



# 10 Questions for Agriculture in 2021

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You know it's been a rough one when people start talking about turning to a new year while it's still September.

Those souls, tempest-tossed and woebegone, are a few days from getting their wish and being rid of 2020. But changing the calendar won't magically wave away the changes of the past year.

2021 will begin with high unemployment, muted demand from restaurants, a nationwide vaccination program that is just getting started, and a handsome U.S. sovereign debt.

Here are some of the big questions for the ag industry as it enters the new year.

## 1. How will the Biden administration shape farm policy?

The presumptive next secretary of agriculture, Tom Vilsack, is a known quantity, having filled the job for the eight years of Barack Obama's presidency.

But the once-and-future secretary could face pressure from the far left of the Democratic Party, which has been energized over the past four years.

Climate change and racial justice, topics that make many farmers uncomfortable, will be higher priorities for the administration as a whole than they were under President Donald Trump.

Biden is likely to reverse some of Trump's executive decisions, just as Trump replaced some of Obama's.

Policies that were most savaged by Democrats — relaxing school meal nutrition guidelines, narrowing federal jurisdiction over surface waters, restructuring USDA's organizational chart — would seem most ripe for redoing.

But Vilsack could also look to build on Trump's efforts in less contested but still complicated endeavors, such as the expansion of rural broadband.

## 2. How much will China buy from U.S. farmers?

The Phase One trade deal went into effect Feb. 14, and as of late October, China had purchased \$23 billion in U.S. agricultural products. That's 70% of its target in the new deal, and one of the biggest trade successes of Trump's presidency.

U.S. exports of pork, beef, corn, soybeans, alfalfa, peanuts and other foods to China are at record levels or up substantially.

Still, all is not well between the two geopolitical rivals. China's pressure on Hong Kong, harsh treatment of the Uighur minority and aggression in the South China Sea are unwelcome.

And the Phase One deal — the name implies an eventual Phase Two — did not resolve questions about cyber theft and cybersecurity. Those issues could cause friction in the future, according to Simon Lester and Huan Zhu of the Cato Institute.

The good news for U.S. farmers is that China's needs for agricultural goods will continue to be large, though demand might shift as the country recovers from the massive African swine fever outbreak in its pig herds.

### **3. When will in-person activities resume?**

In-person events have been largely canceled or switched to virtual platforms since March.

The change has created some opportunities for farmers to attend events normally held in distant towns. But virtual conventions are less than ideal for farmers with poor internet connections — and they have taken away opportunities for farmers to chew the fat.

The traditional slate of conferences, Extension events and trade shows will remain largely online this winter. That includes big events like the Commodity Classic, Pennsylvania Farm Show and Mid-Atlantic Fruit and Vegetable Convention.

COVID-19 vaccines are expected to be widely available by the middle of next year, so pre-pandemic life, with dining out and large gatherings, could return by the end of summer, said Marin Bozic, a University of Minnesota dairy economist.

That timing is good news for late-season field days, but it could mean hard decisions for summer fairs that face the prospect of canceling for the second year in a row.

### **4. When will restaurants reopen at full capacity?**

The food service industry is reopening much more gradually than it closed in the spring — partly because of regulations on seating capacity, and partly because diners may be unwilling to risk their health or can no longer afford to go out to eat.

Before the pandemic, Americans spent half of their food dollars on meals outside the home. Restaurants and their supply chain represented a valuable market for both wholesale and direct-marketing farmers.

Sure, takeout and delivery took off overnight. But demand from other food service venues — school cafeterias, lunch spots at office parks, stadiums — could stay weak until COVID-19 is finally under control.

“We got accustomed to the new situation, but being accustomed doesn't mean that we went back to the way things were,” Bozic said.

### **5. Will consumers embrace meat alternatives?**

That depends on what you mean by “embrace.” Based on the double-digit growth in the plant-based protein sector from 2017 to 2019, sales should finally top \$1 billion this year.

That's a big number, but it's only about 1% of U.S. retail meat sales. Of course, plant-based milk once had 1% market share with rapid growth, and it now claims 14% of the market, according to the Good Food Institute.

Cell-cultured meat — grown from animal cells in a controlled environment — is also on the horizon. Singapore recently approved the sale of lab-grown chicken nuggets. The U.S. maker of the product, Eat Just, said that's the first such approval in the world.

The National Cattlemen's Beef Association has been lobbying to prevent the new technologies from using the term "beef," but it's not clear if the group will get its way.

