

## Ohio Soybean Association Policy Update April 2025

## <u>National Policy Updates</u>

Advocacy In Action - Farmer leaders from the Ohio Soybean Association (OSA) traveled to Washington D.C. to meet with members of Ohio's Congressional delegation. During these meetings, OSA board members talked about trade, tax policy, the general farm economy, biofuels and domestic markets. With a full agenda of items to discuss, farmer members had a full day of visits, meeting with 10 U.S. Representatives and both U.S. Senators from Ohio.



**U.S. Shipping** – The US Trade Representative (USTR) has proposed remedies to the increasing dominance of foreign shipbuilding in international trade that would require U.S. exports to utilize a merchant maritime fleet that consists of at least 5% U.S.-built vessels and 15% U.S.-flagged vessels after seven years. The proposal would also levy port fees of up to \$1.5 million for vessels that are Chinese flagged, operated, or built in China. Many Chinese-built vessels operate under different flags but are still built or operated by China. While a long term focus on increasing US ship building is welcomed, the short timeline for accomplishing these goals is impractical. OSA is helping deliver the message to USTR that these proposed remedies would have an immediate, negative impact on our ability to move U.S. soybeans and soy products to market.

**Biofuels -** U.S. Sens. Pete Ricketts (R-NE) and Amy Klobuchar (D-MN) have reintroduced the Renewable Fuel for Ocean-Going Vessels Act. The <u>bipartisan</u> bill would allow companies to preserve Renewable Identification Number (RIN) credits under the Renewable Fuel Standard program when the fuel for use is in ocean-going vessels. OSA supports this legislation as biomass-based diesel is a vital domestic market for soybean farmers.

Meanwhile, groups are urging EPA to swiftly set 2026 RFS volumes for biobased diesel at no less than 5.25 billion gallons. In a letter this week to EPA Administrator Lee Zeldin, ASA, Clean Fuels Alliance America, American Farm Bureau Federation, National Oilseed Processors Association, North American Renderers Association and the U.S.



Canola Association called for EPA to adopt a robust increase in biomass-based diesel and advanced biofuel volumes.

**Trade** – On April 2 President Trump declared a national emergency over foreign trade practices that are seen to be detrimental to the U.S. economy. In response, the administration is utilizing its authority under the International Emergency Economic

Powers Act (IEEPA) to impose new tariffs. Starting April 5, 2025, a 10% tariff will be imposed on all countries. On April 9, 2025, countries with the largest trade deficits with the U.S. will face individualized tariffs. These tariffs will be set at 50% of the average tariff that the U.S. faces from those countries. The U.S. government has identified countries with the largest trade imbalances, many of which are key export markets for U.S. soybeans. Canada and Mexico will be treated under special rules due to the USMCA agreement. Goods that comply with USMCA standards will face 0% tariffs, while non-compliant goods will face higher tariffs.

## New Tariff Rates for Top 10 Soy Export Destinations

- ➢ China: 34%
- European Union: 20%
- Mexico: handled separately
- Indonesia: 32%
- Egypt:10%
- ➢ Japan: 24%
- Taiwan: 32%
- ➢ Vietnam: 46%
- ➢ Bangladesh: 37%
- ➤ Turkey: 10%

To date, several key trading partners have retaliated or announced plans to do so as early as this month. The European Union has postponed its first wave of retaliatory tariffs, initially set to go into effect the end of this month and now aims to have both sets of retaliatory duties on U.S. products come into effect mid-April when a second wave was also set to potentially take effect. That second traunch covers a larger list of products, many of them agricultural. Whole soybeans were on the retaliatory list and could come under fire in April. China has also retaliated against the U.S. including a 10% tariff against U.S. soy. U.S. soybean exports (whole beans, soybean meal, and soybean oil) are also on the target list for potential retaliation under a second retaliatory strike pending from Canada.

Agriculture Secretary Brooke Rollins says the timeline for providing support for farmers impacted by tariff retaliation depends on what the president unveiled this week, adding her hope is they aren't needed at all.

