

News from Washington: April 8-14

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Ag Census Highlights Fewer Farms, Older Farmers

The Agriculture Department's latest survey offers fresh numbers that back up major trends in the industry: the shrinking number of farms, aging producers and consolidation into larger operations.

But there were some notable shifts: Most of the newly identified producers are female, USDA said, and about 56 percent of farms have at least one woman making decisions.

More young farmers: USDA defines young farmers as those aged 35 or younger, and in 2017 there were 321,261 — accounting for 8 percent of all producers. For many, farming wasn't their primary occupation, and they tend to be working on larger than average operations.

This time, USDA allowed respondents to list multiple farm decision-makers instead of just one. That's partly responsible for the uptick because it likely captured the next generation working with their parents, said Sophie Ackoff, vice president of policy and campaigns for the National Young Farmers Coalition. But there still aren't enough young farmers to replace those who are aging out and retiring, Ackoff added.

Lack of racial diversity: More than 95 percent of producers are white; 3 percent are Hispanic; and 1.7 percent are Native Americans or Native Alaskans, the overall [demographic figures](#) show. African-Americans accounted for 1.3 percent of producers, while Asian-Americans and Native Hawaiians and Pacific Islanders each accounted for less than 1 percent.

Trump, Senators Huddle on Delayed Disaster Aid

Senators whose states are recovering from recent natural disasters visited the White House on Thursday to discuss with Trump the fate of the stalled disaster aid package, H.R. 268 (116), which the Senate failed to advance last week.

The legislation has been bogged down for months, but Sen. Johnny Isakson (R-Ga.) said he was more optimistic because the two-week recess will pressure negotiators to come to an agreement.

Meanwhile, winter storm Wesley dumped heavy snow on portions of the Plains and the Midwest on Thursday, leaving some 90,000 people without power in Iowa, Minnesota, South Dakota and Wisconsin, the Weather Channel [reports](#).

Continued precipitation and snowmelt could cause [another surge](#) in the Missouri River after last month's severe flooding breached levees and swamped farmland and grain storage sites along the river.

Flooding continues to disrupt barge traffic on major Midwestern waterways, as 10 locks on the Mississippi River remain closed, according to USDA's weekly [Grain Transportation Report](#). Railroads are still recovering after the flooding, too.

Economics at A Glance in The Census

The largest operations, or those with at least \$5 million in sales, accounted for 35 percent of all sales in 2017. Only these very large farms — as well as very small farms with annual sales of

\$2,500 or under — increased in number over the five-year period. The number of middle-size farms in all ag sectors fell.

Agriculture Secretary Sonny Perdue said the stats reflected the story of capitalism and economies of scale, requiring farms to get bigger to survive.

The number of dairy farms dropped by more than 17 percent across the country. But milk sales have increased by 4 percent to more than \$36 billion, reflecting how big operations are getting bigger.

The 2017 census for the first time quantified direct-to-consumer sales, such as at farmers markets, which totaled \$2.8 billion.

Farmers are also implementing more conservation practices, such as reducing tillage and planting cover crops.

USDA doesn't publish annual data on certain goods and animals like ginseng and alpaca, leaving it up to the five-year census to capture the numbers. Farmers are growing more ginseng, nearly tripling acreage to 1,050 acres in 2017. Alpacas are declining in number, though more farms are raising them.

Dems' New Approach To USMCA

House Democrats looking for a way around the stalemate over the U.S.-Mexico-Canada Agreement suggested the Trump administration consider making small side revisions.

Rather than reopening negotiations on the deal's language — a move that a number of Democrats have called for in recent weeks, but each North American country opposes — the lawmakers are looking to make small-scale changes to address concerns about labor standards and pharmaceutical provisions.

