

News from Washington: March 19-25

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Trump Says Pump Up the China Tariffs

President Donald Trump wants to load up on the tariffs. That was the message to U.S. Trade Representative Robert Lighthizer, who presented a tariff proposal that could end up hitting \$30 billion worth of Chinese imports.

The expected action against China would be done in response to allegations of intellectual property theft. Trump told Lighthizer to aim for an even bigger number for the tariffs and has told aides that he wants to roll something out as soon as next week.

Trade experts think that China will swiftly retaliate, especially against U.S. farmers who rely on the Chinese market as a major destination for soybeans, pork and other commodities.

“I think China is going to have to respond. The question is, are they going to do that in a targeted way, or are they going to escalate dramatically?” asked Matthew Goodman, a senior adviser and Asian economic expert at the Center for Strategic and International Studies.

On Monday, the American Soybean Association asked Trump to “modify, if not reverse, [his] decision to avoid a trade war that could seriously undermine our industry, which is highly dependent on trade.”

China has become the biggest buyer of U.S. soybeans. Last year, American soybean growers shipped more than half of their total exports to China — sales that could be largely curbed if China chooses to impose restrictions or sets its eyes on soybeans from other countries like Brazil.

Other changes eyed: Aside from tariffs, the administration is said to be considering restricting Chinese visas or tightening controls on exports of certain goods or technologies that have both military and civilian uses.

Ag Could Face Major Job Losses from Trump's Tariffs

President Donald Trump's move to slap tariffs on steel and aluminum imports, coupled with the threat of a tit-for-tat trade war, could result in the loss of upward of 24,000 agricultural jobs, according to an updated report by the Trade Partnership, a Washington-based analytical firm.

The report took into account the effects that retaliation would have if countries and trading blocs — including the European Union, South Korea, Brazil and Japan — move to further restrict U.S. exports. Many U.S. farmers depend on foreign buyers to sell their commodities, which has caused many to believe that the agricultural sector is a prime target for retaliatory actions.

“Steel and aluminum tariffs and associated retaliation by U.S. trading partners would reverberate throughout the U.S. economy in ways that will, on balance, reduce U.S. employment,” the report explains. “While U.S. steel and aluminum jobs would increase, those gains would come at a high cost to workers in other sectors of the economy.”

By the numbers: The processed food industry could face 6,000 job losses, the report said. Trade and distribution services could face as much as 132,000 job losses. The group said there would only be a 26,000 increase in jobs for the steel and aluminum sectors.

GOP Leaders Backing Away from Tariff Fight

Republicans have been fretting over President Donald Trump's steel and aluminum tariffs — but Republican leaders are backing away from countering Trump's tariffs through legislation. Instead, they're hoping to convince Trump to water down the tariffs in hopes of avoiding yet another high-profile intraparty clash.

Canadian Prime Minister Justin Trudeau and Trump discussed the North American steel and aluminum industries in a call on Monday. Trudeau told CNBC that Canada's exemption from Trump's tariffs was not some kind of "magical favor being done" for America's northern neighbor, as applying the tariffs on Canada would also have hurt the U.S.

A White House readout of the call said Trump "emphasized the importance of quickly concluding the ongoing NAFTA negotiations." But Trudeau separated the tariff exemption from the NAFTA talks, telling CNBC that "we don't link together the tariffs and the negotiations for the trade agreement."

Farmers appeal to Trump via FOX News ad: U.S. farmers are running a TV advertisement aimed directly at Trump that warns that foreign nations retaliating over the tariffs will devastate ag exports.

To ensure Trump sees their message, the ads will air next month on shows he is known to watch: Fox & Friends, FOX Business and MSNBC's Morning Joe in both the Washington, D.C., and West Palm Beach, Fla., media markets (for Mar-a-Lago viewing).

Barrasso Rallies Support for Acre Act

In the race to eliminate rules and regulations, Congress has its own ideas. On Tuesday, the ACRE Act was introduced, pulling together various farm-related measures intended to "help defend agricultural industries from punishing federal rules and reporting requirements."

A day later, several representatives of farmers and ranchers threw support behind the measure as part of a hearing called by Senate Environment and Public Works Chairman John Barrasso (R-Wyo.), who had put forward the ACRE Act.

One aspect of the bill would maintain an exemption granted by the EPA in 2008 that doesn't require the reporting of air pollution caused by certain normal farm conditions, such as when manure is applied in field fertilization. "The draft bill we are discussing today is designed to provide relief for hard-working people that put a shovel in the ground every day working to feed this country," Barrasso said at the hearing on Wednesday.

