

News from Washington: November 24 – December 2
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House and Senate Ag Leaders: We've Reached Agreement in Principle on 2018 Farm Bill
House and Senate Agriculture Committee Chairmen Mike Conaway (R-Texas) and Pat Roberts (R-Kan.) and Ranking Members Collin Peterson (D-Minn.) and Debbie Stabenow (D-Mich.) made the following announcement today on the state of 2018 Farm Bill negotiations:

"We're pleased to announce that we've reached an agreement in principle on the 2018 Farm Bill. We are working to finalize legal and report language as well as CBO scores, but we still have more work to do. We are committed to delivering a new farm bill to America as quickly as possible."

[Source: Senate and House Joint Statement](#)

Race to Bring Farm Bill to the Floor

Legislative text of the farm bill compromise announced Thursday is still being written and numbers crunched, but lawmakers are already scrambling to find time to schedule a vote in the House and Senate — 'tis the season. With time running out on the lame duck, the target is for votes to be held as soon as next week.

But first ... a conference report must be completed. Top negotiators are waiting on cost estimates from CBO and staff are working to finalize legal language. Senate Ag Chairman Pat Roberts (R-Kan.) cautioned Thursday that the process may take four or five days, meaning the actual bill may not be released until after the weekend.

Details of the deal's key provisions are sparse. Senate and House Agriculture Committee members have yet to be formally briefed on its contents, Roberts said. Here's a rundown of what we know so far:

SNAP standoff resolved: Senate ag leaders said the nutrition title — the most contentious piece of the legislation — is aligned with the Senate version, meaning House Republicans' bid in H.R. 2 (115) to impose stricter work requirements on millions of food stamp recipients fell short.

Conservative lawmakers, like Republican Study Committee Chairman Mark Walker (R-N.C.), are already skeptical of the final product, citing the expected outcome on SNAP work requirements. House Ag Chairman Mike Conaway (R-Texas) said he's asking Republicans to reserve judgment until the legislation is finalized.

"What I've asked my colleagues to do [is] keep your powder dry until you see the full package," Conaway told reporters. "Taken in isolation, each individual piece may not be something you like. But once they see the package and see what we've done altogether, then make the decision."

Hemp industry gets green light: Senate Majority Leader Mitch McConnell's bid to legalize the commercial cultivation and sale of hemp made it into the final deal. The bill will remove industrial hemp from the federal list of controlled substances, and hemp growers will be able to apply for USDA programs.

Conservation Stewardship Program lives: Senate Ag ranking member Debbie Stabenow (D-Mich.) confirmed that the House effort to eliminate CSP failed. But it's unclear whether CSP's

funding will be cut and whether changes will be made to the Environmental Quality Incentives Program, another major conservation initiative.

Trump Signs New Trade Agreement with Mexico And Canada to Replace NAFTA

President Trump, Canadian Prime Minister Justin Trudeau and Mexican President Enrique Peña Nieto signed the new U.S. Mexico Canada Agreement — or USMCA — in Buenos Aires Friday, using the backdrop of the G-20 Summit.

Trudeau didn't confirm he'd be on hand until Thursday night. A preliminary release of Trudeau's public schedule featured 11 events on Friday — none of them about the trade-deal signing.

The Canadian leader, whose relationship with Trump has been tense, faces a politically tricky situation heading into an election year: Appear by Trump's side for the event and brave potential blowback in Canada, where Trump's trade moves aren't exactly popular, or skip the signing and risk the fallout of not appearing to support the agreement.

Canada's ambassador to Washington, David MacNaughton, recently said in jest during a POLITICO interview that with Trump's steel tariffs still in place, perhaps the most appropriate Canadian to sign the agreement would be an underling from Canada's Buenos Aires embassy "with a bag over his head."

Not only is the steel and aluminum tariff question still unresolved, but there were also lingering disagreements over the deal's text.

Canadian dairy industry leaders sent a sternly worded [letter](#) to Trudeau on Wednesday saying the Canadian government assured it hadn't agreed to provisions that would grant the U.S. oversight of their industry's administrative decisions. The Canadian farmers said Trudeau shouldn't sign the deal until it was clear the language was out of the final agreement.

