

News from Washington: February 25-March 3

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Democrats Turn Up Heat on USDA Over SNAP Rule

Democrats this week sent a clear message to Perdue when he came before them: We don't like your rule to tighten Supplemental Nutrition Assistance Program work requirements, and we're prepared to fight you on it.

After Perdue faced a marathon of questioning from lawmakers in both chambers over two days, USDA shot off [a press release](#) late Thursday that reiterated the department's rationale for its proposal to crack down on states' ability to seek waivers from existing work requirements for able-bodied adults without dependents (aka ABAWDs).

"The rule aims to restore the system to what it was meant to be: assistance through difficult times, not lifelong dependency," USDA said in the release. Perdue also [tweeted a clip](#) of himself Thursday defending the policy.

The department contends states are abusing their ability to get waivers from ABAWD work requirements, which were set in a bipartisan 1996 welfare reform law. Democrats and anti-hunger advocates argue curbing the waivers will harm those with a low income who might be considered able-bodied, but who also struggle with significant barriers to work, such as homelessness, lack of transportation, mental health issues or addiction recovery.

USDA's defense of the rule came after a particularly terse exchange. Senate Agriculture ranking member Debbie Stabenow (D-Mich.) on Thursday chastised Perdue for issuing the rule after Congress rejected a similar policy in the 2018 farm bill. "It will face fierce opposition from lawmakers and advocates, and I encourage you to withdraw it," she said.

Sens. Kirsten Gillibrand (D-N.Y.), who's declared her candidacy, and Sherrod Brown (D-Ohio), who's expected to announce a run, also sharply questioned Perdue over the action. House Democrats were also worked up about the SNAP rule, grilling Perdue on Wednesday.

Perdue Reiterates Need to Restore Original Intent of SNAP: A Second Chance, Not A Way of Life

U.S. Secretary of Agriculture Sonny Perdue today reiterated during a U.S. Senate hearing the need to restore the original intent of the Supplemental Nutrition Assistance Program (SNAP), which is to be a second chance and not a way of life. Secretary Perdue's comments come on the heels of the U.S. Department of Agriculture (USDA) publishing in the Federal Register a proposed rule to move more able-bodied recipients of SNAP benefits to self-sufficiency through the dignity of work. The rule aims to restore the system to what it was meant to be: assistance through difficult times, not lifelong dependency. This proposed rule focuses on work-related program requirements for Able-Bodied Adults Without Dependents (ABAWDs) and would apply to non-disabled people, between the ages of 18 and 49, with no dependents. The rule would not apply to the elderly, the disabled, or pregnant women. Those who are eligible to receive SNAP – including the underemployed – would still qualify.

Despite the absence of any statutory changes to the welfare reform legislation of 1996, an abuse of administrative flexibility in SNAP has undermined the ideal of self-sufficiency. When then President Bill Clinton signed the legislation that instituted work requirements for ABAWDs he said, "First and foremost, it should be about moving people from welfare to work. It should

impose time limits on welfare... It [work] gives structure, meaning and dignity to most of our lives.”

During today’s hearing, Secretary Perdue was asked about work requirements and his proposed rule. He said:

“What was accepted by the U.S. Senate and passed was the same bill that’s been there since the beginning of the Welfare Reform regarding the work requirements of 20 hours per week. And what you also passed was not a prohibition, it was no change to the fact that in one section it says that the Secretary may waive that applicability and we plan to do that for the ABAWDs. We think the purpose is to help people move to independency... We should help people when they are down but that should not be interminably.”

“...You all also provided for a 12 percent cushion for states that they could use for any purpose. But, we do not believe in states where unemployment is 4 percent that ABAWDs should be able to stay on food assistance interminably.”

[Source: USDA](#)

U.S. Wins Out Over China in WTO Case

A panel of World Trade Organization judges on Thursday confirmed China exceeded agreed-upon limits on government subsidies for certain crops — a major victory for the U.S. and potential ammunition in trade negotiations with Beijing.

The U.S. argued China overshot its support to wheat, corn and rice producers by \$100 billion in 2015. The WTO judges ultimately agreed China exceeded its allowable subsidy limits for rice and wheat, but the support measures for corn had been removed before the case was initiated.

U.S. Trade Representative Robert Lighthizer said the case could become part of a broader trade deal with China. He noted that another WTO challenge, which targets how China administers import quotas on certain agricultural products, is also in the works.

