NORTHEAST DAIRY FARMERS COOPERATIVES

Representing dairy farm families in New York and New England

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This Week in Congress!

Congress will recess next week in observance of the Thanksgiving holiday.

This week, the House voted on eight measures including resolutions (H.J. Res. 130; H.J. Res. 131; S.J. Res. 80) to disapprove of regulations issued by the Bureau of Land Management during the last weeks of the Biden administration; two bills (H.R. 5107; H.R. 5214) that would modify criminal justice laws in Washington, D.C.; a couple of energy bills (H.R. 1949; H.R. 3109); and a resolution denouncing socialism (H. Con. Res. 58).

The House also voted on fourteen bills that came out of the Homeland Security Committee, and they related to terrorism prevention, cybersecurity, and border security.

Finally, the House voted 427-1 to compel release of the Epstein files (H.R. 185).

Meanwhile, the Senate unanimously voted to release the Epstein Files and considered a new minibus appropriations package for December, along with confirmation votes of administration nominees.

The Longest Government Shutdown Ends!

The longest government shutdown in history has ended. Last Monday evening, the Senate took up the House-passed continuing resolution (CR) (H.R. 5371). Majority Leader Thune (R-SD) offered an amendment to substitute new text to incorporate three FY 2026 appropriations bills (Agriculture, Legislative Branch, and Military Construction-Veterans Affairs), continue funding for other government agencies at FY 2025 levels through January 30, resume federal payments to states and localities, fund back pay for government employees, reverse the layoffs of federal workers that the administration implemented during the shutdown, and prevent any reductions in the federal workforce for the duration of the CR. Before voting on the measure, the chamber rejected a few separately offered amendments:

- a Sen. Paul (R-KY) amendment to strip a provision from the Agriculture appropriations bill that prevents the unregulated sale of hemp-derived THC products;
- a Sen. Baldwin (D-WI) amendment to extend the ACA enhanced premium tax credits for one year, to the end of 2026; and
- a Sen. Merkley (D-OR) amendment to prohibit the use of pocket recissions (a legally untested budget maneuver that would allow the administration to cancel appropriated funds within 45 days of the end of the fiscal year without congressional approval).

The amended CR passed the Senate by a vote of 60-40, with the help of the same eight Democrats who supported the motion to proceed to consideration of the measure the night before.

The House returned to session on Wednesday following a 54-day recess. All but two Republicans – Reps. Massie (R-KY) and Steube (R-FL) – voted for the Senate-passed CR. House Democratic leadership whipped their caucus to vote "no" on the measure because it does not address the ACA premium subsidies. Nevertheless, six moderate Democrats representing swing districts voted for it: Reps. Cuellar (D-TX), Davis (D-NC), Golden (D-ME), Gray (D-CA), Gluesenkamp Perez (D-WA), and Suozzi (D-NY).

The 2026 Agriculture Appropriations Bill for Dairy!

With the government reopening, here's a quick summary of what was included in the agreement that ended the shutdown. The 2026 Agriculture Appropriations are part of the package, and funding for USDA and FDA will continue through September 30, 2026. This puts the dairy industry in a strong position—if another shutdown occurs when the CR part of the bill expires on January 30, 2026, it should be only partial and less impactful. The deal also contains a partial extension of the farm bill, which means a full Farm Bill update is now likely delayed until 2026.

<u>Relevant pieces of the 2026 Ag Appropriations Bill for Dairy (Division B of HR 5371)</u>

- APHIS funded at $1.2 billion, which is slightly higher than FY2025 (+$9 million)
- Ag Research funding totaling $3.8 billion
  - $1.8 billion for ARS
  - $1.7 billion for NIFA
  - Full funding for the National Bio and Agro-Defense Facility
- Standard functions of AMS, FSIS, FSA, NRCS funded without significant cuts to dairy-relevant portions
- Dairy Business Innovation Initiatives funded at $13.75 million
- Dairy Indemnity Program funded at $500,000
- Language included restoring previous monthly maximums for milk for the WIC program
- The SNAP and WIC contingency reserves which were depleted during this shutdown will be reimbursed

<u>Relevant pieces of the Extension of Agriculture Programs (Division E of HR 5371)</u>

- In general, this is another 2018 farm bill extension through Sept. 30, 2026, for all the farm bill programs that were left out of budget reconciliation this past summer. Things of note included in this farm bill extension that do not have a Sept. 30 expiration date include:
  - A suspension of permanent law through Dec. 31, 2026, thus avoiding the dairy cliff at the end of 2025.
  - An extension of the Dairy Forward Pricing Program by one additional year, now through 2029 instead of 2028.

