

US-Mexico rift far from over and still a trade threat

President Donald Trump is blurring the lines between immigration and trade by continuing to threaten Mexico with tariffs for its border security policies. Ag sectors in both countries fear the lingering tensions may weigh heavily on their businesses as well as the fate of the U.S.-Mexico-Canada Agreement.

Last Friday, Trump pulled back from immediately levying tariffs on Mexico because the country agreed to take strong measures to stop Central American migrants from reaching the U.S., but there's no guarantee Mexico will succeed in placating Trump at a time when neither Mexico, the U.S. or Canada has yet ratified the USMCA.

“You saw that the announcement was that the president would indefinitely suspend the tariffs,” Secretary of State Mike Pompeo said Monday. **“That means if it’s the case that we’re not making sufficient progress ... those tariffs will go back in place. And as we had these conversations with my ... counterpart (Mexican Foreign Secretary Marcelo Ebrard), we both understood that.”**



Chief Ag Negotiator Gregg Doud, USTR

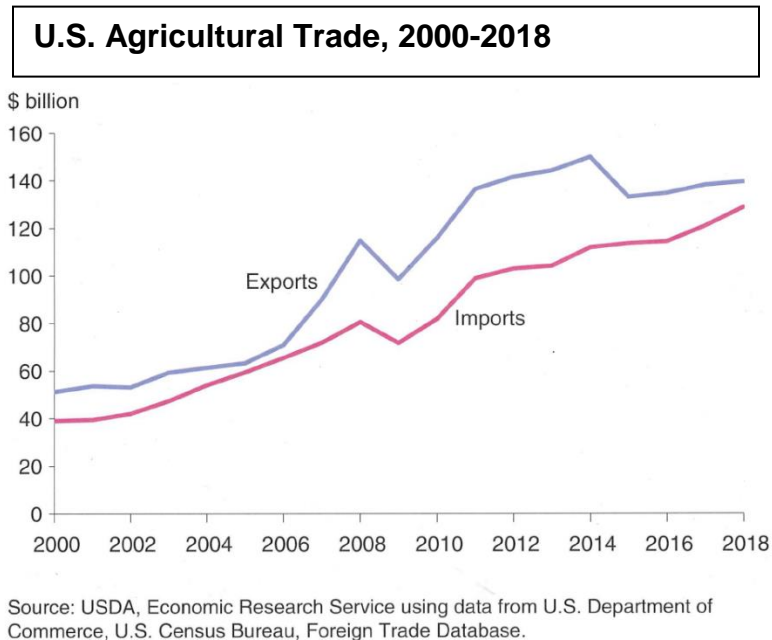
While a crisis — one that Mexican officials said would have resulted in retaliatory tariffs on U.S. goods — was averted, the uncertainty over the future remains.

“I am glad that the President has abandoned his ill-conceived plan to put a new tariff on Mexico,” noted Subcommittee Chair Jim Costa, D-Calif., during a House Ag Subcommittee hearing yesterday. However, he remains **“concerned that this whole exercise has slowed down the positive momentum that existed after the Administration finally agreed to lift the 232 tariffs on Mexico and Canada only a few weeks ago.”** Costa pointed out the U.S. has the

smallest agricultural trade surplus in over a decade and “We are all concerned about that.” See **chart below.**

Late last month when Trump first threatened the tariffs on Mexico, U.S. ag groups and farm state lawmakers came out swiftly to warn that the fate of the USMCA was being jeopardized.

“We respectfully ask the administration not to implement these new tariffs,” U.S. Wheat Associates Chairman Chris Kolstad said at the time. “The potential fallout for farmers would be like struggling to survive a flood, then getting hit by a tornado.”



Trump may have backed off for now on the tariffs, but the U.S. relationship with Mexico and USMCA are still on shaky ground.

“It’s not over yet,” Rep. Josh Harder, D-Calif., told *Agri-Pulse* on the sidelines of a Tuesday House Agriculture subcommittee hearing on trade. “The whole trade regime is at stake. ... He’s trying to get through a trade deal while at the same time he is antagonizing our trade partners. I think it’s pretty clear he hasn’t thought through his trade strategy, and the folks who are caught holding the bag are farmers that are trying to export crops.”

Meanwhile, the USMCA is the Trump administration’s top legislative priority, said Gregg Doud, the U.S. Trade Representative’s top ag trade negotiator, and Ted McKinney, USDA’s top trade official, who testified at a House Livestock and Foreign Agriculture Subcommittee hearing Tuesday.

“First, passage of the (USMCA) is an absolute necessity for U.S. agriculture,” Doud said. “Since the implementation of the North American Free Trade Agreement ... in 1994, our agricultural exports to Canada have increased 289% and our agricultural exports to Mexico have increased by 311% — creating our first and second largest export markets in 2018 worth a combined \$41 billion out of \$145 billion in total agricultural exports last year.”

