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## Obama courts ag, industry groups for TPP push

For all the battles that the Obama administration and agriculture have waged in recent years, the White House wasted no time making it clear how important agriculture will be to President Obama's economic legacy - congressional approval of the [Trans-Pacific Partnership](#). The White House staff seated Bob Stallman, president of the American Farm Bureau Federation, beside Obama at a meeting of business leaders at the Agriculture Department on Tuesday, ensuring Stallman would be front and center in the photos.

**“The agreement is so important to ag, and also ag is so important to getting it across the finish line in terms of getting the votes, that’s the message that I came with,”** Stallman told *Agri-Pulse* in an interview after the hour-long meeting.

Agriculture always is important to trade policy for the simple reason that the sector is such a large part of the economy in so many senators' states, especially in the Midwest and Plains, and in rural House districts. **And the margins in both the House and Senate on TPP are likely to be razor thin in both the House and Senate**, especially since Republicans from tobacco-growing states, like North Carolina, are outraged that the agreement, announced Monday, failed to protect U.S. tobacco products from foreign anti-smoking regulations.



President Barack Obama with AFBF President Bob Stallman

The tobacco issue alone could cost TPP the support of North Carolina's two senators, both of whom provided critical support for the Trade Promotion Authority bill this spring. It takes 60 votes to move legislation in the Senate, and TPA got 62.

The administration, meanwhile, is dribbling out details about the potential impact of the trade pact, which Agriculture Secretary Tom Vilsack said Tuesday would mean **“billions of dollars in additional opportunity” for farmers**. The full text will be made public in about 30 days. [Here's an overview released by USTR.](#)

Japan has agreed to cut its tariff on beef from 38.5 percent to 9 percent and eliminate a 21 percent tariff on soybean oil. Japan also would have to eliminate 80 percent of its pork tariffs in 11 years and make steep cuts in those that remain. The deal would do away with a 20 percent tariff on ground seasoned pork.

**The agreement also was crafted, according to Vilsack, to ensure that the dairy industry can increase its sales to Canada and Japan sufficiently to make up for a modest increase in imports from New Zealand. The U.S. industry is protected by a range of import tariffs.**

Canada will get to keep its supply management system for milk but is opening up 3.25 percent of its market to imports. The market share will vary by product, so some will be allowed in excess of 3.25 percent, according to the National Milk Producers Federation. **“The other issue, and this is crucial, we expect it will grow over time,”** NMPF spokesman Chris Galen said in an email. Japan, meanwhile, will eliminate a 40 percent tariff on cheese.

Japan also will eliminate tariffs that are as high as 58 percent on wine, a move expected to benefit California vintners.

To win congressional support for the deal, the Farm Bureau will be promoting the agreement through its state and county affiliates - a message Stallman conveyed at Tuesday’s meeting with Obama. **“It’s going to be up to us to make the case that this agreement is important to each of those individual districts in terms of the economic impact and the effect on agriculture to those districts,”** Stallman said.

The Farm Bureau also will join with the same agriculture coalition that successfully lobbied Congress for approval of Trade Promotion Authority earlier this year.

Nick Giordano of the National Pork Producers Council said he expected most commodity groups to get behind agriculture’s lobbying campaign, although most have been saying relatively little about the agreement until they see the language. The effort could get rolling as soon as this month, he said.

**“The seminal question is, are we better off with it or without (the TPP)? ... We feel really good about our outcome here,”** he said.

Bill Reinsch, president of the National Foreign Trade Council, said the tobacco issue was an “unforced error” on the part of the administration that could lose critical Republican support without winning any Democratic votes. **“That particular thing baffles me,”** he said. **“If you look at the optics of it, it’s going to lose them a bunch of tobacco-state votes.”**

Vilsack said the provision was narrowly constructed to ensure that it applies to tobacco and couldn’t be extended to other products, such as biotechnology. **“It’s difficult for the United States to suggest that we can have public health laws on the books and that we don’t respect the ability of other countries to have similar public health regulations and laws on the books,”** Vilsack said.

TPP already is figuring into the presidential race. The frontrunner in the Republican race, billionaire Donald Trump, and Hillary Clinton’s main challenger in the Democratic race, Vermont Sen. Bernie Sanders, both have sharply criticized the agreement.

**“The incompetence of our current administration is beyond comprehension. TPP is a terrible deal,” Trump said on his Twitter feed.**

But while Trump’s attacks on illegal immigration have pushed his GOP challengers to the right on that issue, Reinsch doesn’t think he will have the same impact on the TPP debate. Members of Congress will vote for TPP if it benefits their district, he said.

**“If you represent an ag community and you’ve got a lot of pork producers or cattlemen in your district, what Trump or anybody on the Democratic side says isn’t going to make a lot of difference,” Reinsch said. “Trump doesn’t vote in Nebraska. Cattlemen vote in Nebraska.”**

## **House Ag hearing to put microscope on Dietary Guidelines**

The House Agriculture Committee is scheduled to review the development of the 2015 Dietary Guidelines for Americans today amid lots of controversy that the process has veered off its statutory path. Agriculture Secretary Tom Vilsack and Sylvia Burwell, Secretary of Health and Human Services, who are writing the guidelines, are witnesses at the hearing.

