

Inside Look at Policies and Politics

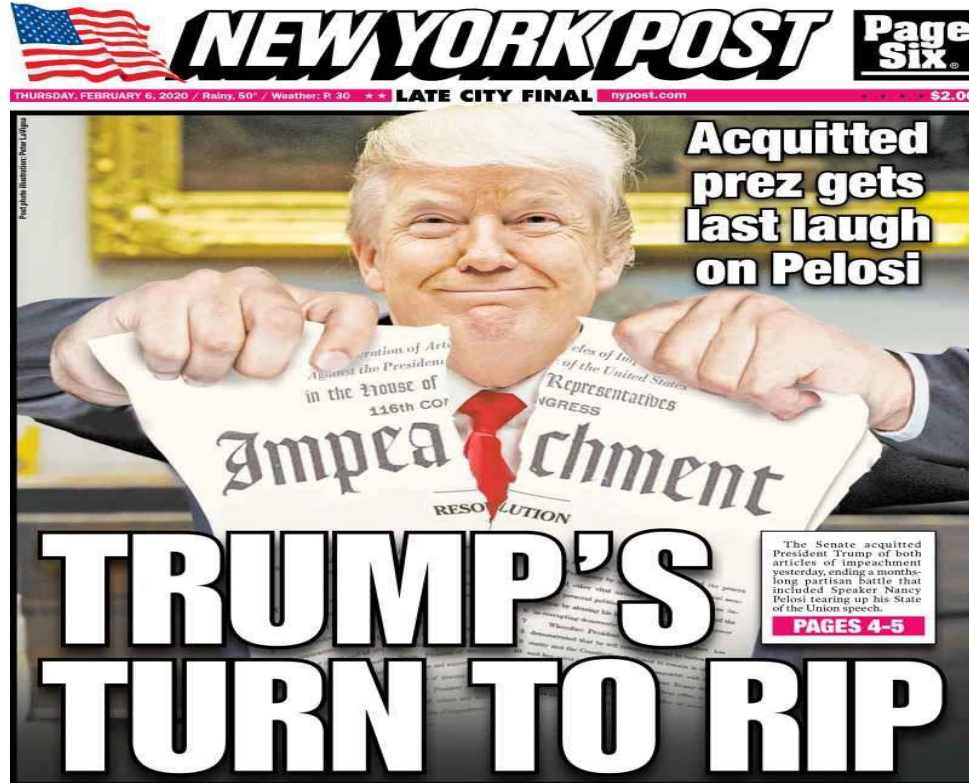
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Revenge is Emotion, Not Policy



Don't Mess with Trump



Congress: This Year

- **Impeachment** failure and emotions after
- State of Union skirmishes signal **no major legislation ahead**
- **Coronavirus**: Spending issues amid high anxiety
- **Transportation bill** push by House Dems and Senate GOP
How to pay for a new bill? No new money. Rs and Ds now have different conceptions of infra. Ds now want school construction, internet connection, etc., not just traditional infrastructure.
- **Labor bill**... major differences between House, Senate

2020 Elections

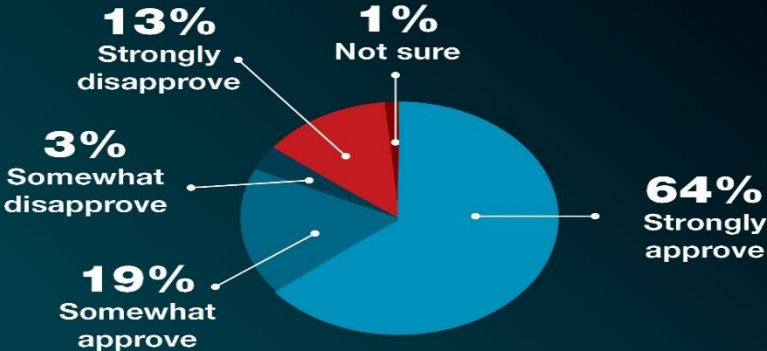


JIM WIESEMEYER 2020

2020 Elections

FARM JOURNAL
PULSE

Do you approve or disapprove of the way Donald Trump is handling his job as president?



1,286 respondents as of January 18, 2020.

Election Outlook: White House

- **Role of rural states:** Trump wants to take Minn. as backstop plan
- **President:** Fla. | Ariz. | Mich. | N.C. | Pa. | Wis.
- **Democratic candidate:** ???? Brokered convention?

Dems... Feel the Burn?



Dems: Brokered/Contested Convention?

