

2016 Elections: Implications for U.S. Agriculture

Burleigh C.W. Leonard

Rural America's overwhelming support for Donald Trump was a critical factor in his victory in the 2016 presidential election and in the

Republican Party's success in maintaining control of the House and Senate. Rural voters not only voted for Trump but turned out in better than expected numbers to more than offset the advantage Democrats held in the cities and suburbs. Those same voters tended to stick with

Key Players

Senate

Agriculture Committee
Pat Roberts(R-KS)
Chairman

Debbie Stabenow (D-MI)
Ranking Member

House

Agriculture Committee
K. Michael Conaway (R-TX)
Chairman

Collin Peterson (D-MN)
Ranking Member

downballot Republican candidates and as a result frustrated Democrat hopes of taking the Senate. The new conventional wisdom is these voters were expressing their frustration with Washington and demanding radical change. While change may indeed come, it is not clear how rural America, and the agriculture sector on which it depends, will react to implementation of key policies espoused by candidate Trump. Farmers will cheer most tax reform initiatives and a rollback of land use and environmental regulations; however, they will oppose anti-trade and anti-immigration policies that threaten access to their overseas markets and seasonal workforce. Trump vowed not to touch Social Security and Medicare benefits. It will be interesting to see how he treats entitlements such as food stamps and commodity price support programs which will be up for reauthorization in the 115th Congress.

Trump has indicated his top priority is to get the economy growing at a more robust rate. His challenge is to devise a strategy to achieve that objective. The dark cloud hanging over the agriculture sector is low commodity prices generated by a string of record U.S. harvests. Weather has been a critical factor in those bountiful harvests, and there is little Trump can do about that. Mother Nature will beat a master builder every time.

What the president-elect can do is avoid making matters worse for American farmers. He can refrain from pursuing protectionist trade policies that invite retaliation against U.S. agricultural exports; however, his opposition to TPP and trade with Cuba does not bode well for the agriculture community. Trump can withdraw regulations promulgated by the Obama administration, such as the Waters of the U.S. rule, that increase production costs for farmers. He can repeal the estate tax that often forces farmers to liquidate their assets. He can resist using a new farm bill to artificially inflate farm income via measures that distort the market for agricultural commodities. If Trump wants to help the food and agriculture sector, he should just stay out of the way.



There is much speculation over whom Trump will nominate to be his Secretary of Agriculture. It is a crap shoot at this time to wager on who the nominee will be, but it is a sure thing that Vice President-Elect Mike Pence will exert great influence over the final decision. Hailing from a big agriculture state and heading the transition team, he is positioned like no other to be the Trump whisperer on all agricultural matters. If you are an addicted gambler, put your money on somebody from Indiana.

The elections did not dramatically change the membership of the House and Senate Agriculture Committees. Six incumbent members—three Republicans and three Democrats—of the House Agriculture Committee either retired or lost their re-election bids. No incumbent member of the Senate Agriculture Committee suffered defeat. While the leadership of the two committees is likely to remain the same, there could be a reshuffling of members when committee assignments are made in the new congress.

During the 115th Congress, both Agriculture Committees will focus on writing a new farm bill which authorizes most of the programs administered by USDA. The current farm bill expires in 2018. 2017 will be devoted to hearings on the farm bill with mark-ups and floor consideration in 2018.

For all the latest on the Presidential and Congressional Transitions check

back regularly at http://prime-policy.com/2016/11/transition