Rep. Costa agreed on the importance of USMCA to the U.S. ag sector, but stressed to reporters after the hearing that the latest rift with Mexico is an unwanted threat.

“This invoking of tariffs and then walking them back is making a difficult situation harder because the passage of USMCA is not a foregone conclusion,” Costa said. “There are still

issues that many of my Democratic colleagues would like to see focused on and this just further complicates ... the other issues.”

It was those other issues, such as enforcement of USMCA provisions that require Mexico to improve labor and environmental standards, that some lawmakers at the Tuesday hearing concentrated on. House Speaker Nancy Pelosi still appears unwilling to bring the trade deal up for a ratification vote, said Rep. Glenn Thompson, R-Pa.

GOP lawmakers like Thompson and Rep. Mike Conaway, R-Texas, dismissed concerns that Trump’s new tariff standoff with Mexico could threaten USMCA.

“I am not concerned about what the president did with threatening these additional tariffs related to the illegal immigration issue,” Thompson told *Agri-Pulse*. **“The president did it to get Mexico’s attention and it seemed to work. ... I’m pleased with what the administration did and I think the president has been pretty effective when it comes to weaponizing tariffs.”**

Conaway stressed that if House Democrats had agreed to fund Trump’s border wall and approve new, tighter asylum laws, the U.S. might not be in the latest immigration dispute with Mexico.

But regardless, Trump is wrong to conflate an immigration crisis with international trade, said Minnesota Farm Bureau President Kevin Paap.

Farmers still stand behind Trump’s tariffs and tariff threats to try to resolve trade disputes, Paap told *Agri-Pulse*, but not when it comes to other issues outside international commerce.

“As farmers and ranchers learn at a very early age, working with your neighbors is important,” he said. “All trade agreements are good, but working with your closest neighbors is the most important.”

Paap is in Washington to meet with lawmakers as part of a Farm Bureau fly-in, and trade is top on his agenda.

“As I do Hill visits this afternoon with our Republican members and our Democratic members, [trade] is going to be my number one, two and three priority,” Paap said Tuesday.

That’s a common priority in the U.S. ag sector. More than 900 ag groups and businesses have signed onto a new letter to House and Senate leaders urging them to ratify USMCA as quickly as possible.

“Over the last 25 years, U.S. food and agricultural exports to Canada and Mexico have more than quadrupled under NAFTA — growing from \$9 billion in 1993 to nearly \$40 billion in 2018,” they said in the letter. “NAFTA has significantly helped create a reliable, high-quality supply of food products for U.S. consumers, while supporting more than 900,000 American jobs in food and agriculture and related sectors of the economy.”

Farm groups: Trade aid is not working for California

The first of three tranches of aid payments to support farmers hit by retaliatory tariffs is set to go out in the coming weeks. Yet economists and farm groups say the \$16-billion package is designed for Midwestern farmers and the amount that trickles over to California farmers will provide little relief, despite including more specialty crops in this round.

“We can't allow the midwestern crop producers to dominate the outcome to set the protocols going forward,” said Dave Puglia, vice president of the Western Growers Association, during a joint committee on international trade at the state legislature last week.

Produce growers have never had direct payment subsidies from the federal government, according to Puglia.



Dave Puglia, Western Growers

“We’ve never wanted them, for various reasons - mostly due to the stifling effect those have on innovation and competition,” he said. “So, we don't know how well this is going to roll out.”

In his testimony, Professor Daniel Sumner, an agricultural economist at the University of California, Davis, said the U.S. Department of Agriculture “doesn’t know the name and address of every grower in California, like they would for a corn grower or soybean grower.” He added: **“That means our growers have gotten much less,**

relative to the size of their losses.”

Agri-Pulse has learned the USDA is determining payment rates through statistical models that calculate the impacts on individual commodities and then compare those numbers to acres planted per county. Proposed rules are currently being reviewed by the Office of Management and Budget.

Puglia said the USDA is “creating the mechanisms on the fly.”

One hurdle for the 2018 Market Facilitation Package announced last summer was that it limited qualification to farmers with an adjusted gross income (AGI) of \$900,000 or less. With California’s high-value crops, many operations exceeded that number.

The majority of almond growers were eliminated from the 2018 package because of AGI limitations, noted Elaine Trevino, president and CEO of the Almond Alliance of California in a letter sent to Rep. T.J. Cox, D-California on Monday. The latest USDA numbers indicate only 2,500 applications were filed with estimated payments of \$14.5 million – that’s despite the fact that 70% of the almond growers are farming 100 acres or less.

“These family farmers are being penalized for growing a high value, higher cost crop, and have therefore been unable to access the full \$63.3 million of damages as a result of the AGI limitation,” Trevino wrote. She requested that the balance – about \$48.8 million - be rolled

into the 2019 direct payment program so the industry can access the entire amount of designated damages.