**However, the hearing may be a little less lively following a Tuesday afternoon [joint statement](#) from Vilsack and Burwell saying that they “do not believe that the 2015 DGAs are the appropriate vehicle for this important policy conversation about sustainability.” They said they will “remain within the scope of our mandate” and focus on nutrition and dietary advice.**

The final guidelines are expected to be released before the end of the year and will shape federal food policy for the next five years.

In [February](#), the Dietary Guidelines Advisory Committee (DGAC) released its scientific report suggesting, among other things, a reduction in meat consumption and inclusion of sustainability



Mike Conaway, R-Texas

language as additional rationale to follow the guidelines. But in the days leading up to the hearing, both sides in the debate jockeyed for position in the court of public opinion. In a Monday [editorial](#) in *U.S. News & World Report*, House Ag Committee Chairman Mike Conaway, R-Texas, said the report was straying from its mandate to provide nutrition advice to Americans.

**“We have already seen how misguided recommendations have ill effects not only on consumers but for agriculture production as well,”** Conaway said, citing recent changes of opinion on cholesterol and eggs. **“Before the federal government makes recommendations that could have long-lasting consequences for agricultural industries, we must guarantee the science is clear and irrefutable.”**

While Conaway and many others are leery of the path chosen by the DGAC, those advocating for the inclusion of sustainability concerns also made their case. On Monday, Friends of the Earth distributed a [study](#) that it said shows 75 percent of the public comments generated by the

report – more than 29,000 in total – supported the DGAC’s recommendations “on sustainability and health.”

**“The sheer number of comments – 14 times the number submitted (for a similar report) in 2010 – shows overwhelming public support for the science-based recommendations for linking nutrition and environmental concerns, including less meat and more plant-based foods in our diets,”** said Kari Hamerschlag, senior program manager with Friends of Earth.

## **Ag groups seek to ensure USDA role in Feed the Future**

The future of Feed the Future is looking a bit murky. The Obama administration is eager to get Congress to write the \$1 billion-a-year initiative into law to ensure that it has a future under the next president. But a House-passed authorization bill stalled in the Senate at the end of the last Congress and hasn’t moved through either chamber so far this year.

The House Foreign Affairs Committee, which has jurisdiction over Feed the Future since it is run out of the U.S. Agency for International Development, [approved a new version of the bill in April](#), the Global Food Security Act (HR 1567). But the measure has never reached the House floor. Meanwhile, commodity groups and House Agriculture Chairman Mike Conaway, R-Texas, want to see the bill revised to ensure that the Agriculture Department, the private sector and the land grant universities all have a role in Feed the Future that is written into law.

**Doing that would “make sure that production agriculture and the systems associated with processing and growing food” have a voice in the program, Conaway tells *Agri-Pulse*. “We’re not ready to sign off” on the bill, he said.**

Some farm groups, including the American Farm Bureau Federation, and development organizations sent letters to Capitol Hill in June and again last month making their case for ensuring that USAID has to coordinate with USDA and the agriculture sector.

“U.S. farmers and ranchers have decades of expertise across a broad range of agricultural production systems, along with a variety of technologies that can advance best practices,” the [June letter](#) said. “U.S. agribusiness can play an important role in strengthening markets, developing sustainable supply chains, and supporting knowledge transfer efforts.”

The [September letter](#) calls for “establishing platforms for regular consultation and collaboration between government agencies and the private sector, including but not limited to agricultural commodity and farmer organizations and agribusinesses.”

The letters were also signed by former Agriculture Secretary Dan Glickman and former Nebraska congressman Douglas Bereuter, who are co-chairs of the Global Agriculture Development Initiative of the Chicago Council on Global Affairs.

Commodity groups like the way that the Obama administration has coordinated with USDA and the private sector and want to make sure that continues. **As it stands now, “there’s no real understanding, no real delineation or requirement, that the next USAID administrator” continue coordinating with USDA,** said Hanna Abou-El-Seoud, who lobbies on food-aid issues for the American Soybean Association.

Feed the Future was first developed during the George W. Bush administration and was formalized under President Obama as part of a 2009 commitment to address food insecurity in poor countries. But the White House never sought congressional authorization for the initiative until last year, which could leave the effort in limbo when Obama leaves office.

Eric Munoz, who follows the issue for Oxfam America, a group that has evaluated Feed the Future projects and given the initiative relatively high marks, said it's "unfortunate that this bill was introduced in March, and committees are still in the process of gathering input. I do believe that this has slowed passage of the bill. However, there is an opportunity to make sure (the agriculture community's) ideas are put forward for consideration by Congress as this bill moves forward to become law."

The House Foreign Affairs Committee is holding a [hearing](#) on food security Wednesday and another on food aid reform. The food security hearing will focus on the need to provide adequate nutrition to children. The witnesses will include Roger Thurow, a former Wall Street Journal reporter who has been tracking Feed the Future nutrition projects in Guatemala and elsewhere.

## Bring back the plow? Weed resistance triggers new calls to action

From Montana to Maryland, to Brazil, Bavaria and as far away as Turkey, new "super weeds" are threatening to rob profits from farmers and could force dramatic changes in production and harvesting systems – challenging hard-fought gains in conservation practices that protect soil and water. Will new regulatory actions come next?

**"Cold, hard steel may have to become part of my system again,"** noted Montana farmer Gordon Stoner, in reference to tillage tools that can bury weed seeds deep enough to prevent some emergence. Stoner joined growers from around the world to share their weed resistance experiences at a global symposium sponsored by Bayer in Paris last week.