U.S. dairy producers say that provision is necessary to prevent a recurrence of a dairy ingredient pricing scheme the U.S. industry had fought hard to eliminate through the trade talks.

Sen. Elizabeth Warren (D-Mass.) and Rep. Rosa DeLauro (D-Conn.) are the latest lawmakers to come out against NAFTA 2.0. Warren said in a speech Thursday that she can't support the U.S.-Canada-Mexico agreement as written because it doesn't go far enough to prevent outsourcing, raise wages and create new jobs.

Dire Warnings for Ag In Climate Report

U.S. agricultural production is expected to see lower yields because of climate change, livestock operations will face increased stress, and weather disruptions will become more severe, a sweeping federal report warned.

The report, released the day after Thanksgiving (in journalism we call this a news dump), is the fourth annual climate risk assessment from the United States Global Change Research Program — or [USGCRP](#), if you're into DC acronyms. The report was written with the help of 13 government agencies and some 300 experts, including scientists at USDA.

Here's a rundown of key food/ag findings in the 1,600-page report:

- Crop declines over long term: The report notes that the agriculture sector is good at adapting to changing conditions, but yields of major crops (as well as farm profits) are expected to decline by mid-century.

- Yield changes expected to vary: Warmer temps will impact crops in different ways. The assessment highlights [modeling](#) that shows how various crop yields are expected to change through the year 2100 in California's Central Valley: Alfalfa and safflower yields look relatively stable, for example, but wheat, cotton and sunflower are projected to see substantially lower yields.
- Mixed bag for beans: Soybeans have a good chance of seeing increased yields early this century (thanks to increasing carbon dioxide), but the assessment says the yield boost is projected to be offset later in the century by stress from higher temps.
- More dry days, hot nights: Scientists project that some regions (particularly the West and South) will see more consecutive dry days, while much of the country will see more hot nights, changes that will likely to contribute to lower grain yields and more stress on meat, milk and egg production.
- CO2 is great for weeds: As the concentration of carbon dioxide increases in the atmosphere, there will continue to be a disproportionately positive impact on weeds. "This effect will contribute to increased risk of crop loss due to weed pressure," the report says.
- Nutrition, crop quality concerns: While rising CO2 can increase plant growth, and is generally beneficial for weeds, it also can fuel a reduction in the nutritional quality of a variety of crops.

Statement of Secretary Perdue on Signing of USMCA

U.S. Secretary of Agriculture Sonny Perdue today issued the following statement regarding the signing of the new trade pact, the United States-Mexico-Canada Agreement (USMCA), replacing the outdated North American Free Trade Agreement (NAFTA):

"I have often said that we live in the best neighborhood on Earth – North America – and the signing of a new trade agreement with Mexico and Canada helps cement our highly integrated relationship as nations. President Trump has fulfilled a promise, which many said couldn't be done, to renegotiate NAFTA and improve the standing of the entire American economy, including the agriculture sector.

"The new USMCA makes important specific changes that are beneficial to our agricultural producers. We have secured greater access to the Mexican and Canadian markets and lowered barriers for many of our products. The deal eliminates Canada's unfair Class 6 and Class 7 milk pricing schemes, opens additional access to U.S. dairy into Canada, and imposes new disciplines on Canada's supply management system. The agreement also preserves and expands critical access for U.S. poultry and egg producers and addresses Canada's discriminatory wheat grading process to help U.S. wheat growers along the border become more competitive.

"This is good news for American farmers and we now need Congress to follow suit and enact the necessary implementing legislation. I commend President Trump and our U.S. Trade Representative, Ambassador Lighthizer, for their perseverance, leadership, and hard work."

[Source: USDA](#)

Trump's Flyover Trip to Argentina

Trump's trip to Latin America this week will be his first — and it won't last long: He's spending two days in Argentina at the G-20 summit then hopping on a plane back to the States.

Some say that's a missed opportunity for Trump to forge positive relationships with Latin American countries, especially because much of the region has been cold to Trump's trade policies.

