

April 25, 2018

Volume 14, Number 17

## Conservative groups gear up for farm bill fight

Conservative organizations may like the way the House Republican farm bill would overhaul the Supplemental Nutrition Assistance Program, but they also are preparing to push the full House to end the sugar program and reform crop insurance.



House Agriculture Chairman Mike Conaway's challenge is to fight off amendments on commodity and crop insurance, forcing conservatives into a choice of voting against the bill on final passage, or supporting it because of the SNAP reforms, which include an expansion of work requirements.

A bill that leaves commodity programs and crop insurance untouched would be a **“pretty tough pill to swallow, regardless of how badly you want work requirements,”** said Caroline Kitchens, manager of federal affairs

for the R Street Institute, a fiscally conservative advocacy group.

As it stands now, Democrats are likely to be united in opposing the bill on the House floor, so Conaway will probably have to get the bill out of the House with only GOP votes.

The committee approved the bill on a party-line, 26-20 vote last week after Democrats took turns criticizing the SNAP reforms as mean-spirited and unworkable. The Democrats are likely to be equally harsh, if not more so, on the House floor.

After the committee markup, Conaway said he hopes to see the floor debate scheduled soon after next week's recess but he noted he still has to secure enough support to be assured of passing the bill. Republicans currently control 236 seats to the Democrats' 193. There are also six vacancies.

Conaway says he expects the House Rules Committee to allow at least one amendment on every major issue, though he will be working to kill any that attack commodity programs or crop insurance.

Kitchens said it would look bad for Republicans to force the SNAP reforms through the House while protecting farm spending.

**“This bill, the way it’s written now, it will be terrible optics for Republicans if it looks like we’re really going after the SNAP program ... and leaving all of the cronyism and waste in the crop insurance and commodity title,”** she told *Agri-Pulse*.

House conservatives are preparing a number of possible amendments, one of which could incorporate President Trump’s budget proposals to slash crop insurance. **The budget would save \$22 billion alone by reducing crop insurance premium subsidies from the current average of 62 percent to 48 percent.**



Caroline Kitchens

In 2013, the Republican House narrowly defeated, 208-217, an amendment sponsored by Rep. Ron Kind, D-Wis., that would have capped premium subsidies at \$40,000 per farmer, imposed a means test on policyholders, eliminated the harvest price option, and provided for public disclosure of benefits that individual farmers receive.

Another possible amendment could force farmers to choose between revenue insurance and coverage under the Agriculture Risk Coverage and Price Loss Coverage. (Critics of crop insurance say it facilitates “double dipping” by allowing farmers to cover the same losses twice. To address that criticism, the bill includes a provision barring farmers from buying area revenue policies if they also have county revenue coverage under ARC, the most popular ARC option.)

**There is almost certain to be a floor amendment seeking to gut the sugar program, which supports domestic sugar prices by controlling imports and domestic marketing. Rules Committee member Virginia Foxx, R-N.C., is expected to push the sugar amendment.**

Another conservative group, Citizens Against Government Waste (CAGW), sent a letter to lawmakers Monday applauding the SNAP reforms but calling for changes to farm programs.

“The agriculture portion of the bill continues the same wasteful policies that have permeated past farm bills,” the letter says. “The American people deserve a free-market farm bill, and the House bill in its current form does not begin to meet those requirements.”

**The letter goes on to challenge GOP conservatives: “Since House Democrats have walked away from the process, free-market Republicans who are not on the (Agriculture) Committee should take the opportunity to demand a bolder set of reforms for the commodities and rural infrastructure sections of the legislation.”**

Another conservative group that could have an impact on the outcome, depending on how hard it pushes Republicans, is the Heritage Foundation and its advocacy arm, Heritage Action.

Heritage Action and like-minded groups have lost a number of fights over spending lately when the budget agreement and the omnibus spending bill both passed over the opposition of House conservatives. But the groups have potentially more clout if farm groups lose the votes of Democrats they've counted on in the past.

Daren Bakst, a policy analyst for the Heritage Foundation, said that Conaway's bill fails to "reform the out-of-control farm-handout system as it should, and instead makes it worse."

**Among his gripes is that the bill adds a provision to PLC that would increase reference prices if a five-year Olympic average of commodity prices rises at least 15 percent above the PLC target level.**

A spokesman for Heritage Action did not respond to a request for comment.

The American Enterprise Institute, a conservative think tank that has pressed for free-market reforms to farm policy, has scheduled a [forum](#) for May 3, while the House is in recess, to air the concerns of some economists about the House farm bill.

House Speaker Paul Ryan has been helping Conaway recruit Republican support for the farm bill. On April 16, Ryan met with representatives of several conservative groups, including the Americans for Prosperity, CAGW, Heritage Foundation and Heritage Action, Family Research Council, the Faith and Freedom Coalition and the National Taxpayers Union.

## **Perdue: RFS waivers wiped out a billion gallons in biofuel demand**

Waivers that refiners obtained from EPA eliminated demand for 1.12 billion gallons of ethanol last year, undermining requirements of the Renewable Fuel Standard, says Agriculture Secretary Sonny Perdue.

**"Our conclusion is that's direct demand destruction," Perdue told the Senate Agriculture Committee on Tuesday, testifying one year to the day that he was confirmed by the Senate.**

USDA's estimate squares with [an analysis by the Renewable Fuels Association](#), which says that the waivers lowered ethanol usage by 1.11 billion gallons last year, and 523 million gallons in 2016.



