

News from Washington: April 9-15

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Chairman Conaway Introduces the Agriculture and Nutrition Act

House Agriculture Committee Chairman K. Michael Conaway (TX-11) introduced the Agriculture and Nutrition Act of 2018 (H.R. 2) – critical legislation to address the economic challenges facing the nation’s farmers and ranchers, while making historic investments in opportunities for SNAP recipients. Upon introducing the bill in the House, Chairman Conaway said:

“Rural America is hurting. Over the last five years, net farm income has been cut in half. Natural disasters and global markets distorted by predatory trade practices of foreign countries, including high and rising foreign subsidies, tariffs and non-tariff barriers, have resulted in huge production losses and chronically depressed prices that are today jeopardizing the future of America’s farm and ranch families.

“The farm bill keeps faith with our nation’s farmers and ranchers through the current agriculture recession by providing certainty and helping producers manage the enormous risks that are inherent in agriculture. The farm bill also remains faithful to the American taxpayer and consumer. Under the farm bill, consumers will continue to enjoy the safest, most abundant and most affordable food supply in the world, and taxpayers will reap the more than \$112 billion in budget savings projected under the current law.

“Ensuring an affordable food supply is important to every citizen, but it is absolutely critical to the most vulnerable among us who struggle every week to put food on the table. The Supplemental Nutrition Assistance Program (SNAP), which is reauthorized under the farm bill, is essential to helping many Americans feed themselves and their families.

“The farm bill also keeps faith with these families by not only maintaining SNAP benefits but by offering SNAP beneficiaries a springboard out of poverty to a good paying job, and opportunity for a better way of life for themselves and their families.

“I’m excited to share our vision with the American people – and eager for people to see the details of a proposal that offers people real hope and promise.

“I’m also looking forward to quickly moving this farm bill through the House and working with the Senate to deliver a farm bill to the president’s desk that is on time, as the president has asked us to do.”

[Click here](#) to read the full legislative text of the Agriculture and Nutrition Act of 2018. [Click here](#) to read the section-by-section summary of the Agriculture and Nutrition Act of 2018. [Click here](#) to read policy highlights in the Agriculture and Nutrition Act of 2018.

[Source: U.S. House Committee on Agriculture](#)

Senate Ag Leaders Commit to Bipartisan Farm Bill

U.S. Senate Committee on Agriculture, Nutrition, and Forestry Chairman Pat Roberts, R-Kan., and Ranking Member Debbie Stabenow, D-Mich., today released the following statement after the House Agriculture Committee released its version of the 2018 Farm Bill.

“We continue to be committed to working on a Farm Bill for all farmers and families. With low commodity prices, worsening conditions in farm country, and unmet needs in communities

across the country, we need to get this Farm Bill right. We're working together as quickly as possible to produce a bipartisan bill that can pass the Senate and be enacted into law.” The Senate Agriculture Committee has held nearly 30 [hearings](#) and business meeting during the 115th Congress, including nine hearings on all titles of the 2014 Farm Bill.

[Source: U.S. Senate Committee on Agriculture, Nutrition, & Forestry](#)

Secretary Perdue Statement on Release of 2018 Farm Bill

U.S. Secretary of Agriculture Sonny Perdue today issued the following statement on the release of the 2018 Farm Bill:

“I applaud Chairman Conaway and the House Agriculture Committee for their diligence and hard work in crafting the 2018 Farm Bill. The trend of low commodity prices over recent years and headlines about trade disputes have caused anxiety among agricultural producers these days, so this legislation is critically important to give them some much-needed reassurance. In my travels across the country, I have found that farmers have confidence in President Trump’s ability to negotiate strong trade deals with other nations, but they also want a strong, bipartisan Farm Bill that puts their needs above Washington, D.C. politics. While there is still much work to be done, I am pleased that this Farm Bill aligns with many of the [principles USDA released in January](#). I look forward to working with the Agriculture Committees and members of Congress from both sides to pass a comprehensive Farm Bill in a timely fashion to provide the needed support and certainty to our farmers. The Trump Administration has made rural prosperity a priority for the country, and a Farm Bill that works for agriculture is a key component of the agenda.”

