

# Top 5 Issues for Growers to Consider in 2020

Illinois Soybean Association  
March 10, 2020

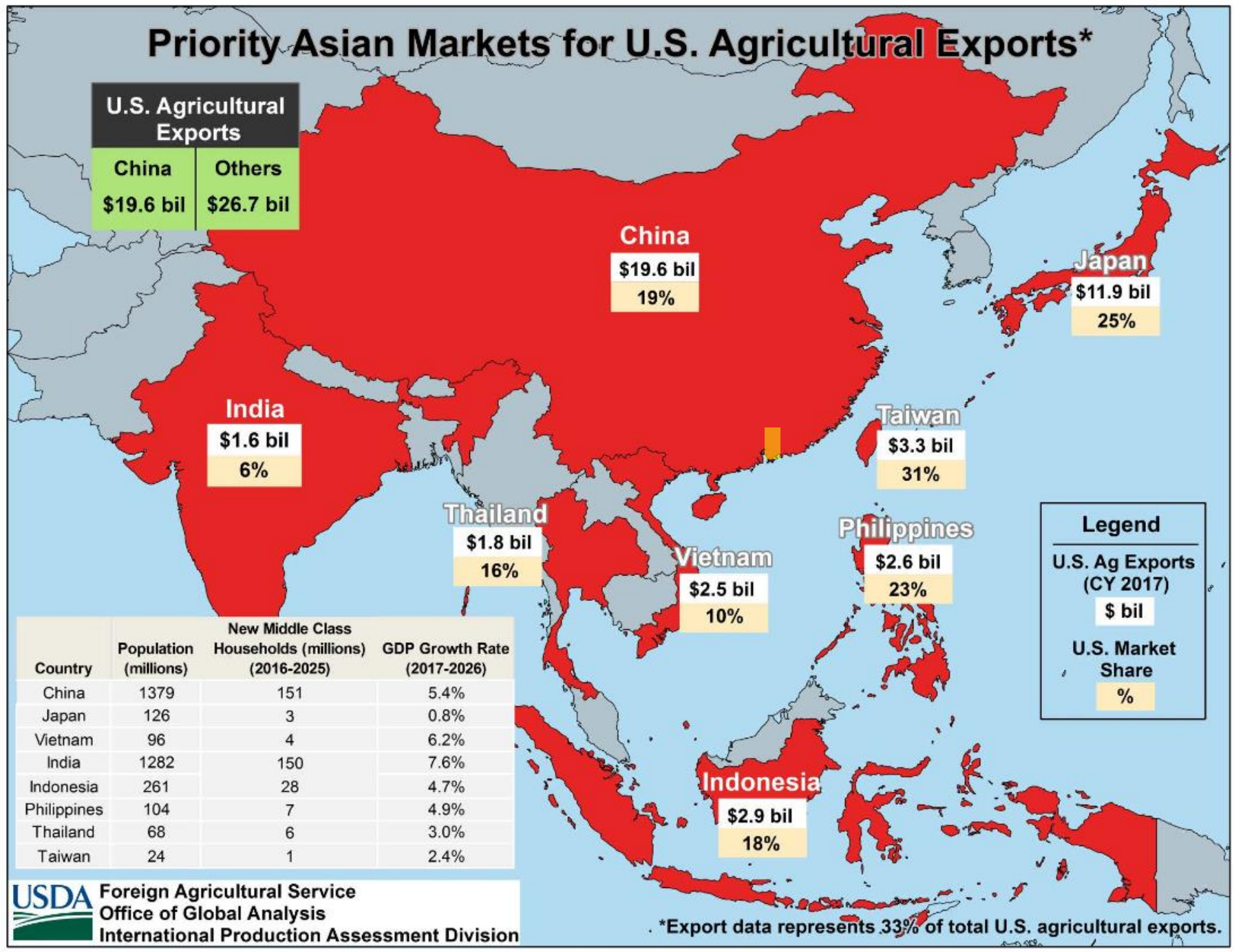


# Looking ahead for 2020

- ▶ 1. Trade
- ▶ 2. Freedom to Operate
- ▶ 3. Sustainability
- ▶ 4. Ag entrepreneurs and workforce
- ▶ 5. Your Rural Voice could be diluted

# Priority Asian Markets for U.S. Agricultural Exports\*

U.S. Agricultural Exports	
China	Others
\$19.6 bil	\$26.7 bil



**Legend**

U.S. Ag Exports (CY 2017)  
\$ bil

U.S. Market Share  
%

Country	Population (millions)	New Middle Class	
		Households (millions) (2016-2025)	GDP Growth Rate (2017-2026)
China	1379	151	5.4%
Japan	126	3	0.8%
Vietnam	96	4	6.2%
India	1282	150	7.6%
Indonesia	261	28	4.7%
Philippines	104	7	4.9%
Thailand	68	6	3.0%
Taiwan	24	1	2.4%

**USDA** Foreign Agricultural Service  
Office of Global Analysis  
International Production Assessment Division

\*Export data represents 33% of total U.S. agricultural exports.

