

News from Washington: January 1-6

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What 2019 Holds for Food and Ag

USDA and FDA are expected to release major food and nutrition rules this year, from biotech regulations to dairy standards of identity. Ag industry priorities like a labor fix or an infrastructure overhaul are possible, but hardly likely. Trade is certain to be a major topic on Capitol Hill, as lawmakers debate Trump's signature trade achievement, the so-called U.S.-Mexico-Canada Agreement.

Here's a sample of what's on deck:

- USDA's 2020 dietary guidelines process ramps up, with several meetings likely throughout the year to help update the government's recommendations.
- Agriculture Secretary Sonny Perdue's controversial plans to move ERS and NIFA out of Washington will come to a head this year, but the new House Democratic majority could try to block the relocation effort.
- USDA's decades-old regulatory framework for biotech crops is due for an update, with a proposed rule expected early this year.
- The 2017 Census of Agriculture is scheduled to be published Feb. 21.

USDA will also move forward with its GMO labeling guidelines and its proposed rule to limit SNAP work requirement waivers for able-bodied adults without dependents, both of which were unveiled in December.

The department will start implementing the 2018 farm bill, and at least six trials related to Bayer's weedkiller Roundup are scheduled to take place this year, beginning in February. With Democrats in charge of the House, look for congressional oversight of the Trump administration to intensify.

Farm Bill Oversight Leads House Ag's 2019 Plans

House Agriculture Democrats are planning a wide-ranging series of hearings now that they're in the majority, and farm bill implementation will be the top priority of each subcommittee.

Here are some other highlights and potential flashpoints, per a list of oversight priorities and potential hearings circulated among members this week:

The nutrition subcommittee, which will be led by Rep. Marcia Fudge (D-Ohio), plans to review the Trump administration's rulemaking on Supplemental Nutrition Assistance Program work-requirement waivers. The subcommittee is being expanded to include oversight and department operations, and on its list of potential hearings is one on the "status of USDA Civil Rights situation for customers and employees." The House on Thursday adopted the Democrats' rules package for the new Congress, which includes instructions for the House general counsel to "immediately explore all possible legal options" for responding to USDA's new SNAP proposal.

The panel that oversees ag research will dig into Agriculture Secretary Sonny Perdue's controversial plans to move the Economic Research Service and National Institute of Food and Agriculture out of the Beltway by the end of 2019.

Several subcommittees are planning hearings on USDA's trade relief program for farmers and ranchers. Some lawmakers and commodity groups have criticized USDA's effort as inadequate,

and many have questioned the payment rates for specific ag products under the direct payment program.

Shutdown Complicates USDA Reports, Trade Aid

The government shutdown is approaching the two-week mark, causing numerous complications at the Agriculture Department and other agencies.

USDA's trade-relief program for farmers and ranchers burned by retaliatory tariffs is now effectively paused for those who hadn't certified their 2018 production by last Friday. Local Farm Service Agency offices, which were able to remain open for the first week of the shutdown, are now closed until Congress approves new funding.

"They can't come in right now and give us a [2018 production] number because the offices are closed," Bill Northey, undersecretary for farm production and conservation, said Wednesday on [AgriTalk](#). Perdue will consider extending the current Jan. 15 deadline to apply for the program, Northey added.

Ag producers who already certified their 2018 production aren't affected. USDA has paid out \$2.78 billion since Dec. 21 when appropriations expired, a spokesperson told MA. The department has processed \$5.2 billion of the total \$9.6 billion in direct aid pledged for certain commodity producers.

Monthly crop reports that can sway commodity trading could also be delayed, USDA Chief Economist Robert Johansson told AgriTalk. He said USDA will decide by the end of the week whether to delay a pair of commodity reports set to be published Jan. 11, including the monthly crop production and world agriculture supply and demand estimates

Peterson Takes Helm of House Ag

The House Agriculture Committee flips to Democratic control today, returning the gavel to Peterson after eight years of Republican reign.

In a wide-ranging interview with yours truly late last month, Peterson covered everything from Trump's trade war to dairy policy and the rural-urban divide. He also made clear he's tired of partisan disputes over the Supplemental Nutrition Assistance Program, which makes up the lion's share of USDA's budget and falls under the committee's jurisdiction.

A break from SNAP? "I'm not going back to it," Peterson said with a laugh, when asked what changes he'd like to see to the program. "I'm done. It's caused me enough trouble."

Rep. Marcia Fudge (D-Ohio) will chair the nutrition subcommittee, Peterson said. It will be her prerogative to decide whether hearings on SNAP should be held, he noted.

Peterson's Rayburn office is replete with taxidermy, including a lot of impressive-looking ducks. In the waiting area outside, a sign reads: "If farming were easy Congressmen would do it."

