

# Policy and 2024 Elections: Big Issues, Consequences



**WASHINGTON**

**2024**



# Major Win for Trump

- **Trump won all battleground states in a red wall** while the blue wall (Pa., Wis., Mich.) cratered for Democratic challenger Kamala Harris. Trump: greatest political comeback in U.S. history.
- **Trump won other battleground states: N.C., Ga., Nevada & Ariz.**
- **Trump 312 electoral votes; Harris: 226.**
- **First candidate in over a century to reclaim White House after losing it**, just the second candidate in U.S. history to win nonconsecutive White House terms.
- **Republican Party won popular vote** for first time since 2004.

# Trump's GOP = Major Realignment

- **Even stronger support in rural America (63% to 36%)...** likely a backlash against the ag policy moves of the Biden/Harris administration.
- **Strong support among working-class voters.** Trump won 55% of voters without a college degree. That was up from 51% in 2020 in his race against Biden. Harris, meanwhile, struggled to pull together the diverse coalition that elected Biden in 2020, and she was weighed down by negative views of the economy under the Biden administration.
- **Massive GOP realignment.** Now focuses on working class, younger Americans, including young Black men, and Hispanics... former Democratic strongholds.

# Big GOP Gains in Senate

- **GOP control, 53-47** (51 D, 49 R now)
- **Key races (first four GOP pickups):**
  - West Va.**: Open seat/Joe Manchin. Jim Justice (R) beat Glenn Elliott (D)
  - Mont.**: Incumbent Jon Tester (D) lost to Tim Sheehy (R)
  - Ohio**: Incumbent Sherrod Brown (D) lost to Bernie Moreno (R)
  - Pa.**: Incumbent Bob Casey Jr. (D) lost to Dave McCormick (R)
  - Mich.**: Open seat/Stabenow. Elissa Slotkin (D) beat former Rep. Mike Rogers (R).
  - Wis.**: Incumbent Tammy Baldwin (D) bested Eric Hovde (R) in a close contest.
  - Nev.**: Incumbent Jacky Rosen (D) beat Sam Brown (R).
  - Ariz.**: Open seat/Kirsten Sinema. Ruben Gallego (D) beat Kari Lake (R)
  - Neb.**: Incumbent Deb Fischer (R) squeaked by Dan Osborn (Independent)
  - Texas**: Incumbent Ted Cruz (R) beat Colin Allred (D)
- **Big GOP wins will temper impact of moderates** like Sens. Lisa Murkowski (Alaska), Susan Collins (Maine), John Curtis (Utah) and Bill Cassidy (La.).

# Razor Thin GOP Control of House

- **GOP: 220\* DEM: 215... Now 217-215**

**\* Trump tapped 3 current House GOP members for Cabinet**

- **House GOP replacements not in place until April 2025**
- **Four Dem states account for 85 of Dem's 215 House members.**  
**Calif. 43-9 | N.Y. 19-7 | Ill. 14-3 | Mass. 9-0**
- **Current House Speaker Mike Johnson (R-La.) should win speaker again in January 2025.**

# New Star: Elon Musk

- Musk helped Trump and the GOP in campaign funding and messaging.
- Trump tapped Musk & Vivek Ramaswamy to lead effort to make the gov't more efficient (DOGE).
- Musk vowed to keep his political action committee going beyond the presidential election, a sign the world's richest person is building a political machine to support Trump.

## The Federal Workforce

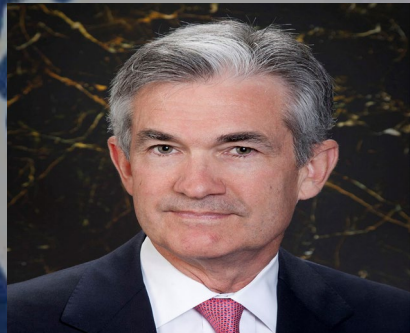
Elon Musk wants to spearhead mass layoffs among federal government workers. But most of those agencies are fairly small, while workers are a small share of spending.

Department / Agency	Workers, in thousands
Agriculture	92.5
Commerce	44.6
Consumer Financial Protection	1.8
Corps of Engineers	24.7
Defense	797.6
Education	4.2
Energy	16.3
Environmental Protection Agency	15.0
Equal Employment Opportunity Commission	2.2
Federal Communications Commission	1.6
Federal Deposit Insurance Corp.	7.1
Federal Trade Commission	1.4
General Services Administration	13.3
Health and Human Services	86.3
Housing and Urban Development	8.8
Interior	64.9
Justice	119.7
Labor	15.6
NASA	17.9
National Archives and Records	3.0
National Labor Relations Board	1.3
National Science Foundation	1.6
Nuclear Regulatory Commission	3.0
Office of Personnel Management	2.7
Securities and Exchange Commission	5.0
Small Business Administration	7.1
Smithsonian Institution	5.0
Social Security Administration	58.0
State	30.6
Tennessee Valley Authority	10.9
Transportation	55.6
Treasury	99.1
Veterans Affairs	458.2

Source: White House



# Washington in Transition in an Election Year



**Jerome Powell  
Chairman**

FOMC committed to halting inflation; focus now on unemployment and Trump tariffs.



**Lame-duck President  
Joe Biden**



**President-elect  
Donald Trump**



**Mike Johnson (R)  
House Speaker**



**John Thune (R)  
New Senate Majority Leader**

118<sup>th</sup> Congress has been focused on 2024 elections with little progress on major issues. Lame-duck session dictated by election winners.



