

News from Washington: July 9-15

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Farm Bill Motion Teed Up for Next Week

The House could take an important step in moving farm bill talks forward next week by voting on a motion to proceed to conference — but Thursday provided the latest indication that bad blood between House ag leaders is one of the many issues yet to be sorted out in the coming weeks.

House Ag Chairman Mike Conaway (R-Texas) and ranking member Collin Peterson (D-Minn.) met Wednesday for the first time in eight weeks, according to Peterson. Their relationship burst into flames over the House bill's proposed changes to the food stamps program, which Democrats insist is a nonstarter. Peterson has vowed to team up with his Senate counterparts — Chairman Pat Roberts (R-Kan.) and ranking member Debbie Stabenow (D-Mich.) — during conference negotiations despite misgivings about some parts of their bill. Both Roberts and Stabenow have drawn a hard line in the sand that they won't play ball with any significant adjustments to SNAP beyond what they try to accomplish in their version (which mainly focuses on combating fraud within the program).

Peterson indicated to reporters that the face-to-face got heated. "I was not easy on him, and I told him bluntly what I think, which I always do," he said. "He didn't like it, but I said I'm just telling what I think and I'm trying to be helpful."

"We get this thing into conference next week and if people become sensible it won't take long to do this," Peterson said in a jab at House Republicans.

Conaway acknowledged that "there will be difficult decisions" to be made in the coming weeks, but repeated that his foremost priority is to get the bill on President Donald Trump's desk before the Sept. 30 deadline. He even has a countdown clock running on his phone to relay the urgency. "I got 80 days," Conaway said Thursday. "That clock is running not only on my phone but its running in my head as well."

China Places Blame on U.S. For Trade Tensions

China's Commerce Ministry on Thursday said Washington is "fully responsible" for the escalating trade war between the world's two largest economies. While the tersely worded statement came in response to Trump's plan to slap tariffs on another \$200 billion worth of Chinese goods, Beijing didn't shy away from calling out the U.S. for all its recent trade actions. "When the U.S. willfully exits from groups based on its own interests under the pretext of 'American First,' it becomes an enemy to all," the Chinese government said.

Beijing also called out the U.S. for making "groundless" accusations of unfair trade practices and not moving forward in negotiations.

"From February to June this year alone, China engaged in four rounds of high-level economic talks with the U.S., and has announced the China-U.S. Joint Statement with important consensus reached on strengthening trade and economic cooperation and avoiding a trade war," the ministry said. "But due to domestic politics, the U.S. has gone back on its words, brazenly abandoned the bilateral consensus, and insisted on fighting a trade war with China."

Despite the back-and-forth, the two countries could reach a deal as early as August to end the escalating trade war, said Derek Scissors, a China policy expert at the American Enterprise

Institute who serves as an outside adviser to the Trump administration. Scissors said it could be a deal “focused on [reducing] the trade deficit.”

In the meantime, China's leadership is positioning itself as a defender of the world trade order. Beijing is trying to convince governments, organizations and companies — including U.S. firms — that it's a champion of free trade, and send the message that it's open for business and wants to keep globalization on track.

“The U.S. is sabotaging the global free-trade system which was initiated by Washington decades ago. This is a new cold war which threatens world peace and global development,” said a source close to decision makers in Beijing. “China is committed to further opening up ... to bring opportunities to the world.”

House Speaker Paul Ryan on Thursday urged the Trump administration to go after new deals instead of new tariffs.

"The other [Trans-Pacific Partnership] nations have moved forward with that agreement," Ryan said, referring to the 12-nation pact that Trump pulled out of on his third day in office. "Any day now the EU will sign a new trade agreement with Japan. The EU has also recently initiated negotiations with Australia and New Zealand. So the point is, the world is moving ahead. They're getting preferential agreements between themselves."

The Wisconsin Republican added that losing out on new markets could hurt American influence abroad. “As our generals will tell you, these agreements are just as important for our national security as they are for our economy,” he said.

Trump Sets Off Alarm with Latest Tariffs Threat

President Donald Trump was met with a lot of criticism Wednesday over his latest move to slap tariffs on an additional \$200 billion in Chinese goods. U.S. lawmakers, major trading partners and agricultural leaders, by and large, slammed the escalating trade war and insisted that an extended conflict will only hurt farmers, consumers and businesses in the world's two largest economies.