“So trying to resolve those in the context of this agreement is something we are trying to do,” he told the House Ways and Means Committee on Wednesday, before the ruling was announced Thursday.

White House chief economic adviser Larry Kudlow told CNBC on Thursday that the outlook for a China deal is “very positive,” an apparent backtrack from Lighthizer’s [testimony](#) to Ways and Means that substantial work still needs to be done.

Trump said Thursday major progress had been made in China talks, but he acknowledged the negotiations could still collapse. “I’m never afraid to walk from a deal. And I would do that with China, too, if it didn’t work out,” Trump said during a press conference in Vietnam after an unsuccessful meeting with North Korean Leader Kim Jong Un.

Senate Minority Leader Chuck Schumer says Trump better be prepared to pull back if Beijing balks at a comprehensive deal. “They have a generational imperative not to squander the chance to achieve permanent reforms to China’s economic relations with the world,” he said.

The Trump administration took a key step toward formally starting trade negotiations with the United Kingdom by publishing its detailed objectives for an agreement, which includes ag issues.

Forecasting an Ag Labor Fix

Lawmakers and ag industry groups on the Hill on Tuesday talked up the need for a comprehensive legislative package to ease the chronic farm labor shortage by legalizing undocumented workers and supporting a steady flow of laborers from other countries.

“This isn’t something we have the luxury of time to take to solve. This is hurting our industry as we speak,” Rep. Dan Newhouse (R-Wash.) said during a panel discussion.

Two ag labor bills introduced this year would address pieces of the broader issue, but a comprehensive measure has yet to materialize.

Senate Ag Chairman Pat Roberts (R-Kan.) said he thinks a bipartisan solution is possible: “If we can figure out a combination here that makes sense ... I think we can sell this,” Roberts said.

The effort could benefit from Trump’s backing. At the annual American Farm Bureau Federation convention last month, the president scored one of his biggest rounds of applause of the day when he said he’ll push for legislation to help producers hire foreign guest workers more easily.

Perdue: Big Cuts to USDA in White House Budget

Trump’s fiscal 2020 budget request will propose slashing non-defense programs by 5 percent, acting OMB Director Russell Vought wrote in an [op-ed](#) for RealClearPolitics. But the Agriculture Department could be looking at an even steeper proposed cut, Perdue said Monday.

“I wish they would give us a 5 percent cut,” he said, facetiously.

Perdue noted that Congress usually disregards the president’s budget request, which in recent years has unsuccessfully called for cuts to USDA.

The secretary told reporters he’d like to see the process go back to being more of a negotiation between the president and Congress: “It’s like buying and selling a piece of land. You’ve got to get within the realm of negotiation there for people to take you seriously in that regard.”

Mixed Messaging on E15 Timing

Shortly after Perdue gave his testimony to Congress on Thursday, he [tweeted](#) a photo of himself and Wheeler at USDA headquarters and praised the acting EPA chief for “moving expeditiously to finalize [the] E-15 rule before the start of summer driving season.” That closed the loop after hours of confusion, which started when Perdue told House Agriculture members that EPA wouldn’t have the regulation ready by June — an outcome that would ruffle feathers among influential Midwestern farmers, ethanol groups and lawmakers.

“Unfortunately, those rules probably will not be out for the driving season,” Perdue said at the morning hearing. EPA’s work on the rule to allow year-round sales of E15 has been delayed by the five-week government shutdown, putting the agency’s June 1 target date in jeopardy.

Midwestern farmers have been waiting months for EPA to fulfill Trump’s promises to deliver on E15. The rule is seen as key to increasing ethanol consumption.

Wheeler quickly disputed Perdue's comments. "That is not a fact," he said at an event at USDA headquarters associated with the National Association of State Departments of Agriculture conference. "We are working hard to get it done before summer driving season." Wheeler told officials at the event to ignore press reports that the rule wouldn't be out by summer.

Perdue later offered an explanation: "Administrator Wheeler told me a couple weeks ago that in catching up after the shutdown, it looked very doubtful they'd be able to make the commitment prior to driving time," he told reporters. "But I think he's really pushing and driving his troops to get that done. And today he told me he thought it was very likely they could get it done and would do so if at all possible."

Wheeler himself told lawmakers last month at his confirmation hearing that he wasn't sure the agency could get the rule done on time.

