



**INFORME RELEVANTE EN MEDIOS DEL SECTOR EN EE.UU.**  
**17 de marzo de 2022**

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## Notes on Agriculture

Politico

- Republicans and Democrats butted heads over USDA's role in steering climate policy, as House Ag GOP members doubled down on their opposition to making climate change a central focus of the 2023 farm bill.
- Vilsack touted a 40 percent increase in the use of dairy digesters, which capture and repurpose methane and other emissions, in prepared remarks at the Energy Futures Initiative. He also reiterated his support for bioenergy with carbon capture and storage strategies.
- USDA's National Institute of Food and Agriculture will spend \$13 million on research that explores therapies and prevention strategies for animal diseases.
- Even higher prices for butter, cheese and other milk goods could be ahead, as a sharp decline in dairy bull semen purchases shows producers are opting to raise fewer dairy cows in favor of more profitable beef.

## Agri-Pulse Daybreak

Agri-Pulse

[Senate Ag commissions fertilizer study update](#)

Fertilizer prices are continuing to soar and threatening to go higher, so the Senate Agriculture Committee has asked economists at Texas A&M University to update a study that detailed the sharp cost increases heading into this year.

The update will likely show fertilizers have risen 20% to 30% over the levels shown in the study released in January, A&M economist Joe Outlaw disclosed during a House Ag Committee hearing Wednesday.

Outlaw told Agri-Pulse he expects the update to be ready in a couple of weeks.

The original study said fertilizer costs, including import tariffs, rose an average of \$688 per ton from late 2020 through October of 2021.

**By the way:** Economists at the American Farm Bureau Federation have posted [a primer on the Ukraine war and the implications for global food and](#)



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[fertilizer supplies](#). Economist Veronica Nigh warns that many countries that import fertilizer from Russia are on its list of “unfriendly” nations, which could ultimately disrupt fertilizer trade and drive prices up even further.

[House chair appealing to Vilsack on Ukraine ‘humanitarian crisis’](#)

Some House Ag Republicans say [the committee’s focus Wednesday on how the next farm bill should address climate change](#) was ill-timed, given the situation in Ukraine and soaring fertilizer and fuel costs.

“How is this administration, how are we in Congress, addressing those high costs and inflationary pressures? What is the Biden administration doing?” asked Rep. Rodney Davis, R-Ill.

Rep. Austin Scott, R-Ga., called for a hearing “on the potential reduction in the global food supply and the impact of hunger and geopolitical stability around the world” because of the Russian invasion.

Ag Committee Chairman David Scott of Georgia said his colleagues’ comments were “well taken” and that he was preparing a letter to Ag Secretary Tom Vilsack “to bring some additional tools to help address this humanitarian crisis that is now taking place.”

He didn’t provide specifics, and his staff declined to elaborate on what the letter would address.

## **U.S. Egg Prices Rise as Deadly Bird Flu Strikes Ahead of Easter**

[Bloomberg](#)

Highly pathogenic avian influenza is back in the U.S., forcing farmers to cull flocks and pushing up egg prices at a time of rampant food inflation.

The deadly virus has been hitting poultry operations along the East Coast and Midwest, including top producer Iowa, where a farm was recently forced to cull nearly a million birds.

The lost production is starting to push up egg prices right before Easter, a time of peak demand, said Karyn Rispoli, an egg market reporter at commodity researcher Urner Barry. Buyers are stocking up to head off any looming supply disruptions. More expensive commodity egg prices could soon trickle down



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to grocery stores, adding to pain that consumers are already feeling with inflation rising at the fastest pace in four decades.

“While there’s no such thing as a ‘good’ time for bird flu, the timing of this one couldn’t be worse, with Easter only five weeks away,” she said.

According to Urner Barry, wholesale eggs jumped 10 cents to \$1.60 a dozen Wednesday, which is the biggest single-day gain since the onset of Covid-19. For comparison, the five-year average for this time of year is \$1.44. And prices will likely keep climbing in the coming weeks, according to John Brunnquell, chief executive officer of producer Egg Innovations.