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# 2024: Election impacts:

## Red wave

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- **BIG impacts as GOP won House, Senate & White House**  
**Reason:** Generally, one budget reconciliation measure allowed for a FY
- **Putting revenue-generating tariffs language as part of reconciliation?**

**Key: Will have chance to rewrite tax code as Trump tax cuts expire after 2025**



# Tax Cuts & Jobs Act (TCJA) of 2017

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The Tax Cuts and Jobs Act of 2017 made several significant changes to the U.S. tax code, including:

1. **Lower individual tax rates and adjusted income brackets.** Top marginal rate reduced from 39.6% to 37%.
  2. Nearly doubled standard deduction (e.g. from \$6,500 to \$12,000 for single filers).
  3. Eliminated personal exemptions.
  4. **Expanded Child Tax Credit** from \$1,000 to \$2,000 per child and increased income thresholds for eligibility.
  5. Capped state and local tax (SALT) deductions at \$10,000.
  6. Limited mortgage interest deduction to loans up to \$750,000, down from \$1 million.
  7. **Reduced corporate tax rate** from 35% to a flat 21%.
  8. **Created 20% deduction for pass-through** business income (some exceptions).
  9. **Increased estate tax exemption**, doubling it to over \$11 million for individuals (inflation escalator).
- **Trump's plan** would add \$5.8 trillion to the debt over 10 years, according to the Penn Wharton Budget Model.
  - **Harris' plan** would add \$1.2 trillion to the debt over 10 years, the Penn Wharton Budget Model found.

# Estate Taxes

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## Current Federal Estate Tax Provisions:

1. **Federal estate tax exemption for 2024 is \$13.61 million per individual, \$27.22 million for married couples.**
2. Exemption amount established by the TCJA in 2017, which roughly **doubled the previous exemption.**
3. Top federal estate tax rate currently 40%.
4. Exemption is portable, meaning surviving spouse can use deceased spouse's unused exemption amount.

## Changes if TCJA Expires:

1. TCJA provisions to **sunset end of 2025 if Congress does not act to extend them.**
2. If TCJA expires, estate tax **exemption would revert to pre-2018 levels: approximately \$5-6 million per person (adjusted for inflation).**
3. This would effectively **cut the current exemption amount in half.**
4. Reduction in exemption amount **could significantly increase estates subject to federal estate tax.**
5. Top estate tax rate of 40% expected to remain unchanged.