A few nuggets from the lengthy interview:

- On the farm safety net: "I brought up more than once that the safety net is not good enough," Peterson said, referring to the recent farm bill talks. "... I hope I'm wrong."
- On farmers' patience with Trump's trade war: "Right now, what they say to me is, 'Well, Trump's a businessman, he knows what he's doing. We've just got to give him some time and this will be better.' I don't believe that."

- On moving ERS and NIFA: “I don’t think it’s a good idea; I’m not for it. But I don’t think I can do anything about it.”
- On limiting what one can buy with SNAP benefits: “I’m somewhat sympathetic to that, but it’s not going to happen.”

McGovern To Fight for SNAP from Rules Post

Rep. Jim McGovern, the vocal anti-hunger hawk, is leaving House Ag to serve as chairman of the powerful House Rules Committee. The Massachusetts Democrat pledged Wednesday to use his new perch to fight any effort to alter or cut back SNAP.

McGovern vowed to give the Trump administration “one hell of a fight” if it proceeds with a proposed rule that would make it more difficult for states to get waivers from existing food-stamp work requirements.

McGovern told POLITICO on Wednesday that he will use his gavel to aid anti-hunger efforts. “As chairman of the Rules Committee, I will look for every possible way to eradicate hunger in this country,” he said.

In a package of [rules](#) for the 116th Congress that the full House is expected to consider today, Democratic leadership instructs the Office of General Counsel of the U.S. House of Representatives to “immediately explore all possible legal options” for responding to USDA’s new SNAP rulemaking.

McGovern, who previously served as ranking member of House Ag’s nutrition subcommittee, said he’s delighted Fudge will be leading the panel. “She’ll be spectacular,” he said. “She’s been an incredible champion for those who are hungry in this country.”

The rules package would scrap an [obscure rule](#) targeting pay for federal employees, rewrite the way the chamber deals with budget issues and stand up a new select committee on climate change.

Newly elected progressives on Capitol Hill are pushing back against the package’s plan for addressing deficit reduction, but McGovern told reporters he doesn’t expect the the so-called Pay-As-You-Go rules to sink the package.

USDA Nominees in Flux as New Congress Begins

The 115th Congress officially ended Thursday without the Senate confirming three high-level USDA nominees, whose fate is now uncertain.

A Senate Agriculture Committee spokesperson said the committee would likely have more information next week about how it will handle the nominations of Mindy Brashears (for undersecretary for food safety), Naomi Earp (assistant secretary for civil rights) and Scott Hutchins (undersecretary for research, education and economics).

The trio was not included in a slate of more than 70 nominations approved by the Senate on Wednesday evening. Neither was Kip Tom, Trump’s nominee for representative to the U.N. food and agriculture organization; the Senate Foreign Relations Committee approved his nomination in September.

When one Congress ends, nominations still pending before the Senate are typically sent back to the White House to be renominated under the new Congress. The committees determine whether to hold a new round of confirmation hearings and markups.

Dairy's Next Push: Quick USMCA Approval

The U.S. dairy industry is seen as one of the main winners in the U.S.-Mexico-Canada Agreement, by virtue of provisions opening up Canada's dairy market and ending Ottawa's Class 6 and 7 milk pricing system. Still, there's a bit of disagreement in the sector about what comes next.

When the trade deal comes before Congress this year, some dairy producers want lawmakers to push for tightening regulatory provisions to ensure Canada follows the spirit of the agreement. Others just want USMCA approved as fast as possible.

What's the worry? Canada could potentially exploit loopholes to circumvent some of the provisions, like marketing skim milk products under a different name in order to bypass export quotas. There's also concern among some U.S. producers over Ottawa's request to delay implementing certain data requirements.

Like U.S. Trade Representative Robert Lighthizer, Deputy USTR Jeff Gerrish is a trade lawyer who earned millions representing clients like U.S. Steel Corp. Now, Gerrish is leading the trade delegation to Beijing next week for the first face-to-face talks since the temporary ceasefire began in December. David Malpass, Treasury undersecretary for international affairs, will join Gerrish.

Kevin Hassett, chairman of the White House Council of Economic Advisers, said Thursday that a "heck of a lot of U.S. companies" that do business in China are likely to report lower earnings this season due to trade tension

Faster Line Speeds Despite Failed Safety Tests?

USDA moved early last year to allow certain poultry plants to accelerate their processing line speeds to 175 birds per minute — well above the existing federal cap of 140 birds per minute — if the plants passed salmonella testing and met other requirements.

Several plants enrolled in the program have already failed those food-safety tests. But in a recent interview with POLITICO, USDA's Food Safety and Inspection Service indicated the plants won't necessarily lose their ability to run faster line speeds.

The statement sparked fresh criticism from food safety advocates, who argue faster line speeds are likely to increase the risk of worker injuries and food contamination.