

News from Washington: June 25-July 1

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All Eyes to Conference After Senate Farm Bill Passes

The Senate's easy passage of the farm bill Thursday gives Ag Chairman Pat Roberts (R-Kan.) and ranking member Debbie Stabenow (D-Mich.) momentum heading into conference negotiations. The pair, a united front throughout the process, acknowledged as much following the 86-11 vote. "I think the strong vote is very helpful to us and it is not true that I was using tasers on who was going to vote 'no,'" Roberts joked, standing alongside Stabenow as they spoke with reporters outside the Senate floor.

Throughout the week, the duo wrangled competing requests from senators angling to get their individual proposals attached to the sweeping farm and nutrition policy legislation. Most significantly, they joined forces to defeat an amendment that would have put in place stricter work requirements on some food stamp recipients than those in the House version. The proposal from Sens. John Kennedy (R-La.) and Ted Cruz (R-Texas) would have expanded work requirements for able-bodied adults without dependents, as well would have required recipients to show photo I.D. when purchasing groceries using benefits.

Although that amendment went down, reconciling different approaches to the Supplemental Nutrition Assistance Program promises to be the biggest challenge facing the conference committee. The House bill would strengthen work requirements on between 5 million and 7 million SNAP recipients — a slice of Speaker Paul Ryan's welfare reform agenda that led to unanimous Democratic opposition when the bill passed last week. Roberts and Stabenow were careful to avoid that hot-button issue, with both leaders saying repeatedly that the House's SNAP proposals would never clear the 60-vote threshold in the upper chamber.

But Roberts suggested that the Senate bill's administrative changes combating fraud in food stamps, among other tweaks to how the program is carried out, have been overshadowed by the SNAP changes in the House bill. He admitted that he should have communicated his ideas more clearly to fellow Republicans. "If you look at what we did, without the backdrop of what the House did, it is terribly significant and is right on the money of getting integrity into the program," he said. "I needed to really talk about that more to my Republican colleagues and, who knows, we could have hit 90 [votes]."

All of the 11 "no" votes came from Republicans: Richard Burr, Bob Corker, Tom Cotton, Jeff Flake, Dean Heller, Jim Inhofe, James Lankford, Ron Johnson, Mike Lee, Rand Paul and Pat Toomey.

Last-Minute Farm Bill Changes

The Senate passed a series of amendments to the bill, mostly in the form of two manager's packages that featured changes ranging from providing new protections for pollinators to increasing funding for the milk donation program.

Sen. Dick Durbin (D-Ill.) retreated from his push for a proposal reforming crop insurance. Stabenow said Durbin was satisfied with additional language bolstering rural emergency medical services. "He made the decision that he wasn't going to push on the crop insurance amendment, given other things that he cared deeply about that we were able to address," she said.

Sen. Marco Rubio (R-Fla.) was successful in negotiating a change to Sen. Heidi Heitkamp's amendment that would allow USDA funding for foreign market development programs to be spent in Cuba. After Rubio threatened to block any new amendments to the bill unless the North Dakota Democrat's amendment was struck, the language of her provision was changed to clarify that federal funds can't be spent at businesses owned by the Cuban military. Stabenow said the Cuba dispute took up most of the negotiating time on Wednesday and Thursday, and at one point talks were held among five senators' offices simultaneously.

The pork industry is seeing some of the highest inventory of hogs and pigs since the USDA started recording data in 1964, according to the Quarterly Hogs and Pigs [report](#) released Thursday. On a call with reporters, the Pork Checkoff's experts seemed to struggle to find a bright side for hog producers in the months to come. "We're looking at an awful lot of hogs and an awful lot of pork," said Dr. Ron Plain, a professor at University of Missouri in Columbia. "We're going to look at a considerable number of months with red ink going forward."

Joe Kerns, president of Ames, Iowa-based consulting firm Kerns and Associates, noted that things are still better than they were two decades ago. "This is a prolonged downturn, but not a sharp 'v' bottom in the market that we saw in 1998," he told reporters.

But pork has been hard hit by trade tensions, starting with President Donald Trump's decision to pull out of the Trans Pacific Partnership and continuing with retaliatory tariffs from Mexico and China. "You certainly don't want to lose those markets at a time like this when we have record pork supplies and prices under real pressure," Plain added.

