



NATIONAL GRANGE

OF THE ORDER OF PATRONS OF HUSBANDRY

American Values. Hometown Roots.

View from the Hill



POLICY UPDATES and ISSUE NEWS

SEPTEMBER 2021 WRAP-UP

WASHINGTON OVERVIEW

Government Shutdown Avoided

On Thursday September 30th Congress passed a continuing resolution extending government funding until early December, narrowly avoiding a potentially catastrophic government shutdown during a pandemic. Earlier in the week, Democrats had attempted to move forward the continuing resolution along with an increase in the debt limit, a law which caps the total amount of money the federal government can borrow which is set to be met in mid-October. However, these attempts were blocked by Republicans who argue that if Democrats want to increase the debt limit, then they must do so without Republican support, meaning they would have to do so through the reconciliation process (a process Democrats are already pursuing for a large portion of the Biden agenda discussed below.) Democrats argue that the Republican position with regard to the debt limit is hypocritical because much of the debt was accumulated under President Trump, and Democrats had previously voted with Republicans to increase the debt limit under the previous administration. Ultimately, to avoid a government shutdown at the beginning of October, Democrats allowed a vote on just government funding, but the debt limit remains unaddressed. If the debt limit is not increased by mid-October, then the federal government will default on its debt obligations and untold economic consequences will follow.

Infrastructure Vote Delayed Indefinitely

Late in the night on Thursday September 30th, House Democratic Speaker Nancy Pelosi (D-CA) officially announced that the vote planned for the \$1.2 trillion Bipartisan Infrastructure deal would be postponed. However, Pelosi also indicated that Democrats had made significant progress towards its passage along with the passage of a larger \$3.5 trillion reconciliation package.

For context, the \$1.2 trillion Bipartisan Infrastructure bill passed the Senate in August with significant bipartisan support and includes significant sums for traditional hard infrastructure, including rural broadband deployment. However, Democrats in the House have so far been unable to pass the bill because progressive members have made it clear that they will not support the bill until a larger \$3.5 trillion reconciliation package, which includes a variety of tax increases and social spending not yet entirely determined, also passes. In late August, House Speaker Nancy Pelosi (D-CA) made a nonbinding promise to moderate House Democrats that the House would pass the bipartisan infrastructure deal by the end of September. However, because not enough progress had been made on drafting and passing the larger reconciliation by this week's scheduled vote, many progressive members of the House threatened to vote against the bipartisan infrastructure package to force the Speaker to delay the vote until further progress had been made. At time of writing, it is not entirely clear when the House progressives will be satisfied enough with the status of the reconciliation bill to offer their support to the bipartisan infrastructure bill, but until that time comes it is unlikely that either will face a vote.

AGRICULTURE AND FOOD

President Biden Targets Ag Competition

The President aims to restore competition and innovation to the American economy and as the administration looks at agriculture, the focus is on packer concentration. The four largest beef processors control 82% of the market compared to 26% in the mid-seventies. The four largest pork processors control 66% of the market compared to 33% in the mid-seventies. The four largest poultry processors fall between these two. USDA recently issued a Request for Information (RFI) to determine how to spend \$500 million to diversify processing capacity. Responses have included suggestions to offer grants and low interest loans for small and medium size plants, target new processing capacity to eastern regions where there is a deficit in processing facilities, and improve plant working conditions and pay rates.

Record Ag Exports Predicted

USDA is predicting total U.S. exports for 2022 will be a record \$177.5 billion, \$4 billion more than the latest forecast for 2021 exports. The increase is due to higher export values for cotton, soybeans and horticultural products. At the same time, China's appetite for American beef continues to rise. During the first seven months of 2021, beef exports to China are 1,000% above the same period in 2020.

CONSERVATION/CLIMATE CHANGE

Waters of the U.S. in Flux

The Environmental Protection Agency has completed its listening sessions and public comment period in response to its announced intent to reverse the 2020 Navigable Waters Protection Rule. The opportunity for public comment drew a large response from farmers, ranchers, landowners and others. The National Grange said the original 2015 WOTUS rule created imprecise and overly inclusive definition of navigable waters that imposed significant economic burdens on agriculture. The Grange proposes a more balanced regulatory approach which both protects our waters and allows farmers and ranchers to succeed. In the meantime, the 2020 Navigable Waters Protection Rule has been vacated by a federal judge in Arizona, adding regulatory uncertainty to water regulation on private property.

Questions Surround Ag Carbon Markets

Farmers and ranchers want more answers before wading into carbon markets. An August 2021 survey by the Farm Journal found 55% of respondents plan on joining the carbon market in the next three years but are looking for some answers in the meantime. What will be the return on my investment? What are the compliance requirements? What if I change farming practices? Will university extension and /or USDA confirm carbon market compliance? Is my operation too small to qualify? They are looking for reputable sources for more trustworthy information.

