

**INFORME RELEVANTE EN MEDIOS DEL SECTOR EN EE.UU.**

**13 de mayo de 2019**

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## Notes on Agriculture:

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### Politico Agriculture

May 13, 2019

— **U.S. and Chinese negotiators could meet in Beijing for the next round of trade talks** ahead of a potential meeting between President Donald Trump and Chinese President Xi Jinping, according to White House National Economic Council Director Larry Kudlow.

— **The Trump administration is again pledging to help farmers hurt by tariffs** with additional financial aid if necessary. But the proposed plan could ultimately sow more damage in international markets already roiled by years of trade conflict.

— An influential **House Democrat** is warning the Trump administration not to try to rush its **new North American** trade pact through Congress.

— The **Senate Agriculture Committee** on Tuesday will take up three nominations for **USDA undersecretary and assistant secretary** roles that have been stalled since the last Congress: Mindy Brashears for food safety undersecretary; Naomi Earp for civil rights assistant secretary; and Scott Hutchins for research, education and economics undersecretary.

— The House on Friday passed its revamped **disaster aid measure**, but there's still no final agreement between Democrats and the White House over funds for Puerto Rico, as some Republicans from disaster-struck states are starting to break with Trump.

— **A crop-eating pest is projected to spread across most of China's agricultural regions** over the next year, according to a recent USDA report. The Fall Armyworm invasion could affect the country's production of corn, rice, soybeans, wheat, sorghum and other cash crops. S&P Global Platts has more.

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## **TRUMP'S TRICKY TARIFF-RELIEF IDEAS FOR AG**

Politico

May 13, 2019

After ratcheting up tariffs on \$200 billion in Chinese goods on Friday, President Donald Trump and his administration are trying to assure farmers and ranchers they will get help when Beijing retaliates. Agriculture Secretary Sonny Perdue tweeted that USDA would "work on a plan quickly," promising the president "loves his farmers and will not let them down!"

What's in the works? The president indicated his administration might buy up more U.S. farm goods — potentially \$15 billion — and ship the commodities to needy countries. But that idea could take months to implement, offer little relief for farmers and sow even more chaos in world markets, writes Pro Trade's Adam Behsudi.

It's unlikely food aid programs could absorb enough commodities to meaningfully reduce the swollen stockpiles and thus raise crop prices to help farmers, said former USDA chief economist Joe Glauber, now a senior research fellow at the International Food Policy Research Institute.

Big picture: As tension with China rises and the new North American trade pact faces major opposition in Congress, Trump's overall trade agenda is on the verge of imploding. The president is hurtling toward his 2020 reelection bid with little to show for his trade promises other than frustrated farmers and a turbulent stock market.

## **USDA: Dwindling Chinese hog population means decreased soybean demand**

Inside US Trade

May 13, 2019

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An outbreak of African Swine Fever that is decimating China's hog and sow population is lowering demand for soybean feed, the Agriculture Department says, projecting a substantial decrease in Chinese purchases of one of the commodities being hit hardest by U.S.-China trade disputes.

Agricultural purchases, including U.S. soybeans, are expected to be part of a U.S.-China deal if the two sides can reach an agreement. But the outbreak across China bringing the viability of increased Chinese purchases into doubt.

"With declines in China's imports and crush for 2018/19 and little recovery in demand expected in the coming year, there will be limited opportunity for U.S. producers to see any appreciable draw-down in soybean stocks," states a USDA World Markets and Trade report published on May 10.

USDA had projected that U.S.-China trade tensions would reduce China's soybean meal in feed rations by 3 million tons for the 2017/18 market year. But the ASF outbreak is expected to have a much more profound impact than those tensions did, according to USDA projections.

"Based on USDA's import forecast for China from May 2018, and trend forecasts using earlier USDA baseline forecasts as a guide, the global soybean market faces a potential 42 million ton accumulated decline in China's import demand through the 2019/20 year. The loss for 2018/19 is projected to reach 17 million tons with 2019/20 losses totaling 22 million tons," the report said.