The new package will have a means test, but Secretary Sonny Perdue has not yet clarified what it would look like. The recently passed disaster bill exempted MFP from the \$900,000 limit so long as 75% of the recipient's income is from farming, but it left the \$125,000 payment limit alone.

The 2019 package expands its California commodities, from originally just almonds and milk to include more specialty crops like tree fruits, fresh grapes, walnuts, pecans, hazelnuts, macadamia nuts and pistachios—the top crop affected by the tariffs, according to California Farm Bureau Federation President Jamie Johansson.



Elaine Trevino, Almond Alliance

“Adding those crops will help further buffer rural California from the impact of the trade disputes,” Johansson told *Agri-Pulse*, following the announcement for the aid package in May.

Yet, the total aid package will be dispersed across 35 different commodities.

Western Growers President and CEO Tom Nassif pointed out that of the three programs in last year's \$12-billion trade mitigation package, only one had the potential to benefit the fresh produce industry. The \$2.5 billion allocated for the Food Purchase and Distribution Program went to purchasing surplus fruits, vegetables and tree nuts, though it was unclear how close to market values those payments were.

Johansson and many other representatives from California ag have been spending a considerable amount of time in Washington with the administration lately, pushing for more of a presence in the trade aid talks.

“It's really the Midwestern farmers who are driving that, because they're more easily replaceable,” said Puglia. **“Soybeans, corn, wheat can be produced in a lot of places in the world..... Almonds, pistachios far fewer places in the world.”**

He added that every other grower in California would likely be able to export their goods to China as well, if given “a fair shot.” He called for a “West Coast imprint” on the resolution of the trade dispute with China.

Trevino, of the Almond Alliance of California, agreed.

“I go to these trade events and discussions with (Purdue) and the administration and you just see the Midwest's presence, and you see California's presence,” she said. **“You have three or four lobbyists for a state this big and it just infuriates you.”**

The stakes are high for California growers. Beyond the deep impacts on commodity prices and the stunting of market growth—as reported in [*Daybreak West*](#)—the trade dispute has also disrupted valuable relationships.

“Those new agreements will only benefit American farmers if they haven’t permanently lost their relationships with foreign buyers,” writes Nassif in a recent [blog post](#).

Puglia warned this will lead to more consolidation of farm ownership, as smallholder farmers will not be able to stretch their financial capabilities through the protracted trade war. **“We’re running out of time for most of our producers,”** he said.

Four questions for Joaquin Esquivel, chair of the State Water Board

In the world of agriculture and conservation, the State Water Resources Control Board has been at the epicenter.

The Board upset farmers and Bay Area cities alike when it voted in December to proceed with the first phase of the [Bay-Delta Plan](#) while the parties worked through [voluntary settlement agreements](#). Steering away from further controversy, Governor Gavin Newsom, soon after taking office, removed the Water Board chair, Felicia Marcus, and appointed Joaquin Esquivel to assume the role.

Esquivel recently spoke with *Agri-Pulse* about his experience coming into the role. He has been on the Board since 2017. He previously worked in federal water policy at the California Natural Resources Agency in its Washington, D.C., office and spent eight years as a staffer for U.S. Senator Barbara Boxer, a Democrat from California. Esquivel has family ties in agriculture going back to his grandfather coming to the U.S. as a [bracero](#) in the 1960s.

Esquivel discussed the Board’s decision making behind the December vote, as well as its pivotal work with agricultural interests in updating the state’s [standards for wetlands](#) protections in April.

1. ***What was it like taking over a position that has such a large influence on a vital resource in California yet faces intense pressure from many interests?***

Not to diminish the role certainly, but it is just one seat of a five-member Board and in a state with such tremendous leadership around water management generally. Yes, the Board chair is an important seat.

In how we regulate water, I would say that we’re uniquely a modern water regulatory agency. We have the administration of water rights—in quantity and quality, in our rivers, streams, lakes, estuaries and bays and also drinking water now. You look at other states and those regulatory responsibilities are parsed out into three different entities usually. To have it all here in one means we’re protecting water quality in headwaters, through streams, into our cities, through people’s taps, out their toilets, to their wastewater systems back



State Water Board Chair Joaquin Esquivel

out to the environment and on its way. We are responsible for that life cycle on the regulatory side. In that as well, those waters are flowing through our agricultural fields.

The chair certainly is an important voice. But it's not nearly as important as the distributed capacity, leadership and thoughts that are the state. At best, I'm here to channel and synthesize all that great work and not feel too much like I'm the authority from on high who's going to tell everybody what to do and how to do it.

There are some difficult calls and really tough issues in front of the Board certainly. I'm here to keep my own faith in the work we're doing, but more importantly the public's faith and their trust in what the Board does, to help people better understand their opportunities to engage with us.