Still work to do on export development



# Progress on the Trade Front

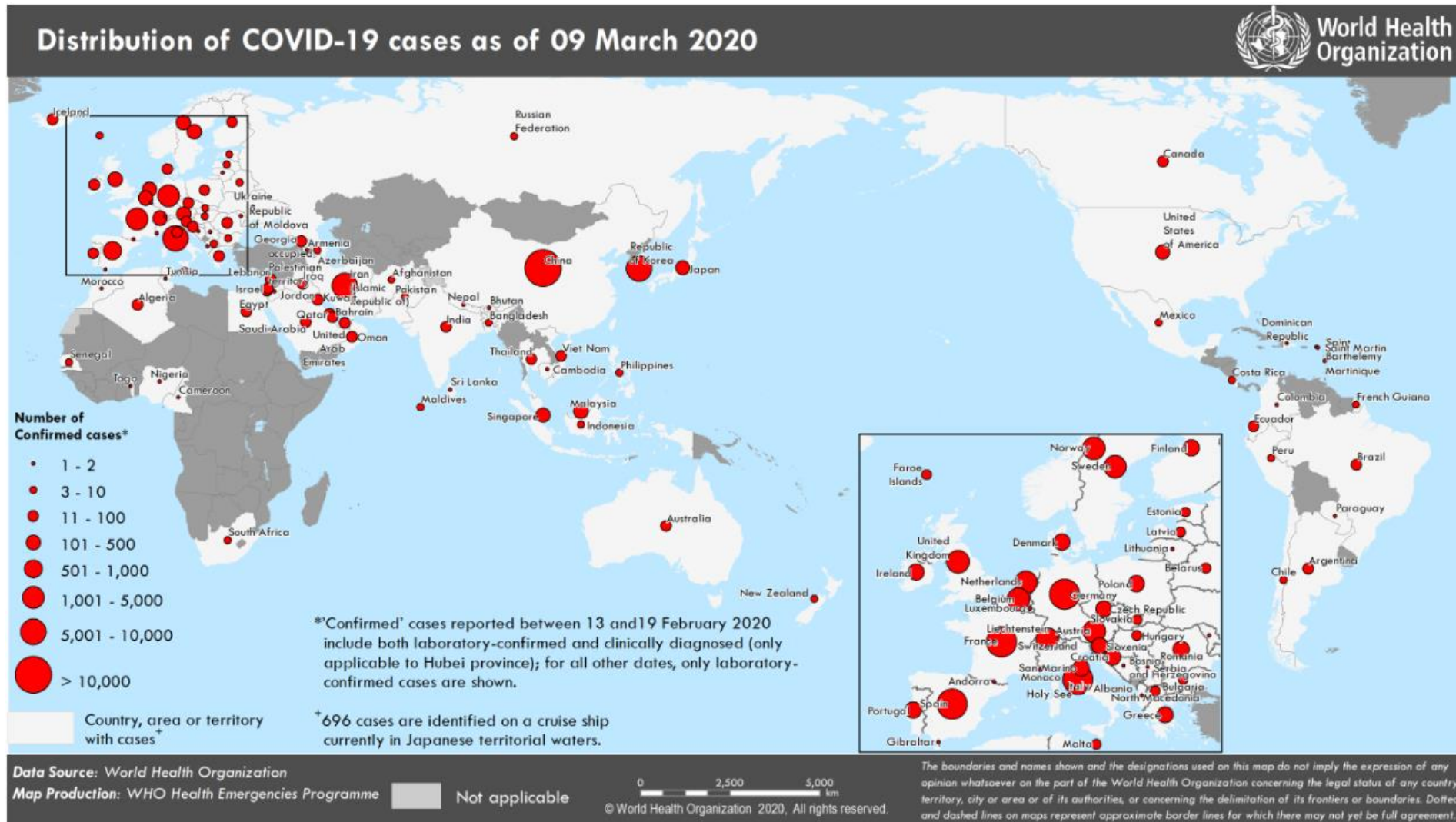
- USMCA ratified – except in Canada
- U.S. Japan FTA finalized

Eliminates or reduces tariffs on \$7.2 billion in US agricultural and food products, and importantly U.S. beef and pork exports

- China “Phase One” complicated by ASF, Food Price Inflation and Coronavirus
- Chinese importers sought tariff exemptions on dairy, soybeans, pork, corn, wheat and other commodities



