

# AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RE- LATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2024

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WEDNESDAY, MARCH 29, 2023

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10:01 a.m. in Room SD-192, Dirksen Senate Office Building, Hon. Martin Heinrich (chairman) presiding. Present: Senators Heinrich, Murray, Tester, Merkley, Baldwin, Manchin, Hoeven, Collins, Moran, Hyde-Smith, and Fischer.

## DEPARTMENT OF AGRICULTURE

### STATEMENT OF HON. THOMAS J. VILSACK, SECRETARY

#### ACCOMPANIED BY:

MR. JOHN RAPP, DIRECTOR, OFFICE OF BUDGET AND PROGRAM ANALYSIS

#### OPENING STATEMENT OF SENATOR MARTIN HEINRICH

Senator HEINRICH. Good morning. This hearing of the Agriculture Appropriations Subcommittee is now called to order.

And I would like to start by welcoming Secretary Vilsack. Joining the Secretary is Mr. John Rapp, Budget Director for the Department of Agriculture. And we welcome both of you here today.

This is my first hearing as chairman of this subcommittee, and I am looking forward to a good discussion on the fiscal year 2024 Budget Request for the Department of Agriculture.

The programs and activities of this Department affect every single American, from farmers, and rural communities, to children and families who depend on healthy and nutritious food.

This subcommittee must ensure that USDA has the resources you need to fulfill your broad and absolutely critical mission. The budget request for United States Department of Agriculture (USDA) is ambitious, and it includes significant increases across the board. The request totals \$24.5 billion, which is an increase of \$2 billion.

I am pleased that the budget focuses on providing tools to producers in rural communities to address the climate crisis, and it calls for coordination of climate solutions across the entire Department. I look forward to discussing some of these initiatives and how this subcommittee can play a role in this critical issue.

We also know that affordable housing is a major challenge, not just in my home State of New Mexico, but really across the Nation, and particularly in rural areas. The budget includes much needed increases and innovative policy proposals to grow our affordable housing stock in rural communities, and ensure that all Americans can access a safe and affordable place to call home.

Another issue of great importance to both of us is ensuring that our children can receive healthy and nutritious food, without this our children simply do not learn as effectively; do not thrive, so I am pleased to see increases to vital nutrition programs.

It is clear that USDA has much work to do. And I look forward to a robust discussion today. I am looking forward to starting the appropriations process and working with all the members of this subcommittee to draft an Agriculture Bill that supports these vital programs.

I want to briefly reiterate the importance of reaching a bipartisan top line agreement. We must invest in nondefense programs if we want to move this country forward. We have important work to do, and we need to come together to bring back regular order. That will not be easy, but I stand ready to work with every member as we continue to move this process forward.

And with that, I will turn to our ranking member, Ranking Member Hoeven, for any statement that he may have. And I would just quickly add that I am looking forward to working with you, and continuing the bipartisan tradition of this subcommittee.

#### STATEMENT OF SENATOR JOHN HOEVEN

Senator HOEVEN. Thanks Chairman Heinrich. Appreciate it. I look forward to working with you as well.

Welcome back, Secretary Vilsack. I appreciate you being here. We saw you on the Hill here a week or so ago, and appreciate your diligence, and certainly respect your knowledge of the Department of Agriculture having, you know, served 8 years prior, and back in the role. And of course I have had opportunity to work with you through the years both in that role and as governors.

The Department of Agriculture (Ag) affects every American every day, our farmers and ranchers produce the highest quality, low-cost food supply in the world that benefits every single American, every single day. So what you do is incredibly important, what we do here in Ag Appropriations is incredibly important. And of course writing a good Farm Bill this year is incredibly important.

There are always challenges, we have seen that, obviously, with trade relations, with Coronavirus (COVID), with weather, the supply chain issues, energy costs, all those things, are challenges that our farmers and ranchers face every day, and that is why it is so, so important that we have a good farm policy.

Because when you look at our AG industry I think it is absolutely remarkable. It is a remarkable industry where we have been able to maintain a network of small businesses across this country, unlike so many other industries where you have seen incredible concentration, but we have got those small businesses, family farms, and ranches, in many cases that have been operating for, you know, decades and generations of families. And we can't take that for granted.

Like I said, benefits every American because of this system we have, and we can't treat it like when we walk in the room and flip on the light that it is always going to be there for us just the way it is. So I think it is incredibly important we keep that in mind as we craft farm policy. And I know, Secretary, you do.

This subcommittee has provided substantial support for our farmers, ranchers, producers, and rural communities. Last year, we provided critical base funding increase of 4 percent for USDA research programs, 2.7 percent for Rural Development programs, 5.6 for the Animal and Plant Health Inspection Service (APHIS).

And you know, programs like that, again, are so important. I think sometimes people don't even realize they are out there. But we keep them healthy because of those inspection services that make sure that that food gets to people and they can count on it being, you know, healthy, and free of disease, and other problems.

Again, things that, you know, the consumer takes for granted. But food doesn't come just from the grocery store, it comes from the farm and ranch, and there is a lot that goes into making all that happen.

At the same time as we have provided more funds for these programs, we have got to be careful because of the cost of the overall farm program, the Farm Bill in total, the Supplemental Nutrition Assistance Program (SNAP), all the different components that go into this outstanding network of farming, and ranching, and food supply that we have, we have got to recognize that we have a real problem, overall, with the budget, and we have got to be part of helping find solutions that work. That has got to be an important part of what we do.

What I would submit to you, and I will be intrigued to hear your comments on it, Secretary, when we get into the Q&A, is that by doing a good job on crop insurance and the countercyclical safety net, we make sure those farmers can produce more food of the highest quality, with incredible variety that keeps the food costs for the consumer as one of the lowest percentage of their budgets of any country in the world.

That is not only important to every American every day, but when we look at the nutrition programs, it reduces the cost of those nutrition programs, because more supply not only means, you know, more availability of food, but lower costs.

So getting crop insurance and that safety net right benefits every aspect of what we do, and it is critically important, not only for this appropriations process, but as we go into writing the Farm Bill.

Again, Chairman, thank you; I look forward to working with you.

And Secretary, thanks for joining us today.

Senator HEINRICH. Mr. Secretary.

#### SUMMARY STATEMENT OF HON. THOMAS J. VILSACK

Secretary VILSACK. Mr. Chairman, thank you very much for the opportunity; and Senator Hoeven, thank you for the opportunity, to appear before the committee today. And to the Members of Committee, thank you for this opportunity.

This is an unusual budget, perhaps one that you have never faced before, because you have to put it in the context of everything else that is surrounding the Department of Agriculture today. Whether it is the investments that are being made in the American Rescue Plan (ARP), or the Bipartisan Infrastructure Law (BIL), or the Inflation Reduction Act (IRA), these are resources that complement and supplement, if you will, the budget that we are presenting to you.

And the goal of this budget, frankly, is to invest in a stronger America, and to expand our middle class, as the President likes to say, from the bottom up and the middle out. And there is no better opportunity to do that than within the agricultural budget.

I would make one observation and one request of this committee, that you take a look at the percentage increases of this committee over time, and compare it to the percentage increases of other Departments of Government. I think what you are going to find, even in the nondiscretionary—nondefense discretionary budget, the increases in this Department's budget have been modest compared to other agencies.

So as you look at choices that have to be made, I hope that that factor is taken into consideration, given the importance of this Department, and the work of this Department, as both the Chair and the Ranking Member have indicated.

When we look at making a stronger America and expanding the middle class, there are things like the investments that we are proposing in research surrounding clean energy and climate that will help to create that middle class. Whether it is developing a new industry, sustainable aviation fuel, or other bio-based products, the idea here is to create not just better energy sources, but also income sources for our farmers.

As Senator Hoeven knows, having listened to this before during the Farm Bill Hearing at the Senate Ag Committee, that we have had a record year in farm income in the last 2 years; however, that that bounty has not been fully shared by all farmers, nearly 50 percent of farmers during those record years did not make any money, another 40 percent, or so, made money, but the majority of money they made came from off-farm income.

So we had some farmers, those who sell more than \$1,000,000 in product do very, very well in this economy, but I think we still have a job to do for the other 90 percent. So investments in research that create new opportunities; new income opportunities, is a way of maintaining those small- and mid-sized farming operations.

We are asking for increases in investment and staff at Natural Resources Conservation Service (NRCS). Why? Because we want to provide more technical assistance to farmers who are embracing climate-smart practices, and we know that when they do they can qualify for ecosystem service market opportunities, which create another revenue source that is not currently available to many farmers.

It is not just about asking for more money, it is also about asking for legislative changes. We would like to be able to open up more credit opportunities for beginning farmers. We would like to take a look at the time and the number of times farmers can come back to the Farm Service Agency (FSA) for assistance and help so they can stay on the farm, extending the number of years that they can borrow from the USDA.

It is proposed legislative changes in the Rural Development to preserve rental assistance, we are facing a circumstance in situation where a number of rental units could be lost as mortgages get paid off, rental assistance units are lost, the amount of vouchers that we provided, basically, take care of about 35 projects each

year. The circumstances today are that we are losing about 80 projects per year. So we are losing literally, potentially, tens of thousands of rental assistance units in rural America at a time when we need affordable housing.

It is protecting farmers from unfair practices in the marketplace, which is why we are asking for continued support for our packers and stockyards. There is a competing view, obviously, to this budget that we have proposed. And that competing view has suggested significant reductions across the board, and I wanted you all to have an understanding of the degree to which those budget cuts would impact and affect this Department.

If those budget cuts, even the most conservative budget cut, that is to say, putting it back to levels of several years ago, would result, not in an increase in Special Supplemental Nutrition Program for Women, Infants and Children (WIC) participation, but perhaps as many as 250,000 participants in WIC not being able to be provided that opportunity.

It would likely mean a loss of 40,000 rental assistance units in rural America. It would mean 84,000 farmers couldn't access the technical assistance they need to embrace conservation practices. It would mean 6,600 farmers wouldn't get the credit they need to continue farming operations. There are real impacts to these reductions.

So that is the reason why I am here today, is to talk to the committee about the importance of this Department's budget relative to all other budgets, and to basically make the case that in the context of what we are trying to do to create new opportunities for farmers, new income sources for farmers which, in turn, will create more job opportunities as well, in rural America, and create a revival of the economy, this budget is at a critical point, at a transformational point, in my view, in rural America, and in agriculture.

And I look forward to the opportunity to respond to any questions that the committee may have.

