



The new landscape of agriculture

Thanks largely to the global pandemic and a swap in political power, farming can expect to see changes in five areas over the upcoming months

By Mark E. Johnson

When Joe Biden was sworn in as America's 46th President on January 20, an enormous series of changes were set into motion, as they usually do when power swaps parties in Washington. With every new presidential administration, repercussions are felt across America, from culture to industry and everywhere in between.

Agriculture is not immune to these inevitable impacts and is often one of the focus points of a new administration. There is plenty of potential for legislative change in 2021, especially due to the fact that both the Presidency and the Senate have changed hands politically. Also, outgoing Secretary of Agriculture Sonny Perdue was replaced with Biden-appointee Tom Vilsack, who served in the same position under President Barack Obama. Most of the leadership of both the House and Senate Agriculture Committees will be relatively new.

Then, COVID-19 must be factored in. The addition of this global pandemic to the uncertainties of new political leadership has not only increased the potential for noticeable change, it has all but assured it. Here are five areas where many industry experts predict movement in the agriculture industry over the next 12 months.

1. Food chain adjustments

Expect to see multiple moves related to the pandemic. First, the Biden Administration will oversee the distribution of most or all of the \$13 billion in agricultural aid that was part of the latest coronavirus bill, according to Agriculture Undersecretary Bill Northey. As of press time, the timing and certainty of those payments were yet to be finalized. It is expected that farmers would receive payments of \$20 an acre, roughly \$5 billion in all, on crops that suffered at least a 5-percent price decline during a specified period, according to the \$900 billion coronavirus package signed into law during the first week of January by President Trump.

Livestock producers would be compensated for animals culled due to the pandemic. The package also created a \$400 million dairy donation program, aid to contract poultry growers, assistance for textile mills, and possibly ethanol refineries.

Chuck Conner, president and CEO of the National Council of Farmer Cooperatives, says incoming Secretary Vilsack and his new staff will likely "have their hands full" with COVID-related issues.

"I think they will be dealing with the impacts that the pandemic has had on the food and agriculture value chain, and how to make that chain more resilient in the future," Conner says.

Tennessee Farm Bureau Federation (TFBF) Director of Public Policy Stefan Maupin says the pandemic has largely changed the venue in which people eat their meals — from the restaurant to the home — and the ag industry is "scrambling to adjust."

(See Landscape, page 6)

Landscape

(continued from page 5)

“While our food supply system as a whole ended up handling that situation really well, we have to remember that almost 50 percent of the meals people ate were provided through the food service industry before COVID-19 hit,” Maupin points out. “The other 50 percent came through the grocery sector. So on a farm level, we’ve been set up for that 50-50 ratio. In the upcoming year — and years — the ag community will have to make the necessary adjustments. For example, if I’m a vegetable producer, and prior to the pandemic, my products went to a company that provided 100 percent of their inventory to the food service industry, to whom am I providing my products now? These are kind of the ‘big picture’ questions we have to address related to the pandemic.”

2. New focus on broadband access.

Many agree that the COVID pandemic exposed a need for greater broadband internet access within rural America. TFBF Executive Vice President, Rhedona Rose says the pandemic has “further highlighted the disadvantage of some of our rural areas, especially in the farming community.”

“This has been a priority of [TFBF] for some time,” Rose says. “Without broadband access, our farmers can’t fully utilize much of the new technology available in agricultural equipment. I think COVID-19 has brought renewed focus to this.”

3. Greater adoption of precision ag and climate change technologies.

It is clear that climate change and CO₂/greenhouse gas emissions will be an area of focus for the incoming administration. Although the Environmental Protection Agency reports that agriculture accounts for less than 10 percent of greenhouse gas emissions in America, the industry will nonetheless see additional requirements related to climate change.

“I think farmers should expect a paradigm shift in agriculture as it relates to climate change,” says Maupin. “There is no question that the new administration will focus on climate change mitigation policies throughout the federal government, one of those areas being agriculture. However, within the farming community, the private sector is also pushing agriculture to take on practices that mitigate CO₂ emissions.”

Precision agriculture is an obvious area of focus. Loosely defined as the application



The COVID-19 crisis put a spotlight on the need for greater broadband access for rural areas. Improvements are needed to allow farmers to take full advantage of new technology common to modern agricultural equipment.

of soil nutrients, herbicides, and insecticides in variable rates using technology-based systems, precision ag is nothing new to today’s farmer. Although this practice has been conserving resources and increasing yields for more than a decade, expect to see more of it in 2021. Many experts predict that the new administration is likely to push for more incentives for the farming community to adopt precision ag practices.

