



November 2019 Newsletter

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MGFA Engages with the Board of Animal Health & MN Pork Producers Over African Swine Fever Discussion

Last week, members of the MGFA Feed Committee and Board of Directors spoke with representatives from the MN Board of Animal Health's (BAH) Emergency Disease Management Committee (EDMC), State Vet Dr. Beth Thompson & the MN Pork Producers, about how feed mills may be affected in the event of an emergency response to a foreign animal disease outbreak like African Swine Fever.

The discussion covered several topics concerning premises ID registration; enhanced bio-security measures of feed mills/feed deliveries; setting up a toll mill for a designated control area; a feed mill's ability to track delivery truck movement; and general outreach and education.

The EDMC expressed their desire to utilize the feed mill industry's expertise to help refine a BAH foreign animal disease (FAD) response plan. They have also been having discussions with other allied agricultural industries (renderers, transportation/livestock haulers, etc.) over the last few months.

Since ASF is of primary concern when talking about foreign animal diseases, the MGFA plans to work with the BAH to communicate educational information to our feed mill members about what we can do in the

event ASF arrives in Minnesota & the U.S. If members have any input or concerns, please contact Laura at the MGFA office or at laura@mgfa.org.

China and U.S. Moving Closer to Trade Deal, but No Agreement on Tariff Rollbacks

BEIJING/WASHINGTON (Reuters) - China and the United States are “moving closer to agreeing” on a “phase one” trade deal, the Global Times, a tabloid run by the ruling Communist Party’s official People’s Daily, reported on Sunday.

But the report noted that Washington and Beijing had not agreed on specifics or size of rollbacks of tariffs on Chinese goods. Beijing's insistence that Washington roll back the Trump administration's tariffs [here](#) has been a major sticking point.

U.S. president Donald Trump said Nov. 8 he had not yet agreed to roll back tariffs. He is expected to have the last word in the United States on terms of any “phase one” deal.

Beijing and Washington are “very close” to a phase one deal, the Global Times said on its Twitter feed [here](#) citing experts close to the Chinese government. Beijing “remains committed to continuing talks for a phase two and even a phase three deal” the Tweet said. That information was not included in a report on the Global Times’ website, which was much more cautious about the future of a deal.

“The two sides have basically reached broad consensus for the phase one agreement,” Gao Lingyun, an expert at the Chinese Academy of Social Sciences in Beijing who is close to the trade talks, told the Global Times.

Last week, the Chinese government invited United States Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin to Beijing for face-to-face talks, the Wall Street Journal reported. Neither the USTR nor Treasury responded to a request for comment.

Completion of a phase one deal had been expected in November, but trade experts and people close to the White House said last week it could slide into the new year, as Beijing presses for more extensive tariff rollbacks and Washington counters with its own demands.

Washington and Beijing officials, lawmakers and trade experts say the ambitious “phase two” trade deal looks less likely.

Chinese foreign ministry spokesman Geng Shuang declined to comment specifically on the Global Times report during a daily press briefing but reiterated that Beijing would like Washington to work to resolve the outstanding issues.

The outlook was further complicated last week when the U.S. Congress approved legislation to back protesters in Hong Kong, although Sunday’s completion without major disruptions of district council elections in the Chinese-controlled territory could help.

On Saturday, U.S. National Security Adviser Robert O’Brien said an initial trade deal with China was still possible by the end of the year. He said it would be “a good sign” if the Hong Kong elections took place without violence.

Source: Reuters

Sustaining Sponsor Spotlight – VAA, LLC

Now known as VAA, LLC, the company's roots were established in August 1978 as Van Sickle Allen & Associates, Inc. by founders, Dick Van Sickle and Chuck Allen. After working for a construction company, the two decided to open their own firm in downtown Minneapolis. Dick and Chuck also owned 50% of Grain Facility Design (GFD) – a sister company specializing in planning and mergers for grain and feed facilities. The two firms collectively had 10 employees – Van Sickle Allen & Associates providing structural engineering for commercial and agribusiness projects while GFD established its reputation in the agricultural industry.



In 2007, the firm converted to VAA, LLC but their commitment to offering architects, owners and design build contractor's a genuine partnership to help accomplish their business objectives remains unchanged. The work VAA performs is beyond the project. It is about helping the people we work with through development of client relationships.

Our work is fueled by our foundation and team commitment to VAA's Vision and Values. The nine interchangeable phrases created by the six words of our vision statement not only represent who we are, it embodies our business philosophy and client relationships. This vision aligns with the values that drive VAA - integrity, excellence, service and relationships. With these original principles guiding our growth, we are proud to be VAA, LLC.

Since 2015, when MGFA created the Sustaining Sponsor Program, the Association has been grateful to VAA, LLC and all of our Sustaining Sponsors for their annual contribution and support of the various programs and services provided by the Association. Thank You!

