

News from Washington: February 19-23

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Ag Secretary Perdue Wants Input on Regulations

U.S. Agriculture Secretary Sonny Perdue said he wants help from agriculture businesses in identifying specific regulatory burdens that make doing business difficult.

His vision is to make the U.S. Department of Agriculture (U.S.D.A.) a “help mate” or partner with agriculture businesses, in part by reducing the regulatory hurdles they face.

“I’m speaking here today, but I mostly want to listen,” Mr. Perdue said during his address at the Poultry Market Intelligence Forum at the International Production & Processing Expo (IPPE) in Atlanta.

“My goal at U.S.D.A. is to be the most efficient, the most effective, the most customer-focused agency in the federal government,” Mr. Perdue said. “While we regulate you, we want to treat you as customers, helping us partner together for a better product that we can be proud of.”

He told the audience to visit usda.gov and click on the regulatory input link on the homepage.

“Tell us specifically what it is that doesn’t make sense for you,” he said. “It could be a regulation that’s been there for years or something we’ve done recently. Help us understand how we can help you in a common-sense way to make a safe, sound proud industry even more proud and even safer.”

Mr. Perdue is doing a lot of listening across the country, visiting 30 states in the eight months since he was sworn in as ag secretary. He was heading to Michigan that evening to visit a turkey processor and had visited a quail operation in South Carolina over the weekend.

“I don’t think government or government policy is out to be picking winners and losers,” he said. “Our role as policymakers is to create a fertile environment for you all to do what you do best. We understand that regulations are necessary to create a fair and balanced playing field between the consumers and the producers.”

President Donald Trump has asked his Cabinet that for every new regulation that goes on the books, two get cut. In fact, they’ve been able to cut 22 regulations for every new one, Mr. Perdue said.

“We have a regulatory reform group in the U.S.D.A. look at all the regulations we’ve layered on,” he said. “We’ve looked at how we can unpeel those and remove the productivity blanket off of businesses.”

Another key issue Mr. Perdue addressed was trade and its importance to the agriculture industry. A modernized NAFTA system that both the United States and its partners can live with is vitally important, he said.

“Trade is at the top of our minds,” Mr. Perdue said. “I believe we will be able to resolve a good NAFTA negotiation.”

Canada and Mexico are great trading partners, and the logistics made a trade agreement among the three beneficial. However, those benefits must be equal for all partners.

“The president understood the fact that both countries to a large degree have mined and utilized this great consumption economy in the middle of them to the detriment many times of our wealth and our productivity by virtue of trade deficits,” he said.

Mr. Perdue said he believes the partners can reach a modernized, free and fair trade NAFTA agreement, but everybody has to come to the table.

“If our neighbors to the north keep us out of the poultry and dairy business, that’s not a free trade environment,” he said.

[Source: Food Business News](#)

Fix to Section 199A On Its Way

Senate Judiciary Chairman Grassley said Tuesday that he “thinks” — and he really stressed “thinks,” to be cautious — that there is an agreement on how to correct a provision in the Republican tax overhaul that gives farmers huge incentives to sell their products to agricultural co-ops over other businesses. Grassley said that the problem had reached the point where even if there isn’t “complete agreement” on a solution among industry groups at the negotiating table, Congress can move ahead with a fix in a fiscal 2018 omnibus spending deal “even if co-ops aren’t completely satisfied with what we’re doing.”

Congress is looking at reverting back to the previous tax deduction for ag co-ops — known as Section 199 — that was in place before the new law was enacted, Grassley said. It allowed co-ops a roughly 9 percent income tax break that was often passed onto farmer-members at the end of the year.

The new tax law establishes a 20 percent deduction on business income, along with another 20 percent deduction on cooperatives’ payments to members, including gross grain sales -- which would be a huge windfall to farmers that sell to co-ops.

But the National Council of Farmer Cooperatives indicated on Tuesday that a deal had yet to be reached. “NCFC is optimistic that all stakeholders can arrive at a proposal soon that would ensure that farmers do not see an increase in taxes beyond what they paid under the old Section 199 and in a way that does not create a new, unintended imbalance in the marketplace.”

Hoping for Help in Farm Bill

As many farmers are acutely aware, the yearslong downturn in crop prices is not expected to reverse anytime soon. But the coming farm bill could help cushion the blow to farm income, which is forecast to fall in 2018 to its lowest level in 12 years, according to USDA Chief Economist Robert Johansson. Provisions such as commodity supports and crop insurance may be a lifeboat to farmers facing years of struggling profits.