Sec. Sonny Perdue

Appearing to distance himself from EPA Administrator Scott Pruitt, Perdue suggested that issuing the waivers contravened an order from President Trump to make sure ethanol usage doesn't fall below the minimum requirement set by the 2007 energy law. The law allows such waivers in the case that usage requirements create a hardship for small refiners.

**"The president last fall directed the administrator to leave that at 15 billion gallons," Perdue said.**

Perdue told the senators that he has “exhorted” Pruitt to grant a waiver from the Reid Vapor Pressure standard that would allow E15 to be sold year-round, but Perdue said Trump would likely make the decision himself.

Trump told reporters on April 11 that his administration would probably allow the use of E15, a blend of gasoline and 15 percent ethanol, year-round. But Perdue said he didn’t know when the decision would be made. “I felt like the president was prepared to move. Probably some other voices have spoken in his ear since that time,” Perdue said.

Earlier Tuesday morning, Perdue urged members of the National Association of Farm Broadcasting to question Pruitt about the waivers when he appeared before them.

Perdue did not refer to the company by name, but he noted that a major refiner, Andeavor, received a waiver [even though it earned \\$1.5 billion last year](#). “That stretches my definition of hardship,” he told the broadcasters.

Under questioning from Sen. Amy Klobuchar, D-Minn., at the Agriculture Committee hearing, Perdue said the increase in market prices for biofuel credits, Renewable Identification Numbers, was due in part to larger refiners’ market practices.

**“The refiners who can blend, we think they’re using a non-transparent market to hurt their smaller competitors ... by hoarding RINs and driving up RIN prices,” Perdue said. “That’s as much of a factor as the blend wall,” he said, referring to the market limit on how much ethanol can be used in the domestic market.**

Meeting with the broadcasters, Pruitt defended his RFS policy and said that the EPA is working on a vapor pressure decision.

**“This is not a matter of being dilatory. it’s a matter of being smart and thoughtful about the basis of the decision. ... What you don’t want is to make the decision and to have an avalanche of litigation that then creates uncertainty about the deployment of the very thing we’re talking about.”**

Pruitt said RIN hoarding “inflates the market to some degree.”

Refining industry lobbyist Scott Segal said the waivers have been issued regularly since the energy law was enacted. The waivers are "designed to provide relief to any small refinery that faced 'disproportionate economic hardship' under the RFS program, and there is nothing in the statute or the legislative history or anywhere else to suggest that the exemption was only designed to keep small refineries from closing. "

During the Senate hearing, Perdue also addressed other issues:

**Immigration:** USDA is working with the departments of Labor, Homeland Security and State on ways to make the H-2A visa program easier for farmers to use. USDA could become the “portal” for the application process, Perdue said. He didn’t provide any other details.

During Perdue’s tours of farm states, labor is the issue that is raised more often than any other except for trade, he said. Regulations rank third, he said. **“Right now it (H-2A) just doesn’t work for farmers,” Perdue said.**

**Trade:** Perdue stressed that Trump understands the importance of trade to farm income. “I do believe the president understands the contribution of the ag economy, and I think he understands the legitimate anxiety out there about that,” Perdue said.

Trump urged Perdue to tell farmers “that I’m not going to let them be casualties in a trade dispute,” Perdue said.

Perdue assured Sen. John Thune, R-S.D., that he would be cautious about using his authority under Sections 32 and 5 to compensate farmers harmed by the trade disputes with China. “We don’t want to set a precedent with an expectation we can’t live up to,” he said.

Perdue expressed pessimism that the dairy dispute with Canada would be resolved during negotiations over the North American Free Trade Agreement.

**USDA staffing:** Some Democrats on the committee said that USDA field offices were understaffed because of vacancies. Perdue said farmers have not expressed concern about that issue but the department is currently evaluating its staffing needs.

“We will hire the number of people that it takes to serve your constituents in a way that I believe they want to be served,” Perdue told Michigan’s Debbie Stabenow, the ranking Democrat on the committee. He stopped short of committing to hiring all the employees funded by the fiscal 2018 omnibus bill.

**Broadband:** Perdue said USDA is moving quickly to implement a \$600 million pilot program to fund rural broadband expansion through a mix of loans and grants. Perdue told the committee he wants to spend the \$600 million “in a way that pleases you all so you’ll give us more.”

He said he believed that a combination of grants and loans was the best way to fund broadband expansion. USDA assistance has been limited to loans.

## **Food labeling rule advances, but may be delayed**

Under the landmark biotech labeling law passed in 2016, the Department of Agriculture is supposed to have a final rule published by July 29. It doesn’t look like that’s going to happen.

Agriculture Secretary Sonny Perdue said as much Tuesday when speaking to the National Association of Farm Broadcasting. He said USDA has been working on the issue, but “we’re not as close as I’d like” to publishing a final rule.

“I had insisted last year when I got here that we would meet that deadline,” said Perdue, who was marking his one-year anniversary as Secretary of Agriculture. “I’m still hoping for this summer but it does not look like we will meet the deadline that we had insisted upon.”

Perdue said the delays are due in large part to reviews undertaken by the White House Office of Management and Budget. USDA is “somewhat dependent on OMB” during the interagency review process, Perdue said, adding that the department requested the process be expedited, but struggled to receive timely input from OMB.