The threat of tariffs will “have lasting, irreversible consequences on farming operations,” said Casey Guernsey, spokesman for Americans for Farmers and Families, a farm group opposed to Trump's trade policies. “Farmers and families are rightly sounding the alarm as the frequency and magnitude of trade tensions continue to escalate with no relief in sight.”

In Congress, top Republicans urged Trump to sit down face-to-face with Chinese President Xi Jinping and find a solution, saving farmers and consumers from the crosshairs.

“It's clear the escalating trade dispute with China will go one of two ways – a long, multiyear trade war between the two largest economies in the world that engulfs more and more of the globe, or a deliberate decision by President Trump and President Xi to meet and begin crafting an agreement that levels the playing field between China and the U.S. for local farmers, workers and businesses,” House Ways and Means Chairman Kevin Brady said.

Overseas, Beijing rejected the new tariff list as “totally unacceptable” and vowed to respond with countermeasures as well as an additional lawsuit at the World Trade Organization — it would be the third China has brought against the U.S. this year.

Meanwhile, Trump on Wednesday tweeted a misleading statement about the plight of U.S. farmers, blaming other countries' trade barriers and tariffs for "destroying their businesses," despite the fact that farm exports have grown in recent years.

Farmers, ranchers and agribusinesses are expected to send nearly \$143 billion worth of products overseas this year, resulting in a trade surplus of about \$21 billion. And agricultural trade has more than tripled over the last 30 years with economic and population growth globally. The president also claimed in his tweet that farmers have "done poorly" over the last 15 years, but agricultural economists attribute the decline in recent years to falling commodity prices as a result of surplus supplies – not trade barriers from other countries.

Meanwhile, the Senate passed a largely symbolic measure to push back against Trump's recent use of the law that gives him authority to impose tariffs on trading partners, such as Mexico and Canada, in the name of national security.

"It's just a step in the direction we'd like to go," Sen. Bob Corker (R-Tenn.) said before what he called a "test vote" on the nonbinding measure. The vote was the latest move in a quest by some lawmakers – including Sens. Jeff Flake (R-Ariz.) and Pat Toomey (R-Pa.) – to rein in the Trump administration's trade powers.

Kavanaugh Emerges as SCOTUS Pick

Judge Brett Kavanaugh, nominated Monday night to serve on the high court by Trump in a dramatic primetime TV announcement, has history with a case involving the ag industry. When presiding on the D.C. Circuit Court, Kavanaugh sided against U.S. meatpackers in rejecting their arguments that the Department of Agriculture was violating the First Amendment by requiring labels disclosing where each step of the meat production process took place. In a concurring opinion, Kavanaugh he said the government has historically had an interest in supporting American manufacturers, farmers and ranchers against foreign competition. (Ultimately, Congress rescinded the regulation.)

Trump Grants Pardons to Cattle Ranchers

Two cattle ranchers central to a land rights clash in Oregon were pardoned by Trump on Tuesday after being convicted of committing arson on federal lands near their ranch. Father and son Dwight and Steven Hammond's 2016 imprisonment — and the armed protest at a national wildlife refuge that followed — was a major flashpoint in the continuing dispute between cattle ranchers and the federal government over land-use rights.

The two were originally convicted in 2012 after an Oregon jury found they had committed arson on federal lands a decade earlier, then ordered to serve a truncated sentence by a sympathetic judge.

The Hammonds asserted they were taking preventative measures to protect their property from wildfires and invasive plants; the federal government maintained they were attempting to mask illegal deer hunting, among other things.

But the U.S. Court of Appeals for the 9th Circuit later re-sentenced the men to five years each. The White House called that decision "unjust" and spoke of the Hammonds as "devoted family men, respected contributors to their local community, and have widespread support from their neighbors, local law enforcement and farmers and ranchers across the West."

Zippy Duvall, president of the American Farm Bureau, said the executive action shows there “is still hope for justice in environmental law enforcement.” The Hammonds were just following a standard ranching practice by burning an invasive species and didn’t mean to harm the 100 acres of federal grazing land, he said.

“Farm Bureau was shocked by the minimum five-year sentence the Hammonds faced,” Duvall said. “Even worse was the Justice Department’s decision to use anti-terrorism laws to prosecute them. We could not be happier this ugly chapter in governmental overreach has come to an end.”

The duo’s subsequent arrival at a California prison to complete the remainder of their sentences triggered a 300-person march and, later, a protest at Malheur National Wildlife Refuge. There, armed occupiers — including Ammon Bundy, whose father Cliven Bundy participated in a similar 2014 standoff — faced off with federal agents for 41 days in dispute of the jail time, which they saw as punishment for the Hammond family’s refusal to sell the government its land.