Roundup Cancer Trial Kicks Off

A high-stakes federal trial began in California last week involving a man diagnosed with non-Hodgkin lymphoma who is seeking compensation from Bayer because he claims its weedkiller Roundup caused his cancer. Roundup was developed by Monsanto, which merged with Bayer last year. Edwin Hardeman's case is the first to head to trial as part of a multidistrict litigation involving more than 1,600 plaintiffs, and it's expected to set the tone for the other cancer patients' cases.

Bayer insists that Roundup is safe. Both sides will call scientific experts to the stand who will offer competing views about the health and safety of Monsanto's glyphosate-based products.

The Roundup case, as well as the Ninth Circuit's rehearing of a challenge to EPA's chlorpyrifos ban walkback, will test what role courts will play in deciding what products consumers and farmers can apply to their lawns and fields.

Congressman Peterson Applauds IRS Decision on Filing Deadline Waiver for Farmers

Congressman Collin C. Peterson welcomes the IRS' decision to provide a waiver for farmers and ranchers on the March 1st filing deadline. Peterson sent a letter to IRS Commissioner Charles Rettig requesting the waiver, which also allows producers to forgo making quarterly estimated tax payments. Peterson released the statement below:

"I wrote the IRS last week, following input from my constituents, and I am happy to see them respond well. Because of implementation issues with the Tax Cuts and Jobs Act, most notably the lack of guidance regarding Sec. 199A, coupled with the delay of Market Facilitation Program payments as a result of the government shutdown, many filers will be unable to meet the March 1 deadline. This is an opportunity for the IRS to work with farmers and ranchers to accommodate their unique tax needs."

[Source: House Committee on Agriculture](#)

Mexican Official: Trump's Short USMCA Votes

Jesús Seade, Mexico's undersecretary for North America, said Trump doesn't currently have the votes in Congress necessary to approve the U.S.-Mexico-Canada Agreement.

Seade, who was involved in the final stages of the NAFTA 2.0 talks last year as then-incoming Mexican President Andrés Manuel López Obrador's representative, said he doesn't understand

why some Democrats are demanding the agreement be reopened and amended, particularly on labor and enforcement issues.

“The labor chapter of the agreement is hyper-ambitious,” Seade said. “It’s really a best-practice kind of catalog.”

Seade also said the steel and aluminum duties on Mexico “has to be solved in the next few weeks. It’s really a condition for launching the ratification process.”

Wheeler Confirmed as EPA Head

The U.S. Senate has confirmed Andrew Wheeler as the new head of the Environmental Protection Agency by a vote of 52 to 47.

Wheeler was appointed as Acting Administrator of the agency in July following the resignation of Scott Pruitt.

Growth Energy CEO Emily Skor congratulated Wheeler in a statement, saying the Administrator can improve air emission regulations and give American drivers access to affordable and renewable fuel choices.

Renewable Fuels Association CEO Geoff Cooper says he looks forward to working with Wheeler on implementing a strong Renewable Fuel Standard, making year-round E15 a reality, and repairing damage done as a result of an unprecedented number of small refiner waivers granted by his predecessor. American Coalition for Ethanol CEO Brian Jennings also weighed in on Wheeler’s confirmation, asking the Administrator to expeditiously release a legally-defensible rulemaking for E15 use year-round and recommit to finalizing the rule by the June first summer driving season.

[Source: Brownfield Ag News](#)

State Ag Officials Grill Cell-Based Meat Sector

The emerging technology — which involves replicating animal cells in a lab and growing them into tissues to create meat products — is still a few years away from entering the market. But state agriculture officials at the NASDA gathering on Tuesday jumped into the long-running and often contentious debate over how to label cell-based meat products.

North Dakota, Missouri, Indiana and Illinois officials warned a Memphis Meats executive against marketing cell-based meat products as healthier or better for the environment than their conventional counterparts, and to ensure labeling is accurate.

At one point, North Dakota Agriculture Commissioner Doug Goehring described the development of cell-based meat as a “science experiment,” adding that while he supports scientific innovation, the products could potentially be used to “exploit” the livestock sector — particularly on environmental issues.

Eric Schulze, VP of product and regulation at Memphis Meats, said the company doesn’t intend to demonize any production method. He said it realized early on that “clean meat” wasn’t the correct word for its products, so it adopted a “more factual, objective term — cell-based meat. It’s taken off since,” he said.