[The statement follows:]

#### PREPARED STATEMENT OF HON. THOMAS J. VILSACK

Thank you, Chair Heinrich, Ranking Member Hoeven, and distinguished members of this subcommittee, for the opportunity to come before you today to discuss the Administration's priorities for the Department of Agriculture (USDA) and to provide you an overview of the 2024 President's Budget.

We are at a pivotal moment for American agriculture and rural communities with a decision to make about if, and how, agriculture will meet the challenges of our time. One option is to maintain the status quo. This path leads towards even more producers struggling to cover their costs and often turning to off-farm income to support their families; it leads to far too many rural communities languishing and demonstrates the outdatedness of agricultural policies designed to address challenges of the 1930s and 1970s, ones that reinforce systemic inequities. This path works for a few who have done what American agricultural economics has required of them: get big or get out. But there is another path, one that prompts us to recognize the undeniable challenges of climate change, the need for greater equity in our food system, and that there are opportunities to seize as we seek to adapt to a new course. This path draws on lessons from the COVID-19 pandemic, which exposed vulnerabilities at every point in our food supply chain—from the field to the factory to the grocery store—and compels us to take transformative action so that this vital system is more resilient, secure, and accessible to all. This path also draws strength

from the Interim Recommendations of the USDA Equity Commission<sup>1</sup>, because they are a roadmap for ensuring USDA lives up to its name as the People's Department for everyone. There is nothing more foundational to a country's security and stability than its food supply; an inclusive agriculture and rural life must be part of a shift to a bottom-up, middle-out system if we want to create more opportunity in this country.

Through the fiscal Year 2024 Budget, the Biden-Harris Administration and USDA have embraced a path where the future of American agriculture is secure and where there is greater equity and economic opportunity for agricultural and rural communities.

The 2024 USDA President's Budget also recognizes the historic investments that Congress has made through the American Rescue Plan, the Infrastructure Investment and Jobs Act, and the Inflation Reduction Act. USDA is delivering on these investments, and the 2024 Budget continues to confront challenges, rebuild the rural economy, and support a new, innovative approach to the future of agriculture. Agriculture is the foundation for fuel, fiber, and food; the agricultural economy is more than just growing crops and selling them, or raising livestock and selling them, or the products from them. The food and agriculture industry contributes nearly \$8 trillion to the global economy, about a fifth of the economic activity of our country. A strong agriculture sector is key to strong rural communities, supporting over 21 million people and 11 percent of jobs in the economy, providing access to essential services like housing, health facilities, and fast reliable internet; it's how we ensure there's safe, nutritious, affordable food on the table for everyone, supporting the more than 10.2 percent of Americans that experience food insecurity<sup>2</sup>; it's how we support and protect forests, grasslands, and farms—nearly 50 percent of this nation's total land mass; and it's how we provide for the communities that depend on them. The proposals in this budget will address these challenges and spur new job creation and opportunities in rural America; build resilience in the food supply chain and restore America's advantage in agriculture; leverage USDA's expertise to address climate change; and support a stronger nutrition safety net. To make demonstrable progress toward addressing these real issues, the 2024 President's Budget proposes \$213.2 billion for USDA programs, of which approximately \$180.6 billion is mandatory funding and \$32.6 billion is discretionary funding.

#### RESEARCH AND INNOVATION

This pivotal moment calls for additional investment in research and innovation that influence every program we implement at USDA. Agricultural research has a return on investment of \$17 for every \$1 invested. Between 1948 and 2019, total agricultural output in the United States grew by 142 percent. This rise was not due to increases in agricultural land or labor; in fact, both inputs declined over the period. The productivity stemmed from the adoption of a whole suite of innovations and technology transfer in crop and livestock breeding, nutrient use, pest management, farm practices, and farm equipment and structures. These innovations are the fruits of publicly funded agricultural R&D that often have a less-told story, but we live and reap the benefits of these investments every single day. Production agriculture requires constant innovation and adaptation as farmers and ranchers pursue climate-smart solutions to extreme weather, rural businesses seek new markets, and underserved communities seek trusted partners to tackle systemic concerns.

The budget proposes a \$4.2 billion investment in our research, education, and economics programs. The budget includes discretionary funding of \$1.9 billion for the National Institute of Food and Agriculture (NIFA) of which \$550 million is for the Agriculture and Food Research Initiative (AFRI). Demand for AFRI's competitive funds grows annually and the awards focus on promoting enhanced profitability and productivity in U.S. agriculture, food and nutrition security, and boosting rural prosperity through a circular economy with support for clean energy technologies, climate-smart agriculture and forestry, and education and workforce development. An additional \$2 billion for the Agricultural Research Service (ARS) includes increases of \$20 million in support of the Cancer Moonshot, \$13 million for the operations and maintenance of the new National Bio and Agro-Defense Facility, \$83 million for clean energy, \$88.5 million for climate science, \$10 million for Climate Hubs and Climate Hub Fellows, and \$14 million for additional high priority investments.

<sup>1</sup> USDA Equity Commission. (2023). Interim Report 2023: Recommendations made to the U.S. Department of Agriculture to Advance equity for all. <https://www.usda.gov/equity-commission/reports>

<sup>2</sup> USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census, 2021 Current Population Survey Food Security Supplement. <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/key-statistics-graphics/>

These funds enable ARS to find solutions to agricultural problems that affect Americans every day from field to table. This is done through the delivery of cutting-edge, scientific tools and innovative solutions for American farmers, producers, industry, and communities to support the nourishment and well-being of all people; sustain our Nation's agroecosystems and natural resources; and ensure the economic competitiveness and excellence of our agriculture.

Science and research are the best defenses we have to protect our resources against the climate crisis. The changes in our environment have allowed invasive plants, pests, and diseases to move around the world more easily and become established in new areas. Without the tools and sufficient resources to protect ourselves against invasive species and safeguard the health, welfare, and value of American agriculture and natural resources, our farmers and our economy will suffer. The budget calls for an investment of \$6 million for the Civilian Climate Corps within our Animal Plant Health Inspection Service (APHIS) to identify emerging invasive species threats and expand efforts to develop and implement new surveillance methods to detect incursions of invasive pests more quickly as well as develop new mitigation methods to address those already present causing economic and environmental damages.

#### TACKLING THE CLIMATE CRISIS

Producers and land managers across the country are experiencing real and increasing threats from climate change that have serious implications—not just for farmers, ranchers, and forest landowners—but also for surrounding communities and all Americans. In 2022, nearly 80 percent of the western region experienced extreme drought, wildfires burned over 7.6 million acres of our forestland, and communities across the country are dealing with the impacts of severe flooding and record snow fall exacerbated by climate change. Agriculture has a critical role in delivering climate change solutions and our Nation's farmers, ranchers, and foresters are already leading the way through the adoption of voluntary and farmer friendly incentive-based climate-smart agricultural and forestry practices. The budget proposes over \$7 billion across the department in finding solutions to the climate crisis through science, clean energy innovation, minimizing emissions and greenhouse gases, building resilience, and supporting farmers and producers as they adapt to the changing environment. Farmers, ranchers, and forest landowners are ready, but they need USDA resources to help mitigate their risk as they adopt these solutions.

The budget includes \$904 million for Conservation Operations to work with landowners and managers to develop conservation plans that outline the specific practices needed to improve farm operations and enhance farm environmental sustainability. The request includes an increase of \$23 million for Climate Smart Agriculture Implementation to improve greenhouse gas monitoring, establish a soil health monitoring network, and better understand the interrelationship between conservation planning, practice implementation, and adaptation and resilience to climate change. The budget proposes to enhance the Conservation Technical Assistance Equity Conservation Cooperative Agreements, begun in 2021, with an additional \$50 million, bringing total funding for this initiative to \$100 million. The agreements are 2-year projects that expand the delivery of conservation assistance for climate-smart agriculture and forestry to farmers and ranchers who are beginning, limited resource, historically underserved and/or veterans. The budget also proposes \$20 million for the Healthy Forests Reserve Program to enroll private lands and acreage owned by Indian Tribes for the purpose of restoring, enhancing, and protecting forestland to enhance carbon sequestration, improve plant and animal biodiversity, and promote recovery of endangered and threatened species under the Endangered Species Act. These efforts will allow for important outreach and promotion of inclusive outcomes in farming practices, addressing some of the historical inequities and working to build new levels of trust with the People's Department.

The budget supports climate resiliency in a myriad of other ways because the approach to addressing the climate crisis must be taken on multiple fronts. For example, USDA proposes to permanently authorize the pandemic Cover Crop Incentive Program and apply the successful model implemented with supplemental funding that provides a \$5 per acre premium subsidy for acres planted with cover crop. Cover cropping systems benefit the environment by reducing soil erosion and compaction, increase soil organic matter, and limit nutrient runoff. Given the demand for this program in 2021 and 2022, USDA estimates a 15-million-acre enrollment in 2024 and that the program will grow 5 percent annually.

The budget provides \$255 million in new funding to support clean energy innovation, which includes an additional \$155 million for emissions mitigation deployment

to help meet the Administration's goal of zero carbon electricity by 2035. Specifically, grants and loans will be used to expand rural clean energy, transform rural power production, and create jobs. The budget requests an additional \$30 million in annual grant funding for the Rural Energy for America Program (REAP) and will assist agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements. These increases will build tens of thousands of new renewable energy systems and support small business owners in every State.

#### CREATING MORE AND BETTER MARKETS

While our policies and programs have ensured an increasingly abundant food supply, growth in farm size and consolidation has put extreme economic pressure on small and medium sized farms and our rural communities. Most recently, the COVID-19 pandemic and the Russian invasion of Ukraine, have roiled the supply chain, and exacerbated the impacts of climate change, droughts, wildfires, other natural disasters, and an especially widespread highly pathogenic avian influenza (HPAI) outbreak. American agriculture has proven itself to be extraordinarily efficient, but these crises have further revealed hidden weaknesses in our production-optimized system. The challenges presented today to our farms and rural communities requires a whole systems approach to stay competitive and innovate the food and agricultural system so that it works for everyone. In recent history, there have been record setting farm income levels, but noting approximately 80 percent of the value of agricultural production is produced on farms that are midsized or larger. But nearly 50 percent of our farmers have had negative farm income. Our data shows that 40 percent of farms are small and midsized farms where the primary occupation of the household is farming, but most of their income that was supporting their families came from off-farm sources. It's obvious that the system needs to be revisited to find a way that the system benefits the small and medium farms, expands opportunity, and values their products. USDA currently has 141 Partnerships for Climate Smart Commodities projects that are helping to make it less risky for farmers to embrace climate-smart practices and link them to new markets that value and reward them for their commitment to sustainability. These opportunities for our farmers need Congress' support to build the markets and show value to their customers.

