

News from Washington: July 6-10

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USDA Allows More Specialty Crops to Get in on Aid

The Agriculture Department on Thursday said it will now offer aid to producers of more than 40 new specialty crops through the Coronavirus Food Assistance Program that Congress authorized. The move comes after many commodity groups lobbied to be included.

Applications for CFAP opened on May 26 and USDA [expects it will get 1.6 million](#) by the Aug. 28 deadline. As of Monday, [nearly \\$5.4 billion](#) of the money had been distributed.

The department is also providing more money to seven currently eligible commodities — apples, blueberries, garlic, potatoes, raspberries, tangerines and taro — for sales losses, and determined that peaches and rhubarb no longer qualify for payment under the sales loss category. USDA is also changing the payment rates for several commodities, from apples to kiwifruit and taro.

USDA expects additional eligible commodities to be announced in the coming weeks. But with more farmers now eligible for aid, the program could run dry even faster and raise the pressure on Congress and the Trump administration to provide more agricultural aid in a future stimulus package.

Waiting on a ‘Phase Two’ Trade Deal with Japan

A bipartisan group of lawmakers from major dairy states is pressing Agriculture Secretary Sonny Perdue and U.S. Trade Representative Robert Lighthizer to secure more access to Japan’s massive agricultural market than other dairy exporting competitors.

[The letter to Perdue and Lighthizer](#) is led by Reps. Ron Kind (D-Wis.), Lloyd Smucker (R-Pa.), Josh Harder (D-Calif.) and Roger Marshall (R-Kan.), along with dozens more members. They argue that the Phase One deal that took effect at the end of 2019 was a good first step for helping farmers boost their exports to Japan, but it’s not nearly enough.

The initial deal secured better “tariff treatment” for U.S. dairy goods, the members wrote, but “our farmers and processors remain at a disadvantage to our competitors due to the preferential access” they get through the 11-nation TPP and a separate Japan-EU agreement. They cited big opportunities to expand access for specific products including milk powder and butter.

“Given the fact that our domestic market is a top destination for Japanese exports, Japan must ensure that the terms of trade offered to the U.S. are better than those offered to other, less valuable, markets,” the letter says.

Farm Spending Bill Set for House Markup

The Appropriations Committee will meet at 10 a.m. to consider a trio of fiscal 2021 measures, including the Agriculture-FDA bill. The legislation filed on Sunday was widely praised by Republicans and Democrats alike at a subcommittee hearing this week, but today the amendments will start flying. That means there’s sure to be some heated debate on issues like food stamps and meatpacking rules that have been in the spotlight during the pandemic.

Appropriators already gave USDA an earful in their bill report released Wednesday, a largely non-binding document that spells out lawmakers’ thoughts and instructions to the agencies under their jurisdiction. For one, members said the Food Safety and Inspection Service has

“tragically failed to protect its workforce” during the pandemic, noting that at least four FSIS inspectors have died from Covid-19 after the department “failed to promptly provide PPE to inspectors.” They directed the agency to publish data on internal Covid-19 cases and deaths as soon as the spending bill is approved by the committee.

The panel also took issue with the department’s lack of transparency surrounding last year’s relocation of the Economic Research Service and National Institute of Food and Agriculture from D.C. to Kansas City — an abrupt and controversial move that caused an [exodus of veteran researchers](#) from the agencies.

“The committee reiterates its frustration at the repeated difficulties it experiences in getting basic information about the move from the department,” they wrote. “ERS and NIFA are shells of their former selves, and the loss of institutional knowledge each agency has suffered will take years to overcome.”

The panel also directed USDA to update appropriators about upcoming policy changes before sharing details with “non-governmental stakeholders” or the public. And lawmakers said they’re “concerned about the department’s tardiness in implementing new initiatives” funded in previous appropriations bills.

The report asks USDA to prioritize coronavirus relief funds for farmers and ranchers who comply with CDC requirements to keep their workers safe through sanitation and social distancing. It also calls for a departmental plan to reduce greenhouse gas emissions in agriculture and for officials to fund research into the impact of climate change on the nutritional value of crops.

Lawmakers also requested data on the number of hemp acres that must be destroyed because a crop exceeds the 0.3 percent THC limit; and they suggested that USDA leaders launch a new “Victory Garden” campaign in areas with higher hunger rates, citing past national efforts to bolster the food supply during wartime.

