

News from Washington: June 8-12

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Officials Try for U.S.-U.K. Trade Deal by November

Antony Phillipson, a top British trade official, spoke optimistically on Thursday about the U.S. and U.K. working to reach an agreement in the coming months.

"We want to do this very, very fast. If possible, we want to get an agreement signed before the election," Phillipson said during a panel discussion hosted by the Washington International Trade Association.

Phillipson made the remarks ahead of the second round of talks between the two countries, which are slated to begin on Monday via video teleconference.

The British official borrowed a line from Sen. Chuck Grassley (R-Iowa) to note that "agriculture is the locomotive" that pulls along the rest of any U.S. trade agreement. American industries have heavily lobbied the administration to pressure the U.K. to accept American chlorinated chicken, standards on beef hormones and other regulations.

Completing the talks, which formally began in May, in less than six months would be very fast, and U.S. Trade Representative Robert Lighthizer recently seemed to downplay expectations for a quick deal.

The two sides are negotiating amid the global coronavirus pandemic, as well as parallel negotiations between the U.K. and the European Union on the terms of their post-Brexit relationship.

Essential Workers More Likely to Rely on SNAP

More than 13 percent of people who work jobs deemed essential during the pandemic — in roles like grocery clerks and childcare providers — relied on SNAP benefits at some point in 2018, compared to nearly 8 percent of workers in jobs not deemed essential, according to an [analysis released Thursday](#) by the liberal Center for American Progress.

The workers who help keep the food system churning are among the most likely to need food assistance, according to the analysis, which relies on 2018 American Community Survey data. Nearly 14 percent of grocery workers and just over 12 percent of agriculture workers reported using SNAP benefits at some point during the year.

Black, Hispanic and Native American essential workers are all roughly twice as likely to rely on SNAP than White essential workers, according to the analysis. The disparity is even greater for women of color.

The report comes as anti-hunger advocates, food banks and Democrats press for a boost to SNAP benefits, a pitch that has not received much support from key Republicans so far.

Summer Harvest Could Fuel Coronavirus Spike

Farm laborers are deemed essential workers, given their critical role in the food supply chain, but the Trump administration so far has left it up to farmers to protect their workforce from getting sick in lieu of mandatory safety rules. Labor advocates say too many ag employers still haven't taken enough precautions, as farms in nearly every region are seeing a spike in positive cases.

More than 100 farmworkers at [large produce operations in New Jersey](#) contracted the virus in May. Nearly 500 laborers have been infected in Washington's Yakima Valley, which produces most of the nation's tree fruit. And there are now around 500 cases in Immokalee, a major tomato-growing region in South Florida.

Labor leaders are asking for more testing at farms and worker camps, safer housing accommodations and extra financial and health benefits. In the absence of federal protections, they're turning to state leaders for support instead.

Out of some 2.5 million workers, about a quarter of the farm labor force follows the harvest from region to region, potentially helping the coronavirus spread to more states and more farms in the coming weeks — just as cities and states are lifting lockdown restrictions and businesses reopen.

For example, tomato season is wrapping up in Florida, and pickers are beginning to move north to harvest other types of crops. Doctors Without Borders, which set up a mobile clinic in Immokalee to test farmworkers and distribute sanitation products, is now evaluating where to travel next.

"Covid is here for the foreseeable future," said Jean Stowell, head of the group's U.S. coronavirus team. "So the issue of not having access to safe isolation will continue to be a problem for this community wherever they move, whether it's Immokalee or Michigan."

Following the First Farm Rescue Payments

Now that USDA is pumping out relief checks to ag producers through its \$16 billion farm stimulus program, the department is posting weekly updates on where the money is going, by state and sector. Here's how it's unfolding so far:

Livestock producers have taken in the most money, or about \$676 million. They're followed by row crop growers and dairy farmers, each receiving more than \$300 million, while growers of specialty crops like fruits, nuts and vegetables saw less than \$25 million.

Most of the payments have gone to Midwestern farmers in states like Iowa, Nebraska, Illinois and Kansas. On the other end of the scale, USDA hasn't yet approved a single dollar to Alaska, Delaware or Rhode Island.

