



Agricultural Outlook

Understanding the Impact of the 2024
Election on the Food and Agriculture
Sector in Arkansas

Pinion Government and Public Affairs

- Brian Kuehl- Director of Government and Public Affairs
- Pinion proactively addresses policy, legislation, and regulations impacting ag.
- Pinion has successfully influenced legislative and policy issues.



Pinion Government and Public Affairs

Political Intelligence

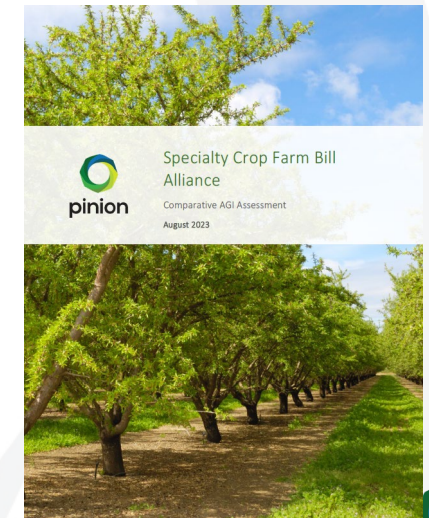
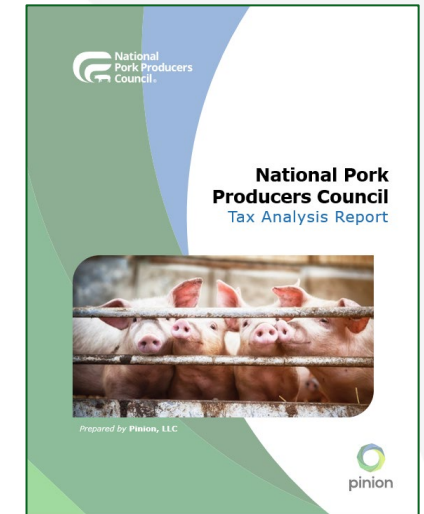
- Pinion's **Farm Program Fairness Coalition** is tracking farm bill developments and providing farmers intelligence in real time.
- **Pinion Political Intelligence** offers monthly briefings to ag producers and agribusinesses who need political intelligence and insight.



Pinion Government and Public Affairs Efforts

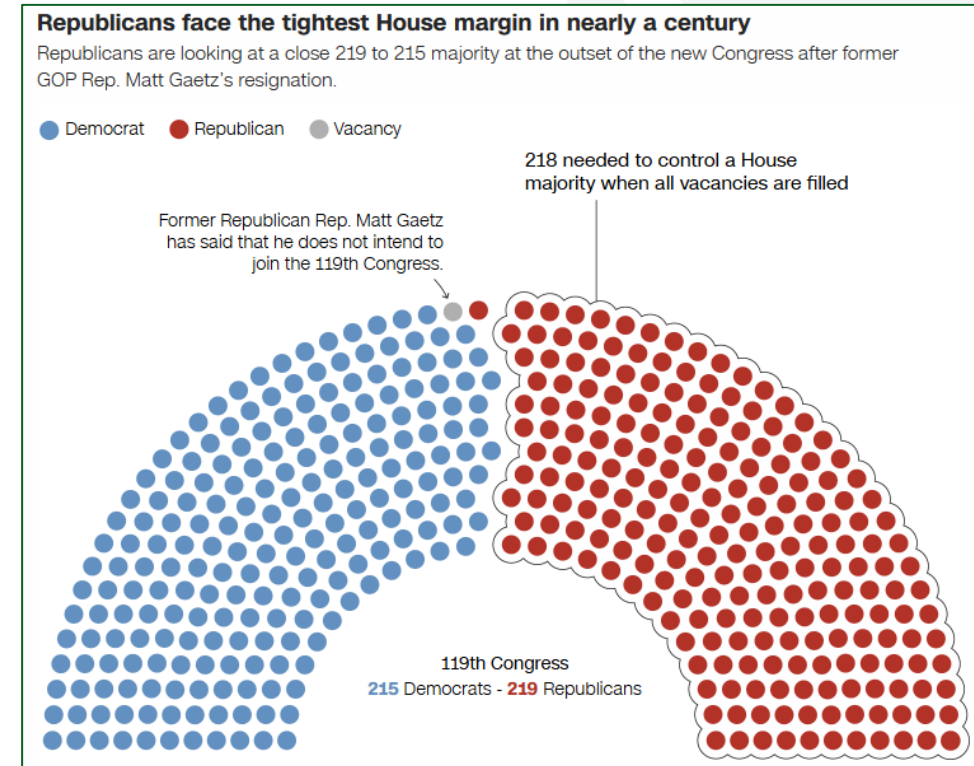
Actionable Analysis

- Pinion is helping national ag groups to assess the impact of proposed tax law changes on their members.
- Pinion has helped the Specialty Crop Farm Bill Alliance to analyze the impacts of federal policies on their members.
- These assessments provide clients with critical insights and are used as to more effectively lobby Congress.