Meanwhile, Chinese President Xi Jinping will stop in Panama while he's in the area for the summit, a visit that's seen as part of China's effort to expand its influence abroad.

Trump said Thursday that "China wants to make a deal." He said he's "open" to cutting an agreement when he meets with Xi on Saturday, "but, frankly, I like the deal we have right now" — seemingly a reference to the tariff hardball he's playing with the Chinese leader.

The two sides have been exploring a deal that would see Trump hold off on escalating tariffs to get Xi to agree to talks that would lead to major changes in China's economic policies, per a report in The Wall Street Journal.

USDA Nominees Pressed on Harassment, Climate Change

Naomi Churchill Earp, tapped to lead USDA's office of civil rights, said she wants to pilot a project at the Forest Service aimed at expediting sexual harassment and assault complaints amid persistent allegations from female employees that the agency mishandles the process and doesn't hold perpetrators accountable.

"We can triage them in a way to separate sexual assault from the silliness that goes on as a part of harassment," Earp told the Senate Agriculture Committee during a confirmation hearing. If confirmed, she said she would work with Agriculture Secretary Sonny Perdue and the Equal Opportunity Employment Commission on an initiative that puts complaints alleging sexual assault on a different processing track from those alleging sexual harassment.

Earp's use of the word "silliness" prompted scrutiny from Stabenow, who questioned whether that meant Earp considers harassment to be a less serious issue. Earp responded: "I probably shouldn't have described sexual harassment as 'silliness,' although it is on a continuum."

Earp added that she was referring to how in some cases, sexual assault allegations become a criminal matter and, therefore, must be expedited. Sexual harassment allegations that don't meet the bar of assault, like bullying, coarse language or inappropriate photographs, should be on a different processing track, she said.

A USDA spokesperson later told POLITICO that Earp's "silliness" comment was in reference to the time-consuming and bureaucratic Equal Opportunity Employment complaint process, and not to harassment allegations themselves.

At the same confirmation hearing, Sen. Sherrod Brown (D-Ohio) told Scott Hutchins, selected to be USDA's chief scientist, that he hoped for a more concise answer to a question about whether the nominee believes human activity is contributing to climate change.

Instead, Hutchins said this: "I accept the fact that climate change is occurring. It's always occurred. To the degree that a large body of work exists that suggests humans are having an impact on the acceleration of that change in a particular direction ... I accept that body of work." Hutchins made similar comments about the fourth federal [National Climate Assessment](#), which the Trump administration published last week. President Donald Trump said he does not believe the report's dire predictions.

How the U.S. Lags on Sustainability, Nutrition

The U.S. ranks first in many things, but it's far from the top when it comes to food sustainability and nutrition, according to a new index out this week. The U.S. came in at 26th in the Economist Intelligence Unit's annual [index](#), which gave France the highest overall ranking.

The index covers food loss and waste, sustainable ag practices and nutrition. It was expanded this year to include 67 countries.

"Wealth alone doesn't push you to the top of the index," said Leo Abruzzese, senior global director of public policy at The Economist Intelligence Unit, as he presented the findings Wednesday at a nutrition forum in Milan hosted by the Barilla Center for Food & Nutrition Foundation, which released the index with EIU.

Rwanda ranked 12th overall, besting the likes of the U.S. and the U.K. The country still has serious problems with malnutrition, Abruzzese noted, but it has made significant strides in updating its nutrition policies.

The U.S. ranked 22nd among 35 high-income countries included in the index, in part because of poor marks on tackling nutritional challenges. That category includes markers like micro-nutrient deficiency, life expectancy and dietary patterns. Japan and South Korea ranked best overall in this category.

The index is aimed at helping countries meet the U.N. Sustainable Development Goals, a sweeping set of health, environment and economic goals that global leaders are trying to meet by 2030. The results suggest every country has work to do in the area of food and nutrition.

Four More Years for Biodiesel Tax Credit

A sweeping tax package released by House Republicans on Monday night includes a four-year extension of the \$1-gallon biodiesel tax credit, including a three-year step-down lasting through 2024. The National Biodiesel Board is thrilled to get the credit into the extenders bill — but it had hoped for something a bit more lasting.

