



ASAAP Update



January 2015

Dear ASA Action Partnership (ASAAP) Industry Members and Stakeholders:

Happy New Year and welcome to the first ASAAP report of 2015! Since we last met in Asheville in September 2014, ASA farmer-leaders and State Affiliates have been hard at work both in the fields for harvest and in Washington. As always, our volunteer leaders of ASA appreciate greatly the support and input they receive from our key industry partners. Without it, we cannot do the work we do. Here is a look at the progress ASA has made in the past several months with the help and guidance of the ASAAP members:

WATER QUALITY

ASA to EPA: Withdraw WOTUS Rule - ASA requested in formal comments to EPA that the agency withdraw its controversial proposed definition of Waters of the United States (WOTUS) under the Clean Water Act. ASA pointed out key problems with the ruling, based on four major inconsistencies, including the incorrect application of the “nexus” test, significant confusion around the issue of tile drainage, questions regarding jurisdiction over prior converted cropland and discrepancies concerning the amount by which the EPA’s jurisdiction would actually expand under the new definition. ASA Directors and staff, as well as state staff also met with and provided EPA with ASA’s specific suggestions to improve WOTUS.

TRANSPORTATION

ASA Urges USACE to Implement WRRDA – ASA submitted comments to the U.S. Army Corps of Engineers on implementation of the Water Resources Reform & Development Act (WRRDA), emphasizing soybean producers depend on the waterways, especially the Upper Mississippi River System, to move products to market efficiently and while the passage of WRRDA is a step in the right direction, now the USACE must continue the progress and implement the law as intended by Congress. The top priority for ASA is funding and implementation of the Navigation and Ecosystem Sustainability Program (NESP), an unprecedented, dual-purpose program that integrates lock capacity expansion, modernization and ecosystem restoration efforts to improve the river’s ecological health.

USACE Implements ‘Queue Management’ to Keep Harvest Moving – Following a letter from ASA and the Soy Transportation Coalition (STC) to the U.S. Army Corps of Engineers (USACE) expressing our concerns with their decision to close a portion of the Mississippi River at a critical time for the soybean

supply chain, the USACE implemented a “queue management” system to clear the queue of waiting barges and tows every evening before resuming work in the morning.

ASA Director Presses for Better Rail Service at STB Hearing - ASA Director Lance Peterson joined other concerned growers at a public hearing before the Surface Transportation Board (STB) in Fargo, N.D., to testify on rail service issues and the negative impacts on soybean growers.

BIODIESEL

ASA, NBB Discuss RFS Delay, Volumes with White House - ASA and the National Biodiesel Board (NBB) met with the White House Office of Management and Budget (OMB) and other Administration officials to underscore the importance of stronger biodiesel volumes under the 2014 Renewable Fuel Standard (RFS). ASA continued to highlight soybean farmer concerns with continued delays that create great uncertainty for the farmers and limits the industry’s ability to invest and expand. ASA believes that EPA can and should finalize a 2014 rule that sets the biomass-based diesel volumes at or above the nearly 1.8 billion gallons that were produced and consumed in the U.S. in 2013. EPA noted that it would take action in 2015 prior to or combined with the rulemaking for the 2015 RVO standards.

TRADE

ASA Urges TPA Action Before End of Year - ASA and the Trade Benefits America (TBA) Coalition sent a letter this week urging passage of the bipartisan Trade Promotion Authority (TPA) legislation this year. The letter, addressed to congressional leadership, stated action on TPA is needed to help ensure high-standard outcomes in the Trans-Pacific Partnership (TPP) negotiations, which the United States and 11 other Asia-Pacific countries are striving to complete. The groups said it is vital for the United States to implement high-standard trade agreements as soon as possible to help expand U.S. commerce with other countries.