ASF was first reported in China in August 2018, one month after the U.S. tariffs took effect. China's subsequent retaliatory tariffs led U.S. soybean exports to China to drop significantly. In 2016 and 2017, U.S. soybean exports to China peaked in December at more than 8,000 metric tons and more than 6,000 metric tons, respectively. However, China imported practically no U.S. soybeans from October 2018 to January 2019.

A May 3 USDA Global Agricultural Information Network report said the drop in China's feed demand was expected to continue into the 2020 market year.

The American Soybean Association has been among the most vocal industry groups calling for the removal of the Trump administration's Section 301 tariffs and China's retaliatory tariffs.

"Growers have been reeling for almost a year now after the President first imposed a 25 percent duty on \$50 billion worth of Chinese goods in July 2018, and later, a 10 percent

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duty on an additional \$200 billion worth of Chinese products, which resulted in the retaliatory tariffs on U.S. goods,” a May 10 ASA statement said. “These are having a compounding impact not only on agriculture but all industries across the United States.”

## **Joint Statement of Western Hemisphere Agriculture Leaders**

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USDA

May 12, 2019

Niigata, Japan, May 12, 2019 – Western Hemisphere agriculture leaders met today on the margins of the G-20 Agricultural Ministerial in Niigata, Japan, affirming their intent to work together to champion global food security and agricultural trade on the basis of sound science and risk analysis principles. Following the meeting, top agricultural officials from Argentina, Brazil, Canada, Mexico, and the United States issued the following statement.

“Together, we stand to work in partnership, and jointly with additional countries, to support regulatory approaches that are risk- and science-based, predictable, consistent, and transparent. Our five nations recognize that innovations in the agriculture sector contribute to improved productivity, including by smallholder and young farmers, and rural women, in a safe and sustainable manner, and to our countries’ ability to meet the ever-growing global demand for food. With the world’s population projected to reach 9.8 billion by 2050, science and innovation will play a key role in enabling agriculture producers to safely feed everyone.

“As Western Hemisphere agricultural leaders, we affirm our intent to work together to champion global agricultural trade based on sound science and risk analysis principles. We also affirm our intent to allow farmers and ranchers access to the tools needed to: increase productivity; reduce food loss and waste; protect soil, water and biodiversity; and produce safe, nutritious, affordable food products year-round, to the benefit of the world population.”

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Participating in the meeting were: Argentine Secretary of Agroindustry Luis Miguel Etchevehere; Brazilian Minister of Agriculture, Livestock, and Food Supply Tereza Cristina Dias; Canadian Minister of Agriculture and Agri-Food Marie-Claude Bibeau; Mexican Secretary of Agriculture and Rural Development Victor Villalobos; and U.S. Secretary of Agriculture Sonny Perdue.

## **China is raising tariffs on \$60 billion of US goods starting June 1**

CNBC

May 13, 2019

- China will raise tariffs on \$60 billion in U.S. goods in retaliation for the Trump administration's latest decision to increase duties on Chinese products.
- U.S. stock futures signaled a sharp drop on Monday as the trade conflict between the world's two largest economies escalates.

China will raise tariffs on \$60 billion in U.S. goods in retaliation for the U.S. decision to hike duties on Chinese goods.

Beijing will increase tariffs on more than 5,000 products to as high as 25%, the Chinese Finance Ministry said Monday. Duties on some other goods will increase to 20%. Those rates will rise from either 10% or 5% previously.

The move follows President Donald Trump's decision to raise duties on \$200 billion in Chinese products to 25% from 10%. The world's two largest economies have struggled to ink a trade deal and end a widening trade conflict that threatens to damage the global economy.

The latest shot in the trade war rattled investors. U.S. stock futures signaled a sharp drop Monday morning amid the escalation.