The budget requests \$80 million to support new supply chains and markets that uplift small and mid-sized farmers through programs such as the Local Agriculture Market Program, Dairy Business Innovation, Farmers Market and Local Food Production, and Transportation and Market Development. USDA is also expanding local food systems through urban agriculture, supporting communities' capacity to gather, process, move and store food in different geographic areas of the country. Urban agriculture provides more options for producers to create value-added products and sell locally to create new economic opportunities and job creation in underserved communities. In 2024, USDA will invest over \$157 million in urban agriculture and innovation production initiatives across the department, of which \$13.5 million will go towards the Urban Agriculture and Innovative Production Program, creating more grant opportunities with a priority on supporting historically underserved communities.

#### REBUILDING RURAL AMERICA

It has been said that Rural Development can build a town from the ground up. The essence of that statement is that USDA Rural Development, when well-resourced and well-staffed, provides support that is critical to improving quality of life in rural America—whether it is through more affordable housing in underserved communities, increased access to broadband service, or resilient wastewater infrastructure. These are problems we can and must solve, and USDA is committed to ensuring rural America has equitable access to essential resources. To do so, we must have sufficient Rural Development staff to deliver these vital programs. Over the last decade, RD's portfolio has increased 85 percent, but its staffing levels decreased by 30 percent. Increased staffing resources are desperately needed to ensure that we meet the growing priorities in critical areas that have a direct effect on our ability to be sustainable, relevant, and results-oriented in delivering much-needed programs and services across rural America. The budget proposal increases funding for Rural Development by \$801 million and includes critical increases for combatting climate change, and improvements to rural communities' quality of life; these investments attract new businesses, create greater sense of pride in communities, and allow rural America to prosper.

In 2022 alone, USDA provided \$548 million to the ReConnect program and expanded access for 109,000 households, 14,520 farms, 5,900 businesses, 435 essential community facilities, 396 educational facilities, and 51 health care facilities. The fiscal Year 2024 Budget requests \$400 million to reach even more communities, homes, and businesses with reliable internet access which builds upon the \$2 billion of funding provided by Congress in the Bipartisan Infrastructure Law so that every community in America has access to affordable, high-speed Internet.

It's estimated that 2.2 million people in America still lack indoor plumbing and around 10 million homes still have poisonous lead pipes. The President's Budget proposes \$2.38 billion in the Water and Wastewater program to provide additional grants and loans that will improve water and waste disposal systems in rural areas and provide for lead pipe replacement. This is an increase of \$324 million over the 2023 enacted level and is a key investment in safe drinking water and sanitary waste disposal systems, which are vital to achieving a high quality of life for rural residents. Specifically, the budget provides \$1.6 billion in direct loans and \$872 million in BA for water and wastewater grants and loan subsidy. Within this funding, the Budget targets \$100M in grants for lead pipe replacement. In addition, the Budget includes an increased loan level of \$110 million for the 1 percent loan risk category, that targets the most rural and poor communities.

Affordable housing has been a long-standing problem for low-income residents in rural communities, one that is exacerbated by low energy efficiency of the aging housing stock which means higher costs to families. To help address this, the Budget includes a new proposal to eliminate the existing low-income borrower penalty that requires individuals to repay subsidy costs for Single-Family Direct loans—a requirement that only exists for rural housing. Ending the “recapture” penalty promotes equity in rural communities, with particular attention to those suffering from systemic racism and other forms of discrimination. In addition, the budget includes the authority to decouple rental assistance from USDA financed properties to help ensure low-income rural tenants in USDA financed properties continue to have access to affordable rents when projects reach loan maturity and leave the portfolio. This proposal would allow vouchers when we lose rental assisted properties, but these would be processed by HUD to ensure that USDA is not funding vouchers that can leave rural areas. The Budget also continues the 2023 Budget proposal to require climate smart construction in USDA's rural housing programs. There are also several new legislative changes designed to improve the disposal of Real Estate Owned (REO) properties in shorter time frames and reduce the costs associated with maintaining REO for longer periods; and provide authority to standardize multifamily housing foreclosures across States. The funding in the budget for these housing programs is \$2.2 billion, an increase of \$459 million over 2023 Enacted.

To ensure that all rural communities are made aware of and are encouraged to participate in USDA programs, this budget proposes \$32 million to sustain and expand the Rural Partners Network (RPN) authority. RPN provides targeted training, technical assistance, and outreach to distressed communities in rural America through an all-of-government approach to help rural and Tribal communities access Federal funding and resources. This support is allowing for more strategic community engagement, facilitating regional coordination among Federal agencies to share best practices, braid Federal resources, and foster collaboration with local and State partners. This work follows through a commitment the President made when he came to office—we must invest in America's heartland in a meaningful way. It is critical that we ensure that our rural and Tribal communities can benefit from Federal investments as the Biden-Harris Administration delivers unprecedented resources through the American Rescue Plan, Bipartisan Infrastructure Law, and Inflation Reduction Act. We can only expand this innovative work of RPN into more rural communities and additional States if Congress builds on the progress made over the last year and provides additional funding for RPN.

#### SUPPORTING NUTRITION FOR THE NATION

USDA's core nutrition programs are the most far-reaching, powerful tools available that ensure all Americans, regardless of race, ethnicity, or background, have access to healthy, affordable food. Across America, one in four individuals is served by one of USDA's 16 nutrition assistance programs over the course of the year. The budget makes strategic investments to advance nutrition security through education and evidence-based interventions, and to support the purchase of nutritious and local foods.

We know that the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) drives better health for infants and more nutritious diets for children, and it is a key tool for addressing disparities in maternal and child health

outcomes. WIC serves about half of all babies in the United States. After many years of decreasing participation, WIC participation is now rising across all eligible categories—women, children and infants. Continuing the bipartisan commitment to full funding, the Budget requests \$6.3 billion for WIC to serve an estimated 6.5 million moms, infants, and young children per month in 2024. It also proposes to continue the enhanced Cash Value Benefits through 2024 to provide participants with increased benefits to buy fresh fruits and vegetables which ensures that participating women and children have access to scientific-based recommended levels of fruits and vegetables.

The Supplemental Nutrition Assistance Program (SNAP) stretches the food budget for many low-income people and research shows that participation in SNAP reduces food insecurity and allows families to have healthier diets. The budget request \$122.1 billion for SNAP, a \$32 billion decrease from 2023 primarily due to the expiration of emergency allotment payments that were provided during fiscal years 2020 through 2022 and the 1.3 million participant decrease projected in enrollment because of a recovering economy. As SNAP monthly benefits decline, USDA anticipates that more eligible Tribal members will choose to participate in the Food Distribution Program on Indian Reservations (FDPIR) over SNAP, as it provides food packages to Indian Tribal Organizations to improve nutrition and provide culturally appropriate sustenance. The budget requests \$165 million in 2024 to fund FDPIR food and administrative costs, which supports participation at pre-pandemic levels.

Child nutrition programs, such as the National School Lunch Program, School Breakfast Program, Summer Food Service Program, and Fresh Fruit and Vegetable Program, play a crucial role in ensuring that children receive nutritious meals and snacks that promote health and educational readiness. The meals children receive prepare them for learning, foster healthy eating habits, and safeguard their health with a goal of reducing the number of overweight and obese children. Thanks to the 2023 Omnibus Appropriations Bill, a series of landmark expansions for Child Nutrition Programs are now permanent. This includes establishing a permanent Summer Electronic Benefit Transfer Program for Children (Summer EBT) and adding a rural non-congregate option in the Summer Food Service Program. Thanks to these changes by Congress we know that we will see a permanent and positive impact on how we meet the nutritional needs of children during the summer, greatly improving equitable access to safe, healthy, and nutritious food. The 2024 budget request expands on those important expansions of child nutrition with a legislative proposal that would advance a pathway to free school meals for an additional 9 million school children through increased take up of the Community Eligibility Provision among schools and States. This proposal is expected to cost \$234 million in 2024 and \$15 billion over 10 years. During the COVID-19 pandemic, children had access to free meals resulting from temporary flexibilities provided in the Families First Coronavirus Response Act, and now many States are seeking ways to continue offering free school meals for all students. Offering free meals to all children reduces administrative burden, increases equitable access, reduces the stigma associated with school meal participation, and allows schools to focus on providing the highest quality meals.

The budget funds the child nutrition programs at a level that will allow for the anticipated increases in participation, food cost inflation, and implementation of new legislation. The budget projects serving 5 billion lunches and snacks and 2.6 billion breakfasts in schools, 1.9 billion meals in child and adult care programs, and 182 million meals through the Summer Food Service Program. The increases will strengthen integrity controls, modernize food ordering and inventory management systems, and provide critical staffing to enhance FNS's ability to provide technical assistance and oversight of child nutrition programs.

#### REBUILDING USDA THROUGH DIVERSITY, EQUITY, AND INCLUSION

Building a better USDA means bringing people of all backgrounds and lived experiences to be a part of a healthy, safe, and inclusive workplace. This includes ensuring we are recruiting the best and the brightest across our great country, and investing in our employees through recognition, wellness programs, and support to our employees. Building a better America is about ensuring all have equal access to USDA opportunities, which demands that we design and implement our policies and programs with our diverse customers at the center. The 2024 budget focuses on building a USDA that is a model employer and great place to work, proposes investments that remove barriers to accessing USDA programs, and addresses historic gaps with respect to who benefits from USDA programming.

It's an honor and a privilege to have the dedicated and talented staff of over 100,000 employees supporting USDA. However, the historic lack of investment

throughout the Department over the years has resulted in a decline in staffing that we still struggle to recover from and has meant that we have not had the necessary resources to modernize critical IT systems or make other improvements to the way we do business here in USDA in support of rural Americans. Rebuilding our workplace and workforce right will take time and focus over the course of multiple years, but it couldn't be more important. In addition to the programs that the public relies on and subcommittee and Congress generously fund, I implore you to also concentrate on the critical needs of organizational abilities and operations management that ensure our staff are properly supported and our programs are delivered efficiently, effectively, and with integrity.