**“We turned in our papers on time; the teachers didn’t grade them on time,” Perdue said of OMB.**

Under the [law](#), USDA had two years from enactment to “establish a national mandatory bioengineered food disclosure standard with respect to any bioengineered food and any food that may be bioengineered” as well as “establish such requirements and procedures as the Secretary determines necessary to carry out the standard.” President Barack Obama [signed the bill into law](#) on July 29, 2016, giving USDA about three more months to finish its work in order to meet the statutory deadline.

Randy Russell, the chief lobbyist for the ag and food industry throughout the process that led to



Randy Russell

final passage, said he expects to see a proposed rule from USDA “in the next couple of weeks.” He also acknowledged some of the challenges with the interagency review process Perdue discussed, but said taking a little extra time isn’t necessarily a bad thing.

**“This is a major rule, and it’s a significant rule,” Russell said. “We want them to get the rule done. Having said that, we care a lot more about getting it done right, and if it takes a little bit longer, we’re okay with that.”**

Russell emphasized the importance of understanding “this is a marketing tool for the food industry. It’s not about food safety.”

The timeline is also of little concern to John Bode, the president and CEO of the Corn Refiners Association. He said statutory deadlines for rulemaking “are almost never met,” and he doesn’t have any concern about USDA’s diligence in trying to produce a final rule.

Russell predicts the proposal will receive more comments than any other proposed rule issued by USDA, eclipsing the organic rule. Asked what he thought might be a new timeline by which a final rule could be in place, Russell said a “realistic target” would be “by the end of the year.”

## **The deep (spring) freeze challenges farmers, suppliers**

A cold, snowy April - where winter didn't want to give up - is challenging farmers and their suppliers, who are trying desperately to catch up on planting in many northern parts of the country and preserve yield potential. Thankfully, new technology may help.

Bryan Peake, climatologist with the [Midwestern Regional Climate Center](#) (MRCC), says this April broke records for both snowfall and cold. “Snow cover has been well above normal, especially in the Upper Midwest – Minnesota, Wisconsin, and Iowa. **Over 100 (weather) stations in nine states reported the snowiest April on record and several have more than doubled their past record.**”

According to MRCC data, “soil temperatures are also significantly below normal,” says Peake. In southeastern and north-central North Dakota, for example, Peake says that a dozen stations out of about 40 were still reporting topsoil temperatures below freezing down to four inches as of

April 19, and topsoil temperatures between 35 and 40 degrees were common throughout Minnesota and across the northern part of the country. The average topsoil temperatures for the third week in April in Iowa range from 65 degrees in the south to 50 degrees in the northwestern corner, but this year's topsoil temperatures range between 33 and 45 degrees –about 20 degrees below average.

**As of the week ending April 22, the 18 primary corn-producing states had 5 percent of their corn planted, compared with a five-year average of 14 percent, according to [USDA-NASS' Planting report](#). And only South Dakota had seeded any wheat, 2 percent compared to an average of 50 percent for the third week of April.**

Planting and fieldwork throughout much of Iowa was basically at a standstill for the first three weeks in April, according to Dave Miller, director of research for Iowa Farm Bureau. But that is changing. "We are later than we have been the past couple of years," Miller says. "But some people in far eastern Iowa started planting this past weekend." Even so, only one county in Iowa had topsoil temperatures of 50 degrees, warm enough to plant corn, and soils will have to warm into the mid-60-degree range before producers can seed soybeans.

Brian Feldpausch, who farms 1,000 acres in Grundy County, Iowa, about 30 miles southwest of Cedar Falls, recently started planting corn. "Compared to last year, we are two weeks behind, but last year, we got off to a good start. I'd say we are about one week behind normal. Field conditions haven't been fit to do anything up until this week," Feldpausch notes. Even so, he expects to plant his farm's 700 acres of corn before May 6, and complete soybean planting before May 20, if weather cooperates.



Bryan Peake

However, many producers across the region have yet to do any fieldwork, and some equipment is still surrounded by snowdrifts near fields buried in snow. According to snow cover maps from the National Oceanic and Atmospheric Administration, far northwestern Iowa, a section of southeastern South Dakota, large portions of Minnesota, and northern and far western Wisconsin were still blanketed in snow as of April 22.

Heidi Johnson, University of Wisconsin extension agent for Dane County, in southern Wisconsin, the state's top-producing county in corn and second in soybeans, says Dane County is in better shape this season than last. A wet harvest in southern Wisconsin in 2016 left deep ruts in fields that had to be leveled last spring. That is not the case this year.

**"This week looks warm and sunny, which will move tilling and manure application along. By next week, we should be in good shape for planting,"** Johnson says. The county's optimal planting date for corn is May 1 and for soybeans, May 6. "I think we'll be in pretty good shape as long as the soils warm up," she says, adding this past weekend was a turning point for northern Wisconsin, where temperatures climbed into the 50s.

Despite high doses of optimism across the Upper Midwest, a lot of work remains to be done before the region's major crops are planted. "People are doing fieldwork now that probably would have been done five weeks ago," Miller says. "With a week of 60-degree temperatures and no rain, the southern two-thirds of Iowa will probably plant a lot of corn, but producers in

the northern third of the state and into southern Minnesota probably won't run planters at all this week."

Miller recently looked at the 20 coldest Aprils of the past 60 years to see if below-normal temperatures in Iowa correlated with low production. **"The coldest years still saw trend-line yields for corn, but it does take the potential for record yields off the table,"** Miller says. "Iowa can plant 40 percent of its corn in a week, but this week won't be one of those weeks." Miller estimates that by May 3, about 50 percent of Iowa's corn could be planted. The optimum planting date for corn planting in Iowa ranges from April 28 to May 4.