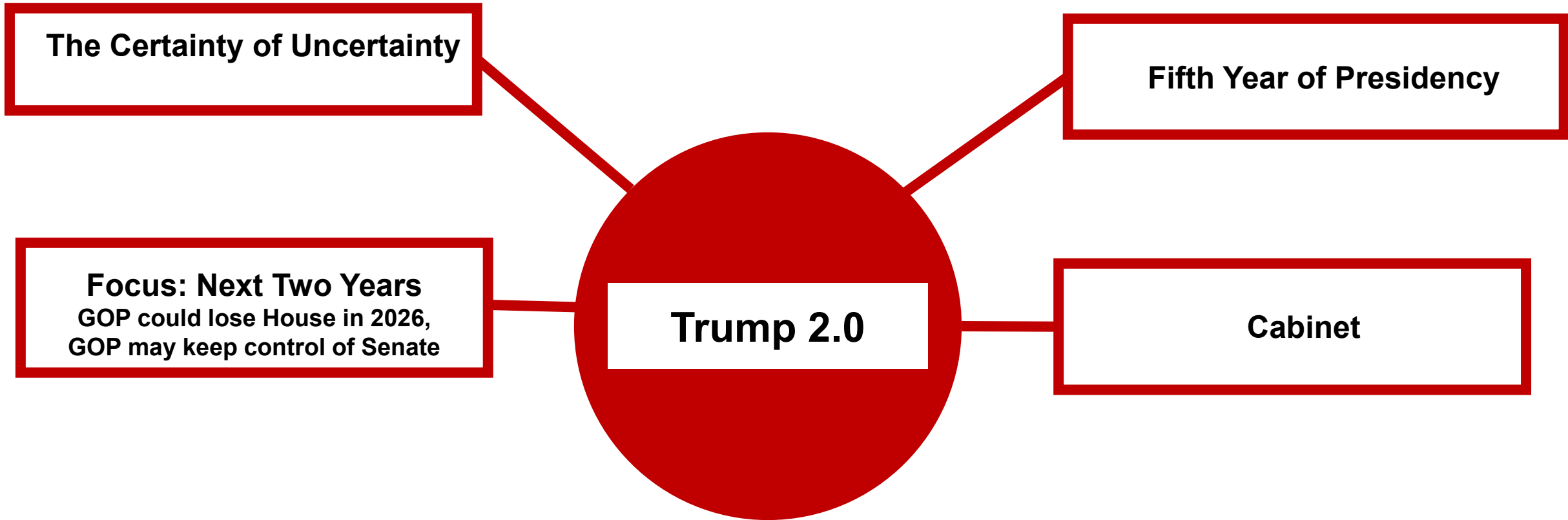
# 2024: Election impacts: Red wave

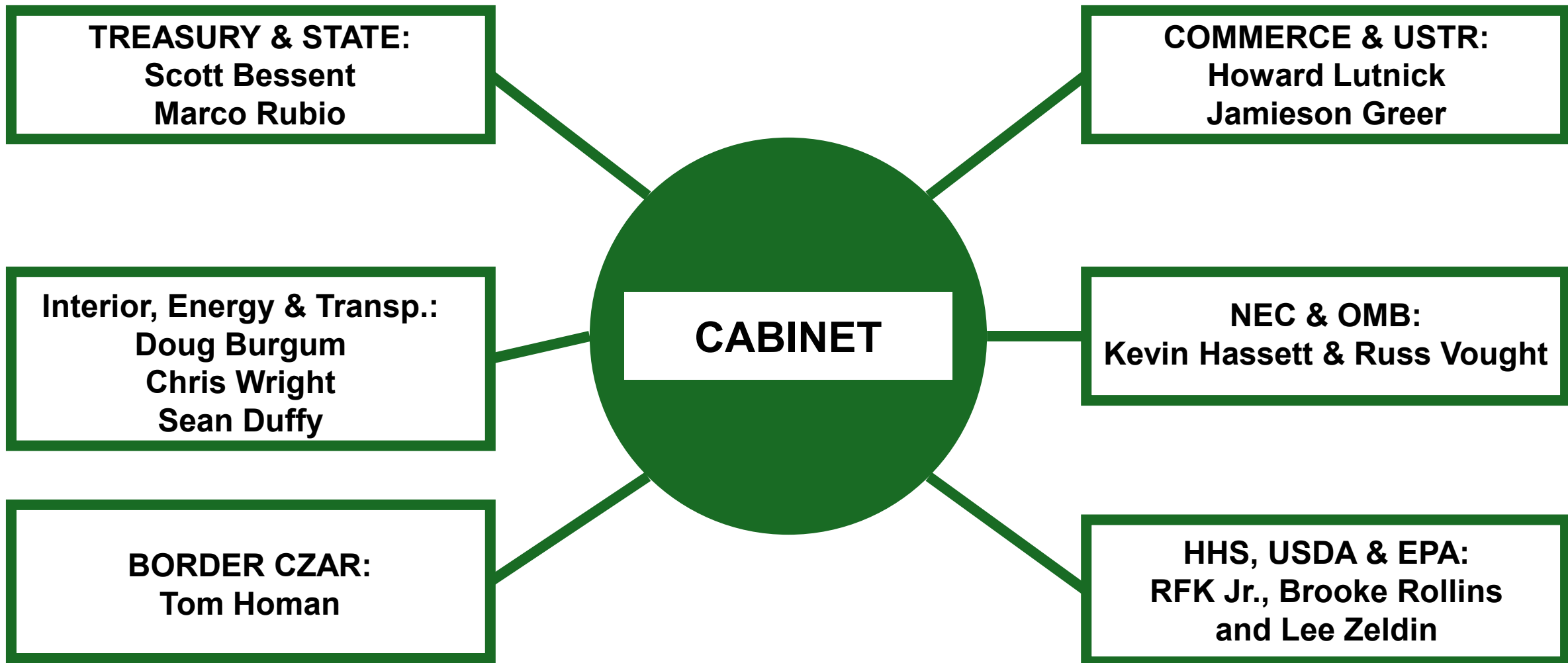
**GOP:** Tax cuts | Border focus | China sanctions | ATB trade tariffs | Fewer regs |  
Solidify conservative tone on Supreme Court

