

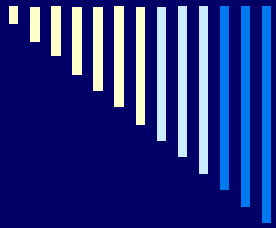


After the Earthquake: What Will the Trump Era Mean?

Ron Elving / NPR

Annual Meat Conference

Dallas / February 20, 2017



Overview

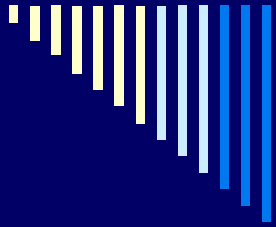
Why Did Trump Win?

What Does It Mean for Washington?

...for Business?

...for Agriculture?

What Will it Mean for Meat?



Overture

The campaign of 2016 was a humbling experience for everyone who thought they understood our presidential politics.



What Did We Miss?

*The intensity of economic, social
and political dissatisfaction
and the pushback from voters in
Middle America*



Why Did Trump Win?

His theory of the case

Traditional Americans outside metros

“Forgotten man and woman”

Trade, Immigration, Inequality

Loss of Control and “Carnage”



Economy Not Good Enough

Anemic growth

Labor force participation low

Wage growth weak

Home ownership down

Student debt swelling



Still Looking for Hope and Change

*Heartland counties with
high rates of unemployment
and epidemics of opioid abuse
flipped from Obama to Trump*



The Pendulum Swings Again

“Time for a Change”

Party in WH 2 terms loses

One exception since World War II

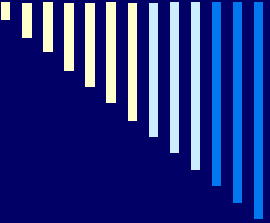
George H. W. Bush in 1988



Why Did Clinton Lose?

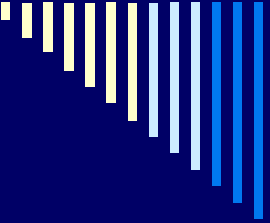
Democrats' theory: Going for 370 not 270

1. Overreliance on models/demographics
 2. Belief Florida, Arizona winnable
 3. Assumption “blue wall” would hold
-



Democrats' Failed Focus on Demographics

- ❑ **Hillary Clinton came up short among minorities**
 - ❑ **Obama got 82% of minority vote 2012**
 - ❑ **HRC got just 74% of that vote in 2016**
 - ❑ **African Americans >90% Obama down to 88%**
 - ❑ **Hispanic & Asian >80% Obama down to 65%**
-



Democrats' Failed Focus on Demographics

- ❑ **Hillary Clinton came up short among women**
 - ❑ **She won the overall women's vote with 53%**
 - ❑ **That margin dependent on non-white margin (80%)**