# WHO: Countries with Confirmed Coronavirus infections as of March 9, 2020



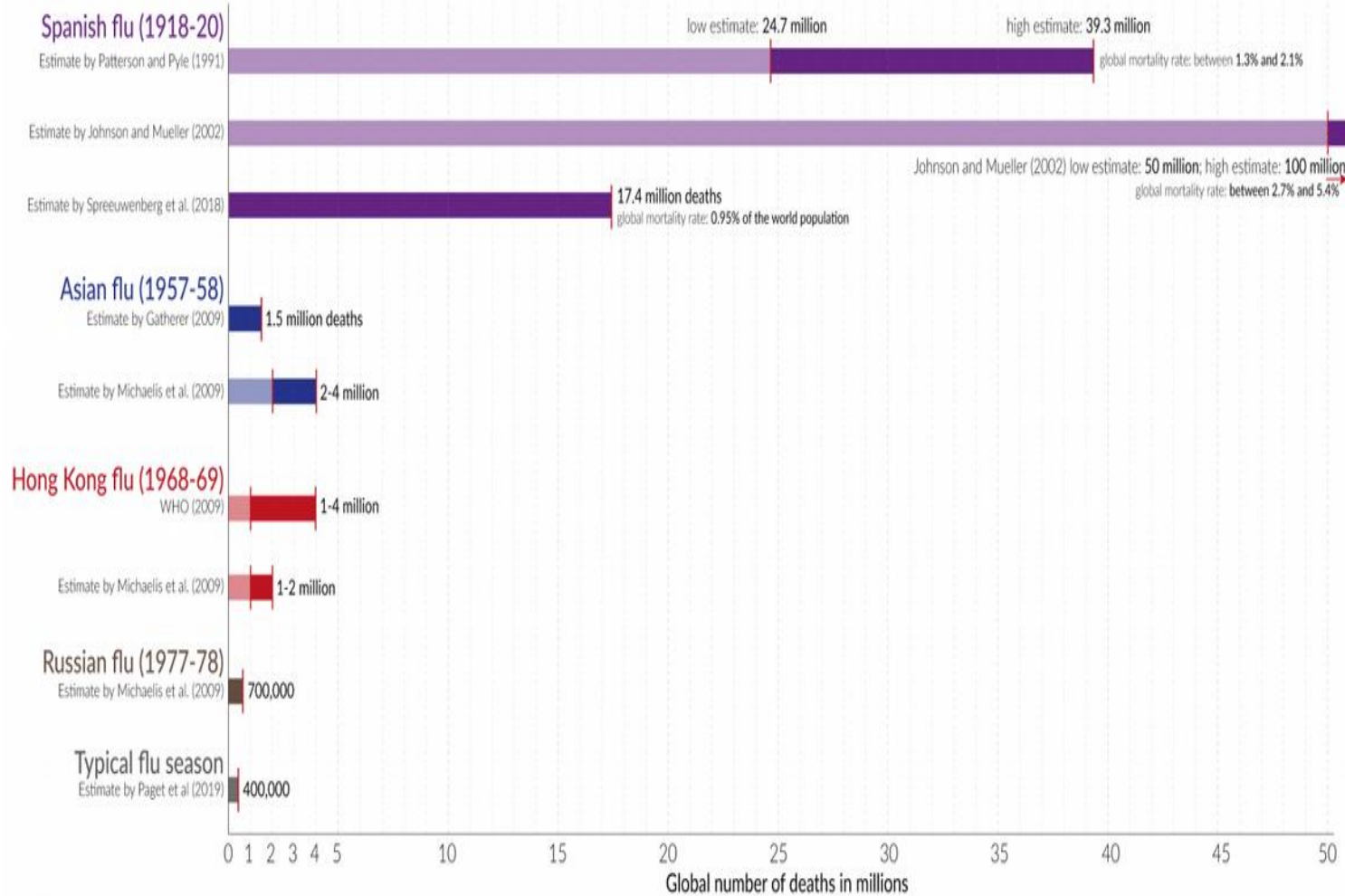
# Outbreaks slowing in China

- Chinese President Xi Jinping visits Wuhan, center of outbreak.
- Starbucks Coffee Company has opened 90 percent of its 4,300 stores in China, although under modified hours.
- “I was just talking ... with our team on the ground in China and they tell me from their perspective soybeans are getting unloaded....Soybean crushing plants are generally running.”  
- Jim Sutter, CEO, USSEC
- “Every day there’s something new. Every other day something gets canceled. China is looking more optimistic – starting to normalize – but that’s not the case in other parts of the world.”  
-Lorena Alfaro, executive director of the U.S. Agricultural Development Council



# Global number of deaths from influenza pandemics

Estimates from different research publications for 4 pandemics.