Help U.S. Agriculture by Advocating for #USMCAnow

Depending on the week and the news source, either the USMCA is close to passage by Congress or it won't happen until 2020 at the earliest. If you haven't written or called your Congressional representatives lately, maybe now is the time to advocate for all of agriculture by emailing or Tweeting #USMCAnow! The National Grain and Feed Association has a great advocacy tool on their website making it very simple for you to let your elected officials know how high the stakes are for U.S. agriculture with their delay of ratification of the USMCA. It will only take a few minutes of your time to make a difference! Click here for the information to write, Tweet or call.

<https://imis.ngfa.org/members/a/ngfa/Advocacy/Advocacy.aspx?vvsrc=%252Fcampaigns%252F69426%252Frespond>

FERC Takes Action to Address Propane Shortage

The Federal Energy Regulatory Commission (FERC) announced Nov. 19 that it will initiate a process with pipeline companies and shippers to explore actions to alleviate propane pipeline constraints in the Midwest.

“By bringing the pipelines and shippers to the table, we are building on these efforts and establishing a dialogue focused on exploring concrete solutions,” said FERC Chairman Neil Chatterjee.

The commission also said it is moving forward with a proposal from a Texas-based pipeline company to provide emergency transportation of propane to the Midwest for 30 days. Enterprise TE Products Pipeline Company LLC said the transportation service fulfills a request by a shipper to transport propane from Mont Belvieu, Texas, to Monee, Ill., to meet emergency demand for increased propane deliveries until Dec. 13. The company said the adjustment to accommodate propane service likely will create operational and scheduling issues and, therefore, cannot be sustained for a prolonged period of time.

FERC said this latest action comes after it received letters from Iowa Governor Kim Reynolds, members of Congress – including Iowa Republican Sens. Chuck Grassley and Joni Ernst and House Agriculture Committee Chairman Collin Peterson, D-Minn. – as well as various trade associations expressing their concerns regarding propane distribution and supply shortages.

USMCA Approval, Trade Deals Key to U.S. Farm Finances

A House Agriculture Committee subcommittee on Nov. 19 conducted a hearing to examine financial and credit conditions in U.S. production agriculture.

The lone witness during the hearing was Glen Smith, chairman and CEO of the Farm Credit Administration, the government agency charged with examining and regulating entities in the Farm Credit System (FCS).

Trade uncertainties, large commodity supplies, and weather extremes were cited by Smith as challenges facing the current farm economy. He noted USDA estimates that net cash farm income in 2019 will remain well below record levels set six to seven years ago, but that the U.S. Department of Agriculture's Market Facilitation Program payments during 2019 will raise net farm income to near averages achieved over the last two decades. Smith also called attention to U.S. farmers having taken on \$41 billion in additional farm debt over the past three years. In that regard, he said that, adjusted for inflation, total farm debt is near the record set almost 40 years ago. In particular, Smith and House subcommittee members pressed the importance of adequate credit for young, beginning and small farmers and ranchers.

During the hearing, a number of subcommittee members cited trade uncertainty as perhaps the biggest issue affecting farm-level finances currently. Approval by Congress of the U.S.-Mexico-Canada Agreement, conclusion of a trade agreement with Japan, and resolution of the U.S.-China trade disruption each were highlighted as critically important to U.S. farm income prospects.

Even with these current economic pressures, Smith testified that most farms remain financially strong and that credit stress within the FCS's farm loan portfolio remains low. However, he noted that loan weakness continues to creep up, with financial stress regionalized and most prevalent in commodities like dairy and grains.

Source: NGFA Newsletter

Cost of Thanksgiving Dinner Up Just a Cent Over 2018

The average 2019 supermarket cost of a Thanksgiving dinner for 10 – turkey with all the trimmings and dessert – is up just a penny from one year ago, according to the American Farm Bureau Federation's (AFBF) 34th annual survey. The average holiday dinner will cost \$48.91, still less than \$5 a head.

The National Farmers Union (NFU) reported farmers receive just 12.1 cents for every dollar a consumer spends for Thanksgiving dinner. AFBF says the farmer's share of overall food buying is just eight cents out of every dollar, a fact that surprised consumers responding to a separate new survey, with 88% of those responding saying they "have faith" in those who grow their food. NFU reminded consumers that as their food prices continue to decline, farmers and ranchers have experienced a "dramatic drop" in income.

Of the nearly \$50 dinner for 10, the biggest cost is the bird, pricing out at \$20.80 for a 16-pound turkey, roughly \$1.30 per pound, AFBF said, saying this is the lowest retail price since 2010.

After adjusting for inflation, AFBF said, the average cost of this year's Thanksgiving dinner is \$19.13, down slightly from 2018.



The MGFA office will be closed for Thanksgiving, Thursday November 28th and Friday November 29th.

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