NAWG's Gordon Stoner

The global crop protection company, based in Monheim, Germany, says the number of herbicide resistant weeds is growing fast and the economic threats are very real. Weeds are the single most important reason for crop losses globally, causing high management costs and threatening food security, Bayer says in a fact sheet promoting its own integrated weed management program.

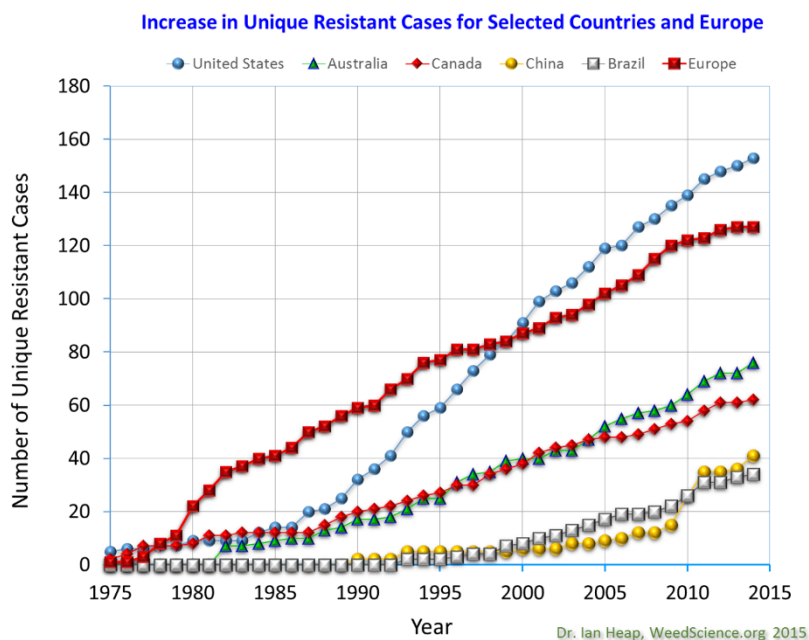
To date, 247 different species have developed resistance in 86 crops and 66 countries, according to the International Survey of Herbicide Resistant Weeds, posted on [www.weedscience.org](http://www.weedscience.org). The organization also posts an [interactive map](#) showing resistant weeds by state in the U.S.

**"It's not a question of if (weed resistance becomes a problem), it's when,"** says Stoner, who has not officially documented weed resistance on his own farm, but sees the problem emerging in nearby fields. For now, he's been fighting off weed pressures by using crop rotations and multiple tank mixes of various herbicides at the maximum recommended rates.

And he's thinking about plowing, even though Stoner long ago parked his tillage tools and has been using 100 percent no-till practices on his 12,000 acre farm, situated in the northeast part of Montana near the Canadian border.

**In fact, weed resistance could become so bad that, Stoner, who serves as vice president of the National Association of Wheat Growers, joked that the next national commodity organization may be the “National Weed Growers Association.”**

It's a threat that organizations representing corn, cotton, soybeans and wheat are taking seriously, according to staff and elected officials attending the meeting. They know there is not any one “silver bullet” coming down the pesticide pipeline as a solution. Yet, many of them acknowledge that, given low commodity prices, many growers would like to “keep on keeping on” with easier and cost-effective current practices, which often involve spraying glyphosate (Roundup®) to kill weeds over their Roundup Ready® crops. That is, until the weed resistance issue hits them head on.



NCGA's Chip Bowling

For Chip Bowling, president of the National Corn Growers Association, weed resistance challenges hit home about four years ago on his farm, in Maryland, about an hour south of the District of Columbia. Palmer amaranth, a species of pigweed, arrived “fast and furious” in his fields and was resistant to glyphosate. He immediately worked to contain the problem, which emerged on three of the 27 different units he farms, employing tactics like spraying costly new herbicides, planting cover crops and washing his combine after harvesting each field. For Bowling, who is careful to protect any herbicide or nutrient that might run into the nearby Chesapeake Bay, weed resistance presents multiple challenges.

**“My non-farm friends don't like to see me running the sprayer, but they also don't want to see big patches of weeds. From an economic standpoint, I need to spray and keep weed pressures down and yields up or I won't be able to make a profit.”**

In order to help growers better understand and address weed resistance, the United Soybean Board, a handful of commodity organizations, crop chemical companies and land grant universities launched an educational website last year called “[Take Action on Weeds.](#)” It's a start, but farmer leaders say more work is needed.

Many growers know product brand names, but don't understand the different modes of action that kill weeds – a crucial piece of knowledge for fighting weed resistance, observers say. In addition, they need to be able to access the right pesticides at the right times from local retailers.

“We've made a lot a progress but we are still very reactive in our approach,” noted Arlene Cotie, product development manager for Bayer. **“We need to have one voice in the U.S. on the sense of urgency to do everything we can to be cost-effective and competitive in the global market by managing resistant weeds,” she emphasized.**

EPA officials have already been keeping a close eye on the situation and the scrutiny is expected to be more intense in the future, according to Yu Ting Guilaran, director of EPA's Office of Pesticide Programs, who also spoke at the symposium.