- Last brokered convention: 1952
- Analysts predict Sanders may not win enough pledged delegates...
- Need 1,991 of 3,979 pledged delegates from caucus and primary contests
- Superdelegates may end up deciding nominee at July convention (Milwaukee)
- 771 superdelegates will cast ballots with pledged delegates in 2nd round of voting
- At that point, nominee must win majority of all 4,750 delegates

Election Outlook: Congress

- **House:** GOP needs net gain of 18 seats, but...
 - 31 Democrats are in districts carried by Trump in 2016
 - Just 3 Republicans are in districts carried by Hillary Clinton
 - House majority hasn't flipped twice in row since 1954
 - House major hasn't flipped during presidential cycle since 1952
- **Senate:** Close, presidential election results could impact control

Election Impacts: White House

- **GOP:** What would a second-term Trump administration be like? Will Sonny Perdue continue as head of USDA?
- **Dems:** Push for more taxes to help fund other programs; more regs; use of executive orders... earmarks? BORING if Trump not around! Who would be USDA Secretary?
- **If either party wins White House, Senate *and* House:** Big changes

Election Impacts: Senate

- **GOP:** More tax cuts, transportation reform
 - Boozman (Ark.) chairman of Senate Ag Committee
 - Grassley timed off Finance panel... Crapo (Idaho) likely new chair. Wyden (Ore.) ranking.
 - On EPW, if Rs retain, Barrasso (Wyo.) chairs. Carper (Del.) ranking.
- **Dems:** Do away with 60-vote rule?
 - Stabenow chair of Senate Ag panel

Election Impacts: House

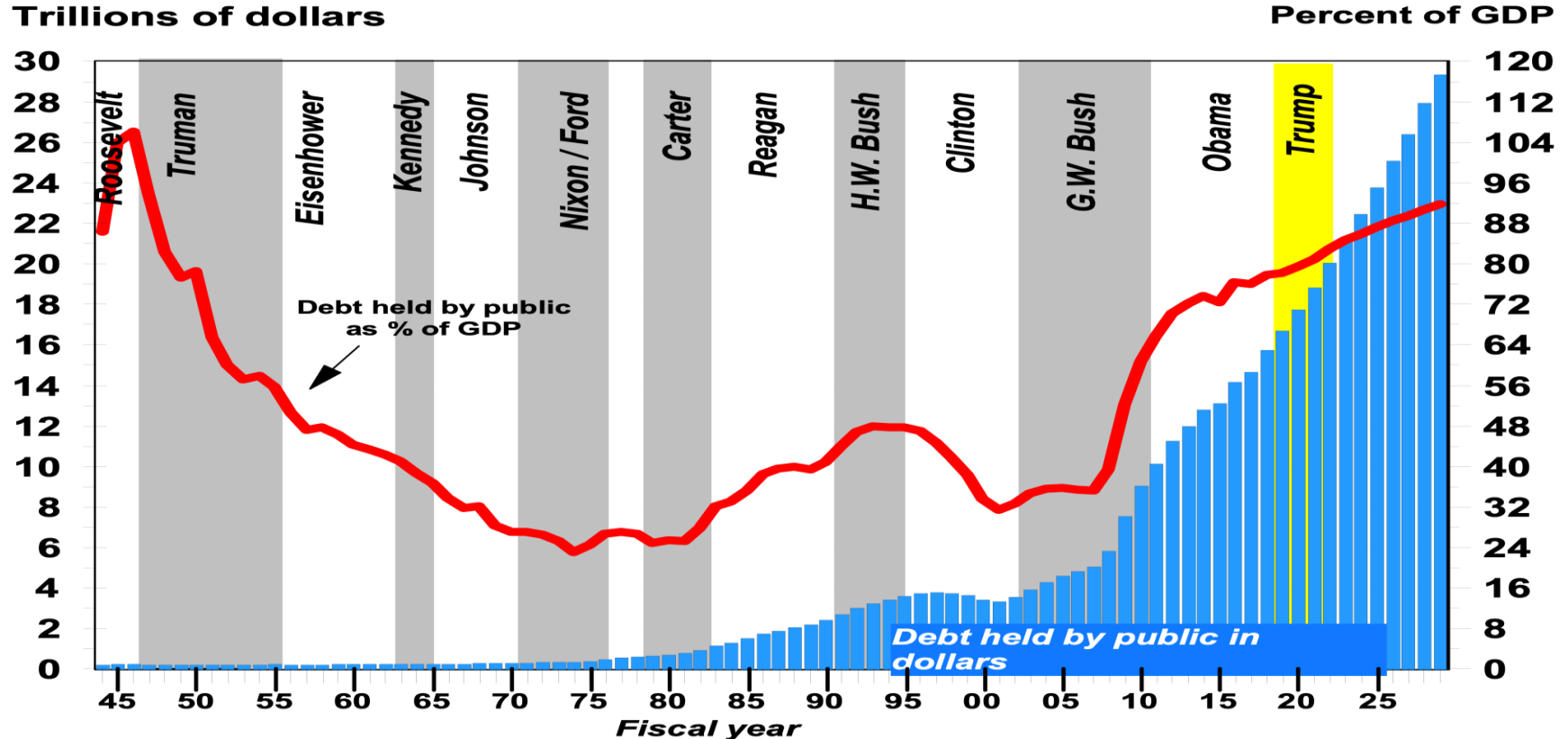
- **Dems:** Peterson at Ag; if loses or doesn't run: David Scott (Ga.), Jim Costa (Calif.), Marcia Fudge (Ohio)... B. Thompson (Miss.) has seniority

