

News from Washington: September 3-9

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Ag Appropriations on The Move

The House voted Thursday to go to conference over a spending package likely to include USDA and FDA appropriations, a big step toward passing a new bill with fresh funding for those agencies on time.

That'll happen only if negotiators move fast and avoid blowups over narrow policy disputes that are all too common in spending talks. Speed will truly be of the essence — the September legislative calendar includes only seven combined working days.

The Senate in August passed a four-bill appropriations package including the Agriculture-FDA measure. The House never passed its own version of the Agriculture-FDA bill, but it did pass two other measures in the Senate package, funding the Interior Department and Financial Services programs. Now, lawmakers are going straight to conference, where the aim is to finalize all four of the measures before current appropriations expire at midnight Sept. 30, Republican and Democratic aides said.

Staff-level talks over differences in the House and Senate Agriculture-FDA measures have already begun, a House Democratic aide said.

It's part of a broader push by lawmakers to clear as many spending bills as possible before they're forced to take up a stopgap "continuing resolution" for measures that didn't pass to avert a government shutdown.

Trade Aid Meets the Spending Season

The Trump administration has asked Congress to include language in any upcoming continuing resolution that would ensure the Commodity Credit Corporation — the agency facilitating a key part of USDA's trade assistance program — has flexibility to keep payments flowing to farmers in the coming months, according to GOP sources.

The CCC can borrow up to \$30 billion from Treasury to finance its programs, including the \$4.7 billion in direct payments USDA is set to provide soybean, corn, wheat, cotton, sorghum, dairy and pork producers hurt by retaliatory tariffs. With another round of payments potentially to come, along with other annual CCC obligations, the White House is warning the agency could breach its credit limit at Treasury in the next few months — meaning all payments to farmers and ranchers would be frozen.

Congress typically pays down the agency's tab through the annual Agriculture-FDA spending bill, but it's an open question whether that measure will be signed into law on time this year. That's why the administration wants a CR provision to accelerate reimbursement of CCC in case the stopgap funding process stretches into December and beyond, as it often does.

CCC's role in the trade relief plan goes beyond the direct payments to producers, but it's unclear how much other aspects of the plan, like market development or commodity purchases, contribute to or could be exposed to the agency's financial strain.

It's not clear how directly the request is tied to the new tariff relief package, but the same language has been used at least once before, in 2016, when CCC also faced financial strain.

Big Four Far Apart in Farm Bill Talks

Senate Agriculture leaders on Thursday suggested the farm bill proposal House Agriculture Chairman Mike Conaway offered — which the Texas Republican described as a “significant compromise” — didn’t go far enough and that efforts to reconcile the Senate and House bills had become a slow-go.

Senate Agriculture ranking member Debbie Stabenow described Conaway’s offer as not “even close to being something the Senate could accept.” She added that major differences remain unresolved within the Supplemental Nutrition Assistance Program and the commodity, conservation and energy titles.

Senate Agriculture Chairman Pat Roberts (R-Kan.) also signaled that negotiations aren’t as far along as some had hoped with time running short. As of today, only seven combined legislative days remain before Sept. 30, when the current law expires. Further tightening that timeframe is the fact the House is scheduled to be out of Washington for the entire week beginning Sept. 17, which leaves Congress little time to handle other big issues, such as negotiating a spending deal to keep the government operating in fiscal 2019.

Roberts basically said things went in reverse for the four principals after they had a “very good conversation” on Wednesday. “Today, that walked back a little bit,” Roberts told reporters following their meeting Thursday.

New CBO Scores on Farm Bill Could Be Key

House Agriculture Chairman Mike Conaway and ranking member Collin Peterson both said following an hourslong meeting of the “Big Four” Agriculture leaders on Wednesday that lawmakers were waiting on Congressional Budget Office scores of certain provisions — and that the analysis will play a role as they work to land a compromise on the major points of contention. Those numbers are expected to arrive by this morning. The scores will be for the conference committee’s use and likely won’t be made public.