The agency already signaled a renewed emphasis on weed resistance management with the 2014 approval of Dow's Enlist Duo, a combination of 2,4-D and glyphosate, she said. The terms of the registration impose requirements on the manufacturer including: robust surveying and reporting to EPA, grower education, and remediation programs. Going forward, she said weed resistance management will be a focus for all pesticides coming in for EPA reregistration and she suggested the need to develop a risk-based framework that includes training, education, early detection, mitigation, and clearer product labels - among other things.

## **Organic milk industry seeks carve-out from USDA order pool**

The nation's three largest organic milk processors, through the Organic Trade Association (OTA), are asking USDA's Agricultural Marketing Service (AMS) for a hearing to reduce the payments they make into market-wide pools under federal milk marketing orders (FMMOs).

The Sept. 28 letter from OTA attorney Charles “Chip” English Jr. of the Davis Wright Tremaine law firm in Washington – on behalf of Aurora Organic Dairy, the Organic Valley co-op and WhiteWave Foods – proposes an amendment to FMMOs to “ensure all dairy farmers – organic and non-organic alike – are paid fairly for the milk they produce.”

OTA does not seek a complete exemption for organic producers from FMMO minimum pricing regulation but asks, through a complex formula, to allow them to retain some of the money that organic processors now contribute to a pooled fund shared by all dairy farms in an order area. **“These payments to the producer settlement fund cost the organic industry (dairy farmers and processors alike) tens of millions of dollars a year, money that could be spent on further developing a sustainable organic milk supply desired by consumers,”** English contends.

The reduction in pool payments for organic milk would result in lower prices for non-organic producers when funds from the pool are allocated. Citing estimates by the Upper Midwest milk market administrator, English implies that the loss to conventional farmers would be no more than 2 cents per 100 pounds of milk. While organic milk earned more than \$30 per 100 pounds last year, the average price of all-milk was \$24, a record high. Although all-milk prices paid to farmers have dropped sharply in 2015, organic milk prices have moved in the opposite direction, averaging more than \$34 per 100 pounds in the Upper Midwest, English writes.

**Such an amendment likely will stir opposition, not only because of lower prices for conventional milk but also out of concern that it might invite exemptions for other products.** The National Milk Producers Federation (NMPF), which represents dairy cooperatives, expressed that concern. “Federal milk marketing orders benefit all dairy farmers by providing for the consistent, orderly pricing of milk,” NMPF’s Chris Galen told *Agri-Pulse*. **“Efforts to erode participation in a nationwide network of marketing orders are cause for concern, and need to be carefully scrutinized because of their potential to undermine an effective, time-honored system.”**

English sought to allay such fears, writing that the proposal would not apply to “other differentiated milk products” such as rBST-free milk, A2 milk, kosher or halal milk – adding pointedly that none of those are “subject to the rigorous, costly and time-consuming certification requirements” for milk under the National Organic Program (NOP) administered by AMS.



The International Dairy Foods Association (IDFA) had no specific comment on the OTA proposal, saying that its economic policy committee needed to review it. IDFA has long advocated phasing out FMMOs because their pricing formulas “keep milk from moving to its highest and best use,” says Vice President Peggy Armstrong.

Andrew Novaković, E.V. Baker professor of agricultural economics at Cornell, who chaired USDA’s Dairy Industry Advisory Committee in 2010-2011, is “very sympathetic to this proposal and (has) made many of the same observations/arguments regarding organic milk,” he says. The logic behind marketing order pools is that farmers’ milk is interchangeable, regardless of whether it brings a higher price mandated for fluid milk or a lower price for cheese or butter.

**“Although organic milk can and is used as a substitute for conventional milk, the reverse is most certainly not possible,”** he tells *Agri-Pulse*. While surplus organic milk can be diverted to conventional products, at a lower price, the reverse is not true – conventional milk can’t be used for organic milk and dairy products. OTA’s letter points out that commingling organic milk with conventional milk in any fashion causes the organic milk to forego its organic price premium.

“Clearly the accounting for all of this gets a little complicated and it has been easiest for USDA to more or less ignore the special characteristics of organic milk and subject them to the same regulations as conventional milk,” says Novaković. **“What galls organic farmers and processors is that they have to pony up the Class I (fluid milk) differential . . . on sales of organic milk to Class I and that money gets shared with conventional milk farmers, on top of paying a high organic price to organic farmers in the first place.”**

OTA reasons that the organic dairy sector needs the money to help stimulate production to catch up with customer demand. Total organic milk product sales this year are down 1.6 percent from the same period last year, says AMS, “a matter of real concern to processors.” According to OTA, the AMS Dairy Market News has concluded “that greater efforts this year and in the near future are necessary to ensure organic milk supplies will be available in the years ahead to meet increased demand.” Otherwise, AMS believes, a shortfall **“could lead to a consumer backlash away from organic milk, a development that would be challenging to reverse.”**



The FMMO system, created in the 1930s to ensure both an adequate supply of milk to consumers and a fair price for producers, **never anticipated the advent of organic milk in the 2000s, OTA says. As a result, it adds, organic dairy gets no benefit from marketing orders.**

Unlike conventional milk, USDA-certified organic milk tends to be purchased under long-term, forward-priced contracts, not under the classified pricing system employed by FMMOs, OTA says. “The price paid by each purchaser for all organic milk, regardless of use, is significantly higher than the Class I price including any over-order premiums paid for conventional milk.”