[Source: USDA](#)

On Trade, Trump Says He'll 'Make It Up' To Farmers

Farmers are likely to be adversely affected by the escalating tariff dispute with China

President Donald Trump acknowledged Monday that farmers could be adversely affected by the escalating tariff dispute with China, but promised to make it up to them, saying they “will be better off than they ever were.”

Speaking at a Cabinet meeting, Trump addressed the Chinese threat to slap tariffs on soybeans and other agriculture staples grown in rural America, a move that could hit Midwestern farmers, many of whom are strong supporters of the president.

“If during the course of the negotiation they want to hit the farmers because they think that hits me. I wouldn’t say that’s nice, but I tell you our farmers are great patriots,” Trump said. “They understand that they’re doing this for the country. We’ll make it up to them. In the end they’re going to be much stronger than they are right now.”

China is threatening the tariffs in response to Trump moving to enact protectionist measures as punishment for Chinese theft of U.S. intellectual property. The U.S. bought more than \$500 billion in goods from China last year and now is planning or considering penalties on some \$150 billion of those imports. The U.S. sold about \$130 billion in goods to China in 2017 and faces a potentially devastating hit if China responds in kind.

White House spokeswoman Sarah Huckabee Sanders said Trump was working with his team “to determine how best to respond to China’s attack on American farmers” and had asked the Agriculture Department to provide him with a plan to protect U.S. farmers.

As the economic saber-rattling shakes global markets, Trump said Monday he had a good relationship with China and with President Xi Jinping, but repeated his claim that China has been “taking advantage of the United States for many years.” He added that he doesn’t blame China, but American leaders for creating a “lopsided” set of trade rules.

Earlier in the day, Trump tweeted about the “STUPID TRADE” with China, saying that when a Chinese-made vehicle is sent to the U.S., the tariff is only 2.5 percent, while American cars exported to China are slapped with a 25 percent tariff.

China charges total duties of 25 percent on most imported cars — a 10 percent customs tariff plus a 15 percent auto tax. Since December 2016, Beijing also has charged an additional 10 percent on “super-luxury” vehicles priced above 1.3 million yuan (\$200,000).

The president made fixing the trade imbalance with China a centerpiece of his presidential campaign, where he frequently used incendiary language to describe how Beijing would “rape” the U.S. economically. But even as Trump cozied up to Xi and pressed China for help with derailing North Korea’s nuclear ambitions, he has ratcheted up the economic pressure and threatened tariffs, a move opposed by many fellow Republicans.

China has pledged to “counterattack with great strength” if Trump decides to follow through on his latest threat to impose tariffs on an additional \$100 billion in Chinese goods — after an earlier announcement that targeted \$50 billion. Beijing also declared that the current rhetoric made negotiations impossible, even as the White House suggested that the tariff talk was a way to spur China to the bargaining table.

[Source: Morning Aq Clips](#)

Xi’s Proposals Are Less Than Meets the Eye

Chinese President Xi Jinping garnered some praise when he pledged Tuesday to lower tariffs on automobiles and further open up his country’s market. But the promises, at least for now, don’t seem to be enough to head off a tit-for-tat tariff war.

Business leaders and analysts alike contend that what was branded as a major speech from Xi amounted to recycled and incremental promises. And while it nibbled around the edges of crucial issues, it largely ignored the U.S.’s core concerns with China surrounding extensive subsidization and state support of Chinese industry.

“If the administration’s goal is to modestly move the needle on the trade balance and improve market access somewhat, then this would be a starting point of a negotiation,” said Scott Kennedy, a China expert at the Center for Strategic and International Studies. “But if their goal is to constrain China’s industrial policy, then this doesn’t even get China to the table.”

President Donald Trump applauded Xi’s remarks, saying the Chinese leader’s promises would yield “great progress” between the two countries. But the White House cautioned that rhetoric alone was not enough to stop Trump from continuing with his plan to consider imposing tariffs on up to \$150 billion worth of imports from Beijing.

“We want to see concrete actions from China, and we’re going to continue moving forward in the process and in the negotiations until those things happen,” White House press secretary Sarah Huckabee Sanders said.