While only three Alaska farms have applied for aid so far, and none in Rhode Island, more than 70 ag operations in Delaware did apply. (USDA didn't respond to a request for more information about the numbers.)

The weekly reports offer some transparency into the stimulus program, which is similar to the department's trade bailout — an effort that was criticized by some lawmakers including Senate Ag's top Democrat, Debbie Stabenow (Mich.), and watchdog groups, who claimed it unfairly boosted certain farms over others. The coronavirus farm payments are likely to receive as much or more scrutiny, especially in a presidential election year when Trump needs to maintain strong support in the Midwest.

House Aggies Question USDA Farm Payments

House Agriculture Chair Collin Peterson (D-Minn.) and three subcommittee chairs sent Secretary Sonny Perdue a letter on Tuesday [flagging a handful of issues with USDA's \\$16](#)

[billion direct payment program](#). The department so far has [funneled \\$1.4 billion to farmers and ranchers](#) burned by supply chain disruptions.

Limited staffing in Farm Service Agency county offices to help producers enroll in the program; an “arbitrary” timeline for measuring livestock losses; and a failure to “recognize the cost premium of organic crops” or livestock raised for higher value markets, like grass-fed beef.

Meat Plants Are Back... Now What?

Slaughterhouses across the country have resumed operations after shutting down because of severe coronavirus outbreaks; [USDA said on Tuesday](#) that poultry, pork and beef processing capacity is back to at least 95 percent of 2019 levels. But the historic disruptions in recent months have put the highly concentrated meat industry in the spotlight of lawmakers and antitrust investigators.

Republicans on the House Judiciary antitrust subcommittee are now calling on USDA to make it easier for small meatpackers to get a foothold in the industry by easing regulations on product labeling, food safety inspections and other issues.

“The high cost of complying with meat processing laws has made it hard for smaller processors to compete and has led to significant consolidation in the industry,” wrote the GOP members, led by Ohio Rep. Jim Jordan.

Food safety advocates pushed back on the proposals: Brian Ronholm, food policy director at Consumer Reports, said it’s a “dangerous idea” to cut food safety regulations regardless of a meatpacker’s size or production methods.

“Hazardous food-borne pathogens such as E. coli, Salmonella and Listeria that kill thousands every year do not bypass certain facilities just because its method of production is perceived to be more charming than another,” Ronholm said in a statement.

In general, small meatpackers have fared well amid the pandemic. They haven’t faced the devastating outbreaks common at large slaughterhouses, and they’ve seen a surge of business from farmers and ranchers desperate to sell their livestock.

Tyson Won’t Face Chicken Price-Fixing Charges

[Tyson Foods said on Wednesday](#) that neither it nor its employees will be prosecuted under DOJ’s investigation into price-fixing in the chicken industry. Under a program run by the department’s antitrust division, a company can receive immunity if it’s the first member of a price-fixing cartel to inform federal prosecutors.

Last week, the government indicted the CEO of Pilgrim’s Pride and three other poultry executives over allegations of bid-rigging of broiler chickens sold to grocery chains and restaurants. All four individuals have pleaded not guilty, and the trial is set for August.

“The behavior set out in the indictment does not reflect the values of Tyson Foods,” CEO Noel White said in a statement. “I am proud to lead a company that took appropriate and immediate action in reporting the wrongdoing we discovered to the Department of Justice.”

In April 2019, DOJ subpoenaed major chicken firms including Tyson, Pilgrim’s, Sanderson Farms and Perdue Farms.

The investigation followed a 2016 private antitrust suit brought by chicken buyers seeking damages from major producers who allegedly conspired to raise prices. Kraft Heinz, Kroger, Walmart, Sysco and U.S. Foods are all involved in the private case.

Doubts on Regenerative Ag As Climate Change Solution

The debate over the science and feasibility of using agricultural practices to draw more carbon into soil has been simmering for some time. The discussion is intensifying as a bipartisan cadre of senators, including Senate Agriculture ranking member Debbie Stabenow (D-Mich.), [introduced a measure](#) last week aimed at legitimizing carbon markets in the ag sector.

