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State of the Union Address Tonight, House Passes “Minibus”

Later today, President Biden is expected to give his 3rd official State of the Union Address before a joint session of Congress. Although there are few details on some of the areas he will focus on, it does appear he will address “shrinkflation” and elevated food costs to some extent. Shrinkflation is when the cost of a particular good generally remains the same, but the actual amount of food or drink (and the packaging itself) is less than it has historically been. Despite certain areas of the economy improving over the past year, polling indicates that many Americans are still feeling the effects of inflation due to elevated food costs. With Super Tuesday’s results effectively ensuring a rematch with former President Donald Trump, President Biden will likely tailor his message tonight to address some of the perceived weaknesses of his administration and campaign, such as inflation and border security.

Elsewhere, the House managed to pass a “minibus” package on Wednesday, addressing the first of two funding deadlines for the federal government. The deal will extend funding through the end of the fiscal year (September 30th). Provided the Senate passes it as well, it will be the longest such extension since this process began back in September 2023. A second deadline awaits in about two weeks, but with defense spending included in that package, it is expected to possibly be a more challenging deadline to meet. As noted in previous newsletters, further delays have pushed back the Farm Bill, with several new voices in recent weeks suggesting a 1-year reauthorization is most likely at this point.

SEC Drops “Scope 3” Reporting Requirements for Farmers and Ranchers

On Wednesday, the US Securities and Exchange Commission (SEC) voted on a final disclosure rule pertaining to greenhouse gas emissions for businesses. In their original proposal, the SEC had broken down the levels of disclosure into three separate levels (or scopes). Originally, “Scope 3” would have required companies to disclose emissions for upstream and downstream activities in their supply chains, effectively meaning that farmers and ranchers would have been required to do reporting as well. In a significant development though, the SEC chose to drop the Scope 3 proposal. In a release, Chairman Gary Gensler stated, “While many investors today are using Scope 3 information in their investment decision making, based upon public feedback, we are not requiring Scope 3 emissions disclosure at this time.”

While a promising development for most ag producers nationwide, challenges still exist here in California. Scope 3 requirements are still set to go into effect due to statewide legislation passed last year. The American Farm Bureau Federation and US Chamber of Commerce are helping lead a

group that is suing the state to prevent those requirements from going into effect. It remains to be seen whether the SEC's actions will play a role in that ongoing case, but it should be noted that several California politicians had been urging the SEC to similarly adopt the Scope 3 requirements. We will continue to update members as that develops.

[SEC Press Release](#)

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