

News from Washington: March 23-27

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### **Smaller Farm Aid, No Benefits Boost in Bipartisan Stimulus Plan**

As details of the massive economic relief plan, H.R. 748 (116), trickled out throughout Wednesday, lawmakers on both sides quickly started poking holes in the proposal, setting up another late night of last-minute negotiations in the Senate. We've covered the major food and ag issues in the mix this week — so what made the final cut? Here's a quick rundown:

More than \$25 billion in food aid, but with a caveat. The bill provides \$15.8 billion for the Supplemental Nutrition Assistance Program to cover an expected jump in applications as more workers are laid off. But Democrats were unable to secure the 15 percent boost to households' SNAP benefits they were seeking as a tradeoff for additional farm aid.

— The progressive Center for Budget and Policy Priorities, which advocated for including the SNAP benefits expansion, estimated it would have cost an extra \$5 billion and delivered an additional \$100 per month in benefits for a family of four. CBPP said the SNAP funding included in the bill was essentially a “technical fix.”

A nearly \$24 billion boost for farmers and ranchers: The Depression-era financial institution known as the Commodity Credit Corporation would see its spending authority replenished to the tune of \$14 billion. The package also sets up a \$9.5 billion emergency fund for producers, including fresh fruit and vegetable growers, dairy farmers and cattle ranchers, along with local food systems like farmers markets.

— Republicans from major cattle-producing states, like Sen. John Hoeven (N.D.), initially wanted to restore an additional \$20 billion to the CCC and hike USDA's borrowing authority for the program to \$50 billion — a provision that was left out.

More than \$285 million for USDA agencies: The Animal and Plant Health Inspection Service, Food Safety Inspection Service, Agricultural Marketing Service and USDA's rural development branch would each receive extra funding for emergency operations amid the pandemic.

The legislation also fixes the “retail glitch” in the 2017 tax law: Restaurants, retailers and other businesses will now be able to immediately write off renovations to their stores, after they were accidentally left out of the so-called qualified improvement property provision in the Republican tax code rewrite. The change could mean \$15 billion tax savings per year for those businesses.

### **Pelosi Setting Up Phase 4 Coronavirus Bill**

The speaker is already brainstorming another coronavirus relief package even before the House votes today on a \$2 trillion stimulus bill, H.R. 748 (116), to help workers, small businesses and massive industries.

Democrats want to see additional funding for state and local governments to address the rapidly spreading virus, more federal dollars for food aid, as well as a laundry list of other asks, such as more direct payments to Americans. But Republicans appear jittery at the thought of more government spending to rescue the economy.

But when? The Senate is skipping town at least until April 20, and lawmakers may be wary to return given the risk of flying and gathering in the Capitol. The House is also planning to recess for several weeks after today's vote.

## **Farmers, Rural Businesses Brace for Recession**

Years of weakness in farming and manufacturing, and a weaker recovery since the Great Recession, have left rural counties in a fragile spot as the U.S. economy hurtles toward another downturn.

The pandemic has already dented global trade and U.S. commodity prices, the latest economic headwind for farmers and ranchers after years of tariffs and weather challenges. “These type of black swan events, you can’t anticipate it,” said John Newton, chief economist for the American Farm Bureau Federation. “It’s a shock to the global economy. We will rebound and recover — it’s just a matter of how long’s the drag on this.”

Every hit to agriculture could ripple throughout the broader rural economy, said Mark Scanlan, senior vice president of agriculture and rural policy at the Independent Community Bankers of America. “It’s not only the farmers — it’s the Main Street businesses that they’re doing business with, the people that are employed by the processing and distribution chain,” he said.

Rural demographics could make it harder to confront the crisis and eventually bounce back. A USDA report published last November, comparing urban and rural areas from 2010 to 2018, found that the most isolated rural counties saw the steepest population loss and have the highest poverty rates. On average, rural residents are also older, with less access to health care — and potentially more vulnerable to the coronavirus itself.

The pandemic is also shining a spotlight on the connectivity gap: The lack of reliable high-speed internet is a major obstacle to rural students or employees working from home as their schools and businesses close.

## **Pesticides Amid the Pandemic**

The Environmental Working Group is asking the produce industry to offer better protections for ag laborers exposed to certain pesticides amid the coronavirus pandemic. In a letter to the Alliance for Food and Farming, EWG noted that the disease, which can be deadly, is especially harmful to people with respiratory health problems, and studies have linked occupational exposure to pesticides with higher rates of asthma, chronic bronchitis and other respiratory ailments.

The environmental group on Wednesday also published a report on pesticides in produce, which found that nearly 70 percent of fresh produce sold in the U.S. contains residues of potentially harmful pesticides. EWG said that nearly 99 percent of all non-organic raisins had traces of at least two pesticides, as did 91 percent of organic raisins.

## **USDA Makes it Easier to Feed Kids and Those Who Need Food During the COVID-19 National Emergency**

U.S. Secretary of Agriculture Sonny Perdue announced additional flexibilities to make it easier for children, seniors, and individuals with disabilities to get food during the COVID-19 national emergency and remove administrative roadblocks for the dedicated local staff who serve them. These changes are in line with USDA’s commitment to keep Americans safe, secure, and healthy during this national emergency and explore all options to keep kids fed during this unprecedented time.

