

News from Washington: March 4-10

***Unless stated otherwise, stories are sourced from [Politico](#).***

### **President Signs Bipartisan PRIA into Law**

U.S. Senate Committee on Agriculture, Nutrition, and Forestry Chairman Pat Roberts, R-Kan., and Ranking Member Debbie Stabenow, D-Mich., today said President Trump signed the Pesticide Registration Improvement Act (PRIA) into law, bringing certainty to the agriculture industry and other stakeholders.

“This law will ensure farmers, consumers and others have an improved process when registering and evaluating the use of pesticides,” said Roberts. “The bill was approved by the Senate unanimously and represents the concerns of all stakeholders.”

“PRIA means certainty for agriculture, farmworkers, and consumers,” said Stabenow. “I’m pleased the President acted to sign this long-overdue legislation into law to help farmers protect their crops while also providing important protections for farmworkers and their families.”

PRIA established a framework for EPA when registering pesticides. The original intent has been to create a more predictable and effective evaluation process for affected pesticide decisions by coupling the collection of fees with specific decision review periods. This legislation includes technical changes and extends authority for EPA to collect updated pesticide registration and maintenance fees through FY 2023.

[Source: US Senate Committee on Agriculture, Nutrition, & Forestry](#)

### **USMCA Charm Offensive Could Come Up Short**

The Trump administration is deploying an unusual strategy to build support in Congress for the U.S.-Mexico-Canada Agreement: Follow the traditional playbook.

White House officials have organized dozens of meetings with rank-and-file lawmakers and effectively tried to charm Democrats to get behind Trump’s signature trade achievement so far. They’re hoping to secure a vote on the landmark trade pact by this summer.

But the effort could still fall short. Factions of Democrats have said they won’t vote for the deal unless substantive changes are made. And Trump’s steel and aluminum tariffs are still hanging over the ratification process.

### **The PR Campaign for Gene-Edited Foods**

With the Agriculture Department looking to cut biotech regulations and speed up the approval process for new plants, farmers could soon be planting more gene-edited crops that are prone to higher yields, resistant to pests and diseases or resilient against the effects of climate change. Now the biotech sector is looking to persuade more consumers not to fear such foods, with messaging centered on the idea that genetically engineered crops are a potential solution to some of the world’s biggest food and climate problems.

The American Seed Trade Association and the Biotechnology Innovation Organization, or BIO, are taking lessons learned from the skepticism over GMOs and using them in the debate over gene editing.

“You have to be able to embrace skepticism and answer questions and be honest about people’s concerns and thoughts,” said Dana O’Brien, BIO’s executive vice president for food and ag.

GMOs are developed by introducing foreign DNA, such as bacteria, into a plant’s genome; a gene-edited plant is created by snipping out certain DNA to control its traits.

USDA is also getting in on the action. A proposed update to existing biotech regs is being reviewed by the White House Office of Management and Budget — meaning the rule could soon be published. Perdue, meanwhile, has criticized the “fear your food” movement in recent public appearances.

Skeptics could still be difficult to win over. “They’re going to have a very hard time,” said Megan Westgate of the Non-GMO Project, which believes gene-edited foods fall under the same umbrella as GMOs.

### **China Hawks Rally Against Market-Soothing Deal**

Some of Trump’s advisers, including former White House chief strategist Steve Bannon, are warning the president not to rush into a hasty agreement with Chinese President Xi Jinping, as the two leaders prepare to potentially meet later this month at Mar-a-Lago.

The pressure is on Trump to strike a deal that maintains U.S. leverage over Beijing. That includes an effort to maintain Washington’s ability to re-impose tariffs while denying Beijing the opportunity to retaliate with counteractions.

“Trump has done what everyone said was impossible — catch the Chinese off guard. They never thought he would use the weapons at hand,” Bannon told POLITICO. “Now Wall Street is convincing him ‘he needs a win’ — that’s the insidious nature of this.”

Treasury Secretary Steven Mnuchin and White House economic adviser Larry Kudlow, seen as market-friendly officials, have talked up the recent progress in negotiations, looking to ease investor concerns after months of volatility.

But China hawks including Robert Lighthizer, Trump’s top trade negotiator, say there’s much more work to do before an agreement is reached.

Hard-liners say the final deal needs to address China’s state-run economic policies that are seen as putting U.S. firms at a disadvantage. They’re also seeking an option to continually verify Beijing is living up to its commitments — and to take action if China isn’t fulfilling its end of the deal.

Trump is said to badly want a deal this month — both to goose the stock market and to avoid any further economic fallout.