There is currently 13 percent of the USDA workforce that is eligible for retirement and in the next 4 years, another 13 percent will become eligible for retirement. We need to focus on the future of agriculture when rebuilding our workplace. Our workplace needs to remain competitive, and the future of agriculture needs to reflect the diversity across America and fight against historic inequities. USDA is fostering collaboration between State, federal, and Tribal partners, land-grant universities, Hispanic-serving institutions, Tribal colleges, historically black colleges and universities, and other strategic partners, to connect USDA programs and opportunities with the communities they are intended to serve. Within this budget request, over \$370 million is dedicated to 1890 historically black land-grant colleges and universities, 1994 Tribal land grant colleges and universities, and Hispanic-serving institutions. These partnerships with minority serving institutions support capacity building initiatives that bolster education and pathways to employment for students and faculty and help develop a strong pipeline of talented individuals for USDA and USDA partner jobs. These investments in future agricultural leaders will help USDA attract the best and brightest to face the growing challenges of the agricultural economy.

#### CONCLUSION

This budget is not a wish list; rather, it is a to do list to fulfill the items that Congress and USDA have been talking about fixing for decades. Moreover, this budget seeks to build the foundation for innovation during this pivotal moment. It gives USDA the set of tools to add to existing capabilities and develop new ways to address the urgent challenges of our time-rebuild from the pandemic, respond to the nutrition insecurity crisis, address the impacts of climate change, invest in research and innovation, strengthen and build new markets and opportunities for farmers and producers, rebuild the rural economy that benefits all Americans, and ensure our services and programs are accessible to everyone. It is a plan for what we need to do to continue to get USDA back on track and to help the U.S. outcompete the rest of the world. USDA needs the support of this subcommittee and of Congress to make the much-needed investments called for in the President's fiscal year 2024 Budget. I look forward to working with this subcommittee and to answering any questions you may have about our budget proposals.

**Senator HEINRICH.** Thank you for that opening statement, Secretary. We will start with five-minute rounds, or seven-minute rounds of questions, I guess. Are we doing five or seven? It keeps changing in front of me, sorry. We will just get into the questions. How about that?

USDA programs are just playing an absolutely indispensable role in the recovery from the Hermits Peak/Calf Canyon Fire in New Mexico. The Emergency Watershed Protection Program, the Emergency Forest Restoration Program, the Emergency Conservation Programs are lifelines for families who are working to get their properties back in condition, timberland back in working condition, ranches, et cetera.

At the end of last year we passed nearly \$1 billion dollars in supplemental funding for these USDA emergency programs. And I was just hoping you could give me a little bit of a progress update on how you feel the implementation is going?

**Secretary VILSACK.** I am pleased with the fact that Chief Cosby at NRCS has allocated \$133 million from the conservation programs, in a direct effort to try to address the nine projects that are

of significance and importance. And obviously the Forest Service has been quite diligent in making sure that resources are being provided to communities.

So I think the effort is underway. There is still more work to be done, for sure. We are not going to forget about this, we know we have an obligation to folks. I would say that I was pleased with the opportunity that the Governor provided for us to have kind of a—the equivalent of a job fair in New Mexico, where we basically brought all of the various departments, for all of the various entities, together in a gymnasium, and basically gave people an opportunity to apply for various programs.

So if there is something more that we need to do, obviously, Mr. Chairman, I am more than happy to hear from you, and from your staff, but we have certainly focused on this, and understand the importance of it.

Senator HEINRICH. I think it is important for people to realize that these are not one-time emergencies. Because you have the emergency, and in this case that fire lasted a really long time people were out of their homes. And then you have the floods that come afterwards.

Every year we have, you know, about half of our precipitation in the late summer in what we call, the monsoon season, and then you are just right back in emergency situations once again. And so the coordination between all the departments that are really helping with this recovery is much appreciated, and we will continue that dialogue.

#### CHRONIC WASTING DISEASE

Chronic Wasting Disease (CWD) is an issue of particular importance to both the Ranking Member and myself. We passed some new authorities last year with the Chronic Wasting Disease and Research Management Act. As you know, CWD is a fatal disease that affects deer, elk, and moose.

Secretary, could you provide just a little bit of an update on the Department's implementation of this legislation?

Secretary VILSACK. We are using the resources that you all have provided, and the direction you have provided to enter into cooperative agreements with states and tribes, in an effort to try to focus on both wild and domestic herds. Basically, we are splitting the resources between those two, I think it is important.

We also are looking at the role of research trying to determine exactly that—how this is transmitted from wild to domestic, and domestic to wild, so that we get a better understanding and appreciation for what we can do to mitigate the consequences of this. And ultimately, potentially hopefully, at some point in time, eradicate it, but we are working on cooperative agreements right now.

Senator HEINRICH. Do you think the Herd Certification Program is working?

Secretary VILSACK. Well, we are in the process of seeking public input to make sure that as we implement this, that we do it in the right way, and that we do it consistent with what people believe the certification program should provide. I would say that I would be in a better position to respond to your question in a month or

two, after we have had that public input, and we have given a sense of how to design this program.

#### PRESERVATION OF MULTI-FAMILY HOUSING

Senator HEINRICH. Well, we will circle back on that for sure. Rural housing I want to focus on your preservation strategy for multi-family rental housing for a moment. For the second year, the budget proposes decoupling two really important programs financial assistance for affordable housing rehabilitation, and construction and project-based rental assistance.

These changes will help maintain and improve access to safe, affordable housing for low-income Americans. And I was really pleased that the fiscal year 2023 Senate Bill supported this crucial policy solution absent this fix. More than 500 family in New Mexico alone, and 65,000 families across the Nation, could lose access to affordable housing over the next 10 years.

So Secretary, can you tell us how USDA will implement those changes if they are enacted?

Secretary VILSACK. Well, this is obviously a process which will require us to go through a rule-making process, Senator, but it is really critically important that we get this done. Because as I said earlier, we have got a circumstance where there are more mortgages getting paid off, as they get paid off we lose those rental units unless there is a mechanism for continuing them. And we have a voucher program, but the voucher program is only providing resources to cover a portion of the rental units that are lost.

And the reality in rural America is those rental units are absolutely essential for small towns and communities. They are just simply, they are necessary. So unless we decouple, unless we figure out ways in which we can encourage reinvestment back in these facilities, and continue to provide housing that is affordable for folks, we are going to have a serious problem in communities, which is why we continue to ask for the decoupling, and ask for the assistance in making this happen.

Senator HEINRICH. Yeah. I want to ask you as well, about single-family housing recapture, and that proposal around the balloon payments. But I am over my time. So I am going to turn things over to the Ranking Member.

And then we will hear from the Chair of the entire committee.

Senator HOEVEN. Chairman, our Ranking Member is here, which I appreciate very much. So I am going to defer to her for the first round, if that is okay.

Senator COLLINS. Thank you very much. That is very gracious of you, Senator Hoeven.

I am really pleased to see the leadership of this subcommittee, as I know Chair Murray is, because I know that you will work very well together.

#### SCHOOL MEALS PROPOSED RULE

Mr. Secretary, welcome. I very much appreciated your call earlier this year to discuss with me, and to preview USDA's proposed rule that would significantly change the nutritional standards for foods that are served in the school lunch and breakfast programs.

I think we can all agree on the need to have healthy, nutritious foods served at school lunches and breakfasts. I recently met with the Maine School Nutrition Association, and they expressed some concerns about the proposed rule. I have forwarded their letter to you, but I want to talk about them here today.

First, let me point out that these are nutrition professionals, many of them are registered dietitians, and their concern is that students may simply refuse to eat foods that have been reformulated to meet the standards in the proposed rule. They point out that there are already sodium and sugar requirements, and that they are already serving low-sodium and low-sugar products.

So they say that with these additional requirements, to further lower the sugar and sodium in these foods, that the food begins to taste less and less like anything the students have ever eaten, and that it will likely end up filling our garbage cans.

Erin Dow, the school nutrition director from Freeport, Durham, Maine, summed it up perfectly in our meeting when she said, "An uneaten meal, is not nutritious."

My questions to you are this: First, has the Department consulted with the frontline school nutrition directors about this proposed rule? And second, how will USDA ensure that these additional requirements do not result in fewer students eating school meals?

Secretary VILSACK. Those are very good questions, Senator, and I appreciate you asking them. First of all, we absolutely have reached out to those who are the professionals, those who were the heroes during the pandemic, who fed so many children and families during the pandemic, and we are certainly respectful of the role that they have played, and understand the importance of the role they play now.

For that reason we have reached out to them, and we have received input from them, and one of the things we attempted to do with these rules was to provide a longer transition period. The reality is these requirements don't go into effect immediately, they are spaced in over a period of time, which I think is important to note, because it gives people an opportunity to make those adjustments, it gives the food industry an opportunity to make those adjustments.

I would also point out that many of the reduced sugar products that we are talking about, are already in the marketplace, they are already available, and in fact they are being used in schools today, especially when the adult and child care program it is embracing, and with some degree of success.

I would say that we are also providing grants, particularly for rural schools, to make it a little bit easier for them to respond. And we are understanding that there is a great deal of interest in this, and so we are announcing this week a transition or an expansion of, rather, an extension of the comment period, so we are going to provide additional time for people to comment.

And I would also point out, I am pretty proud of this, that we actually made a \$10 million award to the Full Plates and Full Potential Program in Maine.

Senator COLLINS. A great program.

Secretary VILSACK. Yes. The purpose of that is to provide help and assistance. So we are doing a lot in this space, and we understand, at the end of the day I think we all as you say, we have the same purpose which is to make sure our kids are fed well.

#### POLYFLUORINATED SUBSTANCES

Senator COLLINS. Thank you, in my little time remaining, I also want to point out that we have had very good discussions on Per- and Polyfluorinated Substances (PFAS). I know this is of great interest to the Chairman as well, of that class of forever chemicals that are being found in our soil, our water, our animal feed, our crops, and our livestock.

In Maine, the presence of PFAS, and wastewater sludge spread decades ago as fertilizer is preventing some of our family farmers from being able to sell their products, causing them significant financial harm, as we have discussed.

Well, Maine state agencies, agricultural service providers, and academic researchers, are already undertaking research relevant to the presence of PFAS, and the agricultural landscape. Far more research is needed. I noticed in the budget that this year your Department is requesting \$20 million for PFAS-related activities? How do you propose to use these funds? And more broadly, what role do you see, for the Department, in supporting research relevant to the PFAS challenge?

