

Stronger Together

FEBRUARY 15, 2017







<https://youtu.be/OVnRclXEqaU>

New Administration

- What approach will the Trump administration take on issues important to agriculture and food?
- How can we as an industry make sure the plusses outweigh the minuses?

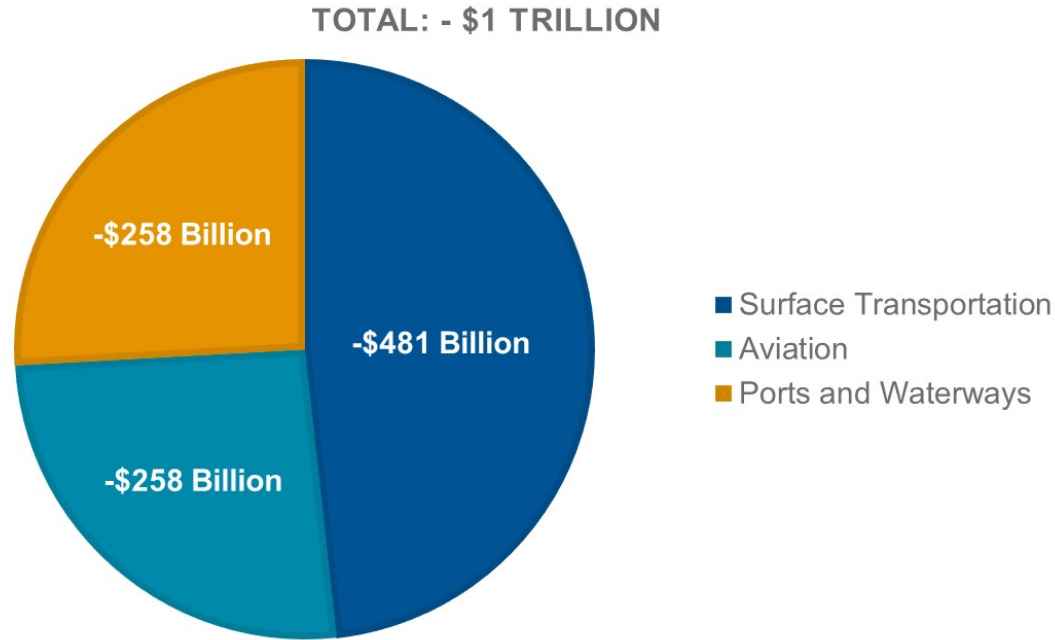


Key Issue: Infrastructure



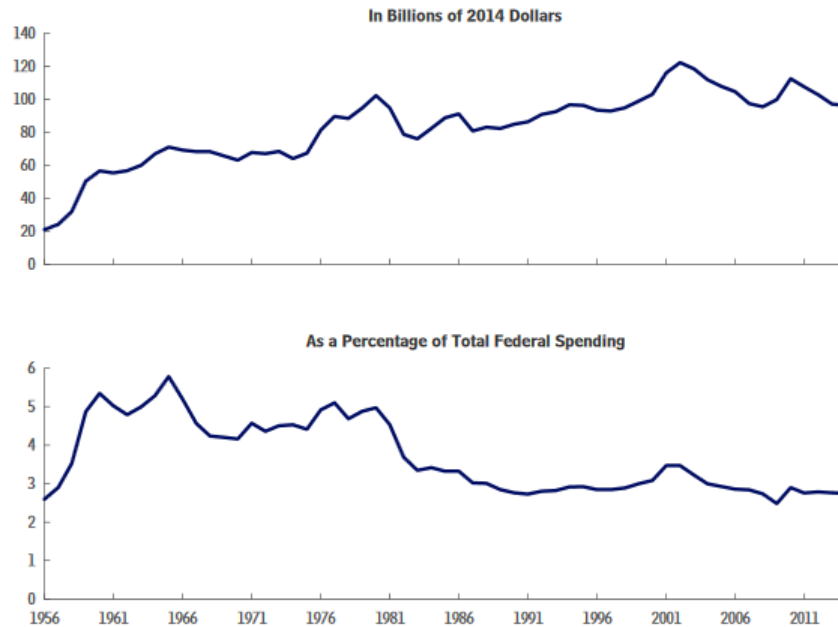


Transportation Infrastructure Investment Gap: 2020



Source: ASCE Failure to Act: The Impact of Current Infrastructure Investment on America's Economic Future

Federal Spending on Transportation and Water Infrastructure, 1956-2014



Source: Congressional Budget Office 2015 Report

“The cost of inaction is more lock closures, congested highways, railway bottlenecks, constrained ports and structurally deficient bridges. Ultimately, this means losing our competitive edge. That would choke our economic recovery and hamper future growth.”

