

USDA rushes trade aid; farm groups make pitches

Agriculture Secretary Perdue is planning to head over to the White House this week to make a presentation on how the department is proposing to dole out \$15 billion to \$20 billion in what is tentatively being called the “**Farming Support Program**” for producers who continue to bear the brunt of President Donald Trump’s trade war with China, government officials tell *AgriPulse*. We expect a formal announcement on Thursday afternoon, but given the confusion and state of play we witnessed yesterday, the timing could change.

So far, it’s looking like at least some farmers may be getting bigger payments than they did under the first trade assistance package unveiled by USDA last year. But nothing is confirmed. Bloomberg reported Tuesday that USDA is considering payments of \$2 per bushel for soybean farmers, 63 cents per bushels for wheat, and 4 cents per bushel for corn, but USDA is casting doubt on those numbers.

After first refusing to confirm or deny the reported numbers, USDA later issued a statement critical of “inaccurate media stories.”



USDA Chief Economist Rob Johansson

The previous \$12 billion trade package contained direct payments under a Market Facilitation Program that included \$1.65 for soybeans, 14 cents for wheat, and 1 cent for corn. There were also payments for cotton (6 cents per pound), sorghum (86 cents per bushel), dairy (12 cents per hundredweight), hogs (\$8 per head), almonds (3 cents per pound) and fresh sweet cherries (16 cents per pound).

USDA officials said Tuesday that the new trade mitigation package still isn’t finished.

“Details on the new farming support program will be forthcoming shortly, but we want to be clear that the program is being designed to avoid skewing planting decisions one way or another,” says the latest USDA statement. “Farmers should continue to make their planting and production decisions with the current market signals in mind, rather than some expectation of what a farming support program might or might not look like based on inaccurate media stories.”

Any new payments are widely expected to be decoupled from this year’s planting in order to prevent the aid from impacting what farmers plant.

In the meantime, Perdue’s top lieutenants at USDA — led by Chief Economist Robert Johansson — are collating last-minute pleas by farm groups on behalf of their members and making the calculations to distribute the Trump administration’s second trade aid package in less than a year.

USDA officials have met with farm groups representing producers of corn, dairy, fruits, vegetables and other crops to listen to their suggestions. Sources say USDA officials have promised they are exploring different options and acknowledged that some farmers felt they received too little in last year's package.

Perdue told reporters last week he believed the rollout of the previous trade mitigation package — a three-phase program that included direct payments, commodity purchases and funds for foreign marketing — was well executed, but also noted “there were some issues vis-à-vis the different commodity groups and the disparity of which the remuneration was calculated.”

The National Association of Wheat Growers (NAWG) is one group urging USDA to consider more than just the negative impacts of Chinese tariffs.

In a letter sent to USDA officials, NAWG urged the USDA to consider lost sales to Mexico and the lack of an agreement with Japan – putting U.S. wheat farmers at a disadvantage to competitors in Canada and Australia. “Unfortunately, the last trade aid round of \$0.14 didn’t do enough to help farmers with the damages they’ve suffered,” noted a spokesperson.

NAWG also urged the administration to provide flexibility in how a farmer’s production is calculated – such as using the higher of a farmer’s Actual Production History from participation in the Federal Crop Insurance program or yields used when participating in the Price Loss Coverage (PLC) program. “This change would ensure more farmers are adequately supported by a MFP payment,” the group argued.

If the rate for wheat reported by Bloomberg proves accurate, wheat farmers will have gotten a sizable boost.

Groups like the North American Meat Institute and the National Milk Producers Federation also want USDA to consider the hundreds of millions of dollars they say their members have lost because of Mexican tariffs. Those tariffs on pork, cheese, potatoes and apples — retaliation for U.S. import taxes on steel and aluminum — have just been lifted, but the damage has been done in the form of lost sales and customers.

The reported 4 cents per bushel for corn is three pennies more than the farmers got in the last trade aid package, but it's unclear if that will be enough to satisfy them. The fact that the National Corn Growers Association has released a statement saying that “trade disruptions had cost \$0.44 (per) bushel” suggests they won’t be satisfied.

Rice farmers would just like to get a payment. USDA agreed to buy up \$48.1 million of rice in the previous package, but no direct payments were given out.

China, after more than two decades of delay, finally opened its market to U.S. rice this year. That was reason for celebration, but there have not been any sales and that’s believed to be largely because of China’s 25 percent retaliatory tariffs.

“We had a group of Chinese buyers actually coming to our USA Rice Millers annual convention ... in June and they have canceled,” USA Rice President and CEO Betsy Ward told *Agri-Pulse*. “It shows you where the state of the relationship is, at least temporarily.”



Betsy Ward, USA Rice

The USDA also purchased millions of dollars of fruits and nuts from California producers and even made payments to almond growers, but lawmakers from the Golden State are lobbying USDA for more.