For several years, demand for organic milk has outstripped supply, OTA says. “Organic handlers really do need additional supplies of USDA certified organic milk, but cannot grow the supply through their producer patrons fast enough, especially given the time constraints imposed by the NOP. But the situation is clearly made worse, not better, by the fact that FMMOs simply cannot and do not bring forth an adequate supply of milk to meet organic consumer demands.” English calls it “a significant disorderly marketing condition that is made worse, not better, by FMMOs.”

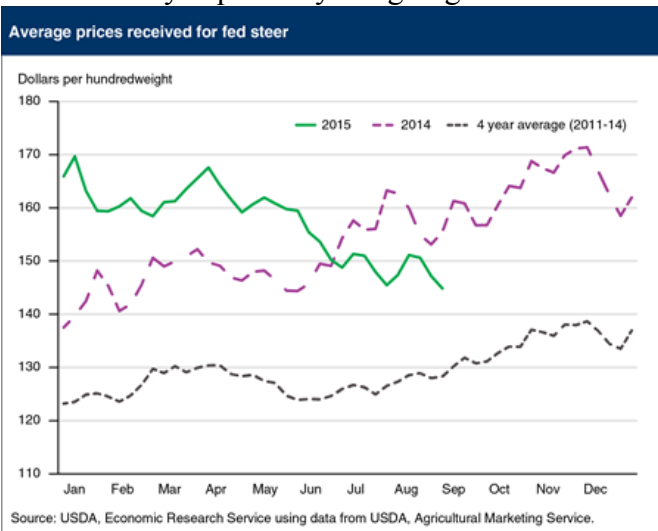
## Cattle market on a historic slide, and no clear end in sight

After a record-setting 2014, live and feeder cattle prices have taken a tumble in recent weeks with experts pointing to a rebounding supply and heavier cattle going to market.

In the last six months, the live cattle contract has lost over \$25 per hundredweight, and the feeder cattle contract has lost even more, \$33.75 per hundredweight. Longer-term figures look even grimmer, as the live cattle contract has lost over \$35 since its 12-month high in November and the feeder cattle contract is down \$52.75 since reaching its peak in the last year in early December.

Duane Lenz, general manager of the beef industry research firm CattleFax, told *Agri-Pulse* **that the current downward swing represents “one of the biggest breaks in history, definitely in the top three.”** He said it’s hard to predict when the current market swing will find a floor, but it’s clear that the booming 2014 figures that carried into 2015 are a thing of the past.

“Next year will probably average lower than this year, so other than short-term price bounces . . . the next rally is probably not going to occur here for a while,” Lenz said, adding that there was



**“no way to forecast” the current drop, which he said really caught the industry off guard.**

There may be a silver lining to the historic declines in prices, should a less expensive product at the grocery stores result in winning back consumers who have turned to cheaper poultry and pork. However, Lenz said those kinds of changes – either going up or down – don’t tend to happen very quickly.

**“It’ll take longer than you think just because retailers don’t know if this is a**

**temporary or a long-term situation,” he said. “We are starting to see retail prices drop, but it’s very small. I would say that before we see a big change in the supermarket, you’re probably looking at five, maybe six months.”**

Lenz said producers could expect some seasonal price increases going forward, but said a return to **“the good ol’ days” of the high cattle prices of 2014 isn’t likely to happen. He said last year was an outlier, and now the market will work down from those prices.**

“There’s going to be moves up and down, but the price trend has turned lower and it’s going to be at least a couple-year event, probably,” Lenz said.

## **Kentuckians push for legalization of hemp on the Hill**

Advocates for industrial hemp – the non-hallucinogenic cousin of marijuana – are looking to build on the progress they made with the passage of the 2014 farm bill with new legalization bills now pending in the House and Senate.

A farm bill provision made it legal for universities and state departments of agriculture to sell industrial hemp cultivated on authorized, state-licensed pilot sites. Hemp was made illegal in the U.S. during the late 1930s.

Kentucky Agriculture Commissioner James Comer held a briefing for Capitol Hill staffers Monday to drum up support for legislation that would remove federal restrictions against growing hemp and open up what he says is a [\\$620 million market](#) in the U.S.

Importing hemp fiber is legal, and Canada and countries in Europe and Asia are feeding the U.S. domestic market’s demand for the product. That could change if industrial hemp was legalized with bipartisan bills [S 134](#), sponsored by Sen. Ron Wyden, D-Ore., or [HR 525](#), sponsored by Rep. Thomas Massie, R-Ky.



Comer said he stuck his neck out politically on industrial hemp, because he was “very passionate” about it being “the crop of the future” to “help our family farmers.”

“Kentucky was a very tobacco-dependent state, and we all know that the tobacco industry is in decline in the U.S., so we’re always looking for things to replace tobacco,” he said. **Industrial hemp “is just another tool in the toolbox,” another “native crop” to grow that was once a major component of Kentucky agriculture before World War II, he said.**

The state’s climate isn’t suited to vegetable production, Comer said, and industrial hemp is a “sustainable crop,” particularly compared to nutrient and pesticide intensive cash crops like corn and soybeans. It contributes less nutrient and sediment runoff and can be grown on marginal farmland, he noted. Plus, industrial hemp fiber can replace products traditionally made with wood and plastics, and maybe even the paper used for currency.