“We’ve got a bunch of ideas that we think might be the middle ground, but they aren’t scored,” Peterson said. “We’re going to get together as soon as we get that scoring and it might help us resolve some stuff.”

Peterson said the leaders debated making changes to waiver requirements within the Supplemental Nutrition Assistance Program, but he stayed mum on what those conversations entailed. Reconciling the competing House and Senate approaches to SNAP remains the biggest hurdle to on-time passage of a farm bill.

“I think today was the most productive meeting we’ve had,” Peterson told reporters after the confab with Conaway, Senate Agriculture Chairman Pat Roberts and ranking member Debbie Stabenow, which followed the first public meeting of the full conference committee. “We got into it with each other a little bit, which we needed to do. That’s part of the process.”

Conaway had earlier presented a compromise proposal that he said extended across all titles of the bill. He too said the leaders’ Wednesday afternoon meeting featured some “difficult conversations” about differences between the House bill, H.R. 2 (115), and the Senate version, S. 3042 (115).

Both Conaway and Peterson predicted that lawmakers have just over a week to reach a deal if the final legislation has a shot at making it to President Donald Trump’s desk by the Sept. 30

deadline. “This system can move lightening quick if it wants to and glacier-like if it wants to,” Conaway said.

The three-hour meeting of the full conference committee featured opening statements from all 56 conferees — and zero debate. A central theme, however, was an emphasis on the importance of finding a compromise, and Majority Leader Mitch McConnell stepped in to say that the busy legislative calendar this month means that quick action is needed.

Perdue Pledges Transparency on Trade Aid

Agriculture Secretary Sonny Perdue promised Wednesday he’d be “as transparent as possible” in dealing with corn and wheat groups’ request for USDA to explain how it arrived at the wide-ranging payment rates in its trade relief plan.

The department has been tight-lipped about the methodology it used to determine how the initial pot of \$4.7 billion for direct payments will be distributed among soybean, corn, wheat, cotton, sorghum, dairy and hog farmers slammed by retaliatory tariffs. Soybean growers are in line to receive about three-fourths of the initial aid payments, leaving the other groups to split the leftovers. Corn and wheat groups are unhappy.

Perdue said USDA used “calculations that are known to economists that will calculate the tariff damages,” but he understands why some groups are frustrated.

“On the face of it, I can see why corn farmers would say, ‘Why this, why that for soybeans?’ — yet that was the determined amount of tariff damage,” Perdue told reporters after an event at USDA. “If you look at where tariffs were enforced and where we had shipped corn, that’s how the calculations came out.”

Perdue also name-dropped USDA’s chief economist, Robert Johansson, as the brains behind the payment rates. “Dr. Johansson has tried to explain it to me a number of times,” he said of the methodology.

Johansson is scheduled to appear before the Senate Agriculture Committee next week in a hearing on agricultural trade, giving members of the panel a chance to press him for more information about the department’s calculations.

The hearing is set for next Thursday at 10 a.m. in the Russell Senate Office Building. Gregg Doud, USTR’s chief agricultural negotiator, and Ted McKinney, USDA’s undersecretary for trade and foreign agricultural affairs, will also be on hand, Roberts and Stabenow announced Wednesday.

Rural Affordable Housing ‘Crisis’ Looms

Availability of affordable housing is an issue one hears about most often in connection with urban areas, but experts predict there’s trouble on the horizon for hundreds of thousands of rural residents who live in USDA-subsidized homes. The Housing Assistance Council examined the problem in an expansive new [report](#) that was commissioned by USDA.

Back in 1963, USDA started subsidizing mortgages for developers to provide rental assistance to low-income people, mostly the elderly and disabled. Tenants living in multifamily units receiving USDA loans are also eligible for rental assistance, which many of them take up.

But those loan terms are poised to end in the next few decades as they were set on 30- to 50-year repayment plans. As mortgages “mature,” developers can then exit the program and hike up rents to market rates, potentially displacing hundreds of thousands of people.

