It’s time to pass the U.S. Mexico Canada Agreement

- Illinois farmers are fatigued by the 2019 crop year and need a win to provide hope for 2020; they need timely action on the USMCA.
- Trade is critically important to American agriculture and we need to show other countries we can do business with them.
- Agricultural trade is successful because trade agreements reduce barriers to U.S. exports.
- Illinois shipped $485.4 million in corn to Mexico last year, representing 45% of all U.S. corn exports to Mexico.
- Mexico purchases 20% of all U.S. pork exports. Illinois’ share of U.S. pork exports is roughly 8.4% or about $110 million last year.
- Illinois exports of DDGs (Distillers’ Dried Grains with Solubles) to Mexico last year totaled $21.1 million.
- Illinois sold $32.4 million worth of soybean meal to Mexico last year.
- Illinois’ share of U.S. beef and beef products exports to Mexico – roughly 3.6% -- last year was $38 million.

China Trade Outlook

- Farmers understand it may take time to work through the trade concerns with China. The U.S. needs to continue to negotiate and ultimately reach an agreement.
- The farm economy was already entering its 5th straight year of decline when the Chinese tariffs were initiated in 2018.
- The U.S. exported $19.5 billion of agricultural products to China in 2017. As a result of retaliatory tariffs, agricultural exports were reduced to $9.1 billion in 2018 and had continued to decline, with a $1.3 billion drop - net 7.8 billion in the first half of 2019.
- We have a long way to go in recovering our Chinese market.

Additional trade agreements

- The U.S. Ag export market has fundamentally changed in the last 18 months. It will take many years to regain some export markets.
- The U.S. needs to aggressively pursue trade agreements with countries representing new markets for U.S. agriculture products.
Climate Change

Farmers deal continuously with weather variability, and we acknowledge there is climatic variability.

Farmers work tirelessly to improve their resiliency to weather and climatic events, through improving soil health, and their management of water and other precious resources. Farmers rely on healthy natural resources, and must be both profitable and environmentally responsible to make a living.

Solutions put forth to address climate change must be crafted using sound, peer-reviewed science, and we believe that voluntary, market based approaches will provide the best way forward for agriculture. In the last climate change policy debate – about 10 years ago – nearly every proposed legislative solution was designed to increase energy costs, which would have substantially increased a farmer’s cost of production, with no guarantee of a return.

Data from the Environmental Protection Agency reveals that in 2017, agriculture represented only 9% of all U.S. greenhouse gas emissions – far less than the 57% of emissions generated by motor vehicles and electric power generation.

In 2017, no-till conservation was the most common soil practice. This is a method of growing crops or pasture without disrupting the soil, thereby reducing soil erosion and increasing organic matter in the soil.

Farmers also planted 50% more cover crops in 2017 than they did five years earlier. Cover crops help to conserve soil, nutrients and water in the ground.

More than 15% of all farmland in the U.S. receives federal support to implement conservation or wildlife preservation practices – that’s more than the land area of California and New York combined.

Agriculture will continue to play an important role in helping the world adapt to and mitigate climate change, but U.S. farmers and ranchers can’t do it alone: partners are needed to help balance economic sustainability with environmental sustainability.

Currently, much of the cost of sustainability related efforts falls on farmers; the rest of the supply chain bears little of the financial load. With commodity prices at multi-year lows, farmers cannot afford to adopt many new climate-adaptive technologies without consumers and food companies stepping up to the plate as partners and problem-solvers.
Agenda to Grow Illinois Agriculture

- Lead the nation in the move for year-round E15 and develop new strategies to grow biofuel usage.

- Be proactive in promoting the growth of the livestock industry in Illinois. Maintaining the Livestock Management Facilities Act is vital. The LMFA provides Illinois with a regulatory framework that protects citizens and livestock farmers.

- We need to balance the need for greater broadband access in rural areas with protecting private property rights, a fundamental Farm Bureau principle.

- Illinois must have a strong business climate. If we want businesses to invest in Illinois, we must get our fiscal house in order, pay our bills on time and reduce our debt.

- It is time for our state to live within our means and meaningfully address major expenses such as pension reform.

- The progressive income tax ballot initiative in November 2020 must be defeated.
  - Two years ago, the General Assembly increased personal income and corporate income taxes by 32% and 33% respectively. Increasing taxes again...by passing the progressive income tax ballot initiative next November is not the answer.
  - The tax levels in the proposed ballot initiative do not generate the revenue needed to address our debt. But it does open the door for adjusting graduated tax levels to pull in more taxpayers.
  - If the progressive tax ballot initiative passes...you can anticipate it is only a matter of time before the General Assembly will raise rates on more taxpayers.

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