ASA Joins Coalition to End Embargo with Cuba - Prominent members of the U.S. food and agriculture community, including ASA, agreed to officially form a national coalition to address liberalizing trade between the United States and Cuba. The members of the coalition believe it is time to end the embargo and allow open trade and investment to happen. Under current sanctions, U.S. food and agriculture companies can legally export to Cuba under provisions providing for humanitarian exemptions. However, financing restrictions limit the ability of the U.S. industry to competitively serve the market.

ASA Urges Elimination of Argentina DETS - ASA, the National Oilseed Processors Association (NOPA) and the North American Export Grain Association (NAEGA) submitted comments to the United States Trade Representative (USTR) identifying significant barriers to U.S. exports, particularly on the trade distorting impact of Argentine Differential Export Taxes (DETs) and the artificial advantage they provide to soybean products exported from that country. This creates economic incentive for processing the beans in Argentina and exporting the value-added products rather than the raw beans; therefore DETs have distorted the competitive balance among soybean processors globally and have enabled Argentina to become the world’s largest exporter of soybean meal and oil.

BIOTECHNOLOGY

ASA Opposes Maui, Kauai GMO Bans - ASA urged the rejection of the proposed Kauai County, Hawaii ordinance that would place a ban on the use and production of biotech products and restrict use of pesticides. ASA stated Hawaii is a critical research market for seed and technology providers and the law would slow the development of higher-yielding, pest-resistant and more nutritious crops. A federal judge declared the ordinance invalid. ASA also joined Citizens Against Maui County Farming Ban, a committee opposing a proposed ballot initiative that would criminalize farming genetically engineered crops in Maui, Molokai and Lanai, leading to the shutdown of many farms that have operated in Maui County for decades, without any scientific justification.

ASA Balks at CFS Study on Soy Infant Formula - Following the release of a study from the Center for Food Safety reported in the Statesman Journal in Salem, Ore., ASA released a statement on the safety of soy-based infant formula, and the tactics used by the activist special interest group CFS in the fight over GMO labeling in Oregon. “There is a mountain of peer-reviewed science backing the safety of food with genetically modified ingredients,” wrote ASA in its response. “Nearly two decades and trillions of meals have been served globally since the advent of this technology without a single adverse health impact...It is irresponsible for special interest groups to suggest safety concerns, directly or by innuendo, about products containing GM soy ingredients.” The Oregon measure appears headed for defeat with a recount pending.

ASA Presses EU on Biotech Approvals - ASA joined other agriculture groups and members of the U.S. Biotech Crops Alliance (USBCA) in a letter urging the EU Commission to complete import authorization of eight new biotech events, including four soybean products, which have already received positive safety assessments from the European Food Safety Authority (EFSA). The time required for EU decisions on new biotech crops has only lengthened in recent years and no authorizations have been issued since November 2013.

ASA Urges President Obama to Make Market Access a Priority - As part of the ongoing effort by ASA and the U.S. Biotech Crops Alliance to elevate the importance of market access for agriculture in China, ASA and other producer groups have joined together in outreach to the Obama Administration to raise the issue of biotechnology approvals in China. In meetings with key officials of the Administration, ASA stressed the importance of high level and broad U.S. Government engagement with China on these issues, and requested the issue be addressed during the President’s agenda in his fall meetings with Chinese President Xi Jinping. China is a key export market for U.S. farmers and this trade is put at risk by China’s restrictive regulatory approval procedures for biotechnology products.

POLLINATOR HEALTH

ASA Meets with EPA on Neonicotinoids -In comments filed with EPA, ASA reiterated its support for pollinator health and the benefits of neonicotinoid seed treatments to soybean farmers. ASA stated that soybean farmers pledge to help promote new honey bee health programs to grower members—but have serious concerns about the focus on eliminating crop protection products as the remedy to rebuilding honey bee populations. ASA also joined a coalition of agricultural stakeholders in meeting with senior EPA officials to discuss pollinator health issues. EPA officials encouraged the group to find ways to work with beekeeping organizations and reminded the group to stay focused on the “end game” of increasing pollinator populations. ASA will continue to engage with both EPA and USDA on pollinator issues, focusing on both the science surrounding crop protection products as well as ways to improve forage.