“Our walnut growers can’t become collateral damage in this trade war — our local folks have already lost millions in revenue and were left out of the last round of funding,” said Rep. Josh Harder, D-Calif., in a statement. “Walnut producers don’t want to have to rely on bailouts, but if farmers of other crops are getting a hand, we want to make sure our farmers qualify as well.”

The USDA actually did buy up \$34.6 million of walnuts — nothing close to the \$600 million in losses that Harder and other lawmakers claim — but no direct payments were made under the Market Facilitation Program portion of the package.

No end in sight as US-China retaliatory tariffs hit ag hard

One example of collateral damage from the Trump administration’s escalating trade battle with China is dairy exports.

Seattle-based Darigold, a manufacturing cooperative owned by about 440 dairy farms in Washington, Oregon, Idaho, and Montana, lost its \$50 million in annual sales to China virtually overnight thanks to China’s 25 percent retaliatory tariffs on U.S. dairy exports.

Darigold President and CEO Stan Ryan tells *Agri-Pulse* this sudden \$50 million hit hurts — and has forced Darigold to find alternative markets. **He says co-op members regret the short-term pain but “Our owner members are very long-term in their thinking, and very willing to weather the storm, as uncomfortable as that is, for what we believe is the best long-term outcome for all.”**

Accepting that any U.S.-China trade resolution may take “years not months,” **Ryan says the wait will be worth it because “The growth in China alone in the next ten years could add \$5 billion in trade surplus to the U.S. dairy industry.”**

Ryan sees U.S. ag exports to China benefiting both countries because “this is a natural working partnership waiting to happen.” With China’s high-cost agricultural production, resource shortages, high population, and rapid growth in consumption, he says, China needs dependable supply. He sees the closest, most dependable, competitive, sustainable and expandable supply coming from the U.S. West Coast.

“This is a trade flow that is a natural one to happen,” Ryan explains. “Any economist would look at this as a very obvious advantage for both sides.”

To weather the China storm short term, Darigold is maintaining its export marketing efforts through its Shanghai and Singapore offices and launching a new office in Dubai to generate new sales throughout Asia and into the Middle East. Ryan says this patience and extra effort are worth it because “the most natural and the high-growth, high-demand markets are in Asia ... the growth opportunity in China is immense.”



Stan Ryan, Darigold

Ryan is confident that given enough time, the Trump administration will resolve issues with China because “a rules-based, science-based, level, open, reliable trading system is in everybody’s best interests.”

US-China Business Council (USCBC) Communications Director Douglas Barry seems less ready to expect positive outcomes.

The nonprofit USCBC, representing some 200 U.S. companies operating in China, regrets that “both the US and Chinese governments have chosen to escalate their battle rather than set a date for a new negotiating round to work through their differences.” The advisory group concludes “More tariffs will not persuade either government to change their positions and will exacerbate the damage being done to American companies and farmers that do business with China.”

Regarding the possible resumption of trade negotiations, Barry tells *Agri-Pulse* “an agreement could still be reached, perhaps in conjunction with the G-20 meeting at the end of June.”

But as formal negotiations remain stalled, Barry explains, China’s retaliatory tariffs “have hit U.S. farm states particularly hard, with more pain likely to come when higher tariffs kick in soon.” He adds that these escalating tariffs deliver “an added blow on top of missed opportunities when President Trump pulled the U.S. out of the Trans-Pacific Partnership. As a result, competitors have eagerly filled the vacuum left by the U.S., especially with Japan.”

Despite exporters like Darigold working hard to develop new markets, Barry warns that “Trying to find alternative markets in Asia and elsewhere will not be easy.” He says recapturing lost sales to China itself could be challenging because “Chinese buyers will be wary even if a deal is eventually reached.” He sees such challenges as likely because “Tariffs are generally a bad policy tool with unintended consequences and blowback on countries that impose them.”

What happens next is unpredictable, Barry says, “with both countries hardening their positions in recent days, making it difficult to recall that only a few weeks ago an agreement seemed within reach including large purchases of U.S. products.” He sees one possibility as “both sides hunker down with no progress until after the next U.S. election cycle.”

Barry says it’s also possible “that as tariffs bite harder, pressure grows in both countries to reach a settlement. Efforts to spin tariffs in different ways suggest the pressure is already building, at least in the U.S., though the end game — if there is one — is hard to predict.”

Senior VP Bill Rooney at [Kuehne + Nagel](#), an international freight forwarding and supply management company, agrees on the unpredictability of what lies ahead. The one certainty, he tells *Agri-Pulse*, is that tariffs raise product prices, **“so if you’re competing with people in Brazil whose commodities aren’t subject to a tariff as they enter China, then you become less competitive and agricultural products tend to be very price sensitive ... in many cases, that’s going to be enough to push the demand to another source.”**

With pressure mounting on the U.S. and China to hammer out an agreement, Rooney isn’t making predictions. But he’s hoping for “a resolution on the underlying issues, the theft of intellectual property and the restrictions on access to the Chinese domestic market ... a resolution that at least partially solves those problems.”