The so-called Section 515 program touches nearly every corner of the country: 87 percent of counties in the U.S. have at least one USDA-sponsored property. Today more than 13,000 USDA-mortgaged properties provide in excess of 415,000 affordable homes for families and individuals, the report says. By 2050, nearly all properties participating in the program are estimated to drop out.

“At nearly all intersections, the coming wave of maturing mortgages is a crisis,” the report states.

Names Needed for Dietary Guidelines Panel

It’s that time again, folks: We’re due for another round of Dietary Guidelines. The Trump administration, already months behind in the process, posted Wednesday a call for nominations for the 2020 Dietary Guidelines Advisory Committee.

The panel, known as DGAC, will be made up of outside experts who provide “independent, science-based advice and recommendations” to USDA and HHS to help the agencies develop the Dietary Guidelines, which are updated every five years.

The makeup of DGAC will be of intense interest to food and agriculture groups. The 2015 Dietary Guidelines were extremely contentious, with nasty public feuds over recommendations for meat and sustainability issues.

Brandon Lipps, USDA’s acting deputy undersecretary for food, nutrition, and consumer services, said Wednesday he’s hoping for a “robust group of nominees” to serve on the panel, and encouraged public involvement. “The public’s participation throughout the development of the guidelines is crucial as we work hard to ensure the process is transparent and science-driven,” he said.

The next Dietary Guidelines will cover 2020-25. For the first time, the panel is mandated by law to include dietary advice for women who are pregnant and infants and toddlers from birth to 24 months.

USDA says nominations for the committee will be accepted over the next 30 days.

Report Shows Conservation Can Promote Profit

Conservation practices like no-till and cover crops can deliver annual returns and increased yields for farmers, as well as improved value for landowners, bankers and crop insurers, according to a [report](#) from the Environmental Defense Fund. The group contracted with accounting firm K-Coe Isom to conduct a case study of three farmers to examine how conservation efforts affected their bottom lines. Results from that analysis were then compared with 10 other farms in the firm’s finance programs.

The report found that conservation practices can impose cost increases, such as paying for cover crop seed, but yield cost savings in other categories, like decreased fertilizer costs as a result of planting cover crops, creating a net positive return. But there’s not a one-size-fits-all for conservation plans, and it takes time to find the right combo of practices and management adjustments, the research concluded.

The analysis aims to provide a foundation for making a case for increased investment in USDA conservation programs. Currently there's a lack of comprehensive data on environmental and financial outcomes from conservation practices.

The farm bill conference committee is negotiating to reconcile two very different conservation titles. The House measure, H.R. 2 (115), proposes close to \$1 billion in cuts to the conservation title over a decade, and would merge parts of the Conservation Stewardship Program into another incentive-based conservation initiative, the Environmental Quality Incentives Program. The Senate legislation, S. 3042 (115), on the other hand, keeps funding consistent across the title and leaves in place CSP, which encourages long-term conservation practices.

Enviros Target Farm Bill Pesticide Changes

Green groups are wary of a House farm bill provision they say would preempt local governments from setting their own pesticide safety regulations — namely, ordinances blocking use of glyphosate, the active ingredient in Monsanto's Roundup, in places like parks and schoolyards.

A new [analysis](#) out from the Environmental Working Group, based on data from the nonprofit Beyond Pesticides, highlights 58 local pesticide laws — from Anchorage, Alaska, to Wichita, Kan., and Sarasota, Fla. — that it says would be scuttled if the House language is included in a final farm bill. The provision in question would effectively bar local governments from going beyond the federal government in regulating pesticides.

Senate farm bill writers didn't include similar language in their measure, S. 3042 (115), raising doubts that the controversial provision could end up in a farm bill conference agreement with any shot at becoming law.

USDA Partners with HHS to Support Rural Communities Combating Opioid Misuse

The U.S. Department of Agriculture (USDA) announced today that a group of Cooperative Extension partners will have the opportunity to apply for grants from the U.S. Department of Health and Human Services (HHS) to help communities combat opioid use disorders. HHS intends to build on successful 2017 and 2018 National Institute of Food and Agriculture (NIFA) Rural Health and Safety Education projects that focus on opioid abuse.