Agriculture Secretary Sonny Perdue told [CNBC](#) on Thursday that Trump will not force farmers to suffer from the ongoing trade battles. "The president has told me to tell [farmers] that he's not going to allow them to bear the brunt of these trade disruptions and to make a plan for mitigation unless we are unable resolve the trade issue," he said. But when pressed for specifics about timing or how the government would help farmers, Perdue declined to comment.

USDA Report Highlights Benefits of Tax Cuts and Jobs Act for Farmers

U.S. Secretary of Agriculture Sonny Perdue today highlighted a new report showing the positive impacts of President Trump's Tax Cuts and Jobs Act (TCJA) on American farms. Six months after the President signed the tax cuts and reforms into law, the U.S. Department of Agriculture (USDA) Economic Research Service (ERS) has released a report, titled "[Estimated Effects of the Tax Cuts and Jobs Act on Farms and Farm Households](#)" (PDF, 3.5 MB). The report examines in detail how the historic tax cuts and reforms will alleviate the tax burden on American farms to help them grow and prosper. According to the report, average tax rates are expected to decline across all farm sizes and commodity specializations and fewer farm estates will be subject to the Death Tax.

"Most family farms are run as small businesses, and they should be able to keep more of what they earn to reinvest in their operations and take care of their families," Perdue said.

"Simplifying the tax code and easing the burden on farmers will free them up to make choices for themselves, create jobs, and boost the overall American economy. This report just shows what we knew all along: the tax cuts and reforms will benefit farmers."

The TCJA significantly reformed the Federal income tax system, including individual and business income tax rates, business expenses, taxable income deductions, and the alternative minimum tax. The TCJA also doubled the Federal estate tax exclusion. The USDA ERS report

estimates the impact of current Federal income tax provisions on farm households by using 2016 tax-year data.

[Source: USDA](#)

Perdue Sets Target Date for Farm Aid

Agriculture Secretary Sonny Perdue told reporters at the United Fresh trade show in Chicago Tuesday that he hopes to have a plan for shielding farmers from tariff-related losses in place before the fall harvest. He later clarified his position [in an interview with the Chicago Tribune](#), saying he's "probably" going to stick with a Labor Day deadline for making decisions on farm aid. He acknowledged that all parties involved would like to see some sort of resolution by July 7, the day after the U.S. and China will implement new rounds of tariffs.

All six members of Iowa's congressional delegation pleaded for Trump to quickly resolve trade disputes. "Mr. President, these tariffs have real consequences on states like Iowa, rural communities across the nation and on America's farms. We encourage you to act expeditiously to save our rural communities," [their letter reads](#). Among the agriculture sectors mentioned is the pork industry, in which Iowa is the leading state in total production (\$6.8 billion) and exports (\$2 billion).

Dairy farmers also reached out to Trump by letter telling him they're at risk of losing their share in the Mexican market if the administration doesn't lift its tariffs on steel and aluminum. More than 60 dairy groups from 30 states signed the letter, which notes that Mexico imports around \$400 million in American cheese. Under NAFTA, the U.S. has become the largest foreign supplier of dairy to Mexico. The groups didn't call on Trump to lift restrictions on Canada, which has long drawn the ire of farmers and legislators due to its high tariffs on dairy products.

USDA Releases SNAP Error Rate Data

After two years without releasing SNAP error rate data amid questions about its accuracy, USDA officials on Thursday provided figures showing a benefit payment error rate of 6.4 percent in fiscal year 2017, most of that due to overpayments. That's nearly double the 3.66 percent error rate that was last reported in 2014. But USDA's Food and Nutrition Service, which administers SNAP on the federal level, attributed the dramatic difference largely to the fact that the agency has implemented new procedures to improve its accounting.

In 2015, the USDA Office of Inspector General [issued a report](#) that found FNS' quality control was weak and its process for determining SNAP's national error rate was vulnerable to state abuse. The report also found states were taking steps to reduce error rates by using private consultants or internal committees to eliminate errors, rather than reporting them to the USDA. After that report was released, FNS worked with more than three dozen states to improve programs.

