

## News from Washington: April 26-30

### **Biden Defends Tax Proposals, Calls for Immigration Reform**

President Joe Biden gave a shout-out to cover crops in his first address to Congress as he pitched his spending plans for climate and infrastructure.

Biden received applause as he ticked off the benefits of his \$2.7 billion American Jobs Plan, and said this: "Farmers planting cover crops, so they can reduce the carbon dioxide in the air and get paid for doing it." The plan includes \$1 billion for farm conservation.

He also insisted that his tax proposals will only affect the corporations and rich people. "What I've proposed is fair. It's fiscally responsible."

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

### **Regan Aims to Stop the WOTUS 'Ping-Ponging'**

EPA Administrator Michael Regan says there needs to be some permanence to the Biden administration's upcoming rewrite of the Waters of the U.S. rule.

It will be the third attempt to write a lasting WOTUS rule in as many presidencies. Speaking to the Senate Environment and Public Works Committee Wednesday, Regan said he hopes to bring the ag community into the discussion on "what's the best way to move forward without ping-ponging back and forth, protecting our water quality, and not overburdening our farmers."

Regan previously said the Biden administration wouldn't bring back the Obama rule, which expanded the number of wetlands and other features subject to regulation under the Clean Water Act. But he said Wednesday the Trump administration's WOTUS rewrite was not "as protective of water quality as it could be."

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

### **USDA: 100 Days Update**

Since January 20, 2021, the Biden-Harris Administration has been on a mission to Build Back Better. From the American Rescue Plan to the American Jobs Plan and now with the introduction of the American Families Plan, action has been taken to provide relief to the American people, and the necessary investments have been made to rescue and begin to rebuild our economy.

The United States Department of Agriculture (USDA) has worked over the last 100 Days to contain the COVID-19 pandemic, promote racial justice and equity, address the mounting hunger and nutrition insecurity crisis, rebuild the rural economy, strengthen and build fairer markets for farmers and producers, and address the impacts of climate change through climate-smart practices. As a result, food insecurity and poverty rates are falling, agricultural markets and export opportunities are flourishing, agricultural producers and landowners have more opportunities to participate in voluntary and incentive-based conservation practices, underserved communities once left out of federal programming and decision-making are prioritized once again, and critical infrastructure and business investments are being made to strengthen rural America.

[Read more from USDA.](#)

### **USTR Vows to Resolve EU Trade Spats, but Largely Mum on China**

U.S. Trade Representative Katherine Tai promised lawmakers Wednesday that work has begun to work out trade disputes with the European Union and the UK to create what President Joe Biden calls “a united front of U.S. allies,” but she largely left questions about China unanswered as the U.S. continues to study the situation.

“We need to figure out how to resolve our differences in order for us to come together to meet the challenges that we have today and that we will have tomorrow,” Tai said about the U.S., EU and UK trade dispute over aircraft manufacturing subsidies.

The World Trade Organization ruled last year the U.S. had the right to hit EU nations with \$7.5 billion in tariffs because of Europe’s Airbus subsidies. The WTO also ruled in that the EU could hit the U.S. with \$4 billion in tariffs to punish the U.S. for subsidizing Boeing. Both the U.S. and EU began levying those tariffs, causing significant political friction and trade disruption.

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

### **Labor Secretary Prioritizing Worker Protections**

The Biden administration says it’s taking seriously the pay and treatment of low-wage employees throughout the country – including farmworkers.

A Labor Department webinar on Thursday featuring Labor Secretary Marty Walsh also included Domingo Aguilar, a seafood worker at a Pennsylvania supermarket who was due more than \$15,000 in overtime and minimum wage violations, an investigation found.

**Keep in mind:** Although farmworkers weren’t represented on the webinar, the department has recently begun a nationwide education, outreach and enforcement [initiative](#) to ensure workplace protections for them.

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

### **Biden Wants New Taxes on Inherited Assets, Promises to Shield Farms**

President Joe Biden is proposing to impose higher capital gains taxes on inherited assets, with promised protections for farms and other family-owned businesses that continue in operation.

The change is intended to help pay for a \$1.8 trillion package of social benefits announced Wednesday. The proposal, called the American Families Plan, includes expanded child nutrition assistance, free community college, universal pre-K, paid family and medical leave and an extension of Affordable Care Act subsidies.

Under current law, capital gains taxes are only applied to inherited assets such as land, buildings and stocks when they are sold, and then they are taxed according to the “stepped-up basis” — the value at the time of the decedent’s death, not the value at which the decedent originally acquired the property.

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

### **The American Families Plan Honors America’s Family Farms**

The American Families Plan includes critical tax reform to ensure that the wealthy pay their fair share of taxes in order to finance essential investments in workers and families, including childcare, nutrition, higher education and more. One of those reforms is a change in the way capital gains are treated in our tax system so that, for people making over \$1 million, the tax system no longer favors income from

wealth over income from work. The plan won't raise taxes on anyone making less than \$400,000 a year.

Part of this plan to make sure the wealthy pay their fair share is a proposal to close the "stepped-up basis" loophole for wealthy estates so that enormous fortunes do not completely escape taxation. Under the proposal, unrealized capital gains (those that have never been previously taxed) are taxed at death above \$2 million in gains per couple. **But this won't affect family farms that stay in the family.**

- Under this proposal, estimates indicate more than **98% of farm estates will not owe any tax at transfer**, provided the farm stays in the family. The tax the remaining less than 2% would owe, would be on their non-farm assets.