But one of the biggest changes in the last 60 years is the development of more short season plant varieties and equipment that can plant hundreds of acres a day once conditions approve. So agronomists note that it's possible to pick up the pace pretty quickly - weather permitting.

Even in North Dakota, producers are clearly getting ready to plant their fields.

Chad Weckerly, who serves on the board of directors for the North Dakota Farm Bureau, farms in Hurdsfield, in the central part of the state, and grows wheat, soybeans, canola and corn. He also manages Hefty Seed stores in the area. **"We are going to start seeding this week. I'm encouraged. Following the drought last year, the soil is pretty dry, and dry soil doesn't freeze as hard as wet soil,"** Weckerly says. Last year's drought covered about two-thirds of the state, including the western half. Much of South Dakota was also dry.

While he's starting to plant spring wheat about two weeks later than usual this year, Weckerly says it's nothing to worry about yet. **"If planting is delayed by another couple of weeks, farmers will go to shorter maturity corn and soybeans,"** he says. They won't shift crops. "By the beginning of next week, most people will get rolling," he adds. "A number will start this week." The final date to plant soybeans in his area is June 20.

However, two things concern Weckerly when spring is this late. **"First, these farmers have large equipment and can run that equipment 24 hours a day – and they will if they have to. When they put in longer hours in a tighter planting window, it becomes a safety concern.** And second, when farms are working 24 hours a day, it is very difficult for the people who supply them," he says. Trucks are limited by regulation regarding how much product they can haul, and drivers are limited on the number of hours they can work.

## **Suicide higher in rural areas, not necessarily among farmers**

Recently there's been a spike in news media attention to farmer suicides brought on by depressed farm-product prices, but there appears to be a lack of solid data to compare the current incidence of suicide on the farm to that of the mid-1980s farm crisis.

**Notwithstanding the absence of verifiable statistics, farm groups and their leaders agree that emotional stress has intensified as net farm income has dropped by half since 2013 and is projected lower again this year.** The level of distress has spurred governmental and farm organizations to activate hotlines and other services to help farm families cope.

Some of the attention was prompted by a pair of reports from the Centers for Disease Control and Prevention (CDC) describing suicides of farmers and related workers in rural areas.



However, the CDC conclusions do not reflect current conditions. Both reports concede that they are tempered by limitations: the [2016 report](#) covers only 17 states, and **the more comprehensive 2017 paper, which found suicide rates through 2015 were higher in rural areas than in urban settings, is not specific about farm-related occupations.**

The 2016 CDC report – based on 2012 data, well before the current farm income slump – found that workers in the “farming, fishing, and forestry occupational group had the highest rate of suicide” at 84.5 per 100,000, well above the next highest, construction and extraction (53.3 per 100,000).

**The 2017 CDC study found the gap in suicide rates between rural and urban areas grew steadily from 1999 to 2015 and widened more quickly since 2007.** It added that the highest rates in 1999-2015 were for non-Hispanic whites and Native Americans, with rates for both groups showing notable increases.

“Geographic disparities in suicide rates might reflect suicide risk factors known to be prevalent in less urban areas, such as limited access to mental health care, social isolation and the opioid overdose epidemic, because opioid misuse is associated with increased risk for suicide,” the most recent paper asserted. “That the gap in rates began to widen more noticeably after 2007-2008 might reflect the influence of the economic recession, which disproportionately affected less urban areas.”

**The current situation does not appear to rival that of the 1980s, when 913 male farmers in the Upper Midwest committed suicide, nearly double the national average for white men,** according to a study published by the National Farm Medicine Center in 1991. The study covering Wisconsin, Minnesota, North Dakota, South Dakota, and Montana found that 71 female farmers, 96 farm children and 177 farm workers killed themselves in 1980-88.

Recent media attention and the CDC reports spurred a disparate coalition of 37 farm and rural advocacy groups to urge Congress to reauthorize the dormant Farm and Ranch Stress Assistance Network (FRSAN), which was created in the 2008 farm bill but never funded. **“Due to the prolonged downturn in the farm economy, many farmers are facing even greater stress,” said their [letter](#) to agriculture committee leaders.** FRSAN was designed to provide grants to extension services and nonprofit organizations that offer stress assistance programs for those in agriculture-related occupations.

The appeal was signed by a range of national commodity and production agriculture groups as well as advocacy organizations, mental health professionals, Farm Aid and the Rural Coalition, and publicized last week by the National Farmers Union (NFU). Last week also saw action on Capitol Hill where Sens. Tammy Baldwin, D-Wis., and Joni Ernst, R-Iowa, introduced legislation that would re-establish the Farm and Ranch Stress Assistance Network. The bill would authorize USDA to provide \$50 million over five years in seed funding through state departments of agriculture, state extension services and non-profits to establish helplines, provide suicide prevention training and create support groups. The bill is co-sponsored by Heidi Heitkamp, D-N.D.; Jerry Moran, R-Kan.; Michael Bennet, D-Colo.; and Cory Gardner, R-Colo.

Without waiting for legislative action, several organizations have begun accelerating efforts to make help available in areas of stress. [Farm Aid](#) is ramping up emergency services working through church groups, said Farm Aid historian David Senter, who also is president of the American Agriculture Movement (AAM).