David MacLennan

Cargill, Chairman & CEO

Testimony before House Committee on Transportation & Infrastructure

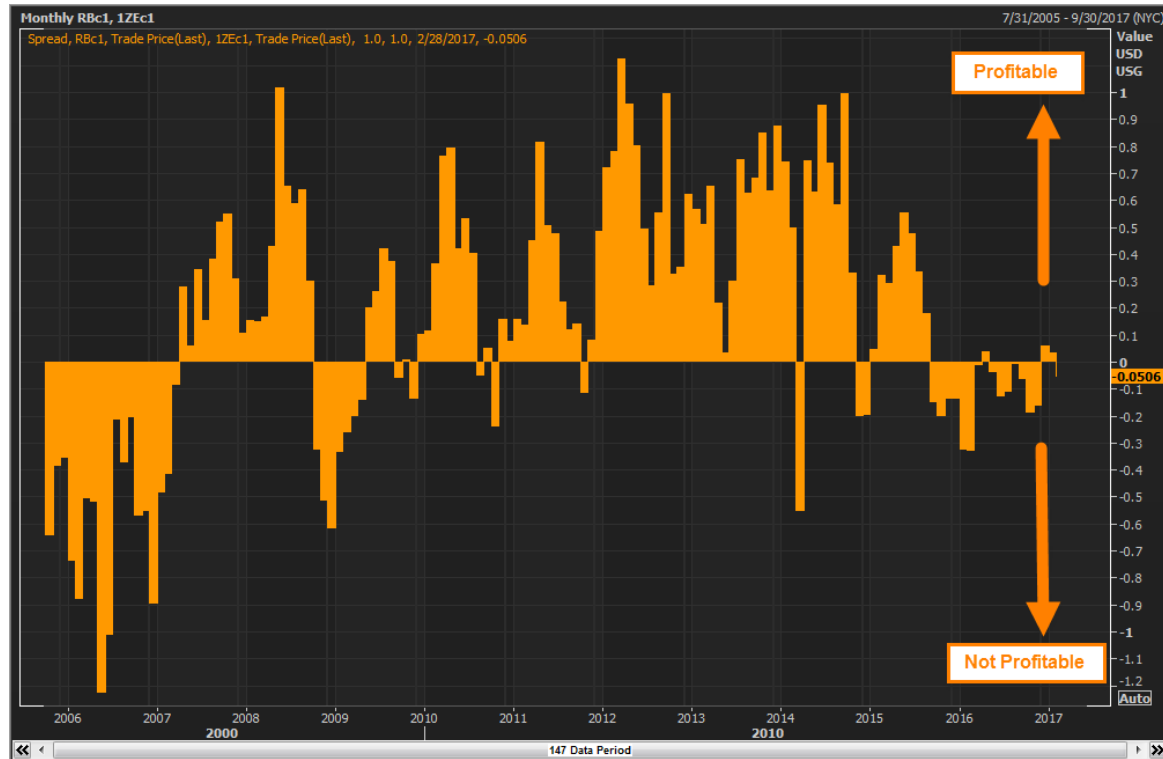
Key Issue: Biofuels



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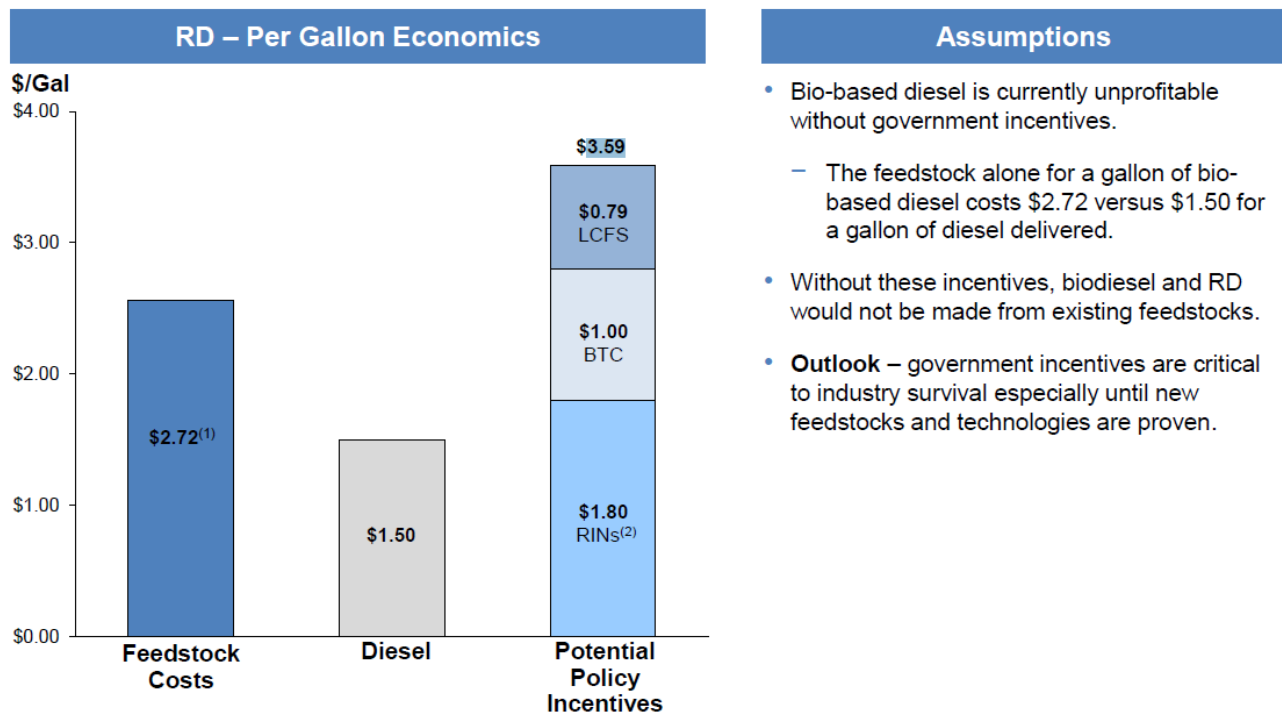
- Trump Administration cannot:
 - Single-handedly repeal the RFS
 - Overturn the renewable volume obligation (RVO) numbers with the simple stroke of a pen. EPA would have to go through a formal rule-making.
- Trump Administration can:
 - Initiate rule-making to change the point of obligation regarding which parties are responsible for meeting the mandate
