



Washington Policy Update

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Significant Activity in Washington

- The 118th Congress
 - Speaker's Race, Shutdown Part 2, The Farm Bill, Appropriations
- USDA Updates
 - LMR reauthorization, NSIS time-limited trial
- NPPC/Industry Initiatives
 - U.S. SHIP, Traceability, AMS Commodity Purchases

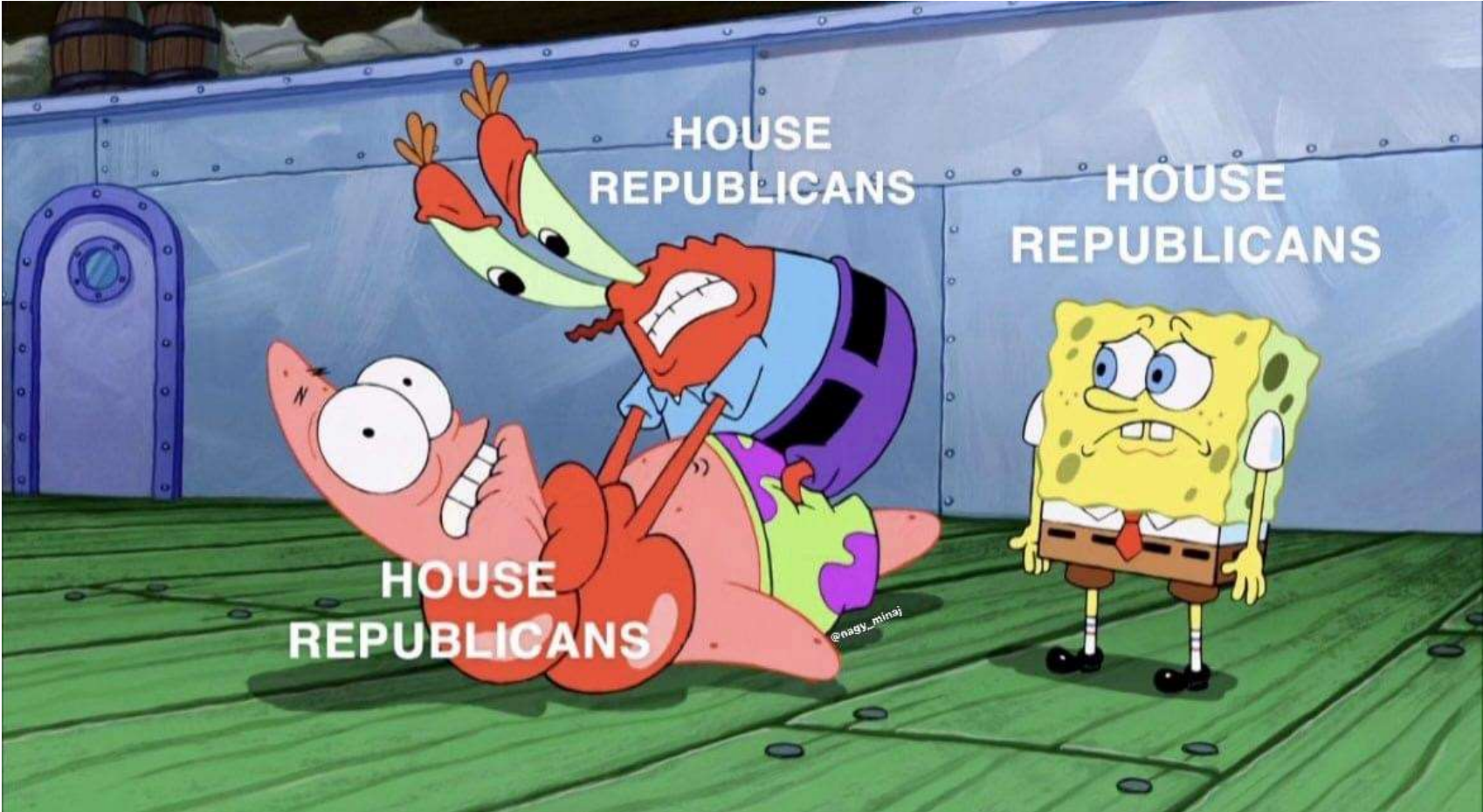


The Speaker's Race

- In January, Kevin McCarthy won the speakership after 4 days and 15 ballots
 - Required commitments on spending and promises to hold votes on conservative priorities (balanced budget, term limits, etc.)
 - Also agreed to allow a motion to vacate (replace the speaker) by a single member
- In October, Kevin McCarthy was ousted after less than 9 months, becoming the first Speaker of the House to get the boot



The Speaker's Race



The Speaker's Race – What Next?