“Bidding remains very strong among different egg companies, and so you’re going to see significantly higher” prices at grocery stores, he said.

During the last outbreak in 2015, egg prices touched records after 50 million laying hens across 15 states had to be culled at a cost of nearly \$1 billion to the federal government. This time around, Brunnquell said, egg producers have been doing an effective job of stopping the spread. But one concern is that wild birds are migrating, and they’re major vectors for the virus.

The emergence of bird flu is adding to a tight supply situation. Egg-laying chicken numbers were already on the decline, Stephens analyst Ben Bienvenu said in a phone interview.

“When you layer that on top of that what’s going on with avian influenza, and the precedent of 2015, the impact on the market could be material,” he said.

## **Climate change hearing focuses on what farmers need**

[Agri-Pulse](#)

More technical assistance and streamlined application processes for conservation programs would help farmers adopt practices to reduce greenhouse gases, lawmakers were told at a hearing on how the next farm bill should address climate change.

“It is about workforce,” former Sen. Heidi Heitkamp of North Dakota told the House Agriculture Committee on Thursday, recommending that the Natural



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Resources Conservation Service increase the use of partnerships with land-grant universities and other entities to get needed technical help to farmers.

“I’m urging you all not to reduce local staff,” Heitkamp said, adding, “Let’s build a pipeline from FFA — they’re our future leaders.”

Speaking of conservation practices that can sequester carbon and improve soil health, she added, “People will do it if they know how to do it.”

Heitkamp and others at the hearing also mentioned how programs such as the Environmental Quality Incentives Program and Conservation Stewardship Program cannot meet producer demand. EQIP, for example, can only fund about 25% of applicants.

The witnesses supported the Biden administration’s \$1 billion Partnerships for Climate-Smart Commodities, but some on the committee were critical. Ranking Republican Glenn “GT” Thompson questioned USDA’s authority to implement the program through the Commodity Credit Corp., and Texas A&M economist Joe Outlaw, while calling the program “a positive,” cautioned that “when you start developing climate-smart commodities, unless you have the ability for every area of the country to participate, then you can potentially have segmented markets.”

Chuck Conner, CEO of the National Council of Farmer Cooperatives, representing the Food and Agriculture Climate Alliance (FACA), and Heitkamp both forcefully defended the program, with Heitkamp characterized it as giving rural Americans an opportunity to develop local solutions.

Some Republicans on the committee said the hearing comes at the wrong time. Rep. Rodney Davis, R-Ill., said producers in his district are not talking about climate change today, but about sharply increasing fuel and fertilizer prices. Davis, who is facing what could be a bruising re-election campaign against fellow Republican Mary Miller, also said Biden has “abandoned American farmers in so many ways,” including the “waters of the U.S.” rewrite being considered by the Environmental Protection Agency and Army Corps of Engineers.

Conner pushed back on the criticism, acknowledging that “the coffee shop talk today is not climate change, it’s world events, it’s fertilizer prices, it’s a number of things that are literally ... in your face.”



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But he also said “we find great interest from our producers when we start talking about climate in the context of incentive-based, in the in the context of additional resources and revenues in your pocket.”

“Farmers need a better shake,” he said. “And we're doing this right now to try and give them that.”

USDA borrowed heavily from FACA's 2020 recommendations in developing the climate-smart partnerships program.

Outlaw urged caution on efforts to tie climate-smart practices to the price of crop insurance premiums, saying such an effort could create “regional winners and losers.” But Kristin Weeks Duncanson, a grower from Mapleton, Minn., who testified on behalf of AGree Economic and Environmental Risk Coalition, said crop insurance needs to be modernized by incentivizing climate-smart practices such as cover cropping and rotational grazing.

Shakera Raygoza, owner and operator of a small and diversified farming operation — Terra Preta Farm in Edinburg, Texas — said conservation program applications need to be shortened and simplified, and technical assistance needs to be available.

