

Ohio Soybean Association Policy Update November 2023

National Updates

Crop Protection - The Ohio Soybean Association filed official public <u>comments</u> on an US EPA rule proposal which will require herbicide users to implement new mitigation measures that include spray drift buffers and soil erosion and runoff prevention practices. OSA called the proposal, which is part of the EPA's Endangered Species Workplan, unworkable and urged the agency to take a different approach.

Some of the specific concerns outlined by OSA include the fact that practices available to farmers to implement under the proposal are incredibly costly, will increase herbicide resistance and are impractical. The comments also point out that there are too few options for compliance. The organization is also concerned that farmers are left to determine where and how to comply at the field level based on self-identifying endangered species' habitat near their farm, which is ambiguously defined in the rule. Under the proposal, Northwest Ohio is included in a Pesticide Use Limitation Area (PULA) where restrictions and mitigation measures are even more stringent than the strategy's enhanced general label regulations.

Filing formal comments comes in addition to weeks of work the organization has undertaken to help members directly engage the EPA. Farmers from across the state signed a petition which OSA helped organize that enabled producers to send a clear message to the EPA that their proposal is unworkable.

Crop Protection - A federal appeals court vacated EPA regulations banning the use of chlorpyrifos, which should allow the insecticide to continue to be used in agriculture. Instead of canceling all uses of the chemical on food crops, as EPA did in 2021 in response to an order from the 9th U.S. Circuit Court of Appeals, the agency could have instituted a partial ban, according to the ruling from the 8th Circuit Court of Appeals in St. Louis.

Farm Bill - New House Speaker Mike Johnson laid out a plan to vote on a new farm bill in December as part of his pitch to earn the job. However, there is growing agreement on Capitol Hill that Congress is almost certain to move at least a short-term extension of the 2018 farm bill in the next month or two. That could result in a shakeup of cost estimates for proposing modifications to commodity programs and other provisions in the bill.

Depending on when the House and Senate Ag committees start work on their bills, CBO may switch to using a new 2024 baseline rather than the last baseline calculated in May of this year. Cost estimates for changing the two main income support programs for row crops – Agriculture Risk Coverage and Price Loss Coverage – could be higher or lower than they are this year, depending on market price forecasts and a host of other variables in 2024. A strategy by some Republicans to pull in conservation funding from the Inflation Reduction Act to use for other programs would be impacted if USDA has spent some of that funding already in 2024. Changes to nutrition programs also could be affected. For example, the cost of the Supplemental Nutrition Assistance Program (SNAP) came in \$10 billion lower than CBO projections for FY 23.

Trade - USDA announced in late October that \$2.3 billion in funding from the Commodity Credit Corporation will be provided to help farm groups promote their goods in foreign markets as well as donate more U.S.-grown commodities to those in need overseas. Out of that total, \$1.3 billion will go toward the new Regional Agricultural Promotion Program (RAPP), which is meant to replace the expiring Agricultural Trade Promotion program. The ATP was originally set up to provide cost-share assistance to eligible U.S. organizations for activities such as consumer advertising, public relations, point-of-sale demonstrations, participation in trade fairs and exhibits, market research, and technical assistance. When USDA does eventually accept proposals, an emphasis will be on promoting exports to Southeast Asia, Africa and South America.

Trade- The U.S. Commerce Department is sharply cutting its duty on Moroccan phosphate fertilizer products. The Ohio Soybean Association voiced support for such a change recently in a letter it sent to Commerce. The reduction in the tariff to 2.12%, down from 19.97% could help moderate recent increases in fertilizer prices should Moroccan fertilizer company OCP decide to start exporting to the U.S. again.

Ohio Updates

Crush Plant - Ohio Governor Mike DeWine, Lt. Governor Jon Husted, Ohio Department of Development Director Lydia Mihalik, and JobsOhio president and CEO J.P. Nauseef announced that a new soybean processing plant in Upper Sandusky will bring more than 100 new jobs to Ohio. Louis Dreyfus Company (LDC), a leading merchant and processor of agricultural goods, will invest approximately \$500 million to construct the new plant in Wyandot County, bolstering the region's economic growth in the critical food and agriculture sector. The State of Ohio and JobsOhio will consider assistance for the project, which will be made public after any incentives are approved.

Property Taxes - Legislation supported by the Ohio Soybean Association to give Ohio farmland and residential property taxpayers relief has stalled in the State Senate. The House passed the measure on October 11th, but House Bill 187 is still in limbo in the Senate. Some lawmakers have tried to fast-track the legislation so county auditors have time to revise their numbers in time for 2024 tax bills. Senate Ways and Means Chairman Louis Blessing has told stakeholders the committee is considering suggestions by the county auditors association which involves the state paying for a tax break to lessen the blow and adjusting school funding. The delay is making it less likely changes can be made in time for 2024. OSA encourages members to contact their state senators and voice support for HB 187.

H2Ohio - The Ohio Soybean Association recently joined several agriculture groups to urge the Ohio Department of Agriculture (ODA) to extend the deadline to plant cover crops due to the late harvest and adverse weather conditions. On Monday, October 30, ODA agreed and announced it is extending the 2023 H2Ohio program deadline for planting overwintering cover crops to November 15th.

Broadband - BroadbandOhio, Ohio's state agency that coordinates broadband development and implementation, is asking for final public comment on its plan to utilize \$800 million in federal funding. The plan has been revised from an earlier version which the state filed with the National Telecommunications & Information Administration (NTIA) in October. That planning document was largely approved, although the NTIA blocked the state's implementation of a controversial provision critics said would curtail the use of wireless technology in expanding service. The DeWine administration has included several goals for the program including ensuring 100% of farms have access to high-speed internet. Funding is expected to be awarded by 2024 with the Department of Development proposing at most two rounds of grants through the state's Residential Broadband Expansion Program.

Career-Tech Education- About three-dozen schools will receive a share of \$200 million to expand their career-technical facilities, with an opportunity to receive additional state dollars on the horizon. Gov. Mike DeWine and Lt. Gov. Jon Husted announced Friday that 35 career centers and school districts of 59 that applied received Career Technical Construction Program grants ranging from \$1.2 million to nearly \$15 million (Award list).