Focus on prod. ag | Axe EV credits/mandates | Boost U. S. energy prod.

Unwinding Biden regs & executive action, but limited by courts/Congress

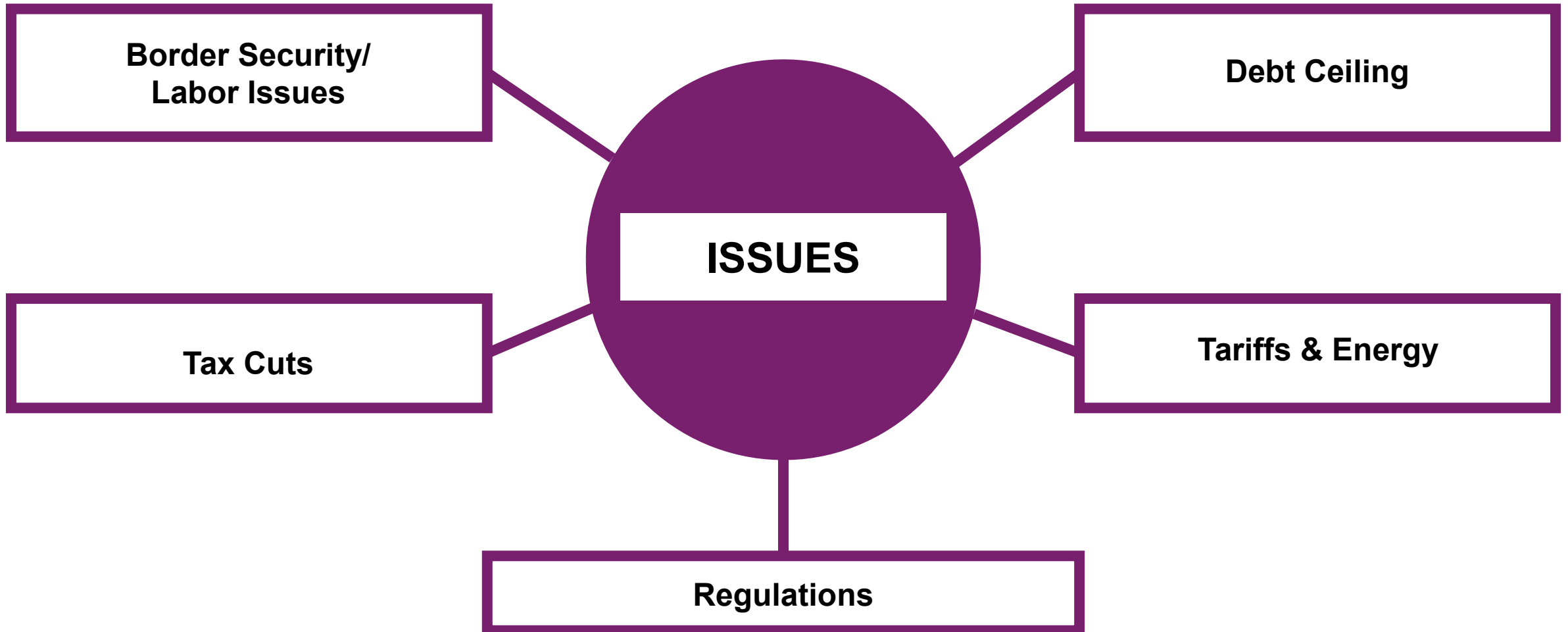
Trade policy: Move trade accords like USMCA... recall Trump started  
UK & Kenya accords, would continue, including reforming WTO