**“Hemp is a win-win situation and one of the few issues that unites both ends of the political spectrum,” Comer said. “It’s a jobs bill, a sustainability bill, and a farm groups’ bill.”**

Jonathan Miller, formerly Kentucky's state treasurer and now a practicing attorney, also spoke at the briefing in favor of creating nutritional and medicinal opportunities for hemp oil, which is derived from hemp, but again has none of the hallucinogenic properties of oils produced from marijuana.

Opportunities are endless, said Miller, and regulators are already working out the legal and law enforcement kinks that are holding industrial hemp back.

For instance, Miller said, FDA agents seized hemp seeds as they entered Kentucky a few years ago, even though they were legally purchased and were to be cultivated on designated pilot plots. Comer brought three federal court cases against FDA on the matter, and was able "to get the FDA to back down," said Miller. Two years later, Kentucky is home to over 125 hemp pilot programs covering 1,700 acres.

As for law enforcement, Miller and Comer said that the threat of cross-pollination between hemp and marijuana crops would keep "bad actors" from trying to conceal illegal marijuana plants within stands of hemp. Planting the two together could decrease the tetrahydrocannabinol (THC) potency of the marijuana by half, diminishing its value tremendously. THC is the substance that gives users a psychoactive effect. In hemp, THC levels are 0.3 percent or lower. In Colorado, which has legalized recreational marijuana use, the average THC content of the drug is around 18 percent.

## **CAST experts say regulate, don't ban, process labels on food**

Government mandates for labeling food to show its production process are a bad idea because they could mislead consumers and be used to belittle rival products, a panel of experts named by the Council for Agricultural Science and Technology (CAST) said in a [report](#).

But governments also should not ban voluntary process labels that are true and scientifically verifiable because they can be helpful to both producers and consumers, says the paper by a group led by University of Delaware economist Kent D. Messer with St. Louis attorney Shawna Bligh and economists Marco Costanigro of Colorado State and Harry M. Kaiser of Cornell.



Univ. of Delaware's  
Kent Messer

The report is timely because the Senate Agriculture Committee has announced plans for an Oct. 21 hearing on agricultural biotechnology regulation that is expected to focus on legislation that would regulate labeling of foods containing biotech products. The paper was debuted at a panel discussion in Washington at the office of the Grocery Manufacturers Association, the lead advocate of legislation designed to create a uniform national biotech label standard.

"Problems arise when process labels are subject to consumer interpretation," CAST says. **Whether food really is "healthier, safer and more environmentally friendly" may be no more than an opinion that overrides credible science, it adds, "and the consequences might include increased food prices and the stunting of technological advances in agriculture."**

“To the extent that process labels help consumers substantiate better-informed and realistic expectations about product quality, they are a good thing,” the authors say. “Process labels can create value for producers and consumers by increasing the number of choices ... and creating new market segments for producers. Labels can also help to remove food products, such as trans fat, that are scientifically shown to be harmful to human health.”

Labeling disadvantages, especially with regard to technology such as genetic modification, are compounded by news media outlets that tend to focus on bad news. When such labels provide information, the report says, it is “most likely negatively framed.” Media outlets are “much more likely to deliver ‘bad news’ than ‘good news’,” it adds. “Psychological and behavioral research has clearly shown that negative news dominates positive news.”

As an example of news media impact, the report cites the fallout from the 2012 ABC television accounts of meat products containing lean finely textured beef (LFTB), also referred to as “pink slime.” Although the product was safe and wholesome, negative consumer reaction led McDonald’s, Taco Bell, Burger King and other companies to reject its use.

Proliferation of process labels on food can cause increased costs for consumers “and rejection of new technologies stemming from consumers’ aversion to eating unknown products,” the CAST report says. “Process labels can be used by marketers to stigmatize rival conventionally produced products, even when there is no scientific evidence that food produced in this manner causes harm,” it adds. “These issues may cause a reduction in productivity growth because the uncertainty regarding the consumer response to a new technology may discourage investment in research and development of new science and technology in the agricultural sector.”

Beyond productivity, the authors believe, science-based technological progress in food can help generate progress in such areas as “nutraceutical” and functional foods. **They see “a vast potential to use science and technology to produce healthy, tasty and safe products in an environmentally conscious way.”**

“Governments should avoid imposing bans on process labels because this approach goes against the general desire of consumers to know about and have control over the food they are eating,” they say, and “can backfire because it can undermine consumer trust in the agricultural sector.”

## News Briefs

**US cheese consumption keeps growing.** Per capita consumption of cheese in the United States continued to increase last year even as Americans continued to drink less and less milk. New USDA Economic Research Service data shows cheese consumption at 34.17 pounds per person last year, up from 33.63 pounds the year before and 26.94 pounds just two decades earlier. Growth of mozzarella cheese, a staple of pizza, continued to outpace cheddar and American cheese categories. Mozzarella overtook cheddar as the most popular cheese in the U.S. five years ago; last year, its per capita consumption was 11.16 pounds compared to cheddar’s 9.68 pounds. Going back 35 years to 1970, each of us ate an average of 5.79 pounds of cheddar and only 1.19 pounds of mozzarella. At the same time, American milk consumption fell to a new low of 159 pounds per capita, compared with 165 pounds in 2013 and down from 205 pounds in two decades. Butter consumption held its own at 5.5 pounds per person in each of the past three years, up from 4.5 pounds just 10 years earlier.