We're a huge public process entity. When you talk about the State Board, with our public meetings, we have to abide by rules where us, as Board members, can't engage freely on any of the issues, or even be in a room without a public notice.

2. What was it like working with agriculture in updating the definition of wetlands and the related procedures protecting those?

We in the state are fortunate. The Porter-Cologne Act, which established the State Water Board and its authorities, predates the Clean Water Act, and is actually a model for the Clean Water Act in many ways.

That means that we have a more engaged roll. If you just look at the federal Clean Water Act, ag is pretty well exempted from the majority of the programs. But if you look at our Irrigated Lands program, that's unique with the way we talk about the management of nitrates. We have CV-Salts (Central Valley Salinity Alternatives for Long-Term Sustainability) on the Regional Water Quality Control Board.

All these engagements with agriculture are difficult, but we know our partners in agriculture are incredible stewards of lands. There's an incredible pride that comes with multi-generational families that have been working the land and they take great offense to the assumption that they have been mis-managers of that land. But we can all agree that we're inheritors of a really complex system. And within that system, there's a lot of need for improvement.

If you look at the Clean Water Act and Porter-Cologne, those command-and-control regulatory structures have been very effective in cleaning up our waterways—cleaner than they had been before we messed them up to begin with. But what's left are issues, like with agriculture, that are nonpoint source pollution issues distributed across watersheds that require the coordination of many actors and many small practices that build toward improvements in water quality and watersheds.

When we talk about the health and quality of our water—in drinking water, water quality and water rights—ag is such a key partner.

California has its own ethic around agriculture. I know most of our growers want to be part of successful improvements in water quality and their watersheds. They know that their growing

practices have large consequences on the health and viability of our watersheds. They want to be good partners. They just want to know how to comply.

I was fortunate in Senator Boxer's office to have had the agriculture portfolio and work with ag for many years before coming to the Board. **I know the incredible sophistication of our growers, of their increased understanding of the future of agriculture and how to continue to innovate to meet the challenges of pests, climate change and our impact on watersheds and the environment.** I'm proud that the Board itself also has this growing relationship with agriculture that can still be candid.

3. *What would you say to farmers who are nervous about the state expanding regulations to resist federal policies by the Trump administration to relax standards?*

They make for good narratives: the punching between the Trump administration and the Newsom administration. It's easy to see the Board's action on wetlands as a direct response. We ourselves even said we're looking at the federal landscape and have to shore up our state program. But it's a low bar. I'm not looking at our regulatory authorities and saying, 'How do I react to what the administration is trying to do?' I'm more interested in isolating some of the politic of the administration.

Look at the agencies, the rank-and-file relationships that our staff have with the Bureau of Reclamation, with Army Corps, with U.S. Fish and Wildlife and all the entities that we deal with on this complex regulatory scale. Most of that work is a-political and isn't really a reactionary one. It's doing the common work that we do.

When it comes to wetlands, I felt we worked really well with ag. We rolled up our sleeves. Agriculture was not actually opposed. It's because we had honest conversations with them. Ultimately, it wasn't a response to the Trump administration. It was a decades-long effort.

4. *What is your response to criticism in the ag community that the Board ignored the voluntary settlement agreements in the Bay-Delta Plan?*

I think that's unfortunate... What was on the table was a framework in December that still needed to be further fleshed out. (The Board) gave it its fair analysis and tried to finally bring these two processes together.

The Board was going to update the Water Quality Control Plan, which we've never swayed from. The last time it was updated was in 1995. I was in the eighth grade.

We're under obligation to do so. The question is: How are we going to do that? The Board was always very consistent that we have our authorities, and they're on the flow side of things. That's what our authorities can encompass.

Please do develop voluntary agreements that can be more robust. Try to come up with that better, more sophisticated package. But we need to update the Water Quality Control Plan. We can't not do it.

In December, the Board was ready to adopt what was the first part of a multi-part process. We still had to look at the Sacramento (River). We still had to look at the Delta. We're only setting

water quality standards right now. It was based off a report that initially was requested from (the Department of) Fish and Wildlife, which said you need 60 percent of some of these flows.

We completed that phase and folks were very upset. They felt we needed to look at other things to try to have a more comprehensive approach. But again, our authorities were just on the flow side. After adoption, nothing happens the next day. These are just standards. We still need to develop a program implementation for how to meet those standards. And that's still years out. At that point, we had delayed since August. We voted 5-0 to analyze the framework.

Could we have had the Board not act or adopt something else? Well, there was nothing else to adopt. It was at best a framework, without the analysis, the work, the scientific peer review, the modeling, the data. But we were actually excited about it. The Board had continued to ask for a more comprehensive, more durable approach.

We needed to cap off what was at that point a decade-worth of staff time, staff work and public debate.

