

The Feed highlights recent legal developments affecting agriculture, with issues released twice a month.

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Corporate Transparency Act. The Corporate Transparency Act (CTA) is back in effect after a Texas district court February 18 overturned a nationwide stay of the law that was granted back in January. The CTA is a corporate disclosure law that was passed by Congress in 2021 and requires most corporations, limited liability companies, and similar entities to disclose a list of their "beneficial owners." The law was originally set to go into full effect on January 1, 2025. However, a series of lawsuits filed to challenge the case have resulted in some confusion as some courts have instituted injunctions that have since been overturned. In the most recent development, the Texas district court hearing the case titled *Smith v. U.S. Department of Treasury* has overturned a nationwide injunction of the CTA and set a new compliance deadline of March 21. For more CTA updates, click here to read Southern Ag Today article "UPDATED Feb 19, 2025.....Corporate Transparency Act Requirements Reinstated: New Filing Deadlines."

**International Trade.** The Trump administration has announced that 25% tariffs on products imported from Canada and Mexico could go into effect as early as March 4, and reciprocal tariff plans could be ready as soon as April 2. Earlier this year, the administration imposed a 10% tariff on goods coming in from China, and 25% tariffs on imported steel and aluminum. The tariffs proposed for Canada and Mexico were originally set to go into effect in late January, but were put on hold for 30-days following negotiations with each country. Should the 25% tariffs on all imports from Canada and Mexico go into effect as planned, U.S. agriculture is likely to be affected.

Webinar opportunity (March 19): Oliver Ward, International Trade Editor, Agri-Pulse; Kenneth
D. Isley, Partner, Barnes & Thornburg LLP; and Peter Friedmann, Executive Director,
Agriculture Transportation Coalition will present "The Road Ahead: Agriculture, Trade, and
Policy in a Changing World." To register, click here.

Raw Milk. The Arkansas House of Representatives and Senate passed legislation related to raw milk. If signed into law by Governor Sanders, HB1048 would allow for the sale of raw goat milk, sheep milk, and whole milk directly to consumers at the farm where it was produced, at a farmer's market, or via delivery by the farm that produced it. Additionally, North Dakota's House of Representatives has passed a bill that would expand its raw milk provisions to allow "raw milk products" to be sold directly to a consumer. If passed, HB1131 would expand current raw milk law to allow "raw milk products" to be sold directly to consumers for personal consumption. To become law, the North Dakota bill must pass their Senate and be signed by the governor. Utah also has a bill related to raw milk working through its legislature. HB414, which creates enforcement steps for raw milk suspected in a food borne illness outbreak, has passed the Utah House of Representatives and is before the Senate. A number of other states have introduced legislation relating to raw milk including Iowa, Minnesota, West Virginia, Maryland, Rhode Island, Oklahoma, New York, Missouri, and Hawaii. To learn more about the federal regulation of raw milk, click here to read NALC article "Amos Miller and the Regulation of Raw Milk."

**Egg Prices.** In order to combat soaring egg prices, Nevada has elected to temporarily suspend its cage-free egg requirement. Nevada's cage-free egg law was enacted in 2021, and it required that all eggs sold in the state come from housing systems that allow unrestricted movement. **Assembly Bill 171**, passed this legislative session, authorizes the State Quarantine Officer to temporarily suspend cage-free regulations during emergencies. This suspension will remain active 120 days. Additionally, the National Chicken Council (NCC) submitted a **petition** to the Food and Drug Administration (FDA) asking for FDA to allow broiler producers to send their surplus eggs to be processed into egg products. Prior to 2009, this was common practice in the broiler industry; however, a **2009 FDA rule** combatting *Salmonella* in shell eggs created requirements that were incompatible with the process broiler eggs follow. NCC submitted a similar petition to **FDA** and **USDA's Food Safety and Inspection Service** in 2023, and both agencies rejected the petition citing public health concerns.

**Cultivated Meat. HB163** has been introduced in the Georgia General Assembly and would require foodservice providers in the state to include menu disclosures that state whether any items include cultivated or plant-based meat. Additionally, Georgia is also considering a bill, **HB201**, which would outright ban the sale or distribution of cultivated meat within the state. Similarly, the South Dakota

House of Representatives and Senate have passed **HB1118**, which would prohibit the state from using its money to fund cultivated meat research, excluding public universities. This follows South Dakota's passage of **HB1022**, which extends labeling requirements to cultivated-meat products. HB1118 must be signed by South Dakota's governor to become law. So far, at least 14 states have proposed legislation relating to the labeling or banning of alternative proteins in the 2025 legislative session. **Idaho, Indiana, Mississippi, Missouri, Nebraska, Oregon, South Carolina**, and **Utah** have introduced legislation similar to South Dakota's HB1022 that would enact labeling requirements on food products. On the other hand, **Colorado, Illinois**, Oklahoma, and **Wyoming** have proposed bills that, similar to Georgia's HB201, would ban the sale, manufacture, or distribution of cell-cultured meat. Specifically, Oklahoma has two proposed bills that would ban cell cultured meat, **SB22** and **SB96**. While SB22 follows the typical format of most bills on this issue, SB96 is similar to Georgia's HB163 and would prohibit research on cell-cultured meat by any "entity of the state." However, Oklahoma's bill does not make an exception for public universities. To learn more about similar state alternative protein laws passed in 2024, click **here** to read NALC article "Cell-Cultured Meat Updates: state bans, labeling requirements, and regulatory clarifications."