Keith Harrison, Assistant Commissioner for Business Development at the Tennessee Department of Agriculture, says the push toward precision agriculture “only makes sense.”

“There’s no question that precision ag is going to have a huge role in the future,” says Harrison, who also operates a beef cattle farm in Watertown. “It keeps us from having to use as much fertilizer, herbicides, insecticides, and other inputs. It makes sense for the commodity we’re producing and is a win-win for everyone.”

Conner adds that federal programs are not only focusing on precision ag, but also other areas of agricultural production that may bring about positive change as far as climate change is concerned.

“The NCFC is one of the four founding co-chairs — along with the American

Farm Bureau Federation, the National Farmers Union, and the Environmental Defense Fund — of the newly-formed Food and Agriculture Climate Alliance,” Conner explains. “We came together in early 2020, well before we had any inkling of how November’s election might turn out, to look at a simple question: Is there common ground that the groups could find to help guide the ag community towards a set of science-based recommendations that could be part of any climate legislation Congress might consider? We did find that common ground and spent much of 2020 working on a set of recommendations for Congress.”

Conner stresses that the recommendations had one overarching goal — to do no harm.

“Any policies put forth to address climate change must be thoughtfully crafted and informed by the broader potential consequences and tradeoffs,” he says. “I think that farmers have tremendous potential to benefit from incentives linked to CO₂ emissions, but to make sure that happens, policy makers need guidance from those of us in the ag community. We are already engaging with the new Congress to brief them on our recommendations.”

4. Push toward traceability in agricultural products

The push toward local, traceable foods — especially in the younger, urban marketplace — will continue in 2021, but according to Conner, expect to see that trend expand in a significant way.

“I think that data and traceability will become important through even more of the supply chain and across agriculture,” Conner predicts. “Where in the past, this has been something that mainly impacted specialty crops and livestock, expect to see traceability move into traditional row crops.”

At least part of the trend toward traceability is a direct result of COVID-19, as the pandemic exposed inefficiencies in global commodity trading, among other things. According to the Global Food Safety Initiative, food retailers across the world are demanding certifications of suppliers to ensure food safety for every stakeholder in the value chain. Thus, the spread of the COVID-19 pandemic has led to the increasing use of blockchain — a digital method of recording information that makes it impossible to “cheat the system” — in the food sector for traceability and transparency.

Harrison points out that this isn't bad news for farmers who are exploring new ways to market their products.

“I see [the trend toward traceability] as being a very positive thing for those farmers who want to take the step towards direct marketing to consumers,” Harrison says. “The pandemic has brought about a renewed interest in knowing where your food comes from and in supporting local farmers, and I see that continuing.”

5. Multi-lateral trade negotiations

Regardless of political opinion, global trade negotiations were a focus of the Trump Administration, and indications are that they will be for the incoming administration as well. How agriculture will be affected by upcoming trade remains to be seen.

“Trade is huge in the world of agriculture,” says TFBF's Rose. “Some 25 to 30 percent of our farming income comes from trade, and in some areas of Tennessee, it's up to 80 to 90 percent. Global trade is a top priority for the farm community regardless of what commodity or organization you are talking about because pretty much everyone realizes that our growth potential is within these trade areas. We have to make sure we are competitive and have access to markets in other areas and countries.”

Kevin Hensley, TFBF Assistant Director of Public Policy says he expects the Biden Administration to continue to enforce the “Phase One” trade deal that was signed by President Trump and China's Vice Premier Liu He on Jan. 15, 2020. The deal, Hensley explains, covers intellectual property, technology transfer, financial services, expanding trade, and dispute resolution. The agreement also requires China to purchase at least \$40 billion in U.S. agricultural and related products from 2020 to 2022. Hensley also sees a continuation of the U.S.-Mexico-Canada Agreement that was entered into on July 1, 2020.

“The big change between the two administrations will be in the U.S. approach to our allies, specifically in Europe,” Hensley

says. “Expect Biden to have a softer approach when it comes to tariffs on European goods. I'd also expect to see the Biden Administration to be much more willing to enter into multi-lateral trade agreements with multiple countries.”

Rose adds that she expects the Biden Administration to consider reassembling the Trans-Pacific Partnership, a 2016 trade agreement between 12 countries that could not be ratified after the U.S. pulled out in 2017.

“We're hearing that the new administration would like to be part of that,” Rose says. “I don't think you'll see the ag community getting in the way because it would potentially open up several new markets.”

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