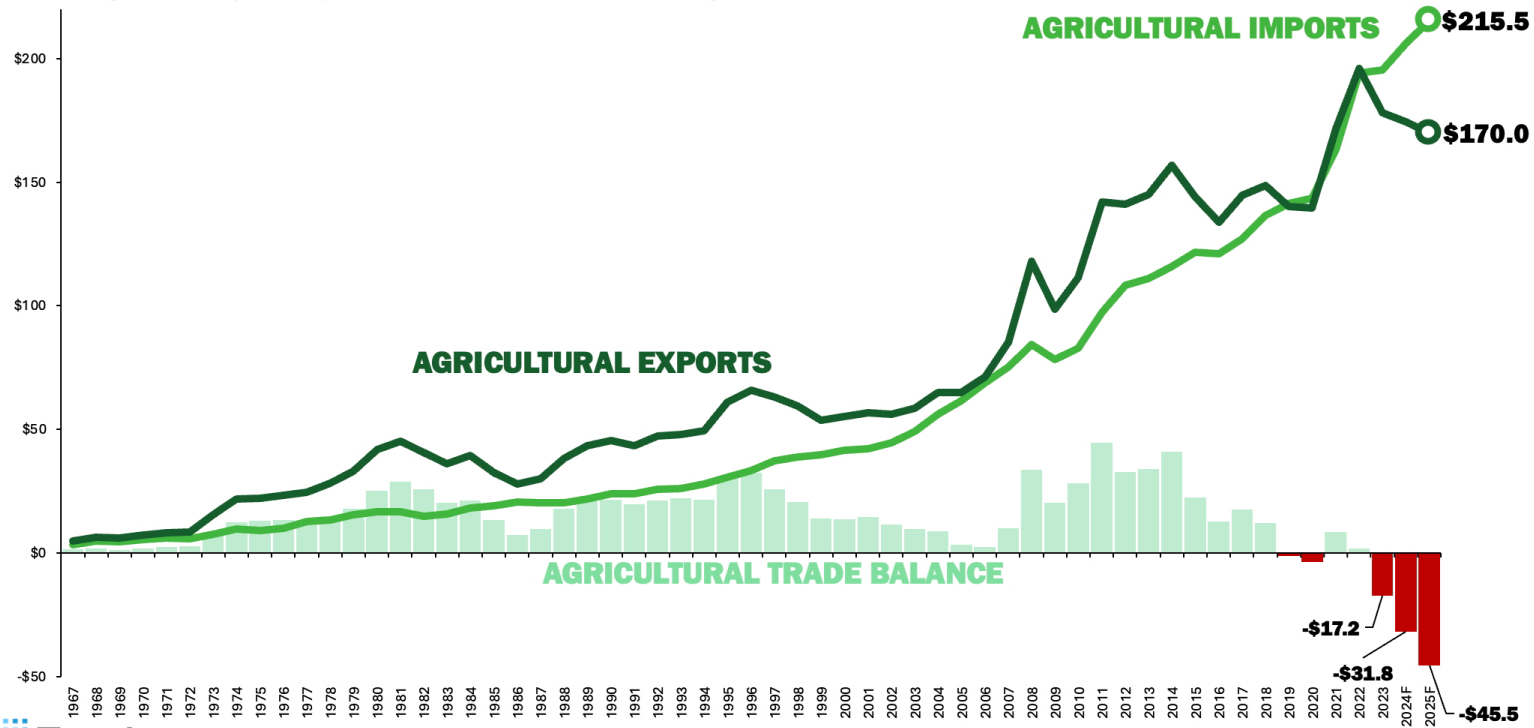
# FOCUS



# Growing Ag Trade Deficit

## U.S. Agricultural Trade

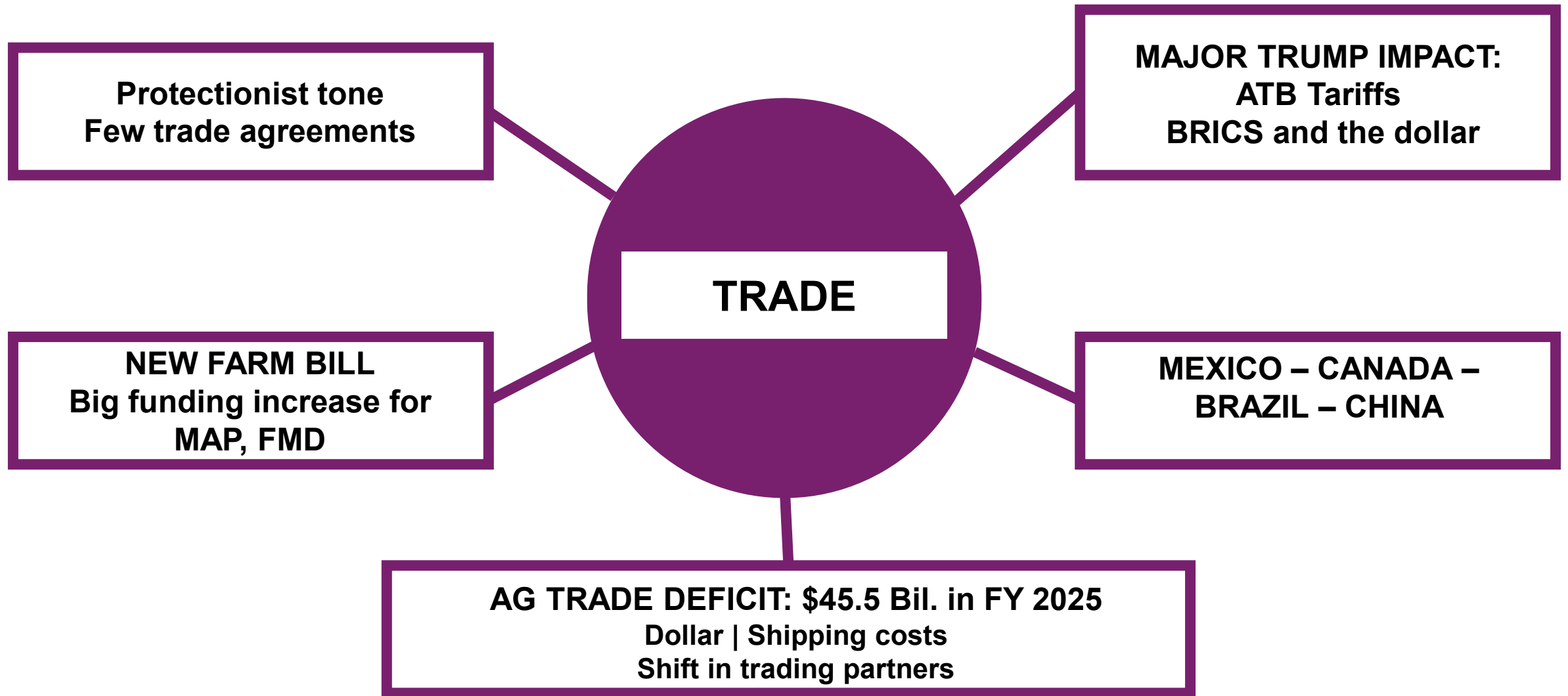
U.S. Agricultural Exports, Imports, And Trade Balance, Actual and Projected, Billion Dollars, Fiscal Year



SOURCE: [WWW.TERRAINAG.COM](http://WWW.TERRAINAG.COM) Analysis, USDA FAS GATS, USDA ERS

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# Growing U.S. Ag Trade Deficit



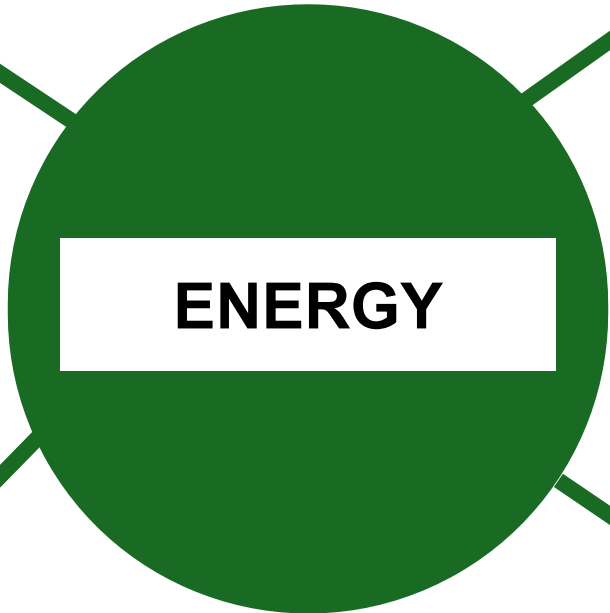
# Trump China Policies

- Threatens to impose 60%+ tariffs on Chinese goods...  
Plus 10% tariffs on Day 1 of admin.
- Advocates for revoking China's permanent normal trade relations status

## TRADE

- Supports phasing out imports of essential goods from China
- Aims to stop Chinese purchases of American real estate and industries

**Need to control strategic goods and technologies, invest in innovation, re-shore supply chains, and combat Beijing's unfair trade practices.**



# ENERGY

**Trump victory, alongside GOP gains in Congress,** will fuel push to limit tax incentives for EV sales and new ventures to capture carbon dioxide, generate renewable power and manufacture clean energy technology.