Spanish Flu 1918-20  
17 - 100 M

Asian Flu 1957-58  
1.5 - 4 M

Typical Flu Season  
400,000

Coronavirus cases  
114,562

Coronavirus deaths  
4,028

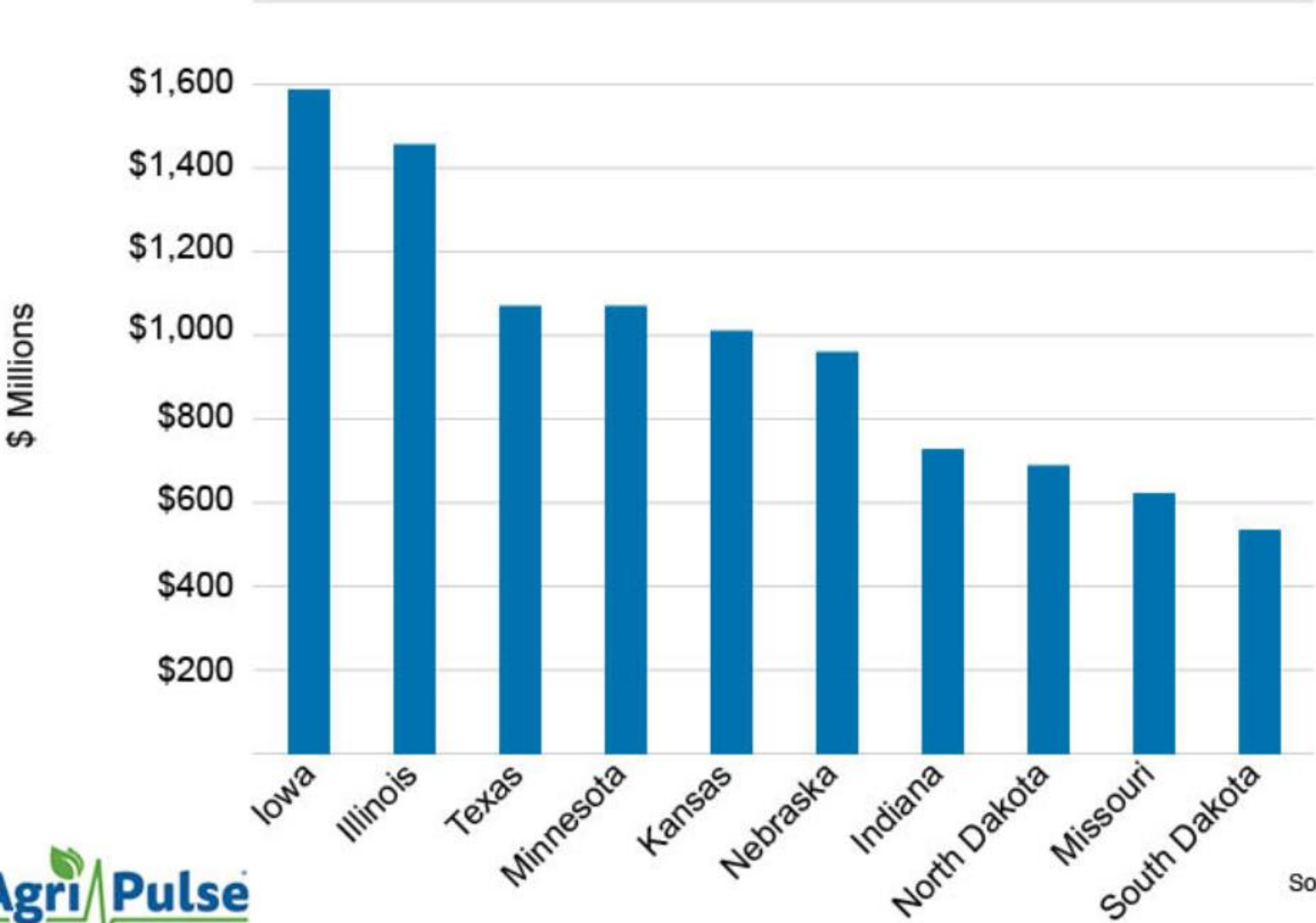
# Will there be a stimulus coming your way?

President and Congress already talking about:

- Payroll tax cuts
- Paid leave for hourly employees
- School meals even though school is out
- More loans for small businesses
- Support for the energy industry?
- Is MFP 3 Far Behind?