“Today’s ag economy is also different from when Congress debated the last farm bill, when farm income was reaching historic levels, peaking in 2013 at more than \$120 billion,” Johansson said Thursday during the annual USDA Outlook Forum, which continues Friday. “Today, many producers are in a different situation. Net farm income looks likely to remain more than 50 percent in real terms below its 2013 peak for a third year in a row.”

The department's first agriculture forecast of 2018, [released earlier this month](#), predicted that net farm income would decline 6.7 percent this year to \$59.5 billion, the lowest since 2006 when not adjusted for inflation and lowest since 2002 when adjusted.

USDA Secretary Sonny Perdue said farmers were resilient in tough times, and the department has been working with Congress to draft a farm bill that meets their needs. "One of our principles is that the farm bill must make and help what's most helpful -- manage risk," Perdue said Thursday. "That's just a given. That's a no-brainer."

USDA Seeks Ideas to Help SNAP Participants Become Independent

The U.S. Department of Agriculture today announced that it is looking for innovative ideas to promote work and self-sufficiency among able-bodied adults participating in the department's Supplemental Nutrition Assistance Program (SNAP).

The public is invited to provide input through a notice in the Federal Register. Comments can be submitted on the web through the [Federal Register tomorrow](#). USDA intends to use the input received to find improvements to SNAP policy and related services that can best assist SNAP participants return to self-sufficiency.

"Long-term dependency has never been part of the American dream," said U.S. Agriculture Secretary Sonny Perdue. "USDA's goal is to move individuals and families from SNAP back to the workforce as the best long-term solution to poverty. Everyone who receives SNAP deserves an opportunity to become self-sufficient and build a productive, independent life."

Federal law limits the amount of time an able-bodied adult without dependents (ABAWD) can receive SNAP benefits to three months in a 36-month period, unless the individual is working and/or participating in a work program half-time or more, or participating in workfare. The law exempts individuals from the time limit for several reasons, including age, unfitness for work, or having a dependent child. The law also provides state agencies with flexibility to request a waiver of this time limit if unemployment is high or the area does not have a sufficient number of jobs to provide employment.

"Too many states have asked to waive work requirements, abdicating their responsibility to move participants to self-sufficiency. Past decisions may have been the easy short-term choice, but USDA policies must change if they contribute to a long-term failure for many SNAP participants and their families," Perdue said.

The President's Fiscal Year 2019 Budget Proposal, released on Feb. 12, proposes to limit waivers of the time limit for ABAWDs to counties with 10 percent unemployment over 12 months.

"The SNAP safety net must be there for those unable to work due to disability or another legitimate reason," Perdue said. "But for the able-bodied, we must reduce barriers to work, and hold both individuals and states accountable for participants getting and keeping jobs." Starting tomorrow, the public is invited to submit comments or ideas on helping able-bodied SNAP participants find work and become self-sufficient through [federalregister.gov](#). The comment period will be open through April 9, 2018.

[Source: USDA](#)

Series Looks at Meatpacking and Food Safety

Some of the U.S.'s biggest meat plants are dealing with undetected hygiene failures that could make consumers sick, a new [series](#) published by The Guardian found. Experts are calling the number of incidents "deeply worrying." A variety of advocacy groups – from labor to animal rights – are pushing for better practices.

An analysis of unpublished government records, the series says, shows numerous situations where companies were reprimanded for having diseased and dirty meat in production lines. One case, for example, included meat destined for human consumption found with fecal matter and pus.

The liberal-leaning Guardian may not win fans in the meat industry: the project [set out](#) to investigate "issues around modern factory farming, food production and animal cruelty."

USDA Supports Disaster Recovery with Temporary Expansion of Puerto Rico Nutrition Assistance

Puerto Rico residents continuing to recover from the impacts of recent hurricanes could be eligible for increased nutrition assistance, thanks to a grant from the U.S. Department of Agriculture (USDA). This temporary assistance will be distributed through the Puerto Rico Nutrition Assistance Program (NAP), beginning March 1. NAP is administered by the USDA and is operated by the Puerto Rico Department of the Family.

