

News from Washington: October 28- November 1

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Next Steps for USMCA Negotiations

The top House Democrat negotiating changes to the new North American trade pact said Trump's trade chief needs to work directly with U.S. labor groups to find a compromise on labor and enforcement provisions.

"I do think that it would be a good idea if labor and the AFL-CIO and trade staff here in the House and the USTR would get together during the next 10 or 12 days," said Ways and Means Chairman Richard Neal (D-Mass.) after a meeting with U.S. Trade Representative Robert Lighthizer and the nine-member Democratic working group on Wednesday.

Resolving the debate over labor language is one of the final steps to reaching an agreement between Democrats and the White House that could set up a ratification vote before the end of the year.

During the House recess next week, Neal plans to meet with Canadian Prime Minister Justin Trudeau to discuss USMCA on Nov. 6. He also led a delegation to Mexico earlier this month to discuss the pact with President Andrés Manuel López Obrador.

Closing in On Phase-One Trade Deal

The U.S. and China each released statements claiming that they're close to finalizing portions of the limited trade agreement that Trump and Chinese President Xi Jinping are aiming to sign in November.

U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin spoke with Chinese Vice Premier Liu He on Friday. According to USTR, the three officials "made headway on specific issues and the two sides are close to finalizing some sections of the agreement." Deputy-level discussions will continue with another high-level call expected "in the near future."

Chinese state media had more details about what provisions have been finalized. The two sides have reached consensus on U.S. imports of Chinese cooked poultry; a supervision system for catfish products; and lifting the Chinese ban on U.S. poultry, among other areas of agreement.

Officials hoped to have the deal ready for Trump and Xi when the leaders were to meet at the Asia-Pacific Economic Cooperation (APEC) summit on Nov. 16-17 in Chile. However, Chile has called off the APEC gathering.

The White House is still aiming for Trump and Xi to sign the "phase one" trade deal "within the same time frame," according to spokesperson Hogan Gidley. Another person familiar with the talks said that "we just have to figure out someplace where it can be done where it's suitable,"

Chilean President Sebastián Piñera has also canceled the U.N. climate change conference that was set for Dec. 2-13, also in Santiago. The capital city has experienced major unrest since a subway fare hike sparked massive protests against income inequality.

What You Need to Know About the Hemp Regs

Now that USDA's highly-anticipated hemp rules are out, the industry is pouring over the 161-page document and sussing out what they're happy with — and what they want changed.

Everyone can agree they're glad to see some federal guidance, given the confusion surrounding hemp since legalization last year. But not everything has been settled. Business owners wanted to see USDA declare a single testing method for THC levels, but the department opted to accept multiple sampling standards.

Another trade association is jumping into the hemp lobbying rush — the Hemp Federation of America, a farmer-focused organization that wants to represent producers inside the Beltway, MA exclusively reports this morning. Founded by former Hill veterans Chris Thorne and Scott Graves, HFA plans to host its first fly-in Nov. 14. Thorne previously worked for then-Sen. Kent Conrad (D-N.D.) and Graves worked for Rep. Mike Conaway, ranking member of the Agriculture Committee.

So far, the group has about 30 members representing farming regions throughout the country. HFA's legislative priorities include continuing to educate about the difference between hemp and marijuana; securing banking protections for the industry; opening interstate commerce for hemp transportation; and elevating the crop's status so it's treated like any other commodity, giving producers access to USDA programs like crop insurance and conservation assistance.

Hemp Org Releases New Guidance

Third-party certification organization U.S. Hemp Authority is releasing new guidance procedures today. The guidance establishes definitions for labels often found on cannabidiol, or CBD, products like "full spectrum" and takes cues from the FDA's regulations on food, supplements and cosmetics (although the agency has yet to release rules for CBD).

Amid the regulatory limbo, some in the hemp industry have taken steps to self-regulate. The goal, the organization's President Marielle Weintraub said, is "to avoid what I refer to as a '60 Minutes' moment — where one company does something that brings down this entire industry, because it is under a microscope." Weintraub added that to keep up with CBD's rapid sales growth, her group plans to regularly update the guidelines.

Playing Catch-Up Against African Swine Fever

In 2004, a team of USDA researchers hunting for an African swine fever vaccine was disbanded for budgetary reasons. The department's research on ASF didn't pick back up until 2010. That six-year gap is now posing problems for public and private efforts to stave off the incurable disease from spreading to the U.S., which could devastate the pork industry.

Experts think scientific challenges are primarily responsible for complicating the development of a vaccine. But the industry has pointed to low levels of federal funding for animal disease research as a real hindrance.

