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Roberts Shoots for June 6 for Farm Bill Committee Action; Failed House Bill Still in Flux

Calling the date a “moving target,” Senate Agriculture Committee Chair Pat Roberts this week told a Kansas farm audience he’s hoping to bring his draft version of a 2108 Farm Bill before his full committee on or about June 6, and said full Senate floor action would follow in “short order,” and could be as early as June 12.

Meanwhile, Rep. Mike Conaway (R, TX), chair of the House Agriculture Committee, with an eye on a June 22 deadline for round two of his Farm Bill fight, is using the extra time to woo the 30 Republicans who voted against the House farm legislation. Together with “nay” votes cast by all House Democrats, the bill was defeated on May 18. However, the broad coalition of both liberal and conservative groups opposing the House Farm Bill for various reasons is also taking advantage of the extra time prior to reconsideration to recruit more allies to oppose the bill.

Roberts, appearing this week at the Agriculture Roundup in Manhattan, KS – attended by Sen. Jerry Moran (R, KS) and Agriculture Secretary Sonny Perdue – told the producer audience he’s confident the Farm Bill will be reauthorized by the September 30 deadline, and that the Senate version will be bipartisan, unlike its House counterpart. When it comes to the controversial topic of increasing work/training requirements for federal food stamp recipients, it’s less about supporting the concept than it is about having enough votes to get the bill approved by the full Senate, Roberts said, explaining why his bill won’t carry the provision.

He also said his bill will be regionally balanced, referring to a proposal by Upper Midwest Senators to tinker with the Agriculture Risk Coverage (ARC) program at the expense of the Price Loss Coverage (PLC) program. Sens. John Thune (R, SD) and Sherrod Brown (D, OH) propose changes to ARC and PLC to allow base acres not planted in 2009-2016 – on an individual year basis – to be reassigned and made ineligible for either ARC or PLC. At the same time, the cost of improving ARC would be paid by reducing reference prices under PLC.

Roberts doesn’t like the Thune-Brown proposal – “It’s not going to be in the chairman’s bill. It’s not going to be in the Senate bill if I have anything to do with it” – and stressed the importance of ensuring one region of the country is not disproportionately benefited or penalized “at the expense of another section. We either hang together or hang separately,” said the only member of Congress ever to have chaired both House and Senate agriculture committees. “There isn’t any commodity here that is going to be hurt by the Senate bill,” he added.

Senate Majority Leader Mitch McConnell (R, KY), ignoring GOP critics who contend quick Farm Bill action benefits farm state Democrats up for reelection, has given Roberts the green light on floor action once the ag committee completes its work. As to the 60-vote threshold needed to cut off speechifying and move the bill to debate and amendment, Senate Minority Leader Charles Schumer (D, NY) pledged to Roberts he won’t file cloture on the bill if Roberts and committee ranking member Sen. Debbie Stabenow (D, MI) have a deal on moving the bill.

With classic Roberts’ humor, the Kansas lawmaker said, “Now, that’s amazing. This is a time where if a jackrabbit hopped on the Senate floor, Chuck Schumer would either shoot it or file cloture on it.”

Trump Reverses Rhetoric on China Tariffs; ‘Confuses, Confounds’ Ag Traders

While just a week ago President Trump’s cabinet ballyhooed its progress in trade talks with China, declaring the bilateral tariff trade war threats “on hold,” the president this week abruptly announced he’ll go ahead with a plan to slap 25% tariffs on about \$50 billion in Chinese exports and restrict Chinese investment in the U.S. Given the prime targets of Chinese retaliation for such tariff action are U.S. ag exports – starting with soybeans and sorghum, along with an ongoing 25% tariff on U.S. pork – farmers and ranchers are “confused and confounded” by the White House reversal, according to a veteran ag lobbyist.

Some analysts urge caution in reacting to the White House announcement, contending its more of Trump’s bargaining style of chaos and confusion, while others say the President’s statements are ill-advised and undercut ongoing talks. Secretary of Commerce Wilbur Ross’s is in China for further trade talks this weekend; USDA and U.S. Special Trade Representative (USTR) teams are in China talking trade ahead of Ross’ arrival.

The Chinese government is frustrated, but not surprised by the Trump action. “We are surprised by the strategic statement released by the White House, but at the same time, it is somewhat expected,” read a statement on the Chinese Ministry of Commerce website. “It is obviously against the consensus reached by the U.S. and China recently. No matter what the actions are that the U.S. plans to take, China has the confidence, the capability and the experience to defend the core interest of the people and the nation. China urges the United States to meet us halfway with the spirit of our joint statement.”