Perdue Statement on Vietnam's Ban on the Importation of Glyphosate

U.S. Secretary of Agriculture Sonny Perdue issued the following statement in response to the announcement by Vietnam's Ministry of Agriculture and Rural Development (MARD) that Vietnam will ban the importation of glyphosate:

"We are disappointed in Vietnam's decision to ban glyphosate, a move that will have devastating impacts on global agricultural production. As I've often said, if we're going to feed 10 billion people by 2050, farmers worldwide need all the tools and technologies at our disposal.

"On numerous occasions, USDA has shared scientific studies with MARD from the U.S. Environmental Protection Agency and other internationally recognized regulatory bodies concluding that glyphosate is unlikely to pose a carcinogenic hazard to humans. This ban flies on the face of that scientific evidence. Furthermore, Vietnam has sidestepped its obligation to notify this regulatory change to the World Trade Organization.

"Vietnam also needs to look at the potential ramifications for its own farmers. In addition to the immediate effect of slowing the development of Vietnamese agricultural production, there's the very real risk that Vietnam's farmers will turn to unregulated, illegal chemical products in place of glyphosate."

[Source: USDA](#)

Mnuchin Talks U.S.-China Enforcement

The U.S. is working with China to set up an “enforcement office” under Chinese Vice Premier Liu He to ensure Beijing follows through on its promises if a trade deal is finally reached, Treasury Secretary Steven Mnuchin said Wednesday.

The issue has been a priority for the Trump administration, which previously indicated it would impose tariffs should Beijing violate provisions of the trade agreement. Mnuchin said he and U.S. Trade Representative Robert Lighthizer would speak with Liu again Thursday.

Pork Producers Push for Quick Japan Talks

The pork industry is eager for U.S. trade talks with Japan to begin and plans to lobby the administration to move quickly in striking a favorable deal, according to Nick Giordano, vice president and counsel for the National Pork Producers Council.

During a media roundtable, he said the 11-nation CPTPP (the new name for the Trans-Pacific Partnership) has edged out U.S. companies already suffering from retaliatory tariffs imposed by China and Mexico.

“The fact that we’re on three retaliation lists — and I’m not sure there’s an industry in the country that’s on three retaliation lists — is an immediate hair on fire issue,” he said. “But what a lot of people don’t know is what we have at stake in Japan, which is our biggest value market and the math says you’ve got a big problem.”

China bought more than 77,700 metric tons of U.S. pork last week, as African swine fever continues spreading through parts of Asia. It’s the highest weekly sales to China since USDA began keeping records in 2013, Reuters [reports](#).

Ag Still Sticking Point as U.S.-EU Talks Step Forward

European countries gave the initial go-ahead to launch trade talks with the U.S., but the negotiations are still headed for a major standoff over ag, food and other disputes.

EU leaders want to reach a quick, limited deal, focused on removing industrial tariffs — and steering clear of agriculture and food standards. The Trump administration and many U.S. lawmakers insist on including ag in the negotiations, hoping for an agreement that opens up the European market to more farm goods and lifts bans on products like hormone-treated beef.

The negotiating mandates are set to be approved Monday, despite objections from France. (A French official said the country will vote against launching the trade talks, but it’s unlikely to affect adoption of the mandates.)

Dairy Divided Over Supply Management

As the Great American Milk Glut continues, dairy farmers can’t agree on what should be done to stem the tide of producers going out of business, creating an obstacle to securing support on Capitol for a remedy.

States and organizations representing smaller farmers, such as in Vermont and Wisconsin, are renewing advocacy for a federal supply management system that would keep milk prices above the cost of production.

Setting limits on production is sure to run into resistance from larger operations, which are growing in number as the industry consolidates. As a result, they hold an increasing amount of power within milk cooperative and national trade associations.

While USDA is predicting slightly higher milk prices this year, 2019 could still become the fifth year of the downturn while feed, equipment and labor costs continue to rise.

Expect this debate to intensify. The Wisconsin Farmers Union, National Farmers Organization and Holstein Association USA have embarked on what they're calling the [Dairy Together Roadshow](#) to gain momentum for some version of supply management. Meetings are being held in states like New York, Minnesota, New Mexico and California through May.

