

News from Washington: April 30 – May 5

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Farm Bill Expected to Meet Resistance

Bill pays for a range of programs associated with food, agriculture and rural America

The first comprehensive proposal for a new federal farm bill calls for changes to payments to farmers when commodity prices dip or when they adopt environmentally friendly measures on their farms.

The proposed legislation, which was drafted and endorsed in a partisan vote by the House of Representatives' Agriculture Committee, also calls for controversial changes to the work requirements for those receiving food stamps.

The federal farm bill pays for a range of programs associated with food, agriculture and rural America, including crop subsidies and insurance for farmers along with federal food programs for the poor. The current farm bill is scheduled to expire Oct. 1.

Under the bill that passed the House Agriculture Committee, large farms that raise commodities could gain significantly, said Carl Zulauf, an agricultural economist and professor emeritus with the College of Food, Agricultural, and Environmental Sciences at The Ohio State University.

The bill relaxes limits on payments made to farms when commodity prices or a farm's revenues from the sale of those commodities go below a certain level. Up to three people involved in managing a farm can each receive a maximum of \$125,000 a year on covered commodities. The exception is for those who grow peanuts, who can receive up to \$125,000 per year for that crop alone. Among the various proposed changes regarding payment limits, the bill makes several more people eligible to receiving the maximum \$125,000 a year including first cousins, nieces and nephews involved with a farm.

"There are a lot of people who believe large farmers are well off enough that payments to them should be capped in the name of fairness," Zulauf said.

Another potentially thorny aspect of the proposed farm bill is that it maintains the current set of reference prices on commodities. If the crop year U.S. average market price is less than the reference price on a particular commodity, a farmer who grows that commodity is eligible for payments.

Some farmers are concerned that current reference prices are too high for some commodities and too low for others. To some, the current reference prices for commodities including rice, peanuts and cotton are high compared to the reference prices for, say, corn and soybeans. So farmers of some commodities are benefiting more than farmers of other commodities when measured on a per acre payment basis, Zulauf said.

"People on both sides of that issue get really passionate about it," he said.

Compensation to farmers for adopting environmentally friendly measures on their farms would be reduced under the proposed legislation. Spending on conservation programs is projected to be cut by an estimated \$795 million over 10 years. The Conservation Stewardship Program would be eliminated. Under this program, participants are paid for adopting farming practices that benefit the environment such as creating a wildlife habitat. The program is one of several environmental programs for which farmers can be compensated.

One of the most controversial aspects of the farm bill is that it calls for changes to the work requirements for those who participate in the Supplemental Nutrition Assistance Program (SNAP), also known as the food stamp program. Currently, SNAP recipients are required to work or be involved in a training program at least 20 hours a week if they are between the ages of 18 and 49, are not disabled, and have no dependents.

The bill passed in the House Agriculture Committee extends the age limit to 59 and includes adults with children older than 6. The work requirement would increase to 25 hours a week starting in 2026.

The concern with imposing the work requirement on more people is that most who are not working now are unable to because they lack the skills, have a disability or possibly can't pass a required drug test, said Mark Partridge, a professor of agricultural economics in Ohio State's Department of Agricultural, Environmental, and Development Economics.

The effect of imposing stricter work requirements would be to deter some people from even applying for SNAP and lead them to struggle with affording to buy food, said Partridge, chair of the department's C. William Swank Program in Rural-Urban Policy.

Hungry families are not going to be productive in the workplace," Partridge said. "There's costs to this."

Children who are not well fed don't tend to do well in school, and parents struggling with financial and other stresses can't always be supportive of their children, Partridge said.

So, making it tougher for some families to get SNAP assistance will increase the odds that the cycle of poverty will continue from one generation to the next, Partridge said.

"You're perpetuating a growing segment of our population that is falling behind," he said.

As a whole, the bill is expected to meet a lot of resistance once it is voted on by the full House of Representatives. The Senate too will get to weigh in with a proposal of its own.