California agencies unveil proposals to replace chlorpyrifos

Leaders from state agencies pitched the Assembly with three programs to help farmers transition from the broad-spectrum insecticide chlorpyrifos to other products and systems they described as healthy, environmentally sustainable alternatives during a budget hearing last week.

The proposals included a task force assembled from nearly a dozen stakeholder groups, as well as competitive grants for integrative pest management (IPM) projects, an expedited registration process for new pesticide products and the revival of a stalled program for demonstration projects on sustainable agriculture.

“We want to have a very diverse group look at where we are on the state of the science now, where are we on chlorpyrifos alternatives worldwide and how can we build on that to bring these safer, less toxic alternatives to the fields,” said Teresa Marks, acting director for the Department of Pesticide Regulation (DPR), in the committee hearing.

DPR and the Department of Food and Agriculture (CDFA) based the funding request on Gov. Gavin Newsom’s latest budget proposal. Of the \$5.7 million he requested in one-time funding for short-term alternatives, \$125,000 would pay for the task force. DPR would also receive \$2.1 million to go toward pest management research grants.

“We hope that if this is a very successful program,” said Marks, “we can move forward with actually continuing that in the next budget year to look at more of the toxic pesticides we currently have in use, like organophosphates, carbomates, fumigants.”

The proposed budget item also included \$1.5 million for expanding CDFA’s Proactive Integrated Pest Management Solutions grants program, which currently funds one project on invasive pests per year. That money would also support the Inter-Regional Research Project Number 4 (IR4), which CDFA supports with funding on behalf of the U.S. Department of Agriculture.

CDFA currently supports three IR4 projects per year, with a large backlog. Those projects could help with alternatives to chlorpyrifos, but they cover a range of materials for specialty crop



UC Davis Prof. Tom Tomich, Director of the Agriculture Sustainability Institute

growers, according to Kevin Masuhara, CDFA’s deputy secretary of administration and finance. The low acreage for these crops, however, means less financial incentive for manufacturers to invest in developing and registering alternative products for these growers.

The last \$2 million would go toward Biologically Integrated Farming Systems (BIFS), which would support two on-farm demonstration and outreach projects over the course of three years. The projects would experiment with “lower inputs and IPM Techniques like enhanced scouting and withholding treatment until certain thresholds are met to reduce overall pesticide usage,” said Masuhara. He added that growers would be hesitant to implement these practices in their fields due to “the risk of yield loss or not making quality considerations.”

BIFS began as an idea in 1988 with two brothers in Merced County who farmed almonds. One used conventional practices; the other organic. To compare yields and quality, they sought out a grant through the University of California’s Sustainable Agriculture Research and Education Program (SAREP) and other support from the Community Alliance with Family Farmers.

The program grew to cover more orchard crops and gained the attention of the state legislature, which then granted funding for what became the BIFS program with Assembly Bill 3383 in 1994. The program supported 12 large-scale sustainability projects until the funding dried up in 2010. But the SAREP staff still praise the opportunities the program presented to farmers.

“It was the social network for agricultural innovation before there were social networks,” said Tom Tomich, director of the UC Davis Agricultural Sustainability Institute, which houses SAREP.

Tomich said the BIFS approach positions the farmer as the innovator, while SAREP staff, UC Cooperative Extension specialists and pest control advisers (PCAs) provide the scientific support.

“It’s kind of the reversal of the stereotype of scientists being the experts telling people what to do,” he said.

He noted that PCAs are key influencers in this innovation network when they carry the dual identity of being a grower and an adviser.

The projects were clustered into commodities and regions. One project focused on cattle, while another sought alternatives to methyl bromide. But Tomich envisions rebooting the program as a digital-first “solutions center” with a web portal, a broad network of farmers and scientific advisers and experiential learning opportunities, such as the demonstration projects.

He said the \$2 million requested for BIFS projects could go a long way through small grants for growers, especially if housed at a research university with access to extension specialists and graduate students, who would also benefit from the experience. Tomich did note that the funding for replacing methyl bromide was “significantly larger.”

Tomich concluded that the state is basically down to two options. The agencies can fund programs to directly substitute chlorpyrifos with another chemical. Or, the state could take an agroecological approach, looking at the whole system and “how different changes and components could actually move the production system toward greater sustainability.”

The budget subcommittee approved the budget item proposal Monday. The full budget committee will make its final decision before a June 15 deadline.

Five questions for Ian LeMay, California Fresh Fruit Association

Ian LeMay is taking over the role of president for the California Fresh Fruit Association (CFFA) during what he describes as a difficult time for the industry. LeMay spoke with *Agri-Pulse* on the unprecedented challenges of shifting water supplies, a labor shortage, tariff impacts stunting trade and the state’s higher minimum wage law. LeMay has served four years as CFFA’s director of member relations and communications. Before CFFA, he advised Rep. Jim Costa, D-Calif., on ag, water and transportation issues as his district staff director.