**Farm Aid hotline calls “are up considerably over past years now,”** Senter said. Farm Aid was launched in the 1980s in part to raise money for state and local groups to operate hotlines and stress-counseling support for farm families. “Those resources are not there for the most part now,” he said, and will need to be reconstituted in some form. “There is not enough to get through this particular time without any sign of increase in prices in the short term,” Senter added. **“We may lose as large a percentage of farmers as we did in the '80s but it’s a lot fewer (in absolute number) because we don’t have as many farmers.”**



Minnesota Ag Commissioner Dave Frederickson

Although stress is not limited to one or two sectors, problems appear more acute in dairy. Following a milk producer’s suicide in New York State in January – said to be the third in recent years among members of Agri-Mark – the cooperative sent farmers a letter last month describing available counseling and mental health services. Agri-Mark hoped “to get ahead of the curve,” spokesman Doug DiMento told *The New York Times*.

Despite depressed prices, dairy farmers in the Upper Midwest appeared to be in good spirits at the annual meeting of the eight-state Associated Milk Producers Inc. in New Ulm, Minn., late last month, said Sarah Schmidt, AMPI vice president for public affairs. Although stress continues, “on the whole, there was no talk of suicide.”

The Minnesota Department of Agriculture is beefing up farm and rural counseling resources, said Commissioner Dave Frederickson. **“Our sense is that stress is compounding. Our responsibility is to increase whatever we can to help farmers get through this period. The ‘help line’ from several years ago kind of went away and we got it back up,”** with personnel on hand to offer advice **“24 hours a day, seven days a week,”** he said.

Frederickson’s department has had a full-time farmer advocate on its staff since 1987 and has asked the legislature to fund an additional rural health counselor, he said. The state’s agriculture and health and human services departments have created a rural crisis team.

**Some have been tempted to compare the current situation with the full-blown farm crisis of the 1980s. “I think it could be that serious again,” Texas Farmers Union President Wes Sims told the *Texas Observer*. But neither Frederickson nor Senter, who both farmed through the last downturn, says today’s conditions are as bad as those of the 1980s.**

Frederickson relates on a personal level. “I remember not sleeping at night. It was worry, worry, worry,” he said. “Today, if you own land and you’re not leveraged, you may be OK from a balance sheet perspective, but cash flow doesn’t work. It’s a little different (than the '80s), but stress is stress and it’s different for every person. We just felt we were not in place to be a judge of how bad it is but our governor (Mark Dayton) wanted to step up and do more and we did.”

Senter sees the outlook today as more troubling from a political perspective because of congressional gridlock. “Today is worse in that we don’t have the people serving on the agriculture committees who know and understand what works,” he said. “Back in those days, Democrats and Republicans worked together to provide some relief.”

## More animal welfare research needed, CAST report finds

Growing public concern over animal welfare is driving the need to examine the impact of large-scale production systems on animals' quality of life, a new report from the Council for Agricultural Science and Technology (CAST) says.

Over the last few decades, government policies promoting efficiency “have led to increased scrutiny of intensive production systems, as well as claims that these systems are not sustainable,” says the [report](#), the first released by CAST on animal welfare since 1997. At the same time, “growing awareness of the state of the environment and the food supply has turned ethically conscious eating into a mainstream trend.”

**“A major emerging challenge is how to meet . . . animal-protein demands while simultaneously protecting animal welfare and developing broadly sustainable production systems,” says the report.**

The issues surrounding production are complicated. “All systems have their welfare advantages and disadvantages,” Candace Croney, director of the Center for Animal Welfare Science in Purdue’s College of Veterinary Medicine, said at an event held April 23 tied to the report’s release. Croney was one of the co-chairs for the task force that prepared the report.

“A major research priority for us right now is to figure out how to better incorporate animal behavioral needs into housing and environmental design and how to make alternative systems affordable” for farms of all sizes, Croney said.

The report said better treatment for animals has dual benefits. “Appropriate animal handling not only decreases stress and injury to the animals, but it can improve the quality and safety of their meat while also lessening production costs,” the report says.

But at the same time, “some more extensive production systems that meet consumer expectations for providing animals with space and behavioral freedom may have negative effects on the environment and food affordability,” the report says. **“For example, egg production costs are higher and environmental impacts are typically greater for cage-free systems than for cage systems for laying hens.”**

Human understanding of animals’ state of mind has changed significantly, the report says. “Scientific thinking has evolved to include the notion that good welfare outcomes for agricultural animals not only depend on minimizing negative states, such as distress, but also ensuring that animals experience positive states as well,” it said.

“It is not at all uncommon to hear people talking about emotions and mental states in animals,” Croney said. “We now know as real scientists that animals do have feelings.”

“One rudimentary aspect of animal cognition – perception – warrants more research attention because the way in which animals perceive the information they acquire may significantly impact their welfare,” the report says. “For example, perception of a threat in the environment can cause fear, particularly when an animal is unable to do anything to avoid it, as can happen in some agricultural production systems.”

Despite advances in animal welfare research since CAST last issued a report on animal welfare in 1997, there still is not enough money for research, Croney said.

Among the major areas that need to be examined, she said: housing of animals; pain mitigation, including euthanasia; the economics of animal welfare; and consumer attitudes.

**Croney said that when it comes to housing, “It is not just as simple as giving animals more space or moving them into group housing,” because allowing animals to move more freely can result in them injuring each other – hens pecking one another, or cows biting each others’ tails or vulvas, for example.**

Although progress has been made, there still are not enough “pain relieving agents” on the market yet, Croney said.

