



NATIONAL GRANGE OF THE ORDER OF PATRONS OF HUSBANDRY

American Values. Hometown Roots.

View from the Hill



POLICY UPDATES and ISSUE NEWS APRIL 2022 WRAP-UP

WASHINGTON OVERVIEW

Competition/Supply Chain Bill Moves Forward

In April, Congress formally created a conference committee to resolve differences between the House and Senate versions of a bill designed to tackle supply chain issues and focus on areas of competition between the US and China. The bill as it stands is an omnibus bill including a wide variety of provisions which generally focus on supply chains as relates to trade with China. Both the House and Senate bills include provisions which would provide \$50.2 billion to support domestic semiconductor manufacturing, significant funding for supply chain resilience programs, and billions of dollars in high-tech research and development funding. However, the two versions of the bill differ significantly with regard to what foreign and trade policy changes they would mandate.

Along with resolving policy differences, the conference committee is likely to have members try to tack on new provisions which were not included in either the House or Senate bill in the hopes that they can use this package as an opportunity to move other priorities through Congress. One bill that may be added into the final bill is the Ocean Shipping Reform Act (OSRA). OSRA is a bill which the National Grange supports, that would reform the way that the Federal Maritime Commission operates to allow it increased authority to combat unfair shipping practices and increase American exports. It will likely take many more weeks before the House and Senate can agree on and pass a final version of the competition bill, and the National Grange will be monitoring the development of the bill closely.

Ukraine, COVID-19 Funding, and Title 42

Both parties in Congress have agreed on the general contours of another package of military and economic aid for Ukraine to support it in resisting Russia's invasion. Of interest to American farmers, some portion of this additional package may also include incentives for American farmers to increase production of commodities which will see decreased global supplies due to disruptions of both Ukrainian and Russian agriculture this year.

However, Democrats in Congress have sought to tie this package of aid to Ukraine to another round of funding for the federal government's COVID-19 response, including funds to continue government purchases of vaccines, tests, and therapeutics. While many Republicans agree that more funding is needed to continue support for key COVID-19 programs, they disagree as to the size, scope, and method of funding which Democrats have proposed for this round of funding.

Yet more, some Republicans have declared their intention to tie any vote on new funding for COVID-19 to a vote on a provision known as Title 42. Title 42 gives authority to the Center for Disease Control (CDC) to limit immigration in response to a public health emergency, and the CDC has used this authority to limit immigration from Mexico under both the Trump and Biden administrations. However, with the pandemic abating the CDC is

poised to end Title 42 immigration limits sometime in the near future. In response, Congressional Republicans are pushing for a vote to extend Title 42 immigration limits which would be a difficult vote for many Democratic incumbents who face reelection this fall.

So, with Ukraine, COVID-19, and Title 42 all tied together nothing is currently moving on any of those fronts for the time being while Democrats and Republicans both seek ways to get exactly what they want from the deal. Congress is likely to spend significant time in the coming weeks trying to unravel this mess of urgent legislation, leaving little time for many other issues.

AGRICULTURE AND FOOD

Cattle Markets in the Spotlight

The cattle industry and Congress are both looking for price discovery and market transparency in the beef supply chain. The price spread between the producer and the consumer has been unusually wide recently. Four Senators, Fischer (R-NB), Grassley (R-IA), Tester (D-MT), and Wyden (D-OR), first introduced their bipartisan Cattle Price Discovery and Transparency Act last November and revised it in March. Delegates to the National Grange convention last fall voted to support the legislation. The Act would:

- Require the Secretary of Agriculture to establish 5-7 regions of the country and set minimum levels of fed cattle purchases in each region by which multiple buyers and sellers regularly can make and accept bids. Approved pricing mechanisms are negotiated cash, negotiated grid, and stockyard sales.
- Establish a penalty for packers who violate the Act
- Create a publicly available library of marketing contracts, mandate box beef reporting, expedite reporting of carcass weights, and require packers to report the number of cattle scheduled for delivery each day for the next 14 days.

The Senate Agriculture Committee held hearings on the bill in April that generated considerable support on Capitol Hill and among cattle producers. At a House Agriculture Committee hearing, CEOs of the nation's largest beef processors attributed the price disparities between processors and producers to market factors like inflation and swings in cattle inventory.

Incentive to Increase Food Production

President Biden is proposing to spend \$500 million to encourage farmers to increase production to address global food shortages. The plan is part of a supplemental spending package the White House sent to Congress in late April. Funding would temporarily allow higher loan rates for wheat, soybeans, sunflowers, canola and rice to encourage greater supply for emergency food aid and humanitarian assistance. This provision may or may not be included in the final supplemental package because of other funding demands.