Current CFFA President George Radanovich is stepping down to work on ag labor policy in Washington, D.C., and LeMay will officially take over on June 1. The conversation has been edited for brevity.

1. What are your top priorities as president of CFFA?

Our top priorities are to continue our long-standing representation of the permanent fresh fruit commodities to California. The California Fresh Fruit Association has been around for 83 years and we have a strong board of directors and a committed executive committee that has long represented the immediate issues for the industry.

When I'm forecasting going forward, I don't see the issues changing. We continue to deal with the shortage of labor here in California. The permanent fresh fruit commodities that we represent are heavily dependent on an abundant and capable



Ian LeMay, CFFA president

workforce — that we don't necessarily have. Working with our federal legislators on a comprehensive immigration reform will remain a priority of ours, as well as working with our state representatives to understand that they have legislated strong labor regulations for the state of California. Our industry complies with those and has created a good working environment for our employees. We are concentrating on bringing the needed fresh produce to the consumer that they're demanding.

Water will continue to be a primary issue as well. We are a year out from the implementation of the Sustainable Groundwater Management Act, which, for commodities like ours, it will have an impact. We continue to monitor the progression of the groundwater sustainability coalitions that are being formed and around the state. We continue to engage with the state — with the likes of the Department of Water Resources, as well as the Natural Resources Department — to make sure that they have a plan with these groundwater sustainability plans submitted here in the next year. [We're also engaging with them on] how they can best work with the growers of California to try to continue to allow us to do what we do best. That is to grow the freshest and safest fruits and vegetables that the state is currently growing.

And so that's the major issues that we're currently working on. We're collaborating with other ag associations and water agencies to identify ways in which that we can expand and maximize our water infrastructure system here in California. We hope to be making more progress in that arena here in the next couple of months.

2. How have fresh fruits been hit by the recent tariffs and what do you hope to see in a trade aid package?

The tariffs and the ongoing trading negotiations have definitely impacted our members. Over one-third of California plums are exported to China. We continue to dialogue with the administration to make them understand the impacts that our growers are seeing. California table grapes and figs, as well as a few of the other commodities that we represent, have also been impacted by the loss of that market.

In the intermediate, we would like to see a continuation of the facilitation program implemented last year. We would like for the administration to continue to concentrate on the commodities that are being directly impacted by the tariffs.

It's no secret that here in California, a portion of our business portfolio is what we can export to foreign markets. China has been one of those markets that we've seen growth for our commodities. We would like to see it continue to be a market.

3. You said "these have not been easy years" for your industry. Can you explain?

Yes, we have seen a contracting labor force throughout the western United States. Our 13 permanent fresh fruit commodities that we represent here at CFFA are heavily dependent on a present labor force. As we've seen that reduction, it's become harder to do business. California has also made some changes in terms of raising the minimum wage and changing available hours that our employees can work. These are changes to the business model that some other states that grow similar commodities don't necessarily have to deal with. As our industry has to change our

business model, we want to make sure that we remain competitive, both in a domestic and in a foreign marketplace.

We are not that far removed from drought conditions here in the state. While some commodities in California can choose whether to plant or not plant, our members need to have an available water source to keep their commodities and their permanent plantings alive. We continue to deal with these ongoing water negotiations and the discussion as to whether we need to invest in additional water infrastructure. Our members are quite impacted.

4. What are some trends in California that you're watching that may affect the industry?

We definitely want to see a continuation and a potential growth of the [Air Resources Board's] FARMER program [for upgrading ag equipment]. Our members have definitely seen a benefit there.

In Sacramento, we continue to see an ongoing dialogue on the plant health materials that our industry is allowed to use. Trying to find a balance in policy in Sacramento is a top priority for our association. We understand that the government has to deal with multiple priorities and multiple constituencies, but we would hope that they find and see a value in what the members of the California Fresh Fruit Association, and California agriculture as a whole, bring not only to the citizens of California, but to citizens of the United States and the global community. I believe that our government and the state would be hard pressed to find better farmers who are more concerned with safe practices in farming than they are here in California. We hope they'll be willing partners to allow us to continue to do that.

5. Anything else you would like to add?

I'm just excited for the opportunity. I appreciate my board's decision to allow me to serve in a new capacity and I'm excited for the opportunity to advocate for California agriculture.

