

National Potato Council

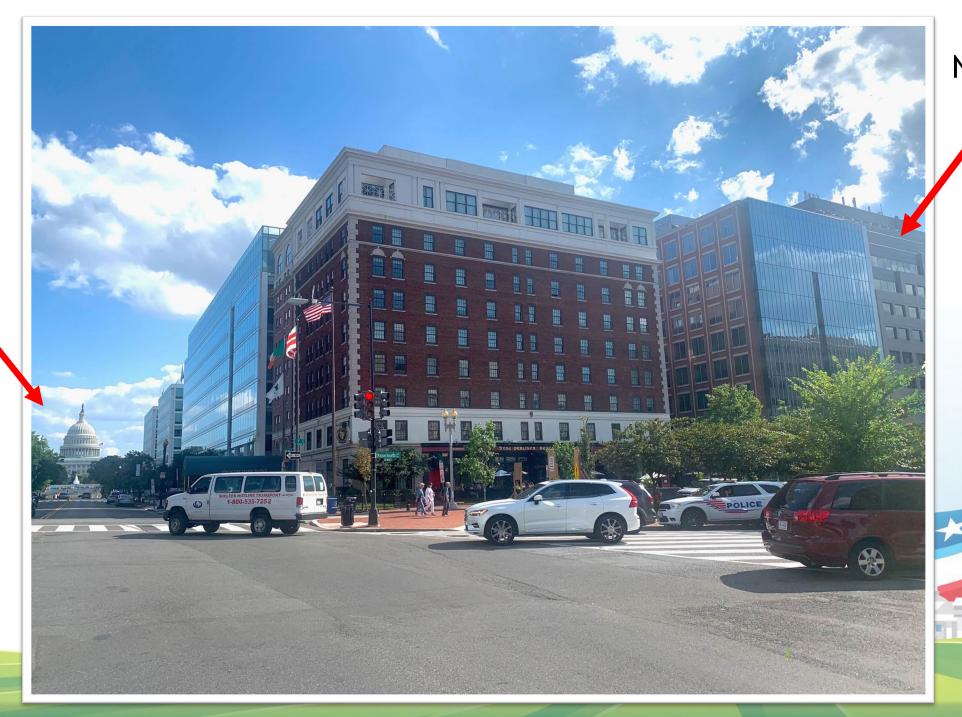
Mike Wenkel, Chief Operating Officer

NPC Team

- Kam Quarles, Chief Executive Officer
- Mike Wenkel, Chief Operating Officer
- Hollee Alexander, Vice President of Industry Affairs and Events
- Mark Szymanski, Director of Communications
- Ethan Keller, Program Coordinator



U.S. Capitol



New NPC Office



Mexico - Supreme Court Ruling - April

9NEWS NE

Statement from Agriculture Secretary Tom Vilsack on Mexico Supreme Court Ruling in Favor of U.S. Potato Growers

WASHINGTON, April 28, 2021 — "Mexico's Supreme Court released a final, unanimous ruling today on a case that puts U.S. fresh potatoes one step closer to finally gaining access to Mexico following nearly 20 years of negotiations. This decision is important for American agriculture and for positive bilateral relations between the United States and Mexico. USDA has worked for years on a resolution to this ongoing issue. It was something I prioritized as Secretary between