“USDA is committed to maximizing our services and flexibilities to ensure children and others who need food can get it during this Coronavirus epidemic,” said Secretary Perdue. “This is a challenging time for many Americans, but it is reassuring to see our Government and fellow

Americans stepping up to the challenges facing us to make sure kids and those facing hunger are fed.”

[Source: USDA](#)

### **Secretary Perdue’s Statement on National Ag Day**

U.S. Secretary of Agriculture Sonny Perdue issued the following statement regarding National Agriculture Day and President Donald J. Trump’s Proclamation recognizing the importance of America’s farmers, ranchers, foresters, and producers:

“Our farmers, ranchers, foresters, and producers in America are feeding and clothing the world. Now more than ever it’s important that the American people not forget that. Our farmers are resilient, and during these uncertain times they are still working, day in and day out, to produce what’s needed for our growing population,” said Secretary Perdue. “Today, on National Ag Day, I challenge the American public to keep our farmers, ranchers and producers on their minds – for all their work to provide us a safe, healthy and abundant food supply. We owe them a debt of gratitude.”

[Source: USDA](#)

### **H-2A System Gets Reprieve**

USDA announced late Thursday that the State Department and the Department of Homeland Security have agreed to waive in-person interview requirements for H-2A and H-2B visa applicants.

The lobbying effort: U.S. embassies and consulates in Mexico closed effective March 18 because of the growing pandemic. That prompted Farm Bureau President Zippy Duvall to urge the Trump administration to find “practical ways” to admit farm laborers under emergency visas. Perdue had been in discussions with the other departments on the issue. The temporary change “streamlines the application process and helps provide steady labor for the agriculture sector during this time of uncertainty,” Perdue said in a statement.

Earlier on Thursday, a bipartisan, bicameral group of lawmakers wrote to the Secretary of State Mike Pompeo to ask for flexibility in the visa process.

Demand for H-2A visas, reserved for agricultural labor, [jumped 11 percent](#) last year; H-2B visas, for non-agricultural temporary workers, is capped by Congress at 66,000.

### **Peterson: Agriculture and Food “Absolutely Critical” in Fighting Pandemic**

House Agriculture Committee Chairman Collin Peterson welcomed the designation of agriculture, including food production, distribution, and retail, as critical infrastructure by the Department of Homeland Security in an announcement made by the DHS on Thursday.

The announcement allows those along the food and agriculture supply chain to continue operating to meet the national need. In a statement, Peterson noted the importance of farmers, food processors and producers, distributors and retailers as essential to the well-being of the country as it faces the growing coronavirus pandemic.

“Our food system is absolutely critical right now to keeping Americans fed, calm, and healthy,” Peterson said. “As we have heard from farmers and from food companies, we have enough food. The important part now is protecting and supporting the people that grow, raise, distribute

and sell that food so supply can continue. The food processing industry is also being impacted by the same shortage of disinfecting products and protective equipment that has reached a crisis situation for our medical professionals.”

[Source: U.S. House Agricultural Committee](#)

### **Perdue Keeping Close Tabs on Commodity Prices**

The USDA chief on Sunday said the department is “actively monitoring all ag commodity markets and the flow of food from FARM TO FORK during the [coronavirus] outbreak,” following heightened concerns from lawmakers and producers about potential manipulation in the livestock market.

Cattle ranchers have asked USDA for “emergency measures” to keep livestock producers afloat amid the pandemic, which is exacerbating the financial disparity between suppliers and the meatpackers who buy their livestock. [In a letter to Trump last week](#), R-CALF USA claimed large processors are paying producers the same price for cattle as they did a decade ago — even though consumers are now paying 25 percent more for beef at the grocery store.

On Sunday, Perdue assured livestock producers that “we hear you! I expect all of our producers and stakeholders to be patriotic, honest brokers ... while we weather this pandemic.” In a series of tweets, he wrote, “We are paying special attention to the difference in prices from the farm gate to the grocery shelf.”

Industry response: The North American Meat Institute, which represents packers and processors, said on Sunday its members are “mindful of the disruption the pandemic has caused in cattle markets and will do all they can to alleviate adverse effects on critically important suppliers.”

The big picture: There’s growing, bipartisan interest among lawmakers and regulators about ensuring fairness in the meat market. USDA’s probe of potential beef price-fixing is ongoing, and Perdue told Senate appropriators earlier this month that he “would love to have some tools to operate” on the issue. On the other hand, the department has repeatedly been criticized for siding with big agribusinesses over small farmers.

### **Trump Mum as Refiners Target Biofuel Ruling**

A trio of refineries on Tuesday appealed a recent court decision blocking them from obtaining biofuel blending waivers, a pivotal ruling that scrambled the Trump administration’s ethanol policy. But energy sector officials say the White House isn’t backing the new appeal.

Trump’s position remains highly murky two months since the ruling, which undermined a fragile compromise between oil and agriculture over the blending exemptions that ethanol producers and corn growers say are crushing demand for their products.