USDA Announces Japan to Accept Exports of U.S. Sheep and Goat Meat

U.S. Secretary of Agriculture Sonny Perdue is announcing that the government of Japan has finalized technical requirements that will allow U.S. sheep and goat exports into the country for the first time in more than 14 years.

“This success is a direct result of USDA’s dedication to helping America’s farmers and ranchers keep and find new markets for their products,” Secretary Perdue said. “The United States has a reputation for high quality agricultural products and this Administration is committed to helping U.S. producers prosper and share these products with the world.”

This announcement comes after extensive work by U.S. Department of Agriculture (USDA) technical staff with Japanese authorities to establish new terms for market access that are science-based and consistent with international public and animal health standards. These terms will allow U.S. exports of sheep and goat meat to resume.

Last year, Japan imported \$169 million in sheep and goat meat, primarily from Australia and New Zealand. More details on Japan’s export requirements are available from the USDA Food Safety and Inspection Service Export Library [here](#).

[Source: USDA](#)

House Hearing Highlights Tension Over Grazing Rights

Burdensome federal regulations that environmental groups exploit to file frivolous lawsuits pose a serious threat to ranchers by limiting their access to grazing on public land, local agriculture leaders told a House Natural Resources subcommittee on Thursday. Idaho Lt. Gov. Brad Little and Arizona Farm Bureau President Stefanie Smallhouse repeated a common complaint among ranchers: The Endangered Species Act and National Environmental Policy Act needs to be revamped to prevent what they see as abuse.

“They’re devastating,” Little said of the lawsuits, because they can jeopardize ranchers’ grazing permits and cost them precious dollars (especially when commodity prices are down). “It’s the instability that really creates a problem, not only for the rancher but for the community that depends on that year round operation.”

But Erik Molvar, executive director of the Western Watersheds Project, said there's not enough enforcement of environment protections on federal lands, which compromises local ecosystems. "If the livestock industry is incapable of solving these problems then there's a real question of whether the public has an interest of having livestock on those particular public lands."

Ranchers play a critical role in combating wildfires that have devastated the Western U.S. increasingly in recent years, and they're going to be needed even more to help tackle the epidemic, said University of Montana professor Dave Naugle. Targeted grazing "is an option we're going to need even more as catastrophic wildfires get up the open space that is available to wildlife and ranching," he said.

Big Food Companies Launch New Coalition

Major food companies Danone, Mars, Nestle and Unilever are [joining forces](#) to form a new trade association: the Sustainable Food Policy Alliance, with an immediate plan to focus on nutritional labeling and carbon emissions. Specifically, members will lobby for government agencies to define what is "healthy" based on "strong, science-based regulations on how these terms can be used on food packages and in marketing. The updates will help consumers make better choices for themselves and their families," according to a joint statement from the companies.

Advocating for environmental policies will also be a priority, such as ensuring that the final version of the farm bill addresses water and soil quality and expanding renewable energy. The coalition will also support offering financial incentives to reduce greenhouse gas emissions, both domestically and abroad, through the Clean Power Plan and the Paris Climate Accord.

Food companies "can and should be doing more to lead and drive policy action," the group said. "With so many pressing food policy opportunities on the horizon, now is the time to help steer America's food policy and our food system on a better path for long-term success."

There's been buzz for months about the new coalition as the food industry speculated who would be in or out. They're all former members of the powerful lobbying group the Grocery Manufacturers Association, but cut ties due to a deep divide over nutrition issues, GMO labeling and voluntary sodium reduction.

Monsanto Cancer Case Pushes On

A federal judge is allowing a major class-action suit against Monsanto to go forward, even as he cast doubts on the credibility of the evidence offered by experts on behalf of hundreds of non-Hodgkin's lymphoma patients. The 68-page decision comes after he heard weeks of dense testimony from scientific experts on both sides of the case. The series of hearings was before a judge rather than a jury, but was an important aspect of whether the case had enough to proceed.

The plaintiffs contend that Monsanto's flagship product, the weedkiller Roundup, caused them to develop cancer and the company never warned them about the risk.

Attorneys for both sides called on their own scientific experts such as epidemiologists to testify throughout the spring about the link between the weedkiller and cancer. Judge Vince Chhabria of the U.S. District Court for the Northern District of California had to determine if the experts' analysis was solid enough to make a case.

