

Farmer Cooperative Conference: Policy Update

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Three Trends Will Influence the Debate in Washington Over the Coming Year



1. The Twilight of the Administration



2008

2015

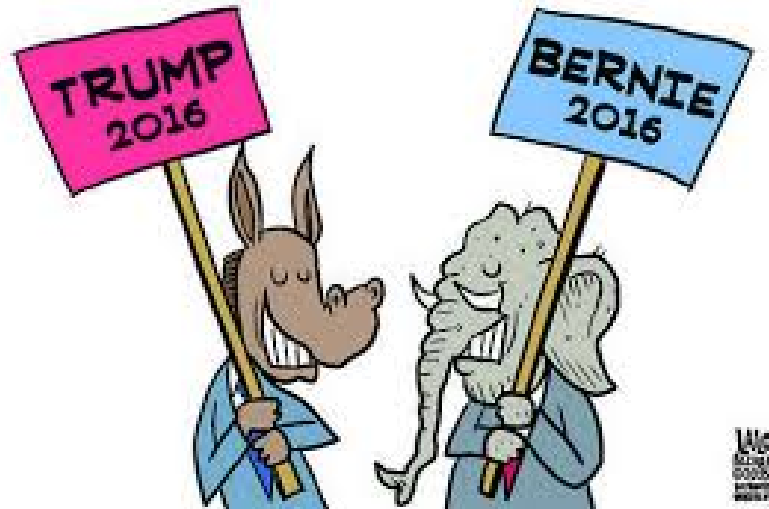


2. A New Speaker of the House





3. The Presidential Campaign Season





Voter Dissatisfaction with Government Institutions Continues to Grow

- Congressional job approval : 15.3% of Americans approve, 75% disapprove
- President Obama's job approval: 44% approve, 52% disapprove
- 29% of Americans believe country is on right track; 63% on wrong track

All numbers taken from RealClearPolitics.com August 28th average of national polls



Implications for Ag of a Divided, Dissatisfied Public

- The past doesn't necessarily predict the future—witness the drama of the last farm bill
- The balance of power can be shifted by a small number of voters in the middle
- If producers and other leaders in ag aren't talking to policy makers about the issues, our opponents will be
- Different sectors of ag no longer have the luxury of going their own ways—a divided agriculture community is a defeated agriculture community



Major Issues to Watch

- ~~GMO Labeling~~
- Trade
- Tax Reform
- Minimum Wage
- Iran/Middle East Relations
- GHG Emissions Regulations
- EPA Regulations
- Waters of the U.S.
- Health Law
- Repeal/Modifications
- Cybersecurity/Data Breaches
- Highway Bill Funding
- Export-Import Bank
- Financial Regulation
- Immigration Reform
- Food and Nutrition policy



GMO Labeling





Negative Consumer Perceptions





Key Factors of the Debate

- Nearly 2,000 independent, peer-reviewed scientific studies conclude GMOs are safe
- Biotechnology is responsible for decreasing the environmental impact of pesticides by nearly 20 percent
 - The technology has reduced green house gas emissions by an equivalent of removing nearly 12 million cars from our roads.
- In a 2014 study from the International Food Information Council, only 4 percent of total respondents said that labels should carry information about genetic engineering or related terms
 - Only 2 percent of total respondents say they avoid biotechnology derived food ingredients in their diet.



Coalition for Safe & Affordable Food

- Brings together broad range of stakeholders from across food & ag value chain
- Co-chaired by GMA & NCFC, includes National Milk, AFBF, and others on steering committee
- Focused on a national solution to the state-by-state GMO labeling initiatives





Our Key Message to Congress:

A 50 state patchwork of GMO labeling rules benefits no one. It would mislead consumers, raise food prices and hold back technology development and adoption.



Where the Debate is Headed

- Voluntary labeling system
- Mandatory review by FDA and USDA of new traits
- National standard for labeling products containing GMO ingredients



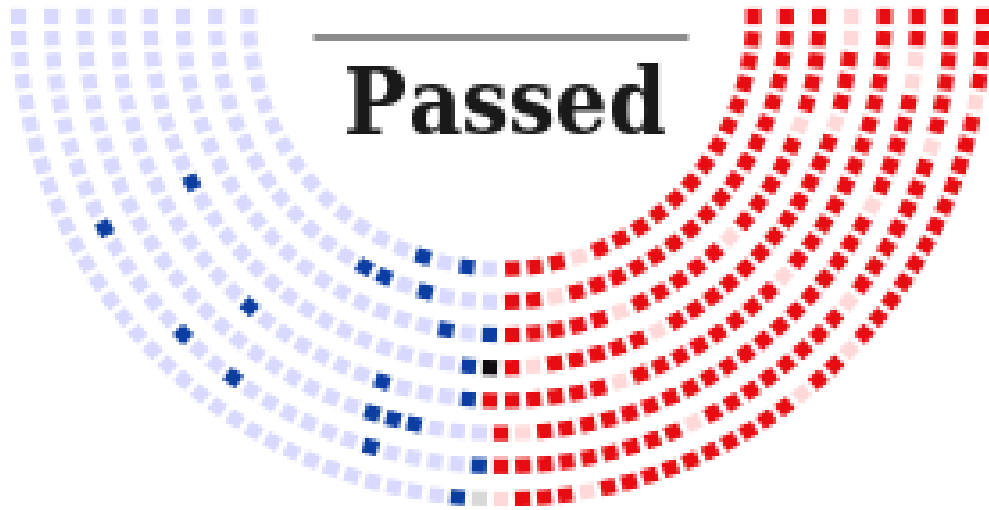
Trans Pacific Partnership—What will it take to get passed?

