

Lobbyist Reports Progress on Ag Labor Crisis

In his presentation as guest speaker of the 59th annual meeting of National All-Jersey Inc. (NAJ), Charlie Garrison, a lobbyist retained by NAJ, brought Jersey breeders up-to-date on numerous federal dairy policy issues that impact their businesses.

Garrison focused primarily on immigration reform, or what the industry now refers to as the Ag Labor Crisis. “This is an area we have some news to talk about, and I think it’s good,” he told members attending the meeting in Gettysburg, Pa., on June 23, 2017.

He also spoke about international trade, another issue that is “front and center for a lot of us right now,” and touched on environmental issues, tax reform, the Farm Bill, the Dairy Pride act and the reorganization of the U.S. Department of Agriculture (USDA).

Garrison is the founder and president of the Garrison Group LLC, a public affairs firm specializing in food, agriculture and energy policy and communications, based in Washington D.C. He advocates for Jersey breeders on legislative policy, provides briefings to the NAJ Board of Directors on a regular basis and coordinated the three Congressional fly-ins for members of the national Jersey organizations.

Ag Labor Crisis

The agricultural labor situation looks very different from what it was a decade, even five years, ago, Garrison summed.

“Farms are short on labor, wages are rising and the economy in Mexico is improving, so fewer people are coming here for economic opportunity. We actually have a net exodus back across the southern border, as has been the case for several months now. In some parts of the country, refugees are starting to fill this void.”

The effort to detain and deport improperly documented immigrants hasn’t helped the labor crisis either. Many farm workers are afraid to show up at work. The Trump administration is adamant that workplaces are not targets. Priorities are specific individuals—people with felony convictions and those deemed a threat to public safety or a risk to national security.

Having said this, there have been collateral detentions that have resulted from this policy. Immigration and Customs Enforcement agents have shown up on farms

looking for specific individuals, and, in the process of checking paperwork, found other non-compliant workers.

Can legislation help ease the Ag Labor Crisis, Garrison asked?

“As far as the dairy industry is concerned, addressing the current work force is the ball game. We don’t want to have to



NAJ Assistant Manager Drew Duncan presents a gift to Charlie Garrison as a thank you for his presentation at the NAJ Annual Meeting.

hire new people and train them when we have people who have been with us for 10-20 years. They are trained and experienced and know how to handle cattle.”

The breaking news on the legislative front is that an agriculture worker bill is about to be introduced by the House Judiciary Committee, which has jurisdiction over immigration issues in the House.

“This is real progress” for us to retain our current work force.

Staff members of the office of the committee chair, Congressman Bob Goodlatte from Virginia, told us the bill should look like a discussion draft they wrote with input from the Agriculture Workforce Coalition over the past 18 months.

“We anticipate the new visa program to be a need-based program administered by the Secretary of Agriculture, not the Department of Labor. You, the farmer, would submit the name of the person and date you need that person. They would get their visa, show up on your farm and be legal to

work.”

A year-round job would need a three-year renewable visa which requires a worker to be out of the country for 45 days during that period. The days can be taken over the three years or as a lump at the end. A seasonal job would require an 18-month renewable visa.

We wound up with a better proposal by arguing for this three-year work authorization. “We were able to convince the chairman that people who know they can go home for a family wedding or funeral and return safely to their job are less likely to want to move their families here.”

Chairman Goodlatte knows the members of his committee and is drafting the kind of bill that can pass and go on to be considered by the full House of Representatives. Once we get to the House floor with a bill, we will go into full-court press mode if necessary.

“We will need every NAJ member who has a relationship with their Congressman to be in touch with them. We need those relationships to turn out the votes if we are going to be effective.”

Farm Bill

“When it comes to the 2018 Farm Bill, the Margin Protection Program for Dairy (MPP-Dairy) needs some tweaking.”

The National Milk Producers Federation (NMPF) came up with a list of improvements for the program at a board meeting earlier this year. Unfortunately, those changes are very expensive.

“The Congressional Budget Office (CBO), which is charged with tracking proposed changes versus current baseline, scored MPP in the current Farm Bill at \$772 million over 10 years. We are just four years into the current Farm Bill, and the federal government is running ahead on MPP, so that \$772 million figure is difficult enough to justify. Add the proposed tweaks to what we have now, and the CBO comes up with a program that would cost more than \$9 billion over 10 years.”