Election Results

- The 2024 federal elections will have significant impacts on policies that affect U.S. food and agriculture.
- Donald Trump has become only the second U.S. president to win non-consecutive terms.
- Republicans won narrow control of both the House and the Senate.
 - 53-47 majority in the Senate
 - But 60-vote filibuster
 - Single-digit majority in the House



Congressional Leadership

- John Thune (R-SD)- Senate Majority Leader
- John Boozman (R-AR)- Chair of the Senate Agriculture Committee
- Amy Klobuchar (D-MN)- Ranking Member
- GT Thompson- (R-PA)- Chair of the House Agriculture Committee
- Angie Craig (D-MN)- House Agriculture Committee Ranking Member



Presidential Nominations Impacting Ag

- Brooke Rollins - Secretary of Agriculture
- Lee Zeldin – EPA Administrator
- Chris Wright – Secretary of DOE
- Robert Kennedy Jr. Secretary of HHS
- Howard Lutnick – Sec. of Commerce + USTR
- Jamieson Greer- U.S. Trade Representative
- Lori Chavez-DeRemer- Labor Secretary



Brooke Rollins



Lee Zeldin



Robert Kennedy Jr.



Policy Forecast

Four major policy areas dramatically impacting U.S. and Arkansas food and agriculture in the coming years.

Tax

- Tax Cuts and Jobs Act provisions set to expire next year.
 - Largely viewed as positive for the agricultural sector.
- Congressional Republicans face immense hurdles to passing that tax package.
 - Republicans have already fought among themselves over whether they should take up tax first or immigration.
- Reconciliation process.
- Many House Republicans say a tax bill should be paid for.
 - Trump's total agenda forecast to increase the national debt by \$7.75 trillion through 2035.



President Trump signing the TCJA.

Tax

- Republican leaders are counting on savings from spending cuts, new revenue from tariffs, and repealing the Inflation Reduction Act's tax credits- including incentives for clean energy.
 - The IRA's 45Z Clean Fuel Production Credit is important for the ethanol industry.
- The GOP also wants to fulfill some of Trump's campaign pledges, such as promises to eliminate taxation of tips, Social Security benefits, and overtime pay.
- The recent battle over government funding shows how difficult it will be to pass a major tax bill through the House's slim majority.



President Trump signing the TCJA.

Trade

- Vital to the ag economy - 20% of U.S. agriculture revenue.
 - Arkansas is the country's 15th largest agricultural exporting state- \$4.3 billion in domestic agricultural exports in 2022.
- During his first term, Trump aggressively implemented tariffs on adversaries and allies alike.
- Trump has called for a universal baseline tariff of 10-20% and a 60% tariff on all imports from China.
- These tariff levels will likely trigger even more aggressive retaliation significantly impacting ag.
- Trump threatened John Deere with a 200% tariff if it moves some production to Mexico.