Conaway Comments on Agricultural Trade

Condemns China's Long Pattern of Illegal Trade Practices that Harm U.S. Farmers, Ranchers and American Workers

House Agriculture Committee Chairman K. Michael Conaway (TX-11) issued the following statement concerning China's unwarranted, illegal retaliation against American farmers and ranchers:

"I appreciate President Trump and the administration's efforts to enforce the terms of existing trade agreements. China's illegal, retaliatory actions against unrelated sectors in the U.S., including agriculture, are the latest examples of the kind of predatory trade practices routinely employed by China against U.S. farmers and ranchers, which our committee has highlighted for years. By working to hold foreign countries accountable to the commitments they agreed to, we can better achieve a global market that is truly fair. International trade today would be far healthier and more robust, and support at home for trade would be much stronger had previous administrations more aggressively challenged nations that so egregiously renege on their commitments.

"I urge the administration to do all they can to minimize the negative impacts on U.S. agriculture and thank both the president and Sec. Perdue for their firm commitment to stand by America's farmers and ranchers using the broad legal authority Congress has granted them. Given the extraordinary circumstances, I also hope that Members of Congress will put aside any partisan rancor and join forces to deliver a strong, new farm bill on time."

In September 2016, the U.S. announced plans to file a [formal challenge](#) in the WTO concerning China's illegal excess farm subsidies that topped \$100 billion in a single year for three crops alone. Recent reports suggest that China is expanding this illegal subsidy scheme to soybeans rather than living up to its trade commitments. While the current trade disputes should be governed by rules and limited to the issues at hand, China's illegal proliferation of the dispute to apply to a whole litany of unrelated products has created uncertainty and hardship for America's farmers and ranchers.

[Source: U.S. House Committee on Agriculture](#)

Trump Floats Possibility of TPP Return

President Donald Trump tried to allay the fears of some of his biggest trade critics on Thursday, discussing the possibility of re-engaging in the Trans-Pacific Partnership, a Pacific Rim trade deal that he campaigned against, previously called "a rape of our country" and withdrew the U.S. from on his first full day in office.

After alarming free-trade Republicans by threatening to impose tariffs on up to \$150 billion in Chinese imports, Trump found himself in a White House meeting Thursday with farm-state lawmakers and governors who fear what will happen to agriculture in the event of a full-blown trade war. So he moved to surprise them. He directed U.S. Trade Representative Robert Lighthizer and economic adviser Larry Kudlow to examine whether re-entering the TPP makes sense.

Trump said back in January that he'd reconsider TPP if it could be reworked to offer "substantially better" terms. Since then, the 11 remaining TPP nations signed a reworked pact last month, and each country is now working to get it enacted by their individual legislatures. But

Trump's statement on Thursday sent a strong signal to farm state lawmakers and governors that he's heard their concerns about his trade crackdown on China.

"He got it really loudly and clearly today from a lot of us," Sen. John Thune (R-S.D.) said after the Thursday meeting. "If you want to send a message to China, the best way to do that is to start doing business with their competitors. So he was very open to it."

Trump has often mused in meetings about changing his position on high-profile issues, from immigration to gun control, only to do the opposite. And right after Thursday's meeting, the White House sought to keep expectations low. A senior administration official cautioned that "it's very early in the process" and that Trump was not committed to anything.

USDA Trade War Prep Began Months Ago

USDA has been discussing an emergency plan to aid farmers from retaliatory tariffs since the fall, Agriculture Secretary Sonny Perdue confirmed on Wednesday after a hearing before the Senate Appropriations agriculture subcommittee.

Perdue told reporters that the talks began shortly after the White House said it was starting two investigations: one into whether steel and aluminum imports posed a threat to national security and another into whether the Chinese government policies were forcing companies to transfer technology as a condition of doing business there, yours truly reports.

The secretary also said that he met with appropriators last year to discuss lifting restrictions on USDA's authority to use the Commodity Credit Corporation to aid farmers in the event of a trade war — which was accomplished in the recently enacted fiscal 2018 omnibus spending package.

Sen. Ben Sasse (R-Neb.), one of the most outspoken opponents of Trump's trade policies, was quick to slam the idea to use government supports as a response to tariffs. Spending billions of dollars on a new subsidy plan would be "misguided," Sasse said, describing the proposal as "Saturday-morning-cartoon central planning."

