enough available, qualified, and eligible workers. The precarious environment that employers and workers face is alarming and current administrative actions and policies could decimate our workforce. Congress and the Administration must act to resolve the current labor crisis.

The lack of available labor costs American farmers and ranchers billions of dollars a year that not only threatens farm viability but also consumer access to affordable, domestically-produced food. The only means of addressing domestic labor shortages in agriculture is the H-2A visa program, but it provides only about 10 percent of our labor needs. It is an excessively bureaucratic program with statutory and regulatory restrictions that render it unavailable to many segments of the industry in its current form. While specific regulatory reforms may provide short-term relief to H-2A users, the program cannot serve as the only mechanism to ensure a legal and stable workforce for the entire agricultural industry.

As Congress considers broad components of immigration reform, NFU urges comprehensive and long-term solutions for agriculture and its workforce. Congress must differentiate between guest workers and undocumented residents, find separate solutions for each that are reasonable, compassionate, and resolve the different challenges each face. Congress must also work to positively solve questions related to visa lengths, caps, and at-will flexibility. Focus solely on border security and interior enforcement is unacceptable. Mandatory e-verify without a legislative solution for agriculture will have a devastating impact on agriculture.

FAMILY FARMING AND LEADING THE WAY ON CLIMATE CHANGE

2018 SPECIAL ORDER OF BUSINESS

Climate change jeopardizes food security and the livelihoods of American family farmers, ranchers and rural residents. Average global temperatures are rising faster than had been predicted by climate scientists, leading to more frequent and severe weather events. Producers and rural Americans have much to contribute to reducing the greenhouse gas emissions, which are exacerbating the negative consequences of climate change, through the development of renewable energy, implementation of carbon sequestration, climate-smart production, improved water management, and conservation practices. NFU will continue to lead in educating family farmers, ranchers and rural communities on climate change adaptation and mitigation.

There are four places on the planet that carbon can be stored, in our sky, ocean, plant life and in our soils. Within our industrial society, we are storing carbon at breakneck speed in our sky and oceans instead of where it will best serve us. NFU values leading the way to mitigating climate change by encouraging the storing of carbon in our plant life and in our soils. Ecological practices that promote soil health, which in turn builds soil humus, acting as a sink in storing carbon. Soil carbon is the energy in a healthy soil system.

NFU supports policies that expand renewable energy systems, especially in conjunction with rural electric cooperatives.

NFU supports research funding for soil health, climate-smart production, improved water management, and applicable cropping systems.

NFU supports the promotion of voluntary conservation practices that focus on water quality and quantity concerns, as well as range resiliency.

NFU supports development of sustainable crop systems designed for biofuel and bioproducts production.

NFU should lead and support efforts to encourage carbon sequestration in the soils of family farmers, ranchers, and agro-foresters, as a means of income enhancement, when coupled with on-farm conservation techniques scientifically proven to reduce greenhouse gas emissions.

FAMILY FARMING AND LIVESTOCK PRODUCTION

2018 SPECIAL ORDER OF BUSINESS

National Farmers Union is concerned with the development of imitation products that are being marketed as if they were meat. NFU is concerned with two categories of alternative products. One is a synthetic product made from alternative proteins. The second is tissue engineering meat from animal cells, also known as cultured meat.

Synthetic meat is derived from plants, insects, and other non-animal components. These products are currently being sold and labeled as meat, beef, chicken, etc. They are currently marketing this imitation meat as looking, tasting and smelling like authentic animal meat.

Cultured meat, also referred to as “clean meat”, is an end product in a new industry that uses science to grow meat in a laboratory known in that industry as tissue engineering. Very soon factory facilities will be producing large amounts of “artificial meat” based protein an industry they are calling cellular agriculture.

NFU disagrees with calling this beginning industry cellular agriculture when it has nothing to do with the term agriculture in any sense of its meaning. Agriculture is the planting and growing, breeding, and harvesting/slaughtering of animals, plants and fungi for food, fiber, biofuel, and other products used to sustain and enhance life.