**Food Additives.** Florida representatives recently introduced a new bill, **HB641**, which would require food products to include a warning label when containing synthetic dyes. The bill covers common food dyes such as Blue 1, Blue 2, Green 3, Red 40, Yellow 5, Yellow 6, and when used as a color additive, titanium dioxide. The proposed bill would require labels to warn of the presence of synthetic colors, and to state that those dyes "may have an adverse effect on activity and attention in children." The bill would take effect on July 1, 2026, however, it must first pass both chambers of Florida's legislature and be signed by the governor to become law. Additionally, both chambers of Virginia's legislature recently passed **SB1289**, which will eliminate certain color additives from the food served in Virginia's public elementary and secondary schools. The bill prohibits public schools in Virginia from serving school meals or "competitive food" that contain food dyes Blue 1, Blue 2, Green 3, Red 3, Red 40, Yellow 5, and Yellow 6. If signed by the governor, SB 1289 will take effect on July 1, 2027. To learn more about state legislation proposed in 2024 related to food additives, click **here** to read NALC article "Update on Proposed Food Additive Bans." To learn more about FDA's recent ban of Red 3 and other state proposed legislation in 2025, click **here** to read NALC article "FDA Bans Red Dye No. 3."

**Poultry Settlement.** A federal judge has given the go-ahead for a group of poultry companies to begin paying out \$180 million in settlement money following claims of worker-wage suppression. This class-action class with the plaintiffs alleging that more than a dozen chicken producers conspired to suppress the hourly wages paid to workers in chick processing plants has been on-going since 2019. This settlement, pending a final approval, raises the total recovery in the case to nearly \$400 million – one of the largest in the history of labor antitrust regulations. To read the Preliminary Approval of Settlement, click **here**.

**Monarch Count**, a community effort focused on tracking and monitoring the monarch butterfly population located along the California coast. The survey began in 1997 and the data has been a crucial tool in gathering information about the Western monarch population. According to the Xerces Society, the 2024 count has been a record low, with only 9,119 monarchs counted at overwintering sites in California. In 2023, 233,394 butterflies were counted. The Xerces Society only monitors the Western monarch population. Population counts for the Eastern monarch butterfly population, which migrates from Canada to Mexico each year and crosses over a large portion of the United States, are conducted by the World Wildlife Fund which has yet to release its data for the year. The monarch butterfly has recently been proposed for listing under the Endangered Species Act by the U.S. Fish and Wildlife Service. To learn more about the proposal and what it could mean for agriculture, click here to view NALC webinar "Monarch Butterfly: Exploring the Proposed ESA Listing."

**Colorado River.** The federal funding freeze initiated through President Trump's "Unleashing American Energy" executive order has extended to money appropriated through the Inflation Reduction Act of 2022 and includes funding set aside to protect the flow of the Colorado River. The Colorado River is a primary source of water for several Western states. It supplies roughly 40 million people with drinking water and is essential to agricultural activity across the Southwest, including California. After a prolonged period of drought, Lakes Mead and Powell, the two primarily reservoirs along the Colorado River, have reached record low levels that threaten hydroelectric operation throughout the region. The 2022 Inflation Reduction Act set aside around \$4 billion for Colorado River programs, including a program that would provide financial compensation for farmers who avoid using the River's water. It is currently unclear when the funding will become available, leaving farmers with uncertainty heading into the growing season.

 Conference opportunity (June 19-20, livestream available): James Eklund, Partner & Leader of Water and Natural Resources Practice Area, Taft Law and Hannah Mink, Associate, Taft Law will present "Deadlines Matter & the Two-Year Clock is Ticking: The Fate of the Colorado River & Future of Ag" at the NALC's Third Annual Western Water, Ag & Environmental Law Conference.

**NEPA.** The White House Council on Environmental Quality (CEQ) recently announced **an interim final rule** that rescinded National Environmental Policy Act (NEPA) regulations which have been effective since the 1970s. The interim final rule comes after two separate federal courts ruled that CEQ, which administers NEPA, lacks the authority to issue federal regulations. NEPA is considered a procedural statute that requires all federal agencies to draft documents detailing the expected environmental impacts of their proposed actions. Since the 1970s, agencies have followed the NEPA compliance process described in CEQ regulations. In a **memorandum accompanying the interim rule**, CEQ has advised federal agencies that they should continue to follow their existing procedures for implementing NEPA for the time being, but that they have a 12 month window to make any needed revisions to their NEPA practices. A public comment period on the interim final rule will be open through March 27, and the rule will go into effect on April 11. To learn more about the court decisions finding that CEQ lacks rulemaking authority, click **here** to view NALC article "Second Federal Court Rules CEQ Lacks Rulemaking Authority."