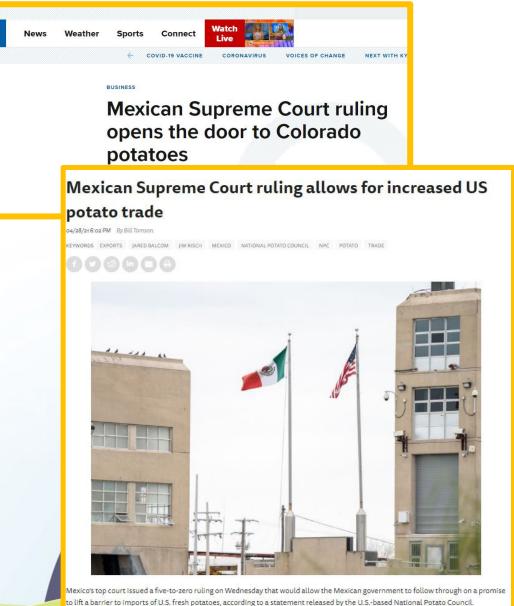
Statement

Release No. 0091.21

Contact: USDA Press

Email: press@usda.gov

2009-2016 and one of the first issues I discussed with Mexico's Secretary of Agriculture when I returned this year. U.S. industry representatives estimate that implementation of full market access for U.S. potatoes could increase U.S. exports from approximately \$50 million in 2020 to \$150 million or more. We look forward to resuming bilateral technical engagements to finalize import requirements as soon as possible. With more certainty returning to U.S. trade relationships in 2021, U.S. agricultural exports continue to perform strongly and remain poised to continue at a robust pace. Decisions like this one today are important for long-term export growth."



"Today's ruling comes as welcome news for Idaho potato growers," Idaho GOP Sen. Jim Risch said in a statement. "I'm proud to continue advocating for the Gem State's ag producers so people across the world can enjoy our state's most famous product."



Strong Engagement By Congress

United States Senate

WASHINGTON, DC 2051

August 18, 2020

The Honorable Sonny Perdue U.S. Department of Agriculture 1400 Independence Ave. SW Washington, DC 20250

Dear Secretary Perdue:

We write to urge you to continue to advocate for increased access for United S exports to Mexico during the course of any trade negotiations with the Mexica

On May 19, 2014, U.S. potato exporters were finally allowed to export fresh p Mexico. Unfortunately, the Mexican potato industry represented through Com Sistema Producto Papa (CONPAPA) sued the Mexican government and the ge potato export ban was reinstated. Currently, this issue is pending before the Me Court.

We strongly support the benefits of trade between the United States and Mexic our countries engaged in nearly \$615 billion in trade. With the recent conclusion States-Mexico-Canada Free Trade Agreement (USMCA), U.S.-Mexico trade we grow even more and benefit producers and consumers in both countries.

Although U.S. potato producers can ship processed, dried, and frozen potatoes access to the fresh potato market has been severely restricted and exports are o within an approximately sixteen-mile zone south of the U.S.-Mexico border. T greatly reduces opportunities for U.S. potato producers and further limits optic consumers. We encourage you to consider the use of all available mechanisms new dispute resolution authority under the USMCA, to ensure Mexico honors: allow U.S. potatoes to reach Mexican consumers.

As you continue market access conversations with Mexico, we again urge you advocate for U.S. fresh potato exports and to further strengthen U.S.-Mexico to

Sincerely,

/s/ Cory Gardner United States Senator

James E. Risch United States Sena

/s/ Mike Crapo United States Senator

Cc: The Honorable Robert E. Lighthizer, United States Trade Representative



Sen. Mike Crapo

Crapo says Mexico promises to open to US potatoes

The top Republican on the Senate Finance Committee, Idaho's Mike Crapo, says Mexican President Andrés Manuel López Obrador and Economy Secretary Tatiana Clouthier have both assured him personally that the country is moving forward on regulations that will open up all of Mexico to imports of U.S. potatoes.

Mexico's Supreme Court issued a ruling in April that would allow the Mexican government to lift a barrier to fresh U.S. potatoes, but that has not happened yet. Mexico is now only partially open to U.S. potatoes, allowing them to be sold within 26 kilometers, or 16 miles, of the U.S.-Mexico border.

"I won't consider the matter finished until our farmers are able to sell high-quality potatoes to every family in Mexico," Crapo said during a Finance Committee hearing on implementation of the U.S.-Mexico-Canada trade agreement.