Doug Miyamoto, director of the Wyoming Department of Agriculture, testified at the hearing that exempting farmers was the right thing to do because Superfund laws were never intended to apply to livestock operations.

"I don't even know how to begin to tell producers how to estimate emissions from an individual head of livestock," Miyamoto said. "So not only do I think that it's not regulation aimed in the right direction, I don't have anything to tell my producers about how to accurately comply."

The ACRE Act wraps eight bills into one piece of legislation, most of which are bipartisan. Ranking committee member Tom Carper (D-Del.) said he could not support all parts of the measure and he was concerned that parts would harm wildlife protection. "The legislation recognizes and attempts to address concerns raised by some of our farmers," he said at the

hearing. "As drafted though, I don't believe that it adequately balances those interests with the interests of other natural-resource dependent industries."

Companion bill: The House introduced its own version of the ACRE Act on Wednesday, which the National Milk Producers Federation immediately backed. "We fully support the House companion to the Senate's Fair Agricultural Reporting Method (FARM) Act, which would prevent dairy farms from having to generate meaningless air emissions data," the group said in a statement.

Farm Bill Talks Go Off the Rails

After many days of talks between House Ag Chairman Mike Conaway and ranking member Collin Peterson, bipartisan farm bill negotiations screeched to a halt Thursday afternoon after Democrats on the committee revolted over deep concerns about potential changes to the Supplemental Nutrition Assistance Program.

Peterson shut down the talks after facing considerable pressure from fellow Democrats who complained that they weren't looped in on potential changes to the food stamp program. In fact, many of them had to read about the proposals in the media, 19 committee Democrats said in a letter addressed to Peterson on Thursday. They demanded a halt to the negotiations until text of the legislation is shared with fellow members.

"The Democratic members have made clear that they unanimously oppose the farm bill's SNAP language as it has been described to them and reported in the press," Peterson said in a statement. He said he asked Conaway to release to Agriculture Committee members the actual language, CBO scores and potential effects to recipients.

"I'm not sure where this will take us but it will give the members information about what is actually being proposed," Peterson said.

What's next? The development is a considerable blow to the sweeping bill, which has been seen by many as one of the only real chances for bipartisanship in Congress this year. Congress is supposed to reauthorize the bill every five years but political wrangling has threatened its fate.

Secretary Perdue Testifies on Rebuilding American Infrastructure

U.S. Secretary of Agriculture Sonny Perdue testified before the Senate Committee on Commerce, Science, and Transportation hearing entitled "Rebuilding Infrastructure in America: Administration Perspectives." Secretary Perdue was joined by Department of Commerce Secretary Wilbur Ross, Department of Labor Secretary Alexander Acosta, Department of Transportation Secretary Elaine Chao, and Department of Energy Secretary Rick Perry.

To watch Secretary Perdue's opening statement, you can view the [Secretary Perdue Testifies on Rebuilding American Infrastructure video](#).

[Source: USDA](#)

Agricultural Trucking Sector Granted 90-day Extension on Exclusion from Trucking Rule

The agricultural trucking sector was granted another 90-day extension from the Transportation Department's Federal Motor Carrier Safety Administration Tuesday. The hope is regulators will find a more permanent solution to the industry's problem with electronic logging devices.

Independent truckers overwhelmingly loathe the new mandate. Livestock haulers face a particularly difficult situation: They're supposed to be exempt from hours-of-service rules when traveling within a 150-air-mile radius of where the animals were loaded.

Along with the waiver announcement, FMCSA announced that within the next 90 days it would also be publishing final guidance on this issue, as well as on logging rules for "personal conveyance," or truck driving that isn't on the clock, such as when a person is just driving a truck home.

USDA Secretary Sonny Perdue applauded the Transportation Department's move, saying the mandate "imposes restrictions upon the agriculture industry that lack flexibility necessary for the unique realities of hauling agriculture commodities."

Jim Heimerl, president of National Pork Producers Council, said that the industry was grateful for the waiver.

"This will provide the department and Congress additional time to find a solution that meets the unique needs of livestock haulers," Heimerl said in a statement. "Drivers transporting livestock have a moral obligation to care for the animals they're hauling regardless of any regulation."

Red Tape Officially Cut on Devastating Organic Livestock, Poultry Regulations

U.S. Senator Pat Roberts, R-Kan., Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, today praised the U.S. Department of Agriculture's (USDA) announcement of a finalized rule that withdraws a controversial regulation that would have revised organic livestock and poultry production standards. The withdrawal is effective May 13, 2018.