He ruled Tuesday that it was a "close question," but that plaintiffs had presented enough evidence "from which a reasonable jury could conclude that glyphosate can cause NHL at

human-relevant doses." Still, he felt like the evidence was "shaky" and said any weaknesses will be exposed at trial when a jury considers the evidence.

Chhabria was scathing in his remarks in the ruling. Attorneys representing the plaintiffs face a "daunting challenge" in the next phase of litigation because the evidence between exposure to glyphosate, the active ingredient in Roundup, and non-Hodgkin's lymphoma in humans "seems rather weak," he wrote.

He also said it was a mistake for experts to heavily rely on the WHO's International Agency for Research on Cancer assessment that glyphosate is "probably carcinogenic to humans." IARC was making a public health assessment, while a jury has to use a different standard to reach a verdict, he said.

Attorneys representing the plaintiffs now have to make a direct connection between each patient's diagnosis and Roundup. But Tuesday's development in the case may push them to consider a settlement or revise their legal strategy. And after all, Chhabria won't be the one making the final call; that decision is reserved for a jury.

USDA Expands Housing for Temp Farmworkers

The Agriculture Department issued guidance Tuesday on how it plans to handle expanded eligibility for housing assistance it provides to temporary farmworkers. The 2018 omnibus spending bill mandated that workers admitted to the U.S. on a temporary basis — such as through H-2A visas — be eligible to live in housing financed by the department under its Farm Labor Housing program, which provides subsidies to help house farmworkers across the country.

Employers of H-2A workers are required to provide housing, and H-2A workers were not previously allowed to be covered by the program. Applications are due Aug. 27.

Rep. Dan Newhouse (R-Wash.) offered the rider for the changes in an attempt to address labor scarcity and improve employers' access to guest workers.

The bill slightly increased funding for the program, but it's not yet clear whether there will be additional demand for these units immediately, or whether the additional funds will be enough to meet any increase in demand, according to the Housing Assistance Council, a nonprofit that researches rural housing issues.

Farmworker Justice President Bruce Goldstein, whose organization opposed the legislation, told Morning Ag that the change is likely to encourage more employers to participate in the H-2A guest worker program and spread thin housing subsidies that can't afford to be stretched. The H-2A program has grown steadily in recent years: According to DOL data, H-2A visas increased 15 percent in 2017 and this year is on track to at least match that.

"There are many farmworkers who are living outdoors in cars, in garages and many other places," Goldstein said. "Any available subsidies to develop farmworker housing should be used to address the shortage for U.S. farmworkers and their families. Given that there is very little money available to subsidize the development of farmworker housing, what little funding is available should be used to address the critical shortage."

USDA, in its guidelines, said that “under no circumstance” may any tenants in USDA-financed housing “be displaced from their homes as a result of this statutory change.” As of September 2017, a total of 46,872 people were housed under the USDA program.

Washington Has Some Questions About ‘Clean Meat’

The FDA on Thursday sent a clear message to the burgeoning cell-cultured meat industry and to the USDA amid an inter-governmental spat over jurisdiction: We're ready to handle this. "This is not our first rodeo, so to speak, in this area," said Susan Mayne, director of FDA's Center for Food Safety and Applied Nutrition, which hosted a public meeting on the issue at its headquarters in College Park, Md.

The packed meeting in the Wiley Auditorium — a room named after famed chemist Harvey Washington Wiley, considered by many to be the father of the modern FDA — was a fascinating moment: A rare instance of a government agency gauging public input on a sector that some believe has tremendous potential to disrupt long-established meat industry standards and patterns.

The session covered many of the familiar talking points. Companies working on cell-cultured meat and seafood and their boosters argued that their “clean meat” products have the power to transform the food system and need a clear, trusted regulatory pathway to market. Meat interests raised concerns about labeling and argued for USDA — which has traditionally overseen livestock producers and related industries — to be allowed to direct the government's approach to the alternative products. But countless questions and concerns were also raised by consumer groups and scientists who specialize in meat, revealing how divided they are on the technology.

Groups like Food & Water Watch and Consumers Union, the advocacy arm of Consumer Reports, which are normally cheerleaders for efforts that promise to give consumers more sustainable food options, openly questioned the government's ability to regulate the new technology. Friends of the Earth, a group that has been sharply critical of the sector, was slated to testify, but ultimately didn't present a comment at the meeting.

Republican and Democrat leaders from the House Agriculture Committee and the Appropriations Committee's agriculture panel wrote to the White House Office of Management and Budget this week also urging a more active USDA role in oversight.