### **EU Almost Ready to Move on U.S. Talks, But Won’t Budge on Ag**

After a lengthy delay, the EU is in the final stages of preparing its negotiating mandate and “would begin to launch negotiations within some weeks,” EU Trade Commissioner Cecilia Malmström said Thursday in Washington.

But Malström repeated that discussions won't touch agriculture. She said that when Trump and European Commission President Jean-Claude Juncker agreed in July to launch trade talks in order to avert a high-stakes trade war, Trump agreed not to bring ag into the fray.

### **Farm Forecast Another Mixed Bag for Ag**

USDA's Economic Research Service released its first 2019 [farm income forecast](#) on Wednesday. The outlook includes some warning signs, like projections of the highest farm debt levels in decades and worsening debt-to-asset ratios, a measure of farm solvency.

USDA predicts net farm income will reach \$69.4 billion in 2019, a potential increase of \$5.2 billion from 2018 levels (after adjusting for inflation). The projected 2019 income would be nearly 50 percent lower than the 2013 peak of \$136.1 billion, and below the \$90 billion average since 2000.

USDA estimates farm debt will reach \$426.7 billion this year. That would mark the highest total since 1982, ERS economist Carrie Litkowski said on a conference call.

The debt-to-asset ratio, which has been rising since 2012, is expected to increase again in 2019 but remain low relative to historic levels. Litkowski said "the sector's risk of insolvency is now at its highest level since 2009," but it's not close to the debt-to-asset levels of the 1980s farm crisis.

Cash receipts are projected to increase in 2019 for corn, wheat, cotton, milk, turkey, cattle, fruits and nuts. USDA expects lower receipts for soybeans and hogs, both of which have been affected by President Donald Trump's trade feuds.

### **Trump's TPP Exit Curbing Farm Exports**

With the 11-nation Trans-Pacific Partnership now in effect, American farmers and ranchers could see their exports slump as member nations like Australia, Chile and Japan exchange more ag products with each other and buy fewer from the U.S.

New analysis from the Farm Foundation and Purdue University estimates U.S. exports would improve from a loss of \$1.8 billion to a gain of \$2.9 billion per year if Washington moves to re-enter the trade deal.

Entering into TPP now could boost U.S. dairy exports by \$1 billion or 17.5 percent, the study predicts. Poultry and pork products are estimated to take the biggest hit due to the U.S. being left out of the agreement.

Major business and farm groups want Trump to reconsider TPP, and the president surprised observers last year when he [tweeted](#) that he was open to rejoining the pact — if it were "substantially better" than what President Barack Obama had been offered.

The Trump administration is expected to launch negotiations in the coming weeks toward a potential bilateral trade deal with Japan, a massive market for farm goods. A trade deal with Tokyo could go a long way in offsetting the lost ag exports due to Trump's TPP withdrawal.

### **Perdue Defends Trade Aid Rates**

The secretary defended USDA's trade-relief payment rates — including the decision to award corn farmers just one cent per bushel — as necessary for the program to be "WTO-defensible," during comments Friday at the annual Commodity Classic in Orlando, Fla.

“I know when these numbers came out, the corn guys said, ‘What do you mean a penny [per bushel]? That’s insulting,’” Perdue said to an audience including corn, soybean, wheat and sorghum growers. “The fact is, we had to defend the tariff damages.”

The USDA chief also took a veiled shot at former OMB Director Mick Mulvaney — now Trump’s chief of staff — for holding up a second round of trade aid for weeks.

“Some of our bean-counters in the government wanted me to continue to delay that second tranche,” Perdue said. “Some of [them] didn’t want to give me permission ... I finally just said, we’re going to have to go see the boss.”

After making his case in the Oval Office, Perdue said, “it didn’t take 30 seconds” before Trump sided with the Agriculture secretary.

Boycotting Bud Light? Perdue also took a shot at Bud Light’s [Super Bowl ad](#), which criticized competitors Coors Light and Miller Lite for using corn syrup as an ingredient.

“I don’t know if you all watched the Super Bowl at all, but there was a commercial on there talking about some products some of you corn growers may have produced. And they don’t use it anymore,” he said. “Well guess what? I don’t use theirs anymore either.”

### **The NAFTA Withdrawal Question**

The Congressional Research Service set out to answer the question everyone in the trade world is asking: whether Trump has the authority to withdraw from NAFTA on his own, without Congress taking supporting action. The answer? Well, it’s not clear.

