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FDA Warns on Hurricane-affected Crops for Food, Feed

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Gottlieb said crop impacts from the storms include submersion in flood waters, exposure to contaminants or susceptibility to mold, with some major concerns being heavy metals, chemical, bacterial and mold contamination. He stressed both human and animal foods must meet well-established FDA food safety requirements, and said regulated industry needs to avail itself of agency resources already on the FDA website (www.fda.gov), as well as new tools that will be “revised in the coming days and issued directly by the agency.”

“We have experts in the affected regions who can help provide direct assistance and we are taking additional steps to support recovery efforts. We also understand that state Departments of Agriculture may have specific requirements regarding any attempt to clean, process, test, use or sell crops for human or animal food,” Gottlieb said.

Gottlieb released documents based on direct consultations with state officials and farmers “aimed at providing our most up-to-date, science-based information on which crops can enter commerce without creating risks to consumers or to animals who (sic) may be fed crops as part of animal feed.” The commissioner was responding to inquiries FDA has received about the safety of various crops. He said crops grown in “normal conditions” and not exposed to contaminated floodwaters may enter commerce, adding crops harvested and stored safely before the storms hit “should not be considered impacted by these events.”

“Our (FDA) primary mission is the protection and promotion of the public health. We’re committed to making sure food is safe for consumers,” Gottlieb said. “But we recognize there are hard questions that must be quickly answered about crops affected by these storms, or else crops that might be safe -- because they were not exposed to contaminated floodwaters -- could age past their point of use. We recognize the tremendous impact this storm had on region’s farming families. We’re working diligently to provide them with timely guidance. My staff and I are committed to doing our part to help farmers get back to work.”

The full press release, which includes links to agency information on evaluating the safety of food and animal food crops, and a separate question/answer document on crops harvested for use as animal food can be found here:

<https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm576126.htm>.

Hard Damage Figures Elusive Post Harvey, Irma; USDA Moves to Relax Claim, Documentation, Reporting Requirements

Total damage and economic loss estimates in the wake of Hurricanes Harvey and Irma remain elusive as farmers and ranchers wait for flood waters to recede and animals to be counted, but a back-of-the-

envelope calculation using numbers from various media and industry sources points at a total loss of \$200-300 billion, including destruction of property and economic losses, much of it uninsured.

Congress so far has agreed on a \$15-billion overall disaster aid package, but only the Senate has acted. While some have talked about a package specific to ag losses, Secretary of Agriculture Sonny Perdue isn't very optimistic. "It remains to be seen how the crop insurance program will work. I think Congress is somewhat hesitant to open up a supplemental disaster program on top of the crop insurance program. If there are unmet needs, I believe Congress will have the compassion to do that," he told reporters late last week. The federal insurance program includes crop, dairy margins and livestock income insurance policies.

Secretary of Agriculture Sonny Perdue was in Georgia this week touring Irma damage, and said he's planning to be Texas and Florida in the coming weeks. In Florida this week ag experts reported the entire state was affected by wind, rain and power outages so all crops, from nursery to citrus to sugar cane to fruits/vegetables and cotton, were affected, along with the state's dairy industry. Irma's 60-80 mph winds across growing areas took out about 30% of the cane sugar crop, and up to 50% of combined citrus production by preliminary estimates. In 2016, those crops generated about \$1 billion for citrus, and about \$560 million for cane sugar. The combined overall economic loss due to damage to citrus, cane and the dairy industry, which suffered when power was lost to operations across the state, could go as high as \$9.5 billion, according to various sources.

Texas weathered Hurricane Harvey almost three weeks ago and is still totaling damages. Ranchers have not yet come back with hard figures on the number of cattle lost as many were able to move herds to higher ground or at least safer locations. The area hardest hit by Harvey – north and west of Houston – is home to about 1.25 million head, or 25% of Texas' total cattle herd.

Perdue announced this week because it will take weeks to assess damages, "special procedures" to aid crop and livestock producers in the wake of the hurricanes, including "additional flexibility" to assist farm borrowers, are now in place. The secretary said his priority is "to help people first and deal with paperwork second," and said regular reporting requirements and actions to document and file disaster loss claims will get extended deadlines. The Farm Service Agency (FSA) will allow "emergency procedures" on a case-by-case basis to assist borrowers, livestock growers, contract growers and other producers, and explained these procedures will only apply to counties impacted by a National Oceanic & Atmospheric Administration (NOAA)-determined tropical storm, typhoon or hurricane, including Harvey and Irma, that have received a primary presidential disaster declarations, along with counties contiguous to designated counties. Some FSA borrowers may be in line for 60-day extensions on their loan repayments.