The President recognizes the importance of agriculture and family farms to the American economy and way of life. He also recognizes the risks and economic challenges unique to agriculture, family farms and ranching operations across America. The Biden Administration is committed to American agriculture, family farms, ranches and the rural way of life. The American Families Plan protects family farms and ranches in two key ways:

- **No capital gains taxes at death for family farms.** This plan includes a special protection for family-owned farms and businesses. It defers any tax liability on family farms as long as the farm remains family-owned and operated. No tax is due if the farm stays in the family. No one should have to sell a family farm they inherit to pay taxes and the President's tax reform guarantees that.
- **\$2 million exclusion from increased capital gains for all married couples.** This plan also excludes the first \$2 million of gains per couple (\$2.5 million if the farm also includes the family home) from capital gains tax and heirs continue to get step up in basis on those first \$2 million in gains. If an heir decides to sell the family farm, the first \$2 million in gains is tax free.

[Read more from USDA.](#)

### **Stabenow Pushing for Big Boost in Conservation, Says Biden Plan Falls Short**

Senate Agriculture Chairwoman Debbie Stabenow says [President Joe Biden's \\$2.7 trillion infrastructure plan](#) is "woefully inadequate" when it comes to funding for climate-friendly farming practices, and she's pushing for a major increase in funding for conservation programs.

"In the American Jobs Plan, they miss the mark in the category called climate-smart agriculture," which would get \$1 billion over eight years under the proposal, the Michigan Democrat told members of the North American Agricultural Journalists on Tuesday.

"I am working to get significant resources in there that fund conservation," she said. She didn't specify the amount of money that she is seeking.

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

### **USDA Sifting Through Climate Recommendations**

USDA is getting plenty of advice about what it should do to address climate change. The White House directed USDA to solicit comments on the issue, and Thursday was the last day for recommendations to be filed with the department. As of Thursday, about 1,800 comments had [been posted](#) on the web.

Among those: The National Association of State Conservation Agencies says USDA should leave the carbon banking idea to the private sector. "A carbon credit purchase exercise that is funded annually with taxpayer dollars is not a bank. It is simply another program that pays for outcomes rather than implementation," the group says.

Another theme in some of the comments: USDA needs to build up its field staff to help farmers with the technical assistance they need.

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

### **US Lawmakers Look to Trade to Counter China's Strength**

Lawmakers, lobbyists and farm groups are anxious for the Biden administration to take its first concrete steps to begin negotiating international trade agreements and reform at the World Trade Organization to improve international access for U.S. goods as well as rein in China's expanding global influence.

Bipartisanship may be increasingly rare now, but confronting China's trade practices and controversial humanitarian issues is uniting some Republicans and Democrats that are seeing trade as a tool to bolster U.S. leadership in the global arena.

"Many of us are rightly repulsed by practices like China's technology theft," said Sen. Mike Crapo, R-Idaho, at a Thursday hearing held by the Senate Finance Committee that also focused on allegations of human rights abuses. "But the answer is not to construct our own restrictions on data and information, or create some social credit score for U.S. companies. ... We must also negotiate and enforce strong rules through new trade agreements, including at the World Trade Organization."

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

### **Ag and Food Lobby Groups Apply Pressure for End to U.S.-EU Tariffs**

Some 88 U.S. and European trade associations – most of them from the ag and food sectors – are pressuring governments on both sides of the Atlantic to end their trade disputes and stop punishing each other's exports with tariffs.

Tariffs tied to the trans-Atlantic spats over airplane subsidies are on hold [as the U.S. and European Union negotiate](#), but the tariffs from both sides over steel and aluminum trade remain in place.

In [a letter](#) sent to President Biden and European Commission President Ursula von der Leyen, the U.S. and European groups say: "The transatlantic relationship is of enormous economic importance to our sectors, and we are eager to see it protected and nurtured. Our sectors should no longer incur collateral damage in these unrelated disputes."

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

### **Policy Vets: Time is Now for Conservation Funding**

Two of D.C.'s best minds on ag policy say an upcoming infrastructure bill is likely to be critical for getting a big increase in conservation program funding for climate-friendly farming practices.

"I don't think anybody should live under the illusion that there are going to be new dollars available when we're writing the 2023 farm bill," Randy Russell, a lobbyist who represents the Food and Agriculture Climate Alliance, told members of the North American Agricultural Journalists.

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

### **Farm Groups to USTR: We'll Collaborate on Environment**

U.S. farmers and ranchers already go to great lengths to produce sustainable crops, but they are willing to do even more, so long as the government doesn't impose new mandates on them. That's the

message that a dozen major producer groups are delivering to U.S. Trade Representative Katherine Tai in [a letter](#).

The letter is a response to [a speech](#) on environmental protection Tai gave earlier this month. “We agree there are additional practices that farmers can adopt, including expanded use of cover crops. With good information and the correct incentives, farmers will achieve even better environmental outcomes,” the letter says.

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

### **Biotech Corn Variety Getting More USDA Scrutiny**

A Monsanto corn variety that’s engineered to resist five different herbicides is getting a more in-depth review from the Animal and Plant Health Inspection Service. APHIS said in a [Federal Register notice](#) it would be preparing an environmental impact statement on the product.

APHIS said it decided on the more detailed process required by an EIS – as opposed to an environmental assessment – after receiving “new information regarding potential issues with dicamba spray drift and volatilization and associated potential economic impacts.”

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