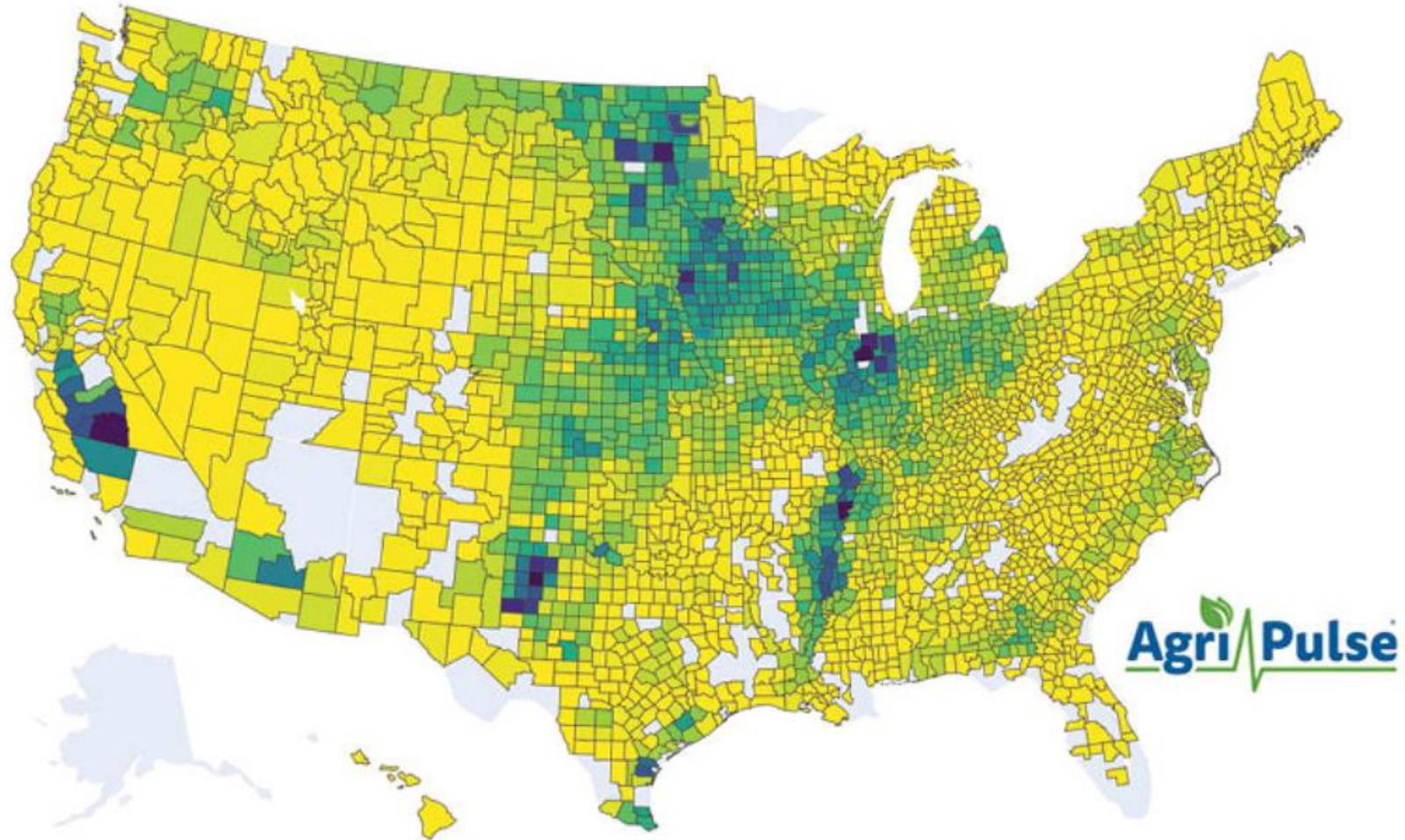
# Top 10 states for 2019 MFP payments



Source: USDA



# 2019 MFP payments by county



AgriPulse

Source: USDA



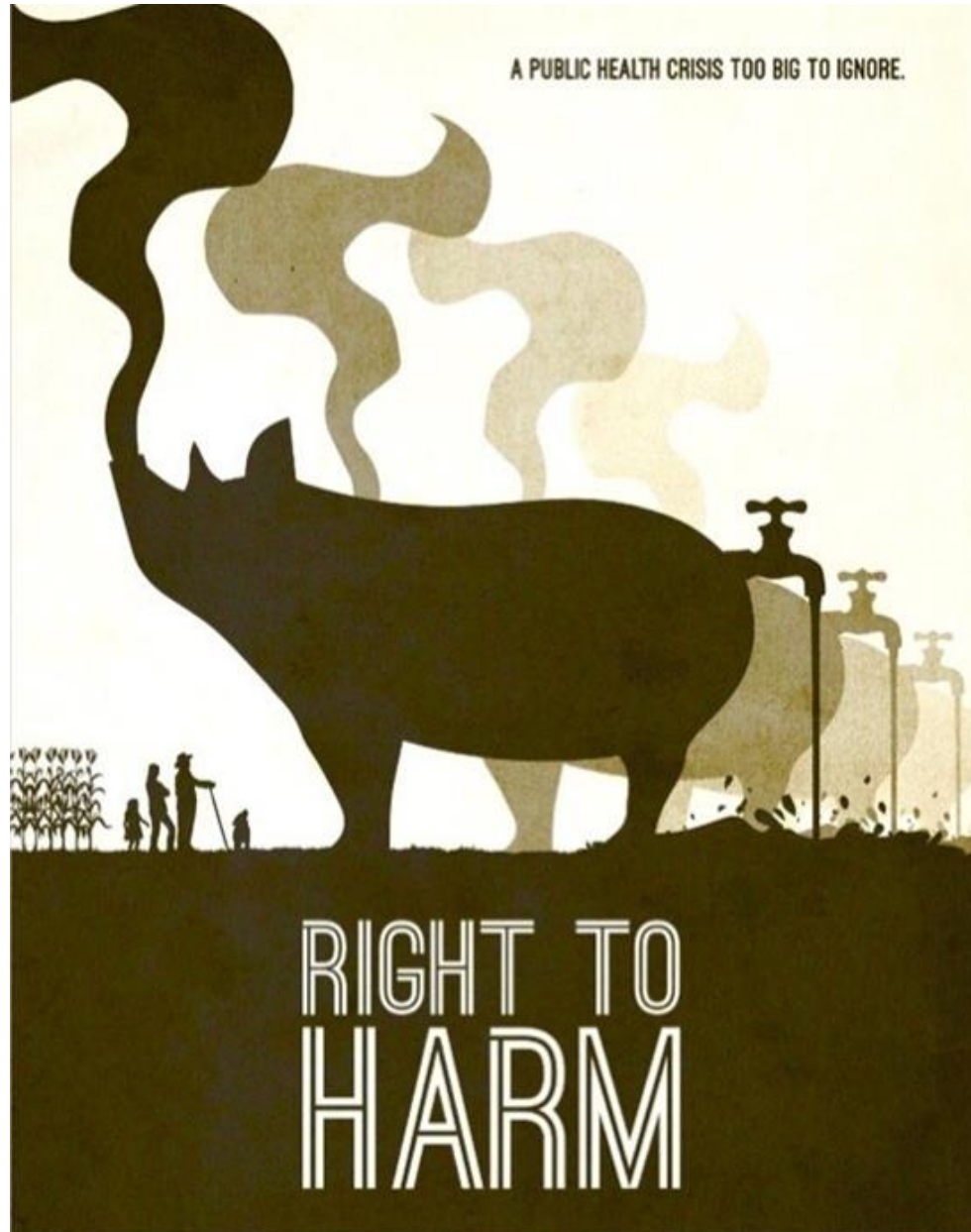
Million Dollars

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# Freedom to operate?

- Animal Welfare
- Water Quality
- Crop Protection Chemicals  
Roundup  
Chlorpyrifos  
Dicamba

More lawsuits  
coming your way!