The Trump tariff threat would impose a 25% tariff on about \$50 billion worth of Chinese exports that include, the White House says, “industrially significant” technology, part of its effort to end what it has called Chinese “theft” of U.S. technology and intellectual property. The administration plans to publish a list of these tariff targets and specific investment restrictions/export controls by June 15, with June 30 as the target date for implementation. It will also continue to pursue a U.S. case against China at the World Trade Organization (WTO), sources said.

Fears Mexico, Canada, EU Steel Tariffs Put NAFTA 2.0 at Risk

President Trump’s stunning decision this week to impose immediate tariffs on steel and aluminum imported from Canada, Mexico and European Union (EU) compounds ag nervousness over administration trade policy spawning serious angst over the fate of NAFTA 2.0.

All three nations immediately branded the tariff action as protectionist, and vowed to file World Trade Organization (WTO) complaints.

Secretary of Commerce Wilbur Ross said of action specifically against Canada and Mexico, with which the U.S. continues to negotiate to modernize NAFTA, “These talks are taking longer than we’d hoped, there is no longer a precise date when they may be concluded, so they (Canada and Mexico) were added into the list of those who will bear tariffs.”

While high-level talks among the three NAFTA nations continued this week, trade experts said a U.S. refusal to budge on its list of demands, coupled with an apparent stalemate over automobile and parts trade, have stalled NAFTA 2.0 progress.

On tariffs, all three governments, which represent about 50% of U.S. steel and aluminum imports, enjoyed temporary exemptions from the proposed tariffs, and on-going negotiations had been conducted for over two months when the administration announced the recent tariff action. Ross said of the action, “We look forward to continued negotiations with Canada and Mexico on one hand, and with the European Commission (EC) on the other hand, as there are other issues we need to get resolved.”

Ross said the U.S. will have to see what actions the three governments take before deciding next steps. What Ross and the rest of the White House can look forward to is likely retaliation by the three governments against U.S. exports. All three nations threatened to retaliate when Trump first announced the steel and aluminum tariffs two months ago. Mexico said it will begin new duties on flat steels, hot and cold foil, including coated and various tubes, lamps, legs and shoulders of pork, sausages and other food preparations, apples, grapes, blueberries, various cheeses, and other products. The EU has notified the WTO of its plans to slap about \$7.2 billion in new duties on U.S. exports to Europe, and listed for “reciprocal tariffs” such products as steels and aluminum items, orange juice and peanuts.

Biofuels Groups Sue EPA to Halt RFS Waivers

As expected, EPA was sued this week by four biofuels groups seeking to stop the agency’s granting of so-called “hardship” small refiner waivers from legal obligations under the Renewable Fuel Standard (RFS), a practice the groups contend has played havoc with biofuels demand and cost the industry millions. The suit also seeks to overturn waivers already granted by EPA.

The Renewable Fuels Assn. (RFA), the American Coalition for Ethanol (ACE), the National Corn Growers Assn. (NCGA) and the National Farmers Union (NFU) filed suit in federal circuit court alleging EPA is too generous with the waivers, and called out three specific waivers it contends saved big energy companies an estimated \$170 million just in compliance costs.

The biofuels industry has been frustrated with the agency for granting the small refiner waivers – “small” meaning less than 75,000 gallons a day – because several waiver recipients are small facilities owned by national and multinational fuel companies.

The biofuels industry believes EPA is intentionally undermining demand for ethanol by chipping away at the RFS. Agriculture Secretary Sonny Perdue has branded the agency’s waiver granting as “demand destruction.” Sen. Charles Grassley (R, IA) last week said if Pruitt doesn’t cease granting waivers, the Iowa lawmaker will publicly demand his resignation.

EPA Sued by Three States over Pesticide Worker Protection Delays

Suit was filed in federal court this week by the attorneys general for New York, California and Maryland against EPA for delaying its modernization worker protections and worker training to prevent excessive exposure to pesticides.

The worker protection rules were updated in 2015, setting the minimum age for pesticide workers at 18, and setting various standards to prevent overexposure to chemicals. It also modified training requirements, increased training frequency and set new record-keeping rules. However, in 2017 the agency announced it was putting implementation of the new protections on hold pending a rework of the underlying program.

This delay – with no timeline given for its reissue – is negatively impacting worker health by neglecting training, the states allege in their suit.