Producers are urged to keep "thorough records of all losses, including livestock death losses, as well as expenses for such things as feed purchases and other extraordinary costs because of lost supplies and/or increased transportation costs," the department advised. Harvey and Irma details on FSA loans can be found at <https://go.usa.gov/xRe8V>, and a complete list of special farm program provisions is available at <https://go.usa.gov/xRe8p>. Risk Management Agency (RMA) procedures for crop and livestock insurance policy holders can be found at <https://rma.usda.gov/news/stormdisaster.html>. Additional resources to help farmers and ranchers deal with flooding and other damage may be found at www.usda.gov/disaster.

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Roberts Less Optimistic about Farm Bill this Year

Calling it a “high hurdle,” Senate Agriculture Committee Chair Pat Roberts (R, KS) this week told reporters after a panel hearing on nutrition programs that getting a Farm Bill over the finish line and to President Trump’s desk before the end of the year is looking less likely given a rapidly consolidating legislative calendar and increasing money pressures across the board.

Both Roberts and his House counterpart, Rep. Mike Conaway (R, TX), have said publicly they'd like to get the "2018" Farm Bill done by the end of this year, or in Conaway's case, "as early in the first quarter of 2018 as possible." Both chairs have said major rewrites of existing programs are unlikely simply because such action carries a hefty price tag. Roberts told industry a few weeks ago that the words "significant change" are not words he wants to hear.

Additional pressure on the program cost side of the Farm Bill comes in the form of recent damage to livestock, poultry, major crops and specialty crops from Hurricanes Harvey and Irma. As Congress seeks to approve a \$15-billion overall disaster package – likely just a first down payment on disaster assistance – there's less willingness to spend more on farm program rewrites.

September 19 Set for Confirmation Hearings on Some Trump Nominees for USDA Subcabinet Posts; Clovis Doesn't Make the List

The Senate Agriculture Committee confirmed this week it plans to hold confirmation hearings September 19 for Steve Censky, current American Soybean Assn. (ASA) president, who is President Trump's nominee for USDA deputy secretary, and for Indiana Agriculture Commissioner Ted McKinney to be the new under secretary for trade and foreign agriculture. However, Dr. Sam Clovis, controversial pick to be under secretary for research, education and economics, didn't make the cut.

Clovis will not be part of next week's hearing because, the committee says it's still going through his paperwork. Agriculture Secretary Sonny Perdue restated his support this week for Clovis to be his department's chief scientist, after Senate Agriculture Committee Chair Pat Roberts (R, KS) told reporters he'd move the Clovis nomination forward if "that's the desire of the secretary and the president."

Senate Minority Leader Charles Schumer (D, NY) calls the Iowa economist "wildly unqualified" and pledges to oppose confirmation. Committee ranking member Sen. Debbie Stabenow (D, MI) has serious questions of her own about the nomination. Clovis, who was a co-chair of the Trump campaign and is now a senior White House liaison to USDA, is under attack for public statements and blog posts he made while a private citizen on a host of issues, including race, gay rights, women's rights and the constitutionality of federal crop insurance.

No schedule is set for Clovis' hearing, nor has the committee received all the nomination paperwork for Iowa Secretary of Agriculture Bill Northey to be under secretary for farm production and conservation, a new job as part of Agriculture Secretary Sonny Perdue's USDA reorganization; Greg Ibach, Nebraska director of agriculture, to be under secretary for marketing and regulatory programs, and Steve Valen, a Washington, DC, attorney, to be USDA general counsel. Valen has served as acting department general counsel since January.

Sunset for NAFTA 2.0? KORUS Gets More White House Threats

President Trump keeps threatening agriculture's favorite and most lucrative trade treaties as the U.S. prepares for the third round of NAFTA renegotiation next week in Ottawa, Canada. Both NAFTA and the Korean-U.S. free trade agreement (KORUS) have been threatened with termination more than once, escalating concerns among agriculture traders.