"We had been asking for some level of permanence, rather than termination in 2024," said Paul Winters, a spokesperson for NBB. But the deal was likely negotiated with Sen. Chuck Grassley (R-Iowa), Winters said. "We think it's the best proposal we're going to see in the near term."

Grassley, who will chair the tax-writing Senate Finance panel in January, said he worked with House Ways and Means Chairman [Kevin Brady](#) (R-Texas) to get a biodiesel agreement. "It seems to me he's been very open to giving a long-term phaseout of biodiesel," Grassley said of Brady on a conference call with reporters.

Grassley also name-dropped a tax credit for railroad bed improvements that would be permanently extended under the House legislation — also a boost for Iowa ag interests. "That credit is going to be made permanent but at a slightly lower rate than what is in existing law," he said.

USDA Announces Investments in Rural Community Facilities That Will Benefit More Than 761,000 Americans

Assistant to the Secretary for Rural Development Anne Hazlett today announced that the U.S. Department of Agriculture (USDA) is investing \$291 million (PDF, 142 KB) to build or improve

community infrastructure and essential services for 761,000 residents in 18 states and the Commonwealth of Puerto Rico.

“Modern community facilities and infrastructure are key drivers of rural prosperity,” Hazlett said. “As partners to municipal, tribal and nonprofit leaders, we are investing in rural communities to ensure quality of life and economic opportunity now and for generations to come.”

USDA is investing in 41 projects through the Community Facilities Direct Loan Program. The funding helps rural small towns, cities and communities make infrastructure improvements and provide essential facilities such as schools, libraries, courthouses, public safety facilities, hospitals, colleges and day care centers.

The projects announced today will help improve the quality of life in rural areas in Alaska, Alabama, Delaware, Florida, Georgia, Indiana, Kansas, Massachusetts, North Carolina, North Dakota, Nevada, Ohio, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Virginia, and Washington.

More than 100 types of projects are eligible for Community Facilities program funding. Eligible applicants include municipalities, public bodies, nonprofit organizations and federally and state-recognized Native American tribes. Applicants and projects must be in rural areas with a population of 20,000 or less. Loan amounts have ranged from \$10,000 to \$165 million.

[Source: USDA](#)

Good News/Bad News on Food Safety

After getting everyone’s attention pre-Thanksgiving, the FDA thinks it has traced the E. coli outbreak in romaine lettuce to growing regions in northern and central California. To help better assess future problems, leafy green distributors have now voluntarily agreed to identify where and when their lettuce was grown and harvested (effective immediately).

The day after Thanksgiving, when few were paying attention, USDA’s Food Safety and Inspection Service released [data](#) showing that dozens of poultry plants have failed Salmonella performance standards.

FSIS reviewed dozens of slaughterhouses from October 2017 through October 2018, after reports of major salmonella outbreaks in chicken and turkey that sickened hundreds around the country. (Each plant is given a category rating from 1 to 3, with “category 3” signifying the company failed performance standards.)

Four Jennie-O plants were found to have high levels of salmonella. That includes the plant in Barron, Wis., that issued a voluntary recall of around 150,000 pounds of ground turkey after FSIS determined the company was one of many brands likely connected to an outbreak that sickened at least 164 people over the past year.

Jennie-O said it has created a “salmonella task force,” according to a company statement shared with MA, to “better understand salmonella, and more importantly, what actions we can take to prevent it.”

Nearly three-fourths of slaughterhouses of Perdue Farms, one of the country’s top poultry producers, failed to meet performance standards for chicken parts. A Perdue spokesperson said the rankings “don’t necessarily reflect current plant salmonella levels.”

Thomas Gremillion, director of the Consumer Federation of America's Food Policy Institute, told MA the number of failed performance standards was due in part to "weak incentives under federal rules for poultry companies to attend to the bacteria."

Most major poultry companies have at least one "category 3" processing plant, with more than 15.4 percent of samples testing positive for salmonella, Gremillion noted.