Gottlieb told reporters on Tuesday that his agency and USDA will issue “within weeks” a memorandum of understanding on regulation of cell-based meat that establishes a “bright line” on jurisdictional issues. That follows the joint regulatory framework USDA and FDA announced in November.

Washington Has Work to Do on Hemp, CBD

There’s plenty of excitement around the farm bill’s legalization of hemp — and with implementation gearing up, regulators in Washington have one heck of a to-do list at hand to give farmers, state officials and investors clarity on how it’s all going to work.

A pair of meetings on Tuesday illustrated just how many questions remain. During a USDA listening session on implementation of the 2018 law, H.R. 2 (115), hemp was the issue du jour.

Industry reps pushed agency officials to churn out federal guidance so state legislatures currently in session could craft their own hemp rules this year. Over at the National Association of State Departments of Agriculture policy conference, state officials zeroed in on how their hemp growers want to produce CBD but need regulatory certainty from FDA.

On the list for USDA: Hemp lawyers and other stakeholders wanted to know who will be tasked with verifying licenses for industrial production and whether the plant can be insured under the Whole-Farm Revenue Protection program, which covers all commodities on a farm under one policy.

They also want clarity on organic certification, interstate transport and access to financial services.

FDA suggests Congress should take a look at CBD. Gottlieb on Tuesday suggested the agency is interested in talking to Congress about “alternative approaches” to oversee CBD. While FDA has said it’s looking at rulemaking, the process is generally a lengthy one, so legislation could potentially simplify the pathway to market.

It’s currently illegal for companies to sell food containing added CBD or the psychoactive compound THC across state lines, or market CBD or THC-containing products as dietary supplements, because both are ingredients in FDA-approved drugs. That means the agency needs to issue a rule for CBD products to be legally marketed.

“This is one of the top issues I’m being asked during my visits on Capitol Hill,” Gottlieb told reporters.

Farm Credit Board Nominee Lacks Ag Support

Rodney Brown, the White House’s pick to serve on the three-member Farm Credit Administration board, is facing opposition from more than two dozen farm groups — a rare move for an industry that’s largely backed Trump’s appointments to ag posts.

In a letter this week to Senate Ag leaders, the groups raised alarm that Brown is a former president and CEO of the California Bankers Association. The trade association, along with its national arm in Washington, American Bankers Association, represent commercial financial institutions.

The associations have long lobbied to rein in the Farm Credit System, which is regulated by the FCA. They argue the Farm Credit System’s status as a government-sponsored enterprise gives

its banks an unfair tax advantage over other lenders competing for the same business, and the system finances projects outside of its authority.

The American Farm Bureau Federation, National Farmers Union, National Council of Farmer Cooperatives and 24 other groups signed the letter.

They contend that although they don't oppose a nominee with a background in commercial banking, Brown's history with trade associations that "publicly advocate against the interests of Farm Credit System's congressionally sanctioned mission is disqualifying."

Nutrition Interests Mixed on Dietary Guidelines Advisors

Low-carbohydrate foodmaker Atkins Nutritionals gave a tentative stamp of approval to the lineup of nutrition experts that HHS and USDA chose for the Dietary Guidelines Advisory Committee, but other groups were in wait-and-see mode.

Low-carb supporters have long pushed for a more diverse advisory committee, aiming to have low-carb dietary patterns included in the government's official advice for healthy eating, which is updated every five years.

"I think a lot of these people are more aware of the high quality low-carb research that has been done in the past few years," said Colette Heimowitz, vice president of nutrition and education at Atkins.

Among the 20 experts tapped for the advisory panel is Lydia Bazzano, a physician and nutrition researcher at Tulane University, who was nominated by Atkins. Bazzano has published research showing benefits of a low-carb diet.

- **The National Cattlemen's Beef Association** had two of the experts it nominated make the cut: Heather Leidy, of the University of Texas at Austin, and Carol Boushey, of the University of Hawaii Cancer Center.
- **The Academy of Nutrition and Dietetics** had four: Regan Bailey and Richard Mattes of Purdue University; Linda Snetselaar, of University of Iowa's College of Public Health; and Jamie Stang, of University of Minnesota's School of Public Health.
- **he American Beverage Association** had two: Barbara Schneeman, of the University of California, Davis, and Steven Heymsfield, of Louisiana State University's Pennington Biomedical Research Center.