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Farm Bill Schedules Speeding Up; Final Bill with “Fine Tuning” by End of Year?

The evolution of the 2018 Farm Bill, which up to now has been guided by House and Senate agriculture committee hearings and listening sessions, is now on a list of major legislation in both chambers lawmakers would like to see completed by the end of 2017.

The 2014 omnibus farm program package expires September 30, next year.

At a House Agriculture Committee hearing this week, Chair Mike Conaway (R, TX) said he plans to begin drafting his version of the bill within the next two months, with an eye toward getting a bill to the floor this year to avoid any need for program extensions. At the latest, he said, he wants the bill on the House floor by the first quarter, 2018.

At last week’s hearing in the Senate Agriculture Committee that reviewed commodity programs and crop insurance, both committee Chair Pat Roberts (R, KS) and ranking panel member Sen. Debbie Stabenow (D, MI) said they foresee moving the basic 2014 omnibus farm program package with some relatively small changes. “Now is not the time for revolutionary change,” said Roberts. “Stability and predictability are the two key words.” Said Stabenow to the media, “We’re looking at fine tuning and not anything dramatic.”

Implicit in those statements, say observers, is acknowledgement the available tax dollars to pay for a new Farm Bill are not there, and congressional support for increasing the package’s baseline may be weaker than first thought. The closer a final Farm Bill votes get to the November, 2018, mid-term elections, the tougher it will be to hold together bipartisan support.

Roberts says he wants to move a bill as soon as possible, but stopped short of setting an end date. Committee member and Senate Majority Leader Mitch McConnell (R, KY) appeared at last week’s hearing to introduce a Kentucky witness, and told the panel he looked forward “to writing a new farm bill in 2018.” Roberts, who’s asked McConnell for two days of floor time for the bill when it reaches the floor, warned the Kentucky lawmaker he and Stabenow will be “knocking on your door” when they have consensus on the bill, and told reporters after the hearing, “We think that sooner is better than later.”

Blumenauer Opts to Introduce His Own Farm Bill

One of the most outspoken liberal member of the House, Rep. Earl Blumenauer (D, OR), a man who is no fan of current federal farm programs, said this week he plans to introduce his own omnibus farm legislation after releasing a report, “Growing our Opportunities: Reforming the Farm Bill for Every American.”

Blumenauer said in a statement his comprehensive food and farm legislation will “refocus federal resources on those who need it most, foster innovation, encourage investments in people and the planet, and ensure access to healthy foods.” He said he plans to introduce the bill this fall at a state event with local farmers, conservationists, chefs and nutrition advocates, “many of whom have engaged with (me) on ways the Farm Bill should be changed to better serve Oregon’s needs and improve our nation’s food and farm policies.”

The legislation, Blumenauer said, is the result of his “Sing Your Own Farm Bill” project, “a multi-year effort to engage a wide variety of stakeholders in creating “a more visionary, equitable, and cost-effective Farm Bill.” The Oregon lawmaker says he’s met with agricultural researchers, farmworkers, nutrition advocates, conservation interests, winemakers, nurseries, wheat growers, small and mid-sized farmers and ranchers, processors, agricultural policy advocates, and others.

Blumenauer says his bill will be focused on reining in excessive spending in commodity programs; cutting “wasteful crop insurance” and making it work better for farmers who need it; investing in the future of American farmers through increased resources and land access for beginning and small farmers; strengthening nutrition and feeding programs; reducing food waste and ensuring more resources go to the needy; reforming conservation programs to be more cost-effective and outcome-driven; enhancing innovative research and development of organic and sustainable agriculture, and focusing federal investments in local and regional food systems.

“For too long the Farm Bill has helped the wrong people grow the wrong food in the wrong places,” said Blumenauer. “We need the right food and farm policy that will help all families and farmers, as well as the environment.”

Senate Legal Immigration Bill Embraced by Trump; Bipartisan Critics Want Broader Reform

A rewrite of a focused February bill introduced by Sens. David Perdue (R, GA) and Tom Cotton (R, AR) designed to tighten legal immigration rules for entry to the U.S. was endorsed by President Trump this week in a White House ceremony. The bill – Reforming American Immigration for a Strong Economy (RAISE) Act – would effectively cut the number of legal immigrants by about 50%, but pits the White House against a bipartisan Senate bloc seeking broader federal immigration reform.

The bill would create a skills-based points system, similar to systems in place in Canada and Australia, replacing the current permanent employment visa system. Priority would be given to immigrants “who are best positioned to succeed.” Points are earned based on education, English-language ability, high-paying job offers, age, record of “extraordinary achievement,” and entrepreneurial initiatives. Priority would also be given to “immediate family households,” meaning spouses and minor children, and would end preferences for certain categories of extended and adult family members. The State Department’s so-called “diversity visa lottery” under which about 50,000 visas are allocated each year would disappear as it is “plagued with fraud, advances no economic or humanitarian benefit and does not even promote diversity.” The number of refugees offered permanent residency would be limited to 50,000 a year, in line with a 13-year average.