The bill is backed by industry heavyweights like the American Farm Bureau Federation, as well as a long list of food companies and other corporations interested in carbon offsets.

“It sounds good, but doing this at scale is not easy,” Janet Ranganathan, vice president for research, data and innovation at World Resources Institute, said during a webinar on the issue on Wednesday. “I do think we need to look before we leap.”

One issue is how to ensure the carbon stored in soil is kept there and not tilled up during planting. Another is properly accounting for how carbon moves through ecosystems — that is to say, could carbon be just shifting around, without making a dent in carbon dioxide in the atmosphere?

WRI in mid-May published a [lengthy blog post](#) questioning the potential for farmland to sequester carbon on a wide scale.

“Our view is that the practices grouped as regenerative agriculture can improve soil health and yield some valuable environmental benefits, but are unlikely to achieve large-scale emissions reductions,” the researchers wrote.

Another group of scientists issued a [beefy rebuttal](#), arguing that WRI’s post “confuses rather than clarifies” the science and policy issues.

“We believe that the science is clear that regenerative agriculture can in fact contribute significant emission reductions and CO2 removal, as well as improve soil health,” the scientists countered.

Mnuchin Calls for More Economic Relief

Treasury Secretary Steven Mnuchin told lawmakers on Wednesday that Congress should infuse more money into the economy, targeted toward helping specific businesses bounce back from the coronavirus pandemic.

At a Senate Small Business Committee hearing, Mnuchin said the Trump administration wants to work on additional stimulus programs, potentially including tax credits or further changes to the Paycheck Protection Program for small businesses including farms. But Congress remains divided over the need for more aid, especially after a [much-better-than-expected May jobs report](#) last week.

The House passed another economic relief package last month, [including much more aid for agriculture](#). But Senate Republicans aren’t in favor of the [legislation](#), and it could be months before lawmakers agree on a new stimulus package.

A central (and controversial) piece of the House bill was funding for state and local governments, many of which are facing budget shortfalls because of pandemic costs and the loss of tax revenue. The U.S. shed 585,000 government jobs last month as governors and local officials struggled to meet their payrolls.

The Federal Reserve projects the economy will shrink by 6.5 percent this year before rebounding in 2021. The central bank also estimates that it will keep interest rates near zero at least through the end of 2022.

Ethanol Advocates Appeal to Trump in Waivers Fight

Some 40 House members, led by Reps. Abby Finkenauer (D-Iowa), Dave Loebsack (D-Iowa) and Roger Marshall (R-Kan.), sent a letter to Trump on Monday asking him to take their side in the simmering fight over ethanol policies during the pandemic.

“This pandemic has severely strained the market for biofuels, closing plants and dealing another crippling blow to an industry that is already struggling,” the lawmakers wrote. The steep drop in fuel consumption forced the biofuel industry to idle half of its production capacity, but the sector was left out of USDA’s agricultural rescue program because of limited funding.

A bipartisan group of senators sent a similar missive last month asking Trump to order the EPA to leave the RFS program intact. Like ethanol producers, oil refiners have been strained by the collapse in driving amid the pandemic, and both industries have enlisted their political allies in a tug-of-war over the blending requirements.

The Food Box Program Fan Club

The newly formed Farmers to Families Food Box Program Coalition is pitching anti-hunger organizations to join its effort to promote USDA’s \$3 billion commodity purchase program, which has been under fire since May for handing out lucrative contracts to companies with little experience in food distribution.

Behind the coalition is Dale Apley, whose consulting firm Black Watch Agribusiness advises companies on government contracts, sourcing and risk management, according to its website. Apley said the group includes about a quarter of the nearly 200 distributors awarded funds to deliver meat, dairy and produce to food banks, along with 150 other nonprofits.

The coalition is currently focused on keeping the food box program running through the end of the year. It sent emails to other anti-hunger groups this week seeking more members. Nonprofits can join for free, but businesses must pay a fee.