“Loans are designed for large commodity farmers who grow one or two crops,” she said, noting that she has had to convert production figures from her farm’s tiny spinach bed into “into yield per acre units.”

Raygoza also small farmers “would benefit from programs that will provide funding up front for conservation without placing the burden of financing onto the farmers who may not have access to credit.”

Glenda Humiston, vice president at the University of California Agriculture and Natural Resources in Davis, said the definitions of “rural” and “metropolitan” used to determine funding eligibility denies needed assistance to many rural counties, which are considered “metropolitan” if they have one population center over 50,000.

“We need to quit thinking about population” in making funding decisions, Humiston said, pointing also to the example of USDA Rural Development water and environmental programs that limit eligibility to rural communities of 10,000 people or fewer.



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Heitkamp spoke on behalf of the Bipartisan Policy Center; Raygoza for the National Young Farmers Coalition; and Outlaw for the Texas A&M Agricultural and Food Policy Center.

## **MICHIGAN POTASH PLANS TO BREAK GROUND IN COMING MONTHS ON A BILLION-DOLLAR PROCESSING PLANT**

[Brownfield Ag News](#)

A leading developer of the Michigan Potash & Salt Company says having a domestic fertilizer supply can't come soon enough as America's dependence on global suppliers remains in upheaval.

"We won't have to worry about the reliance so much from foreign entities."

VP of potash and market development Ward Forquer tells Brownfield the central Michigan mines were operated until the '80s when Mosaic closed them in favor of Canadian facilities that produced 10 times more product.

Forquer says today that supply is also under threat of rail strikes, which could make a tight fertilizer situation even worse.

"And if that happens, that too will make it even tougher to get the fertilizer we need for this upcoming spring season," he says.

Since 2000, the company has been undergoing the permitting process to restart operations and in the next 60 days, he expects construction to finally start on the 10 acre, \$1.1 billion-dollar processing facility.

Forquer says USDA's recent announcement to support American-made fertilizer along with new infrastructure funding should also help move the project along. It's expected to produce 650,000 tons of potash annually and be completed in about three years.

The U.S. imports over 90 percent of its potash consumption, mainly from Canada, Russia, and Belarus.

## **U.S. ag exports to Mexico surge**



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## The Packer

U.S. ag exports to Mexico busted all-time records in 2021, the USDA reports. "A recovery from 2020 pandemic lockdowns and high global commodity prices helped values, as well as quantity, increase in 2021," the USDA report said. For 2021, the USDA said U.S. agricultural exports to Mexico totaled \$25.5 billion, up from nearly 40% from \$18.3 billion in 2020.

U.S. imports of agricultural products from Mexico also rose \$37.9 billion in 2021, up 15% compared with 2020, USDA trade numbers said.

Export gains were led by grains, dairy products, meat, fresh fruit, processed vegetables and fruit, and condiment and sauces.

In 2021, the USDA said U.S. exports of fresh fruit rose 37% to \$748 million, up strongly from \$545 million in 2020. U.S. fresh vegetable exports to Mexico topped \$238 million in 2021, up 3% from \$231 million in 2020.

Record processed vegetable trade was driven by quantity and value increases in frozen potato products (\$261 million), which the USDA said reflected a reopening of the restaurant and hospitality sector after a challenging 2020.

Strong U.S. apple (\$349 million) exports led to growth in the fresh fruit sector. "Orange and tangerine exports (\$29 million), [were] driven by high demand for products containing vitamin C during the COVID-19 pandemic," the report said. It also found that U.S. cherry (\$16 million) exports to Mexico increased an impressive 235% from 2020.

Record growth in the organic category, according to the report, was fueled by both retail and restaurant demand for fresh organic fruit (apples, grapes, pears, peaches and others), as well as lettuce and spinach. Baby food and other organic processed products also saw significant growth.

"Higher-income consumers in Mexico are willing to pay a premium for USDA organic products with the hopes of attaining higher health and food safety benefits – a trend the pandemic has bolstered," the report said.