It wasn't a rejection. I'm sure if you asked folks in ag, they'll speak well of it now. **They're cautiously optimistic that they can all come together, and so are we. But there's a lot of moving parts and it is going to be pretty complex.**

Since the last time the Water Quality Control Plan was updated, the fisheries have gotten worse. We know they're not protective enough.

Let's all make sure those kids now in the eighth grade in 20 or 30 years don't find themselves with yet another moment when the systems are even further degraded, and climate change is breathing down our necks and making it harder to manage these ecosystems. We don't have any lead time at this point to really address these challenges in our watersheds, particularly with climate change, with crashing fish populations, with increasing needs from ag, urban and elsewhere.

With payments certain, big signup expected for new dairy program

After several years of financial bleeding, dairy producers are expected to sign up in droves for the new Dairy Margin Coverage program, which this year is guaranteed to provide payments well in excess of the premiums farmers will pay.

Officials with the National Milk Producers Federation said the decision about signing up for DMC should be an easy one for producers to make and that bankers will likely encourage them to enroll.

“Farmers are anxious to sign up,” said Jim Mulhern, president and CEO of the group. DMC payments are expected to average about 45 cents per hundredweight this year on a farmer-paid premium of 15 cents per hundredweight at the top coverage level for the first 5 million pounds of production.

USDA is expected to launch enrollment for DMC on Monday. The program is an overhauled of the old and widely criticized Margin Protection Program. Premiums were slashed and coverage

levels were increased to make it more likely to provide payments to producers, with the aid focused on small and medium-scale producers.

What makes the decision so easy for producers is that the program is being launched more than five months after the coverage started (January), so producers already know they will make money from it. “When we get to sign up retroactively for 4 or 5 months, then there isn’t any guessing involved,” said Andrew Novakovic, a dairy economist at Cornell University. “It isn’t risk management, it is simply cashing the check.”



Andrew Novakovic, Cornell University

According to the Farm Service Agency’s online decision tool, a producer with a production history of 5 million pounds a year, the equivalent of about 250 cows, is projected to collect \$21,296 from the program this year at the maximum coverage level of \$9.50 per hundredweight.

The maximum premium at that level and production would be \$7,125 a year. The annual fee would be discounted by 25% to \$5,344 if the producer signs up for DMC for the full five years authorized by the 2018 farm bill. (Producers can cover up to 95% of their production under DMC. A producer with a production history of 5 million pounds would get payments on 4.75 million pounds.)

Enrolling at the \$9.50 coverage level “is a no-brainer,” said Mark Stephenson, a dairy economist at the University of Wisconsin.

DMC is designed, as was MPP, to protect producers when the margin between milk prices and feed costs falls below a certain level. The maximum coverage level under MPP was \$8 per hundredweight. Average margins have been running below \$9.50 all year so far and are expected to remain there until this fall, according to FSA’s decision tool.

Farms with production histories exceeding 5 million pounds will face a tougher decision: Premiums are much higher at the Tier 2 level, production over 5 million pounds, but producers can buy a minimal level of coverage (\$4 per hundredweight) for a flat fee of \$100. Economists are divided in their advice on what larger farms should do.

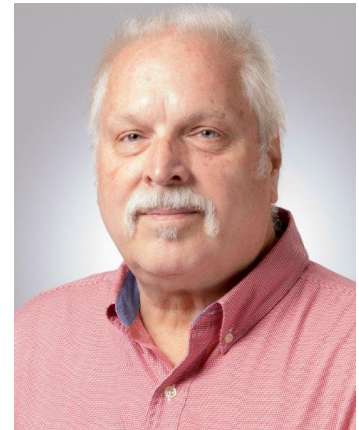
The cheapest solution is to buy coverage for the first 5 million pounds of production at the \$9.50 level in Tier 1 and then purchase the \$4 catastrophic coverage for the rest.

Stephenson believes larger farms may want to consider buying coverage at the \$5 level. “We have very seldom been at that low a margin, but we have been there before, and if we do get there, \$5 is much better catastrophic coverage than \$4,” and it only costs half a cent, he pointed out. Higher coverage, he added, is probably too expensive.

However, Novakovic thinks the probability of getting a DMC payment at the \$5 level for Tier 2 is probably nil. “I would be inclined to pay the \$100 and just have \$4 coverage,” he said.

For producers with less than 5 million of production, “the decision is very simple,” Novakovic said. “For much bigger farms, they will need to think just a bit more, but honestly I think the only bad choice would be to pay for more than \$5 coverage in Tier 2.”

Larger farms also have the option of using revenue insurance products available through the Risk Management Agency, Livestock Gross Margin and Revenue Protection policies. The Dairy RP policies, launched last year, now cover more than 10 percent of U.S. production, according to the American Farm Bureau Federation.