 - Use waiver authority to adjust RVO numbers down in future years.
 - Work with Congress to pass legislation to amend RFS.
- What happens if political winds turn against RFS, or EPA decides not to issue RVO requirements after mandate expires in 2022?

If the ethanol mandate goes away



If the biodiesel mandate goes away

The cost to produce bio-based diesel presents a challenge.



Source: OPA research and estimates. Prices as of January 2017.

(1) Based on 8.0 lbs of soybean oil @ \$0.34/lb.

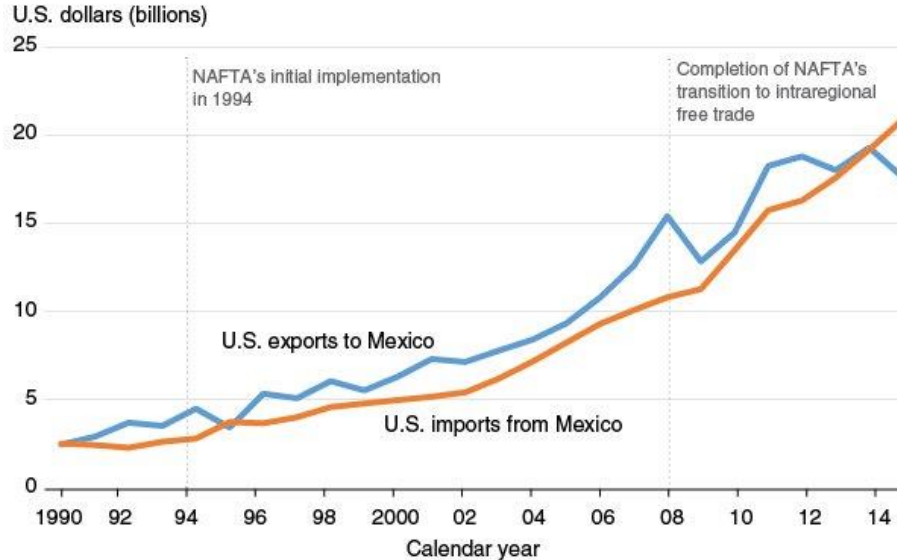
(2) Based on D4 RINs value of \$1.80/gal (\$1.06 x 1.7 factor).