Liz Wagstrom, chief veterinarian at the National Pork Producers Council, said there's little hope in the industry that a vaccine will be developed in the near future, because of the complexity of the virus — so the sector is largely focusing on prevention. "The vaccine research is probably a much longer-term project," Wagstrom said.

The U.S. was once the top nation in the world for its share of public funding devoted to agricultural research. But federal funding levels have fallen for years, even as countries like

China and Brazil have increased their commitments. Democrats, hoping to reverse the trend, have introduced legislation in both chambers that would increase USDA's research budget by 5 percent.

It's Back to The Eighties After Trump's WOTUS Repeal

The EPA last week finalized its rollback of the Obama administration's WOTUS regulations, handing a long-sought victory to farmers, developers and other industries that viewed the sweeping environmental rules as an overreach. But while the Trump administration crafts a replacement, federal regulators are forced to revert to a 1986 policy that gives Washington much broader authority over small creeks and far-flung wetlands.

The WOTUS repeal was met with a pair of lawsuits, one from each side of the issue. Environmental groups claimed the EPA failed to justify the new rule or analyze its full impact. And the Pacific Legal Foundation [filed a lawsuit](#) on behalf of the New Mexico Cattle Growers' Association, arguing that putting the 1980s rules back on the book poses the same problems for industries as the original WOTUS rule itself.

The EPA is working to finalize a "replacement" rule with a narrow definition of which streams and wetlands are subject to federal regulations. But legal experts predict that second piece of the agency's effort will get caught in the courts. That means the 33-year-old regulations could remain the law of the land for years to come.

Climate Crisis Committee Looks for Ag Solutions

Congress took a rare dive into the nexus of climate change and agriculture Wednesday afternoon as House Democrats' climate panel explored what role farming practices can play in tackling the "climate crisis."

"We call on Congress to seize the opportunity to make agriculture a key partner in fighting climate change," Jennifer Moore-Kucera, climate initiative director at American Farmland Trust, told the committee [during a nearly two-hour hearing](#). Moore-Kucera noted that lawmakers could engage ag through either stand alone legislation or "a transformational farm bill."

The hearing comes as more food and ag companies engage their supply chains to focus on climate-friendly practices, from Cargill to General Mills and Danone North America, which testified Wednesday. "We want farmers to know this can be a path forward for them," said Tina Owens, senior director of agricultural funding and communications for Danone North America, after the hearing.

Experts before the committee were unanimous that agriculture can be a big part of the solution, particularly through carbon sequestration. They supported leveraging existing USDA conservation programs to focus on climate-friendly agriculture practices and called for bolstering agricultural research on climate adaptation and mitigation.

But how big of a dent could ag make? Lawmakers were interested in quantifying how big farming practices like cover crops, no-till and crop rotation could be, in terms of making a dent in carbon emissions, for example. The panelists seemed to agree that more research and scientific consensus is needed.

The committee formally asked for input on a handful of agriculture topics. Members want to know what policies should Congress adopt to reduce emissions and "maximize carbon storage,"

as well as to “help farmers, ranchers, and natural resource managers adapt to the impacts of climate change.” Lawmakers also want input on forest management and ocean issues.

The committee is asking for input via email by Nov. 22 at ClimateCrisisRFI@mail.house.gov.

Oil, Ag Take Biofuels Feud to The Hill

The Energy and Commerce meeting on Tuesday was focused on the EPA’s wide use of blending waivers for oil refineries, which corn growers and ethanol producers claim has destroyed demand for their products. The EPA’s proposed supplemental rule to reallocate blending requirements — effectively forcing larger refiners to blend additional gallons of biofuels to offset lost demand — has been widely blasted by both sides.

Geoff Cooper, head of the Renewable Fuels Association, called it a “bait and switch” that wouldn’t help bring idled biofuel plants back to life. Chet Thompson, president of the American Fuel and Petrochemical Manufacturers, said the plan would hurt the refiners who are forced to blend a greater share under the Renewable Fuel Standard.

“Right now, President Trump is pitting farmers and refiners against each other to the detriment of all stakeholders and consumers,” Chairman Frank Pallone (D-N.J.) [said in his opening statement](#). “As a result, the RFS does not appear to be working the way it should for anyone involved.”

House Ag Chairman Collin Peterson (D-Minn.) has filed a bipartisan bill that would require all information provided by refiners in their petition for a waiver to be disclosed publicly. It would also set a June 1 deadline for refiners to seek exemptions for the upcoming year.

On tap today: The EPA holds a public meeting on the supplemental RFS rule in Ypsilanti, Mich., starting at 9 a.m.