Mark Stephenson, University of Wisconsin

The reforms to DMC were aimed in part at stemming a tide of farm closures in the dairy business. Chapter 12 bankruptcies in Wisconsin last year hit highs not seen in more than a decade and were more than double what they were in 2009, according to American Farm Bureau Federation data. Other states with decades-high levels of Chapter 12 filings were Indiana, Kansas, Minnesota, North Dakota, South Dakota, and Utah.

"I doubt that if folks are flirting with bankruptcy there is enough money in this to really help," said Stephenson. But if MPP had been replaced earlier, it might have made a difference, he said. Had DMC been in place before, "a farm would have received more than \$200,000 over the last 5 years on 5 million pounds of historic production, which certainly would have paid a few bills."

Food banks see benefits, challenges in trade aid package

Farm sector exports and profits are down sharply as escalating tariffs choke off international trade. Yet one group is benefitting from the tariff wars: over 40 million food insecure Americans who struggle to buy groceries.

The administration is partially offsetting farmers' lost exports income through USDA's special trade mitigation program that includes last September's initial \$12 billion Market Facilitation Program and an additional \$16 billion in this year's aid package announced May 23. The bulk of the payments – USDA says \$8.56 billion for the first round has already been distributed as of May 28 – go directly to producers under the MFP.

But the mitigation packages also include 2018's \$1.2 billion and 2019's \$1.4 billion for USDA to help boost farm prices by purchasing food products ranging from milk, meat and potatoes to oranges and nuts via the Food Purchase and Distribution Program (FPDP). A third part of the program – the Agricultural Trade Promotion Program – provided \$200 million in 2018 and another \$100 million in 2019 to help develop new export markets.

The unexpected food is welcome news for the nation's needy. Michael Halligan, CEO of God's Pantry Food Bank in Kentucky, tells *Agri-Pulse* the food led to an "amazing sight" in early May.



Michael Halligan, God's Pantry Food Bank

“A child was selecting food with his mother at the pantry on North Broadway in Lexington. When the youngster walked into the pantry he saw bags of oranges in a storage bin,” Halligan said. “He shouted, ‘mom, mom, MAMA,’ ran to the bin, grabbed a bag of oranges, and then ran back to place the bag in their shopping cart. **The mom shared with me that they can’t afford oranges and her son loves them. She had a tear in her eye but a smile on her face.**”

God’s Pantry Food Bank’s advance planning began last August when the administration first launched the program. The planning continues to cope with USDA roughly doubling its normal deliveries to food banks. Halligan points out that “In June through September, we have 82 semi-truck loads of product scheduled for delivery.”

After distributing 2.7 million pounds of FPDP food so far this year, Halligan says “another 1.2 million pounds is on order through September and we are beginning to plan for orders for the October to December timeframe ... and look forward to placing additional orders well into 2020.”

Halligan calls the FPDP “a highly efficient and effective program” that enables his food bank to get milk “often within 24 hours of bottling” and deliver it to “a person’s refrigerator with about 10 days of remaining shelf-life.”

While some other food banks have struggled to handle milk and other short-shelf-life perishables that require cold storage, Halligan says his food bank was prepared for the challenge and has never had to turn away deliveries. He and other food bank officials explain that although there were initial concerns months ago, USDA both listened to food bank requests and responded by adjusting delivery logistics and product packaging.

One major concern was packaging. USDA’s preference, reflecting supplier preferences, in the past has been delivering 40-pound boxes of meat and gallon jugs of milk. Today’s USDA deliveries instead focus on consumer-friendly sizes that even an elderly single person can take home on the bus.

Jennifer Porter, deputy administrator for livestock and poultry programs for USDA’s Agricultural Marketing Service, explained at a U.S. Meat Export Federation conference in May that USDA is shifting to what food banks “would like to have” even though “the popular products may not always meet the industry’s needs.”

Caught between the meat industry goal to move product versus consumer preferences for “pork patties,” not five-pound roasts in 40-pound boxes, Porter acknowledged that the mitigation package’s “ultimate goal” is removing price-depressing large volumes from the commercial food chain. **She highlighted the challenge for USDA: “the more we spend on packaging, and the more we spend on offsetting transportation costs, the less product we’re removing, and we’re really not meeting that ultimate goal.”**

Bill Collins, COO of Second Harvest Food Bank of Central Florida, welcomes USDA's significant shift from industry goals to consumer preferences. He tells *Agri-Pulse* that in a break with the past, USDA now provides "more user-friendly sizes, rather than bulk." He adds that despite the extra packaging costs, USDA now delivers smaller-size brand-name products, eliminating "the stigma of having that USDA label on there so everybody knew" it was donated food.

Highlighting how Central Florida's food distributions help, the FAITH Neighborhood Center in Groveland reports that "On a visit last week, one mother received a variety of shelf stable items, along with meat, bread and produce, but she was particularly grateful for the milk" and explained "This means I no longer have to put water on my kids' cereal in the morning."

