COLORADO CORN COUNCIL

FIELD NOTES

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OVER 300 GROUPS CALL ON CONGRESS TO PASS ROBUST FARM BILL

Citing worsening economic conditions impacting the nation's farmers, over 300 national and state groups, including the National Corn Growers Association (NCGA) and its affiliated corn state grower associations, sent a letter to congressional leaders on Sept. 9 calling on them to pass the farm bill before year's end.

Signatories included groups representing farmers, livestock and specialty crop producers, lenders and other essential stakeholders in agricultural communities across the U.S. Commodity and lending groups will head to the Capitol en masse this week to advocate for passage of the legislation with a stronger agricultural safety net.

"It is critical that Congress pass a new farm bill that strengthens the safety net as many producers are facing multiple years of not being profitable, and this is causing their overall financial situation to deteriorate," the letter said. "Some will have challenges as they seek operating credit for the 2025 crop year."

The farm bill is typically passed every five years and supports the nation's farmers, ranchers and forest stewards through a variety of safety net, credit, conservation and other critical programs. The law was originally scheduled for reauthorization in 2023. Last November, Congress voted to extend the existing legislation to September 30, 2024. Since that point, the leadership from both parties on the Senate and House Agriculture Committees have worked to push the legislation forward.

As the farm bill has faced delays, producers across the country have experienced headwinds, ranging from extreme weather to high input costs to uncertain global demand to supply chain disruptions.

Since the beginning of the year, the harvest price of major crops traded on the Chicago Mercantile Exchange and the Intercontinental Exchange have fallen by an average of 21% while total production costs remain near record levels.

Farmers and their allies say these challenges have exposed areas of the farm bill that need to be strengthened.

"Since the 2018 Farm Bill was signed into law, we have realized considerable gaps in the farm safety net due to sharply changing conditions, including the trade war with China, the Russian invasion of Ukraine, COVID-19 and related supply chain challenges, rising foreign subsidies, tariffs, non-tariff trade barriers and other harmful practices," the letter said. "These conditions seriously tested the effectiveness of the 2018 Farm Bill, and it was only by the aggressive use of supplemental assistance that many farms survived."

The letter noted that the outlook for farm country is even more daunting, as the USDA-projected market prices for the 2024 crop are well below costs of production, and current projections paint another bleak picture for 2025.

"The farm bill reauthorization provides an opportunity for Congress to address serious challenges in agriculture," the letter said. "A durable farm safety net, along with risk management tools like a strong federal crop insurance program, voluntary and locally led incentive-based conservation programs, and enhanced international marketing and promotion programs, will be critical in shoring up America's farm families and rural communities, which otherwise face an uncertain – and potentially calamitous – future."

FARMS AND RANCHES REQUIRED TO FILE OWNERSHIP INFORMATION WITH U.S. TREASURY

In 2021, Congress passed the Corporate Transparency Act, requiring businesses to report the identity of their owners. Its goal was simple: prevent financial crimes by knowing the identity of corporation owners. Today, many small businesses like farms and ranches must comply with this requirement.

The below resources are available to help business owners navigate the new regulations.

Background

Under the Corporate Transparency Act, companies with 20 or fewer employees are required to report information about their "beneficial owners," or the individual(s) who own at least 25% of the entity's ownership interest, exercise substantial control over the entity, or receive a substantial economic benefit from the assets of the reporting entity. In basic terms, you are a beneficial owner if you own at least 25% of a company, control or make major decisions for a company, or receive substantial earnings from a company.

Who files & how to file

Many producers may be impacted by this law. If your operation is a LLC, corporation, or other legal entity that files with your secretary of state, you are required to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury. Foreign companies registered to do business in any U.S. state are also required to report this information.

Producers whose operation is a LLC, corporation, or other legal entity that files with the secretary of state are required to report the following information for each beneficial owner with FinCEN:

1. Legal Name
2. Date of Birth
3. Residential or Business Address
4. Unique Identifying Number (i.e. Driver's License Number, Passport Number)

Beneficial ownership reports can be filed with FinCEN online at www.boiefiling.fincen.gov. For more information about this requirement, visit www.fincen.gov/boi.

Deadlines & Penalties

Any LLC, corporation, or similar legal entity registered to do business before Jan. 1, 2024, will have until Jan. 1, 2025, to file an initial report with FinCEN.