Rural Voters Prefer Farm-Focused Climate Policies

Support for policies to combat climate change jumped by more than 20 percent among rural, Midwestern voters when those initiatives involved financial incentives for ag producers to adopt climate-friendly farm practices and technology, [according to a new report by Duke University](#).

Putting farmers front and center swayed voters’ responses, with more than 80 percent of those surveyed saying the money would be well-spent on such efforts. When farmers weren’t mentioned, that support dropped to 63 percent. There was an even sharper divide among Republicans: Only 39 percent supported government funding for climate programs generally, while 77 percent backed such spending when farmers were the beneficiaries.

The research is a deeper dive into rural voters’ attitudes toward climate change with a focus on the Upper Midwest, and it’s based on a poll of more than 400 people. The study follows a report published earlier this year that found that rural voters across the U.S. care about the environment just as much as their urban counterparts — but deep skepticism of government and other institutions can override their support for policies aimed at improving water quality or slashing greenhouse gas emissions.

The majority of rural, Midwestern voters felt that it was important for the U.S. to take action on climate change, but the level of concern is highly polarized along party lines. More than 90

percent of rural Democrats in the Midwest felt that it was “very important” or “pretty important,” compared to 36 percent of Republicans.

House Democrats last week [unveiled their sweeping climate plan](#) to achieve net-zero emissions by 2050, an ambitious blueprint that included farm initiatives like expanding conservation programs and boosting climate-related ag research. Attracting support from rural America will be critical to passing any major climate legislation in the future.

A Push to Support ‘Double Up Food Bucks’ in Next Round of Aid

There’s a growing bipartisan coalition pushing for emergency funding for the Gus Schumacher Nutrition Incentive Program (now GusNIP, formerly known as FINI), which supports initiatives like “Double Up Food Bucks” to give Supplemental Nutrition Assistance Program participants extra benefits to spend on produce at grocery stores and farmers markets.

The popular program is being stretched during the pandemic because it requires that grantees get their federal funds matched by outside sources, but philanthropy and state coffers are being squeezed right as demand for nutrition assistance is exploding.

“Without an emergency increase, GusNIP grantees will be faced with exhausted funding exactly at the time they are most needed in the recovery phase of the pandemic,” reads a June letter to House leadership, led by Reps. Dan Kildee (D-Mich.) and Rick Crawford (R-Ark.). The letter was signed by nearly 80 members on both sides of the aisle.

A similar coalition is currently being organized in the Senate. Senate Majority Leader Mitch McConnell has said the chamber will focus on the next coronavirus package this month, with the goal of finishing before both chambers depart for their lengthy August break.

The ask is backed by the Fair Food Network, which pioneered the Double Up Food Bucks program, as well as the National Grocers Association, the United Fresh Produce Association, the U.S. Apple Association, National Potato, and the Farm Credit Council.

Keeping Tabs on Trump’s Farm Rescue Effort

USDA fell way short of its target to provide food banks with \$1.2 billion worth of dairy, meat and produce boxes by the end of June, an initiative that has faced scrutiny for the department’s selection of contractors, [including some companies with little experience in food distribution](#).

Crunching the numbers: As of July 1, USDA had verified a total of 27.5 million food boxes delivered in the first round of the \$3 billion program, which aims to buy up surplus farm products and send them to food banks and other feeding programs where demand is surging. That’s equivalent to \$755.5 million, or 63 percent of USDA’s target, based on the average cost of food boxes, [Reuters reports](#). By Tuesday, some 32 million boxes had been delivered and verified.

Meanwhile, USDA’s much larger direct payment program has now doled out nearly \$5.4 billion, out of the total \$16 billion up for grabs for farmers and ranchers burned by supply chain disruptions. A quarter of the money has gone to farmers in Iowa, Nebraska and Wisconsin, and Iowa alone got more than 10 percent of the funds, [as the Food and Environment Reporting Network points out](#).

Some industries are still looking to get a slice of the stimulus funds. More than 25 California lawmakers this week sent a letter to USDA asking Secretary Sonny Perdue to include wine grapes on the list of specialty crops that are eligible for aid.

Economic shutdowns have led to an “overall decline in retail sales to consumers, reduced volumes of wine shipped to market and lower prices for bulk wine in inventories,” [the bipartisan delegation wrote](#).

The federal aid programs helped boost optimism among ag producers in June, which improved by more than 13 percent from the previous month, [according to a survey from Purdue University and CME Group](#). But industry sentiment is still far below its record highs from earlier in the year before the coronavirus pandemic hit, according to the monthly index.