Looking solely at international law, it appears Trump would be able to act unilaterally, Congress’ research arm found. But it’s fairly likely he would run afoul of domestic law — though it’s difficult to predict how a court case would be resolved if an affected company pursued litigation. Trump has threatened to withdraw from NAFTA as a way to pressure Congress to act on the new U.S.-Mexico-Canada Agreement, though [aides](#) have recently said there were no immediate plans to back out of the existing deal.

One factor that could increase the likelihood of a court ruling against a withdrawal is if Congress were to signal disapproval of any attempt to terminate the deal. In separation-of-powers cases, CRS said, the Supreme Court typically relies on a precedent that says presidential power fluctuates, and that it’s at its lowest when the White House takes an action that is “incompatible with the will of Congress.” Read the full report [here](#).

### **Sizing Up FDA Food Policy in Post-Gottlieb ERA**

The FDA has kept food policy circles busier than expected during the Trump administration, but Gottlieb’s departure has experts predicting a regulatory slowdown.

The outgoing commissioner took a particular interest in food issues, holding the line on Obama-era priorities like menu labeling and labeling added sugars on food packages, while rolling out a new wide-ranging nutrition strategy last year. Several nutrition and food safety experts say that dynamic isn’t likely to continue under new leadership.

Gottlieb disagrees with that prediction. “The nutrition agenda, and what we do to try to use nutrition as a vehicle to try to reduce the burden of chronic disease in this country, is a key part

of the agency's overall approach to public health," he told POLITICO in an interview. "I don't see that changing."

The commissioner said the White House has a lot of respect for the agency, which bodes well for it continuing to advance its nutrition agenda.

In his roughly two-year tenure, Gottlieb defied political norms on food policy, digging in on positions that sometimes didn't fit the conservative mold but were backed by public health experts.

"I do not see these nutrition issues as a right-versus-left issue," he told Helena previously.

Food safety advocates were also dismayed by Tuesday's surprise news of Gottlieb's departure — but insiders appear much less concerned about a slowdown on the agency's food safety efforts, which have broad political support.

### **Ethanol Retains Grip on Primary Politics**

Every leading Democratic presidential contender with a public position on ethanol policy has come out in support of the biofuel — a revered product in the early caucus state of Iowa, where 44 ethanol plants help support more than 40,000 jobs. So far, none of the Democrats competing there have criticized the Renewable Fuel Standard or its environmental footprint, despite the party's push to promote a stronger response to climate change.

Vermont Sen. Bernie Sanders, who once criticized ethanol mandates for their "negative impact on farmers and consumers," reversed course when he ran for president in 2016. He now calls ethanol "an economic lifeline to rural and farm communities in Iowa and throughout the Midwest."

New York's Kirsten Gillibrand, a Senate Ag member who in the past criticized biofuels derived from food crops as economically and environmentally problematic, now "supports the Renewable Fuels Standard and the full range of biofuels it is designed to promote," according to a spokesperson.

It's a sign Democrats still think they can revive their brand in rural regions by pledging allegiance to the government's longstanding efforts to prop up biofuel production.

"Democrats are doing really well in Iowa's urban areas, but we're getting hammered in the countryside," said Patty Judge, a Democrat who's served as Iowa's agriculture secretary and lieutenant governor. "Prudent candidates are going to talk about our home-grown ethanol industry and all the good jobs it creates."

Environmental groups say adhering to the longstanding ethanol-friendly doctrine of primary candidates in Iowa is in direct conflict with the party's lurch toward environmentalism. "This should be an early test of whether candidates are really committed to attacking the climate crisis," said Scott Faber, an Environmental Working Group lobbyist who focuses on ag issues. "You can't be for the status quo with ethanol and also be for saving the planet."

Some environmentalists see California Sen. Kamala Harris as the most likely to stray from the pack by taking on RFS — but she hasn't taken a public position yet, and her office didn't respond to requests for comment.

## **Roadmap for Regulating Cell-Based Meat**

The highly anticipated joint agreement outlining how USDA and FDA will share oversight of cell-based meat was released Thursday.

The development of cell-based meat, an emerging food technology that's likely a few years from entering the market, set off a turf-war between FDA and USDA last year over which regulator would get jurisdiction over the industry. The agreement came together after a series of public meetings and behind-the-scenes negotiations, and FDA Commissioner Scott Gottlieb told POLITICO the framework for collaboration is even farther along than the document suggests.

Under the plan, FDA will oversee cell collection, cell banks and cell growth and differentiation. Regulatory responsibility will transfer to USDA's Food Safety and Inspection Service "during the cell harvest stage." FSIS will have oversight of production and labeling of cell-based meat and poultry products.

USDA and FDA will continue to negotiate unsettled details on regulation or guidance that may pop up as the products go to market. They pledged to come up with "joint principles" on labeling, a first-order issue for animal ag groups. As Helena writes, it's somewhat unusual for the federal government to determine a regulatory framework before a sector is established.