Secretary VILSACK. We needed to have a better understanding, Senator, of the full extent of this challenge that we face, and a better understanding of the impact of PFAS, when it is found in soil, when it is found in anything that impacts and affects our food supply. So first and foremost we need to have better research to know precisely the extent of what the challenge we are faced with.

Secondly, we need resources to be able to begin raising awareness on the part of producers, now your producers in Maine and those in New Mexico are fully aware of this, but I am not sure that all of the producers around the country are aware of it. So Natural Resources Conservation Service (NRCS), I think, has a responsibility to raise awareness, to fill the knowledge gaps, and to begin figuring out soil health practices that can make a difference, potentially, in remediation.

We also need to take a look, creatively, at programs like Conservation Reserve Program (CRP) and Conservation Reserve Enhancement Program (CREP), just to determine whether or not they can be a response to whatever we need to do to remediate the soil. We need more research in terms of its impact on animals and crops, and we also need to make sure that our food safety folks are fully embracing and understanding of the need to test, to make sure that as we are inspecting meat, poultry, and processed eggs, that we know the impact, if any, of PFAS.

So there is a lot of work to do. \$20 million is probably not enough, but it is a start, and it is certainly more than the \$5 million we got last year.

Senator COLLINS. Thank you. Thank you, very much.

Senator HEINRICH. Chair Murray.

Senator MURRAY. Well, thank you very much, Chair Heinrich, and Ranking Member Hoeven, I do look forward to working with

both of you, and Vice Chair Collins, and everyone on this sub-committee, as we return to regular order for the first time in years.

And I will keep saying it, it is not going to be easy, but we have to live up to our responsibility to pass these funding bills in a timely, bipartisan way to keep our families strong, and our economy strong, and our country competitive on the world stage. And as this hearing should remind all of us that requires a good deal more than just defense spending, after all, at the most basic level we can't have strong communities if people can't put food on the table.

#### RESEARCH INVESTMENTS IN FOOD SUPPLY

And that is as important as it is obvious. We have to make sure that our food supply is secure, and that means protecting our families from unsafe food. It means protecting them from shortages, so avoiding, and mitigating supply chain disruptions, addressing the climate crisis, like droughts, which can threaten crops that all of us rely on.

And it also means addressing food insecurity, so the food families need to stay safe and healthy, is available, and accessible, and affordable. This is essential to keeping our nation strong, not to mention competitive.

For one thing, and speaking as a grandmother and a former preschool teacher, our kids cannot grow and thrive in body and mind if they are not getting the nutrition they need. Which is why the school lunch programs are so important, and why fighting food insecurity, and getting family support, is a priority of mine, as we negotiate the Farm Bill as well, this year.

And as my colleagues know, agriculture is also a huge part of our economy. In my state, every day, apples, and cherries, and wheat, and potatoes, and pulse crops, and so many other commodities, from Washington State, are shipped across the world for people to enjoy. But we need to make sure that our farmers, and our growers, are getting the support they need to compete across the world as well, including through the research happening at institutions like my alma mater, Washington State University, and across the country, to address our water shortages, and our improved yields, and reduce inputs, and a lot more.

So I am really glad we have the opportunity now to assess what we need to do to support our communities through the important programs here at the Department of Agriculture. And look forward to working with this committee as we put this bill together.

So Mr. Secretary, I have a few questions for you, starting with: The growers in Washington State and across the country face a lot of challenges, extreme heat, wildfires, invasive pests, plant diseases. And USDA's research has supported American farmers and ranchers in adapting and responding to these challenges so they can continue to produce a safe and abundant food supply.

This research is often carried out in partnership with our universities, like Washington State University, where students and faculty work together on solutions to these challenges. Can you speak to the importance of strong research investments in our Nation's food supply?

Secretary VILSACK. Well, they are essential, Madam Chair. And I would say that that this budget that we have proposed is sug-

gesting an increase in the Agriculture and Food Research Initiative (AFRI) Program, which is the program that provides that partnership between our land-grant universities, historic Black colleges, minority serving institutions, to be able to conduct that research.

I would say, frankly, that as a Nation we have underfunded research in agriculture for far too long. When you compare it to some of the other areas of our economy agriculture research has been underfunded for a substantial amount of time. And I am hopeful that we get the increase that we are seeking, because it does bear fruit it does provide increased productivity, greater resilience, adaptation and mitigation to climate, new opportunities to use agricultural waste product to produce a whole array of bio-based products that can improve job growth and farm income. So it is essential, and we would certainly be willing to talk to you in more detail about precisely where those resources should be.

Senator MURRAY. So bottom line is, research saves money in the future, and helps produce more food, and all the things we need for our economy?

Secretary VILSACK. Every dollar of research generates twenty dollars, or more, of economic opportunity.

#### CUTS TO FEDERAL FOOD ASSISTANCE

Senator MURRAY. Yes. Mr. Secretary, I am very concerned about the House GOP calling for steep cuts to critical programs like our Federal Food Assistance. My family relied on food stamps when I was growing up, and my dad lost his job because he got sick. And so I really understand how important this is for people, and I am focused on making sure that we support SNAP and the families who rely on it, in our Farm Bill this year.

As appropriators, we also have a role to play in making sure we have full funding for nutrition programs, WIC, school meals, fresh fruit and vegetable program. Can you talk to us about why it is so important that we fully fund the nutrition programs?

Secretary VILSACK. Well, the research has shown that the SNAP Program has a positive impact on reducing poverty, and for children it also improves children's health if, in fact, the benefits are meaningful. I think it is important for people to know who is actually receiving SNAP. More than 80 percent of SNAP recipients are either people with disabilities, senior citizens who worked all their life, but are living on a fixed income, or working moms and dads with children.

There is a lot of conversation about able-bodied adults without dependents, but you need to know who those folks are. There was a survey done in nine states, I think Washington might have been one of those nine states, taking a look at who those able-bodied folks were, and what they found was that they were mostly men, and mostly homeless, mainly homeless. And I suspect that many of them were probably homeless veterans.

And so I think as we look at the circumstances and situations to try to assist, I think we should be spending more time focusing on state's efforts with employment and training.

Your state, by the way, has one of the premier employment and training efforts in terms of trying to connect people. If you think about it, and Senator Hoeven, he knows this. States know who the

recipients are because they administer the SNAP Program, and they also know where the jobs are, and they also operate workforce development.

And the question is: Why we can't do a better job of spending \$100 million on employment and training, to basically allow those things to connect so that the jobs that are available, are linked to the people that need and can actually do them?

#### CUTS TO CONSERVATION PROGRAMS

Senator MURRAY. Thank you very much for that. And finally, in Washington State I have a lot of constituents working on regionally important water storage projects in the Yakima and Columbia basins. Those projects require ongoing technical assistance, and support from local staff at the National Resources Conservation Service. I often hear about how long it takes to work with NRCS, or to get assistance.

Underfunded local staff are stretched really thin and it would be an enormous mistake, I believe, to make things worse by gutting these agencies working to conserve our vital watersheds. Can you speak to what the risks are to our folks who are working on these projects if we cut these budgets?

Secretary VILSACK. Well, the reality is that you will have 84,000—even the most—if you take not the most draconian reduction that people are talking about, but the less draconian version, it is 84,000 farmers who won't get the technical assistance that they need in order to complete the planning, in order to get the conservation benefit that they seek for their operation.

So it is a very real impact, and we have made a concerted effort to try to rebuild the workforce at NRCS, because when I came back to this job there were 6,500 fewer people working at USDA than before, and the morale was incredibly low. So we have had a process of trying to rebuild both the workforce and the morale.

Senator MURRAY. Thank you very much. I absolutely agree.

Thank you, Mr. Chairman.

Senator HEINRICH. Ranking Member Hoeven.

Senator HOEVEN. Thank you, Mr. Chairman.

#### CONCENTRATION OF SLAUGHTER INDUSTRY

Secretary, we have to do more to address the concentration and the slaughter industry, particularly as regards to the cattle industry, I know you share that belief and concern, and there is a variety of things that we are doing, obviously we have to continue to press on the practices of the large four slaughterhouses, the processors, also, I think you are making progress with alternatives, we are working hard on that, and I am seeing that in our state and across, the country.

And I think that is very important and very beneficial, but another thing that we have worked on—excuse me—is a cattle contract library. And we allocated \$2 million out of this committee, and the authorization moved forward with a pilot program. I think this is very valuable in terms of providing more information to producers in regard to Agricultural Marketing Agreement (AMA), and trying to promote more transparency and competition. I know you

got your rule out, tell me where you are with it? How you think it is going? What we need to do?

Secretary VILSACK. We put the rule out in January, and began the process of putting stuff online. It is interesting, our team believes, by virtue of what we knew before the rule was proposed, and what we are seeing being provided by the industry that adjustments have already been made to some contracts in a positive way for producers.

Senator HOEVEN. Good.

Secretary VILSACK. So I think the transparency, the sunlight is an incredibly important tool. We are obviously going to continue to do that, and to provide as much information so people can make a comparative reaction, and a comparative study of the contract that they are being offered, versus what others have been.

Senator HOEVEN. That program is important. The work you are doing right now is really important, we will look to make it a permanent program in the Farm Bill, and so we are learning—you know, as you put it into play the experience that you gather here is going to be really important, as we set up a permanent authorization and funding for the program.

So we will be looking to that and drawing on the input, the experience, and so forth that you pick up from the producers. And it is really important because of the challenge of getting the various associations to work together in cases like this it—you know, is very beneficial that we are getting that done, and that that experience you draw on is going to be very valuable to us, how to have a good—the most effective program going forward.

#### CATTLE IDENTIFICATION TAGS

Cattle identification tags, you have got your rule out for public comment, I guess my concerns would be cost and any mandatory nature of that, and how that is going to be handled vis-&-vis our producers, it is like what, 30 bucks an animal, roughly. And so that, you know, there is a cost, so I think your original estimate is about \$26 million, how are you going to handle that, so that we are not putting a burden on our producers out there?

Secretary VILSACK. Well, the benefit of this program is for producers themselves, because if we have an incident and the chances are that something will occur, the ability to be able to identify where that incident occurs, and to be able to contain it to a particular region, or a particular farm, is going to be beneficial to trade.

Senator HOEVEN. I agree on the benefit, I am just wondering how you are going to handle the cost, and the mandatory nature, you know, how our cowboys react to that stuff, so we want them to see it as the beneficial tool it is.