Trump and Amlo Get Together

The two leaders will meet in person for the first time at the White House today as they tout the new North American trade pact that took effect one week ago.

The face-to-face is somewhat surprising, given Trump’s years of insults against Mexicans and López Obrador’s reputation as the face of Mexico’s left — but they’ve built a relationship on mutual respect for each other’s nationalist and authoritarian tendencies.

Canadian Prime Minister Justin Trudeau will be notably absent from the celebration. Trump has ruffled feathers in Ottawa recently by threatening to slap tariffs on Canadian metals, reigniting some of the trade tensions that USMCA was supposed to settle.

USMCA Meets COVID-19

Could the newly enacted trade pact give the continent a much-needed economic boost after the pandemic? Depends who you ask, and how it’s used, as countries around the world consider re-shoring industries and tightening their supply chains.

“It helps us with that supply chain security, resiliency,” says Joseph Semsar, U.S. deputy undersecretary for international trade. He cited provisions on transparency, innovation and regulatory cooperation that “ultimately makes North America a more competitive region into the future.”

On the other hand, USMCA remains “an unfinished work” in terms of compelling the three nations to collaborate on bringing more manufacturing to the continent, says trade consultant Eric Miller. Leaders of each country so far “have not committed to anything more than ad hoc tools,” he added.

Unprecedented Number of Kids Not Getting Enough to Eat

At the end of June, more than 16 percent of households with children reported that children under the age of 18 in their home were sometimes or often not eating enough due to a lack of resources — a rate that’s more than five times higher than it was in 2018, according to a [new analysis by the Brookings Institution](#) based on recent weekly Census Bureau survey data.

“New data show that an unprecedented number of children in the United States are experiencing food insecurity and did not have sufficient food as of late June,” wrote Lauren Bauer, a fellow in economic studies at the Brookings Institution’s Hamilton Project.

The findings come as Congress is expected to work on another round of coronavirus aid later this month. Democrats have been pushing for a 15 percent increase in SNAP benefits as well as an extension of recent SNAP benefit increases, including Pandemic-EBT.

The findings also place a new level of pressure on policymakers to figure out how to best feed some 30 million schoolchildren as states and localities mull how they can safely operate schools this year.

Biden Leans Into ‘Buy American’

It’s been rather quiet on the campaign trail during the pandemic, but Biden on Thursday laid out what his campaign called a “build back better” plan to recover from the coronavirus pandemic, centered around strengthened “Buy American” rules for the federal government that he said would lead to \$400 billion in new demand for U.S.-made products.

Only after that plan is complete would Biden look to renegotiate trade deals signed by President Donald Trump or look to negotiate new ones, a senior campaign aide said.

“He’s not gonna go in in 2021 and start talking about reentering or about entering new trade deals before he has done the work at home to make the investments in American job creation, American competitiveness and American communities,” said the aide. “Trade negotiations over big trade deals is something that will in sequence follow a dramatic set of domestic investments.”

Still, the aide said Biden would engage allies right away to “present a common front to China on many of its abuses.” In a campaign document released ahead of the speech, Biden blasted Trump’s unilateral approach to China and pledged to take “aggressive trade enforcement actions against China” or other countries engaged in unfair trade practices.

“Trump’s go-it-alone trade war and empty ‘phase one’ deal with China has been an unmitigated disaster, inflicting maximum pain on American workers and farmers, while doing nothing to curb Beijing’s trade abuses,” the campaign document said.

Farm Groups Host Online Ag Town Halls

Since there aren’t many ag conventions and state fairs this year, industry groups are putting on a series of online forums for farmers and ranchers to discuss issues like trade headwinds, supply chain disruptions, rural economics and the future of agriculture. The events will run up to two hours and feature panel discussions, Q&A sessions and online polling.

The trade groups involved run the gamut from dairy producers and exporters to corn and soybean growers. They include the National Association of State Departments of Agriculture, Iowa Soybean Association, Plant Based Products Council, National Corn Growers Association and Farmers for Free Trade, among others.

The groups plan to announce the so-called AgTalks series later today. The first session will be held in Iowa on July 30, followed by events in Minnesota, Michigan, Pennsylvania and Wisconsin in August and September, tentatively.

“We believe it is past time for a national conversation focused on solutions to help American ag rebound,” they said in a joint statement, shared exclusively with MA. “The health of rural America and the hope of economic resiliency will only occur if we can create a non-political dialogue that brings the pillars of production, processing and logistics together to help redefine trade policy to best enable the most productive, safe and secure delivery of food.”