**Trump will have wide latitude** to rewrite Dept. of Treasury rules governing tax credit qualifications.

**Winners:**

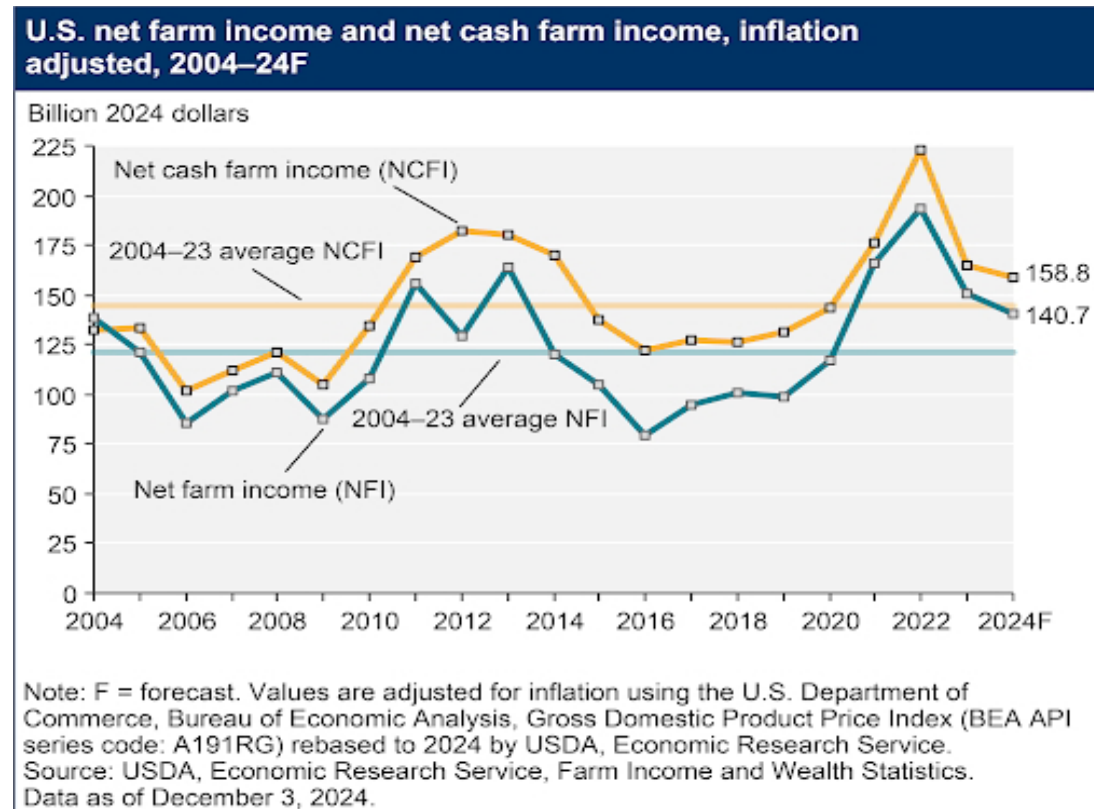
**Oil and gas interests will thrive** as Trump vows to remove barriers to production and offer more federal land for drilling.

**Losers:**

Does not favor EVs and offshore wind. Farm-state lawmakers will press to keep biofuel tax incentives.