Any LLC, corporation, or similar legal entity registered to do business on or after Jan. 1, 2024, and before Jan. 1, 2025, will have 90 days after the company's creation or registration to file an initial report with FinCEN. The reporting timeline will be shortened to 30 days for companies formed in 2025, and further updates to existing reports must be filed within 30 days. Failure to file the required information with FinCEN can result in a $500 per day fine for non-compliance, fines of up to $10,000, and a possible two-year prison sentence for willful non-compliance with the law.

Thank you to the Colorado Livestock Association for sharing this information.

USDA ANNOUNCES CHANGES TO ENHANCED COVERAGE OPTION INSURANCE PROGRAM

The U.S. Department of Agriculture (USDA) announced changes to the Enhanced Coverage Option (ECO) beginning with the 2025 crop year. USDA's Risk Management Agency (RMA) is expanding coverage options to additional crops as well as increasing premium support to make the policy more affordable for producers.

"The Risk Management Agency is continually responding to producer needs and adapting our insurance coverage options to give producers more choices when it comes to managing their risks," said RMA Administrator Marcia Bunger. "This expansion is part of RMA's larger effort to provide more options for specialty crop producers."

ECO is currently approved for 36 crops and RMA is expanding coverage options to almonds, apples, blueberries, grapes, and walnuts for the 2025 crop year and to citrus crops where the Supplemental Coverage Option is currently available in California and Arizona for the 2026 crop year.

Additionally, RMA is increasing premium support for all crops covered by ECO to 65% to make the policy more affordable.

ECO provides additional area-based coverage for a portion of a producer's underlying crop insurance policy deductible. ECO can be purchased as an endorsement to Yield Protection, Revenue Protection, Revenue Protection with the Harvest Price Exclusion or Actual Production History. ECO offers producers a choice of 90 or 95% trigger levels. A trigger is the percentage of expected yield or revenue at which a loss becomes payable.

CORN GROWERS CALL FOR REASONABLE STANDARDS FOR ACCESSING TAX CREDITS FOR SUSTAINABLE AVIATION FUELS

The Biden administration should set fair and reasonable criteria around farming practices for farmers and refineries seeking tax credits for sustainable aviation fuels, the National Corn Growers Association (NCGA) said in comments submitted this week to the U.S. Department of Agriculture.

"Ethanol has played a critical role in reducing greenhouse gas emissions in cars and trucks, and we can do the same for the airline industry," NCGA President Harold Wolle noted after the comments were filed. "But we need a level playing field that allows farmers to meet emission requirements using environmentally smart practices that will work on their farms."

The issue stems from tax credits allocated under the Inflation Reduction Act for sustainable aviation fuels that would allow farmers to participate in this emerging market.

To produce qualifying fuels under the standards set by the U.S. Department of Treasury, biofuel producers must show they have lowered their carbon intensity score. One way to do that, according to the guidance, is to use feedstocks grown using climate-smart agriculture practices.

Corn growers have raised concerns about bundling specific practices that may not work in certain regions of the country.

"Corn growers produce a commodity that will help the Biden administration meet its ambitious climate goals," Wolle said. "But imposing a one-size-fits-all standard for attaining the tax credit will make it hard for us to contribute to the president's grand challenge."

DEFENDING BIOTECH CORN ON THE INTERNATIONAL STAGE: AN UPDATE ON THE USMCA DISPUTE OVER MEXICO'S BAN

Industry experts are trying to return to science in the conversation around biotech corn.

Ever since Mexico issued a decree that banned genetically modified corn, there's been confusion and concerns from growers and policymakers alike here in the United States.

Mexico is the number one market for U.S. corn growers by a wide margin, and over 90% of the corn planted in the United States is biotech. Accordingly, Mexico's decree threatens market access and adds a great deal of legal uncertainty for our corn growers.

And ever since the decree was announced, organizations like the National Corn Growers Association, the Corn Refiners Association and the U.S. Grains Council have been leveraging every opportunity to push back.

Recently, those efforts resulted in a trade dispute settlement hearing under the USMCA, which represents the best opportunity to reverse this destructive trade policy.

In episode 46 of the NCGA Cob Cast, experts discuss this issue, where they revisit the history of the ban, explore the arguments that were made in the dispute settlement hearing, and discuss what it all means for farmers.

Guests include:

- Andrew Brandt, the director of trade policy for the U.S. Grains Council
- Heidi Bringenberg, the U.S. Grains Council's country director for Mexico
- Kristy Goodfellow, the vice president of trade and industry affairs for the Corn Refiners Association
- Nancy Martinez, the National Corn Growers Association's director of public policy, trade and biotechnology

In this episode, you can also hear about the U.S. Grains Council's work to maintain relations in Mexico.

Listen to it at https://bit.ly/cobcast46 or scan the QR code.

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