**Drone company skirts FAA regulations, faces \$1.9 million fine.** A Chicago-based drone operating company, [SkyPan International](#), is up against \$1.9 million in Federal Aviation Administration fines for repeatedly violating the agency's regulations and operating drones "in a careless or reckless manner so as to endanger lives or property." The FAA says the company conducted 65 unauthorized flights, of which 43 were flown in highly restricted airspace over New York City. SkyPan's drones were used to take aerial photography and were not equipped with two-way radios, transponders, or altitude reporting equipment. "Flying unmanned aircraft in violation of the Federal Aviation Regulations is illegal and can be dangerous," said FAA Administrator Michael Huerta in a [statement](#). "We have the safest airspace in the world, and everyone who uses it must understand and observe our comprehensive set of rules and regulations." SkyPan has 30 days to respond to FAA's enforcement letter.

**Groups petition for FDA rule change to save eggs.** The National Chicken Council, Grocery Manufacturers Association and the Association for Dressings and Sauces have asked FDA to "reverse or modify" a policy that resulted in the destruction of 356 million eggs last year. "In light of the strain the (highly pathogenic avian influenza) outbreak is putting on the nation's egg supply, FDA should revisit the use of the surplus of affordable, quality eggs available in the United States for use by egg breakers and their customers, rather than seeking costly imports of foreign eggs," the groups wrote. They are seeking a change in an FDA rule that mandates eggs meant for breaking rather than hatching be kept at 45 degrees Fahrenheit within 36 hours of being laid. The groups say that this prevents hatcheries from selling "surplus eggs" to egg processors for pasteurization and use in egg products, because at 45 degrees, the eggs are too cold for hatching and hatcheries will throw them away. The groups contend that eggs would be safe for breaking at 60 degrees and that the FDA never clarified that 45 degree storage was safer when new rules were implemented in 2010.

**ADM adding storage at Missouri soybean plant.** Archer Daniels Midland plans to add 2.5 million bushels of soybean storage at the company's Deerfield, Missouri, processing plant. Construction will start this quarter, ADM said. "This gives us the opportunity to receive more soybeans from our farmer partners in the Deerfield region, and to handle those crops more efficiently," said Tim Cassidy, commercial manager of the Deerfield plant. ADM began operating the soybean processing facility at Deerfield in 2011. Today, the facility, which employs 78 people, purchases soybeans from local farmers, and transforms those into animal feed and vegetable oil for biodiesel. Last year, ADM said it spent more than \$3.5 billion with farmers and other businesses in Missouri.

**USDA earmarks \$4 million to help honeybees.** USDA is making available \$4 million to assist farmers, ranchers and forest landowners working to improve food sources for [honeybees](#) on private lands in Midwestern and northern Plains states. The department's [Natural Resources Conservation Service](#) (NRCS) aims to improve the health of the pollinator in a region where more than two-thirds of the nation's honeybee population spends the summer months, pollinating crops and building strength to survive winter. "The future of our food supply depends on honeybees," NRCS Chief Jason Weller said. "This effort partners with farmers, ranchers and forest landowners to ensure honeybees have safe and diverse food sources during a time when they need it most." NRCS is working with landowners to make bee-friendly conservation improvements to their land, such as planting cover crops, wildflowers or native grasses and improving management of grazing lands. Landowners interested in participating should contact their [local USDA service center](#) to learn more.

## Farm Hands on the Potomac.....

DuPont says CEO and Chairwoman **Ellen Kullman** is retiring after nearly three decades with the company. **Edward Breen**, who was named to DuPont's board in February, will serve as Kullman's interim replacement while the company searches for a permanent successor. Kullman has been DuPont's CEO since 2009. In June, she beat back a challenge from activist investor **Nelson Peltz** whose Trian Fund had sought to split DuPont into separate pieces. Agriculture is DuPont's largest business, accounting for about a third of its \$35 billion in sales last year.

**Laura Peterson** has been promoted to head of federal government relations for Syngenta Corp., North America. Peterson joined Syngenta about a year ago as manager of federal government relations, after working as director of government relations for the National Association of Conservation Districts.

President Obama plans to appoint **Pamela Anderson** and **Gebisa Ejeta** to the Board for International Food and Agricultural Development. Anderson is director of agricultural research at the Bill & Melinda Gates Foundation. Ejeta is a distinguished professor at Purdue University and serves as the executive director of the Purdue Center for Global Food Security.

**Diane Allemang** has been elected to a two-year term as board chairman of CropLife America. Allemang, director of North America business development and global portfolio at FMC Corp., is the first woman to head CLA's board. **Susanne Wasson**, commercial leader, U.S. crop protection at Dow AgroSciences, was elected treasurer and vice chair. **Dave Tretter**, vice president of procurement at Crop Production Services, will continue to serve as vice chair and will be joined by **James Blome**, president and CEO of Bayer CropScience. **Vern Hawkins**, president and North America regional director of Syngenta Crop Protection, will serve as immediate past chairman. **Eric Wintemute**, CEO of American Vanguard, will also continue as a board officer, elected in the capacity of vice chair emeritus.

**Craig Boelling** was named vice president of resource development for the National Pork Producers Council. Boelling has been on staff at NPPC since late 2003, most recently as director of industry resource development. Prior to joining NPPC, the Iowa State grad was with ADM Animal Health and Nutrition and with Iowa Select Farms.

**Jennifer Vanderhoff** is leaving CropLife America, where she was government relations coordinator, for the American Seed Trade Association, to serve as executive assistant to ASTA President and CEO **Andy LaVigne**.