However, she said genetic research may help in developing animals able to withstand stress, such as that encountered in group housing. The report says that “in general, selection for improved animal welfare results in improved animal management and overall welfare, as well as increased economic returns.”

Croney also emphasized the need to communicate science-based research to consumers, who rarely can name a source for their information on animal welfare. And when they do, said Croney, it’s usually the Humane Society of the United States or People for the Ethical Treatment of Animals, which advocate for better treatment of farm animals.

One study Croney cited showed that fewer than 5 percent of consumers get their animal welfare information from government, industry or university sources.

“Despite the fact that we’re investing so much in animal welfare . . . it is not making it into the public domain,” Croney said, expressing concern that the information consumers receive is not “science-based.”



Candace Croney

“It seems like consumers are almost at war with those of us affiliated with animal agriculture and vice-versa, and we’re not,” she said.

One issue that has arisen because of public concern is that “increased consumer demand for meat from animals that have not been treated with antimicrobials for any purpose – production or therapeutic – has caused and may continue to cause producers and veterinarians to withhold treatment for animals intended for the consumer market,” the report says. “The negative impacts on animals’ welfare resulting from disease that could be prevented and/or that cannot be controlled and treated are significant and unacceptable.”

In addition, the CAST report said that more research on the economics of animal welfare is needed “to understand the extent to which rising prices resulting from the higher costs of new animal production systems will curb consumer purchases of livestock products.”

## Neonic backers, detractors express their views to EPA

The debate over neonicotinoids' impacts on the environment continues to rage, as evidenced by comments submitted to EPA as part of the agency's review of the most widely used insecticides on the planet.

Manufacturers, farmers, environmentalists and lawmakers all weighed in by the April 21 deadline, not just on environmental impacts, but also on the benefits of neonics in cotton and citrus. The EPA assessments are part of the agency's registration review process for neonics, expected to be completed by the end of this year.

Not surprisingly, opinions varied. Neonic makers Bayer CropScience and Syngenta questioned the data EPA used to evaluate the risks of their products to birds and mammals. Bayer makes clothianidin (Poncho), Syngenta makes thiamethoxam (Cruiser), and Bayer and Valent manufacture imidacloprid (Gaucho).

Syngenta, for example, said that EPA's concerns for birds and mammals eating seeds treated with thiamethoxam should be tempered by the knowledge that most seeds cannot be consumed because they're below the surface.

"Syngenta's position is that the overall probability of adverse effects to birds and mammals due to chronic consumption of thiamethoxam-treated seeds is very low after considering realistic estimates of the proportion of treated seeds in bird and mammal diets (and) reduction of exposure based on a seed incorporation rate of 99 percent, with only 1 percent of planted seeds available for consumption by wildlife," among other reasons.

Thiamethoxam is used as a seed treatment in a number of crops, including corn, sunflower, oilseed rape, sugar beets, soybeans, potatoes, rice and others.

And Bayer CropScience went after EPA's assessment on the ecological impacts of clothianidin, which the agency said poses potential acute and chronic risks for birds and mammals. EPA also said there is "a potential for acute and chronic risk to aquatic invertebrates from foliar, soil and seed treatment uses."

But Bayer said EPA used a flawed study to come up with a toxicity value that is too low, resulting in an overestimation of the potential hazards to wildlife. "Considering the importance of clothianidin to U.S. agriculture, it is imperative that the EPA use reliable, sound science in their ecological risk assessments," Bayer said. The neonic is used in seed treatments for corn and sorghum.

On benefits, Bayer said that use of imidacloprid as a seed treatment in mid-South cotton "showed an average yield increase of 102 pounds lint per acre" compared to a fungicide-only base. The company's Gaucho 600 Floable is used to control insects known as thrips.

EPA had estimated that restrictions on use of neonics in cotton "following pinhead squaring through harvest" could increase costs by \$5.70 per acre, or about 2.3 percent of an average cotton grower's net operating revenue.



Regarding citrus benefits, Bayer said its imidacloprid product, Admire Pro, helps protect from Asian citrus psyllids, in particular by using the “soil drench method” for young trees. The chemical “moves systemically upwards from roots into foliage and prevents psyllids from feeding long enough to transmit the bacteria,” Bayer said in its comments.

Environmental advocates called for a ban on neonicotinoids, delivering a petition to EPA signed by more than 200,000 people.

“In light of EPA’s own analysis, the agency has a responsibility to protect birds, bees, and aquatic ecosystems from neonicotinoid pesticides,” said Nichelle Harriott, science and regulatory director at Beyond Pesticides. “Failure to do so could potentially have devastating trophic effects on the environment.”

The Center for Biological Diversity, in its comments to the agency, called on EPA to examine impacts to invertebrates other than honey bees, for which the agency released [guidance](#) in January 2017.

“Beetles, butterflies, true bugs, crickets and grasshoppers have all been left out of the risk assessment,” CBD said. “Of particular concern is the monarch butterfly, a species that has declined by more than 80 percent in the last two decades and is known to be harmed by neonicotinoid use.”

CBD called on EPA to analyze the effects of mixtures on the environment. “Over 70 products have been approved by the EPA that contain imidacloprid and at least one other active ingredient,” the group said, citing a Purdue University [database](#).

## WTO dispute system may be heading toward crisis for ag issues

A crisis is looming for the World Trade Organization’s dispute resolution system as the Trump administration presses the international body to reform its ways, and the U.S. ag sector could be a casualty in the coming showdown.