"It seems like if we don't do something, we're a generation away from not having any family-sized dairy farms," said Dick Bylsma, national milk sales director for NFO, which markets milk throughout the Midwest and New England.

NFO is pressing for a national, two-tiered milk pricing plan that would pay dairy farmers a \$4 premium on their first 1 million pounds of milk each month, and a lower price for anything above that. The organization said this approach would stabilize the market and benefit smaller producers.

Canada Rebooting Tariff Targets As 232 Relief Bid Stalls

America's northern neighbor is cranking up the pressure in its efforts to get President Donald Trump to lift the Section 232 tariffs he imposed last year on the country's steel and aluminum exports.

Canada is refreshing the list of U.S. products it will target with retaliatory duties, David MacNaughton, Canada's ambassador to the United States, said Monday, adding that the tariff relief talks have hit the skids, as the Canadians see things. The updated list will likely be out within the next week, he said at a North American Agricultural Journalists meeting in Washington.

MacNaughton said he expects "a significant number" of agricultural products to be on the new list. He said it was too early to name specific products but noted some in Canada have called for including apples, pork and ethanol. Canada, one of the largest markets for American wine, is likely to look to U.S. wine exports as well, MacNaughton said.

The ambassador said the goal is "not to escalate anything" — it's just a substitute for old counter-tariffs Canada waived under its [exemption programs](#). Canada promised dollar-for-dollar retaliation when Trump imposed the metals tariffs last year, but it has since waived more than \$214 million worth of tariffs on targeted U.S. products, Canada's Finance Department said Monday.

A Canadian Finance Department spokesperson said that number could increase over time, as Canada receives new applications for product exemptions. Two other Canadian officials said more than \$750 million in U.S. goods, or north of \$1 billion in Canadian dollars, could ultimately be hit with new duties.

The agriculture industry wants the new U.S.-Mexico-Canada Agreement ratified — and soon. But the existence of the steel and aluminum duties threatens to derail legislative consideration of the deal in all three countries.

“There are no negotiations at the present moment,” MacNaughton said, referring to 232 relief talks. “There have been what I would describe as restating positions.”

Perdue: ‘Able-Bodied’ Definition May Need Refining

During an appropriations hearing, the USDA Secretary Perdue defended USDA’s proposed rule tightening work requirement waivers for some food stamp recipients, and suggested the definition of able-bodied adults without dependents — the population the rule would apply to — might need to be further refined.

“The definition describing able bodied may need some fine-tuning,” Perdue told the panel amid a back-and-forth with Rep. Barbara Lee (D-Calif.) about whether people deemed disabled or physically unfit for work considered able-bodied under Supplemental Nutrition Assistance Program rules (they are not).

“Certainly we’re talking about people who are able to work,” Perdue added. “I think when you hear the term able-bodied, it’s people who are able to work from ages 18 to 49, not senior citizens, not parents with dependents, not pregnant women. Able-bodied adults without dependents.”

House Agriculture Democrats, including nutrition panel leader Marcia Fudge (D-Ohio), have requested USDA provide lawmakers with demographic information on the population of able-bodied adults without dependents who would be affected by the rule.

“There’s probably a legal definition I’m just not aware of, of able-bodied,” Perdue told reporters after the hearing. “But that was a fine point that probably needs to be discussed further and communicated and convinced in that way.”

Mexico On Track for Labor Reform Passage

Mexico is poised to pass a major overhaul of its labor laws — a reform it agreed to make as part of the new North American trade deal, and a step Speaker Nancy Pelosi said must take place before the House will consider a bill to implement USMCA.

Once the labor legislation is passed, implementation will start immediately, said Jesús Seade, Mexico’s undersecretary for North America. Pelosi said last week the House will also wait to see how the reforms are implemented, noting it will “take some time.”