Secretary VILSACK. Well, that is why we have been working with the Cattlemen's Association, and other organizations, who are in favor of this mandatory effort. I don't know that we have, necessarily, had a conversation specifically. I haven't had a conversation specifically about cost, but I am happy to take that back to our team, and see what—

Senator HOEVEN. Yeah, I hope you are working with the associations on how you are going to handle that aspect of it. And I do recognize the benefit of the tool, as do they.

#### CHRONIC WASTING DISEASE

Chronic Wasting Disease, the Chairman is an avid hunter, I actually do enjoy hunting myself, and so we worked together on the legislation for Chronic Wasting Disease, and he did a tremendous job leading that effort. But really, one of the most important aspects of it is, for the first time we actually have domestic producers and the outdoorsmen working together rather than jockeying against each other trying to get the funding, and trying to get the research done that they want.

We finally brought them together in this initiative, and that is critical, and we will, you know, obviously it is authorized at \$70 million, will work to increase funding, we are already doing that, what is going to be most effective here to advance the research in your opinion? And is there something else we should be doing?

Secretary VILSACK. I think continuing to make sure that there isn't appropriate division of those resources between domestic and wild, that we don't seem to be favoring one or the other recognizing, as you just mentioned, the need for these folks to work together, and making sure that they see that this program is benefiting all sides in a fairly appropriate way, I think this is very important.

And then secondly, I think making sure that we have the resources on the research side, to be able to really begin a process of understanding, how does this get transmitted, and what can we do from a domestic perspective to prevent transmission. And we have got that issue frankly, and a lot of other species as well.

Senator HOEVEN. That is the breakthrough, that we have got them working together, and then USDA working with the local—or with the State Department of Ag, and their outdoor resources people, I think can really help keep that cooperation going.

Secretary VILSACK. Absolutely.

Senator HOEVEN. Thank you.

Senator HEINRICH. Senator Manchin.

Senator MANCHIN. Thank you, Mr. Chairman.

Mr. Secretary, thank you, so much for all your service, and feeding America, especially the children. I appreciate it more than you know.

#### DEFINITION OF RURAL

I am going to switch gears just a little bit based on rural America, and what we deal with. You and all of your staff and everything, you do an awful lot more than just feed us. There is an awful lot of economic activity that goes on, that sometimes people aren't aware of, and myself, has not been, until you and I spoke about what opportunities were out there.

Here is the problem we have, sir. The Economic Research Service, I think was in your all, bailiwick, develops various codes and criteria to help define rural America. The way I look at it is about 66 million people living what I would consider rural America. And currently, there is no code accurately that captures the moun-

tainous rural areas, which much difference; the mountainous rural, versus agriculture rural, two different things.

That is something we have not been able to see and it is difficult for us to do anything as far as the building towers to Internet, and all this, and delivering those services, are so much more expensive. So the project was started in 2021, and as of today we have not seen the Phase I published report. If you could give us any update on that, if you have it? If not, get back to me on that.

Secretary VILSACK. Well, I will have to get back to you on it, Senator. But I would say this is an ongoing problem in terms of the definition of "rural". There are multiple definitions which creates a lot of confusion and a lot of uncertainty.

Senator MANCHIN. Oh, I know.

Secretary VILSACK. So I will be happy to work with you on that.

Senator MANCHIN. As a former Governor in serving, and yourself, and I, we serve together. But as a former Governor you have a lot of rule, at least in Iowa, you know—the problem that happens, I have seen it since I have been here 12 years, is when money is disbursed, whether it is in education, whether it is in health care, whether it is in agriculture, whatever it is, the rural areas do not get their proportion of shares.

So if there is 20 percent of the population that is classified "living in a rural area", in my state, I don't have one town, I don't have one city bigger than 50,000 people. So I am a state of towns; 1.8 million people in a state of towns, but it is as rural as it gets. And it is as wonderful, it is just wild and wonderful, it is as wonderful as it gets, but they get left out. When we look at the national money that goes to rural America, it is only about 7-, 8-, 9 percent of Federal funding.

Because I guess showing the biggest bang for your buck, it is better if you have the 1,000,000 people, versus 50,000 people, but the services are just as needed. That is the problem we are running into.

Secretary VILSACK. They are, but there is also a contribution that rural America makes, a disproportionate contribution that speaks to our military.

Senator MANCHIN. Oh.

Secretary VILSACK. People often forget that disproportionate number of our military come from those small towns in West Virginia and Iowa.

#### RECONNECT

Senator MANCHIN. And Appalachia, I mean Appalachia especially. Let me go into this one here. President Biden requested another 400 million of the ReConnect Program, in his fiscal year 2024 Budget that he just put out. That is in addition to the \$348 million we had in the last budget, and that is on top of the \$2 billion in the Bipartisan Infrastructure Law (BIL).

So have we put billions of dollars out there, and what we are concerned about is, it is mammoth for you all I know that, but co-ordinating that effort to be able to administer working with Federal Communications Commission (FCC), National Telecommunications and Information Administration (NTIA), and Treasury. How is that going or where is the stumbling block?

Secretary VILSACK. I am pleased to tell you that by this summer we will have all of the BIL money, the Infrastructure money obligated, and the reason for that we really have spent a lot of time trying to do this, so that it will complement the work that will come next by NTIA and the Commerce Department, and the FCC, because we want to basically use our resources to upgrade, as best we can, the unserved and underserved areas so that they have meaningful broadband.

And then as the mapping gets completed, we will then know where the real serious gaps are which then will provide the resources under the infrastructure law for commerce, and so forth, to be able to invest through states. So we are coordinating. We are making sure they know where we are investing the money so that we are not overbuilding, and not duplicating.

Senator MANCHIN. Well, let me just say, in closing, I sincerely—in my lifetime I have never seen anyone has as much knowledge as you, and as much experience in this job, coming from where you came from, and also the states you represented, to being in this position, and the amount of years you were before, and one and done was not enough for the public service you are giving, and I just thank you, because you can help us so much, every one of you all.

I call him Tom, but I call him Governor, and I call him my friend, he knows more about how to help your areas as far as in getting other, than just the feeding of America, but basically economic development. There is so much that they can offer in that office, that we are not—we are just not accessing. So thank you. Thank you, my friend.

Secretary VILSACK. I appreciate it.

Senator HEINRICH. Well said, Senator Manchin.

Senator Hyde-Smith.

#### DISASTER ASSISTANCE

Senator HYDE-SMITH. Thank you, Mr. Chairman, and I certainly appreciate the opportunity to do this, and thank you for being here. But first of all, I want to tell you how much I appreciate your staff reaching out to us over the weekend with the Mississippi tornadoes. Within hours after the storm they were reaching out to the Mississippi delegation. And I certainly appreciate that.

And seeing the devastation first-hand, you know, we have just gone into that mode of trying to help these people as much as we can. Most of this area is farming area, the Mississippi Delta, and other areas as well. But you know, I just was up there after the storm, and the day after that. And seeing the devastation, you know, as resilient as we are, before we dive into the details of the funding, I was just hoping that you could kind of offer some information for the rural communities that were affected.

For instance USDA's recent press release following these tornadoes stated: Food Safety and Inspection Services (FSTS) helping affected residents reduce their risk of food-borne illnesses. Due to the power outages that we are looking at, the Risk Management Agency offers several risk protection tools to offset crop production and tree losses for certain crop insurance products.

But the Farm Service Agency offers the Livestock Indemnity Program, and the Tree Assistance Program, and the Emergency Con-

servation Program, several things there, and NRCS can help address natural resources concern, by providing the cost assistance for work such as debris removal. But would you, please, elaborate a little bit on the areas of assistance offered, and how they can access this?

Secretary VILSACK. Well, first of all, I would encourage you to take a look at the Farmers.gov website, which has this document on it, which basically contains many of the programs that you just mentioned but more than the ones that you mentioned, and basically the kind of disaster they cover, and the kind of assistance that they can provide, and the information necessary. That would be the first order of business.

The second order of business is making sure that state officials and your staff reach out to the State Rural Development Director for the State of Mississippi. I mean our heart goes out. As a former governor, I have toured many tornado damaged sites, and it is absolutely devastating to people. They lose their home in a matter of seconds, and unfortunately, in your state, loss of life as well.

But the Rural Development folks can be there to begin the process of figuring out: How do we rebuild? How do we create the opportunities for housing for the community facilities that have been damaged or destroyed? What kind of resources could be available?

And the Farm Service folks are there, obviously, to begin the process of assessing the level of damage, so that crop insurance and any risk management tools, as you well know from your experience as commissioner down there, agriculture; that we provide as quickly, a response to the loss of production as possible.

So Farmers.gov, State Rural Development Director, and working with the local FSA Office, I think would be where I would start.

Senator HYDE-SMITH. Well, I certainly appreciate that because so much equipment got destroyed. You know, we are in the middle of planting corn, and the equipment is just gone.

Secretary VILSACK. There is also a Disaster SNAP Program that basically makes it a little bit easy for people who may have lost their SNAP Card, because the tornado destroyed their home.

Senator HYDE-SMITH. Yeah. They don't even have vehicles.

Secretary VILSACK. Right.

Senator HYDE-SMITH. You know, they have no way—no mode of transportation right now to even—to get somewhere, but we are going to recover, there is no doubt. We have some great folks there. But I just wanted to tell you how much I appreciated that.

#### HIGHLY PATHOGENIC AVIAN INFLUENZA

One thing I want to mention, I only have a little time left. The 2022–2023 Highly Pathogenic Avian Influenza (HPAI), the outbreak is the worst health crisis emergency in U.S. history. As Ag Commissioner, this kept me awake at night, no doubt. But paired with critical shortages of veterinarians in rural, food, animal, and public practice, this outbreak has been devastating for the poultry, turkey, and egg industries, which we are a huge poultry state and egg state.

But it has also directly affected millions of families who are struggling to keep up with the resulting rising cost of poultry and eggs. But I recognize and appreciate that the Animal and Plant

Health Inspection Service, APHIS, is working tirelessly to control Avian Influenza. But it seems as though having more food animal veterinarians, and more vets in APHIS would be helpful for current and future mitigation efforts.

But I also noticed that your budget includes \$3 million for incentives to recruit and retain public health veterinarians for food, and safety, and inspection, services. So clearly USDA understands the great need for veterinarians working in areas besides small, animal practice, which is great, we all love, and we have to have but, you know, it is just so much more attractive and lucrative.

But the Veterinary Medicine Loan Repayment Program, which your budget includes, helps alleviate veterinary shortages in rural, and Food Animal Practice Government agencies like APHIS and FSIS, by providing money towards the educational loans.