- Congressional leaders have been extremely engaged in seeing this issue resolved
- "I won't consider the matter finished until our farmers are able to sell high-quality potatoes to every family in Mexico." - Sen. Mike Crapo



Unwavering Commitment from the Administration

- USDA and USTR have been extremely engaged.
- High level meetings have repeatedly included potatoes

APR 5, 2021

Vilsack willing to use USMCA deal in US-Mexico potatoes dispute

- The news radio outlet AgInfo.net posted April 1 USDA Secretary Tom Vilsack's recent comments about utilizing the USMCA to enforce U.S. trade rights should the Mexican Supreme Court decline to rule in the U.S. potato industry's favor on the longstanding issue
- In the story, reporter Bob Larson said,
 "American potato growers have been waiting
 patiently for the Mexican Supreme Court to rule
 on that countries' ban on U.S. fresh potato
 imports, without much news of late. Ag
 Secretary Tom Vilsack says he spoke recently

with Mexico's Ag Secretary Villalobos who

of full U.S. fresh potato access.



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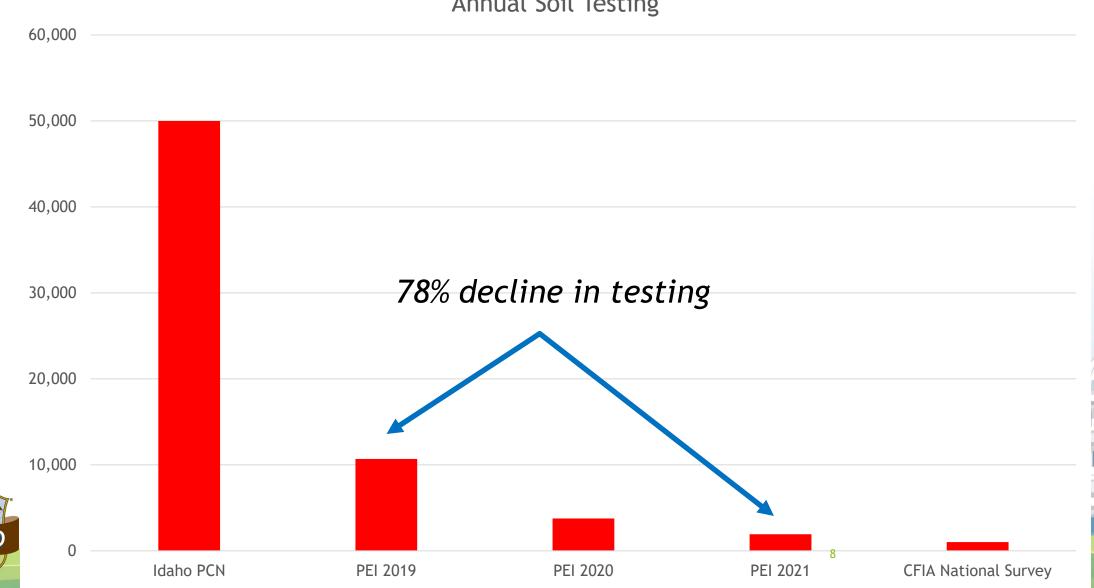
PEI Potato Wart Disruption

- ► Latest challenges with potato wart in Prince Edward Island, Canada (PEI)
- Potato Wart detected in PEI seed fields in November of 2020.
 - ► Temporary Suspension of seed exports to U.S.
 - No domestic restrictions
 - ► Five-month suspension lifted in March of 2021
- New detections in unrelated processing fields in October of 2021
 - ▶ PEI seed exports to Uruguay suspended in October
 - ▶ PEI seed shipments domestically suspended in November with new restrictions for other potatoes
 - ▶ All PEI potato exports to the U.S. suspended in November