Key Issue: Trade



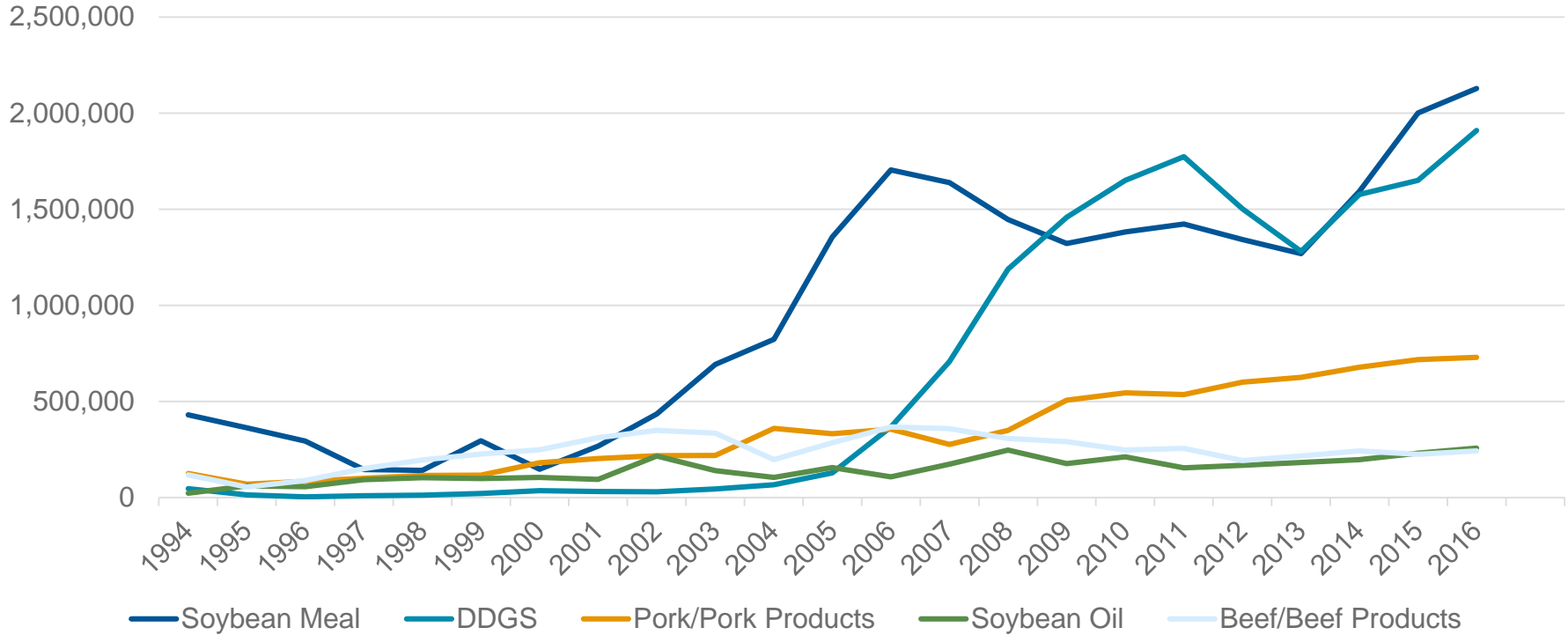
Key Issue: Trade

U.S.-Mexico agricultural trade continues to grow thanks to trade liberalization and regulatory cooperation



Source: USDA, Economic Research Service using data from U.S. Department of Commerce, Census Bureau, *Foreign Trade Statistics*, as cited by USDA, Foreign Agricultural Service, *Global Agricultural Trade System*.

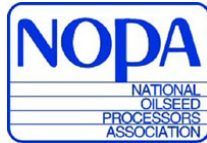
Agricultural Exports to Mexico since NAFTA



It could get messy



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Discussion



