



WASHINGTON

from National Farmers Union

Corner

JUNE 2015

National Farmers Union held a special Spring Fly-In in May, hosting 60 Farmers Union members from 27 states. Participants urged their congressional representatives to keep Country-of-Origin Labeling (COOL). Trade continues to be a hot issue in Washington, as the Obama administration seeks to secure Trade Promotion Authority (TPA), or "fast-track," in order to finalize the Trans-Pacific Partnership (TPP). The EPA is expected to release the 2014-2016 proposed volume targets for the Renewable Fuel Standard (RFS) on June 1, and NFU is urging the administration to stick to targets set forth in the statutes enacting the RFS.

SPRING FLY-IN: KEEP COOL



National Farmers Union hosted 60 members for the 2015 Spring Fly-In in Washington, D.C., May 18-21. Participants from 27 states traveled to the nation's capital to advocate for Country-of-Origin Labeling (COOL), meeting with their congressional representatives to let them know producers and consumers alike favor the law, and urging Congress to leave COOL alone until the World Trade Organization (WTO) process was exhausted.

The fly-in's timing could not have

aligned better with the WTO ruling on COOL, as the decision was expected on May 18. Participants felt the sense of urgency, while asking their representatives to wait for the ruling before moving forward with any legislation. They discussed the importance of COOL to family farmers and producers and emphasized that possible retaliation from Canada and Mexico is expected to be minimal.

TRADE ISSUES HOTLY CONTESTED

The Obama administration has been pushing for Trade Promotion Authority (TPA), or fast-track, from Congress in order to finalize the Trans-Pacific Partnership (TPP) agreement. TPA would allow the administration to negotiate TPP without any review or input from those elected to represent the interests of the American public - the members of Congress.



The Trans-Pacific Partnership (TPP) negotiations, which have taken place behind closed doors - and with little input from Congress - should serve as a glimpse into the future if trade promotion authority is granted. Several countries involved in the TPP negotiations are known currency manipulators, giving NFU reason

for concern. Currency manipulation played a significant role in creating the 2013 U.S.-Japan trade deficit of \$80 billion, which resulted in the elimination of nearly 900,000 U.S. jobs. NFU believes all future trade agreements, including TPP, should contain provisions addressing currency manipulation.



Finally, while the agriculture sector generally fares well in trade agreements, NFU's members are concerned about the overall trade deficit, which reached \$505 billion in 2014 - nearly 3 percent of GDP. National Farmers Union advocates for the prosperity of the nation's economy and is therefore strongly opposed to Trade Promotion Authority.

The House Ways and Means Committee and the Senate Finance Committee each passed a TPA bill at the end of April, setting up debate on each chamber floor. The bill experienced a rocky start, as a cloture vote to begin debate on the Senate floor failed on the first attempt. Several days later, after some hard lobbying efforts from President Obama, the Senate passed a cloture vote to begin debate on the bill. A vote on the bill is expected after Memorial Day.

COOL RULING IMMINENT

In October, the World Trade Organization (WTO) found the United States' Country-of-Origin Labeling (COOL) law to be compliant with WTO rules, but decided its implementation is unbalanced between consumer information and production costs. Shortly after, the U.S. Trade Representative appealed the ruling. The WTO decision on the appeal is expected by May 18, and NFU is urging lawmakers to exhaust the WTO process before considering changes to the law. (The decision was not issued by the time this publication was released.)

At a subcommittee hearing in late March, Johnson referenced a study done on COOL by C. Robert Taylor, Ph.D., that found COOL did not negatively impact Canadian imports of cattle in the U.S. Johnson urged the committee to wait for the WTO process to run its course and reiterated that Canada and Mexico cannot retaliate if no damages are found.



While COOL has been a contentious issue between the U.S. and its neighbors, this has not been the case in Europe. In addition to COOL requirements for beef, the European Union (EU) recently expanded their mandatory labeling of fresh, chilled and frozen meat to include sheep, goats, pigs and poultry.

ON THE HILL

The House Energy and Water spending subcommittee reduced funds for renewable energy and energy efficiency from last year - a disappointment to National Farmers

Union (NFU), as renewable energy benefits both the climate and rural communities. The House of Representatives voted to repeal the estate tax in April, which NFU also opposed because it would increase the overall tax burden on American family farmers and ranchers. The president is expected to veto the repeal, should it pass in the Senate as well.



Two important acts up for reauthorization are the U.S. Grain Standards Act and the Livestock Mandatory Price Reporting (MPR) Act. NFU supports reauthorizing both acts and included suggestions for improving them in separate letters to Senators Pat Roberts, R-Kansas, and Debbie Stabenow, D-Michigan, of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry. The series of suggestions on MPR were offered in order to make the price reporting data a more effective and usable tool for family farmers and ranchers. Both letters can be found on the NFU website - www.NFU.org

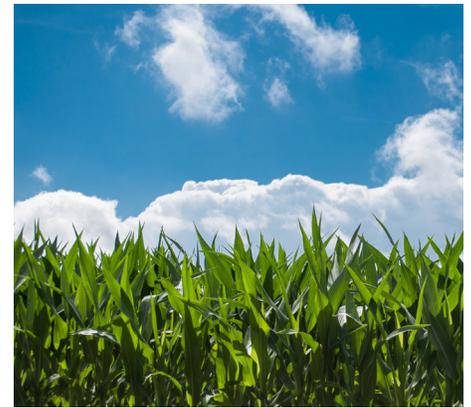
RFS TARGETS TO BE SET

The Renewable Fuel Standard (RFS), which requires that a minimum of 36 billion gallons of renewable fuel be blended into the U.S. transportation fuel supply by 2022, has been a major boost to the U.S. economy. The RFS saves American consumers \$100 billion per year at the pump and has drastically reduced the nation's dependence on foreign oil.

Thus far, the majority of renewable fuels used have been derived from corn-based ethanol, which has

significantly increased the price of corn and other commodities. This process has proven extremely efficient, because Distiller's Dried Grains (DDGs), a feed source for the cattle and poultry industries, are a byproduct of ethanol production, allowing corn used in ethanol production to serve as both feed and fuel.

On April 10, EPA announced it would be proposing the 2014-2016 RFS target levels on June 1, 2015, and have them finalized by November 30, 2015, a positive step towards restoring certainty in the biofuels industry. NFU took the opportunity to urge the U.S. Environmental Protection Agency (EPA) to stick to RFS statutory volume target levels, as the proposed levels from November 2013 were unacceptably low.



The Washington Corner can also be found at www.nfu.org/corner.