HEALTH CARE

"Twindemic" Threatens Fall and Winter Season

Washington's The Hill newsletter published an opinion editorial by National Grange President Betsy Huber in which she warns of a challenging flu and pneumonia season approaching. Many rural Americans are still

vulnerable to COVID-19 and have a mortality rate nearly eight times greater than their urban counterparts because of underlying medical conditions. A potentially more deadly flu and pneumonia season could create a more severe health crisis in rural America. Huber encourages vulnerable rural residents to get vaccinated against flu and pneumonia as well as COVID-19. She also calls on the CDC to expedite the release of two new FDA approved pneumonia vaccines to protect against the repercussions of a “twindemic”. A similar message was submitted in a filing by the National Grange to the Advisory Committee on Immunization Practices at the CDC.

Cap Out-of-Pocket Costs

The National Grange joined 132 organizations on a letter to key committees in the House and Senate to address the unaffordable out-of-pocket costs in the Medicare Part D prescription medication program. As cost-sharing increases, this leads to lower drug adherence, higher mortality and increased overall health care costs.

Grange Petitions FDA for Eye Care

The National Grange petitioned the Food and Drug Administration not to make permanent cuts to payment schedules for eye care under Medicare. Of particular concern is access to micro-invasive glaucoma surgery and access to ambulatory surgery centers which are so vital to older rural residents.

TAXES

Taxes in the Spotlight

This September could have been called the “pay for” taxes month. That is, what taxes will be needed to pay for the massive price tag attached to the \$3.5 trillion reconciliation package now stalled in Congress. How will those new tax proposals affect family farmers and ranchers is the big question in rural America. The administration contends the proposed family farm tax exemptions will exclude over 98% of farm families from new taxes. However, a recent Texas A&M study indicated 92 out of 94 farms in the study would experience significant tax liability under the administration’s tax plan.

Keep Sound Tax Policy for Ag

The National Grange joined 237 national and state agriculture and land conservation groups in urging Congress not to alter or eliminate long-standing federal tax code provisions that are fundamental to the financial health of production agriculture. There are four times as many farmers and ranchers aged 65 and older as there are under the age of 35. These individuals own 40% of agricultural land in the United States and 370 million acres are expected to change hands in the next two decades. To preserve family farms and ranches and maintain the ability to transition when a family member or business partner dies, the group urged Congress to:

- Maintain the current federal estate tax code provisions
- Oppose the repeal of the step-up in basis
- Oppose new capital gains taxes on family farms and ranches when there is a death in the family
- Keep the Sec.199A business tax deduction for pass-through businesses like farms and ranches
- Retain like kind exchange tax provisions

Protect Family-Owned Businesses

The National Grange and 161 members of the Family Business Estate Tax Coalition sent a letter to the leadership of the tax-writing committees of the House and Senate asking them to protect step-up basis and oppose any changes to current family business tax law.

TELECOMMUNICATIONS

Broadband Waiting on Infrastructure Vote

The Minneapolis Post published an editorial by National Grange president Betsy Huber on September 29 that encouraged Congress to pass the bipartisan infrastructure package. There are nearly a half million Minnesotans who lack access to a broadband connection and two million who cannot access the internet at speeds meeting the definition of broadband.

Infrastructure Package to Boost Broadband

The bipartisan Infrastructure Investments and Jobs Act supported by the National Grange will add \$65 billion to support broadband deployment. Here are some ways it should help close the digital divide:

- Deployment and Access – State grants will allot \$42 billion for deployment administered by the federal National Telecommunications and Information Administration. An additional \$2 billion goes to the USDA Rural Utilities Service specifically for rural broadband deployment. Another \$2 billion will go toward deployment initiatives on tribal lands.
- Adoption and equity – African Americans in the rural South lack internet in 38% of their homes as do 35% of Latino adults countrywide. The package includes \$14 billion to make the affordable pandemic-era emergency broadband program permanent for these residents.
- Skills and training – The Digital Equity Act was included in the package which provides \$2.75 billion to support expanded digital training. About a third of residents ages 16 to 64 have no or very limited digital skills.

Broadband Providers Add to Connectivity

According to USTelecom, the telecommunications industry association, private broadband providers pumped another \$79.4 billion into broadband connectivity infrastructure in 2020. According to the Federal Communications Commission, fiber broadband deployment increased by approximately five million homes during the first six months of 2020. Increases in fixed wireless and 5G coverage added significantly to that number as well.

PERSPECTIVES

“ I like a teacher who gives you something to take home to think about besides homework. ~ **Lily Tomlin** ”

“ Education is the most powerful weapon which you can use to change the world. ~ **Nelson Mandela** ”

“ In school you're taught a lesson and then given a test. In life, you're given a test that teaches you a lesson. ~ **Tom Bodett** ”

“ There is no school equal to a decent home and no teacher equal to a virtuous parent. ~ **Mahatma Gandhi** ”

“ We all learn by experience but some of us have to go to summer school. ~ **Peter De Vries** ”