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Ag leaders look ahead to working with Trump: optimism mixed with uncertainty

Barbara Soderlin and Cole Epley

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Midlands agricultural leaders are optimistic that a Trump administration will boost their industries by backing off on environmental regulations they say stifle business.

But despite widespread support for Trump across the Farm Belt, agribusiness owners aren't certain how his pledge to "build a wall" will affect the flow of immigrant labor essential to meatpacking and some farm operations.

And it's just as uncertain how his plans to renegotiate trade agreements will affect exports of food and commodities like pork, beef, corn and soybeans.

Nebraskans said they'll work with — and hope to influence — Trump on the next farm bill, EPA initiatives, trade and more.

"Donald Trump is our president and we need to make those relationships with him and with his staff," said Larry Mussack, a Decatur farmer who leads the Nebraska Corn Growers Association board. "I haven't found a blue or a red cornstalk out here yet."

Trump didn't speak frequently about ag issues, but at an event in Iowa in August he called family farms the backbone of the country. He pledged to end EPA "intrusion," protect the renewable fuel standard that bolsters the ethanol industry, eliminate some water-use rules and lower taxes on family farms.

Mark Hesser, the president of ag lender Pinnacle Bancorp is optimistic for agriculture's near future under a Trump presidency, based on the limited statements the president-elect made about ag on the campaign trail and on his stable of ag advisers. Pinnacle Bancorp is the parent organization of Lincoln-based Pinnacle Bank, the eighth-largest farm bank in the country with \$1.6 billion of farm loans as of mid-2016.

At the top of those steering Trump's vision for U.S. agriculture is Falls City cattle feeder and agribusiness owner Charles Herbster. Former Nebraska Gov. Dave Heineman also served on the incoming Republican president's agricultural advisory committee, along with Nebraska Farm Bureau President Steve Nelson.

Hesser sees benefit for farmers in Trump's support for the ethanol-friendly Renewable Fuel Standard. That's the U.S. Environmental Protection Agency's mandate that requires a certain portion of renewable fuel to be blended into petroleum-based transportation fuel.

"That could have some immediate impact on corn prices," Hesser said.

Trump's campaign promises to repeal regulations like the Waters of the United States rule "would definitely be positive" for farmers and ranchers in Nebraska and elsewhere, Hesser said. Nebraska Attorney General Doug Peterson has fought the regulations, saying they unconstitutionally extend federal authority into areas that have traditionally been the states' responsibility.

The rules aim to protect streams and wetlands. Opponents say they're federal overreach that would require permits for everyday farming activities. They have continued to fight the rules despite revisions that federal officials say would exempt agriculture.

The Waters of the United States rule is "the one thing that probably gets our members most upset and worried," said Jessie Herrmann, director of legal and regulatory affairs for the Nebraska Cattlemen.

Herrmann said the state's ranchers and cattle feeders want to see someone with an ag background at the EPA.

"I don't want to say they don't respect ag, but they don't understand how we do business and how their regulations can hurt us," she said.

It's less clear how Trump's plans for trade would affect farmers and ranchers. Trump has pledged to upend trade deals and impose tariffs. Nebraska has an 18.2 percent share of total U.S. beef exports and half of the beef exports to Europe.

"International trade is key to beef," Herrmann said. He said he hoped Nebraskans would be at the table when a Trump administration negotiates trade deals.

Gov. Pete Ricketts and other Nebraska ag leaders have pushed passage of the Trans-Pacific Partnership, which Trump and opponent Hillary Clinton both opposed.

"As of last night, there is no longer any realistic chance that the Trans-Pacific Partnership agreement will be ratified in the lame-duck session of Congress," said Dan Ikenson, a trade policy expert at the libertarian think tank the Cato Institute, which has supported the agreement.

That means it could become much more difficult for U.S. farmers to export into certain markets, he said: "There is much greater scope for trade frictions, especially with China, to erupt into deleterious rounds of tit-for-tat protectionism."

The Nebraska Farm Bureau has been a strident supporter of the trade deal, and despite Trump's promise to withdraw from it, Nelson is also optimistic about the prospects for the incoming administration. At the same time, he and other TPP advocates realize that other participants will move forward with the trade pact with or without the U.S.

“The part we know for sure is every day that goes by, we are losing market share to other countries,” Nelson said.

A lack of a deal isn't good for the soybean industry, said Bill Shipley, a southwest Iowa farmer and president-elect of the Iowa Soybean Association.

“We can't help but try to be very, very optimistic about the people he's surrounded himself with that are very knowledgeable about all aspects of agriculture,” he said.

There is a potential light at the end of the trade tunnel, however.

“The worldviews of presidents tend to be more outward, engaging and accommodating than the worldviews of presidential candidates,” Ikenson said.

Speaking Wednesday from China, where he is on a trade mission with Nebraska ag manufacturers, Ricketts said he was encouraged to see Trump taking notes during a visit to Nebraska and hopes Nebraskans could hold sway in his administration.

He downplayed Trump's rhetoric on trade.

“What he wants, though, is better trade deals, so for example, we can get the tariffs down even lower than they are today, which of course would benefit us,” the governor said.

Thousands of Nebraska jobs depend on trade — 100 of them at Deshler irrigation systems manufacturer Reinke Manufacturing, said company President Chris Roth, along with Ricketts on the trip.

Roth didn't comment on the election outcome but said, “We firmly believe that exports are the future for our company.”

Other Nebraska businesses export finished food products.

“We support trade with our North American neighbors and hope that future administrations promote an atmosphere where we can share our great American products with consumers around the globe,” said Shawn Bushouse, chief financial officer at J. Skinner Baking, an Omaha pastry maker with 650 employees that sells its products in Canada.

“The incoming administration can greatly impact this landscape through the regulatory environment, economic policy and foreign policy approaches.”

Trump has spoken even more vehemently on immigration, which is the biggest business issue for Columbus farm Daniels Produce.

Daniels relies on legal foreign workers to pick vegetables, manager Kelly Jackson said. She's frustrated by lack of an immigration overhaul and said it's not fair that her farm has to pay guest workers \$13.80 an hour, while facing competition from cheap imports of Mexican produce like bell peppers.

“We’re just hopeful that with a new president there will be some sort of changes, because the last eight years have not gone in our favor.”

She said she is worried about Trump’s lack of experience and his ability to maintain a good relationship with other countries.

“But overall, I’m so excited about there being a change,” she said. “He surprised everybody last night, and I hope he surprises everybody in a positive way in the next four years.”

It may seem counterintuitive that in Farm Country — often viewed as family-oriented, religious and socially conservative — that a candidate with Trump’s personal history would find overwhelming support, said John Hansen, president of the Nebraska Farmers Union.

But farmers are frustrated with what they see as dysfunction in Congress and lawmakers’ inability to tackle problems.

“Trump did the best job of putting his finger on those sore spots, even though the solutions were less than clear,” Hansen said. Now, he said, “We’re going to find out the particulars of what Trump is actually going to do.”