The Kentucky and Florida food banks are part of Feeding America, the nation's largest hunger relief network with its 200 food banks supplying over 60,000 food pantries and other food donation programs. Carrie Calvert, Feeding America's managing director of government relations, tells *Agri-Pulse* that **USDA's virtual doubling of its food donations thanks to the two iterations of FPDP "has been extremely helpful," but "it would take an additional \$20 billion to close the meal gap that the 40 million Americans living with food insecurity face."**

Calvert acknowledges the surge in USDA deliveries has created some "growing pains" such as the sudden floods of gallon jugs of milk with rapidly approaching expiration dates. But she credits USDA for responding to food banks' concerns by providing funds to food banks to reimburse some of the added storage and distribution costs, and by encouraging greater program flexibility and smaller package sizes.

Feeding America faces another obstacle in doubling deliveries: some states only allow one food distribution per month per family or limit the amount of food each family can receive per visit.

Calvert expects that with 300 million pounds of FPDP food already distributed, this year's deliveries for the first FPDP will total over 600 million pounds. That's in addition to USDA's regular TEFAP (The Emergency Food Assistance Program) deliveries, which totaled 631 million pounds in 2018 and 740 million pounds in 2017. With the new food pouring into the TEFAP pipeline, she says "we have told our food banks to anticipate receiving around 1.2 billion pounds of food through TEFAP this year."

According to Collins, Second Harvest delivers about 8 million pounds of food each year. For 2019 "we've already done close to 13 million pounds and that was prior to this year's new tariff mitigation announcement."

A storage capacity expansion and a timely donation of milk coolers helped the food bank adapt to the influx of product.

Sheila Creghin – vice president of operations for the Greater Chicago Food Depository, a food bank serving over 800,000 people in Chicago and Cook County area – explains that for the fiscal year ending June 30, her food bank will deliver about 22 million pounds of USDA-donated food, with 10 million pounds of that from FPDP. Creghin says this food, plus even larger amounts scheduled over the next year, is being distributed successfully **"thanks in large**



Carrie Calvert, Feeding America

part to the hard work of our employees and partner agencies” – and thanks to more than \$650,000 that USDA is paying to cover some of the food bank’s additional costs for the FPDP surge.

News Briefs:

FDA agrees to identify high-risk foods by 2022. The Food and Drug Administration has agreed to deadlines to meet requirements included in the 2011 Food Safety Modernization Act. In a [settlement](#) with the Center for Food Safety, FDA agreed to designate "high-risk" foods by September 2020 and establish reporting requirements for those foods by November 2022, with a proposed rule due by September 2020. CFS attorney Ryan Talbott called the settlement “a major victory for public health. FDA has sat on its hands for years, neglecting to make these high-risk designations, while outbreaks caused by *Salmonella*, *E. coli*, and other pathogens have sickened and killed people. This settlement ensures FDA will finally take these much-needed actions to reduce the threat of foodborne illness.” CFS lawsuits in the three years after FSMA was passed resulted in a schedule for FDA to issue “seven different major food safety rules, the basic rules that oversee all areas of the food system under FSMA, including food production, transport, and imports,” the group said.

FDA updates FSMA FAQ. The U.S. Food and Drug Administration (FDA) has updated its [Frequently Asked Questions on the Food Safety Modernization Act \(FSMA\)](#) to include additional questions and answers related to the [Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption \(Produce Safety Rule\)](#). The Produce Safety Rule was finalized in 2015, establishing for the first-time science-and risk-based minimum standards for the safe growing, harvesting, packing and holding of fruits and vegetables. Since that date, the FDA has been working to provide farms with information and training to help them comply with the rule’s requirements. In October 2018, the agency published a [draft guidance](#) to further support compliance with and implementation of the rule and made available [at-a-glance overviews](#). Agency officials say the updated FAQ includes responses to many common questions received through the FSMA Technical Assistance Network (TAN). If you have additional questions, they can be submitted through the [FSMA TAN](#).

Groups call for rural broadband rulemaking. A group of 25 organizations is calling on the FCC to open a further notice of proposed rulemaking that grease the wheels for rural broadband access using TV “white spaces,” or unused spectrum between TV channels. The groups – including American Farm Bureau, National Grange, and numerous state organizations – say [in comments filed Monday](#) the white space technology “offers a great solution” to the rural broadband access issue and “is far more economical than attempting to extend fiber to small customer bases in remote and hard-to-reach areas.” The comments were authored by Connect Americans Now, a coalition promoting the use of the technology, in support of a petition for rulemaking filed by Microsoft in May. Microsoft is a member of CAN. The group says opening a new rulemaking “would further support the development and deployment” of white space technology.