Shipping Backlogs and Rail Rates Squeeze Food Supply Chain

A coalition of agriculture and food organizations, including the National Grange, has appealed to the Surface Transportation Board to take steps to lower rail rates and ease shipping backlogs. The board agreed to accept public comment on the inefficient use of private railcars and held a hearing in late April on snarled rail traffic. The coalition is also urging the board to finalize rules to allow shippers who are served by a single railroad to request bids from a nearby competing railroad. There have been industry reports of flour and feed mills shutting down for periods of time because they ran out of grain.

Support USDA Funding

The National Grange and thirty other agriculture, rural and mental health organizations are requesting the Senate and House appropriations committees to provide full funding for the Farm and Ranch Stress Assistance Network housed at USDA for FY'23. The group referenced a recent Morning Consult survey that found 61% of farmers and farm workers and 52% of rural adults experienced more stress in 2021 compared to the prior year. In additional appropriations actions, the National Grange and 50 other agriculture, food and research organizations expressed strong support to fully fund USDA's Agriculture Research Service for FY'23.

CONSERVATION AND ENVIRONMENT

Farmers and Ranchers Reduce Greenhouse Gas Emissions

Agriculture's greenhouse gas emissions fell more than 4% from 2019 to 2020 according to EPA. The EPA report emphasizes how voluntary, market-oriented and incentive-based conservation practices produce results. The largest emissions source is the transportation sector representing 27.2% of total emissions. Next largest is electricity generation with 25% of total emissions. Following as third largest is the industrial sector with 23% of total emissions. Agriculture represents 9.9% of all U.S. greenhouse gas emissions.

Farmers and Ranchers Challenge the SEC

The Securities and Exchange Commission has proposed a major rule change and provided only 39 days for public comment. The National Grange and the agricultural sector have petitioned the SEC for a 180- day extension from May 20 until November 16 to draft a meaningful response. The proposed SEC rule would:

- Require companies registered with the SEC to provide certain climate related information including potentially invasive and burdensome information about farms and ranches.
- Farmers and ranchers are not 'registrants' or otherwise subject to SEC jurisdiction. The proposed rule changes this.
- The required reporting of greenhouse gas emissions creates new sources of substantial costs, technical challenges, and the risk of crippling legal liabilities.

HEALTH CARE

House Bill Caps Insulin Cost

The House has passed legislation to cap the cost of insulin at \$35 a month for more than seven million diabetes patients. However, the bill does not lower the overall cost of insulin or solve the problem of skyrocketing drug prices. These costs would shift to insurers and employers.

Cancer Test Held Hostage by Merger

A cutting-edge multi-cancer early detection test cannot be widely available at a reasonable cost until the Federal Trade Commission allows a company merger to move forward. GRAIL has developed a test that can detect over fifty cancers with a simple blood draw, but the out-of-pocket cost is around \$1,000. Illumina has the infrastructure, scientists, institutional knowledge and funds to facilitate widespread access to the test. The National Grange and a large group of patient groups are asking the Federal Trade Commission to allow the merger to proceed so this test can be widely available at an affordable cost as soon as possible.

More on Drug Pricing

The Federal Trade Commission is seeking public comment on how pharmacy benefit managers (PBMs) impact patients. The National Grange joined numerous patient groups to respond with a detailed discussion on how PBMs impact the health and well-being of patients with private insurance plans. It appears PBMs have evolved into one of the largest drivers of drug costs and access restrictions between the manufacturer and the patient at the drug counter.

TELECOMMUNICATIONS

More Broadband Bucks

The Federal Communications Commission has opened applications for funding dedicated to students and teachers for devices and broadband used away from school campuses. A minimum of \$1 billion will be available to districts for the upcoming school year from the Emergency Connectivity Fund.

Heard on the Hill

At a recent Senate hearing, Secretary of Commerce Gina Raimondo reiterated her support for flexibility in implementing federal broadband resources and her commitment to connecting unserved communities first. Senators Wicker (R-MS) and Thune (R-SD) and Representatives Rodgers (R-WA) and Latta (R-OH) sent a letter to National Telecommunications and Information Administration Administrator Alan Davidson reiterating the intent of Congress for broadband deployment. They emphasized that NTIA should direct states to consider a variety of broadband providers when making their buildout awards and to consider all technologies that can meet network requirements at a reasonable cost.

PERSPECTIVE ON SPRING

- “ Youth ends when egotism does; maturity begins when one lives for others. ~ **Hermann Hesse** ”
- “ Maturity is having the courage to use one’s own intelligence. ~ **Immanuel Kant** ”
- “ I do believe in the old saying, ‘What does not kill you makes you stronger.’ Our experiences, good and bad, make us who we are. By overcoming difficulties, we gain strength and maturity. ~ **Angelina Jolie** ”
- “ To make mistakes is human; to stumble is commonplace; to be able to laugh at yourself is maturity. ~ **William Arthur Ward** ”
- “ Age is the acceptance in a term of years. But maturity is the glory of years. ~ **Martha Graham** ”