Star performers for U.S. ag exports to Mexico in 2021:

- Dairy products (\$1.8 billion);
- Pork and pork products: (\$1.7 billion);
- Fresh and processed fruits and vegetables (\$1.7 billion);



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- Processed Foods and Juices (\$1.7 billion);
- Poultry Meat and Products (excluding eggs) (\$1.3 billion);
- Eggs and Products (\$215 million);
- Organics (\$200 million);
- Beef for ground meat and processing (\$509 million);
- Corn (\$4.7 billion);
- Soybeans (\$2.7 billion); and
- Wheat (\$1.3 billion).

## **Mexico must enact reform to boost productivity, says World Bank**

[Reuters](#)

Mexico should enact a series of reforms to boost the country's low productivity, the World Bank said in a report released on Wednesday.

It said the need for change was "more important than ever" as the COVID-19 pandemic exacerbated long-standing structural challenges to productivity growth.

The financial institution, which seeks to fight poverty worldwide, said that Mexico lacks the capital to propel economic growth.

Central bank member Jonathan Heath similarly said in February the country lacked a "growth engine" and the private investment needed to up the country's gross domestic product (GDP). [read more](#)

The World Bank called for an end to market concentration in Mexico and said that while large firms control much of the country's economic power, they do not grow quickly enough or create enough jobs.

If the Latin American nation had followed the United States' recovery from the 2008 financial crisis, Mexico's productivity would be 9% higher, the report said.

In an accompanying event in Mexico on Wednesday, the country's Deputy Finance Minister Gabriel Yorio said that the hit to global value chains initially caused by the COVID-19 pandemic would likely be prolonged due to Russia's recent invasion of Ukraine.



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## **Contraband pork and poultry meat found stashed in minivan at Texas border, feds say**

[The Kansas City Star](#)

Border officers found 124 pounds of prohibited pork and poultry meat hidden in a minivan crossing into Texas, officials say. U.S. CUSTOMS AND BORDER PROTECTION

Prohibited pork and poultry meat — 124 pounds of it — were found stashed inside a minivan as the driver tried crossing the border into Texas, federal officials say.

The contraband meat was then seized by officers and agriculture specialists at the Laredo Port of Entry, according to a March 16 news release from U.S. Customs and Border Protection.

Pork and pork products are always banned from entering the U.S. through Mexico, officials say, and other meats are either prohibited or restricted. This is to ensure harmful pests or diseases don't make it into the country through food products.

Authorities say the driver in this case did not declare having any meats when arriving at the border. But when officers examined the van, they found 117 pounds of fresh pork and almost seven pounds of fresh poultry hidden in the van.

The driver was fined \$1,000 after “attempting to import and failing to declare the prohibited agriculture products,” according to the news release.

“This significant prohibited meat seizure exemplifies the importance of CBP’s agriculture mission in preventing the spread of potential animal diseases that could risk public safety and inflict harm on our nation’s agricultural economy,” said Laredo Port Director Alberto Flores in a statement.

## **CF Industries hikes U.S. fertilizer shipments as Russian exports cut, CEO says**



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### Seeking Alpha

CF Industries is increasing fertilizer shipments to both U.S. coasts from its nitrogen complex in Louisiana to help offset a decline in exports from Russia after it invaded Ukraine, CEO Tony Will told Reuters.

The CEO said CF Industries leased several vessels to transport more fertilizer, mostly liquid nitrogen, from the world's largest nitrogen complex.

"Historically a fair bit of Russian imports have come particularly to the east coast, and we're trying to make up for that lack of availability by moving our tons over there," Will said, adding that the company delayed maintenance work at one of its six plants in Louisiana until this year's H2 to avoid taking the facility offline.

CF has five U.S. nitrogen manufacturing complexes, and plants in Canada and the U.K., but Will said the company's ability to increase production is limited because it tries to operate plants at their maximum rate all year.

CF Industries' shares have shed nearly 10% since March 10, as fertilizer stocks pare strong gains made earlier as fertilizer prices surged to record highs.