"With the impact opioid misuse is having on rural America, we cannot build strong, prosperous communities without addressing this crisis," said Assistant to the Secretary for Rural Development Anne Hazlett. "USDA is committed to working hand-in-hand with rural leaders and fellow mission-driven organizations – including other members of the federal family – to be a strong partner in this battle."

HHS's Substance Abuse and Mental Health Services Administration (SAMHSA) is engaging with the Cooperative Extension System (CES) to bring opioid prevention, treatment and recovery activities to rural America more efficiently. CES is a federal, state and local partnership. It operates out of the nation's land-grant universities, empowering communities of all sizes to address challenges they face, from nutrition and food safety to responding to emergencies.

SAMHSA is accepting applications for fiscal year (FY) 2018. Eligible applicants are existing NIFA Cooperative Extension grantees that focus on opioid issues affecting rural communities.

The grants HHS is offering through the Rural Opioid Technical Assistance (ROTA) program must be used to develop and implement robust collaborations with the CES system to improve the health and vitality of rural communities across the nation. ROTA will help communities develop and disseminate training and technical assistance to address opioid use disorder. There is \$8,250,000 in available funding for the ROTA program. Proposed projects cannot exceed \$550,000 in total costs (direct and indirect). The application deadline is Sept. 20, 2018.

[Source: USDA](#)

Why Immigrants Are Dropping Out of WIC

It's one of the most successful and least controversial federal nutrition programs, serving about half of all babies born in the U.S. But immigrants across the country are dropping out of WIC because they're afraid that the Trump administration could bar them from obtaining legal status if they take the aid.

Local health providers say they've received panicked phone calls from both documented and undocumented immigrant families demanding to be dropped from the rolls of WIC, a federal nutrition program aimed at pregnant women and children. Agencies in at least 18 states say they've seen drops of up to 20 percent in enrollment, and they attribute the change largely to fears about the immigration policy.

Health advocates say the policy, which is still under review at the White House, could put more babies who are U.S.-born citizens at risk of low birth weight and other problems – undermining public health while also potentially fueling higher health care costs at taxpayer expense.

“The big concern for all of us in the WIC community is that this program is really about growing healthy babies,” said Rev. Douglas Greenaway, president and CEO of the National WIC Association. “When any population that’s potential eligible for this program is either driven away by changes in regulation or legislation or simply by political rhetoric inducing fear there are huge personal consequences to those babies and their families.”

USDA, which oversees the WIC program, is conducting several studies to explore why eligible families are either not enrolling in WIC or discontinuing their participation, according to a spokesperson.

“The USDA is committed to the health and well-being of all WIC eligible mothers, infants and children and supports families seeking assistance,” a spokesperson said in a statement to POLITICO. The department did not comment on whether officials are concerned about public charge fears driving participation down.

Safety Second, as USDA Eyes Faster Line Speeds

The Trump administration's regulatory rollback is marching through USDA territory, and food safety officials are playing down safety risks as they look to increasing line speeds at meatpacking plants.

“We don’t regulate worker safety,” Paul Kiecker, acting administrator at the Food Safety and Inspection Service, said flatly. “What we regulate at FSIS is the food safety. That’s not to say we are not interested in employee safety. We are definitely interested in that.”

Injuries in the meat and poultry industry [outnumber](#) those in the manufacturing sector overall, according to a 2016 GAO report.

Mark Lauritsen, United Food and Commercial Workers' director of meatpacking and food processing, said it's "common sense" that neck, back, shoulder and wrist injuries could increase if line speeds are ramped up amid the messy conditions of meatpacking facilities.

"It's hot, it's humid, it's slick, it's bloody," Lauritsen said.

USDA has already proposed lifting the 1,100 hogs-per-hour line speed limit at pork processing plants, a move they say would streamline food safety inspections and save taxpayer dollars on employing personnel. The department is also considering waivers for certain poultry processors to raise line speeds from 140 to 175 birds per minute.