Transportation & Inf. Committee chaired by DeFazio (Ore.) Ranking member Graves (Mo.)... would flip if GOP takes House

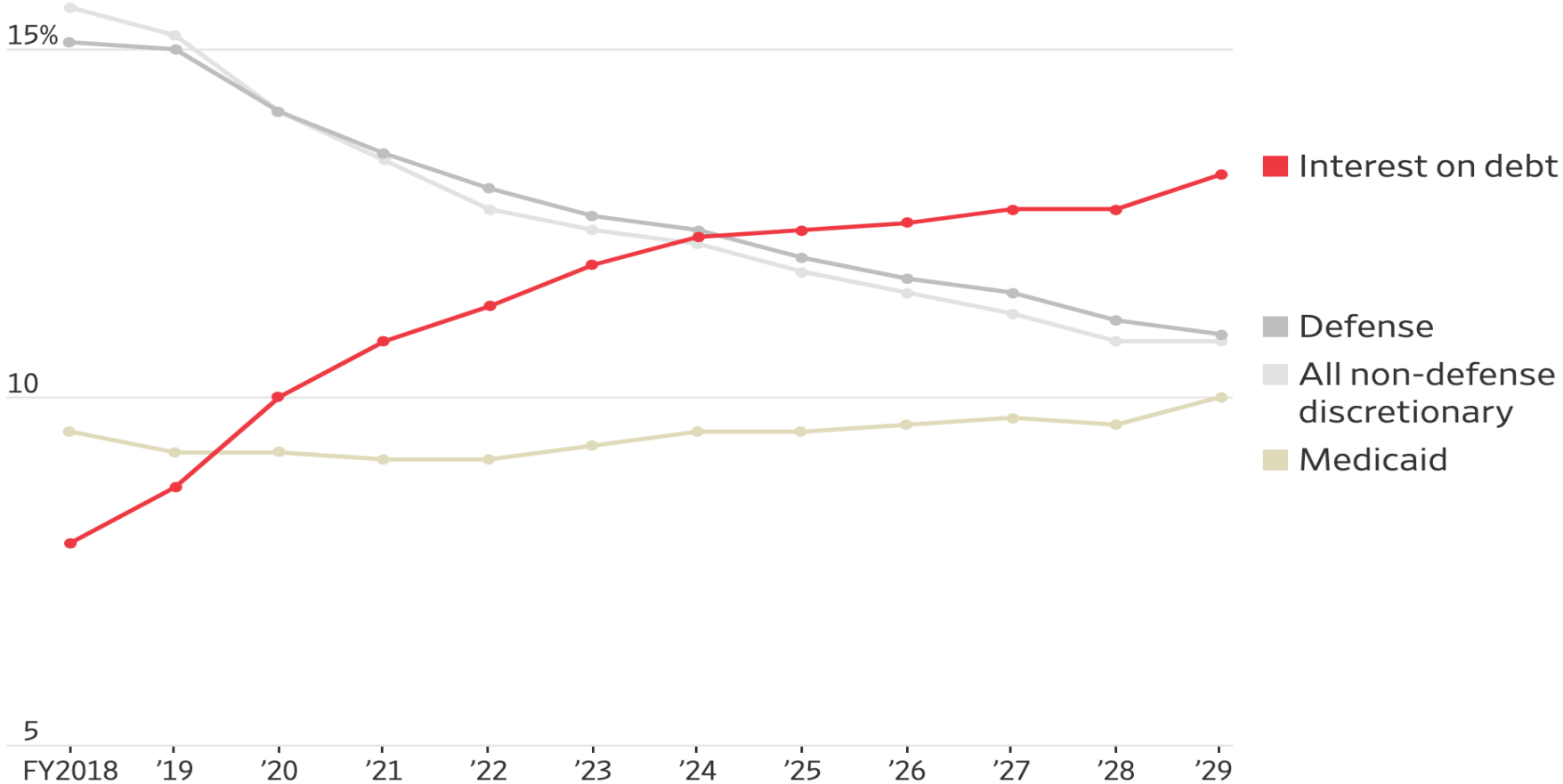
Ways & Means: Richard Neal (D-Mass.) and Kevin Brady (R-Texas)... has 5 of max 6 years as chair so R's would need to grant waiver to do 2 more years. Nunes (Calif.), Buchanan (Fla.) or Adrian Smith (Neb.) may vie for it.