From the barnyard to the vegans, everyone seems on board with the plan. Our inboxes were flooded with laudatory statements from the North American Meat Institute, cell-based meat companies and the Good Food Institute, a nonprofit that promotes alternatives to animal products.

"Demand for meat is projected to double by 2050, and every stakeholder we speak with, regardless of production method, shares the goal of feeding our growing planet in a safe and sustainable way," said Uma Valeti, CEO of Memphis Meats, a leading cell-based meat company.

The National Cattlemen's Beef Association also praised the agreement, though it derides the products. "Ensuring that all lab-grown fake meat products are safe and accurately labeled remains NCBA's top priority," the group said. It also released a primer on the agreement under the header "[Fake Meat Facts](#)."

## **China's Big Sorghum Buy Amid Trade War**

China recently bought 65,000 metric tons (nearly 2.6 million bushels) of U.S. sorghum, its first major [purchase](#) since the tariff battle began last summer. Beijing's big buy, following a recent flurry of soybean purchases, adds to optimism that Trump and Chinese President Xi Jinping could strike a trade deal if plans are finalized for them to meet at Trump's Mar-a-Lago at the end of the month.

The National Sorghum Producers said [the purchase](#) was "hopefully a first of many." China imported \$839 million worth of U.S. sorghum in 2017, per USDA data. Reuters has [more](#).

## **USDA Strengthens Partnerships and Protections to Keep African Swine Fever Out of the Country**

The United States Department of Agriculture (USDA) today announced additional steps to keep African swine fever (ASF) from entering the United States, even as the disease spreads internationally. These steps strengthen the protections announced last fall after the deadly

swine disease reached China. The goal remains to protect our nation's swine industry from this disease. ASF does not affect people, nor is it a food safety issue.

In coordination with the pork industry, USDA's Undersecretary for Marketing and Regulatory Programs, Greg Ibach, has stated the following enhanced activities to intensify multi-agency efforts toward the prevention of ASF's entry into the United States:

- Work with Customs and Border Protection (CBP) to train and add 60 additional beagle teams for a total of 179 teams working at key U.S. commercial, sea, and air ports;
- Coordinate with CBP on the further expansion of arrival screenings at key U.S. commercial sea and air ports – including checking cargo for illegal pork/pork products and ensuring travelers who pose an ASF risk receive secondary agricultural inspection;
- Increase inspections and enforcement of garbage feeding facilities to ensure fed garbage is cooked properly to prevent potential disease spread;
- Heighten producer awareness and encourage self-evaluations of on-farm biosecurity procedures;
- Work to develop accurate and reliable testing procedures to screen for the virus in grains, feeds and additives, and swine oral fluid samples;
- Work closely with officials in Canada and Mexico on a North American coordinated approach to ASF defense, response, and trade maintenance;
- And continue high level coordination with the U.S. pork industry leadership to assure unified efforts to combat ASF introduction.

"We understand the grave concerns about the ASF situation overseas," said Ibach. "We are committed to working with the swine industry, our producers, other government agencies, and neighboring countries to take these additional steps."

At the same time, USDA is continuing to enhance our planning so that we're prepared in case we ever have to combat ASF. Along with our wide range of partner groups, we are working through several different ASF planning and response exercises. These cover different aspects – from trade implications to policy discussions to the boots-on-the-ground realities of a response. These will help everyone involved ensure their response plans are ready and identify any preparedness gaps that must be addressed.

ASF is a highly contagious and deadly viral disease affecting both domestic and feral (wild) pigs in all age groups. It is spread by contact with the body fluids of infected animals. It can also be spread by ticks that feed on infected animals. For more information, please visit the Animal and Plant Health Inspection Service [ASF webpage](#).

[Source: USDA](#)

### **Salt Institute to Disband**

The Salt Institute has decided to shut down after more than a century of representing salt-makers. The group was often the tip of the spear in arguing that Americans don't need to cut back on sodium. (Public health authorities strongly disagree.)

The group announced its decision last week, but few noticed until the Center for Science in the Public Interest [promoted the news](#) late Wednesday.

The institute's [statement](#) said the trade association, which lists companies like Cargill Salt and Morton Salt as members, would disband as of March 31.

Michael Jacobson, the former longtime leader of CSPI, who is now listed as the nonprofit group's senior scientist, issued a statement saying the group "will not be missed." He noted the news coincides with the National Academies of Sciences, Engineering and Medicine this week reaffirming the government's advice to cut back on sodium