# Water quality: It's not all Ag's problem

- After the April storms, Midwest flooding last year:
- A sewage treatment plant outside of Omaha discharged 65 million gallons a day or more of stormwater and wastewater into the Missouri river for over a month.
- A wastewater treatment plant in Davenport discharged raw sewage into the Mississippi to prevent backups in surrounding cities.





But Ag is an easy target ....and we can do better



# Sustainability: A word that won't go away in 2020

Sec. Perdue announced the [Agriculture Innovation Agenda](#), which set goals to increase U.S. agricultural production by 40% by 2050 while reducing the sector's impact.



USDA's goal: Cut nutrient loss by 30% nationally by 2050.

Includes “investing in active forest management” and building upon a previously-set food waste reduction goal (down 50% by 2030).

in 2015, then-Secretary Tom Vilsack [rolled out](#) 10 “Building Blocks for Climate Change” that aimed to achieve a combined 120 million metric tons of CO2 mitigation by 2025.



# Farmers for a Sustainable Future

Guiding principles call for:

- Science-based research
- Voluntary incentive-based conservation programs, investment in infrastructure
- Solutions that ensure vibrant rural communities and a healthy planet

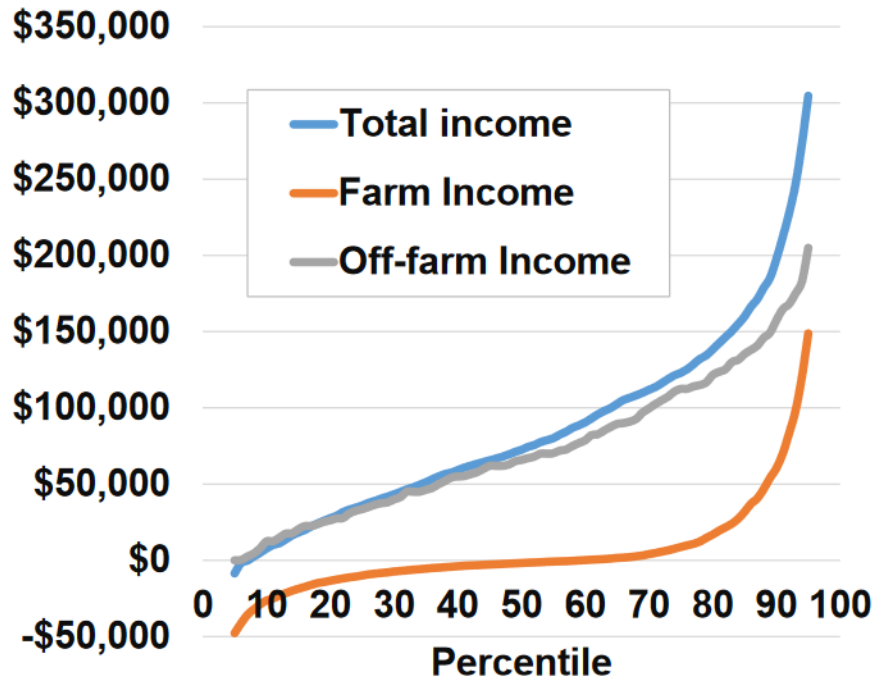
Stop misinformation about U.S. agriculture and the livestock industry of contributing more greenhouse gases to the atmosphere than the facts support.

Tout the use of ethanol and biodiesel, which in 2018 “reduced GHG emissions by 71 [million metric tons]”



# Who will be your next farmers and workers?

**Distribution of farm household income shows half of all farms earn negative farm income**



Percentile	Farm Income	Off-farm Income	Total Income
5	-\$47,714	\$0	-\$8,526
25	-\$9,950	\$33,577	\$35,978
50	-\$1,735	\$65,841	\$72,481
75	\$8,783	\$112,500	\$122,991
95	\$148,850	\$205,000	\$304,715

Source: USDA-ERS, Agricultural Resource Management Survey, 2018

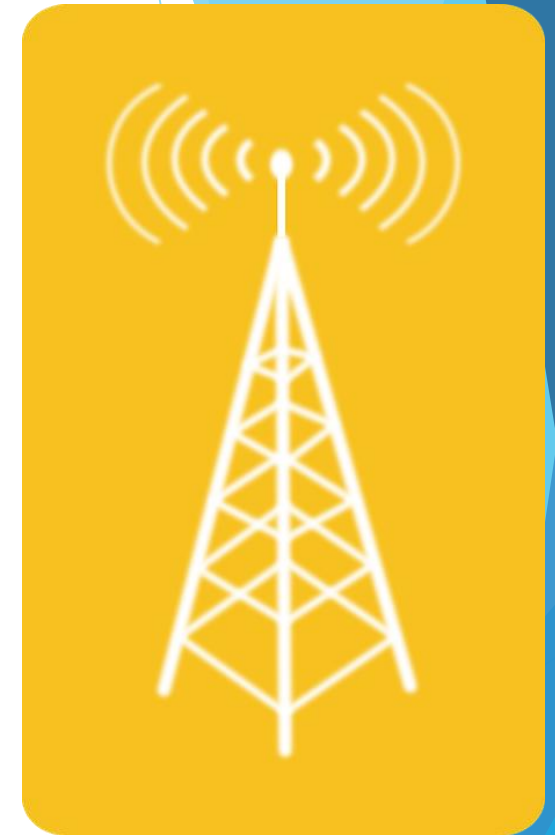


# Farm Labor Reforms Needed in Congress

- The number of farm workers hired through the H-2A visa program for seasonal agricultural workers has more than doubled in the past five years.
- Even with the increase, last year's 243,000 H-2A workers filled just a fraction of the more than 2.4 million farm jobs.
- **“Farmers and ranchers in every state tell me that the shortage of labor is the greatest limiting factor on their farms - AFBF President Zippy Duvall**