Congressional Letter to Prioritize Dairy Trade Issues in USMCA Review

This week with the House returning to session, I would like to draw your attention to a bipartisan House letter requesting that U.S. Trade Representative Jamieson Greer address a longstanding dairy trade issue with Canada during the forthcoming 2026 U.S.-Mexico-Canada Agreement (USMCA) Joint Review process. This correspondence is the result of collaboration among NDFC, NMPF, USDEC, Representatives Claudia Tenney (R-NY), Suzan DelBene (D-WA), Tony Wied (R-WI), and Jim Costa (D-CA), in coordination with the International Dairy Foods Association. NDFC has been working with the NE Congressional Offices to sign the letter and the deadline for signatures is Friday, November 21st.

The USMCA has played a crucial role in helping U.S. dairy producers access markets in Mexico and Canada by reducing trade barriers. Despite these improvements, some issues persist. During negotiations, Canada agreed to expand market access for U.S. dairy farmers by establishing new tariff rate quotas (TRQs) specifically for U.S. dairy exports. However, Canada's implementation of these TRQs has largely favored Canadian processors—who have little motivation to import—while providing no TRQ opportunities to retailers, restaurants, food service providers, or others who could make full use of them across the supply chain. Additionally, Canada has altered its production methods for cheaply priced nonfat milk solids in ways that bypass USMCA regulations, which were intended to cap dairy protein exports. The upcoming 2026 review process offers an ideal chance to ensure Canada fulfills its USMCA commitments and that the agreement's benefits are realized in full.

Legislative Action Planned for the Remainder of This Year

As noted above, Congress is out of session next week for the Thanksgiving holiday, and the legislative calendar contemplates the year-end holiday recess will begin on December 18 in the House/December 19 in the Senate. That leaves just four weeks to tackle a long to-do list, including the items listed below.

- Amendment of FY 2026 Legislative Branch Appropriations Bill. The Legislative Branch appropriations bill enacted last week included language that retroactively grants senators a private right of action to sue the United States for at least $500,000 per instance if the government searched or subpoenaed their electronic data without notification. The provision could result in large monetary awards to several Republican senators whose phone records were subpoenaed as part of Department of Justice January 6th investigations. Many House Republicans strongly object to the provision – Rep. Steube (R-FL) cited it as a reason for his "no" vote on the CR. The House voted this week on a bill (H.R. 6019) to overturn it. That measure should pass the House with strong bipartisan support. It is not likely to get a vote in the Senate, but supporters will try to enact it by attaching the language to an upcoming appropriations bill.
- FY 2026 Appropriations. Congress has yet to enact nine of the 12 FY 2026 appropriations bills that together comprise 90 percent of federal operations. The House and Senate remain far apart on top-line spending totals for those bills. More specifically, some of the measures involve contentious spending issues, and Democrats could delay a vote on spending measures in the Senate if they do not include some guardrails against future recissions by the White House. Despite these hurdles, appropriators and congressional leaders hope to advance a second minibus funding package that could include Commerce-Justice-Science, Defense, Labor-Health and Human Services, Transportation-Housing and Urban Development, and perhaps also Interior, appropriations bills.
- National Defense Authorization Act (NDAA). Negotiations to reconcile differences between the versions of the NDAA passed by the House and Senate might finish by Thanksgiving, which would allow for a House vote in early December, followed by a Senate vote before Congress recesses at the end of the year.
- Healthcare. Majority Leader Thune promised a Senate vote in December on a Democratic-led bill to extend the ACA enhanced premium tax credits, but House Speaker Johnson (R-LA) has not committed to a vote in the House. Many moderate House Republicans, particularly those in competitive districts, favor an extension combined with reforms to the program like lowering the

qualifying income cap. But a majority of Republicans in both chambers want to kill the subsidies and instead address healthcare cost issues via other reforms, including by funding taxpayer-advantaged accounts for individuals to pay directly for healthcare. Democrats are circulating a discharge petition to try to force a House vote before the end of the year on a bill that would extend the subsidies for three years with no reforms to the program. (A discharge petition is a procedural tool that permits rank-and-file House members to force a floor vote on a measure if a majority of the House – 218 members – sign on. But the process takes a while, and it would require some Republicans to publicly buck leadership, so it faces long odds for success.)

A bipartisan group of Senators are working on a potentially broader bill to deal with skyrocketing health insurance premiums. House Republican committee chairs began "listening sessions" this week, to solicit suggestions for legislative changes to healthcare policy. And Ways and Means Committee Republicans are preparing to brief committee members on proposals designed to lower healthcare costs. But Republican members have not yet agreed on whether to try for a bipartisan solution or pursue their own agenda via a second budget reconciliation process. Either way, work on these issues will consume a significant amount of legislative time and attention.

- Ban on Congressional Stock Trading. Rep. Luna (R-FL) has been threatening to use a discharge petition to force a vote on a contentious bill to ban lawmakers, their spouses, and dependent children from trading individual stocks. Multiple versions of legislation are pending. A House committee will hold a hearing on the issue this week. Supporters will push leadership to bring a bill to the floor this year.