The White House has a list of major changes it wants in how the WTO’s appellate body operates and appears to be using its authority to block new appellate judges as leverage to get those changes, say Washington trade specialists and former U.S. negotiators. So far, WTO leaders and representatives of other member countries have not been willing to make concessions, putting the organization’s ability to resolve disputes in jeopardy.

“Right now, there’s a major impasse in Geneva over the Trump administration’s refusal to agree to new appointments to the appellate body,” said Warren Maruyama, a former USTR general counsel.

On the surface, the official U.S. demands of the WTO are relatively straightforward, according to a new analysis by Terence Stewart, a managing partner of Stewart and Stewart. **They include demands that the organization’s dispute settlers stop reaching beyond set WTO rules – essentially creating new ones – to resolve cases.** The U.S. is also demanding that the appellate body deliver decisions within the set 90-day time frame, that the dispute panels stop using previous decisions as loose precedents for future cases, and that the WTO stop extending the terms of current appellate judges to finish ongoing cases.

Previous U.S. administrations have raised similar concerns, but never as aggressively as the Trump administration.

“Many of these concerns the (Trump) administration is raising go back at least a decade,” Maruyama said at a recent event hosted by the Washington International Trade Association. **“Both the Bush and Obama administrations have raised concerns about the appellate body overreaching. The Trump administration has brought a new level of intensity to these concerns and, as a result ... it’s unclear if this is a temporary diplomatic fuss or an existential crisis at the WTO.”**



Warren Maruyama

It may not be a crisis yet, but it’s heading quickly towards one, said Bruce Hirsh, founder of Tailwind Global Strategies LLC and a former assistant USTR.

There are only seven WTO appellate body members at one time – each with a four-year term. Thanks to the U.S. blocking appointments to the body, it’s down to just four members to hear cases, and that number is scheduled to drop to three this fall, leaving the bare minimum needed to consider an appeal.

The U.S. initiated two WTO disputes in late 2016 that are very important to the U.S. ag sector, and both are against China. The first case is [challenging](#) China’s failure to import enough wheat, corn and rice to meet its tariff rate quotas. The second [complaint](#) charges China with maintaining domestic price supports that are far above market rates. Those supports, the U.S. claims, distort world markets and cause billions of dollars in losses every year for U.S. farmers and exporters.

Those cases are widely considered certain wins for the U.S., but both would likely go to the WTO appeals body – unless there are not enough members to take it up.

**“Hopefully that means that the (Trump) administration is planning on beginning its process of negotiation now ... before these disputes get to the appellate body level, because ... otherwise you are shooting yourself in the foot,”** Hirsh told *Agri-Pulse*.

## News Briefs

### **EPA proposes data rule designed to increase scientific transparency.** EPA

Administrator Scott Pruitt signed a proposed rule designed to increase scientific transparency by requiring that data used to support regulatory actions be publicly available rather than those studies with confidential information withheld. “The rule will ensure that the regulatory science underlying agency actions is fully transparent, and that underlying scientific information is publicly available in a manner sufficient for independent validation,” the agency said. That includes dose-response data and models. EPA says the proposed rule is in line with the scientific community’s moves toward increased data sharing to address the “replication crisis”—a growing recognition that a significant proportion of published research may not be reproducible. Environmental groups were quick to criticize the proposal. “This has nothing to do with transparency and everything to do with helping out Pruitt’s industry benefactors,” said Ana Unruh Cohen, climate scientist and managing director of government affairs at the Natural

Resources Defense Council. NRDC said “medical studies, clinical reports, and real-world field studies all include data and information that cannot be made public without violating confidentiality and patient protection rules” under the Health Insurance Portability and Accountability Act of 1996, or HIPPA. The proposal will be subject to a 30-day comment period.

**USDA to broaden help for livestock losses.** Producers who lost livestock to disease, resulting from a weather disaster, have an additional way to become eligible for USDA’s Livestock Indemnity Program (LIP). USDA Under Secretary for Farm Production and Conservation Bill Northey, who was in Texas this week visiting with ranchers hit by drought and wildfire, announced an administrative clarification to the [Livestock Indemnity Program](#). In the event of disease, this change by USDA’s Farm Service Agency (FSA) authorizes local FSA county committees to accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management. The committees may then use this certification to allow eligibility for producers on a case-by-case basis for LIP. The program provides benefits to agricultural producers for livestock deaths in excess of normal mortality caused by adverse weather, disease or by attacks by animals reintroduced into the wild by the federal government. Eligible weather events include earthquakes, hail, tornadoes, hurricanes, storms, blizzard and flooding. South Dakota Sen. John Thune, who [requested](#) the change in an April 16 letter to USDA, applauded the move as a way to “ensure adequate indemnification is made for livestock losses that occurred in South Dakota and other states as a result of the wet and cold spring, including recent storm Xanto.”

**Americans waste a pound of food per day.** A study by an Agricultural Research Service team and university scientists found that U.S. consumers waste a pound of food per person a day, or about a third of the daily calories that each American consumes. Interestingly, fruits and vegetables – key components of a high-quality diet – were the most wasted food items, the team determined from their analysis of eight years of available food survey data. The study was conducted by nutritionists with ARS [Grand Forks \(North Dakota\) Human Nutrition Research Center](#), together with scientists from the [University of Vermont](#) and [University of New Hampshire](#), and published in the journal [PLOS ONE](#). Using a powerful computing tool known as the U.S. Foodprint Model, the team determined that from 2007 to 2014, U.S. consumers discarded 150,000 tons of food daily – waste that corresponded to the yearly use of an estimated 30 million acres of land (7 percent of total U.S. harvested cropland), 780 million pounds of pesticide, 1.8 billion pounds of nitrogen fertilizer and 4.2 trillion gallons of irrigated water. This all represents potential costs to the environment and the farmers who dedicate their time, land and other resources to growing or raising food that’s meant to be eaten, the researchers said.