At the White House roll-out of the legislation, Trump, who campaigned on “merit-based” immigration reform, said, “The RAISE Act is legislation that would represent the most significant reform to our immigration system in half a century...(and) will create a merit-based immigration system that protects our economy, taxpayers, and American workers, while meeting the needs of the work force and encouraging innovation.”

Some lawmakers have already said the bill is too narrow in its rewrite of immigration law, and that any move to reform federal programs has to enhance the legal labor pool, not reduce it. Sen. Ron Johnson (R, WI), chair of the Homeland Security & Government Affairs Committee, cited his state’s dairy industry

and its need for migrant workers. “I don’t want to limit what our economy needs,” Johnson told the media.

At the same time, Senators among the so-called “Gang of Eight” who wrote a comprehensive 2013 Senate immigration reform package that passed overwhelmingly, but ultimately died due to House inaction, said the bill ignores the challenge of 12 million illegal aliens in the U.S. and would be devastating to state economies which rely upon immigrant labor, and would end up “incentivizing illegal immigration.” At the same time, several Senators on both sides of the aisle are working alone and in teams on various aspects of immigration reform, but thus far Cotton and Perdue have shown little interest in broadening their bill’s scope to address such issues as border security.

The political outlook for the bill is at best iffy given several Republicans worry clamping down on the number of legal immigrants will further estrange Latino and Asian voting blocs coveted by lawmakers up for reelection. It’s equally politically problematic for 10 Democrats up for reelection in 2018 in states won by Trump last year, candidates who may feel compelled to vote for stricter immigration laws.

Cotton and Perdue say their bill will “spur economic growth and raise...wages by giving priority to the best-skilled immigrants.” The two southern lawmakers said in a joint statement, “For decades our immigration system has been completely divorced from the needs of our economy, and...wages have suffered as a result.”

Senate Ag Committee Approves CFTC Nominees

President Trump’s three nominees to be Commodity Futures Trading Commission (CFTC) commissioners, were formally approved by the Senate Agriculture Committee this week by voice vote.

Born on a Texas ranch, GOP commissioner nominee Dawn DeBerry Stump, a former House and Senate Agriculture Committee staffer charged with CFTC and futures market issues, and later a lobbyist for the International Futures Association (IFA) and head of her own consulting firm, took some flak from critics earlier in the week for the salary she pulled down as an advocate for an industry she now seeks to regulate. While she and fellow nominee Democrat Russ Benham, a former ag counsel to Sen. Debbie Stabenow (D, MI), have both wrestled with the swaps question during their ag panel tenures, Brian Quintenz, a second GOP nominee who worked on the Hill and a former fund manager, allowed cattle producers have “reasonable” concerns about swaps market volatility. The nominations should come before the full Senate in September.

The CFTC’s full commissioner complement is five – three GOP and two Democrat. Currently, there are only two commissioners, Chair J. Christopher Giancarlo, and Democrat Sharon Y. Bowen, who has announced she’ll leave the commission when another Democrat is confirmed.

Trade Notes

Tripartite NAFTA Line-up Nearly Set – With the U.S. NAFTA priorities released last week, pegged to market access, and major announcements on process out of Mexico and Canada this week, the green light is almost lit for “modernization” talks to begin August 16. Mexico named its chief technical negotiator, Kenneth Smith Ramos, head of the trade and NAFTA office at Mexico’s embassy in Washington, DC. Ramos will work with Economic Secretary Ildefonso Guajardo and Undersecretary for Foreign Trade Juan Carlos Baker in leading the Mexican team. With NAFTA defined as a cornerstone of

the Mexican economy, the country's formal negotiating priorities as reported by *Reuters* this week focus on greater unfettered integration of North American markets, including free access for goods and services, labor market integration and energy security. Mexico wants to preserve – as does U.S. agriculture – current free market access and tariff-free benefits of the treaty, but also wants tougher dispute resolution tools, a move likely not making the White House happy as Trump has said he'd like to dump the so-called Chapter 19 mechanisms. On agriculture, Reuters reports Mexico's priority is to unify agricultural, and health safety regulations. For its part, Canada announced creation of an advisory group to provide input on the talks. A NAFTA council of 13 members with broad expertise is in place, including several major politicians and government officials, and the goal is "furthering Canada's determination to promote Canadian interests and values in our bilateral relations with our main economic partner."

Dems Resurrect Bill to Normalize U.S.-Cuba Trade – Sen. Ron Wyden (D, OR) is the lead author, along with seven prominent Democrat cosponsors of a bill to reestablish normal trade relations with Cuba, while lifting other economic sanctions in place since the early 1960s. The bill is in response to President Trump's mid-June rollback of some steps taken by President Obama to normalize diplomatic and economic relations with communist Cuba. The U.S.-Cuba Trade Act would repeal several laws that codify the U.S. embargo of trade with the Caribbean island nation, so that the U.S. would enjoy normalized trade, investment and travel to Cuba. Wyden referred to the "failed policy of trying to isolate Cuba." "This bill presents an alternative vision – one that looks to the future and at fostering an exchange of ideas between the two countries."