# How are you going to keep them down on the farm - without high-speed broadband?

- Around 30 percent of residents in rural Illinois lack internet access at speeds of 25 mbps and above, according to a report from the FCC
- Matt Schmit, director of the new Illinois Office of Broadband, said the office's first project is developing the state's own map.
- Illinois plans to spend about \$400 million over next few years for farms and small towns.



# Finding new friends to build your influence



Jerry Costello II - New State Ag Director:

He wants to bring ag stakeholders together, from farmers to consumers to groups affected by the industry. He also wants to educate people about agriculture's importance to Illinois' economy, showing how everything is connected from planter to dinner plate.

“You’ve got producers and users,” Costello said. “One really cannot survive or be without the other.”-- Effingham Daily News

# 2020 Census: Losing Clout on the Federal Level

## States Gaining Districts (7)

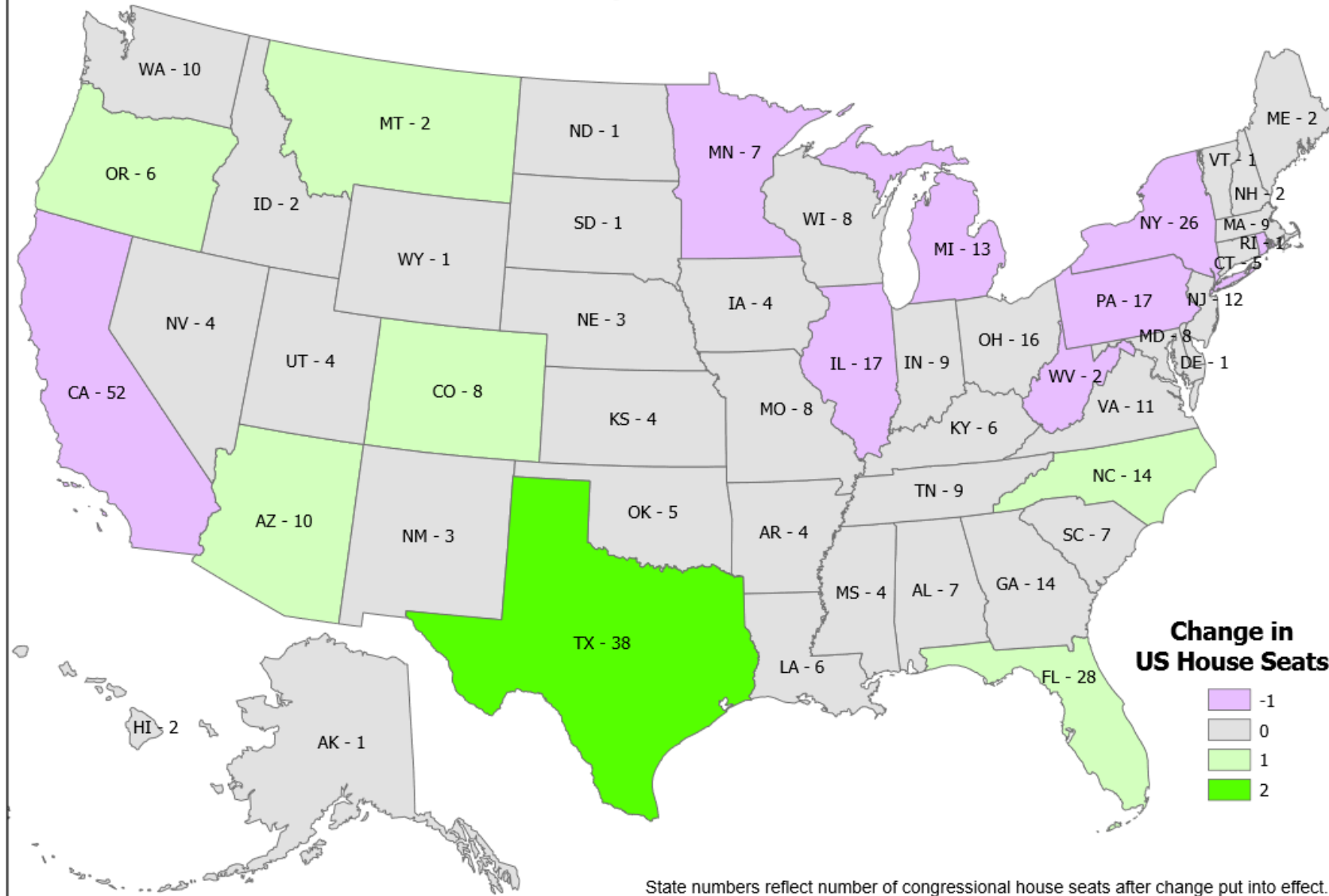
**Arizona** +1 (from 9 to 10)  
**Colorado** +1 (from 7 to 8)  
**Florida** +2 (from 27 to 29)  
**Montana** +1 (from At-large to 2)  
**North Carolina** +1 (from 13 to 14)  
**Oregon** +1 (from 5 to 6)  
**Texas** +3 (from 36 to 39)