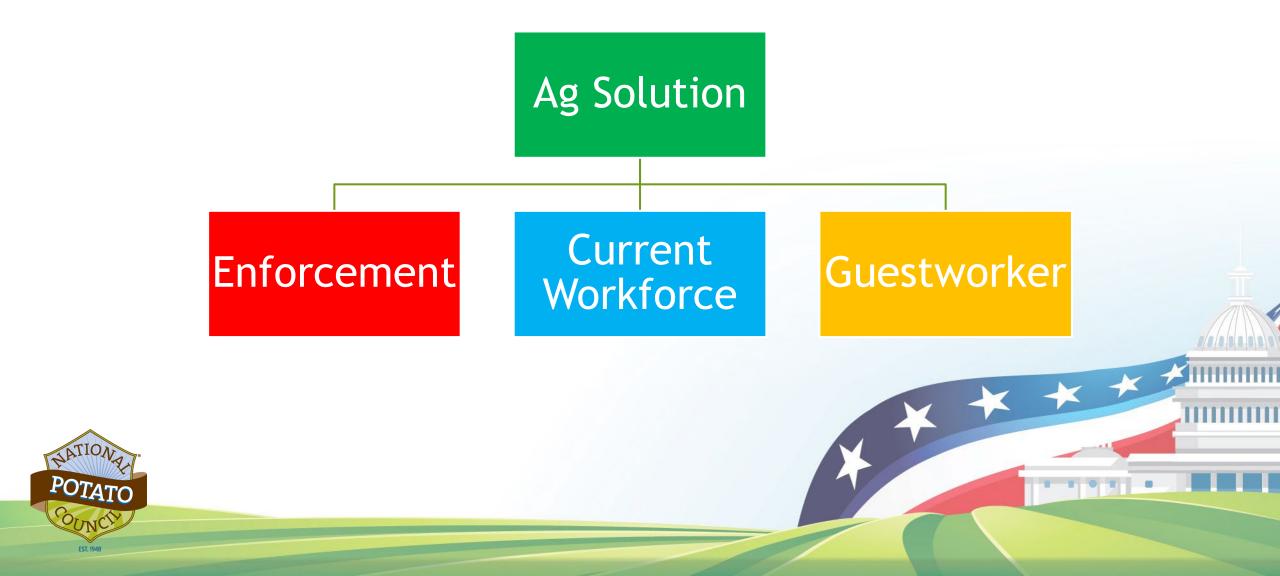


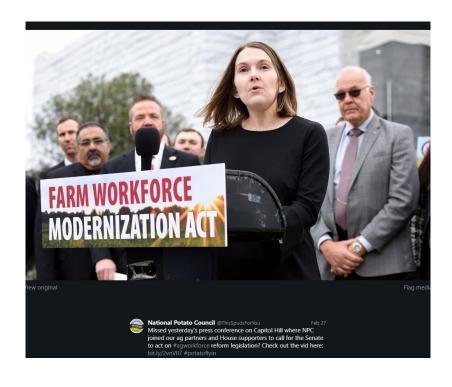
PEI Testing Declines

Annual Soil Testing



Agriculture Immigration Reform





Farm Workforce Modernization Act

- Bipartisan Bill
- Gained 30 Republican votes along with the Democrats in passing the House



Supply Chain

- ► Federal government is struggling to impact the supply chain breakdown
- Prior issues foreshadowed their limited power now
 - ► West Coast Longshore/Terminal Operator Disputes
- Ocean Shipping Reform Act of 2021
- ► Infrastructure Bill





Pushing Back on Tax Increases

- ► NPC is part of a large ag tax coalition to maintain beneficial provisions
- Congress and activists have suggested eliminating the estate tax and other items to pay for infrastructure
- ► NPC Board unanimously opposes

May 10 2021

The Honorable Chuck Schume Majority Leader United States Senate Room S-221, The Capitol Washington DC 20510

The Honorable Nancy Pelosi Speaker of the House U.S. House of Representatives Room H-305, The Capitol Washington DC 20515

The Honorable Mitch McConnell Minority Leader United States Senate Room S-230. The Capitol Washington, DC 20510

The Honorable Kevin McCarthy Minority Leader U.S. House of Representative Room H-204, The Capitol Washington DC 20515

Dear Majority Leader Schumer, and Minority Leader McConnell. Speaker Pelosi, and Minority Leader

On behalf of our nation's farmers, ranchers, and family-owned agricultural operations we write to express our significant concerns about legislative proposals that would jeopardize the viability of the family-owned businesses that make up our respective industries. As Congress turns its attention to making investments in our nation's infrastructure and human resources, we urge you not to alter or eliminate long-standing tax code provisions that are fundamental to the financial health of production agriculture and the businesses that supply its inputs, transport its products, and market its commodities While it is not our intent to represent a comprehensive statement on tax policy, we believe the following principals will ensure that financial harm is not caused to our nation's family-owned agricultural