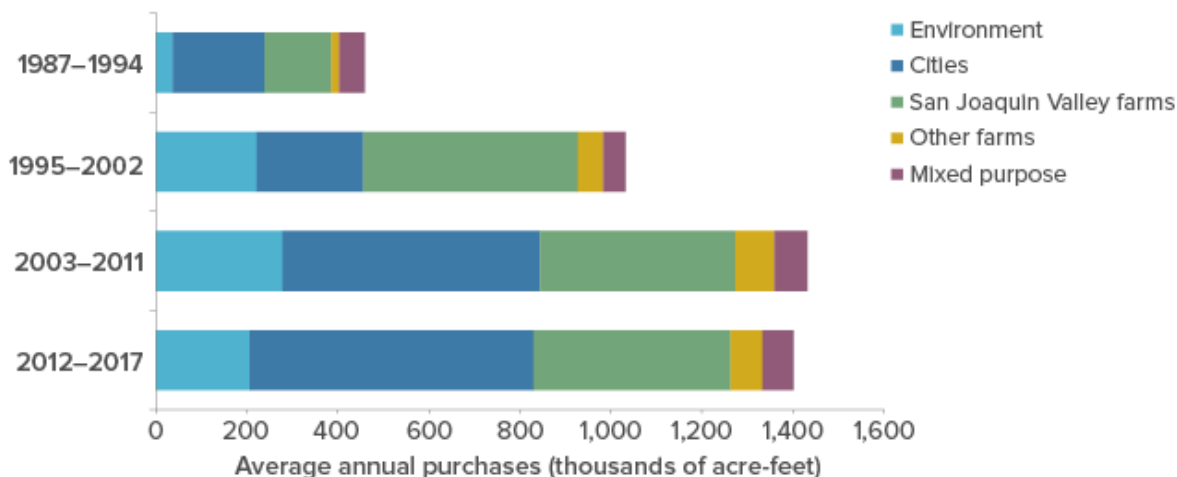
PPIC Report: Invest in water trading to reduce SGMA costs

Reform is needed to strengthen California's water trading market and minimize the impacts of the Sustainable Groundwater Management Act, according to a new report by the Public Policy Institute of California.

Most water sales in California come from the farm sector and the major buyers tend to be cities in the San Joaquin Valley and Southern California, with the latter receiving 15 percent of their supplies from trades. Water sales have also benefited the environment, accounting for 17 percent of the total market flows over the last 35 years. The practice also contributed to keeping farming areas productive and orchards alive during the extreme drought.

Trading is also impacting land values in regions with overdrafted groundwater basins. With SGMA months away from implementation, sales of agricultural land are already correlating with surface water access in the San Joaquin Valley. Daniel Sumner, an agricultural economist at the University of California, Davis, has pointed out that water trading presents a unique opportunity for growers to supplement their income by fallowing acreage on poor farming land and banking groundwater, selling it for profit during dry years.

Cities and farms account for the bulk of the market



Source: PPIC

But PPIC finds that the market has been mostly flat following large upticks in the 1980s and 1990s, while the regulatory process has grown complex. Most trading — up to 44 percent of sales — occurs in the same county or region. In presenting a report in February on the potential SGMA impacts to the San Joaquin Valley, Ellen Hanak, director of the PPIC Water Policy Center and lead author on both reports, said scaling up water trading within and across groundwater basin boundaries could reduce fallowing and economic impacts by as much as half.

According to the new report, the regulatory process for trading water is “fragmented and inconsistent” and varies by the type of water right, the restrictions from individual irrigation districts and the many groundwater sustainability plans currently being drafted.

The report emphasizes the need for a more centralized and accurate accounting of the water available for trading and to establish caps for sellers that would maintain environmental and legal protections. Another weak point is neglected infrastructure for water conveyance, which would be used for transporting the water trades.

PPIC has appealed to the legislature, state agencies and the governor’s office for a statewide effort to upgrade and streamline the water trading process.

“The way we’re addressing the technical and managerial solutions on the ground is really piecemeal and fragmented,” said Hanak, during an Assembly hearing in April on the Clean Water for All Act. “And we’re not going fast enough either.”

Farmers say they can’t cut significant amounts of carbon without aid

While many farmers and ranchers have been successful in reducing their carbon footprint, making significant new progress in reducing greenhouse gas emissions will require government

assistance and new financial incentives, especially now that farmers are struggling to cope with depressed commodity prices, senators were told Tuesday.

Government regulations also could stymie the development of new technologies, according to testimony at a Senate Agriculture Committee hearing.

“The reality is that agriculture can be leaders in solving this pollution crisis,” said the committee’s ranking Democrat, Debbie Stabenow, D-Mich. **“This is about opportunity.”**

The hearing represented a marked departure from recent congressional history on the climate issue in that the committee is controlled by Republicans. There appeared to be bipartisan support for reducing agricultural greenhouse gas emissions, at least on a voluntary basis.

But Nebraska corn and soybean grower Matthew Rezac, who recently won a sustainability award from Land O’Lakes, warned that on their own, farmers can’t afford the cost of making further improvements to conservation practices in the existing farm economy.

“This is what’s right for the country. This is what’s right for the ground and moving forward and for conservation and everything else. But it just doesn’t matter. If you don’t have the money to spend you can’t keep moving forward,” said Rezac.

That prompted committee member Mike Braun, R-Ind., to say that industry needed to help farmers with the cost of conservation improvements. “Along with doing some things through government, it’s going to be a joint challenge to get through this tough stretch.”