The investors, scientists, and activists promoting these imitation meats are for the total elimination of traditional animal production of meat. They would like to see fewer acres in farm production. They believe that traditional means of growing livestock and crops is cumbersome and adversely affecting the environment. They would like to achieve their goal of displacing traditional livestock agriculture by cutting multiple stages of production in crop and livestock production. NFU knows this would catastrophically affect economic life in rural America. These imitation products will jeopardize family ranches and livestock producers and create meat factories which will most likely not be owned by families or small business owners but by large corporations which have already invested in the idea of cultured meat and synthetic meat.

NFU supports agricultural transparency and is continually committed to promoting consumer trust and education on how their food is produced on family farms.

NFU wants labeling that is truthful and not misleading. We urge the Department of Agriculture - Food Safety and Inspection Service to establish these labeling requirements:

- Define meat as tissue of an animal slaughtered/harvested in the traditional manner and derived from an animal. Define the labeling of meat as specific to this definition. Any other product not defined shall not be labeled as meat regardless of its origin.

- Define beef as meat of a bovine (cattle) that have been born, raised and slaughtered in the traditional manner.
 - Synthetic products from plant, insects, or other non-animal components and any product grown in labs from animal cells shall not be labeled beef.
 - Labels of beef should be specific to this definition. Any other product not as defined shall not be labeled as beef.
 - We urge that FSIS to define labeled beef as stated, as currently there are no labeling requirements for “beef”.
- Define poultry as meat of a domesticated fowl that have been born, raised and harvested for consumption. The labels of poultry should be specific to this definition. Any other product not as defined shall not be labelled as poultry or labelled as any of the common names for fowl like chicken, duck, turkey, etc.

The common names given to meat and animal products listed above are widely understood by consumers to be the tissue and flesh of animals that have been slaughtered for food. NFU wants those definitions to be limited as defined.

NFU urges the agriculture industry to unite together and protect the traditions of family ranches and beef production. We urge Congress to take action to support family farms and traditional food production. We believe food should be grown on family farms.

FAMILY FARMING AND TRADE POLICY

2018 SPECIAL ORDER OF BUSINESS

Access to global markets is critical for family farm agriculture. U.S. farmers and ranchers rely heavily on strong export markets to maintain commodity prices and farm revenues. However, the objectives and enforcement of free trade agreements frequently fails to adequately protect family farmers and ranchers from unfair trade practices.

The current attitude toward trade agreements does not prioritize the interest of family farmers. Each year for the past forty years, the United States has amassed a huge trade deficit. Every \$1 billion increase in imports causes loss of over 4,500 jobs. In 2017, the total trade deficit totaled \$566 billion. Eliminating the trade deficit could create as many as 2.3 million new jobs across the United States.

Agriculture typically accounts for 7-10% of total U.S. exports, and the surplus in agricultural trade helps reduce the trade deficit. Negotiators often use agriculture as bait to achieve favorable trade agreements for other sectors of the economy. However, our deeply flawed trade agenda has opened domestic markets to cheap, often low-quality food, fuel and fiber products. The agricultural trade balance dropped over \$20 billion from 2011 to 2017. International trade is an important part of successful family farming in the United States, but trade is not an end unto itself.

Decreasing our national trade deficit will bring greater economic prosperity to U.S. agriculture and the broader economy. Current trade agreements do not appropriately prioritize eliminating the trade deficit and fail to address unfair practices, such as currency manipulation.

NFU encourages the federal government to conduct a formal and thorough analysis of current agricultural trade agreements to determine their success at meeting their promised goals. NFU urges prioritization of eliminating the trade deficit in future trade agreements. To that end, future trade negotiations should focus on increasing agricultural exports and ensure domestic sovereignty for farm programs while limiting imports of cheap, low-quality agricultural products, as well as removal of rules and regulations from trade agreements that limit domestic laws affecting agricultural commodity prices, quantities, or labeling.