



## Ohio Soybean Association Policy Update December 2023

### *National Policy Updates*

**Farm Bill** - A stopgap government funding bill that includes a one-year extension of the 2018 farm bill was passed by Congress in November. With passage of what is called a Continuing Resolution -or CR- Congress averted a government shutdown. The measure would extend funding for some departments and agencies, including USDA, to Jan. 19 at fiscal 2023 levels. Most departments and agencies are funded until Feb. 2. As for the Farm Bill extension, the bill extends commodity program funding for the 2024 crop year. The CR also includes funding for some, but not all, farm bill programs that expired Sept. 30 and were left without funding. To cover the cost of funding these programs, the bill rescinds \$177.4 million from the unobligated balance in USDA's Section 9003 biorefinery assistance program - a program that supports the development of advanced fuels such as renewable diesel and biodiesel. With the extension in place, many questions remain including how new funding projections could impact how much money is available for Ohio Soybean Association priorities. The organization continues to communicate with members of Congress about the importance of crop insurance and enhancing Title I commodity and Title III trade promotion programs.

**Water Quality** - The Biden administration's attempt to narrowly interpret the Supreme Court's Sackett decision regarding the definition of a "Water of the United States" (WOTUS) has been met with new lawsuits filed by officials representing more than half the states in the country and trade associations representing agriculture and a wide range of other industries. The EPA and US Army Corps vowed to complete a "surgical" update to the rule following the Supreme Court ruling. The legal actions filed outline concern that EPA didn't go far enough to address the Supreme Court's ruling. A key point in the complaint is the federal agencies are claiming a vague jurisdiction that relies on the term "relatively permanent" which has no clear regulatory definition. Under the new rule, the agencies maintain jurisdiction over "relatively permanent", standing or continuously flowing waters connected to navigable waters. The Ohio Attorney General is party to the suit.

**Trade** - USDA rolled out its new \$1.3 billion international marketing initiative, the Regional Agricultural Promotion Program, and unveiled plans for trade missions next year to Vietnam, India, South Korea, Canada, Colombia and Morocco. USDA posted a final rule for operating RAPP, which will be funded out of the department's Commodity Credit Corporation account. The Ohio Soybean Association will continue to monitor the development of this program as funding levels and a timeframe for the program's operation will not be available until USDA publishes a notice of funding opportunity.

**Research** - The U.S. House is taking up a bill aimed at boosting agriculture and energy research. The DOE and USDA Interagency Research Act would authorize “cross-cutting and collaborative research and development activities” between USDA and the Energy Department. The bill doesn't provide any additional funding but requires DOE and USDA to provide a report within two years on what their collaboration has accomplished and the “potential opportunities to expand the technical capabilities” of the departments. The issues the departments are directed to address include the life-cycle analysis of agricultural and energy systems; “advanced crop science, crop protection, breeding, and biological pest control;” advanced biofuel development; and colocation of renewable power projects and carbon storage with agricultural production.

**Biofuels** - A coalition of biofuels groups is pushing back at a federal appeals court ruling. The 5th U.S. Circuit of Appeals last week vacated multiple denials of small refinery exemption requests from the biofuel blending mandates. The legal dispute is around the question of whether refiners can pass the cost of complying with the federal Renewable Fuel Standard (RFS) to consumers or not. Biofuels groups argue that the RFS does not impose an economic burden on oil refiners because any compliance costs are passed down the supply chain. Though numerous lower courts have agreed with this legal argument, the 5<sup>th</sup> Circuit disagreed and is requiring the EPA to reevaluate their policy on granting Small Refinery Exemptions.

### ***Ohio Policy Updates***

**Property Taxes**- Legislation supported by the Ohio Soybean Association to give Ohio farmland and residential property taxpayers relief has stalled in the State 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. Members of the Ohio Senate are instead planning a proposal on property taxes that is much more limited than a proposal passed by the House of Representatives earlier this fall. The proposal would expand the state’s current homestead tax exemption rather than make changes to property valuations that would have benefited all residential and farmland property taxpayers. OSA is still urging action on farmland taxes.

Ohio’s current homestead exemption shields the first \$25,000 of home value from taxation for eligible homeowners with an adjusted gross income of \$36,100. The senate is proposing increasing the \$25,000 benefit to \$30,000 for those below the \$36,100 income limit. Those above that threshold would be placed on a “gently declining curve” where the benefit shrinks as income increases. No homeowner with AGI above \$75,000 would receive any benefit.

**Grain Marketing** - The Ohio House State and Local Government Committee has recommended the elimination of the Grain Commodity Tester certificate issued by the Ohio Department of Agriculture. That three-year certification requires individuals who conduct grain testing at elevators to qualify to do so by passing an examination. The recommendation comes as part of a review required by Ohio law that the legislature evaluate the effectiveness of occupational licenses periodically. The Ohio Soybean Association has raised concerns about the proposal over fears it would result in a decrease in quality grain testing. Legislation has been introduced to implement the recommendations, and OSA will be engaged in that process.

**Livestock Care** - The Ohio Department of Agriculture (ODA) held a groundbreaking ceremony Nov. 16 to celebrate the start of construction on the new Ohio Veterinary

Diagnostic Laboratory (OVDL). Construction of the new laboratory also brings a name change, as the current title of Animal Disease Diagnostic Laboratory (ADDL) will be retired. The 70,000 square foot, state-of-the-art facility will include 40% more laboratory space and updated bio-security measures. A more energy-efficient building will also accommodate dozens of new staff members. The Ohio Soybean Association supported funding in the state's capital budget bill signed into law by Governor Mike DeWine last summer, which allocated \$72 million for the new OVDL.

**Water Quality** - Ohio Governor Mike DeWine and Ohio EPA Director Anne M. Vogel announced \$16.7 million in H2Ohio water infrastructure grants for 14 projects across the state. This new round of H2Ohio funding focused predominantly on supporting the regionalization and consolidation of drinking water and wastewater systems. This included extending water and sewer services to underserved areas and the elimination of inadequate treatment systems. A full list of the projects can be found [here](#).