**Economic Assistance -** USDA Secretary Brooke Rollins announced the \$10 billion in economic disaster relief would be available starting March 20th. These funds were included in the American Relief Act passed by Congress last December. OSA worked diligently to advocate for this assistance with the Ohio Congressional Delegation. Prefilled applications were sent out Tuesday to producers who filed acreage reports for



crop year 2024. Producers will have until Aug.15 to sign up. If you did not receive the prefilled application, contact your local FSA office. Farm Loan Programs - U.S. Sens. John Hoeven (R-N.D.) and Amy Klobuchar (D-Minn.) reintroduced the Producer and Agricultural Credit Enhancement (PACE) Act, which modernizes Farm Service Agency loan limits to ensure they reflect the present cost of production and provide robust access to capital for producers. ASA endorsed the bill, which serves as marker legislation for the farm bill.

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## **State Policy Updates**

**State Budget** – Recently, OSA President, Rusty Goebel, sent a letter to the House Finance Committee and other key members of the Ohio Legislature outlining OSA's top budget priorities. The as introduced version of the budget includes a 3% funding cut from the current fiscal year levels for agricultural research and develop at the College of Food, Agriculture and Environmental Sciences at Ohio State. Similarly, the OSU Extension Service is taking a 3% funding cut from the previous biennium. OSA is requesting that funding levels for these items be restored FY 25 levels.

On April 1, the House Finance Committee introduced its substitute budget bill. As staff continues to analyze the details, OSA is particularly concerned about a significant reduction in H2Ohio funding. The revised bill cuts over \$120 million from the original proposal, reducing the Ohio Department of Agriculture's H2Ohio allocation by 44%. This substantial decrease raises concerns about the program's ability to support water quality and conservation efforts across the state.

**House Resolution 14** - In December of 2024 lawmakers in Ohio formed a state level MAHA Caucus. Co-directed by Rep. Jennifer Gross and Rep. Tim Barhorst, the goal of this commission is to, "be the people's voice on critical issues like medical freedom and healthcare transparency legislation." Recently, House Resolution 14 was introduced in the legislature by one of the Ohio MAHA Caucus' co-directors. The non-binding resolution urges Congress to ensure toxins and chemicals are removed from food. During the testimony of this legislation, the Co-Sponsor, Rep. Gross, implied pesticide residue on food is a leading reason for poor health outcomes.

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**SoyFoam** – OSA board members and staff hosted public officials at a SoyFoam demonstration in Ashville, OH. PFAS-containing Aqueous Film Forming Foams (AFFF) is one of the major of sources of per— and polyfluoroalkyl substances (PFAS) pollution

in water. Firefighters are particularly at risk from PFAS exposure because they are exposed to AFFF during both training and actual fires. To help eliminate the use of this hazardous material, Ohio Governor Mike DeWine and Ohio EPA have launched a first-of-its-kind initiative to destroy PFAS firefighting foam through the Ohio AFFF Takeback Program. With farmer investment from USB, the safer alternative, SoyFoam<sup>™</sup>, was developed. Cross Plains Solutions' SoyFoam<sup>™</sup> TF 1122 is the first and only firefighting foam GreenScreen Certified® at the Gold level. SoyFoam is 100% free of intentionally added per- and polyfluoroalkyl substances (PFAS) and is made with no fluorine. OSA staff believes there is an avenue to work with lawmakers to incentivize the purchase of PFAS-free alternatives such as SoyFoam<sup>™</sup> and will continue to have conversations is lawmakers.



**Energy** - The Ohio House approved <u>House Bill 15</u>, which is meant to change Ohio's energy regulations to encourage investors to build new power plants. The bill is lawmakers' response to expected high future electricity demand driven by the construction of new data centers, factories and other high-tech business projects. The bill is a companion to <u>Senate Bill 2</u>, which unanimously cleared the Ohio Senate. The two bills are very similar, but not identical, which means the two Republican-controlled chambers now will have to negotiate a final version for them to take effect.