 - ❑ **She got just 43% among white women (Trump 53%)**
-



The Fundamentals of 2016: Electoral College Map/Math

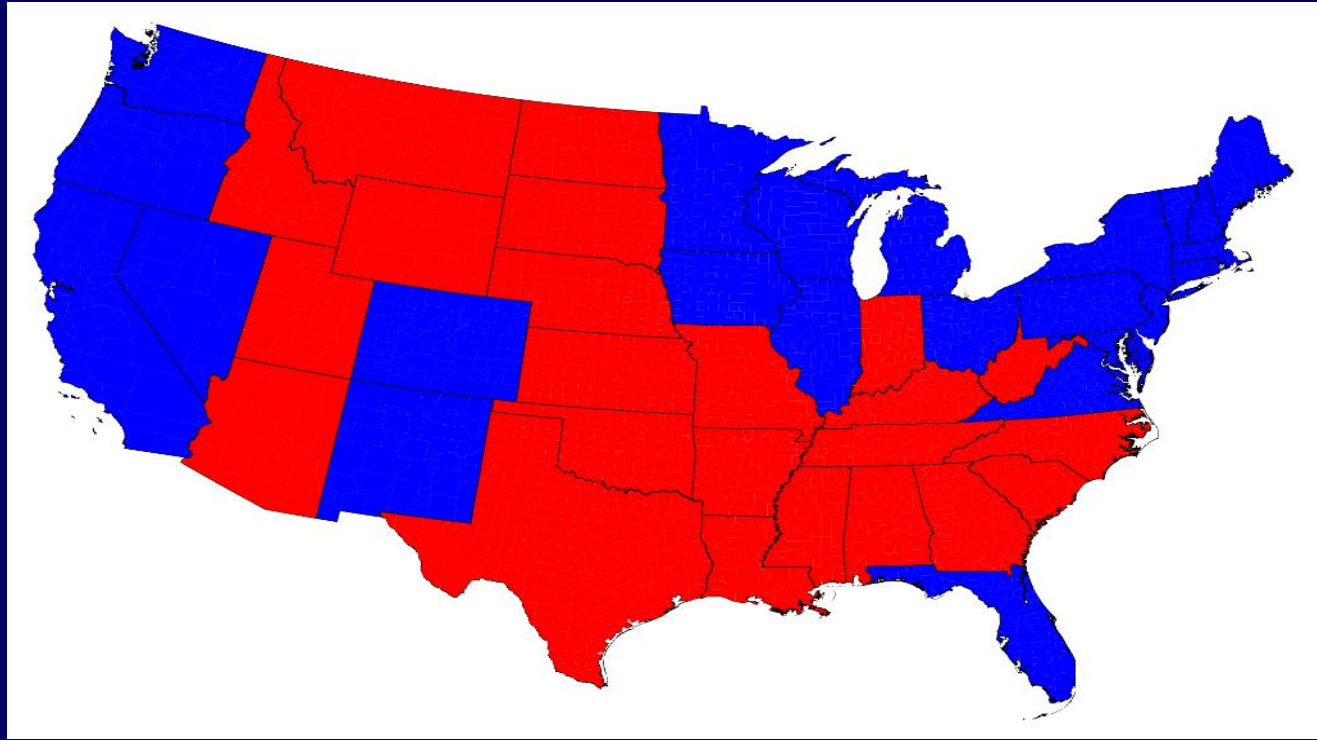
Loss of Blue Wall's center

Pennsylvania, Michigan & Wisconsin

Cost HRC 46 Electoral College votes

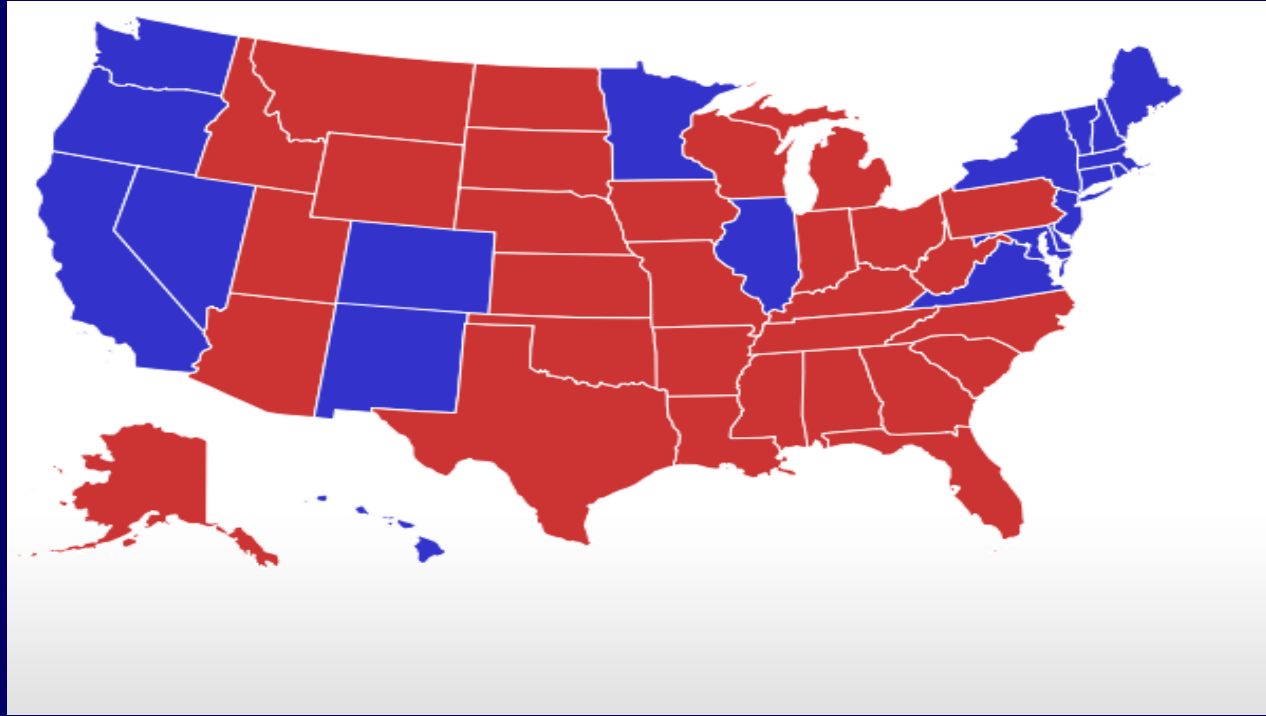
...and the Presidency

“Blue Wall” 2012





“Bye Bye Blue Wall” 2016





! Encore Slide from 2/25/16 !

What to Expect in November

- Contest of divisive personalities**
 - Near constant polling & 24/7 coverage**
 - Data-driven focus on turnout**
 - Electoral College down to 7 states:
Fla / Ohio / Penn / Mich / VA / N.C. / Colo**
-



! Encore Slide 2/25/16 !

What to Expect in November

- Republicans retain control in the House**
 - Fortress effect of district maps**
 - Close battle for the Senate**
 - Senate outcome follows presidential result**
-



! Encore Slide from 2/25/16 !
What to Expect in 2017

Republican Scenario

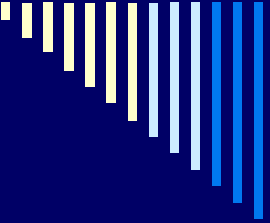
Presidency regained

Budget & Appointive powers (SCOTUS)

Repeal of Executive Orders & Actions

Repeal of Obamacare, Dodd-Frank

Intraparty struggle over replacements



What Does It Mean for Washington?

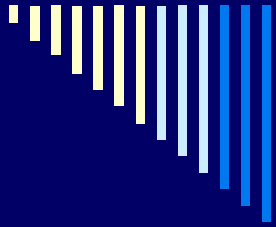
Trump works ideas that connect to base

America First / Drain the Swamp

Attention to “The Forgotten Man/Woman”

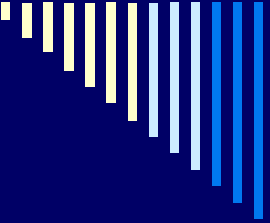
A national conversation that is

less Washington-centric



What Does It Mean for Washington?