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The duties in large part target the U.S. agriculture industry, which has suffered from previous shots in the Trump administration's trade war with China. The thousands of products include peanuts, sugar, wheat, chicken and turkey.

Neither the White House nor the Treasury Department immediately responded to CNBC's requests to comment on the tariff increase.

In increasing tariffs on Friday, the White House said China withdrew from major elements of a developing trade agreement. While Treasury Secretary Steven Mnuchin and U.S. Trade Representative Robert Lighthizer met with Chinese negotiators last week in talks Mnuchin called "constructive," the sides could not strike a deal and have no more talks planned currently.

The U.S. may not be done retaliating. Trump has also threatened to put 25% tariffs on \$325 billion in Chinese goods. The president has signaled he is content leaving the duties in place, arguing they will damage China more than the U.S.

The president has repeatedly claimed China bears the brunt of the costs from the tariffs. But the burden falls largely on U.S. businesses and consumers.

Pressed Sunday during a Fox News interview about Americans paying the tariffs, Trump's top economic advisor Larry Kudlow responded, "Fair enough. In fact, both sides will pay."

Despite this, Trump claimed in a tweet Monday that "there is no reason for the U.S. Consumer to pay the Tariffs." He also said the tariffs "can be completely avoided if you by (sic) from a non-Tariffed Country, or you buy the product inside the USA (the best idea)."

## **U.S. agriculture secretary urges Japan to reach trade deal**

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Reuters

May 13, 2019

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TOKYO (Reuters) - U.S. Secretary of Agriculture Sonny Perdue urged Japan on Monday to move swiftly to clinch a trade deal with Washington on farm products and other goods, in a way that would treat his country fairly as “premier customer.”

“President (Donald) Trump is really looking forward to a deal sooner rather than later,” Perdue told reporters.

“He would welcome an agreement,” Perdue added when asked about a possibility of a trade deal when Trump meets Prime Minister Shinzo Abe in Japan later this month.

“We cannot continue to kick this trade can down the road forever,” he said, adding that it was time to get a goal.

However, Perdue also suggested that a quick deal might be difficult.

He said details of negotiations such as the degree and timing of a trade deal are being left to top negotiators of the both countries - U.S. Trade Representative Robert Lighthizer and Economy Minister Toshimitsu Motegi.

“We are very much aware of the elections of the upper body (of Japan’s parliament) coming up in July. We are respectful of that, but President Trump is expecting again Japan would treat us as their premier customer as we are.”

President Donald Trump, who hosted Abe at the White House last month, had said he hoped to clinch a final deal with Japan in time for his visit to Tokyo on May 25-28.

Trade talks are part of Trump’s efforts to make good on his calls for better agreements with its top trading partners - Japan, China and the European Union.

Perdue earlier this month said U.S. officials may seek a quick, narrow pact with Japan.

He spoke to reporters on Monday at a roundtable after he participated in a weekend meeting of G20 agriculture ministers.

The U.S. raised tariffs on \$200 billion of Chinese goods to 25 percent from 10 percent on Friday as it negotiated with China for a deal to fix what it sees as unfair trade imbalance.

U.S. farmers “were disappointed when the China talks fell apart,” Perdue added.



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## **Leading agriculture commodities oppose additional tariffs on Chinese goods**

Ohio Country Journal

May 13, 2019

On May 10 the U.S. Trade Representative moved forward with increasing the tariff rate from 10 to 25% on \$200 billion worth of Chinese goods. Farmers across the country are extremely concerned by the actions taken by President Trump and his Administration. The National Association of Wheat Growers, the American Soybean Association, and the National Corn Growers Association were expecting a deal by March 1 before farmers went back into the fields but today saw an escalation of the trade war instead. The three commodities represent around 171 million of acres of farmland in the United States.