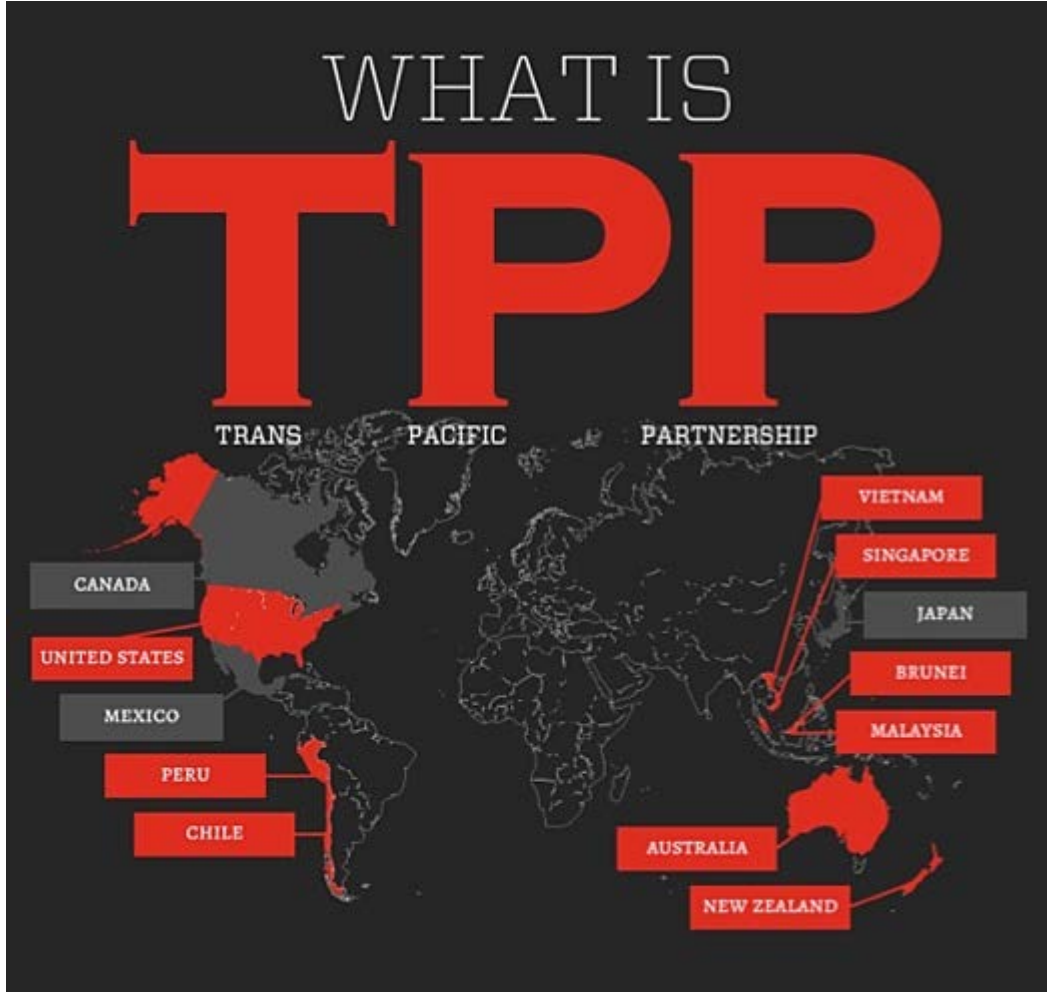


Trade Promotion Authority

215-214

Passed







Agriculture will play a vital role in supporting TPP in the coming debate—but don't assume that the formations from the old play book will work.



TAX REFORM



**OUR
TAX
CODE**

**TOO
COMPLEX**

**TOO
CONFUSING**

**TOO
COSTLY**



Tax Reform & Co-ops





Farmer Co-op & Producer Tax Priorities

- Patronage Dividend Deduction (Sub T)
- Section 199 Domestic Production Activities Deduction
- Deduction for Interest on Debt
- Estate Taxes
- Depreciation



**“Tax reform means, ‘Don’t tax you, don’t tax me. Tax that fellow behind the tree.’”
- Russell B. Long**



Will the farm bill survive in its current form until reauthorization in 2018?





Budget agreement already changing the terms

- \$3 billion in sequestration relief comes from cuts to federal crop insurance
- This is on top of savings achieved in the last farm bill and previous budget cuts
- Expect more pressure to reduce spending across all titles of the bill
- The disunity in agriculture that we saw in the last go around is a luxury we no longer can afford



I'M THE
FACE OF
TODAY'S
FARMER
COLLEPS.

Thank you.