Trade

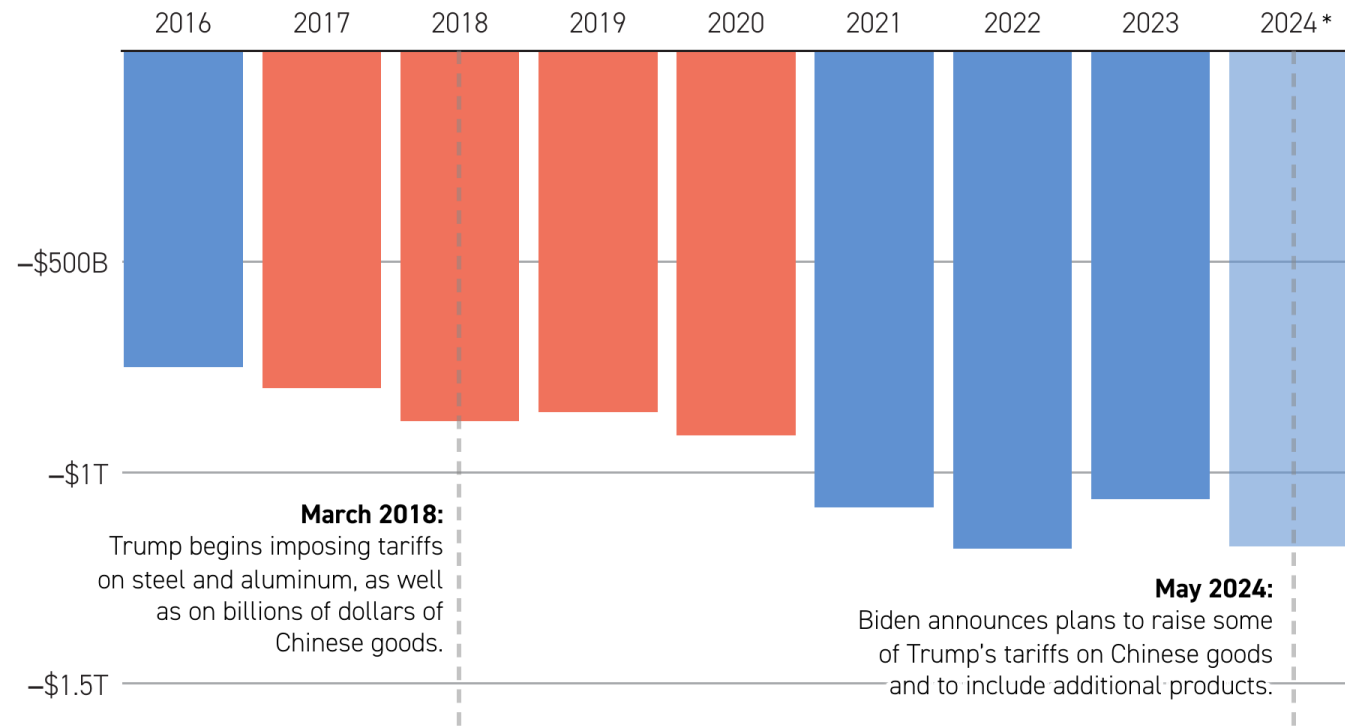
- Trump threatened a wave of blanket tariffs against Canada and Mexico.
 - Canada is Arkansas' largest export market, followed by Mexico.
- Canada is a major source of fertilizer material imports to the U.S., meaning farmers will be immediately impacted by retaliatory tariffs the Canadian government imposes.
- Mexico is the top export destination for U.S. corn and Canada is the top importer of U.S. ethanol.
- USMCA is up for review in 2026.



Trade

US trade deficit remains high despite Trump's tariffs

U.S. international trade deficit in goods, by Republican or Democratic presidential office