Preserve Tax Provisions that Support Future New and Multi-generational Operations: There are more than four times as many farmers and ranchers aged 65 and older as there are those under the age of 35, and these individuals own more than 40 percent of agricultural land in the United States With more than 370 million acres expected to change hands in the next two decades, the policies Congress enacts now will determine agricultural producers' ability to secure affordable land to start or expand their operations. Regardless of whether a business has already been passed down through multiple generations or is just starting out, the key to their longevity is a continued ability to transition when a family member or business partner dies. For this reason, we believe the current estate tax

Additionally, federal tax policy should help facilitate the transfer of agricultural land to family-owned operations, including those who face the greatest challenges in acquiring it: beginning, veteran and minority farmers and ranchers. Because assets in agriculture are typically held by one owner for several decades, resetting the basis on the value of the land, buildings, and livestock on the date of the owner's death under a step-up in basis is important for surviving family members and business partners to ensure the future financial stability of the operation. While imposing a new capital gains tax at death "with protections so that family-owned businesses will not have to pay taxes when given to heirs who continue to run the business" may be well-intentioned, this obligation could still discourage the sale of farmland depending on its implementation - potentially increasing the cost and further limiting the availability of farmland. The implication of this proposed safeguard is that the protections will only be provided if the heirs continue to run the family business which could greatly limit any potential transitions. Such

unintended consequences could result in greater barriers to access for new, expanding, and underserved producers alike. As currently outlined, we remain opposed to repealing the step up in basis and to imposing new capital gains taxes on family farms and ranches when there is a death in the family

Safeguard the Viability of All Family-owned Agricultural Business Entities:

Farms and ranches, like all businesses, must constantly adapt and reinvest in their land, buildings equipment, and animals to stay efficient and competitive in the marketplace. They must do this while dealing with cash flow challenges that come from thin profit margins and from having to pay ongoing operating expenses with uneven or seasonal income. These issues are compounded by a heavy tax hurden that further reduces financial resources. Key to maintaining a reasonable level of taxation for pass-through business' like farms and ranches is continuation of the Sec. 199A business income deduction. Eliminating or reducing this key business provision will result in a huge tax increase for farmers and ranchers at a time when they can ill afford it. Similarly, retaining like kind exchanges which allows businesses to buy and sell like assets without tax consequences, also belos farmers and ranchers cash flow and to reinvest in their businesses.

Livestock and crop production are the heart of American agriculture, providing the safe, affordable, and nutritious food Americans enjoy every day, and serving as the economic backbone of rural communities across this country. As the stewards of nearly 900 million acres of crop and rangeland in the U.S., agricultural producers play an important role in terms of natural resource and land conservation.

Thank you for your continued efforts in support of U.S. production agriculture. As Congress works to enact a comprehensive infrastructure package, we appreciate your consideration of these important issues. We look forward to working with you on legislation that ultimately preserves the long-term sustainability and vibrancy of family-owned farms, ranches, and agribusinesses.

Agricultural & Food Transporters Conference of Agricultural Retailers Association

American Association of Crop Insurers American Farm Bureau Federation American Horse Council American Mushroom Institute American Seed Trade Association American Sheep Industry Association

American Soybean Association American Sugar Alliance American Veterinary Medical Association AmericanHort

Cotton Warehouse Association of America Crop Insurance Professionals Association Farm Credit Council Livestock Marketing Association

National All-Jersey National Association of State Departments of

National Association of Wheat Growers

National Cattlemen's Beef Association National Com Growers Association

National Cotton Council National Grange National Milk Producers Federation

National Peach Council National Pork Producers Council

National Potato Council National Sorghum Producer

National Turkey Federation North American Renderers Association Panhandle Peanut Growers Association

Public Lands Council South East Dairy Farmers Association Southwest Council of Agribusiness U.S. Apple Association