**FFAR grants back aquaculture research.** The Foundation for Food and Agriculture Research this week announced four grants totaling \$1.5 million for research to improve economic opportunities for farmed fish, shellfish, and marine invertebrate production and increase the supply of domestically-produced, nutritious foods in the United States. The awards are matched by five companies, one industry association and three universities for a total of \$3 million in funding for research including best practices for aquaculture producers and economic feasibility studies. All research results will be shared publicly with the goal of stimulating aquaculture markets. “FFAR is committed to expanding sustainable protein availability,” said Executive Director Sally Rockey. “We are optimistic about the potential for these four unique projects to help expand economic opportunities for farmed fish and shellfish producers in the U.S.” [Click here](#) for details on the projects the four grants will finance.

## Farm Hands on the Potomac...

Agriculture Secretary **Sonny Perdue** last week filled a number of empty administrator slots in key USDA agencies. **Ken Isley** is taking over at the Foreign Agricultural Service; **Martin Barbre** was named to head the Risk Management Agency, and **Joel Baxley** is now running the Rural Housing Service. *Agri-Pulse* had earlier predicted Isley's and Barbre's selections. Perdue also announced the appointment of **Tommie Williams** as Minister-Counselor for Agriculture at the U.S. Mission to the United Nations Agencies for Food and Agriculture in Rome. Isley most recently served as Special Adviser for Corteva Agriscience, the agriculture division of DowDuPont. He began his career with Dow back in 1989. Barbre is a past president of the National Corn Growers Association Corn Board, and Baxley previously was senior real estate technical consultant with the Financial Advisory Services of RMS US. Williams is a former onion farmer from Toombs County, Georgia, who served as majority leader and president pro tempore of the Georgia State Senate before retiring in 2006. During that time, he was an ally of Perdue, who was the state's governor from 2003 to 2011.

House Ways and Means Chairman **Kevin Brady**, R-Texas, named **Gary Andres** as the panel's new majority staff director. Andres held the same job with the House Energy and Commerce Committee from January 2011 until February 2017. He also served Presidents George H.W. Bush and George W. Bush as deputy assistant to the president for legislative affairs.

**Michael Catanzaro** is heading back to his former lobbying firm, the CGCN Group, after a year at the White House as special assistant to the president for domestic energy and environmental policy. His clients at CGCN included major oil companies and oilfield service providers, including Hess Corp., [Noble Energy Inc.](#) and [Halliburton Co.](#), as well as the American Chemistry Council. Federal law prohibits former White House officials from lobbying their previous agency for one year after their departure. Catanzaro also served on Capitol Hill as a senior policy adviser to the House Speaker and a deputy Republican staff director on the Senate Environment and Public Works Committee.

Senate Rules Committee Chairman **Roy Blunt**, R-Mo., tapped **Fitzhugh Elder** as the panel's new staff director. Elder has been serving as deputy staff director for the Senate Appropriations Committee. A former senior policy adviser with The Russell Group, Elder also worked as a lobbyist for the National Rural Water Association.

**Brian Reuwee** moves to a new job as a director with Osborn and Barr in their St. Louis office, where he will work on the United Soybean Board account. For the past four and a half years, Reuwee has been director of communications and marketing with the Agricultural Retailers Association.

**Peter Matz** is the new director of food and health policy at the Food Marketing Institute. Matz joins FMI from OFW Law, where he spent most of the past decade as a government relations adviser, helping companies and trade associations across the food, beverage and ag sectors devise legislative strategies.

President Trump plans to nominate Mississippi State University President **Mark Keenum** and World Food Bank CEO **Richard Lackey** to the Board for International Food and Agricultural Development. Trump picked Keenum, an agricultural economist who served as a USDA undersecretary under President George W. Bush, to be board chairman. Board members provide

advice on U.S. international assistance efforts in areas such as global food security and world hunger.

University of Arkansas professor **Marty Matlock** is the 2018 winner of the Borlaug CAST Communications Award. The Council on Agricultural Science and Technology says Matlock “has become the world’s leader in the science of agricultural sustainability during the past 10 years through his global communications effort.” The winner was announced Tuesday at USDA.

Meat giant JBS USA, which is a majority shareholder in Pilgrim’s Pride Corp., named **Lance Kotschwar** head of ethics and compliance for the company’s operations in the United States, Canada, Mexico, Europe, Australia and New Zealand. Prior to joining JBS USA and Pilgrim’s, Kotschwar served as the chief ethics and compliance officer and vice president for government and industry affairs at The Gaviion Group LLC, a leading commodity management firm. Kotschwar was also a top lawyer on both the Senate and House Agriculture committees and the House Energy and Commerce Committee.

Agweek writer **Jonathan Knutson** has assumed the presidency of the North American Agricultural Journalists after serving as vice president. He’s replacing **Ed White**, with Winnipeg-based Western Producer.

**Best Regards,**

**Sara Wyant**

**Editor**

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