**Pesticide Liability Bills.** Georgia has become the most recent state to introduce legislation that would limit the liability of pesticide manufacturers. Companion bills **HB 424** and **SB 144** would make

it so that a pesticide label registered by the Environmental Protection Agency (EPA) under the Federal Insecticide, Fungicide, and Rodenticide Act would be a defense against any state level legal claim that the manufacturer failed to warn consumers about risks associated with using the pesticide. Similar legislation has been introduced in **Florida**, **Iowa**, **Mississippi**, **Missouri**, **Oklahoma**, **Tennessee** and **Wyoming**. While the bills in Mississippi and Wyoming appear to have died on the calendar, the Missouri bill has passed the state House and has moved onto the state Senate. Similarly, the bill in Iowa has been recommended for passage by the Senate subcommittee on Judiciary and has been introduced to the full Senate. For more information on pesticide liability bills, click **here** to view NALC article "States Introduce Pesticide Liability Limitation Bills in 2025 Legislative Session."

**Biofuels: E15.** EPA has announced that it will proceed with a plan to allow the year-round sale of higher ethanol E15 fuel, something long sought after by lawmakers in the Midwest. On April 28, E15 fuel will become available in Illinois, Iowa, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin, each of which had previously requested a waiver that would allow them to sell E15 year-round instead of only during the summer months. In an **announcement from EPA** about the expanded E15 access, the agency notes that it intends to consider granting requests for a one-year delay from states that need additional time to come into year-round compliance.

**PFAS & Pesticides.** The Maryland state legislature has introduced **HB 386** which would both require the state to create a list of pesticides with per- and polyfluoroalkyl substances (PFAS) as an active ingredient, and to begin phasing out the use of such pesticides prior to completely banning them in 2028. The bill comes during a period of increased scrutiny over PFAS contamination with both states and the federal government taking steps to reduce PFAS contamination in drinking water, and biosolids used as fertilizer. HB 386 appears to be the first bill of its kind aimed at banning pesticides that contain PFAS, but it is unclear what the fate of the proposed legislation will be. PFAS are found in a variety of pesticide products including herbicides and insecticides that are common in agricultural practices. Should HB 386 become law, it is unclear how many pesticides would be affected.

**FDA Final Healthy Rule.** The FDA has postponed the effective date for its **final "healthy" rule** from February 25 to April 28. The final rule, which updated FDA's definition of the labeling claim "healthy," was published in December 2024. The postponement is due to the Trump administration's **regulatory freeze** that paused rules that were not yet in effect until further review could be completed by the new administration. This should not change the compliance date, which is currently set for February 25, 2028. To read more on the "healthy" rule update, click **here** to read NALC article "FDA Releases Final 'Healthy' Rule."

**Cottage Food.** Rhode Island has introduced **legislation** that would expand its cottage food laws to include locally grown pickles and relish. The passage of this law would be significant because acidified food like pickles are traditionally considered "potentially hazardous" and excluded from cottage food definitions. Food that is potentially hazardous is typically defined as food that requires time/temperature controls to ensure it is safe. Similar to Rhode Island, in Tennessee, a **bill** has been introduced that would allow "time/temperature control for safety food" to be included as cottage food, and Indiana has a **bill** that would allow a "home based vendor" to sell homemade food products that are time/temperature control for safety foods if certain requirements are met. For producers looking to expand their operation and sell cottage foods, it is vitally important to know which foods might qualify for the licensing and inspection exceptions afforded to cottage foods. Specifically, producers with a Community Supported Agriculture (CSA) operation might benefit from including a cottage food product as an add-on option. To learn more about CSAs and the benefits of add-on options, click **here** to read NALC article "Community Supported Agriculture: A Field Guide for Producers and Consumers (Add-ons)."

Foreign Ownership. A group of bipartisan lawmakers have introduced legislation to strengthen reporting and transparency requirements for foreign ownership of agricultural land. The Farmland Security Act of 2025 amends the Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978 by introducing harsher penalties for foreign investors that fail to follow disclosure mandates and requiring USDA to analyze certain foreign ownership trends. In addition, the Trump Administration recently published policy directives for investments in the U.S. This policy memo discusses extending the jurisdiction of the Committee on Foreign Investment in the United States (CFIUS) to foreign investments in the U.S. and strengthening CFIUS review over "greenfield" investments by China, which are investments that seek to build and operate a business from the ground up rather than acquiring an already established U.S. business. To learn more about foreign ownership laws on the state level, click here to read the latest installment in NALC's article series "Soil for Sale? State Legislative Efforts to Restrict Foreign Investments – Part Four."

 Conference opportunity (June 6, lifestream available): Asa Hutchinson, 46th Governor of Arkansas; Former Under Secretary, DHS; Founder, Asa Hutchinson Law Group will present "Legal Ethics for Ag Industry Professionals: CFIUS, Foreign Ownership, & National Security" at NALC's Twelfth Annual Mid-South Agricultural and Environmental Law Conference.

## **NALC National Stakeholder Survey**



The NALC National Stakeholder Survey is open! The anonymous survey takes only a few minutes to complete, and results will be used to develop and prioritize future research, information, and outreach activities conducted by the NALC and its partners. We want to hear from you!

Take the Survey

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