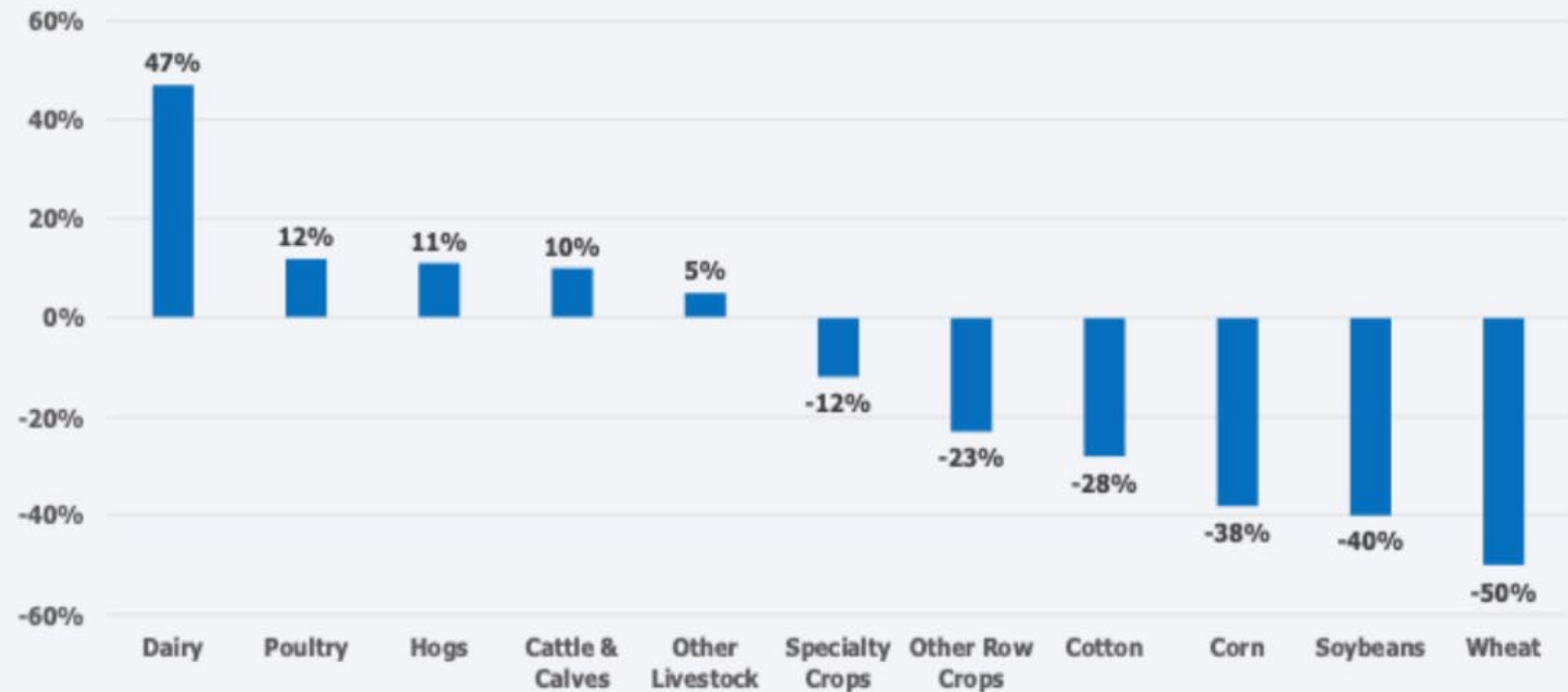


# Farm Income Forecasts Don't Tell Whole Story



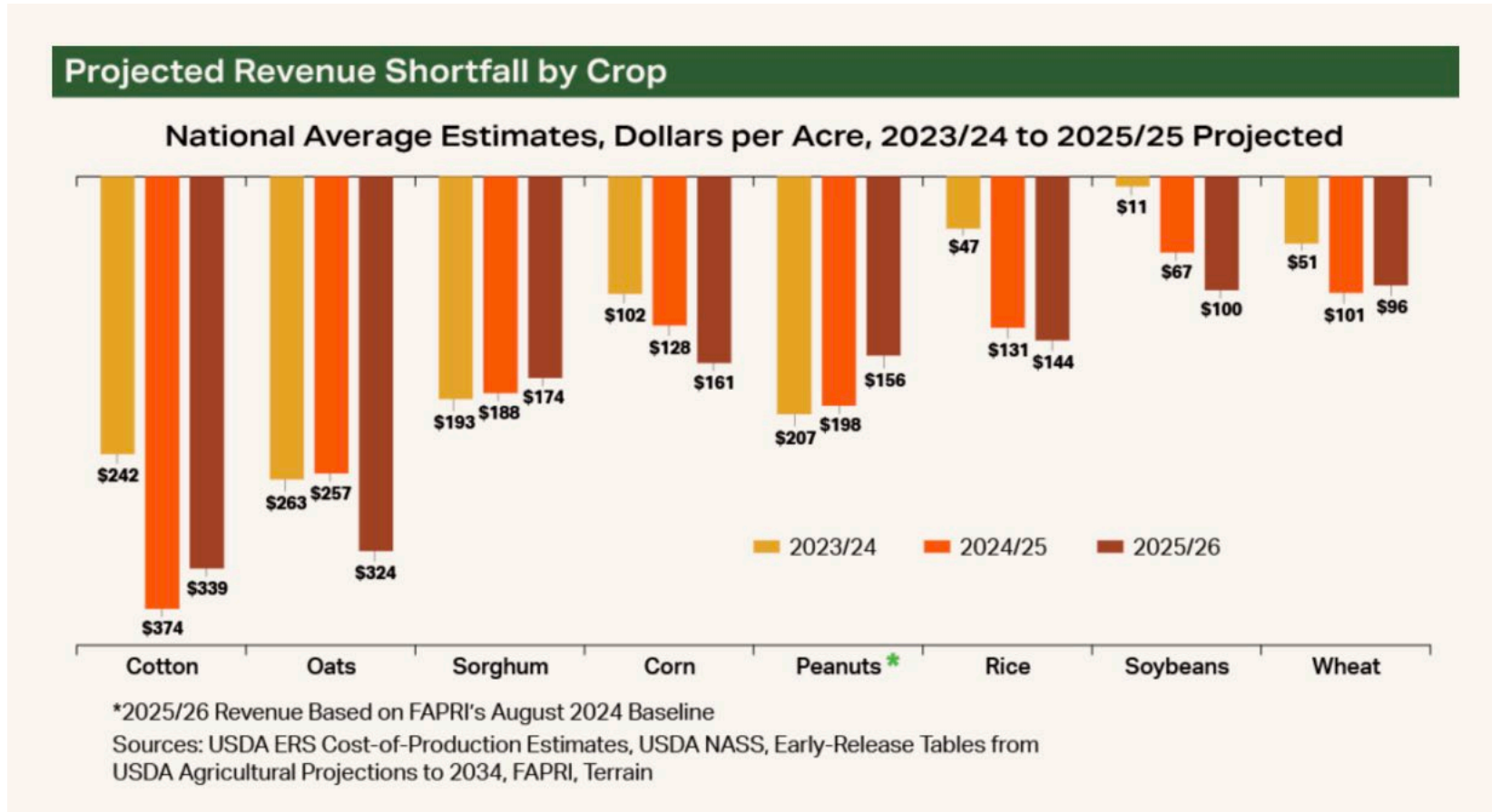
# Net Cash Income: Big Differences

Percent Change in Inflation Adjusted Net Cash Farm Income by Commodity, 2023 to 2024.