The president is hosting lawmakers and governors this morning to hear their concerns over his latest trade moves. White House deputy press secretary Lindsay Walters said that the meeting would "discuss issues impacting the agricultural community including trade." The list of participants for the meeting, scheduled for 11 a.m., will include some predictable names including: Iowa Gov. Kim Reynolds, as well as Sens. Pat Roberts (R-Kan.), Deb Fischer (R-Neb.) and Joni Ernst (R-Iowa).

Trump Pushes New Focus on Work Requirements

The White House announced Tuesday evening that Trump had signed a long-awaited executive order on welfare. The order directs federal agencies to look into stricter work requirements across federal programs, including food stamps.

Call for plans: Federal agencies are tasked with taking a look at rules and guidance on work for the assistance programs they administer and submit a report to the president within 90 days on "what they can do to get Americans back to work." They are then expected to make a plan to put the changes in place.

The bottom line: The White House order itself will not likely affect food-stamp recipients too much because USDA can't mandate stiffer requirements on SNAP recipients without Congress

making legislative changes. The move does, however, indicate that the Trump administration is pressing a welfare overhaul, months after Capitol Hill seemed to all but lose interest in the topic.

RFS Day At the White House

President Donald Trump met Monday with Perdue and EPA Administrator Scott Pruitt to discuss his options for changing the Renewable Fuel Standard. It would be his fifth meeting on the obscure program.

The president is said to be considering ideas like adding a year-round waiver for sales of 15 percent ethanol gasoline; a cap on biofuel credit prices; and even punting the whole issue to Congress. Handing it over to Congress is the preference of some of Trump's advisers, because it would help him avoid offending two key constituencies.

In the weeks since Trump last met with his Cabinet members on this issue, EPA has relieved a bankrupt Philadelphia refinery of much of its obligation for RFS compliance and it has granted waivers to 25 small refiners, enough to drive down the costs of biofuel credits.

Both moves infuriated biofuel producers and Perdue, who has declared himself a defender of the ethanol.

Trump Skips Summit of the Americas; Pence Makes the Trip

Trump's hard-edged rhetoric on trade has made it more challenging for the U.S. to check China's economic influence in its own backyard. Trump has chosen to skip the Summit of the Americas, a two-day gathering of Western Hemisphere leaders that kicks off today in Lima, Peru, leaving it up to Vice President Mike Pence to use the forum to make the case that the U.S. remains the best trading partner for nations in the region.

Many Latin American nations stand to gain from a trade war between the U.S. and China, at least in the short run. Chinese demand for soybeans and other agricultural products that it imports from the U.S. in large quantities could shift business to Argentina and Brazil, said Carlos Gutierrez, former Commerce secretary under the George W. Bush administration.

"To the extent that the U.S. makes it more difficult to access and buy commodities because of these trade battles that are going on ... that business could well go to Latin America," Gutierrez told Sabrina. A trade war is bad for the global economy, he added, "but in the short term, because of the dislocation of products, the benefits would go to some of these Latin countries."

Trump's trade chief won't be making the trip to Lima, meaning that a meeting of the NAFTA nations' top trade officials on the sidelines of the summit is no longer possible. Nevertheless, Lighthizer has appeared confident in recent meetings on the Hill and with administration officials that a preliminary NAFTA deal is possible in the next couple of weeks. He and other U.S. officials have been telling their Mexican and Canadian counterparts that the timeline is being driven by the U.S.' Trade Promotion Authority process.

The goal is to have something approved before Congress recesses for the holidays, which is supposed to be on Dec. 13, according to the current legislative calendar.

House Speaker Ryan Won't Seek Re-Election, Will Retire in January

U.S. House of Representatives Speaker Paul Ryan will not seek re-election and will leave his post at the start of 2019, dealing a blow to fellow Republicans and President Donald Trump ahead of fast-approaching congressional elections.

By triggering a House leadership struggle when the party should focus on defending its congressional majorities and advancing Trump's agenda, Ryan dismayed some Republicans already concerned about their prospects with U.S. voters in November.

"It's going to set off an intramural war among Republicans on who is going to be the next speaker. It will take the eye off the ball of keeping a majority in the House," said one Republican veteran who asked not to be identified.

