

News from Washington: September 7-11

Brazil Agrees to Extend US Ethanol Quota for 90 Days

The U.S. and Brazil have agreed to revive for 90 days the expired tariff rate quota that allows some U.S. ethanol to flow to the South American country duty free, the two countries said in a joint statement Friday night.

It's a stopgap deal that takes effect Monday and gives the two countries time to negotiate a more permanent deal and pushes the deadline for the politically sensitive issue past the U.S. presidential election in November.

The TRQ, which allowed 198 million gallons of U.S. ethanol to avoid Brazil's 20% tariff annually, expired on Aug. 31. It will be reinstated as a pro rata TRQ "for ethanol proportional to the total annual volume of the TRQ that was in force on August 30, 2020."

[Read more from Agri-Pulse.](#)

Wheeler: Pesticide regulation needs to be 'holistic'

The Environmental Protection Agency can do a better job on "the way we handle pesticide regulation," EPA Administrator Andrew Wheeler said in a [speech](#) at the Nixon Presidential Library last week.

"The American public views our pesticide program through the lens of the trial lawyers who advertise on television instead of the way we manage the program," Wheeler said, an apparent reference to ads seeking plaintiffs for Roundup cancer lawsuits.

"The media and the courts tend to view our individual pesticide decisions in a one-off fashion, which has left the American public uninformed on our science-based process," he added.

[Read more from Agri-Pulse.](#)

Report: Trump orders EPA to reject RFS waivers

President Donald Trump is instructing the Environmental Protection Agency to deny small refinery petitions in the Renewable Fuel Standard, potentially neutralizing a nagging campaign issue for Republicans, Reuters reports.

Reuters cited three sources saying that Trump "has instructed that dozens of oil refiner requests for retroactive waivers from U.S. biofuel laws be denied" fearing he could face backlash from farm country at the ballot box in November. The issue also has been complicating Republican efforts to retain control of the Senate because of the importance of Iowa GOP Sen. Joni Ernst's close re-election race.

Democratic presidential nominee [Joe Biden said last month that Trump had "sold out" American farmers](#) by not rejecting the waiver requests.

[Read more from Agri-Pulse.](#)

US Wheat Reaps Rewards from Stronger Ties with Brazil

The ties between Brazilian President Jair Bolsonaro and U.S. President Donald Trump have only strengthened since the two first met at the White House last year and U.S. wheat farmers continue to benefit.

U.S. wheat exports to the South American country are rising quickly, thanks to the help of a deal the countries struck last year. It's been about three months since the 2020-21 U.S. marketing year began, but American farmers have already sold about 334,000 metric tons of new crop wheat to Brazilian millers. That total is more than they sold to Brazil for the entire 2018-19 marketing year and is gaining fast on the 467,000 tons exported in 2019-20, according to USDA data.

Furthermore, Brazilian imports of U.S. wheat are traditionally the strongest from July through December, according to [an analysis](#) by USDA's Foreign Agricultural Service.

[Read more from Agri-Pulse.](#)

New Round of US-UK Trade Kicks Off

U.S. and British negotiators restarted trade talks on Sept. 8 as the Dec. 31 deadline for the U.K. to break away from the European Union approaches.

British trade minister and lawmaker Greg Hands confirmed the resumption of talks, but he also suggested agricultural trade issues will continue to be a divide between negotiators. "As (British International Trade Secretary Elizabeth Truss) and I said ... the government is absolutely committed to no compromise on our food safety, animal welfare and the environment when it comes to trade agreements," he said in a Friday tweet.

[Read more from Agri-Pulse.](#)

AFBF Survey Highlights Biden, Trump Policy Differences

President Donald Trump and former Vice President Joe Biden responded to a survey by American Farm Bureau Federation with sharply different policy priorities on issues vital to farmers, from farm programs to labor rules.

The Trump campaign stopped short of detailing new proposals for a second term, but promised to protect producers from new regulations and said that a new farm bill "must do a better job of sustaining" farmers "through these tough times." The 2018 farm bill expires in 2023.

The Biden campaign reiterated his plan to "dramatically expand" the Conservation Stewardship Program and to provide new aid to beginning farmers and local and regional agriculture while fostering ag research, and to direct new assistance to farmers aimed at helping them reduce greenhouse gas emissions.

On regulatory policy, the Biden campaign said his administration would provide an "open, transparent" process when considering new rules and "listen to those that might be impacted by a regulation before it is crafted."

[Read more from Agri-Pulse.](#)

CFTC Report Warns Financial System on Climate Risks

A report released by the Commodity Futures Trading Commission warns that drought and extreme weather events related to climate change in major ag states could lead to more volatility in the futures markets.

CFTC Commissioner Rostin Behnam, who sponsored the report developed by a panel of advisers, said events such as last month's Iowa derecho will likely worsen in frequency and intensity.

The report says traders will have to “adapt to this wide range of physical risks by devising new ways to value, price, and manage climate risk,” the report says.

[Read more from Agri-Pulse.](#)

Election Outcome Could Shift Focus of US Farm Support

President Donald Trump has proven that he’s willing to open USDA’s deep pockets to help farmers overcome the twin challenges of a trade war and pandemic. But if economists are correct, many farmers still face years of financial challenges ahead.

How the government responds will likely depend on who’s elected in November. Former Vice President Joe Biden is promising to "dramatically expand" the Conservation Stewardship Program with the twin goals of supporting farm income and addressing climate change by paying farmers for practices that cut greenhouse gas emissions. Biden's plan also promises to target additional aid, including loans, to new and beginning farms and to local and regional agriculture.

Former Agriculture Secretary Tom Vilsack, who is advising Biden on ag policy, tells *Agri-Pulse* that he thinks conservation payments could be ramped up quickly, even without relying on a broader climate bill. He also suggests that a Biden administration could carry on with use of USDA’s Commodity Credit Corp. to provide aid to farmers.

[Read more from Agri-Pulse.](#)