So you know, this subcommittee allocates the funds to this program, and a major portion of those funds go right back to the Federal Government because of the 39 percent Federal withholding tax, which is just incredible on that program, at its tax, 39 percent.

So only \$6.1 million of the \$10 million provided by Congress for this program, in fiscal 2023, will actually be put toward the educational loans of the veterinarians, and to address these critical veterinary shortages.

Can you respond to that to help prevent animal health emergencies, and what actions we can take to address this—shortages in both private Food Animal Practice, and in state, Federal Government, that 39 percent just blows me away.

Secretary VILSACK. Well, I am happy to take a look at that, Senator. But I will tell you, the biggest problem we have is retaining folks that we actually do get. They actually end up starting at APHIS, they are excited about their job, they do an amazing job for a year or two, and then someone basically says to them: Hey, in the private sector you can make 10-, 20-, 25,000, \$50,000 more, why don't you come over to the private practice? And that, that is the challenge.

Our compensation system has got to be looked at from—and when I say “our” I mean the Federal compensation system—so it is competitive. And we have to have more flexibility in terms of the ability to use retention resources to be able to retain these folks, because we can get them in the door we just, we are having a hard time keeping them.

The loan repayment is one aspect of it, but there are many, many other aspects in terms of lack of competitive nature of our compensation system.

Senator HYDE-SMITH. I would really appreciate some help with trying to offset that system.

I am sorry for going over my time, Mr. Chairman.

Senator HEINRICH. Senator Merkley.

Senator MERKLEY. Thank you, Mr. Chairman.

#### DROUGHT IN THE WEST

And Mr. Secretary, good to see you; and I want to talk a little bit about drought in the west.

And in the eastern part and southern part of my state we have had droughts that have gone on year-after-year, it is also associ-

ated with the lower snowpack we have in the Cascades. I was just up at Crater Lake where they showed that they have lost 240 inches of average snowpack over the last 90 years, complicating the lack of rainfall during the spring and summer.

And the irrigation districts are responding by, one, changing their practices on the farm to get more crop with less water, but then also by piping their canals. And this piping has been essential because of the massive amount of water that is lost in open ditches, through evaporation and groundwater.

And that effort has been explored in an article, The Washington Post, "The Future of the American West is in Central Oregon", which is about that vast effort to pipe to save our agriculture and I want to submit it for the record

Senator HEINRICH. Without objection.

[The website link for the article follows:]

<https://www.bloomberg.com/opinion/articles/2022-08-28/central-oregon-is-the-future-of-the-american-west?embedded-checkout=true>

Senator MERKLEY. Thank you. So this effort has been recognized in the Western Water and Working Lands Framework, and that NRCS philosophy notes that water management is essential or we lose agriculture across a broad swath of the West. Are you familiar with that NRCS Framework, and do you support that?

Secretary VILSACK. I am very familiar. The six challenges and thirteen strategies, and the \$25 million that we have allocated to the Department of Interior WaterSMART Project?

Senator MERKLEY. Thank you.

Secretary VILSACK. Yes, I am.

Senator MERKLEY. I knew you would know every nuance of it. But I asked that simply because there is a tool that was incredibly effective that I worked to revitalize, with Senator Cochran, the 566 Program which had basically gone out of existence. And that program was being used to help with the piping of the irrigation districts in the West.

And over the last couple years the Administration has shifted that 566 money away from helping with piping in the West, and I am basically here to say: Can we recognize that this is an incredibly powerful tool to help address the goals in the Western Water and Working Lands Framework, and can we move some of that funding back into the direction of helping the Western Irrigation projects with their piping challenges?

Secretary VILSACK. It seems as if that would be consistent with one or more of the strategies to modernize the water infrastructure and the complete watershed projects; and also to do a better job of water management. So it would seem to fit within the strategies that the framework has called for.

Senator MERKLEY. It definitely fits. And I would appreciate any help that we can get. We have been able, through our community initiated projects, to direct a small amount of money. This is, if you will, the congressionally directed spending, which in Oregon we call "community initiated". And I can tell you the irrigation districts are all completing watershed plans to be eligible for this program.

And well, I am doing all I can to help them survive a very difficult changing climate where water efficiency will help save them,

but piping is essential, and for that piping 566, is essential so I ask for your help in shifting some of those resources.

Secretary VILSACK. So I will take a look at it, Senator.

Senator MERKLEY. Thank you very much.

Senator HEINRICH. Senator Moran.

Senator MORAN. Chairman, thank you.

Mr. Secretary, thank you, for being here. Thank you for your service to farmers and ranchers across the country, and in Kansas, in particular. You and I are about to have a high-five moment.

Secretary VILSACK. Yeah.

#### NATIONAL BIO AGRO-SCIENCE FACILITY

Senator MORAN. Thank you for working with me to pick a date for you to be in Kansas, and I want to take several moments, but want to give you a moment to highlight a development that began a long time ago as a result of the 9/11 Commission.

The Secretary will be in Kansas to cut a ribbon on, the National Bio Agro-Science Facility (NBAF), designed to protect public health and our food safety, managed by USDA, Agricultural Research Service (ARS), and APHIS, and it will contain the BL-4 Bio-containment Laboratory.

You were there, Mr. Secretary, in May of 2015, now 8 years ago, a long time coming, but a very important facility and asset for the Department of Agriculture, American farmers and ranchers, and in fact every American citizen, and around the globe.

I would be glad to have you highlight why you think this—if you do, why you think this is a benefit to the American people?

Secretary VILSACK. Well, Senator, it absolutely is. It modernizes our process and our ability to investigate and to research some of the major challenges and threats to American agriculture, whether it is African Swine Fever, or Foot-and-Mouth Disease, or some of the other seven critical diseases that could cripple our livestock industry which, obviously, would impact and affect our entire economy and our food security.

In addition, this facility will also be where the Vaccine Bank is housed, and as we develop vaccines to try to deal with some of these threats, obviously being able to stockpile appropriately and safely, those vaccines are incredibly important. There are also, a great deal of research is going to be done on the countermeasures, the biosecurity initiatives that are a part of protecting our livestock industry.

So this is critically important. And the fact it has taken as long as it has, is because of the minute nature of the protections and security that is required as we move from Plum Island to Manhattan, Kansas.

So I am looking forward to welcoming, and to cutting that ribbon. And I am sure that you will have a pair of scissors, and I am pretty sure Senator Roberts will have a pair of scissors.

Senator MORAN. I appreciate you being there, and I look forward to seeing you in Kansas on May the 24th. Thank you.

Secretary VILSACK. Looking forward to it.

## GENETICALLY MODIFIED ORGANISM CORN

Senator MORAN. Mr. Secretary, I was in Mexico City, I met with President Obrador may be a week ago Sunday. Maybe in your answer to my question you can explain your smile. I raised my concerns about the efforts to ban genetically modified organism (GMO) corn, I was encouraged to hear what I thought was said, which was that the matter could be resolved in the consultation stage, rather than reach dispute settlement.

That was then followed by the suggestion that the United States and Mexico ought to do an additional study about the safety of GMO. Does the USDA continue to believe that the science on this matter is conclusive, and will it continue to fight to ensure full and fair access to the Mexican market?

Secretary VILSACK. Senator, and the reason I smiled is because I have had two such meetings with President Obrador, and I am fairly certain that what he told me on those occasions is exactly what he told you. And the reality is that we don't need another study, there are literally hundreds of studies about the safety of this technology, and that has been explained to the President. It has also been explained to the President that 66 percent of his feed needs for his livestock industry come from biotech corn that is grown and raised in the United States.

The challenge is that he is very—as you probably found out—very proud of the white corn that is produced, the maize that is produced in Mexico. And I think he has put himself in a situation, a political situation that is very hard for him to move out of.

At the same time, by virtue of banning the ability to have white corn from Nebraska, or other states come into Mexico we are—he is asking us to acknowledge a non-scientific basis for such a ban, and we can't do that. It is fundamental to our trade strategy and philosophy, and our approach to the rest of the world that we want a science-based system, and we believe in the safety of biotech products, we believe in the science behind it, and that has been explained to the President, politely, on a number of occasions.

Senator MORAN. Is there any question about what our trade agreement is between Canada, and Mexico, and the United States.

Secretary VILSACK. Not in our view.

Senator MORAN. Thank you. Mr. Chairman, I would conclude just by telling that—I would feel guilty if I didn't say this.

Mr. Secretary, you and I have worked in your previous time at USDA on trying to export and increase trade around the world, I would encourage you and the administration that you work in, to look for opportunities to reach agreements with other nations, singular and then collectively, trade is hugely important, and while we face challenges in making sure that we do trade agreements right and they are enforced, farmers in Kansas, and across the country depend upon the ability to export what they do, around the globe.

Secretary VILSACK. Well, the good news is that we have had over \$15 billion of additional opportunities in market access created in the last 2 years. So we will continue to do that.

Senator MORAN. Thank you.

Senator HEINRICH. Senator Fischer.

Senator FISCHER. Thank you, Mr. Chairman.

#### PRECISION AGRICULTURE

Mr. Secretary, so nice to see you again. A couple of weeks ago we had the opportunity to talk about the importance of precision agriculture, and I would like to talk about an exciting opportunity from USDA AG Research Service.

As you know, over the past couple of years Congress has appropriated \$31.2 million to begin construction on a new USDA-ARS National Center for Resilient and Regenerative Precision Agriculture, co-located at the University of Nebraska-Lincoln. Those already-appropriated funds are going to allow construction of a research greenhouse to begin on that project. And I was glad to see in the fiscal year 2024 request for an additional 60 USDA-ARS employees to Lincoln.

Can you discuss the need for those additional ARS employees, and the vital research that the National Center for Resilient and Regenerative Precision Agriculture will perform?

Secretary VILSACK. This is a process of rebuilding the workforce at ARS, and providing a complement to the research it has done through the AFRI Program, which is the grant program to land-grant universities.

We are very proud of the work that we do at ARS, but we just need more people, we need more bodies, and we need the ability to recruit bright young people to make sure that we have a constant stream of bright people. We have proposed this because we like working with the University of Nebraska. We think that they have a concept and a vision that is incredibly important to the future of agriculture as it relates to our response to climate.

We are going to have to produce more with less, and the only way you can do that is by better understanding how to use the inputs that you have in the most effective way, how you can have seed technologies that are more beneficial and more efficient in how they use the inputs. And then be able to provide the information to farmers so that they can utilize that information in the best possible way to improve their productivity and their profitability.