- Front-runner: ~~Steve Scalise (LA-1)~~ ~~Jim Jordan (OH-4)~~ ~~Patrick McHenry (NC-10)~~ Tom Emmer (MN-6)?
- House GOP Conference held speaker election this AM, Emmer won on the 4th ballot (107 for Emmer, 112 for other candidates)
 - Roll call: still 26 “no Emmer” votes
- Candidate needs 217 votes on the House floor
 - Some Dems considering sitting out to lower the threshold for Emmer



The Speaker's Race – What Next?

- If not Emmer, who?



The Speaker's Race – In the Meantime

- Speaker Pro Tempore, Patrick McHenry (NC-10) is the interim speaker
- If no Speaker elected this week, may be steps taken to give him additional powers (“permanent speaker pro tempore”) to bring bills to the floor and conduct regular business
- Countdown to November 17, Israel/Palestine conflict, and Ukraine aid may bring Dems on board



The Speaker's Race – Current Mood



October 25, 2023

The Speaker's Race – Current Mood



Shutdown Part II

- On October 1, there was a sudden outbreak of bipartisanship in the U.S. House that saw a shutdown (technically) averted for 45 days
- House and Senate passed a CR through November 17
- Now there is no Speaker of the House and the disparate wings of the GOP appear no closer to agreements on spending than they were a month back



Shutdown Part II

- A shutdown may impact key USDA programs that are essential to the industry, including:
 - FSIS – Food safety inspectors are considered essential, and would continue to report to work in the event of a shutdown
 - APHIS – Many APHIS programs are funded other than through appropriations, so would continue uninterrupted. Others would be on-call in case of emergency (such as an animal disease outbreak)
 - AMS – While some positions (such as graders) would continue to report to work, Market News and certain procurement programs would cease.



Shutdown Part II

- A shutdown would result in a lapse of both appropriations *and* authorization for Livestock Mandatory Reporting (LMR)
- NPPC continues to work with the Barnyard to emphasize that price reporting through Market News is absolutely essential to producers and packers



LMR Reauthorization

- Issues remain to garner cross-industry support for full reauthorization
- Being tied to federal funding bills isn't ideal, but it's critical to ensure there is not a lapse in market reporting
- NPPC will continue to work with the Agriculture Committees and Appropriators to ensure there is no lapse in Mandatory Reporting
- Current plan is to request another short-term extension to allow NPPC taskforce to make sure recommendations are still current



LMR Reauthorization

- The Livestock Mandatory Reporting rule established in 1999 mandates price reporting for swine, cattle, boxed beef and lamb
- USDA's authority must be reauthorized every 5 years
- Current program was set to expire on September 30, 2020
- Extended most recently through the continuing resolution (CR) through November 17, 2023



The Farm Bill Basics

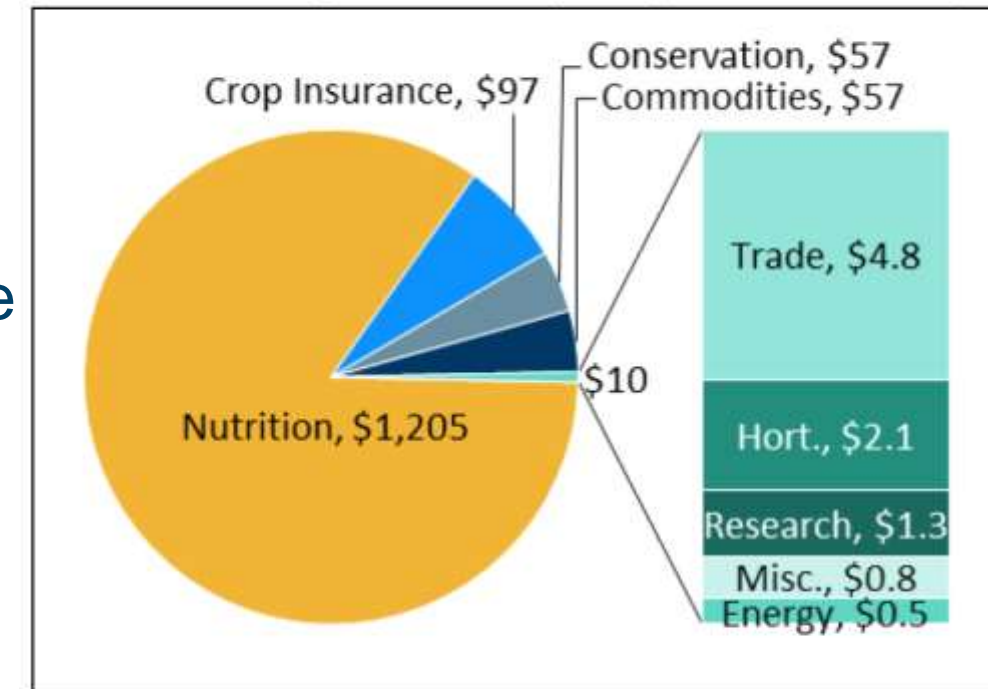
- Every ~5 years Congress passes a food/ag focused legislative package (“Farm Bill”)
- This package includes new programs, as well as programs that must be reauthorized
 - Most of these programs must still be appropriated funds every year
- Some programs are (re)authorized with “mandatory funding,” essentially guaranteeing annual appropriations