"It's official – the Obama Administration rule that would have jeopardized the livelihood of organic livestock and poultry producers is gone," said Chairman Roberts. "America's organic livestock and poultry producers can now breathe easy that they can maintain the health of their flocks and herds the best way they see fit, and they will not be driven out of business by another government regulation. I thank Secretary Perdue for listening to their concerns and withdrawing this damaging rule."

Chairman Roberts has consistently opposed this rule and other onerous regulations that increase the paperwork burden and drive up the cost of production for farmers and ranchers. Under Chairman Roberts' leadership, the Senate Agriculture Committee held a hearing in May 2016 on the U.S. livestock and poultry sectors, which included testimony from a variety of producers. That same day, Chairman Roberts successfully led a bipartisan, bicameral request to extend the public comment period for this rule. In July 2016, Chairman Roberts led a bipartisan coalition of Senators in sending a second letter to the USDA requesting additional information on producers' concerns over the rule.

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

Bipartisan Senate Bill Refocuses Conservation Programs

A new bipartisan Senate proposal to reform USDA's three largest conservation programs departs sharply from what is expected to be in the House farm bill while putting an emphasis on protecting water quality.

The Give Our Resources the Opportunity to Work (GROW) Act would freeze the Conservation Reserve Program at a maximum of 24 million acres while more tightly restricting payment rates and the types of land that can be enrolled in the program.

The bill, being introduced by Sen. Joni Ernst, R-Iowa, with three colleagues on the Agriculture Committee, also would keep the Conservation Stewardship Program and Environmental Quality Incentives Program as separate programs and maintain CSP's annual enrollment targets and EQIP's funding.

By contrast, the House Agriculture Committee's draft farm bill is expected to fold CSP into EQIP, eliminate the 60-percent EQIP setaside for livestock, and increase CRP to as much as 30 million acres. Sen. John Thune, R-S.D., also has proposed to increase the CRP limit to 30 million acres.

The GROW Act is co-sponsored by Democrats Sherrod Brown of Ohio and Bob Casey of Pennsylvania and Ernst's fellow Iowa Republican, Chuck Grassley.

CRP "has strayed from its congressional intent of targeting and removing environmentally sensitive land from agricultural production," said Ernst. "Rather, large parcels, sometimes whole farms, of productive farmland are being enrolled into CRP as a result of low commodity prices and high yearly rental payments."

She said the bill would "restore the intent" of CSP and EQIP "while helping farmers and ranchers protect soil and water resources."

The bill would provide new CSP payments for cover crops, resource-conserving crop rotations and management-intensive rotational grazing. A new CLEAR (Clean Lakes, Estuaries, and Rivers) option would be created within continuous CRP to promote water quality.

The bill seeks to increase the number of beginning and socially disadvantaged farmers in CSP and EQIP by increasing the set-aside from 5 to 15 percent.

Brown said the bill is "good for farmers, it's good for taxpayers, and it's good for water quality and the environment."

[Source: Agri-Pulse](#)

Call to Ax Soda from Snap Met with Criticism

Public health advocates may be pumped about the Bipartisan Policy Center's new report recommending that sugary drinks be cut from the Supplemental Nutrition Assistance Program, but anti-hunger and retailer groups are none too pleased about it. The report, issued by a bipartisan, 13-member task force after nine months of deliberation, included several recommendations on how to improve nutrition in the \$70 billion SNAP program, but its call to restrict soda from purchases attracted the most criticism.

The Food Research & Action Center, a prominent anti-hunger advocacy group, called the report "disappointing" and "counterproductive." Jim Weill, president of FRAC, argued that proposing restrictions comes with "real risks of causing SNAP considerable harm." He added: "Restrictions do this both by stigmatizing beneficiaries and throwing sand in the gears of this very successful program."

The Food Marketing Institute, which represents retailers, was also critical of the report, which called for requiring the reporting and collection of store-level sales data to help states understand beneficiaries' purchasing habits. Jennifer Hatcher, FMI's chief public policy officer and senior vice president of government relations, called it "unfortunate" that "after nearly three years and dozens of public hearings" the Bipartisan Policy Center released proposals that "have been previously considered and rejected." She added that the group "lacks credibility as an integral part of the policy process."

Lauren Kane, a spokeswoman for the American Beverage Association, expressed disappointment that the BPC report didn't recognize the fact that soda consumption is going down but obesity rates are still rising.