Trump's 2018 agenda, including construction of a U.S.-Mexico border wall and an infrastructure proposal, has gained little traction. Ryan's departure will not likely improve the outlook, said John Feehery, a Republican lobbyist who worked as spokesman for former House Speaker Dennis Hastert.

"Realistically, the chances were low of anything getting done anyway," Feehery said.

The Republicans' biggest policy win since Trump took office almost 15 months ago has been the tax overhaul approved in December, an achievement in which Ryan played a major role despite his sometimes strained relationship with the volatile president.

Asked how much Trump and his conduct influenced his decision not to seek re-election for his seat representing a district in southeastern Wisconsin, Ryan told reporters: "Not at all." Politico later quoted Ryan as saying in an interview that he had a good rapport with Trump, but wished the president tweeted less. "It works better to have private conversations than public disputes," Ryan said.

Ryan's announcement was the latest upheaval in Washington in Trump's second year as president, after the resignations and firings of numerous White House officials and Cabinet members.

In 2016, Trump slammed Ryan as a "very weak and ineffective leader." On Wednesday, Trump wrote on Twitter: "Speaker Paul Ryan is a truly good man, and while he will not be seeking re-election, he will leave a legacy of achievement that nobody can question. We are with you Paul!"

Ryan, who was the Republican vice-presidential nominee in 2012, poured cold water on speculation he could be eyeing a presidential campaign in 2020 or beyond. "I'm not going to run for president. That's not my plan," he said on CNN.

[Source: Yahoo!](#)

Bayer-Monsanto Reportedly Wins U.S. Nod

A year and a half after unveiling their mega merger, Bayer and Monsanto has persuaded the Justice Department to approve the more than \$60 billion deal, although with more concessions than they planned to give, according to [The Wall Street Journal](#).

Under a deal with antitrust regulators here, Bayer will sell additional seed and treatment assets to German chemical company BASF. It will also make compromises related to digital agriculture. Bayer and Monsanto's merger is part of several big ones announced in recent years: Antitrust officials have previously signed off on ChemChina and Syngenta's combination, as well as Dow Chemical and DuPont's merger.

Monsanto declined to comment on the Journal article. But it pointed to an earnings report last week that said “the companies continue to cooperate with regulators and have seen solid progress,” and that they’re confident regulatory approval will be received by the second quarter of 2018.

Some food and agriculture groups have expressed concern over how the Bayer and Monsanto merger, which will create the world’s largest seed and agrichemical company, may hurt farmers by increasing the cost of seeds and other supplies.

Wenonah Hauter, Executive Director for Food & Water Watch said the deal “leaves farmers vulnerable to price gouging for seeds and other supplies and strengthens the hold a few dominant corporations have over the entire food system.” Friends of the Earth said in a statement the Bayer-Monsanto deal is a “merger from hell” and said DOJ has ignored the “more than one million public comments opposing the merger.”

4-H Delegates Brief Committee on the Importance of Agriculture in the U.S.

Today the House Agriculture Committee’s Subcommittee on Biotechnology, Horticulture, and Research welcomed 15 4-H students from across the country to brief members on “The Importance of Agriculture in the United States.”

“I don’t know if there is anything better than seeing young people interested and passionate about the future of our agriculture industry. The presentations we heard today serve as a reminder of why it’s important we continue supporting legislation to enhance our nation’s research and extension mission at land-grant universities, which serve a vital role in advancing technology that feeds our growing population,” said Biotechnology, Horticulture, and Research Subcommittee Chairman Rodney Davis (IL-13).

“4-H is a tremendous organization that helps unite students from across the country – from urban neighborhoods to rural communities. These students have opportunities to not only learn about the challenges agriculture faces, but also share their knowledge and passion at a local, regional and national level. They are a great reminder that the future of agriculture is bright,” said Agriculture Committee Chairman K. Michael Conaway (TX-11).

Today’s 4-H presenters represent the delegation in town for the National 4-H Conference. 4-H students from across the country will continue discussing the challenges of food and fiber production as they visit with lawmakers and federal agencies throughout the duration of their trip.

[Source: U.S. House Committee on Agriculture](#)