The Ag Labor Victory Lap

House lawmakers unveiled the Farm Workforce Modernization Act, H.R. 4916, on Wednesday to much celebration at a packed press conference with more than a dozen Republican and Democratic co-sponsors and industry stakeholders. The effort was spearheaded by Reps. Zoe Lofgren (D-Calif.) and Dan Newhouse (R-Wash.).

While no one pretended the legislation is a complete panacea to the ag labor shortage — and there are some provisions disliked by certain parts of the industry — lawmakers touted the fact that they were able to reach a deal at all after eight months of intense negotiations. The measure would provide a path to legalization for agricultural laborers and expand the H-2A foreign guest-worker program.

“This is the best effort we’ve had in a long time to move something forward,” said Rep. Doug LaMalfa (R-Calif.). Rep. Salud Carbajal (D-Calif.) was even more direct: “This is a big freaking deal. Let’s call it what it is.”

Broad swaths of the agriculture industry are on board, such as the National Farmers Union, California Farm Bureau, Western Growers Association, United Farm Workers, Farm Credit and National Milk Producers Federation.

Absent from the list of supporters was the American Farm Bureau Federation. Lofgren told reporters she doesn’t know why the group didn’t back the bill. “They were at the table for nine

months and when it was all over they said they have a few other issues,” she said. “We’ll continue to talk with them. We’d love to get their support.”

Why We Don’t Know What to Eat to Stay Healthy

Nutrition research is an afterthought in Washington even though diet-related diseases like obesity and Type 2 diabetes are skyrocketing, threatening the fiscal sustainability of the U.S. health care system.

A POLITICO analysis of federal budget documents dating back decades reveals that NIH and USDA, as a share of their overall research dollars, are shrinking investments in nutrition. NIH in 2018 invested \$1.8 billion, or just under 5 percent of its total budget. USDA’s Agricultural Research Service spends much less: Just \$88 million was devoted to nutrition last year, or a little more than 7 percent of its overall research portfolio — virtually the same as in 1983 when adjusted for inflation.

To boot, there’s a lack of federal leadership on nutrition research, no major lobbying force on Capitol Hill, and a nutrition science community that finds itself fighting over whether public health enemy No. 1 is processed carbs or fat or sodium or sugar. Meanwhile, consumers get a regular dose of whiplash on diet advice: One day coffee is healthy, the next it’s not; red wine is good for your heart, or maybe not; cheese is either a healthy source of protein and calcium, or a dangerous overdose of fat and salt.

This has prompted calls for establishing a National Institute of Nutrition, to be housed under NIH. Leading that effort is Joon Yun, a Silicon Valley investor better known for putting up millions to spur innovations to end aging. He and two high-profile allies — Dariush Mozaffarian, dean of Tufts University’s nutrition school, and David Kessler, who led the FDA during the George H.W. Bush and Clinton administrations — are trying to build momentum on Capitol Hill. “I don’t think we can afford not to have a National Institute of Nutrition,” Yun said.

FDA Has A New Way to Test for PFAS in Food

The agency on Thursday announced it [has a “scientifically validated” method](#) for testing 16 different types of per- and polyfluoroalkyl substances, or PFAS, in food — a significant step for FDA and state health and environmental authorities that are trying to determine how much Americans are exposed to the chemicals through their diet.

As part of this effort, the FDA in June [released the preliminary results](#) of PFAS testing in a limited sampling of foods, including from areas specifically affected by PFAS environmental contamination and the general food supply, via a routine program monitoring about 800 contaminants in the average U.S. diet. After applying the validated testing method to the initial results — which detected PFAS, in many cases at very low levels, in 14 out of 91 samples — the FDA said that’s been revised to only two out of the 91 samples.

PFAS, after initially being detected in a range of foods, was only present in ground turkey and tilapia. It was also detected in milk and produce from areas with known environmental contamination; the milk was discarded and didn’t enter the food supply, while the agency determined the concentrations in produce were so low they weren’t a human health concern.

The preliminary testing also showed extremely high levels of PFAS in chocolate cake. However, FDA determined that “chocolate appears to produce false positives.” To avoid this, the new validated testing includes an additional step to confirm measurements.

There are nearly 5,000 types of PFAS, which since the 1940s have been used in everything from Teflon cookware to food packaging. PFAS have been dubbed “forever chemicals” because they can take thousands of years to degrade. They’re found in about 99.8 percent of Americans’ blood, and several of the most well-studied are linked to kidney and testicular cancer, thyroid disease and other ailments.