The grant was made possible by the Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017, and delivers an additional \$1.27 billion. These funds will allow Puerto Rico to expand assistance to additional households, and increase the benefit amount for current and new participants on a temporary basis. The new maximum allotment for a family of four will be \$649.

"The people of Puerto Rico still face immense challenges, as the island recovers from multiple hurricanes," said U.S. Agriculture Secretary Sonny Perdue. "This grant fulfills the Administration's pledge to support the recovery and our commitment to ensuring that residents of Puerto Rico get the vital nutrition assistance they need to move forward."

NAP in Puerto Rico is a different program than the Supplemental Nutrition Assistance Program (SNAP) operated in the 50 states, Washington, D.C., Guam, and the U.S. Virgin Islands. NAP is a block grant with a set amount of funding annually and the program must operate within that amount. This supplemental funding is intended to augment the assistance available through NAP. This grant specifically recognizes the sustained economic disruption faced by the island. As they recover from back-to-back disasters, these funds will help low-income Puerto Rico residents put food on the table.

"Our thanks to the U.S. Congress and Secretary Perdue for providing this grant that helps the American citizens who are residents of Puerto Rico. This grant is part of a collaborative effort with our team at the Department of Agriculture, Department of the Family, and the Administration of Federal Affairs of Puerto Rico in Washington D.C. who have succeeded in showing that our people face unprecedented challenges after two catastrophic hurricanes," affirmed Puerto Rico Gov. Ricardo Rosselló."

Through the grant, Puerto Rico has the flexibility to create a plan to provide temporary benefits for victims of the hurricanes in a way that best suits their population and the ongoing needs on the island. In developing this plan, the Commonwealth considered existing program structure

and available resources to ensure benefits are provided to those in need while maintaining customer service and program integrity. Throughout this process, USDA's Food and Nutrition Service (FNS) is responsible for providing technical expertise and guidance to ensure compliance with the law.

[Source: USDA](#)

EPA Considering Change to Water Pollution Regulation

EPA is asking for comments on whether it should revise its wishy-washy policy on pollution discharges through groundwater. The move has environmentalists fearing that the agency under Administrator Scott Pruitt is preparing to create a major loophole for concentrated animal feeding operations (CAFOs), power plants and other industries.

The Court of Appeals for the 9th Circuit ruled earlier this month that a Hawaii sewage treatment plant that injects its wastewater into underground wells connected via groundwater to the Pacific Ocean needed to get a Clean Water Act pollution permit. It was the latest in a series of conflicting court cases over whether discharges through groundwater are regulated under federal law.

EPA has not been clear on the issue, saying in the past only that such cases "may" require permits. Now, the agency is [asking](#) whether those past statements should be revised — by memo, guidance or rule.

EPA posits that it would do so for the sake of regulatory clarity and certainty, but environmental groups fear the move presages another regulatory rollback that could hamstring their ability to challenge pollution from coal-ash ponds, CAFOs and landfills.

"The Clean Water Act is absolutely clear that this kind of dangerous pollution is illegal and political appointees at EPA don't have the power to change it," Frank Holleman, senior attorney with the Southern Environmental Law Center, said in a statement.

USDA Opens New Office in Vietnam to Help Facilitate Increasing Agricultural Trade

The United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) recently celebrated the opening of its new office in Hanoi, Vietnam. The office will play a vital role in helping expand the United States' \$2.5 billion-dollar agricultural export market in Vietnam.

"Growing agricultural trade between the United States and Vietnam means new opportunities for American producers," said Greg Ibach, USDA Under Secretary for Marketing and Regulatory Programs. "With this increase in trade comes increased pest and disease risk, and our in-country expertise will ensure the safest trade possible, while still providing greater options for U.S. consumers. Having an APHIS office in the heart of Hanoi will not only help maintain existing markets, but foster new opportunities for American farmers who set the worldwide standard for food production."

"Vietnam is one of the fastest-growing global markets for U.S. farm and food products, currently ranking as our 11th-largest customer," said USDA Under Secretary for Trade and Foreign Agricultural Affairs Ted McKinney. "The expansion of USDA's presence in Vietnam is a clear indication of this country's importance as a U.S. trading partner. The on-the-ground technical expertise of the APHIS team will be an important complement to the trade policy and market

development work being done by our Foreign Agricultural Service staff at the USDA Office of Agricultural Affairs in Hanoi, as well as our office in Ho Chi Minh City.”