After all, dairy groups have so far not succeeded in getting the Food and Drug Administration to ban terms like almond milk.

## **6. Will whole milk return to schools?**

Restoring full-fat milk to the lucrative public school market is a top priority for dairy farmers, and the issue will get a boost next year when a leading champion of the idea, Rep. Glenn Thompson, becomes the top Republican on the House Agriculture Committee.

Thompson's whole milk bill collected 43 co-sponsors in the 116th Congress, mostly from the dairy bastions of Pennsylvania, New York and the Upper Midwest.

The bill might have gotten a vote had it been assigned to the Agriculture Committee, where the leadership was enthusiastic for the proposal.

Instead, the bill was given to the House Education and Labor Committee, which took no action.

Current law requires that School Lunch Program milk conform to the Dietary Guidelines for Americans, which prescribes low-fat and skim options.

Many dairy farmers believe ardently that, if given the chance, schoolchildren will prefer the taste of whole milk — and buy more of what dairy farmers are selling.

The parameters for School Lunch Program milk have been changed in the past. But the existing regulations are easy for lawmakers to justify, and it's hard to know what kind of legislation will catch on in the narrowly divided House and Senate as the post-Trump era begins.

## **7. Will Pennsylvania leaders act on the Dairy Future Commission report?**

The farmer-led panel, created by state law last year, published 54 recommendations in August for improving the state's leading ag sector.

Twenty of those items are suggested for completion in the next year. Several, such as "encourage Pennsylvania consumers to choose fresh, local dairy products," should be relatively painless to achieve through existing programs.

The state Senate showed it was in earnest with the 50-0 passage of the recommendation to extend the state's short 17-day milk date code.

Other initiatives are assigned to state and federal agencies, the checkoff, processors and educators.

As the five-year plan proceeds, the tasks will require greater effort and investment. Momentum could fade, new challenges could steal the spotlight, and a sense of ownership could get lost with so many stakeholders expected to contribute.

But dairy is also a big economic driver, accounting for one in four dollars of the state's farm production. Pennsylvania remains a top 10 dairy state, and after five years of low prices and a year of pandemic, those involved may be motivated to make sure the industry remains a point of pride.

## **8. Will Pennsylvania pass agritourism protections?**

There's a good chance this will happen.

With the full-throated support of state ag organizations, the House passed a bill this year to shield agritourism operations from lawsuits in situations where no party is at fault for injuries or damages.

The bill, similar to laws from 20 other states, would require operators to post signs warning of the risks of being on a farm or ask participants to sign a waiver.

With the legislative session winding down, Republicans copied the language from the original agritourism bill into another bill that extended COVID-19 liability protection to health care providers and manufacturers of personal protective equipment.

In vetoing that bill, Gov. Tom Wolf called the pandemic protections overly broad but made no mention of the agritainment language.

Two days after the veto, Rep. Barb Gleim announced she would be reintroducing the agritourism bill in next year's legislative session.

With farm groups leaning on them, Republicans will likely feel pressure to finish the job in 2021.

## **9. How will the Northeast handle invasive species?**

The spotted lanternfly continues its colorful but destructive march outward from Berks County, Pennsylvania, where the Asian pest was identified in 2014.

According to the New York State Integrated Pest Management Program, the lanternfly has now established itself from New Jersey to central Pennsylvania, with smaller outposts in Connecticut, New York, Ohio, Virginia and West Virginia.

Awareness campaigns and requirements that businesses inspect shipments have no doubt helped, but the sap-slurping insects can hitchhike easily and lay their eggs almost anywhere. Two dead lanternflies were even discovered this year in Oregon. They had arrived in a shipment from Pennsylvania.

This year also marked the first time that Swede midge, a brassica pest, and tar spot, a corn disease, were found in Pennsylvania.

Of less immediate threat to the Northeast, Asian giant hornets were found nesting in Washington state. Nicknamed murder hornets — they're vicious to bees but usually of little danger to humans — they brought public attention to the thorny problem of invasive species.

## **10. What's coming that we can't predict?**

The saying "never say never" picked up major credibility this year thanks to the out-of-the-blue emergence of COVID-19.

The pandemic has been a reminder that black swan events are not just theoretical situations dreamed up by Hollywood and the Defense Department.

Certainly, the ag industry has tried to prepare for disasters. That's the point of farms following biosecurity protocols, processing plants having fire extinguishers, and the government offering Dairy Margin Coverage.

In the end, though, we can only project and assume and prepare for so much. After that, we have to see what the future brings and trust in our ingenuity to see us through.