The Farm Bill Basics

- The Farm Bill titles include:
 - Title 1: Commodities
 - Title 2: Conservation
 - Title 3: Trade
 - Title 4: Nutrition
 - Title 5: Credit
 - Title 6: Rural Dev.
 - Title 7: Research
 - Title 8: Forestry
 - Title 9: Energy
 - Title 10: Horticulture
 - Title 11: Crop Ins.
 - Title 12: Misc.
- The Nutrition title accounts for ~85% of funding

Figure 1. Baseline for Farm Bill Programs, by Title
(billion dollars, 10-year mandatory outlays, FY2024-FY2033)



Source: CRS using the CBO Baseline (February 2023) for the five largest titles, and amounts in law for programs in other titles.

Note: Total estimated at \$1,426 billion.

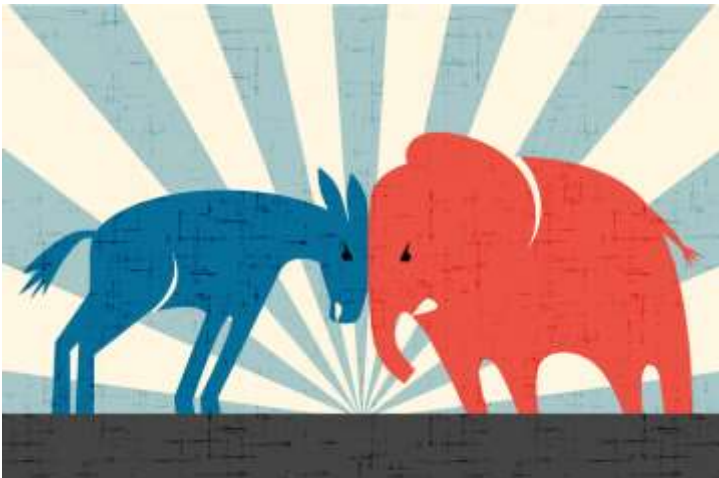


Farm Bill Considerations



Fiscal responsibility is key (to passing the Farm Bill)

- Debt ceiling battle
- Farm Bill baseline funding projected at \$1.4 trillion
- House instituted “CUTGO” vs “PAYGO”
- Expected reduction in topline costs



Ideological differences (in the Farm Bill)

- Conservation vs climate
- SNAP/Nutrition
- Expanding farmer safety
- Animal welfare/biosecurity



NPPC's Role

- NPPC has been working for over a year to identify key industry priorities and lobby for their inclusion in the Farm Bill
- The Farm Bill is **BIG**, so it is important to work with other groups where appropriate to amplify our voice and message
- “The Barnyard” is in alignment on NPPC’s issues and share the same priorities and messaging



What do we want?