On NAFTA, reports this week indicate the Office of the U.S. Special Trade Representative (USTR) floated an idea that may be talked about at the Ottawa meeting next week that would create a "sunset"

provision to automatically end NAFTA after five years unless all three countries formally act to renew it. Canada and Mexico immediately pushed back against the notion of an automatic termination section in the treaty even before the U.S. formally proposed it. Both countries claim such a provision would lead to economic instability; Canada says a sunset provision works against the certainty an agreement like NAFTA provides businesses which look for payback on investments sometimes a decade or longer in the future.

Secretary of Commerce Wilbur Ross, Trump's lead on trade issues, and USTR Robert Lighthizer are both said to be supportive of a NAFTA sunset provision, though consideration is in the early stages. Ross called it "a real thing" that would "force a systematic reexamination" of NAFTA. Word, however, is that when USTR shared the idea within the administration, USDA and the Department of State opposed the notion, with both departments saying any type of "automatic termination" language included in the treaty "substantially increases its likelihood" of being used. Both State and USDA have actively opposed any attempt by the White House to terminate NAFTA, calling the action "devastating for the U.S. agriculture economy."

However, Ross did not relent. "We need fixes to this deal. It has not worked the way it was intended to," Ross said last week. Ross' statement – the first from a major cabinet figure – disturbs trade observers who contend such public threats simply force Canada and Mexico to harden their negotiating positions.

The future of KORUS remains a question mark given the first set of talks in August went so badly Trump publicly restated his threat to terminate the treaty by offering to let Korea know six months in advance when the U.S. was going to pull out. However, as with the fate of NAFTA early on, it took Agriculture Secretary Sonny Perdue, White House economic advisor Gary Cohn, Secretary of State Rex Tillerson and national security advisor H.R. McMaster to corner Trump and strongly counsel to repair, not kill KORUS

Ross to Lead November Trade Delegation as Part of Trump's First Trip to China

When President Trump travels to China in mid-November on his first official visit to the Asian giant, Secretary of Commerce Wilbur Ross will lead a "multi-sector trade mission" as part of the group. Ross' office put out an advisory making it clear Trump wants to announce new U.S.-China deals while he's in the country.

The group is expected to be comprised of "senior executives" from 12-25 companies. Details of the mission can be found on the Department of Commerce (DOC) website at www.commerce.gov.

"This multi-sector mission will promote U.S. exports to China by supporting U.S. companies in launching their businesses in a marketplace, as well as address trade policy issues with high-level Chinese officials," the DOC website said. "Addressing the imbalance in U.S.-China trade has been a central focus of discussion between President Trump and President Xi, and this mission will advance the bilateral commercial relationship by promoting business deals between U.S. and Chinese firms, as well as addressing market access barriers faced by U.S. companies."

The Trump visit to Beijing, following up on an invitation from Xi earlier this year, is expected to be part of the president's trip to Asia in November to attend the Asia Pacific Economic Cooperation meeting in Hanoi, Vietnam. Ross is also expected to be in Beijing September 24-25.

FDA to Give Farmers, States More Time to Figure Out FSMA Water Standards Rule

FDA Commissioner Scott Gottlieb, MD, this week told the annual meeting of the National Association of State Departments of Agriculture (NASDA) his agency is going to propose extending the effective date of the produce water standards rule under the Food Safety Modernization Act (FSMA) for two to four years, depending on operation size and location, adding FDA will delay inspections on the produce safety rule until spring, 2019. The earliest compliance date is now 2022 in most cases.

The actions are designed to give FDA time to reinvent and simplify the produce safety rule, particularly the water standards portion of the program. The water standards rule is supposed to keep pathogens out of water used to irrigate crops through routine testing and monitoring. It's one of the most controversial parts of the produce rule as growers contend the water rule is heavy-handed and tough to understand. FDA will also ramp up its producer education and outreach efforts, including a "summit" on water quality and testing.

Gottlieb said the agency's initial approach to the water standards rule was too complicated and too costly, at least in some cases. "We agree we need to take another look at our approach, given these concerns," he said. However, he acknowledged, "There's a consensus that agricultural water can be a major conduit of the pathogens that contaminate water. To make FSMA work for the long run, it's important we have a workable approach to water."