Former Agriculture Secretary Tom Vilsack, who is now president and CEO of the U.S. Dairy Export Council, called for USDA to set up a series of pilot projects to measure and quantify the reductions in greenhouse gas emissions that various practices and technology can produce.

“We have to show people what is possible,” Vilsack told the committee.

He also urged lawmakers to protect conservation programs from cuts and to increase spending on agricultural research.

“You cannot ask farmers to do this on their own. They simply do not have the resources. They have the will but not the resources,” he said.



Tom Vilsack, USDEC

Echoing a concern expressed by Senate Agriculture Chairman Pat Roberts, R-Kan., at the outset of the hearing, **Vilsack also said it’s critical for the government to streamline the regulations to get improved feed additives and seed genetics to the market.** He cited his own effort as secretary to accelerate the regulatory process for new biotech crop traits. Feed additives under

development for dairy cattle could reduce the amount of methane, a potent greenhouse gas, that they emit.

Delays in the regulatory approvals can put U.S. farmers “at a competitive disadvantage in the global market,” he said.

Frank Mitloehner, an animal scientist at the University of California, Davis, who specializes in studying the climate impact of agriculture, said state regulations could have the unintended effect of increasing emissions.

He said California’s drive to reduce emissions from the livestock industry by 40 percent is leading some dairy producers to consider leaving for other states. The irony, he said, is that the farms’ emissions will be higher in other states than if they had stayed in California. The operations would no longer be subject to California regulations and could also expand.

“We’ll not reduce the emissions with this kind of regulatory pressure, but we’ll increase them,” he said.

Rezac said farm bill programs such as the Conservation Stewardship Program provide critical assistance to producers, but he expressed concern that the Natural Resources Conservation Service is short-staffed at the field level. Many producers don’t know the assistance exists, he said.



Frank Mitloehner, UC Davis

“To be quite honest, a lot of people have a hard time even finding these programs. They don’t know that they’re out there unless they really look for them and dig into them,” Rezac said.

Rezac uses precision agriculture techniques on his farm, including variable rate fertilizer applications, soil moisture probes to guide irrigation timing, and plant tissue sampling to monitor nutrient needs.

He’s also identified areas with poor soils where it doesn’t make sense to continue planting crops; at least one of those he turned into butterfly habitat, which can qualify for federal assistance. “That’s really out there for a farmer, but

it pays really well,” he told the senators.

Roberts emphasized that farmers were already doing a lot on their own to reduce their carbon footprint, but he said that the efforts have “been self-initiated and largely self-funded” and relied on improvements in farming practices and technology.

Mitloehner said the improved efficiency of U.S. livestock production means American farmers and ranchers produce meat and dairy products with fewer emissions than many other countries. A single U.S. cow produces about 23,000 pounds of milk a year, while it takes up to five cows in Mexico and 20 in India to produce that much.

The U.S. beef industry produces 24 million tons of meat a year with 90 million head of cattle. In 1970 it took 140 million head to produce that much beef.

Ag labor program fix remains uncertain

An effort to overhaul immigration laws got off to a rocky start on Capitol Hill when the White House plan developed by Jared Kushner got a decidedly cool reception in the Senate.

The plan, outlined last week, focuses on making the legal immigration system more “merit-based.” It was supposed to be the first step in a two-step process, with step two addressing fixes to ag labor programs.

Senate Agriculture Chairman Pat Roberts, R-Kan., quipped that it was probably a good thing that the plan omitted ag labor. “Why get on a horse that’s not going anywhere?”

But Roberts said Kushner, who heads the Office of American Innovation in the White House, remains interested in improving farmers’ access to foreign labor through an improved guest worker program.

Sen. Kevin Cramer, R-N.D., who sat in on a meeting about the plan a few weeks ago with President Donald Trump and Kushner, the president’s son-in-law, says immigration reform would be a heavy lift even if it included provisions addressing agricultural labor needs and legalized Dreamers, adults who were brought to the country illegally as children.



Jared Kushner, White House

The Kushner plan was a non-starter for Senate Democrats in part because it didn’t address the Dreamers, who were given temporary legal status during the Obama administration under the Deferred Action for Childhood Arrivals program.

The plan is designed to secure the border, attract highly skilled workers, and level the playing field for all workers by using a more competitive approach.

“I don’t know that even that particular proposal even with a DACA fix and H-2A issues would pass, because we’ve been down this path before,” Cramer told *Agri-Pulse*.

But Cramer would like to see improvements to the H-2A agricultural visa program added to Trump’s proposal. He sees H-2A as a merit-based program.

Cramer said the H-2A issue could potentially be added to a package that Senate Judiciary Chairman Lindsey Graham, R-S.C., has in the works.

“You need something to work off of and that may be a place to (start),” Cramer said.

Graham’s bill, known as the Secure and Protect Act of 2019, would treat unaccompanied minors from Central America the same as minors from Canada and Mexico. It would also allow families to be held together for 100 days rather than the current 20-day limit and would add 500 new immigration judges to reduce the backlog in asylum cases.