“U.S. wheat growers are facing tough times right now, and these additional tariffs will continue to put a strain on our export markets and threaten many decades worth of market development,” said Ben Scholz, NAWG president. “Further, members from both sides of the aisle and Chambers have reservations about the Section 232 tariffs in the U.S.-Mexico-Canada Agreement. [This] announcement adds on another political barrier, which may hinder Congressional consideration of the Agreement.”

Growers have been reeling for almost a year now after the President first imposed a 25 percent duty on \$50 billion worth of Chinese goods in July 2018, and later, a 10 percent duty on an additional \$200 billion worth of Chinese products, which resulted in the retaliatory tariffs on U.S. goods.

“We have heard and believed the President when he says he supports farmers, but we’d like the President to hear us and believe what we are saying about the real-life consequences to our farms and families as this trade war drags on,” said Davie Stephens, ASA President. “Adding to current problems, it took us more than 40 years to develop the China soy market. For most of us in farming, that is two thirds of our lives. If we don’t get this trade deal sorted out and the tariffs rescinded soon, those of us who worked to build this market likely won’t see it recover in our lifetime.”

The tariffs are having a compounding impact not only on agriculture but all industries across the United States.

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“Corn farmers are watching commodity prices decline amid ongoing tariff threats, even while many can’t get to spring planting because of wet weather. Holding China accountable for objectionable behavior is an admirable goal, but the ripple effects are causing harm to farmers and rural communities,” said Lynn Chrisp, NCGA president. “Farmers have been patient and willing to let negotiations play out, but with each passing day, patience is wearing thin. Agriculture needs certainty, not more tariffs.”

## **Democratic presidential contenders make plays for rural votes**

Agri-Pulse

May 13, 2019

Many of you think it's planting season, but in the world of politics, it's presidential campaign season. That means you're going to start hearing a lot more about how President Donald Trump and a field of more than 20 Democrats plan to make life better for those of you who farm and live in rural America.

Some proposals will be more detailed than others. The most comprehensive plan to date comes from U.S. Sen. Bernie Sanders. Speaking in Osage, Iowa, recently, he outlined several proposals, including breaking up big agribusinesses and enacting a moratorium on mergers by large agriculture companies. He also called for scrapping current farm programs in favor of a word we haven't heard much about since the 1980s — parity. He wants to set price floors and limit the amount of crops and livestock products sold so farmers will be guaranteed the cost of production. It's a very comprehensive plan, including support for immigrants already in this country, more funding for rural broadband and a \$15 minimum wage.

Sanders, who lost the 2016 Democratic nomination to Hillary Clinton, enters the race with a lot of name recognition and a strong base but he's already polling behind former Vice President Joe Biden — a familiar and comfortable face to many moderate Democrats.

Unlike Sanders, Biden supported many of President Barack Obama's trade policies, like the Trans-Pacific Partnership. But he's not yet rolled out many specific 2020 rural policy positions. Here's one nugget from his campaign web site:

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"Climate change threatens communities across the country, from beachfront coastal towns to rural farms in the heartland. We must turbocharge our efforts to address climate change and ensure that every American has access to clean drinking water, clean air, and an environment free from pollutants."

Several candidates have records of pushing bills or taking votes directly dealing with agriculture policy or rural issues. For example, Sen. Cory Booker has introduced legislation opposed by animal ag groups but supported by the Humane Society Legislative Fund. In February, Booker, who is a vegan, told Vegnews.com, "the planet simply can't sustain billions of people consuming industrially produced animal agriculture because of its environmental impact." During the 113th Congress, Booker supported legislation prohibiting the slaughter and export of horses for meat consumption. He has also supported strengthening protections for federal lands and public wilderness areas.

Booker is also known in ag circles for his efforts on checkoff reform with Utah Republican Mike Lee. Their bill — which the National Cattlemen's Beef Association said was pushed by "militant vegans" — would ban checkoff groups from contracting with organizations that lobby on farm policy, but it has not become law.