Flooding Disrupts Ethanol Shipments

Shipments of ethanol, corn and other cargo are backed up in parts of Nebraska, Iowa and Missouri as major railways like BNSF and Union Pacific work to restore service in subdivisions pummeled by widespread flooding last month. The closures have led to shortages on the West Coast — among several reasons why gas prices jumped and forced some stations to shut down pumps, Reuters [reported](#) Monday.

In Nebraska, where 13 percent of the country’s ethanol is produced, 11 of the state’s 25 plants have been affected by the rail closures, said Megan Grimes, program manager for the Nebraska Ethanol Board.

Another round of [blizzard-like conditions](#) and flooding is expected to hit the Great Plains this week. USDA meteorologist Brad Rippey [told](#) Agri-Pulse that 200 water gauges in the Mississippi and Missouri river valleys are already experiencing flooding before the storm hits.

Pork Gathering Canceled Over AFS Fears

The National Pork Producers Council officially called off its 2019 World Pork Expo to avoid any chance of African swine fever spreading in the U.S. pig population.

The annual event, scheduled for June in Des Moines, Iowa, was expected to bring in 20,000 attendees, the group said in a statement, including exhibitors from “ASF-positive regions” who may have been exposed to the disease (which doesn’t affect humans).

The deadly swine fever has decimated Chinese herds, and NPPC said an outbreak in the U.S. would be catastrophic for the pork sector, which is already facing economic challenges like retaliatory tariffs.

Organics Tries To ‘Force the Issue’ With Trump’s USDA

The organic industry is getting creative as it tries to get around the Trump administration’s hostility toward much of its regulatory agenda.

Laura Batcha, CEO of the Organic Trade Association, told reporters Monday that her industry is extremely frustrated USDA has scrapped some of its highest priorities, including an organic livestock standards rule that had been in the works for several years.

But she said OTA is working to spring regulations free where needed. The group sued the department over its withdrawal of the standards rule, and the U.S. District Court for D.C. ruled in February OTA has standing and allowed the case to advance.

“We’re optimistic about that,” Batcha said. “We think we can win that fight.” Batcha said OTA and USDA will be in briefings with the court this summer.

As another workaround, OTA is teaming up with congressional allies to try to “force” regulations, Batcha said. “The one thing USDA can respond to is a directive from Congress,” she said.

For example, USDA has 12 months from the signing of the 2018 farm bill, [H.R. 2 \(115\)](#), to release a rule aimed at combating organic fraud. She said that deadline could end up being key to getting the department to actually do it.

“We know that without a date certain and a forcing of the issue we’re not going to make much progress in this administration,” Batcha said.

USDA, EPA, and FDA Unveil Strategy to Reduce Food Waste

As part of the Trump Administration’s [Winning on Reducing Food Waste Month](#), the U.S. Department of Agriculture (USDA), the U.S. Environmental Protection Agency (EPA), and the U.S. Food and Drug Administration (FDA) announced the release of a federal interagency strategy to address food waste. The agencies held an event at EPA headquarters to hear from state, local and community leaders and other stakeholders on how all levels of government can work together to reduce food waste.

“Our nation’s agricultural abundance should be used to nourish those in need, not fill the trash,” said U.S. Agriculture Secretary Sonny Perdue. “As the world’s population continues to grow to nearly 10 billion people by 2050 and the food systems continue to evolve, now is the time for action to educate consumers and businesses alike on the need for food waste reduction. I look

forward to what the future holds on this initiative and how we can work together to change the hearts and minds of Americans to reduce food waste.”

“With the release of this important interagency strategy, the Trump Administration continues to advance its efforts to reduce food waste and redirect excess food away from landfills and instead use it to feed communities and fuel our economy,” said EPA Administrator Andrew Wheeler. “The new strategy prioritizes six key action areas, such as improving consumer education and food labeling, that will help us maximize the value of our food resources. Today’s event brought together key federal, state, and private partners to further collaboration on innovative food waste solutions.”