TAX ISSUES

ASA Pressures Congress on Tax Extenders – Throughout the lame duck session of Congress, ASA has urged farmers to contact their senators and representatives to express our industry's support for enactment of a tax extenders package during the lame duck session that includes extension of the \$1 per gallon biodiesel tax credit, restoring the maximum amount of expensing under Section 179 to \$500,000 as it was previously set in 2013, and reinstatement of the expired 50 percent bonus depreciation for the purchase of new capital assets, including agricultural equipment.

TECHNOLOGY

ASA an Integral Partner in Data Principles Agreement - ASA joined with fellow farm groups and partners in the precision agriculture technology industry in unveiling "Privacy and Security Principles for Farm Data," an agreement on data privacy and security principles that will encourage the use and development of a full range of innovative, technology-driven tools and services to boost the productivity, efficiency and profitability of American agriculture.

CLIMATE CHANGE

ASA Joins New Climate Initiative - ASA joined a number of agriculture groups at the UN Climate Summit, signing on to play a leadership role in a new, three-year North American initiative that will give farmers the opportunity to work with industry, academic, government and NGO partners to develop needed improvements to production resiliency and mitigate the risks of changing climate conditions.

MEMBERSHIP & GRASSROOTS ADVOCACY

As always, ASA's ability to accomplish the many things we do is dependent on a strong voluntary membership and the contributions from our ASA Action Partners in the form of sponsorships and programs for our members. We thank you very much for the good input, discussions and financial commitments from our industry and QSSB/USB partners.

Membership Engagement- Membership is the heartbeat of ASA, enabling us to be successful in our ongoing legislative and regulatory work. At the end of FY 2014 ASA membership was at 21, 725 active members. ASA featured several new programs this year provide opportunities for members to engage and learn new skills and information. ASA partnered with eLegacy Connect to host a series of Succession Planning workshops for farmers that began over the summer and wrapped up this week. The workshops provided farmers with valuable information and advice on how to protect their legacy and successfully transition their farm to the next generation. The new program was sponsored by AGCO and FarmCredit, with additional support from several state soybean associations. Through a special membership support program sponsored by FMC, ASA was also able to provide sponsorship for membership engagement events to several state associations this past year. The most recent event supported was the Ohio Grain Farmers Symposium on Dec. 18. FMC representative Scott Fries and ASA Vice President Bret Davis spoke at this event and encouraged farmers to join ASA.

Big Data- This past fall, ASA joined with the American Farm Bureau Federation (AFBF) and a coalition of many other leading agricultural organizations and companies in finalizing a document on Privacy & Security Principles for Farm Data, and press release was issued in November during the NAFB

Convention in Kansas City. ASA is currently in discussions with all of the organizations involved with developing this document to determine a plan for providing more education to farmers on this topic in the future. Two upcoming events where the new data principles will be discussed are at the second Big Data Workshop on Feb. 16, in Columbus, Ohio, and a What's New Session at Commodity Classic. The PrecisionAg Institute partners with ASA in bringing this Big Data Workshop to the agriculture industry. This event is expected to attract hundreds of farmers, industry suppliers, ag retailers, government agency officials and consultants.

Leadership Development-Earlier this month, ASA completed the 15th annual Soybean Leadership College, providing opportunities for future and current soybean industry grower-leaders and state staff to learn how to engage soybean producers, consumers, legislators, government officials and media, to more effectively tell the story of agriculture. Approximately 130 farmers, college students and state soybean leaders attended panel discussions on water quality and rail transportation and attended communications and leadership sessions to hone their skills. ASA continues to train grower leaders to be better advocates for the industry through State Board Training. In December, the Michigan Soybean Board participated in a communications workshop designed to enhance their skills and techniques necessary to deliver a powerful media interview.

ASA represents all U.S. soybean farmers on domestic and international issues of importance to the soybean industry. ASA's advocacy, educational and leadership development efforts are made possible through the voluntary membership in ASA in states where soybeans are grown.