United Egg Producers US Sweet Potato Council USA Rice

Western Growers Western Peanut Growers Association



Pandemic Relief and the Potato Industry

- ▶ Beginning just after the crisis began a year ago, NPC and the state organizations began crafting a relief plan for the potato industry.
- ► The plan contained two major elements;
 - ► <u>Substantial surplus commodity purchases</u> by the government to replace demand lost in the wake of the government-mandated shutdown
 - ► A <u>meaningful direct payment program</u> to provide relief to economically-injured growers



\$350 million to the Potato Industry

- ► The combined federal relief for our industry is \$350 million since the COVID crisis began
- Largest federal support in the industry's history
- Includes both direct relief to growers and surplus commodity purchases.





Total Pandemic Relief for the Potato Industry

- > \$139 million to potato growers CFAP 1
- > \$121 million to potato growers CFAP 2
- > \$50 million Section 32 potato purchase
- > \$40 million + Farmers to Families Food Box Program

\$350 million overall (\$260 million direct to growers)



Potato Leadership Education, & Advancement Foundation







Founders Society Members

Individual Members - \$10,000+

- RJ & Nancy Andrus, Idaho Falls, ID
- Black Gold Farms, Grand Forks, ND
- Blatchford Farms in Memory of Dave Blatchford
- Countrywide Potato LLC, Alliance, NE
- Todd & Jill Michael, Urbana, OH
- Montana Potato Advisory Committee
- Dan & Jann Moss, Rupert, ID
- Marty & Ann Myers, West Linn, OR
- Lynn J. & Marthann Olsen, Othello, WA
- Richard Pavelski, Hancock, WI
- Kam & Karen Quarles, Washington, DC
- Blair & Marti Richardson, Denver, CO
- Mike Wenkel, Washington, DC

Diamond Members - \$250,000+

- Idaho Potato Commission
- National Potato Council
- Potatoes USA
- Washington State Potato Commission

Platinum Members - \$100,000+

RD Offutt Farms

Gold Members - \$50,000+

- Allied Potato
- Alsum Farm & Produce, Inc.
- Colorado Potato Administrative Committee
- Farm Credit
- J R Simplot
- Maine Potato Industry
- McCain Foods, USA
- Michigan Potato Industry Commission
- Northern Plains Potato Grower Association
- Oregon Potato Commission
- Sklarczyk Seed Farm
- Wisconsin Potato & Vegetable Growers Association



Programs

- Potato Industry Leadership Institute
 - Feb. 23 Mar. 4, 2022 in California/Washington, D.C.
 - 18 Participants
- Graduate-level Annual Scholarship
 - \$10,000 scholarship
- Leadership Institute Alumni Summit
 - June 24, 2022 Nashville, TN
- Educational Sessions at Potato Expo 2023
 - January 4-5, 2023 Gaylord Rockies Resort





Ways to Contribute

 Donate or bid in Live & Silent Auction events

• Donate online

Follow us

• Facebook: @PotatoLeaders

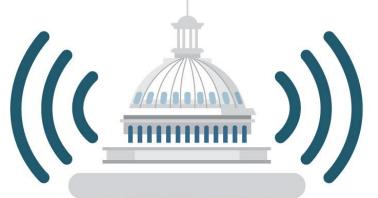
• Twitter: @PotatoLeaders





EVE ON POTATOES

THE PODCAST ON ALL THINGS POTATOES!



Tune in for conversations with growers and thought leaders on advocacy, production and all things potatoes.





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Hear from the nation's top political and policy experts
Welcome NPC's 2022 officers and grower leaders
Meet with members of Congress representing potato-growing states
and districts

... and unite as an industry in Standing Up for Potatoes on Capitol Hill!

Speakers:

- Amy Walter, Cook, Cook Political Report
- Rep. John Moolenaar (MI-4)
- Rod Snyder, Agriculture Advisor to Administrator, EPA
- Tom Vilsack (Invited), Secretary of Agriculture



Rep. John Moolenaar (MI-4)



Amy Walter, Cook Political Report



Rod Snyder, EPA

Potato Expo is Back Live!