- **GOP:** Ag panel: GT Thompson (Pa.); others: Crawford (Ark.), Austin Scott (Ga.).

Debt Increases \$10 Bil. Next Decade with No Changes



Projected expenditures as a percentage of the total budget

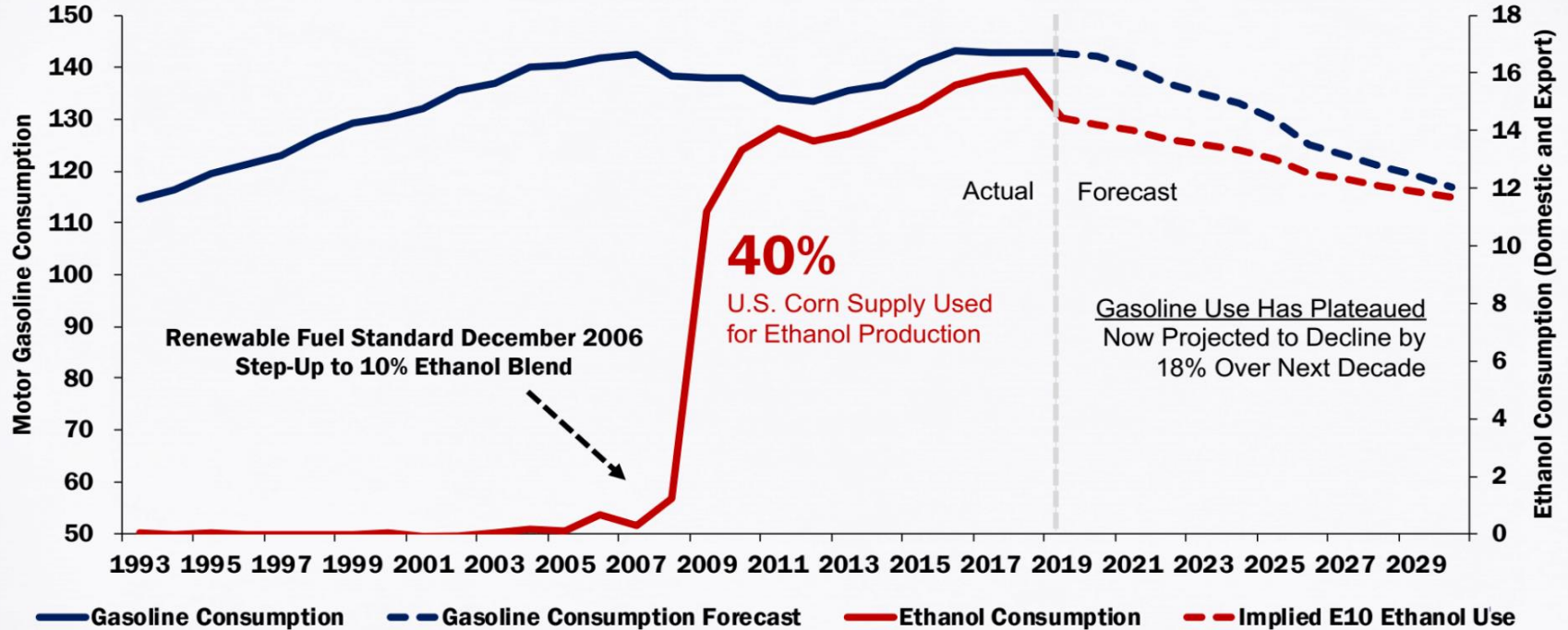


Reshaping Ag/Business Sector

- ❖ **Ag revolution: Drones... Ag robots... AI/Big data...**
 - Relying on satellites, sensors as much as seeds, equipment
 - Big boost in yields, efficiency, profitability... more enviro friendly
- ❖ **Ag demographics: High tech, but how fast for farmers?**
Challenge: Over 20 mil. Americans lack high-speed broadband internet
- ❖ **Urban/Rural divide: Big and getting bigger**
- ❖ **Changing market: Producers and Customers**
Smaller upstarts will challenge agribusiness giants
- ❖ **RFS needs to be reauthorized... changes in gasoline usage**
- ❖ **Policy: Need to rethink/defend safety nets, transportation and labor programs**

Where Is The Next Domestic Demand Driver For U.S. Agriculture? Ethanol At Risk to Demand Slowdown and SREs

U.S. Gasoline and Ethanol Consumption, Actual and Projected



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