[Source: Morning Ag Clips](#)

Trump Grants Key U.S. Allies an Extra Month of Tariff Relief

Trump has given another temporary reprieve from steel and aluminum tariffs to Canada, Mexico and the European Union, putting off a long-threatened trade war with close allies and three of the U.S.'s four largest trading partners. The move allows major U.S. allies "a final 30 days"—until June 1 to reach a deal with the Trump administration to avoid duties of 25 percent on steel and 10 percent on aluminum exports to the U.S. The administration has also reached preliminary agreements with three other countries — Argentina, Brazil and Australia — allowing them to escape the duties as details are finalized over the next 30 days.

USDA Swaps 'GMO' for 'Bioengineered'

The USDA unveiled its GMO disclosure rule, guidance that companies have been eagerly awaiting ever since Congress mandated it in 2016. Just one catch: instead of GMO, the chosen term is now "bioengineered."

Food companies have several options for how they want to inform consumers about GMO content. One includes using the words “bioengineered” or “bioengineered food ingredient.” Other options include using a special symbol or a scannable QR code, reports yours truly.

The 106-page proposed rule still leaves lingering questions. Among them: whether the rules will cover foods derived from genome editing, an emerging technology plant breeders can use to introduce traits to protect crops. USDA Secretary Sonny Perdue said earlier this year that, for the most part, the agency would take a hands-off approach to regulating such food.

USDA is staring down a July 29 deadline for completing the rule. The Agricultural Marketing Service, the agency tasked with drafting the rule, will seek public comments for 60 days.

USDA has a long list of issues to sort out before the deadline. It includes defining how much GMO ingredient a food must contain before it requires labeling based on the percentage of a product's weight.

“None of them are easy to resolve, as various stakeholders have conflicting views on these issues,” said Sean McBride, founder of DSM Strategic Communications, which advises food companies. “The devil is indeed in the details, and USDA will have to be the final arbiter on these tough issues, leaving no side fully pleased with the final rule.”

Trump Supports More Ag Guestworker Labor

President Donald Trump offered support for allowing more guestworkers into the country to fill the labor needs of farmers. In a campaign-style rally in Michigan on Saturday, Trump said that he backs bringing in guestworkers from abroad to “help you on the farms -- and then they go out.”

“For the farmers, OK, it’s going to get good, and we’re going to let your guestworkers come in, because we’re going to have strong borders,” Trump said. “But we have to have your workers come in.”

In the last decade, farmers and ranchers have increasingly turned to the H-2A agricultural guestworker program to help combat growing labor shortages as the number of undocumented immigrant workers has declined. However, labor shortages in agriculture persist.

Grassley Seeks Changes to RFS Exemptions

Sen. Chuck Grassley told reporters on Tuesday he hopes to give EPA new instructions on the Renewable Fuel Standard exemption process for small refineries as part of this year’s appropriations process. The corn-state senator is furious with EPA Administrator Scott Pruitt for exempting dozens of refineries from the biofuel program and says he will seek to change report language written alongside appropriations bills in 2015 and 2016 that EPA and DOE have used in part to justify those waivers.

Even if successful, the changes Grassley envisions could come too slowly to help corn farmers and ethanol producers this year. Appropriators are expected to issue an Interior-EPA funding bill in coming weeks.

Grassley may have some help as he tries to change the congressional guidance. “I’m not sure what the senator has in mind here, but he could find common ground with several refiners who might support his efforts to eliminate this component of the RFS in addition to making other structural reforms of the program,” one refiner whose operation received an exemption told Eric.

The Advanced Biofuels Association, which represents advanced biofuels makers, is suing EPA for allowing far more small refiners to duck their RFS obligations, Michael McAdams, head of the association, tells our Pro Energy colleagues. Ethanol producers of all stripes are critical of EPA's expanded use of the waiver process, which the producers say is reducing ethanol blending and also violates President Donald Trump's promise to corn states to protect the program. Reuters first reported the lawsuit.

The petitioner's statement in the case appears to reflect "a fundamental misunderstanding of the hardship exemption — EPA's current actions are fully consistent with the Clean Air Act," said Scott Segal, an attorney with the firm Bracewell who works with refiners. "The small refinery exemption provision is well established."