Senate Majority Leader Mitch McConnell, R-Ky., told *Agri-Pulse* he looks forward to reviewing the president’s proposal and pushed Senate Democrats to “get serious” about working with Republicans on immigration.

“We are a nation of immigrants and we must preserve that rich part of who we are. But we are a nation of laws,” McConnell said in a statement. “(We must) restore the rule of law to our nation, which includes reforming out-of-date legal authorities.”

Farm groups say a shortage of labor is increasing their costs and H-2A is too restrictive. Many growers say it’s also critical to provide legal status to existing farmworkers who are in the country illegally.

“We’re the biggest ag state and there is no American labor,” Sen. Dianne Feinstein of California said. “It’s all mostly immigrant labor and I think people have to reconcile themselves to that.”

H-2A is particularly difficult for dairy farms to use because workers can only be imported for seasonal labor; dairy farms need workers year-round.



Chuck Conner, NCFC

“This is a very extensive problem (in the) dairy (industry). They are very nervous about the legal status of their workers. Literally the cows could not get milked without these workers,” said Chuck Conner, president and CEO of the National Council of Farmer Cooperatives.

Issuances of H-2A visas have tripled since 2007, growing at an average of 13 percent a year, according to a Center for Immigration Studies [report](#). Over 50 percent of workers in the program are concentrated in Washington, North Carolina, Florida, Georgia and California.

Twenty percent of all workers with H-2A visas worked in just four crop categories in 2017. They were apple, tobacco, blueberries, and fruits, according to the CIS report.

The U.S. Apple Association has pushed for H-2A reforms for the past decade. Senior Vice President Diane Kurrle said the program “needs to be built for the 21st Century” to address today’s challenges.

“Getting (workers) here is often cumbersome, bureaucratic, expensive and there are delays (with the H-2A) program as well,” Kurrle said.

Whether it’s truck drivers or picking fruits and vegetables, “there just aren’t enough people available to do the kind of work that needs to be done,” Daren Coppock, president and CEO of the Agricultural Retailers Association, said.

Coppock added it’s difficult to pass an immigration bill because it’s hard to get everyone to agree. This includes not only includes Republicans and Democrats but organizations, farmers, and farm-labor organizations.

Democratic Rep. Jimmy Panetta, who represents California’s Salinas Valley, said the issue will require bipartisan cooperation.

“If you are serious about it, you need to have all sides at the table to get out the details and grind down on where there can be compromise,” Panetta said. “It’s not easy and it takes time.”

News Brief:

EPA seeks to use cost-benefit analysis for rulemaking. EPA Administrator Andrew Wheeler wants agency officials to start developing proposals to use cost- benefit analyses in preparing regulations. In a memo released Tuesday by the agency, Wheeler directs his assistant administrators for the offices of water, air and radiation, land and emergency management, and chemical safety and pollution prevention “to develop reforms, including notice-and-comment rulemakings, that outline how benefit-cost considerations will be applied in areas that are in need of greater clarity, transparency and consistency.” He said the offices “should evaluate benefits and costs in a manner that applies consistent interpretations of key terms and concepts for specific statutes (e.g. ‘practical,’ ‘appropriate,’ ‘reasonable’ and ‘feasible’).” National Association of Manufacturers CEO Jay Timmons welcomed the move, saying, “Reforming the way the EPA performs cost-benefit analysis is likely to have a greater positive impact on the future of manufacturing in America than any single EPA regulatory action. This announcement isn’t deregulation; it’s better regulation. Through this new initiative, the EPA will get regulations done right the first time, delivering clarity and transparency for manufacturers.” Environmental groups, on the other hand, have complained that the current administration has attempted to underestimate benefits and overestimate costs in rulemakings, pointing in particular to its effort to ignore some of the benefits of its Mercury and Air Toxics Standard.

Farm Hands:

The USDA Natural Resources Conservation Service (NRCS) in California appointed **RaeAnn Dubay** as the new assistant state conservationist for Farm Bill programs. She replaces Alan Forkey who retired from the position in December 2018. Dubay brings over 17 years of NRCS conservation experience with positions including District Conservationist for the Yuba City field office and Area Resource Conservationist for the northern portion of California.

Dallas Tonsager, the chairman of the Farm Credit Administration since 2016 who earlier served as an undersecretary for rural development at USDA, died Tuesday after a battle with lymphoma.

He was 64. Tonsager, who grew up on a dairy farm near Oldham, S.D., was long active in rural development and with the Farm Credit System, which the FCA oversees. Former Agriculture Secretary Tom Vilsack said that the Tonsager family "lost a loving husband and a caring father and grandfather, and rural America lost its champion. Dallas devoted his life to help those living and working in rural places have better opportunities." **Jeff Hall** has been designated as the acting CEO of the Farm Credit Administration.