The dairy industry needs to rethink their proposal and do it rather quickly as Texas Congressman Mike Conaway, chair of the House Agriculture Committee, wants a draft of the new Farm Bill completed by September and approved by the House by year end.

Though the deadline for the new Farm Bill is September 30, 2018, Conaway has established an aggressive schedule to take a pass at the bill this fall. This is an optimistic schedule, but the only option is for the dairy industry to be ready to work within this timeline.

International Trade

“The effort to ‘modernize’ the North American Free Trade Agreement (NAFTA) is the 800-pound gorilla in the room for the dairy industry right now. The White House has goals to attach tariffs to some manufactured goods from Mexico and address efforts by Canada to protect its dairy and poultry industries.”

The dairy industry is watching this development closely because exports to our neighbors are huge. Last year, Mexico bought 25% of our exports, or \$1.2 billion worth of U.S. dairy products. Nearly half of all the powder made in this country last year went to Mexico.

Canada, our third largest export customer, has been trying to block the import of U.S. milk protein concentrate. What they buy from us is for manufactured products that are re-exported because those ingredients are not charged the huge duties that Canada employs to maintain their supply industry program.

Environmental Issues

The Environmental Protection Agency (EPA) has withdrawn the Waters of the U.S. (WOTUS) rule that was so concerning to the dairy industry. The issue does not go away, however, because the Supreme Court mandated protection of waterways through the EPA in its 2006 decision. EPA and its stakeholders are now working on a replacement.

As well, since January 20, the environmental community has been up-front about their plans to use third-party lawsuits to make up what they expect will be a deficit of enforcement by the new EPA administration.

Farmers can expect to see more lawsuits under the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act and the Resource Conservation and Recovery Act (RCRA). Additionally, the agriculture industry needs to clarify intent and verify that farms are not landfills and manure is not solid or hazardous waste, thus maintaining the exemption of agricultural operations from RCRA regulations.

Dairy Pride

The Dairy Pride Act has been proposed by Wisconsin Senator Tammy Baldwin to remove consumer confusion on the labeling and nutritional inference of imitation dairy products. The bill would require

FDA to enforce existing standards for the term “dairy products,” which it has defined as being from dairy animals. The bill would require non-dairy products made from nuts, seeds, plants and algae no longer be confusingly labeled with terms like milk, yogurt and cheese.

Tax Reform

Tax reform is a high priority for the House and there is a long list of provisions that could impact the dairy industry.

House Republicans hope to pay for changes they want—a repeal of the estate tax, lower capital gains, fewer tax brackets and lower taxes overall—through a border-adjustment tax that adds 20% to the tax levied on imports. Since this is what nearly all our trading partners do, Republicans see this as a way of leveling the playing field.

“Unfortunately, this is going to be a hard sell because there are large, powerful, big-box retail companies that rely on imported goods to do business, and they will fight the tax increase.”

USDA Reorganization

USDA is being reorganized in hopes of streamlining agency operations.

First, trade is being given its own agency, Trade and Foreign Agricultural Affairs, in recognition of its ever-increasing importance to American agriculture. The agency will have its own undersecretary, who will report to directly to the secretary of agriculture. In the past, trade has been the responsibility of the undersecretary for Farm and Foreign Agricultural Services through the Foreign Agricultural Service (FAS) and grouped with the Farm Services Agency (FSA) and Risk Management Agency (RMA).

Second, a newly-named Farm Production and Conservation agency will group all on-farm programs together to simplify farmer and rancher access to programs. The agency will include FSA, RMA and the Natural Resources Conservation Services. The move could put additional emphasis on conservation compliance for participation in crop safety net programs.

And finally, the Rural Development agencies will be elevated to report directly to the secretary of agriculture. Currently, the agencies are led by the assistant to the secretary for rural development, who reports to the secretary.

On another note, the Agricultural Marketing Service (AMS) will continue to be the responsibility of the undersecretary for Marketing and Regulatory Programs. Since there are a few important issues for AMS to address for the dairy industry, we’re hoping for an undersecretary and an administrator to be appointed soon.

Summary

Stay tuned on immigration reform. We should soon have a clear path on getting something done on the House floor that works for agriculture. NAJ will provide updates on pending legislation as developments warrant. In the meantime, NAJ staff would appreciate knowing of any NAJ members who have a working relationship with a member of Congress. Those contacts will be invaluable when the time comes to move immigration legislation in the House.