“The issue of food safety and food waste are intertwined, with research showing that there is confusion over the meaning behind date labeling terminology on food packages that have an adverse effect on food waste. Contrary to popular beliefs, date labeling on food packages are often intended to communicate time ranges for optimal food quality, not safety,” said FDA Deputy Commissioner Frank Yiannas. “With more than one-third of all available food uneaten through waste or loss and 1 in 6 Americans suffering a foodborne illness each year, it’s clear that many people are unnecessarily discarding food in fear of food safety issues. This is why the FDA is focused on taking steps to make date labeling on foods clearer and easier for consumers to determine when a food should be discarded. We remain committed to working with the EPA and USDA to better educate Americans on how to reduce food waste and how to do it safely.”

[More information available from USDA.](#)

Four Top Food Companies Debut Climate Principles

Mars, Danone, Nestlé and Unilever — which together formed the Sustainable Food Policy Alliance — unveiled climate policy principles that will inform their advocacy on Capitol Hill. The two-page document endorsed a carbon pricing system that would set prices transparently. There also should be incentives for the agriculture and forestry sectors to reduce and sequester greenhouse gas emissions that are combined with technical assistance for adopting certain practices, the alliance said.

Several other principles touch on accelerating innovation in renewable energy, investing in infrastructure that’s more resilient to the impacts of global warming, and ensuring vulnerable communities have the resources to take on the costs of any regulatory changes.

Food Industry Seeks OMB Meeting on Sodium Targets

As FDA works to finalize short-term sodium reduction targets for dozens of processed food categories, several major trade associations are trying to get a meeting with OMB to present a new study showing that the agency’s suggested goals would be expensive to meet.

The reduction targets are voluntary and laid out in FDA guidance, which is non-binding, but it puts significant pressure on food companies to comply.

Those hoping the White House will step in include the American Bakers Association, American Frozen Food Institute, International Dairy Foods Association, North American Meat Institute, National Restaurant Association and SNAC International, a trade association that represents more than 400 snack manufacturers, including PepsiCo.

“We have engaged throughout the policy process, highlighting opportunities and challenges, as a part of that dialogue,” the industry associations that are trying to get the administration to reconsider the guidance said in a statement to POLITICO. “We believe an OMB review will be a helpful part of the policymaking process.”

The trade associations said they want FDA’s voluntary guidance to be “a success.”

The reality is the food industry simply cannot agree on this issue. While the concept of federal sodium reduction targets once generated much broader backlash, there’s now a good chunk of industry on FDA’s side.

The Sustainable Food Policy Alliance, which represents Nestlé, Unilever, Mars Inc. and Danone North America, this week defended FDA’s push to use voluntary guidance. Others, like the Kraft-Heinz Company, are staying out of the fight. The Grocery Manufacturers Association has also not jumped in.

Former FDA Commissioner Scott Gottlieb last week warned the food industry against pushing back on the targets, arguing such a move would backfire.

The industry disagreement makes it more difficult to convince the administration to rethink its approach. But the drama is good news for public health groups, which have long pressed for more aggressive action on cutting sodium to reduce the incidence of cardiovascular disease.

Child Nutrition Effort Taking Shape

Roberts said Wednesday he wants to see the child nutrition bill reauthorized by Congress, but he cautioned the effort could face challenges similar to the 2018 farm bill, H.R. 2 (115).

The Senate ag chairman didn’t commit to a timeline, but he acknowledged that rolling out draft legislation before the August recess “would be a very good goal.” (Once 2020 begins, the presidential campaign could take the air out of most bipartisan legislative efforts on Capitol Hill.)

Roberts, who is retiring from the Senate after 2020, said he’s had preliminary discussions with leaders of the House Education and Labor Committee, which has jurisdiction over child nutrition programs in that chamber.

The GAO said Wednesday that USDA should beef up its efforts to reduce improper payments across child nutrition programs that either were made in the wrong amount or shouldn’t have been made at all.

USDA’s Food and Nutrition Service reported \$1.8 billion in improper payments in fiscal 2018, with the highest error rates among school meal programs.