A dispute over grand marshals at the Illinois State Fair appears to have sparked the forced resignations of the fair director and **Philip Nelson**, the head of the state Agriculture Department. Former fair director **Patrick Buchen** says he and Nelson wanted the Brandt family, owners of an agricultural products company, as grand marshals as a way to bring back agriculture as a focus of the fair. Instead, two officers from the yet-to-be commissioned submarine USS Illinois were chosen. Buchen said **Robert Alec Messina**, Gov. **Bruce Rauner**'s policy adviser for environment and energy, insisted on that choice. "Alec Messina doesn't know the difference between a boar and a barrow, and he's our ag liaison," Buchen told the State Journal Register newspaper. Rauner spokesman **Lance Trover** said Buchen "is continuing to demonstrate the same type of erratic behavior he exhibited as a state employee."

Indiana farmer and GOP congressional candidate **Kip Tom** and World Food Prize President **Kenneth Quinn** are being honored by Agriculture Future of America with the organization's Leader in Agriculture Award. They'll receive their awards during the AFA Leaders Conference and Alliance Forum in Kansas City, Missouri, Nov. 5-8.

U.S. Wheat Associates (USW) hired **Jeff Coey** as its Hong Kong-based assistant regional vice president to manage U.S. wheat market development programs and USW's business and government relationships in China. He's taking over for **Matt Weimar**, who is now regional vice president for South Asia, based in Singapore. Coey joins USW with more than 25 years of marketing experience in East Asia. Fluent in Mandarin, Coey most recently was lecturing in the master's degree program at the Hong Kong Baptist University's School of Communication.

**Hyun Soon Lillehoj**, senior research molecular biologist with USDA's Agricultural Research Service, is being honored this week with a Partnership for Public Service award for her research to decrease the use of antibiotics within the U.S. poultry industry. The awards aim to highlight excellence in the federal workforce.

The Chicago Council on Global Affairs is welcoming six new non-resident fellows. They are: **Craig Gunderson**, soybean industry endowed Professor in Agricultural Strategy in the Department of Agricultural and Consumer Economics at the University of Illinois and executive director of the National Soybean Research Laboratory; **Charles Hanrahan**, former senior specialist in agricultural policy at the Congressional Research Service; **Hope Michelson**, assistant professor of agriculture and consumer economics at the University of Illinois; **Tom Reardon**, professor of agricultural, food and resource economics at Michigan State University; **Alex Winter-Nelson**, professor in the Department of Agricultural and Consumer Economics at the University of Illinois; and **Andrea Durkin**, principal and founder of Sparkplug, a consulting firm focused on the intersection of business, development and public policy.

The Natural Resources Defense Council's executive director, **Peter Lehner**, is jumping over to head Earthjustice's sustainable food and agriculture program, based out of New York. Lehner, who had been with the NRDC since 2007 and started out in Earthjustice's Washington office, formerly headed the New York attorney general's Environmental Protection Bureau.

The Iowa Beef Industry Council has a new executive director. **Chris Freland**, of Prairie City, replaced **Nancy Degner**, who retired after 40 years at the Council, the last 12 as executive director. Freland was most recently with the Midwest Dairy Association, where she served as associate director of the Iowa State Dairy Association and Industry Relations Manager.

World Dairy Expo has named its 2015 award winners. **Rosalie Geiger**, of Ran-Rose Dairy Farm in Reedsville, Wisconsin, was selected as Dairy Woman of the Year, and **Hank Van Exel**, Exels Holsteins & Jerseys in Lodi, California, was chosen Dairyman of the Year. The International Person of the Year honor went to **Kevin Lang**, Grace Valley Ayrshires & Holsteins, Fairfield Dairy in Howick, South Africa. **Jim Dickrell**, editor and associate publisher of *Dairy Today*, was selected as the Industry Person of the Year.

Wendy's says Chief Executive **Emil Brolick** will retire in May and that Chief Financial Officer **Todd Penegor** will succeed him as head of the hamburger chain. Penegor, who joined Wendy's in June 2013, has previously worked at Kellogg and Ford Motor in various senior roles. Brolick, 67, who's been CEO since September 2011, will continue on the board, the company said.

Tennessee Farm Bureau President **W. Lacy Upchurch** announced he will not seek another term as leader of the nation's largest farm bureau. Upchurch was elected in 2005 to lead the state farm bureau, which is headquartered in Columbia and employs 700 there, and has been a strong advocate for farming and agriculture in the state. The beef cattle producer, who lives on a farm in Cumberland County with his wife, Kay, is the seventh president in the organization's 94-year history.

Kansas farmers are mourning the death of **Doyle Rahjes** who passed away Oct. 2 at the age of 85. Rahjes, a small grains and livestock farmer, served as president of Kansas Farm Bureau from 1983 to 1994, representing Farm Bureau on the state, national and international levels. He was one of the first U.S. agriculture leaders to travel to the former Soviet Union to help organize local farm organizations.

**Correction.** In the Sept. 30 newsletter, in a story about a court decision involving the pesticide sulfoxaflor, we incorrectly described neonicotinoids, or neonics, as the world's most widely used pesticide. We should have said neonics are the most widely used insecticide. Glyphosate is the most widely used pesticide.

**Best regards,**

**Sara Wyant**

**Editor**

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