EPA Notes

EPA Keeps "Flexibility" on Offices – The House this week voted down an effort to block EPA from deciding whether to close and/or consolidate any of its regional offices. Rep. Jared Polis (D, CO) offered an amendment to a pending FY 2018 eight-department spending package to stop the agency, but his amendment was voted down 201-212. EPA Administrator Scott Pruitt has publicly offered the idea that EPA would be overall more efficient if some of its regional offices were closed and agency officials shifted to offices in state capitals.

No One Talked to Icahn about RFS, Gas Blending: EPA – Allegations that billionaire investor Carl Icahn's unpaid "advisor" status to President Trump got him special treatment at EPA regarding renewable fuel credits and his desire to shift the point of obligation on Renewable Fuel Standard (RFS) gasoline blending away from refiners, were pretty much laid to rest this week when agency Administrator Scott Pruitt responded to five Democrat senators with evidence a communications search among 39 senior agency executives showed no communication to or from the agency and Icahn or his refining company, CVR Energy. Pruitt told Sen. Sheldon Whitehouse (D, RI) that while he met with Icahn during his confirmation process, "I made no assurances with regard to the point of obligation or any other substantive issue," reminding Whitehouse EPA has taken no action on the point of obligation issue. Also a search of email inboxes going back to February 19, Pruitt's first day on the job, showed no exchanges on any subject with Icahn or his company. Icahn resigned as a Trump advisor on regulatory reform in August, just before the New York Times ran a story about possible criminal meddling in the RFS blending rules. Whitehouse said he's reviewing the Pruitt response.

European Council of Justice Tells EU: No Ban on GMO Cultivation if No Evidence of Serious Human Health Risk, No Use of Precautionary Principle

In a one-two punch to Europe's fervent opposition to genetically modified (GM) crop cultivation within the European Union (EU), the European Council of Justice – the EU's highest court – this week ruled an EU member country cannot ban cultivation of a GM crop unless it can show evidence of serious risk to human health. At the same time, EU member state governments were told they cannot rely on the "precautionary principle" – a kind of "when in doubt, ban the product" approach to food safety – to ban GM crops as "those crops have already gone through a full scientific assessment before being placed on the market."

The Council's ruling came when a case was filed following action by the Italian government to ban cultivation of Monsanto's MON 810 corn variety. Italy had petitioned the European Commission (EC) for emergency authority to block the planting of fields with the GM corn citing two research institute opinions which cast doubt on the safety of the corn to humans and its impact on the environment. The EC found Italy's petition without grounds, but the Italian government went ahead and banned cultivation of the crop.

Said the Council, "Both EU food law and EU legislation on genetically modified food and feed seek to ensure a high level of protection of human health and consumers' interest. In that context, the court finds that, where it is not evident that genetically modified products are likely to constitute a serious risk to human health, animal health or the environment, neither the Commission nor the Member States have the option of adopting emergency measures such as the prohibition on the cultivation of maize MON 810."

Corn Forecast Slightly Up from August, Soybeans to Hit Record

USDA's September crop production forecast puts overall U.S. corn production at 14.2 billion bushels, up less than 1% from August, and still 6% below last year's crop. Soybean production is predicted to hit a record 4.43 billion bushels, up 1% from USDA's August report.

Corn yields are forecast to average 169.9 bushels per acre, up just slightly from August, and down 4.7 bushels from 2016, but still the third highest yield and production on record in the U.S. Area harvested for grain is pegged at 83.5 million acres, unchanged from last month, but 4% below a year ago. Soybean yields are expected to hit 49.9 bushels per acre, up just over half of one percent from last month, but down 2.2 bushels per acre from last year, USDA said. Area harvest for soybeans total a record high 88.7 million acres, up 7% from 2016.

Miss America has Political Chops, Eyes North Dakota Governor's Mansion

The recently crowned 2018 Miss America, Cara Mund, the first Miss North Dakota to snag the title, is a Brown University graduate who interned a year ago with Sen. John Hoeven (R, ND), according to *Agri-Pulse*. Hoeven congratulated the North Dakota native on her win, particularly since Mund, who made some minor headlines when she took on climate change deniers as part of the pageant's question/answer competition, also said she has aspirations to be North Dakota's first woman governor.