President and CEO of the National Restaurant Association (NRA) **Dawn Sweeney** announced she will step down from the organization at the end of the year. Sweeney has served in the position since 2007. The trade group is currently in the process of searching for her successor. NRA has also named **Sean Kennedy** as its new executive vice president for public affairs. Kennedy previously served as executive vice president of global government affairs for the Airlines for America trade group.

The Association of Equipment Manufacturers elected **Brett Davis** to serve on the AEM Ag Sector Board. Davis was recently named the new brand leader for New Holland North America of CNH Industrial LLC, where he is responsible for overseeing the sales and marketing and support functions of New Holland products in North America. He has been at CNH Industrial for 23 years, serving in a variety of management roles. Before his new role, he was president of CNH Industrial Capital.

Sarah Little has left the Hill after working 20 years for Sen. **Pat Roberts**, R-Kan., as his communications director for his personal office and for the Senate Committee on Agriculture, Nutrition and Forestry. She leaves to join the North American Meat Institute as vice president of communications. **Stacey Daniels**, who was Roberts' press secretary, is now communications director for Roberts' personal office. **Meghan Cline**, who was the committee's press secretary, is now its communications director.

House Budget Committee Ranking Member **Steve Womack**, R-Ark., applauded the appointment of **Phillip Swagel** to serve as the director of the Congressional Budget Office (CBO). He replaces Keith Hall, whose term ended in January. President pro tempore of the Senate **Chuck Grassley**, R-Iowa, House Speaker **Nancy Pelosi**, D-Calif., are responsible for appointing the CBO director to serve a four-year term upon a recommendation from the Senate and House Budget Committee Chairmen.

The American Feed Industry Association's board of directors elected a new chair and several board members at its annual spring meeting. **Tim Belstra**, chairman of Belstra Milling Co. has been tapped to serve as the board chairman. He succeeds outgoing chairman **Bruce Crutcher** of Micronutrients USA LLC, who will now transition into his one-year chairmanship of the Institute for Feed Education and Research's (IFEEDER) Board of Trustees. **Scott Druker** of Church & Dwight Company Inc. was voted in as chair-elect of the AFIA board. The board also elected the following individuals to serve three-year terms, which began during the meeting: **Jeff Ast**, Lallemand Animal Nutrition; **Mike Gauss**, Kent Nutrition Group Inc.; **Carlos Gonzalez**, Ph.D., Hill's Pet Nutrition; **Alan Gunderson**, Vita Plus Corporation; **Kevin Halpin**, Ph.D., International Ingredient Corporation; **Camissa Hummel**, ADM Animal Nutrition, Inc; **Steve Lerner**, Chr. Hansen Animal Health and Nutrition; **Andrew Loder**, Wilbur-Ellis Nutrition LLC; **Joe Lucas**, CJ America Inc.; **Eric McMillan**, Cactus Feeders; **Landis Shoemaker**, Sunnyside Feeds LLC; **Michael Skuodas**, POET Nutrition; **Dean Warras**, Phibro Animal

Health Corporation; **Glen Wilkinson**, Huvepharma Inc.; **Jonathan Wheat**, 4B Components Ltd.; and **Mindy Whittle**, Bayer U.S. - Crop Science.

Katie Devlin was promoted to legislative assistant from legislative correspondent for Rep. **Doug LaMalfa**, R-Calif. She covers the animal portfolio.

Sen. **Tom Carper**, D-Del., added **Lucy Xiao** as his new tax and trade policy adviser. She previously served as a legislative assistant in the office of Sen. **Dianne Feinstein**, D-Calif..... **Zarinah Mustafa** has left the office of Sen. **Ron Wyden**, D-Ore., where she served as legislative aide. She left to become a SEO law fellow at Buckley LLP. Wyden has not yet named a replacement.....**Dave Roth** now works for U.S. Customs and Border Protection as a congressional liaison specialist. He previously worked on the staff of Rep. **Lucille Roybal-Allard**, D-Calif., for the House Appropriations Committee.....**Meghan McConnell** has left the office of Rep. **Linda Teresa Sánchez**, D-Calif., where she served as a legislative assistant. Sánchez's office has not yet filled this position.

The National Environmental Education Foundation has announced new four-year appointments to its board of directors. Joining the board is **Todd Greenwood** of the National FFA



Tom Vilsack

Organization, **Katherine Emerson** with the Congressional Hunger Center within the National Corn Growers Association, **Don Mattingly**, manager of the Miami Marlins, and **Katie Hogge** with Ocean Conservancy and American Conservation Coalition.

Former Secretary of Agriculture and Governor of Iowa **Tom Vilsack** has been awarded the George Washington Carver Award for Innovation in Industrial Biotechnology. The award is given out by the Biotechnology Innovation Organization (BIO) to those who advocate on behalf of biotechnology and embody characteristics of George Washington Carver and his commitment to science. The award will be presented on Wednesday, July 10, during a plenary session at the 2019 BIO World Congress on Industrial Biotechnology and AgTech.

Best regards,

Sara Wyant

Editor

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