- President Trump signs bills from GOP Congress, appoints GOP judges / Execs
 - Thomas Gorsuch for SCOTUS
 - Empowers agenda of Congress GOP majorities elected in 2010/2014
-



What Does It Mean for Washington?

While Trump may indeed
achieve much of his agenda,
appealing ideas can collide
with complex reality with messy results.



What Does It Mean for Washington?

Travel Ban problems

Capitol Hill timetables

Clash with judiciary, intelligence agencies

White House feuds / Media wars

Still more Washington-centric?



What Does It Mean for Washington?

Repeal-Replace Obamacare & Dodd-Frank

Budget battles / Debt fight

Tax Reform

Infrastructure



What Does It Mean For Business?

Employer-oriented labor policy

No push for higher minimum wage likely

No push for FMLA expansion

Major changes to corporate tax policy



What Does It Mean for Business?

Corporate tax rate cut (Goal = 15%)

Other incentives to investment

Estate tax to be eliminated?

Problem is the pay-fors

Consumption (energy) tax possible



What Does It Mean for Business?

Border Adjustment Tax = 20%

Ryan sees as revenue generator

In spirit of Trump trade approach

Major sticking point for GOP negotiators

Sen. Graham: "Won't get 10 votes in Senate"



What Does It Mean for Business?

Trump has imposed a moratorium
on new federal rules & regulations
and ordered a 2 for 1 reduction
in existing rules & regs



What Does It Mean for Business?