The National Association of State Departments of Agriculture (NASDA) is a major opponent of the agency rulemaking, arguing the “updates” are already covered under existing state and federal laws, and that the new program’s cost to state governments has not been properly studied or considered.

Senate Readies for Immigration as House Works Toward June Floor Deadline

A bipartisan group of Senators is quietly working with the White House behind the scenes to get ready for immigration reform legislation as the House continues to struggle with its “reform” challenges.

Sen. Cory Gardner (R, CO) says “the sweet spot for getting an immigration deal remains now,” reports Politico. “The closer we get to the elections and certainly post-election, the more difficult it will be.” That “deal” is likely going to have to be original work in the Senate given most pending House legislation does not pass muster with Senate Democrats and some moderate Republicans.

The House continues to work toward a late June deadline to hold floor votes on immigration reform bills, including one authored by Rep. Bob Goodlatte (R, VA), which most expect to fail even though it rewrites and moves to USDA the seasonal H-2A worker program. Other candidates for floor time include work-in-progress compromise package of reforms, including Deferred Action for Childhood Arrivals (DACA) reauthorization and “Dreamer” protections. A discharge petition, signed by all House Democrats and an increasing number of moderate Republicans – the petition leaders have until June 7 to get 218 signatures – is also expected to force out of committee separate immigration bills for floor votes.

President Trump publicly complicated the immigration reform effort on the Hill by threatening this week to veto any immigration bill Congress sends him – even one with DACA protections he supports – if the bill doesn’t carry funding for his U.S.-Mexico border wall.

Bayer-Monsanto Deal Gets DOJ Green Light After \$9-Billion in Divestitures

The Department of Justice (DOJ) gave the proposed \$66-billion acquisition by Bayer AG of Monsanto Corp. its antitrust seal of approval this week after Bayer agreed to sell \$9 billion in assets and operations to BASF Corp. Monsanto and Bayer have agreed to the sell-offs – the largest divestiture in a merger in DOJ history – and the agreement is now subject to 60 days of public comment once DOJ publishes the details.

In essence, Bayer is selling off those businesses which compete with Monsanto as an independent company, including its cotton, soybean, canola and vegetable seed businesses, along with the Liberty brand of herbicides, a product which competes with Monsanto’s Roundup herbicide. Bayer also sold BASF its digital agriculture business, its Poncho/VOTIVO seed treatment operations, along with certain intellectual property.

The U.S. regulator’s move is similar to requirements imposed by the European Commission (EC), which conditionally approved in March the merging of the two agribusiness giants. Bayer becomes “the sole shareholder of Monsanto Co. following the receipt of outstanding approvals.” Once the divestiture to BASF is complete, “the integration of Monsanto into Bayer can take place.” The whole deal is expected to take about 60 days.

Government Climate Change Spending Increasing

Just over \$13.2 billion was spent in FY2017 by 19 federal agencies on programs and other issues related to climate change, about \$1.5 billion more than was spent in FY2016, reported the Government Accountability Office (GAO) this week.

Overall climate change spending has grown regularly from the \$4 billion spent in 2010. The Office of Management & Budget (OMB) reports the federal government has spent more than \$154 billion since 1993 to understand and deal with climate change.

The budgets of six agencies which are responsible for about 89% of climate change spending were examined by GAO, and the watchdog found only 18 of 533 programs in those agencies dealt primarily with climate change. These programs “serve different purposes, target audiences or operate at different times and scales, which minimizes potential overlap or duplication.”

HSUS Charity Status Downgraded to “D” by Third Group

After its president and a vice president involuntarily left the organization after allegations of sexual misconduct and several major donors pulled funding, the Humane Society of the U.S. (HSUS) rating by CharityWatch has been downgraded to a “D” in its latest review and ranking of contribution-worthy charities in the U.S. This is the third downgrade HSUS has received from a charity watchdog group since its leadership upheaval earlier this year.

The private group found 48% of HSUS’s budget goes to overhead. A full copy of the group’s HSUS revaluation and rating can be found at www.charitywatch.org.

CharityWatch was founded 25 years ago as the American Institute of Philanthropy (AIP), and bills itself as “America's most independent, assertive charity watchdog.” From its website: “CharityWatch does not merely repeat what a charity reports using simplistic or automated formulas. We dive deep to let you know how efficiently a charity will use your donation to fund the programs you want to support. CharityWatch exposes nonprofit abuses and advocates for your interests as a donor.”