

THE TRUMP EFFECT ON YOU

An Overview of
Agriculture &
Horticulture
under the
Trump
Administration



Agriculture and Horticulture Under the Trump Administration

Here's an overview of what agribusiness leaders can expect in 2017 and beyond, based on coverage of the new administration by Meister Media brands and by other media outlets.

By Meister Media Worldwide Editors

A REPUBLICAN in the White House historically is a cause for optimism among business leaders in agriculture and horticulture, and indeed newly elected President Donald J. Trump brings many assurances of a business-friendly environment.

At the same, Trump's unique brand of nationalism and populism makes the picture a bit more complex than might typically be found with a Republican president, especially in the areas of trade and immigration. At the 93rd USDA Agricultural Outlook Forum, for instance, which was held in late February for the first time in 22 years without a sitting secretary, "the conversation kept returning to not only how the Trump administration could potentially change tack on agriculture policy, but also who was directly articulating the administration's final view on a smorgasbord of topics," reported Gro Intelligence.

Based on coverage by Meister Media brands and in other media outlets, here's what agribusiness leaders can expect to see in 2017 and beyond.

Regulation and a Pro-Business Tilt

Tax reform is likely in the offing, and federal regulation across the board is likely to receive

scrutiny if not outright rescindment in some instances by the Trump administration. In late February, for instance, Trump signed an executive order instructing a review of the "Waters of the United States" (WOTUS) rule. On its face, Politico had noted on the rule's implementation in 2015, WOTUS is "largely a technical document, defining which rivers, streams, lakes, and marshes fall under the jurisdiction of the Environmental Protection Agency (EPA) and the Army Corps of Engineers." However, Zippy Duval, President of the American Farm Bureau Federation, which led a vigorous campaign against WOTUS called "Ditch the Rule," stated that WOTUS is "nothing more than a federal land grab, aimed at telling farmers and ranchers how to run their businesses."

Other regulations are likely to face similar scrutiny. Trump's selections for his Cabinet should be "good news for specialty crop producers," writes the National Potato Council's John Keeling. Scott Pruitt, confirmed as EPA Administrator, "understands the EPA and (...) has shown a willingness to question actions by the agency that he believes exceed their statutory authority or where those actions should be reserved for the states." And Georgia Gov. Sonny Purdue, who in late

March was expected to be confirmed as Secretary of Agriculture, is “a farmer himself (who) knows and respects what agriculture means to our nation,” Keeling notes.

Trump’s selection for Special Assistant to the President for Agriculture, Trade and Food Assistance – Ray Starling, who was raised on a farm in North Carolina – drew praise from the National Cotton Council (NCC). “I believe this is a clear sign of President Trump’s commitment to agriculture and rural America,” said NCC Chairman Ronnie Lee.

At the same time the administration’s pro-business tilt and opposition to anti-trust probably will do little to nothing to stop or delay such mergers as Dow-DuPont, which in early March was sailing toward approval in the European Union. In mid-February nearly 325 farm and environmental organizations sent a letter encouraging new U.S. Attorney General Jeff Sessions to conduct an intensive review of such mega-mergers, fearing fewer manufacturers of crop inputs could mean higher prices for growers.

Immigration and Labor

Trump’s repeated threats to crack down on illegal and undocumented immigrants in early February caused Western Growers, which represents farmers in Arizona, California, and Colorado who produce half the nation’s fresh fruits, vegetables, and tree nuts, to advise its members to begin preparing for increased worksite enforcement and renewed emphasis on Form I-9 audits. Employers, the association noted, should be proactive to recognize and correct Form I-9 problems before U.S. Immigration and Customs Enforcement (ICE) knocks on their doors.

Such actions are likely to dampen an already-

dwindling supply of agricultural workers, and possibly cause even wider harm. In early February, David MacLennan, CEO of Cargill, warned of economic dangers posed by curbing legal immigration. “The current climate has many of our smartest people from outside the U.S. questioning whether they want to stay here,” he wrote for the Huffington Post. “We don’t want to drive away talented people and their innovative thinking. It would weaken not only our food system, but the U.S. economy.”

This said, access to affordable and willing labor long has been a sore spot for agriculture, especially in difficult-to-harvest-and-process specialty crops. Many believe the recent swell of such ag technologies including mechanization and robotization will only accelerate and become more widespread as a result.

Trade

Trump’s sudden decision to withdraw American support of the Trans-Pacific Partnership (TPP), which had been worked on for a number of months by many agriculture industry trade associations, was a disappointment to Ron Moore, a farmer and President of the American Soybean Association. “Trade is something soybean farmers take very seriously. We export more than half the soy we grow here in the United States, and still more in the form of meat and other products that are produced with our meal and oil,” Moore said. “The TPP held great promise for us, and has been a key priority for several years now. We’re very disappointed to see the withdrawal today.”

Tom Stenzel, President & CEO of United Fresh Produce Association, said he was not surprised Trump withdrew from the TPP, and that it was time to “move past anti-trade rhetoric and begin the

process of building consensus for the key portions of the agreement that had been negotiated in the TPP.” He noted that “both U.S. agriculture and U.S. consumers benefit from trade, and exports to the Asian Pacific countries are a critical opportunity for U.S. producers. Beyond that, the TPP was the first major agreement that began to build strong rules for countries to prevent putting up protectionist measures in the form of sanitary and phytosanitary barriers. Without this agreement, we fall back to an environment where countries can simply choose to block imports without scientific justification.”

Conversely, some U.S. exports to one of its largest trading partners, China, could increase through the work of Trump’s recently appointed ambassador to China, Iowa Gov. Terry Branstad. In late February he vowed to speed up China’s approval of new U.S. strains of GMO corn.

Renewable Fuels

In late February Trump sent a letter of support to attendees of the National Ethanol Conference, reiterating his support for the renewable fuels industry. “Rest assured that your president and this administration value the importance of renewable fuels to America’s economy and to our energy independence,” Trump said in the letter. Indeed, Gro Intelligence reported in early March that “the country’s recently appointed ambassador to China (Branstad) made it clear that ethanol isn’t going anywhere.”

Renewal of the Farm Bill in 2018

Because the Republican Party holds the legislative majority, the development, approval, and implementation of the 2018 Farm Bill is likely to be a smoother process than that of the previous bill, according to Rabobank Food & Agribusiness Research and Advisory (FAR) group.

However, from the vantage point of specialty agriculture the new Farm Bill “promises to be a complicated affair based both on policy issues and on available funds,” says the National Potato Council’s Keeling. “The pieces of the bill that are devoted to production agriculture – including specialty crops – might be under significant pressure due to increased costs for certain commodity programs.”

Still, given the uncertainty of next year’s mid-term elections and a widespread unwillingness to exacerbate already-falling farm incomes, the safest bet at this point is for the Farm Bill in 2018 to be “more of the same,” speculates Gro Intelligence.

Conclusion

On the whole a Trump Administration promises many positive benefits to American agriculture and horticulture in the way of business- and agriculture-friendly policies and a likely reduction of many regulations. At the same time the president’s antipathy to immigration casts something of a cloud over agriculture’s continuing need for affordable and willing labor, and farm policy could shift unexpectedly. As with practically all U.S. presidents, his first year in office is likely to be highly indicative of the rest of his term.