- Animal Health – Protect and strengthen the “three-legged stool” of animal health, as established in the 2018 Farm Bill
 - National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB)
 - National Animal Disease Preparedness and Response Program (NADPRP) and National Veterinary Stockpile (NVS)
 - National Animal Health Laboratory Network (NAHLN)



Animal Health – Vaccine Bank

- The NAVVCB is a U.S.-only vaccine bank that seeks to stockpile a large number of vaccine doses (and manufacturing capacity)
- An outbreak of FMD in the United States could cause nearly \$240 billion in economic damage
- It is also imperative that the NAVVCB is well-funded in case vaccines for other FADs, such as ASF, become viable



Animal Health – NAHLN

- The NAHLN is a network of nearly 60 federal, state, and university animal disease labs in over 40 states
- In the event of a large-scale animal disease outbreak, it is imperative to have sufficient testing capacity to ensure that we know where the disease is and *is not*
- Many were also instrumental to responding to the COVID-19 pandemic



Animal Health – NADPRP and NVS

- NADPRP allows APHIS collaboration with animal health partners on disease prevention, preparedness, detection, and response
- NVS provides veterinary countermeasures that states, tribes, and territories need to respond to animal disease outbreaks
- These programs are vital to ensuring that states and regions have the resources they need to respond to FADs



Farm Bill – Other Priorities

- Feral Swine Eradication
- Agricultural Quarantine Inspection (AQI) User Fee Reserve
- National Detector Dog Training Center (NDDTC) Authorization
- Prop 12 Solution
- Foreign Market Development (FMD) and Market Access Program (MAP) Funding
- Defensive Issues: Livestock title, competition/market issues, new CAFO ban, consolidation ban, etc.



The Nutrition Title

- NPPC has generally stayed out of negotiations involving the Nutrition title of the Farm Bill
- NPPC has joined a new organization called Farmers Feed America, a coalition that represents a cross section of the nation's agricultural growers and producers along with the Feeding America nationwide network of 200 food banks
- Farmers Feed America's goal is to ensure that the historic balance between agricultural and nutrition priorities is maintained and a Farm Bill is passed on time



The Nutrition Title

- During debt limit negotiations, there was an agreement on NO cuts to Medicare or Social Security
- No agreement on SNAP
 - 41 million recipients
 - \$153.9 billion in FY23 – more than double the annual spending level before COVID (received a boost during COVID)
 - Total program cost is now nearly double what it was 5 years ago
- Any dispute over SNAP could derail the Farm Bill (or even force a shutdown)



Appropriations

- In addition to all these issues, Congress *also* has to pass appropriations bills to fund the government ***next year***
- With the House in its current state, most appropriations bills are expected to see relatively flat spending, so trades will be made
- NPPC's priorities are focused on keeping existing programs at current funding levels
 - “New” approps asks include funding for additional USDA APHIS veterinarians, USDA livestock biotech personnel, and U.S. SHIP



New Swine Inspection System (NSIS) Update

- In March 2021, a federal court struck down the line speed provisions of the NSIS final rule
 - This forced six plants to slow their line speeds, reducing harvest capacity by nearly 3.6% nationally (and much higher regionally)
- NPPC advocated strongly for USDA to find a solution to the sudden loss of harvest capacity
- USDA developed a time-limited trial to allow higher line speeds in eligible plants, with USDA collecting data for future rulemaking



New Swine Inspection System (NSIS) Update

- Six establishments are currently operating at higher line speeds under the time-limited trial
- FSIS extended the trial through November 2023
- We expect that FSIS will release its trial report soon, which hopefully paves the way for an expeditious rulemaking process



U.S. Swine Health Improvement Plan (U.S. SHIP)

- SHIP seeks to establish a national playbook of technical standards and associated certification that centers on disease prevention and demonstration of freedom of disease in support of animal health, commerce, and trade
- Modelled after the National Poultry Improvement Plan (NPIP), an industry/state/federal program providing standards for certifying the health status of greater than 99% of commercial poultry and egg operations across the US
- Currently a pilot program, NPPC supports formal USDA adoption



Traceability Initiative

- Mandatory traceability was identified by the joint NPPC/NPB Task Force as an industry ASF priority
- USDA has long expressed interest in animal disease traceability
- NPPC is currently working to develop Mandatory Swine Identification and Traceability Standards
 - Taskforce includes producers, veterinarians, packers, and other pork organizations, and has also involved USDA representatives
- Traceability will be key to resumption of trade in the event of a foreign animal disease outbreak



AMS Commodity Purchase

- Submitted a purchase request letter to the Agricultural Marketing Service recommending targeted purchases, based on economic analysis from NPPC economist
- AMS has now begun its own economic analysis to evaluate proposal, and will base (potential) purchases on this
- Secretary's office is very involved and concerned about the state of the industry



The Global Voice for
the U.S. Pork Industry

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