## States Losing Districts (10)

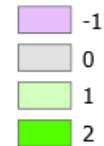
**Alabama** -1 (from 7 to 6)  
**California** -1 (from 53 to 52)  
**Illinois** -1 (from 18 to 17)  
**Michigan** -1 (from 14 to 13)  
**Minnesota** -1 (from 8 to 7)  
**New York** -1 (from 27 to 26)  
**Ohio** -1 (from 16 to 15)  
**Pennsylvania** -1 (from 18 to 17)  
**Rhode Island** -1 (from 2 to 1)  
**West Virginia** -1 (from 3 to 2)



## Anticipated Gains/Losses in Reapportionment 2019 Population Estimates

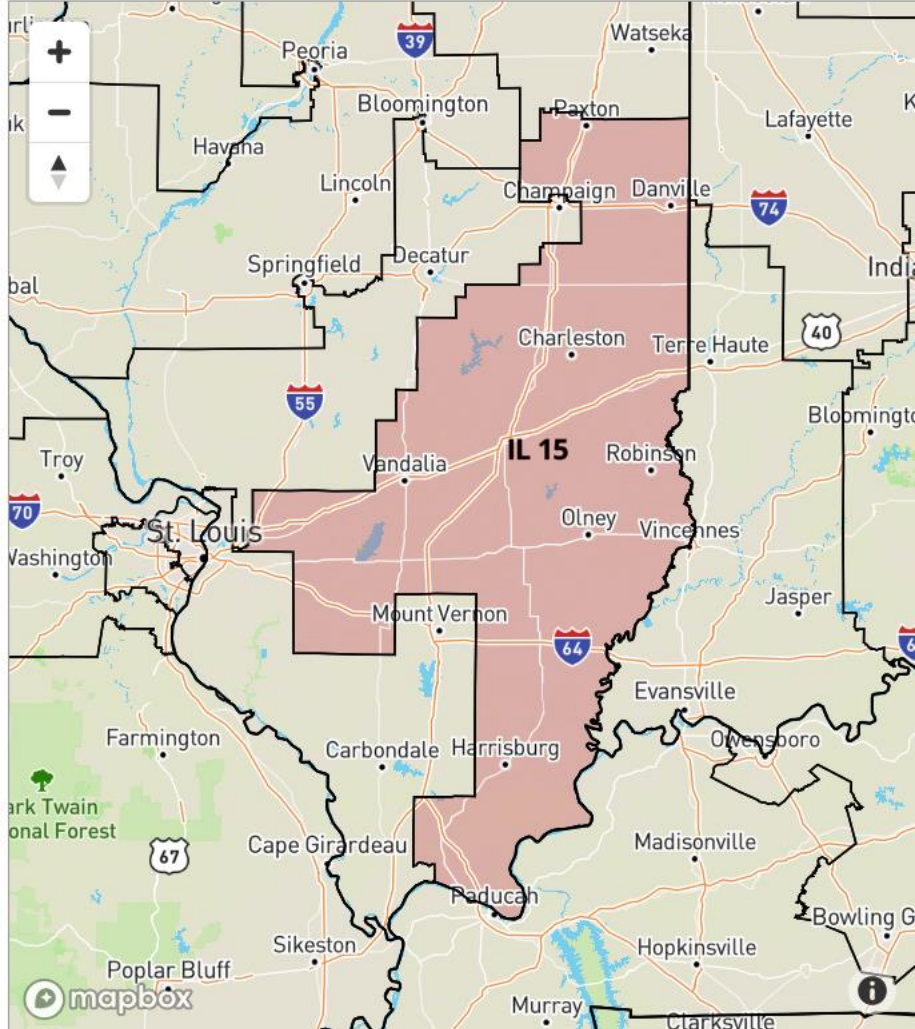


**Change in US House Seats**



State numbers reflect number of congressional house seats after change put into effect.

# Southern Illinois most likely to see change



The 15th Congressional District, currently represented by Rep. John Shimkus, stretches across nearly 15,000 square miles of southern and central Illinois, will most likely be eliminated after the 2020 census because its population has been steadily dwindling.

Shimkus declined to run in 2020

# Thank you for your interest!

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Monday, March 09, 2020

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## Outbreak forces dietary advisers online, USDA promises school feeding help

A meeting of the government's dietary guidelines advisers has been moved online and schools are being offered flexibility in feeding low-income kids as the Agriculture Department tries to grapple with the coronavirus outbreak.

A modern-day farm policy for tomorrow's challenges  
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<p>NEWS 03/08/20 11:00 AM BY PHILIP BRASHER <b>Washington Week</b> Ahead: Cabinet members face Hill questions; biotech gets focus</p>	<p>NEWS 03/06/20 12:32 PM BY PHILIP BRASHER <b>Peterson makes it official:</b> He's running for re-election</p>	<p>NEWS 03/06/20 11:30 AM BY SPENCER CHASE <b>Trump administration plans</b> to appeal SRE ruling</p>	<p>NEWS 03/05/20 3:30 PM BY BEN NUELLE <b>SNAP proposal attempts to</b> improve participant path toward work</p>
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