Iowa, Nebraska Governors, ASA Want More Biodiesel and Cellulosic Ethanol in Final RFS

The chief executives of Iowa and Nebraska this week sent word to EPA at an agency public hearing on the Renewable Fuel Standard (RFS), they want to see higher blend levels for biodiesel and cellulosic ethanol in the agency's 2017 final RFS blend mandate due in November.

Joined by Sen. Joni Ernst (R, IA), Gov. Kim Reynolds of Iowa and Nebraska Gov. Pete Ricketts told EPA companies have the capacity to produce 2.75 billion gallons of ethanol in 2019, well above the 2.1 billion gallons the agency has proposed.

Their joint call for higher biodiesel RFS blend rates was echoed by the American Soybean Assn. (ASA), which added it wants to see the total for all advanced biofuels – biodiesel, renewable biodiesel and cellulosic ethanol – increased to 5.25 billion gallons in 2018. ASA also said the use of soybeans for biodiesel refining has resulted in lower feed costs by lowering the cost of soybean meal used for feed.

While EPA has proposed reducing the RFS for cellulosic ethanol by 23% in 2018, the politicians want to see the amount increased. They praised the agency for keeping corn-based ethanol RFS levels at the maximum allowed by law.

EPA Methane Regs Must Be Enforced: Court

In a blow to President Trump's zeal to deregulate broadly and within EPA specifically, the U.S. District Court of Appeals for the District of Columbia ruled this week that EPA must enforce methane regulations imposed by the Obama administration on the oil and gas industry.

The majority of the 11-member court said EPA unlawfully attempted to delay the pollution rule, which sets limits for greenhouse gas (GHG) emissions for the energy industry. EPA attempted in June to put the methane recapture rule in a two-year hibernation in order to review their impact.

On-Farm Antibiotic Use, Resistance Linked by European Government Study

Three European food and medical agencies this week released a study they say confirms the link between the use of antibiotics in animal agriculture, human medicine and the increase in antibiotic resistance in humans. The three agencies said the study relied on improved surveillance and across Europe when monitoring antibiotic use and consumption.

“To contain antibiotic resistance we need to fight on three fronts at the same time: Human, animal and environment. This is exactly what we are trying to achieve in the EU and globally with our recently launched EU Action Plan on antimicrobial resistance,” said the European commissioner for health and food safety.

Overall antibiotic use in food animals is higher than in humans, but varies by country and the kind of antibiotic used, reports the European Food Safety Authority (EFSA), the European Medicines Agency and the European Center for Disease Prevention. The groups said polymyxins, a class of antibiotic used in veterinary medicine and increasingly used in hospitals to treat resistant infections, is an area of focus.

Resistance to quinolones used to battle resistance in humans when treating salmonellosis and campylobacteriosis, is associated with use in animals, as well. Similarly, antibiotics used to treat E. coli infections and other bacteria in humans is connected to resistance in E. coli found in humans.

West Coast Longshoremen Seen Approving Three-Year Contract Extension

The International Longshore & Warehouse Union (ILWU) said this week that its members at 29 ports in California, Oregon and Washington completed their voting and it appears they will approve a three-year extension of their collective bargaining agreement with the Pacific Maritime Assn. (PMA). Early reporting from locals showed the contract extension will likely be approved by 67%. The agreement will be extended to August 22, 2022.

The vote by union members from San Diego, California, to Bellingham, Washington, comes after the PMA proposed the three-year extension and the ILWU studied the proposal for a year. ILWU says the contract extension will raise wages, maintain health benefits and increase pensions.

The extension avoids the repeat of a port closure a few years ago that threatened to paralyze West Coast shipping.

Sensenbrenner Bill Stops State Law on Animal Production, Interstate Trade

A bill that would prohibit states from enacting laws and rules that stop the sale of out-of-state animal products if they're not from animals raised under parochial state production criteria has been introduced by Rep. James Sensenbrenner (R, WI).

The bill would stop a state from imposing a tax, regulatory burden or other restriction on business – including a farm or ranch – not physically located in the state.

Some states, notably California and Massachusetts, have enacted laws prescribing how farm animals must be raised. Further these same states have made it illegal to sell animal products in their states if not raised under the identical conditions. Critics contend such laws violate the commerce clause governing interstate commerce, and are unconstitutional given they affect individuals, companies and others who are not represented in the development of the law or their enactment.

The “No Regulation Without Representation Act of 2017,” similar to legislation introduced by Rep. Steve King (R, IA) during the 2014 Farm Bill debate, was praised by the National Pork Producers Council (NPPC). The King effort, though widely supported by agriculture, failed when it became clear it affected more than just animal production and sales laws enacted by the states.

“Pork producers, not animal rights activists, lawmakers or regulators, should make the decisions about what production practices are best for their animals and for producing safe food,” said NPPC CEO Neil Dierks. He pledged NPPC’s national support for the Sensenbrenner bill.