The APHIS Hanoi office will maintain technical working relationships with their Vietnamese counterparts to resolve any concerns associated with the science-based standards both countries employ to prevent the introduction of animal and plant pests and diseases. By doing so quickly and locally, APHIS can help keep trade moving and benefit the producers and economies of both countries.

U.S. Ambassador to Vietnam Daniel Kritenbrink, APHIS Deputy Administrator Cheryle Blakely, and Vietnam’s Vice Minister of Agriculture and Rural Development Tran Thanh Nam formally opened the office at a ceremony alongside guests representing the U.S. agricultural industry, the Vietnamese Ministry of Agriculture and Rural Development, and officials from the USDA Offices of Agricultural Affairs in Hanoi and Ho Chi Minh City, including Agricultural Counselor Robert Hanson.

APHIS’ international mission is to protect and promote U.S. agricultural health through internationally-based animal and plant health expertise. APHIS’ International Services staff supports USDA’s mission through its 29 international offices by facilitating safe agricultural trade, ensuring effective and efficient management of internationally-based programs, and investing in international capacity-building through various training programs abroad to enhance technical, administrative, and diplomatic skills and competencies.

[Source: USDA](#)

Female Farmers Are Running for Office

Amid the wave of Democratic women running for office this cycle, more female farmers are joining the ranks.

Emily Best, who lives in McConnellsburg, Pa., and is the general manager of Tuscarora Organic Growers Co-Operative, is the first Democrat to run for the state senate seat in her locale in more than 10 years. It is a district where Donald Trump won nearly three-fourths of the vote in 2016.

“Democrats need to run everywhere,” said Best. She tells MA she decided to jump into the campaign in part because there simply wasn’t a Democrat running.

Best said she had been talking policy issues with farmers in her district, particularly about the difficulty and cost farmers face from meeting increasing food safety and environmental regulations. Best, who has a master’s in environmental policy, said she thought there needed to be a better balance between ensuring food safety and conservation while not overburdening farmers.

Best says she’s not sweating the fact that she’s a Democrat running in Trump country, as she crisscrosses her largely rural district to talk with voters. “I think there were a lot of Democrats that voted for Trump; they’re disgusted with politicians in general,” she said. “People are frustrated that their lives aren’t improving and that people say things are getting better when they’re not in these areas.”

The Female Farmer Project, a documentary project led by Audra Mulkern, an ag enthusiast in Duvall, Wash., features the stories of female farmers. She has been [keeping tabs](#) on the growing list of women who are running.

So far, the list also includes: [Kriss Marion](#), a farmer running for Wisconsin state senate; [Kathleen Vinehout](#) a dairy farmer running for governor in Wisconsin; [Lisa Segar](#) a farmer running for a state house seat in Texas; [Sylvia Hammond](#), a potato farmer running for a Washington state house seat; [LaDonna Redmond](#), an urban farmer running for county commissioner in Hennepin County, which includes a large part of Minneapolis; and [Brandy Brooks](#), an urban agriculture guru and food justice advocate running for an at-large seat on the Montgomery County Council in Maryland.

Perdue Promotes Harvest Box Concept

Perdue has a message for all the “America’s Harvest Box” haters: We’re serious. So serious that Perdue tells POLITICO that House Agriculture Committee Chairman Mike Conaway is open to considering a small-scale pilot of the program in the 2018 farm bill.

The former Georgia governor has faced withering criticism over the proposal, [unveiled last week](#) as part of President Donald Trump’s fiscal 2019 budget. But Perdue and his team are defending the idea — and may be even be finding some openness on Capitol Hill.

"We think it's our responsibility to create new, innovative ideas of delivering food to the people who need it. And this is one area," Perdue said during a tour through California this week, according to the [Los Angeles Times](#). "Obviously there are a lot of logistics concerns to do that. But it's a real idea. It's not a sham."

“I am encouraged by Chairman Conaway’s willingness to consider a pilot program, because new, innovative ideas often need to be introduced in such a way to see that they work as intended and can be implemented by states to best serve recipients,” Perdue said in a statement.

Conaway, who has the better part of his chamber's farm bill already written, isn't ruling out including a pilot of the program, according to a committee aide, who cautioned that no decisions have been made. The White House Office of Management and Budget has asked appropriators for \$30 million to get a program off the ground this year.