"We believe it's wrong to discriminate against families using SNAP benefits simply because they need assistance purchasing groceries," Kane said in a statement. "While we disagree with this report's recommendations on beverages, America's beverage companies recognize we have a role to play in improving public health. That's why we remain committed to comprehensive actions to help cut sugar consumption in the American diet by ensuring consumers have a broad portfolio of products to choose from."

The United Fresh Produce Association welcomed the report, which recommended improving incentives for purchase of fruits and vegetables. Tom Stenzel, president and CEO of United Fresh, called the report "a critically important step forward to advance the conversation about how to maximize nutrition and healthy eating in the nation's primary feeding program." He also lauded the task force for "its clear linkage that healthy eating among SNAP recipients will have a direct positive impact on health outcome and reduce national healthcare costs."

Judge Casts Doubt on Experts' Testimony

Monsanto and attorneys representing cancer patients appeared in federal court on Wednesday for the final day of a hearing to convince a federal judge that their side has the most credible evidence in a case involving allegations that Monsanto's popular weed killer Roundup causes cancer. The parties spent last week calling scientific experts to the stand to present evidence about the cancer risk of glyphosate, the active ingredient in Roundup.

The judge presiding over the case, Judge Vince Chhabria of U.S. District Court for the Northern District of California, appeared to doubt the strength of plaintiffs' expert testimony, according to Bloomberg News. He called the experts' testimony that glyphosate causes non-Hodgkin's lymphoma "shaky" and said he found the science of epidemiology to be "loosey goosey." After listening to a week of testimony, the judge said that he has a "difficult time understanding" that the scientific evidence supporting that glyphosate causes cancer is solid.

Still, the threshold plaintiffs have to meet at this stage isn't too high of a hurdle. All the judge has to determine is that the evidence isn't "junk science" and that the experts reached a reasonable conclusion using reliable methods.

Chhabria will now retreat to his chambers to consider a large stack of scientific analysis from both sides. This is a make-or-break moment: If the judge decides that attorneys for the cancer patients failed to present enough credible evidence, then their case is essentially dead.

Court Finds Army Corps Liable for Flooding

The Army Corps of Engineers' operation of dams and other structures along the Missouri River has caused major flooding across four Midwestern states for the past decade, the U.S. Court of Federal Claims ruled Tuesday.

The Army Corps' management of the river to benefit endangered species led to floods in five of the eight years between 2007 and 2014, the court said in a 259-page ruling.

That decision could make the federal government liable for more than \$300 million in damages for "taking" property under the Fifth Amendment, according to lawyers for roughly 400 farmers who say they were harmed by floods.

U.S. Farmers Seek Approval Of \$1.51 Billion GMO Corn Settlement with Syngenta

U.S. farmers suing Syngenta AG over its decision to commercialize a genetically modified (GMO) strain of corn before China approved importing it sought court approval on Monday of a record \$1.51 billion settlement with the Swiss seed company.

The deal covers U.S. corn producers, grain handling facilities and ethanol plants nationwide that sold corn priced after Sept. 15, 2013, according to a filing in Kansas federal court. Lawyers for the plaintiffs said in a statement that they believed the deal to be the largest agricultural class action settlement in U.S. history.

"We are very pleased with this outcome," they said.

Cargill Inc is still pursuing separate claims against Syngenta and is not part of the settlement. Archer Daniels Midland Co announced it reached a separate settlement with Syngenta in February.

Syngenta, which is now owned by Chinese chemical company ChemChina, could not immediately be reached for comment.

The settlement was first reported in September, but its details were not made public until Monday's filing.

The farmers' class action lawsuit, which was certified in 2016, concerns Syngenta's 2010 decision to sell a strain of insect-resistant GMO corn called Agrisure Viptera in the United States.

Lawyers for the corn farmers said Syngenta negligently commercialized the seeds before obtaining import approval from China, then a major buyer of U.S. corn.

Chinese authorities ultimately rejected millions of tonnes of the U.S. corn imports before the country later approved Viptera for import in December 2014.

More than 90 percent of corn grown in the United States, the world's top supplier, is genetically engineered, according to the U.S. Department of Agriculture.

The loss of the Chinese market caused U.S. corn prices to plummet, the farmers' lawyers said.

Syngenta denied wrongdoing. It said at the time that no company had ever delayed launching a U.S.-approved corn product in the United States just because China had yet to approve its import.

It also said the decline in sales to China was offset by exports to other countries.

In addition to the nationwide class of farmers, several state classes were certified. One of those went to trial, resulting in a \$217.7 million for more than 7,000 Kansas farmers in June.

[Source: Reuters](#)