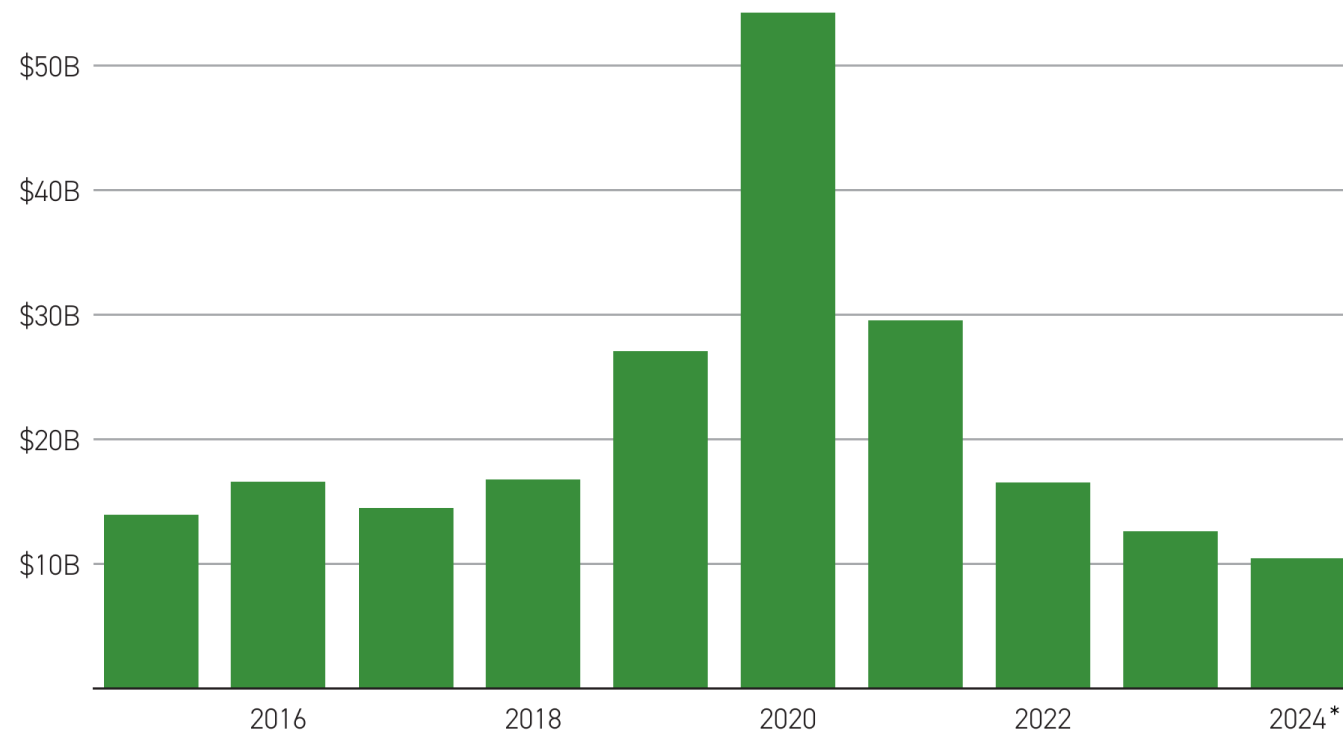


*Total deficit in 2024 is an estimated calculation using data through September 2024.

Source: Bureau of Economic Analysis
Paroma Soni/POLITICO

Farmer aid during Trump's trade wars soared — and could again

Direct farm program payments by the federal government, adjusted for inflation, annually since 2015



*2024 data includes forecasted values.
Source: USDA Economic Research Service
Paroma Soni/POLITICO

Farm Bill

- The farm bill buttresses the food and agriculture sectors.
- The current farm bill officially expired in September, but passage of a new bill has been hindered by contentious debates over the Supplemental Nutrition Assistance Program (SNAP) and conservation programs.
- In the end-of-year funding package, Congress included a second consecutive one-year extension to the 2018 farm bill, \$21 billion in disaster assistance, and \$10 billion in market relief for farmers.
 - It excluded a measure to allow year-round, permanent sales of E15 ethanol fuel at gas stations.



Farm Bill

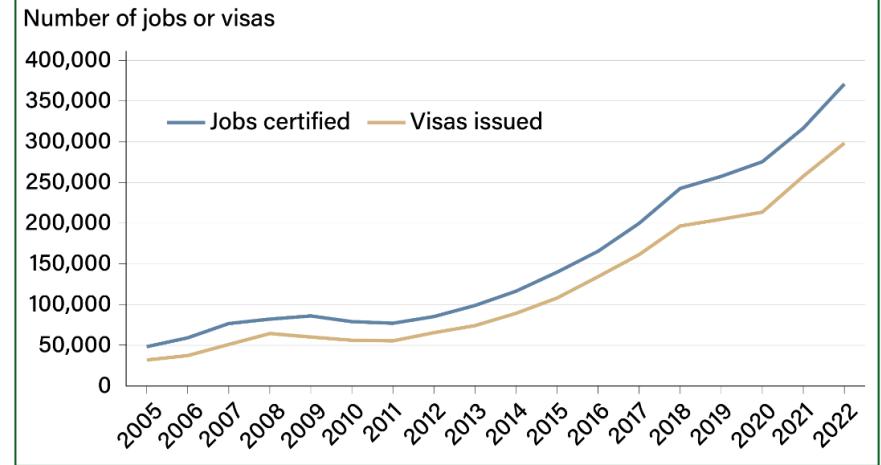
- With other GOP legislative priorities, the farm bill will likely be pushed until later in 2025.
- Boozman's Senate leadership means Republicans are more likely to successfully limit increases to SNAP, significantly expand farm safety net programs, and boost crop reference prices.
- Bipartisan support still needed to pass farm bill reauthorization.
 - Amy Klobuchar's experience as a bipartisan negotiator from an ag state might facilitate progress on the farm bill.
 - Klobuchar has backed bipartisan proposals to expand the farm safety net and invest in ag conservation programs.



Labor/Workforce

- Many agriculture sectors depend on immigrants for its workforce.
 - Meat processing, dairy, produce.
- Trump pledges largest deportation in U.S. history.
- H-2A visas could also be a target.
- Since 2008, the reliance on H-2A workers within the Arkansas agricultural industry increased 80%.
- Project 2025 said the next Republican administration would cap and phase down the H-2A program.

The number of H-2A jobs certified increased more than sevenfold from fiscal years 2005 to 2022



Labor/Workforce

- In December, the Department of Homeland Security announced a rule to bolster the efficiency of the H-2 program by modifying U.S. Customs and Immigration Services' role in approving petitions for applicants.
- The rule toughens the standards that prevent companies from charging certain fees to workers under H-2A.
- Businesses will face penalties — including being denied visas — for labor violations or misusing the H-2 program.
- The rule might not be an immediate target for president-elect Trump who may try to preserve provisions that go after businesses for misusing the program.



Contact



Brian Kuehl

Director of Government and Public Affairs

Brian.Kuehl@pinionglobal.com

(202) 679-6779



pinion

pinionglobal.com