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AgriGate

A National Agricultural Biosecurity Center Newsletter

NABC
National Agricultural Biosecurity Center

IN THIS ISSUE:

BRINGING NATIONAL SECURITY TO AGRICULTURE PRODUCERS IN THE MIDWEST

Located on the Manhattan campus of Kansas State University, the National Agricultural Biosecurity Center, or NABC, is an integral part of the midwest's expanding animal health corridor. The NABC contributes to and accesses a vast network of interdisciplinary research and resources in the areas of animal and plant diseases, foodborne pathogens, environmental changes, food security, emergency management and One Health.

The mission of the NABC is to facilitate prevention and response strategies that address emerging threats to agricultural economies and the food supply in the U.S. and the world.

USDA LAUNCHES $10 BILLION EMERGENCY ASSISTANCE PROGRAM FOR 2024 CROP YEAR

Why This Matters: The Emergency Commodity Assistance Program (ECAP) is crucial for Midwestern producers facing rising input costs and falling commodity prices. With crops like corn, soybeans, and wheat dominating the region, ECAP's direct payments provide essential financial relief, helping farmers sustain operations, manage risks, and stabilize rural economies amid market uncertainties and unpredictable weather conditions.

The Emergency Commodity Assistance Program (ECAP) is a program authorized by the American Relief Act of 2025 to provide economic assistance to agricultural producers. The purpose of ECAP is to help farmers mitigate the impacts of increased input costs and falling commodity prices for the 2024 crop year. This is administered through the USDA's Farm Service Agency (FSA).

ECAP is providing up to $10 billion in direct payment to producers. These funds are one-time economic assistance to affected farmers and payments are based on acres, not production. The program covers a wide range of commodities, each with specific per-acre payment rates. The complete list of eligible commodities and their corresponding payment rates can be found in the ECAP Commodity Table, but some of the primary commodities included are wheat, corn, barley, oats, soybeans, rice, cotton, sorghum, peanuts, and sunflowers. In reference to the ECAP Commodity Table, some key eligibility notes are as follows: if there is approved double cropping, both crops are eligible; if there are multiple intended uses for the crop, only one

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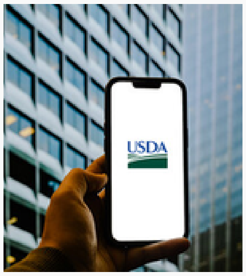
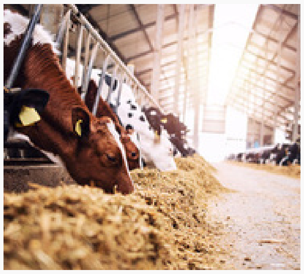


use eligible; only the producer with expense interest qualifies; and there are certain restrictions for volunteer, experimental, and left-standing acreage. Producers with eligible commodities or are interested in ECAP are encouraged to consult the official ECAP resources or contact their local FSA office to obtain the full list of eligible commodities and their payment rates.

ECAP is a critical resource in today's difficult agricultural economy and producers are urged to make use of the program. The USDA is encouraging the use of early application and form verification. August 15, 2025, is the last day to apply for ECAP payments.

THE U.S. DAIRY ECONOMY AND THE IMPACT OF TRADE DISPUTES

Why This Matters: The U.S. dairy industry is vulnerable to trade disputes with the country's close trading partners, especially Canada. Trade disputes can threaten Midwestern dairy producers, who rely on stable trade agreements for stability. High tariffs, restricted market access, and regulatory barriers hurt profitably in states like Wisconsin and Minnesota. Resolving these disputes is crucial to sustaining Midwestern agriculture, protecting rural economies, and ensuring long-term dairy industry growth.



The United States dairy industry is a powerhouse, supporting over 3.2 million jobs and contributing $800 billion to the economy. Once a net importer, the U.S. now exports $8 billion in dairy products annually. However, trade disputes with Canada, Mexico, and China threaten this progress, particularly impacting Midwestern dairy farmers who rely heavily on exports.