The federal court said the EPA could not hand out new waivers to any oil refiners who weren’t continuously exempt from their obligations under the Renewable Fuel Standard, which mandates that certain volumes of biofuels are blended into the U.S. gasoline pool. The decision was a massive win for ethanol interests who have long argued against the legality of the EPA’s use of waivers, which skyrocketed under Trump. But the refiners affected by the ruling called it a “death knell” in their appeal.

The White House has waffled between planning to accept the ruling or fight it. Oil industry members say Trump decided not to challenge the decision and will instead seek other ways to provide financial assistance for oil refiners. The administration faced intense pressure from both industries, but its deadline to file an en banc appeal expired Tuesday night.

### **Coronavirus Scrambles Europe's Ag Network**

The pandemic is straining supply chains in Europe as nervous shoppers strip grocery store shelves bare, even though national leaders promise there's no need to stockpile staple foods and other essentials. Border checks across Europe have snarled trucking and labor shortage fears are rising, among other obstacles that are delaying food from reaching store shelves — even if there's plenty of product in the system.

"All our food is getting to the warehouses — with delays, but it's getting there," said Bart Vandewaetere, vice president for government relations at Nestlé, the world's largest food company. The European Commission published guidelines this week proposing "green lanes" to expedite trucking, after traffic jams last week at national borders stretched for 50 miles.

Meanwhile, the EU Parliament's ag committee demanded urgent measures to shield the farm sector from economic fallout, like fast-tracking shipments of fertilizers and pesticides and designating special planes and buses to transport farmworkers from Eastern Europe to farmlands in the West.

### **China's Big Wheat Buy**

Chinese importers made their largest purchase of U.S. wheat since Trump launched his trade war early in 2018, USDA reported on Friday. The sale, for delivery in the 2020-21 marketing year, could be worth up to \$85 million based on current market prices, according to industry members.

Good vibes: Industry groups said the volume of the purchase was "significant," but it's also a positive sign that Beijing is attempting to fulfill its commitments under the U.S.-China trade pact to import at least \$40 billion in American farm goods in 2020 and 2021 each. Under the deal, China promised to work toward filling its annual tariff-rate quota for wheat imports, after the U.S. won a WTO case asserting that Beijing was ducking its obligations.

"If the changes are in fact implemented, and Chinese millers can respond to market signals, most of the [tariff-rate quota] should be used," [said Vince Peterson, president of the U.S. Wheat Associates](#). "U.S. wheat farmers are in a good position to help fill the [tariff-rate quota] given current export prices, relatively low freight rates and the ready supply of the wheat classes China needs."

Forecast: USDA expects China to import 4 million metric tons of wheat from all suppliers during the 2019-20 marketing year, which ends May 31. That would be an increase from 3.15 million metric tons in 2018-19.

### **Brashears Approved for Ag Undersecretary**

The Senate on Monday night confirmed Mindy Brashears for USDA undersecretary for food safety, nearly two years since Trump first nominated her. Brashears has been deputy undersecretary since January 2019, when Perdue sidestepped the Senate and named three long-stalled nominees to deputy posts that don't require confirmation.

USDA is still operating without a full roster of undersecretaries with less than 10 months left in Trump's first term. Once Brashears is sworn in, five out of eight undersecretary posts will be filled, with vacancies in rural development; research, education and economics; and food, nutrition and consumer services.

### **Victory Gardens' Born Out of Coronavirus Pandemic**

The outbreak has sparked a desire among people — many for the first time — to grow their own food, and they're flocking to garden stores to stock up on seeds and practical knowledge.

As the economy faltered and some grew worried about food security, Nate Kleinman, a farmer and community organizer, saw an opportunity to build a movement modeled after the wartime fruit and vegetable plots. During WWII, school and community gardeners produced close to 40 percent of the country's fresh vegetables, from about 20 million gardens.

Of course, there is no evidence the U.S. food supply is unstable — despite infamous shots of empty grocery store shelves shared across social media this month. But many have compared the coronavirus outbreak to a war-like experience, as people hunker down out of safety.

Whether it's out of a concern about food access, or just a new hobby to keep people occupied while quarantined, community gardening is booming. Since just last week when the Cooperative Gardens Commission was formed, Kleinman heard from more than 1,000 people interested in getting involved in community gardening.

"This is a rapidly forming collective that's organizing to help match resources to needs in the agriculture space, especially in community food production," Kleinman said Thursday on a call with participants, which are held biweekly for people to swap ideas and provide updates on the movement.

Seed stores across the country are reporting record-high sales. Southern Exposure Seed Exchange, based out of Mineral, Va., has seen an approximate 300 percent increase in orders since March 15. Rejoice Blackwood, an employee at Southern Exposure, said orders for spring and summer planting typically drop off at the end of March.

"Even though we aren't done with March yet, we are making many more dollars than we would have expected, and we were required to shut down our website for three days because our inventory couldn't keep up," Blackwood said.

High Mowing Organic Seeds in Vermont has had a similar experience. "It's been insane," said employee Sara Riegler, of the uptick in sales. "I've had way more conversations with folks who have never gardened before and want to get into it."