The Trump rule moratorium
relies on an Executive Order
with the force of law
subject to alteration by
Congress or federal courts



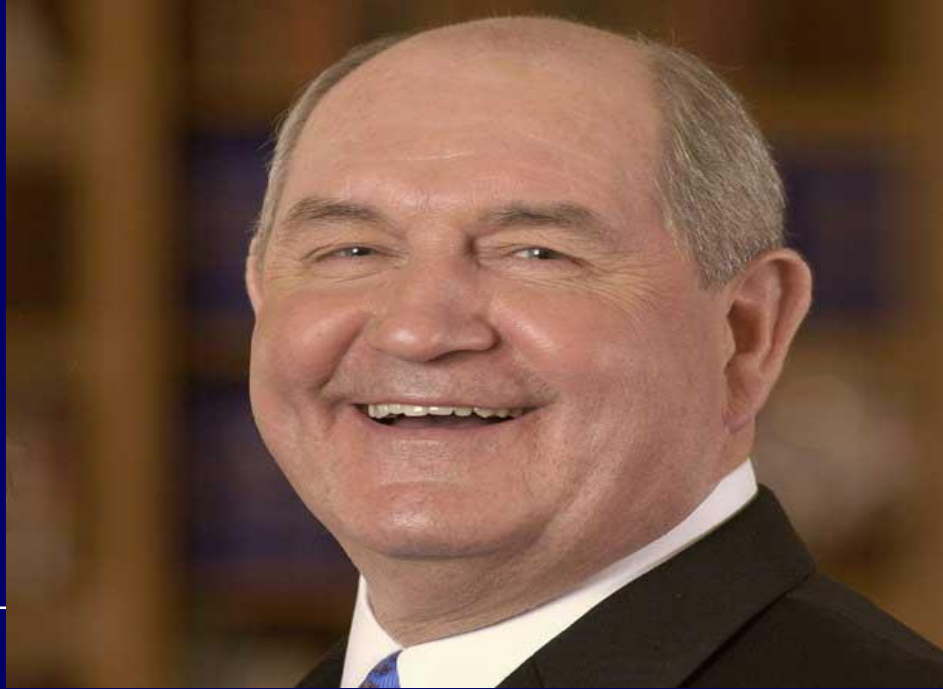
What Will It Mean for Business?

An era of anti-regulatory fervor
could lead to exposure
to negative media stories

And/or make business more vulnerable
to shifts in political-regulatory winds



What Does It Mean for Agriculture?





What Does It Mean for Agriculture?

Sonny Perdue at Agriculture Dept.

A “Farm Bureau” Secretary?

Raised on Georgia row farm

Owner in several agribusiness firms



What Does It Mean for Agriculture?

Focus on rural communities, family farms
Republican Governor of Georgia
Ties to Congress
Bridge within GOP



What Will It Mean for Agriculture?

Recent trends in **ag trade** may be
vulnerable to new trade regime
Any “trade war” might mean
collateral damage



What Does It Mean for Agriculture?

NAFTA to be renegotiated

Part of trend to bilateral trade deals

Ag exports to Mexico/Canada

Up from \$9 billion = \$38 billion



What Does It Mean for Meat?

Trade War or Tough Talk?

TPP disconnect / Japan, Vietnam

TPP would cut Japan beef tariff

38.5% down to 9% over 15



What Does It Mean for Meat?

FDA menu labeling requirements

Often delayed reg from Obamacare

Delayed to Dec. 2016

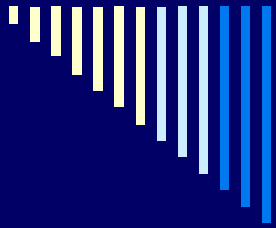
Now enforcement date May 5...

Effect of Exec Order on Obamacare harms?



Where Are We Going?

- ❑ A Nation Divided?
 - ❑ European-style democracy?
(That sale was never fully closed)
 - ❑ Less government in general?
 - ❑ Succession of populist mood swings?
-



Review

Why Did Trump Win?

What Does It Mean for Washington?

...for Business?

...for Agriculture?

What Will it Mean for Meat?