Farm Hands West: Sunseri joins NRCS

The Natural Resources Conservation Service in California has appointed **Anthony Sunseri** as the new assistant state conservationist for field operations (ASTC-FO) for Area 1. Sunseri joined NRCS in 2006, first serving as a soil conservationist in Grass Valley, California, and then as a district conservationist in Mount Vernon, Washington. Most recently, he served as ASTC-FO for NRCS in Moscow, Idaho. He has also served as acting state conservationist in Idaho. He succeeds **Jim Spear**, who retired in January, and will start working at the Area Office in Red Bluff, California, on July 21, 2019.

Simon Groot, a Dutch seed developer known for his work with vegetable production in over 60 countries across Southeast Asia, Africa, and Latin America, has been named the 2019 World Food Prize Laureate. World Food Prize President **Kenneth Quinn** made the announcement Monday in Washington. To read more on Simon Groot's story, click [here](#).

Heath Tarbert has been confirmed by the Senate to serve as the chairman of the Commodity Futures Trading Commission (CFTC). Tarbert has been serving as the Treasury Department's assistant secretary for international markets since 2017, and will replace Chris Giancarlo as chairman of the CFTC. To read more on Tarbert's confirmation, click [here](#).

Former FDA Commissioner **David Kessler** has been elected to serve as the board chairman for the nonprofit Center for Science in the Public Interest. Kessler has served as a member of CSPI's board since 2010. He served as the Commissioner of the Food and Drug Administration from 1990 to 1997. After that, he went on to serve as the dean of the Yale School of Medicine and dean and vice chancellor of the University of California, San Francisco Medical School.



Heath Tarbert

Secretary of Agriculture **Sonny Perdue** and U.S. Trade Representative **Robert Lighthizer** announced the appointment of 140 private-sector members to the Agricultural Policy Advisory committee for Trade and to six Agricultural Technical Advisory committees for Trade. To read the full list click [here](#).

Dan Meyer is the new chief of staff for House Minority Leader **Kevin McCarthy**, R-Calif. He succeeds **Barrett Karr** who is now a partner for Silver Lake Private Equity.

Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry **Pat Roberts**, R-Kan., announced new staff changes and promotions last week. **Wayne Stoskopf** is the new senior professional staff for commodities, crop insurance, dairy, and grain standards. He previously served as professional staff for the Committee for four years, and before that worked as a legislative assistant for Sen. Roberts and Rep. **Lynn Jenkins**, R-Kan., handling agriculture issues in each office. **Haley Donahue** and **Chance Hunley** were promoted to legislative assistants from joint staff assistant-legislative correspondent roles. They both have been on the committee staff since 2017. Succeeding Donahue and Hunley is **Christine Rock** and **Lane Coberly** following their graduations from Kansas State University.

Spencer Nelson is now a professional staff member and **Abigail Hemenway** is the new staff assistant on the Senate Energy and Natural Resources Committee under Sen. **Lisa Murkowski**, R-Alaska. Nelson previously served as the program director for ClearPath and Hemenway served as a program assistant at the North Star Group.

Covering the portfolio of energy, environmental protection, and public lands and natural resources for Rep. **Debbie Lesko**, R-Ariz., is **Ron Donado** as legislative director. He previously served as a legislative counsel and policy assistant for Rep. **Pete Sessions**, R-Texas.

Jason Johnson is now the press secretary for Rep. **Vicente Gonzalez**, D-Texas. He comes from the office of Rep. **Adam Schiff**, D-Calif., where he was a press intern for the House Permanent Select Committee on Intelligence.

FMC Corporation announced that it is realigning the leadership structure for its North America and Latin America regions. **Ronaldo Pereira**, president, FMC Latin America, is the new president of the company's new Americas Region, which encompasses the U.S., Canada, Central America and South America. Pereira will continue to report to **Mark Douglas**, FMC president and chief operating officer. Due to this leadership realignment, **Amy O'Shea**, vice president and business director for North America, will leave the organization to pursue other



Collette Schultz Kaster

opportunities. Douglas praised O'Shea for "successfully integrating the U.S. and Canada commercial teams as part of the DuPont crop protection transaction." FMC has also announced that **Marcelo Magurno**, Brazil commercial director, north region, has been appointed business director, Brazil.

Collette Schultz Kaster has been selected to serve as the new CEO of the American Meat Science Association (AMSM), effective July 1. She most recently served as the executive director of the Professional Animal Auditor Certification Organization, and will continue to lead PAACO in this role in addition to her new responsibilities. Kaster is trained as a meat scientist, has been a member of AMSA for 28 years, is a past president for AMSA, and currently holds the rank of AMSA Fellow.

Jordan Henry has started a new job with the American Farm Bureau as the new director of leadership and organizational training. She comes from the National FFA Organization where she worked as the education specialist.

The Agricultural Retailers Association hired **Andrea Mowers** to the role of manager of communications and member engagement. Mowers comes to ARA from the Lean Construction Institute.

Best regards,

Sara Wyant

Editor

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