New House Party Ratios

Last week, Adelita Grijalva (D-TX) was sworn in as the new Representative for Arizona's 7th Congressional District. Party ratios in the House are now 219 Republicans and 214 Democrats, and Speaker Johnson (R-LA) continues to hold a two-vote majority.

Modifying the Scope of Reciprocal Tariffs Announced on April 2, 2025!

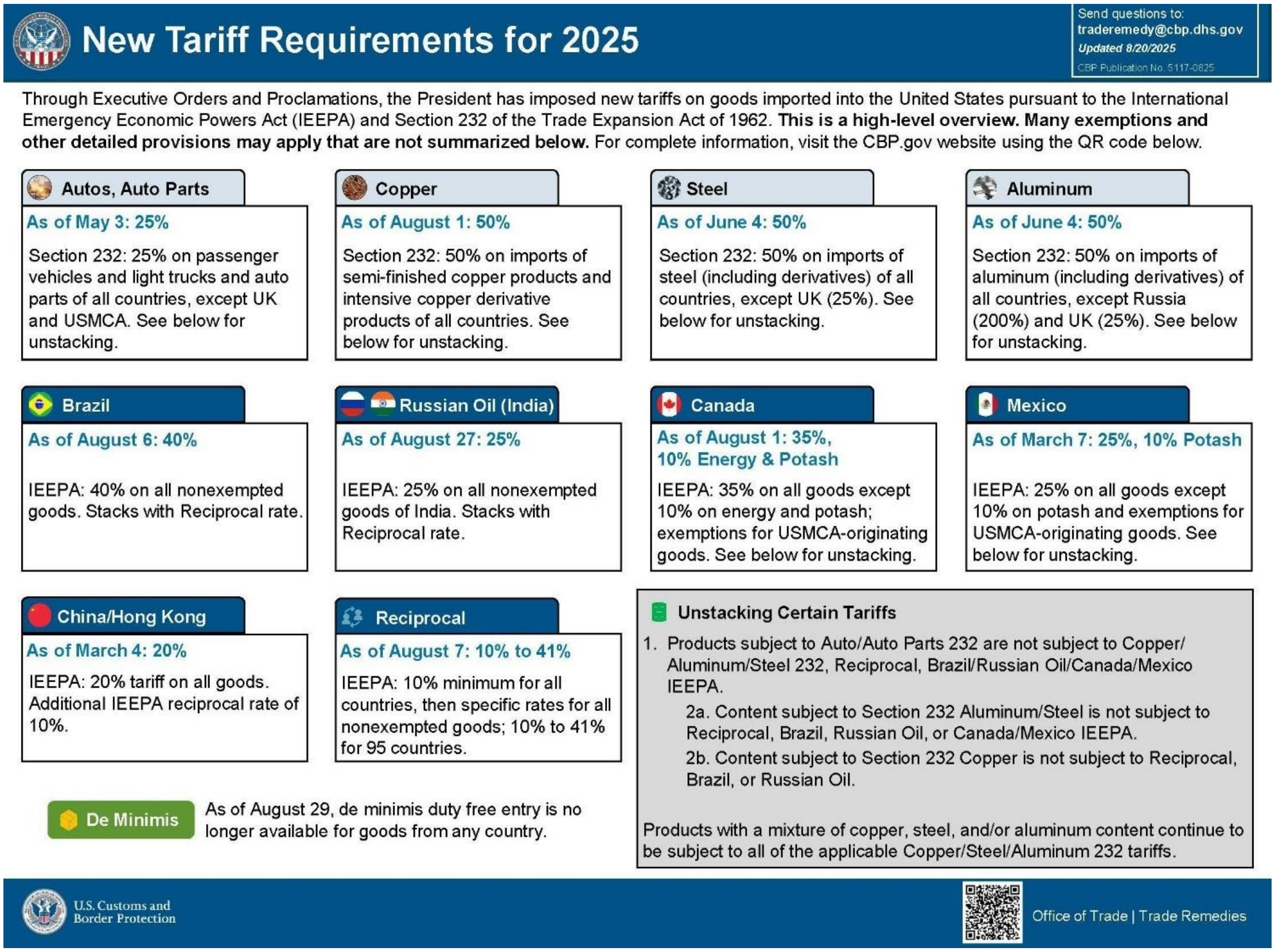
Last Friday, November 14, President Trump signed an Executive Order modifying the scope of the reciprocal tariffs that he first announced on April 2, 2025. Specifically, certain qualifying agricultural products will no longer be subject to those tariffs. Per the White House, "given the progress in reciprocal trade negotiations—including the conclusion of 9 framework deals, 2 final agreements on reciprocal trade, and 2 investment agreements—current domestic demand for certain products, and current domestic capacity to produce certain products, among other things, President Trump has now determined that it is necessary and appropriate to further modify the scope of the reciprocal tariffs." Specifically, certain qualifying agricultural products will no longer be subject to those tariffs, such as certain food not grown in the United States.