Lawmakers have long had to walk a fine line between criticizing the program and making sure that SNAP benefits are being delivered to those that need them. At a September meeting, Senate Agriculture Committee members stressed that they blamed states administering SNAP and not the recipients for faulty error rates.

Study Questions Safety of Lab-Grown Meat

Federal regulators or independent, third-party groups should assess industry claims that food ingredients created with genetic engineering and in vitro processes are less damaging to the

environment than traditional farming, environmental advocacy group Friends of the Earth said in a new report.

The group released its report on the same day the House Research and Development Caucus held a briefing on lab-grown meat, also known as clean meat. The sector has received hundreds of millions in investments from individuals like Bill Gates.

Jessica Almy, director of Policy at The Good Food Institute, which promotes plant-based meat substitutes, said at the briefing that lab-grown products offer “an opportunity for the United States government to support farmers and to support innovation and to diversify what farming looks like in this country.” Almy also pushed back at efforts from groups like the Nebraska Farm Bureau to prevent the word “meat” from being included on lab-grown products.

Earlier this month, the FDA announced that clean meat falls completely under its purview. This was the first move in a growing turf war with USDA.

USDA Seeks Feedback on Product of USA Labels

The department’s Food Safety and Inspection Service is seeking public [comment](#) about a proposal to change its 33-year-old regulations that have permitted foreign grass-fed beef producers to use a “Product of U.S.A.” label if their beef passes through a USDA-inspected plant. The deadline to submit is Aug. 17.

The Organization for Competitive Markets and the American Grassfed Association filed the nine-page petition on June 14 asking the groups to make the change and arguing that the world’s largest multinational corporations, which control 80 percent of the U.S. beef market, have been taking advantage of the technicality that allows imported meat and meat products to earn the home-grown label if they pass through a USDA-inspected plant. At the same time, grass-fed beef has become an incredibly lucrative segment of the market for domestic producers. And these multinational producers are cutting into domestic ranchers’ profits.

Angela Huffman, a spokeswoman for the Organization for Competitive Markets, said early responses to the petition have been positive. “We’ve been hearing pretty strong concerns for a year now where it’s become more and more of a problem for farmers who are trying to market their product with ‘Made In The USA’ labels with products that have not been produced here,” Huffman said.

What Kennedy’s Retirement Means for Wetlands

Expect a shift to the right when it comes to environmental issues following Justice Anthony Kennedy retirement from the Supreme Court. Kennedy was often the deciding vote on environmental cases, particularly those involving climate change.

During his career, Kennedy’s view of which streams and wetlands should be protected under the country’s foremost water law reigned because he stood between conservatives who wanted a limited definition and liberals who wanted an expansive one. In the 2006 case *Rapanos v. United States*, Kennedy took the centrist stance that any creek, bog or marsh that has a “significant nexus” to downstream navigable waters warranted federal protection. That opinion has been broadly viewed by lower courts as the one to follow.

This fall, the high court is expected to weigh when habitats can be designated as critical under the Endangered Species Act.

Conservative groups have pledged to focus on five Senate Democrats running for reelection in states Trump won by double-digits — places where Republicans are running as close allies to the president and hoping voters view this year's congressional elections as referendums on support for Trump.

CDC Retracts Farmer Suicide Findings

It turns out the CDC's widely cited 2016 study showing farmers with the nation's highest suicide rate was wrong. The agency on Friday retracted the data, which showed that people working "in farming, fishing and forestry" had suicide rates of 84.5 per 100,000 people, four times the national average.

CDC spokeswoman Courtney Lenard wrote in an [email](#) to [New Food Economy](#) that the agency incorrectly included farmers and ranchers with agricultural workers in the farming, fishing and forestry (also known as Triple-F) category. Lenard explained that farmers and ranchers should instead have been classified as managers. Triple F workers now have the third highest suicide rate behind "construction and extraction" workers and people working in "installation, maintenance and repair."

Lenard, along with other members in CDC's press office who were contacted repeatedly on Wednesday by phone, email and LinkedIn, declined to respond to requests about how it plans to correct these numbers.

New Food Economy noted that it has been [pressing](#) the CDC to clarify the numbers partly because they have received extensive press attention. The figures also persuaded lawmakers to add funding in the 2018 Senate farm bill for a mental health support network for farmers and ranchers, but not for agricultural workers.