South Bend, Ind., Mayor Pete Buttigieg is climbing in recent polls. He supports the concepts of the Green New Deal and the climate package introduced by New York Congresswoman Alexandria Ocasio-Cortez. Buttigieg told Fox News Sunday that the time to start curbing carbon emissions was "yesterday."

Former Housing and Urban Development Secretary in the Obama administration, Julian Castro, has been strategizing to win over rural Iowa Democrats and minorities living in smaller towns. He's traveled the state pushing his "People First" immigration policy, which focuses on a path to citizenship for undocumented workers, something the dairy sector in Northwest Iowa heavily relies on. He's also pushed to improve psychiatric care in rural hospitals to improve mental health.

Sen. Kirsten Gillibrand of New York, who serves on the Senate Agriculture Committee, has taken a hard-line stance on climate change, telling reporters in Iowa last month it is the "greatest threat to humanity." Most recently, Gillibrand blamed climate change for the recent flooding along the Missouri River. Gillibrand has touted the Green New Deal as a starting point to improve the climate but says more needs to be done.

Sen. Kamala Harris of California has a record supporting legislation to protect migrant agriculture workers. In 2017, she supported Sen. Dianne Feinstein's Agricultural Worker

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Program Act, which Feinstein reintroduced in January. The bill protects farmworkers' document status, while allowing them to work toward a path to citizenship. In February, Harris reintroduced the Fairness for Farmworkers Act, which would amend the Fair Labor Standards Act to grant overtime protections to workers who work more than 40 hours a week.

Harris pushed for increased trade promotion funding in the 2018 Farm Bill but joined a letter opposing House-passed environmental language during the conference process. She voted for the final bill.

Sen. Amy Klobuchar of Minnesota has a great deal of ag policy experience — from working with farmers in her state and serving on the Senate Agriculture Committee. She has agreed with other candidates on breaking up agriculture monopolies and has also stressed the importance of battling climate change. On trade, she would push for finalizing trade deals quickly because government payments are "not the same as selling things" for farmers. She says humanitarian issues also must be addressed when negotiating trade deals, which she claims Trump has neglected. Klobuchar recently visited a Nevada, Iowa, ethanol plant where she assured the ethanol industry she would continue to invest in the renewable fuels industry while also maintaining the Renewable Fuel Standard.

Former Texas congressman Beto O'Rourke has a limited record on farm policy, but campaign literature makes broad mentions of improving broadband, rural health care, and ag sector profitability. "Let's make sure farmers can make a profit while they grow the food and fiber that feeds and clothes not just this country but the world," his campaign site says.

O'Rourke voted against the House version of the 2018 Farm Bill, joining the rest of his party in opposition. His rationale for voting against the bill came down to cuts to SNAP, the

Supplemental Nutrition Assistance Program, and concerns for "deep cuts to conservation programs and renewables." However, he did support provisions in the bill to reauthorize programs supporting farmers facing low commodity prices, and he voted in support of the conference report in December.

Elizabeth Warren, a U.S. senator from Massachusetts, said she would hold major agricultural companies accountable by taking on consolidation. "I want an America that not just works for those at the top, but everyone," Warren said this spring at a Heartland Forum in Iowa.

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In a document detailing her ag policy priorities, Warren highlights consolidation, including potentially undoing mergers such as Bayer-Monsanto, something she says "should never have been approved."

Warren argued for passing "disaster relief to help anyone who's been hit by a natural disaster," which she said meant getting help to farm country. But she — and other Senate Democrats vying for the presidency — voted against disaster relief funding before Congress adjourned for a two-week April recess. Democrats want to see more financial assistance for Puerto Rico before they vote for disaster relief.

These are just a few of the more than 20 Democrats already in the race, with more expected to join the race. Whoever wins the nomination likely will be pitted against Trump, whose deregulatory policies and judicial appointments have been popular in farm country. But some of the same voters thrilled with things like Waters of the U.S. repeal also are growing increasingly weary of the president's trade policies, putting downward pressure on commodity prices.