The President has thus determined that certain agricultural products shall no longer be subject to the reciprocal tariffs. Some of these products include:

- coffee and tea;
- tropical fruits and fruit juices;
- cocoa and spices;
- bananas, oranges, and tomatoes;
- beef; and
- additional fertilizers (some fertilizers have never been subject to the reciprocal tariffs).

The products that will no longer be subject to the reciprocal tariffs have been added to Annex II of Executive Order 14257, as amended, and, as appropriate, have been removed from the "Potential Tariff Adjustments for Aligned Partners" (PTAAP) Annex. The PTAAP Annex continues to contain other natural resources not available in the United States for reasons of geology or climate, generic pharmaceutical inputs, and aircraft and aircraft parts. The President may be willing to remove the reciprocal tariffs from these products upon the conclusion of any reciprocal trade and security deal. A modified Annex II and PTAAP Annex are attached to today's Order, and the modifications will take effect on November 13, 2025.

New tariff requirements in the chart below remain valid until the Supreme Court rules on the President's authority under IEEPA. We expect an updated chart now that the government has reopened.



New Tariff Requirements for 2025

Send questions to:
traderemedy@cbp.dhs.gov
Updated 8/20/2025
CBP Publication No. 5117-0825

Through Executive Orders and Proclamations, the President has imposed new tariffs on goods imported into the United States pursuant to the International Emergency Economic Powers Act (IEEPA) and Section 232 of the Trade Expansion Act of 1962. **This is a high-level overview. Many exemptions and other detailed provisions may apply that are not summarized below.** For complete information, visit the CBP.gov website using the QR code below.

Autos, Auto Parts
As of May 3: 25%
Section 232: 25% on passenger vehicles and light trucks and auto parts of all countries, except UK and USMCA. See below for unstacking.

Copper
As of August 1: 50%
Section 232: 50% on imports of semi-finished copper products and intensive copper derivative products of all countries. See below for unstacking.

Steel
As of June 4: 50%
Section 232: 50% on imports of steel (including derivatives) of all countries, except UK (25%). See below for unstacking.

Aluminum
As of June 4: 50%
Section 232: 50% on imports of aluminum (including derivatives) of all countries, except Russia (200%) and UK (25%). See below for unstacking.

Brazil
As of August 6: 40%
IEEPA: 40% on all nonexempted goods. Stacks with Reciprocal rate.

Russian Oil (India)
As of August 27: 25%
IEEPA: 25% on all nonexempted goods of India. Stacks with Reciprocal rate.

Canada
As of August 1: 35%, 10% Energy & Potash
IEEPA: 35% on all goods except 10% on energy and potash; exemptions for USMCA-originating goods. See below for unstacking.

Mexico
As of March 7: 25%, 10% Potash
IEEPA: 25% on all goods except 10% on potash and exemptions for USMCA-originating goods. See below for unstacking.

China/Hong Kong
As of March 4: 20%
IEEPA: 20% tariff on all goods. Additional IEEPA reciprocal rate of 10%.

Reciprocal
As of August 7: 10% to 41%
IEEPA: 10% minimum for all countries, then specific rates for all nonexempted goods; 10% to 41% for 95 countries.

De Minimis
As of August 29, de minimis duty free entry is no longer available for goods from any country.

Unstacking Certain Tariffs

1. Products subject to Auto/Auto Parts 232 are not subject to Copper/Aluminum/Steel 232, Reciprocal, Brazil/Russian Oil/Canada/Mexico IEEPA.
   2a. Content subject to Section 232 Aluminum/Steel is not subject to Reciprocal, Brazil, Russian Oil, or Canada/Mexico IEEPA.
   2b. Content subject to Section 232 Copper is not subject to Reciprocal, Brazil, or Russian Oil.

Products with a mixture of copper, steel, and/or aluminum content continue to be subject to all of the applicable Copper/Steel/Aluminum 232 tariffs.

U.S. Customs and Border Protection

Office of Trade | Trade Remedies

Death of the U.S. Penny!

The American penny was officially discontinued last week after 232 years of circulation, marking the end of its use in an era increasingly dominated by digital payment methods such as Venmo and Apple Pay. First introduced in 1793 during Alexander Hamilton's tenure as Secretary of the Treasury, the penny has played a significant role in U.S. currency history. While some pennies remain in public circulation, the majority are stored in various locations. The discontinuation leaves the nickel, dime, and quarter as the primary coins in regular use. Individuals are encouraged to use any remaining pennies at their discretion. Further details regarding official proceedings can be obtained from the U.S. Mint.