Clovis Leaves the White House, Returns to Iowa

Sam Clovis, the former Trump campaign aide who had been serving as USDA's liaison to the White House, is leaving the department and returning home to Iowa. His last day was Friday.

Clovis is planning to return to Iowa to be a business consultant. He also says he would gladly join Trump's reelection campaign if asked, reports Pro's Ian Kullgren and John Lauinger. "2020 is not that far away, and I have a feeling my phone will ring."

Clovis served as a co-chair and policy adviser on the Trump presidential campaign. He later led the USDA beachhead team for the Trump transition, but ran into trouble when the president nominated him to be USDA undersecretary for research, education and economics.

He faced intense criticism from Democrats, scientists and environmentalists over his skeptical views on climate change. He also drew scrutiny for making racially tinged comments as well as for arguing that homosexuality is a choice when he was a talk-show host.

Eventually, he withdrew his name from consideration after news broke that he was speaking to investigators in Robert Mueller's probe of Russian interference in the 2016 campaign.

Clovis was most recently providing guidance to the Natural Resources Conservation Service, serving as a contact between the agency and White House.

"Dr. Clovis was one of the first people through the door at USDA in January 2017, and we are grateful for his time here," a USDA spokesman said. "He is a good man and a patriot who for decades has served his country admirably. While we are sad Dr. Clovis is leaving USDA, we wish him well on his future endeavors back home in Iowa."

Perdue Sides with Smithfield In Hog Waste Case

In the aftermath of the \$50-million-plus verdict that a North Carolina jury delivered against Smithfield Foods last week, some meat industry groups feared that ideologically driven lawsuits posed a major threat to livestock agriculture. Agriculture Secretary Sonny Perdue didn't comment on the verdict at the time, but on Monday he came down firmly on industry's side, saying the payout given to ten plaintiffs who live near a hog farm and complained of overpowering odors was "despicable."

Perdue acknowledged he wasn't familiar with the case, but said "it's horrible that's the kind of money that people are awarding." He added: "I feel certain that kind of award has to be overturned for hog production."

Smithfield said it plans to appeal the verdict. It argued that the outcome would have been different if the judge had allowed more expert testimony and permitted the jury to visit the farm — Kinlaw Farm, in eastern North Carolina — to judge conditions for themselves.

The verdict was the first in a series of trials, the second of which is set to start at the end of the month. About 500 residents across the eastern part of the state are challenging industrial-scale hog farms that contract with Smithfield, which they say use an inferior waste-disposal method that has ruined their quality of life by exposing them to putrid manure smells. Environmentalists have pointed to the cases as an example of the problems associated with industrial farming.

For Smithfield, the continued litigation exposes the company to the potential for additional big-money verdicts. Industrial-scale producers in other parts of the country will be closely watching the appeal process and upcoming trials, fearing copy-cat suits.

Menu Labeling Guidance MIA as Deadline Approaches

As of Monday, restaurants, grocery stores, movie theaters — and all other chains serving “restaurant-type food” — will have to post their calories on their menus. But these businesses are also anxiously awaiting final guidance from FDA to give them more details on how to comply with the rule.

FDA Commissioner Scott Gottlieb told POLITICO last week that the finalized guidance would be out soon — or more specifically “before or on” the compliance date (which is still Monday, after eight years of rigmarole).

While that’s certainly a tight timeline, the commissioner emphasized that FDA is planning to spend the first year largely educating companies about compliance. “It wasn’t like we were going to flip a switch on Monday and send out a bunch of warning letters,” he said.

The Food Marketing Institute and other retail groups appear to be aware of this, but are worried that state and local officials will enforce labeling as they see fit. “We plan to make FDA and Congress aware of any enforcement prior to the conclusion of this ‘education period’ and provide our legal team to help with any challenges you face,” FMI said in a blog post for members this week.

“We want FDA to come up with some guidance and set some parameters on enforcing,” Jennifer Hatcher, chief public policy officer and vice president of government affairs, tells MA. “We want a consistent way of enforcing.”

E. Coli Outbreak Has Caused First Known Death

The E. coli outbreak linked to romaine lettuce grown near Yuma, Ariz., has spread to three new states and led to the first death, the Centers for Disease Control and Prevention said. The death was reported in California, but the CDC gave no further details.