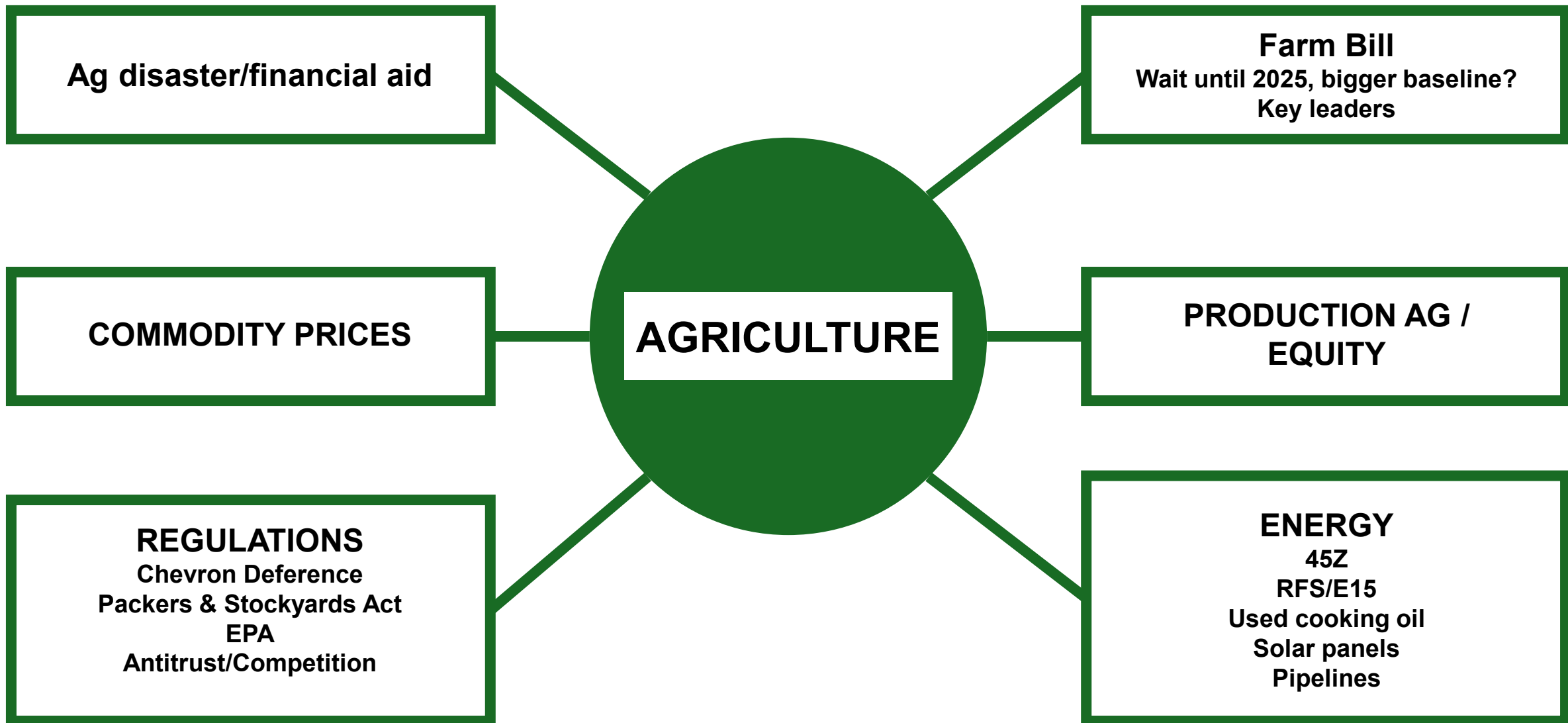


Source: <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/>

# Projected Revenue Shortfall by Crop



Source: Terrain



## Trump Impact: Winners

### Winners:

- **Production ag**, larger farmers with far less emphasis on equity issues.
- **Farmers favoring deregulation**, which is beneficial for increasing production and reducing operational costs.

## AG SECTOR

## Trump Impact: Losers

### Losers:

- **Small and diversified farms, socially disadvantaged.**
- **Trump's trade policies, especially tariffs**, will lead to retaliatory measures from other countries, impacting U.S. farmers dependent on exports.





**2024 DEFICIT**

- \$1.9 trillion
- \$400 bil. higher than Feb. 2024
- 6.6% of GDP

**DEFICIT CAUSES**

- \$145 bil. increase student debt
- \$70 bil. deposit insurance outlays
- \$60 bil. new legislation
- \$50 bil. increase in Medicaid

**2034 DEFICIT**  
\$2.8 trillion

**INTEREST PAYMENTS**

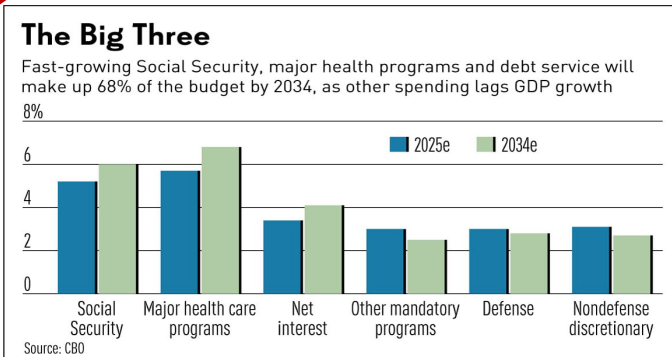
- \$1.2 trillion in 2024
- 4.1% of GDP

**INTEREST PAYMENTS**

- 13% of federal spending
- Third highest category of spending
- Ahead of defense, Medicare and income security programs

**IMPACTS**

Less gov't spending for defense, social safety programs, research and farm bill



A photograph of the United States Capitol building in Washington, D.C., featuring its iconic white dome and neoclassical architecture. The building is set against a clear blue sky with a few wispy clouds. In the foreground, there are lush green trees and a portion of a street lamp. The text is overlaid on the image.

**CONTACT INFORMATION:**

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