Canada's supply management system imposes high tariffs (over 200% on certain U.S. dairy products) after reaching quota limits set under the United States-Mexico-Canada Agreement (USMCA). However, this issue is nuanced as the United States has never reached the quota limits, sometimes not even reaching half of the limits set. Lawmakers argue that Canada continues to restrict U.S. market access while dairy proteins for artificially low prices, which undercuts the market access for U.S. dairy products. Midwestern states like Wisconsin and Minnesota, where dairy is a key industry, are particularly affected by this.

Many lawmakers are urging the Trump administration to find a solution, but some are wary of an ongoing trade dispute with Canada, who is historically one of the country's largest trading partners. The Canadian dairy industry operates under a tightly regulated system to protect the country's supply management system. Recent changes to the USMCA have been designed to help improve Canadian market access, but lawmakers still argue that Canada has found and exploited loopholes to continue trade-distorting practices.

NEW WOTUS GUIDELINES: WHAT THEY MEAN FOR AGRICULTURE AND LANDOWNERS

Why This Matters: For Midwestern farmers, the new guidelines are particularly significant. The revised WOTUS definition provides greater clarity on jurisdictional waters, particularly regarding ephemeral features, agricultural ditches, and tile-drained fields. Under the new rule, many man-made conveyances and non-adjacent wetlands are excluded from federal oversight, reducing the likelihood that routine farming activities – such as ditch maintenance, nutrient application, and field grading – will require Section 404 permits from the U.S. Army Corp of Engineers.

NEW WOTUS GUIDELINES: WHAT THEY MEAN FOR AGRICULTURE AND LANDOWNERS

The Waters of the United States (WOTUS) guidelines, which define federal jurisdiction over the waterways under the Clean Water Act (CWA), have been revised again, sparking debate among farmers, landowners, and environmental groups. The new rule seeks to clarify which waters fall under federal regulation while balancing environmental protection and economic concerns.

The revised WOTUS guidelines redefine federally protected waters, focusing on streams, wetlands, and adjacent waters. However, the rule exempts ditches, irrigation ponds, and groundwater which is a relief for farmers and ranchers concerned about excessive regulation. Compared to previous versions, the latest rule narrows federal oversight, making it more aligned with past Supreme Court decisions that restrict government reach over isolated wetlands and intermittent streams. There is a divided response to the WOTUS rule. Environmental groups argue that it weakens protection for wetlands and water quality. Agriculture groups and landowners support the change, emphasizing the need for clearer, less burdensome regulations. There us further legal challenges expected as states and industry groups are pushing for greater regulatory certainty.

PRIORITIZATION OF EXPORTS IN THE SOUTH AMERICAN BEEF SECTOR

Why This Matters: This trend is important to Midwestern producers because increased South American exports (especially to China) intensify global competition and could influence U.S. beef products and market access. As South America expands its export focus, producers may face pressure to remain competitive while navigating trade uncertainty and shifting global demand dynamics.

As the global beef demand rises, South American producers are turning their focus toward export markets, particularly China, at the expense of domestic consumers. This shift is reshaping local consumption patterns and pricing, with significant implications for the region's beef industry.

Production in the four largest beef-exporting nations (Brazil, Argentina, Uruguay, and Paraguay) is projected to decline in 2025. Brazil, who supplies 63% of South America's beef, is expected to cut production by 500,000 metric tons. The decline is primarily due to high female cattle slaughter rates during recent years of strong prices, reducing the breeding herd and future output.

Despite the decrease in production, export volumes continue to grow. Declining purchasing power and reduced domestic beef consumption have encouraged processors to prioritize international markets. Since 2019, China's imports of South American beef have surged. In 2024, the region supplied 76% of China's beef imports, with Brazil contributing 47%, Argentina 21%, and Uruguay 8%. For reference, the United States contributes 17% of China's beef imports.

The recent emphasis on exports has driven up local beef prices. From 202 to 2024, the amount of beef that could be purchased on a 'basic wage' dropped across the region. In Brazil, consumers can now afford 20% less beef than they could four years ago. Meanwhile, other meats such as poultry, pork, and seafood are starting to overtake beef as the most consumed protein.

Despite the continued push for exports, beef remains culturally important in South America. The industry will need to balance export ambitions with domestic needs, possibly through informal processing sectors. Global uncertainties, including U.S. trade policies and price disparities, add further complexity to the shifting market.