The outbreak of E. coli O157:H7 has now led to 121 reported illnesses across 25 states, with 52 hospitalizations, including 14 people who developed kidney failure.

Bill Marler, a food safety expert who’s representing 59 of the people who are ill, said he’s “frustrated” with the CDC and FDA for not being more open about the source of the outbreak. He also calls on the government to provide information on where consumers purchased the contaminated products.

The first reported illnesses occurred in mid-March, and the most recent case was April 21. It's possible the number of victims will increase because illnesses that happened in the last few weeks may not yet be counted because of the time between when a person develops symptoms and when it's reported to the government.

"It just seems frankly inconceivable to me 12 years after the spinach outbreak in 2006 that sickened 200 that we're a month into this outbreak and getting very little information from the FDA and CDC as to the source," Marler said, referencing an outbreak that led to five deaths and prompted the FDA to look into how to better trace outbreak sources. "My clients are frustrated and I can't imagine how farmers in Yuma and around the country are feeling."

An FDA spokesman stood by the agency's response to the outbreak, saying that it "quickly put out a public warning to retailers, distributors and consumers not eat or serve lettuce from the Yuma Growing Region when government experts linked illnesses to that growing area."

FDA staff has examined "hundreds of records" as it investigates dozens of fields as the source of the outbreak, the spokesman said. "We are working to identify multiple distribution channels that can explain the entirety of the nation-wide outbreak and are tracing back from multiple groupings of ill people located in diverse geographic areas," he said.

USDA Celebrates World Trade Month

May is World Trade Month, and the U.S. Department of Agriculture (USDA) marks the occasion by highlighting USDA's success and continued commitment to expanding trade and increasing rural prosperity through agricultural exports.

"As World Trade Month begins, we recognize the vital role trade plays in supporting U.S. agriculture, rural America, and our economy," said U.S. Secretary of Agriculture Sonny Perdue. "America's farmers, ranchers, foresters, and producers feed, fuel, and clothe our nation and the rest of the world. Since day one I've said I'm a grow-it-and-sell-it kind of guy, and I'm proud of the progress we make each day serving our customers, selling our products around the world, and working to protect and preserve our agricultural interests."

Agricultural trade is critical for the U.S. farm sector and the American economy. In 2017, U.S. exports of food and farm products totaled \$138.4 billion, up from \$134.7 billion in 2016. Additionally, farm exports supported more than 1.1 million American jobs across the entire economy. With 95 percent of the world's consumers living outside the United States, USDA's work pursuing new and expanded trade is essential to removing barriers, helping America's farmers and ranchers reach new customers, and ensuring that U.S. products and producers are treated fairly.

"Since the day he took office as USDA's first Under Secretary for Trade and Foreign Agricultural Affairs, Ted McKinney has been circling the globe promoting U.S. agricultural products and engaging with foreign government counterparts to break down barriers to U.S. exports," added Perdue. "I said he'd be our 'million-mile flyer' and he's already getting close to hitting that mark. In just over 6 months on the job, he's covered 10 countries, from Europe to Asia to the Middle East to Latin America, advancing our policy interests and promoting our products."

USDA promotes trade in many ways. Through the Foreign Agricultural Service, USDA breaks down trade barriers, creates export opportunities, and enforces and improves existing trade agreements to benefit U.S. agriculture. USDA's Animal and Plant Health Inspection Service

supports trade by keeping U.S. agriculture industries free from pests and diseases. The USDA Office of the Chief Economist provides economic and policy analysis in support of U.S trade initiatives, and produces dependable global supply and demand estimates. USDA's Food Safety and Inspection Service protects the public's health by ensuring the safety of food exports and imports and helping establish international food standards that protect the health of consumers and ensure fair trade practices. These are just a few examples of how USDA works every day to promote global trade for U.S. agriculture.

Throughout #WorldTradeMonth, learn more about USDA's efforts and U.S. agricultural trade by joining the conversations on Twitter [@USDA](#), [@USDAForeignAg](#), and the [USDA blog](#).

[Source: USDA](#)