So this is an important enterprise, which is why we proposed additional investments, not only of people, but also money.

Senator FISCHER. And I hope that Congress is going to quickly provide Appropriations so we can see the construction of the facility as well.

#### IRA CONSERVATION FUNDING

In the Inflation Reduction Act it provided an addition of \$19.5 billion to several USDA conservation programs, text of the IRA departed from the resource concerns agreed to in the Bipartisan 2018 Farm Bill, and it restricted how these funds could be used to improving soil carbon, reducing nitrogen losses, or to reduce capture, avoid or sequester carbon dioxide, methane, or nitrous oxide emissions associated with agricultural production.

How is the USDA interpreting that restriction placed on IRA conservation funds? For example, how will you look at a producer who wants to use Environmental Quality Incentives Programs (EQIP) cost-share funding to upgrade their irrigation pivot, for ex-

ample, so they can optimize their water usage? Would that, or would they be at a disadvantage under the IRA funding?

Secretary VILSACK. What I can tell you, Senator, and I will get a specific answer to that hypothetical. I can tell you that the NRCS is focused on utilizing the climate-smart practices that we have identified that we are currently funding under the EQIP Program and using the IRA resources to basically ensure that those practices are targeted or benefited. I mean, the reality is, I think it is—there are 45 of them, so there is quite a broad range and the goal here is to try to encourage more of that. But I will ask our team to get back to you on the specific hypothetical you have provided.

Senator FISCHER. Yeah. That would be great. I am new on this committee, and I am excited to be on this committee because I want to be able to make sure that we are funding programs that work, and the producers use, where they are able to have fewer inputs, and also be more profitable. And I have I think if we can make those determinations that really work on the ground, it is going to help not just rural America, it is going to help our conservation methods as well.

Last question: The livestock is the biggest sector in Nebraska, we always talk about that. It is a huge economic engine. We have a Meat Animal Research Center in Clay Center. And I was glad to see the budget request included an addition of 15 employees at U.S. Meat Animal Research Center (MARC), as well as an increase in ARS funding for their Livestock Production Program. How would increased staff at MARC help carry out research related to critical livestock industry priorities, including increased environmental sustainability, improved production efficiencies, and really optimize the use of our natural resources?

Secretary VILSACK. Well, I think we are going to learn quite a bit, not only for the work that is specifically done at that Center, but also as we institute our partnership for climate-smart commodities there is going to be a significant amount of measurement, monitoring, verification, and accumulation of data.

Senator FISCHER. Mm-hmm.

Secretary VILSACK. That in turn can be provided to ARS facilities, into other facilities, in terms of being able to educate them about what we know works, and frankly we are going to find out stuff that doesn't work. And we want to make sure that we are not funding that, or we are not targeting resources to what doesn't work.

So I think it is a combination of the research that they would normally do, but it is also learning from the experience in virtually every commodity including livestock, there are a number of livestock projects in that Climate-Smart. So I think you are going to learn a lot from that.

Senator FISCHER. Okay. Great. I know specifically of one Ph.D. student who is doing research at the University of Nebraska, who has been conducting it, she has for over 5 years, to look at livestock emissions. And I think that is going to change the perception out there greatly, by the public, and really look at the benefits of livestock to the environment.

Secretary VILSACK. We need to reduce methane, and we can. There are strategies, and we also need to capture it and convert it.

Senator FISCHER. Yeah, thanks.

Senator HEINRICH. Senator Tester.

Senator TESTER. Thank you, Mr. Chair. I want to thank you and the Ranking Member for having this hearing.

#### FARM SERVICE AGENCY STAFFING

I want to thank you for being here, Secretary Vilsack, I appreciate it. You know, I have had a number of Farm Bill listening sessions since this is a Farm Bill year, and these haven't been invitation, this has been opening the doors and let folks in to speak their mind. And we have heard things that you have heard, like the reference price needs to go up because of inflation. We have heard things like conservation programs, like EQIP, need more flexibility, because we don't have enough well drillers or dirt movers to get these jobs done within timeframes.

We have heard things like the Crop Insurance Program, especially with the push of cover crops needs to be increased to cover a lot of those. We have heard a lot about food security because we both know that democracies don't work very well when you have a population that is hungry.

One of the things that I have heard about that I didn't expect to hear about, but I have heard it at every one of them, is that it is really hard to hire people in our FSA offices. We have got 236 total FSA positions in Montana, roughly 40 of them are vacant on any given day. Part of the problem is competitive salaries. The starting salary in Montana is \$33,700 if you don't have a degree, \$37,700 if you do.

I can tell you. And you know this, you know this, Mr. Secretary, you can probably make money doing damn near anything else but being a school teacher. Okay, that is probably the only thing you couldn't do. We do not have locality pay in Montana, and so a place like Bozeman, which is where our state office is, where the cost of a house is equivalent to a house in San Francisco, you are just not going to get people to work, you just aren't going to get people to work at those wages.

So my question is, in your budget do you have adequate dollars so that we can recruit some people; because it truly is a crisis situation? I use our office in Chouteau County and they felt the turnover, but in some of these offices it has been devastating. And you know very well, we can do the best job putting a Farm Bill up, and you can do the best job implementing it, if you don't have people on the ground we are screwed.

Secretary VILSACK. Senator, I couldn't agree with you more. And this isn't just your FSA office issue, it is an issue across FSA, it is not just an FSA issue, it is an issue across all of our mission areas. And it is, in part, a result of the overall Federal system that is in place, and we are trying to work with the Office of Personnel Management (OPM) to get a better understanding of how we might be able to reclassify people, and figure out ways in which we can provide more resources, and more incentives for people to work at USDA.

Senator TESTER. So I am willing to work with you at the OPM. You are right. It is a system-wide problem within Ag, within the Veterans Affairs (VA), a number of other agencies, if not every other agency. But let us say we get OPM to do that reclassification, will this budget support it?

Secretary VILSACK. I believe it will. I mean, we are asking for more resources so that we can hire more people. So I think we have the capacity. The challenge isn't just simply getting people, Senator, it is also retaining them.

Senator TESTER. Yes. That is correct.

Secretary VILSACK. That is actually, to a certain extent, that is an even greater problem, because as soon as they start working somebody—here is what happens in these FSA offices, the loan officers in particular, they get trained by us, get trained well.

Senator TESTER. Go to the bank.

Secretary VILSACK. And then a bank comes in and says: Hey, you can we can make \$5,000 more. And off they go. So we have the capacity I think in our budget to do some retention stuff, but we need, we need more permission.

Senator TESTER. Well, I think it is a problem, and I would have heard about it, at every group I went to. I mean these folks, they didn't get together and plan this, I didn't give them talking points. They came in, it came up organically. It is an important problem.

Secretary VILSACK. Yes.

#### BRAZILIAN BEEF

Senator TESTER. I want to talk about something else that isn't nearly as pleasant as not being able to hire or keep employees, believe it or not. And that is Brazilian beef. So I have just got to tell you, I have had bills to ban it, I think it is a bipartisan concern. Earlier this year Brazil had another case of bovine spongiform encephalopathy (BSE) it took them, it took them 35 days to report it. I would hope it doesn't take us 35 days to report if we have it here, although we don't, which is an issue that if we get it here it raises hell with our beef industry.

My question is, does it take an act of Congress to ban Brazilian beef, or can you do it? And if you can, why not do it?

Secretary VILSACK. This was an atypical case, Senator, and it is sort of like: Do you do you believe in the Golden Rule? Because if you do it to Brazil, Brazil can do it to us; we actually have had atypical BSE cases. And if you want the rest of the world to ban our beef, for an atypical case, which is not recognized as a bankable event by the World Health Organization (WHO), and the animal health organizations, that is the challenge, all right.

We have communicated to Brazil our unhappiness about the tardiness and the lateness with which they have identified this. We are happy to help them with their testing to make sure that they get information to us quickly as possible. But I think for an atypical case I think you are going down a road that is pretty slippery, and I don't think we have the authority to do it.

Senator TESTER. And I am over time. So here is the issue. I don't think you would disagree with the fact, that we raise the best beef in the world, we raise the best Ag products in the world. And that is not brag. I believe that is absolute unequivocal fact. When we

have a situation where we are having a generation of ranchers go broke because of an issue that you and I agree on, the amount of consolidation in the industry, and the processing industry, and one of those processors is JBS, which is a Brazilian company, I think we ought to do our level best not only to hold them accountable to make sure they are following the Packers and Stockyards Act, but hold them to extremely high standards, when it comes to bringing in Brazilian beef, because I think that is where most of it is coming through.

Secretary VILSACK. It is certainly fair, that they should be held to a high standard in terms of the safety of the product.

Senator TESTER. Okay. Thank you.

Senator HEINRICH. Secretary, we are going to try to do a quick second round, if you are amenable to that?

Secretary VILSACK. I didn't know I had a choice.

Senator HEINRICH. You seem to be doing fine so far, so we are not letting you off the hook just yet.

#### SINGLE-FAMILY HOUSING RECAPTURE

I mentioned the single-family housing recapture proposal and, you know, the challenge with those balloon payments. Can you just talk a little bit about how important this initiative is, and how it would improve access to affordable housing in rural America?

Secretary VILSACK. If you want to create distrust in government, continue this process. People, basically, they sign a loan document, they don't quite understand you are getting a loan, interest subsidy, and you know, interest rates going to be lower but, boy, you know, 20 years from now when you sell it, or when your heirs sell it, you are going to have a—you know, you are going to have a bill that you are going to have to pay, and it is going to be pretty substantial.

Senator HEINRICH. Yeah.

Secretary VILSACK. It is an outrage—I mean, to me, it is an outrageous process because it comes as a tremendous surprise, especially when “mom” and “dad” are gone, and the kids are selling the house, and then they are set—good news is you sold the house, the bad news is, you owe the Government \$27,000, and they go—that is not what we should be doing.

Senator HEINRICH. I don't know how we got here, but we need to fix it.

Secretary VILSACK. I don't know either, I don't know, and there may have been a rationale behind it, but it undercuts trust in government and to me that is the principal reason for getting rid of it, and to do it retroactively so that we don't surprise any more folks.

#### PROCESSING OPPORTUNITIES FOR BISON

Senator HEINRICH. Thank you. Both the Ranking Member and I have a special interest in bison. We actually designated bison the “National Mammal” a few years ago.

We have a lot of interest in bison production in New Mexico, particularly with some of our tribes, and Pueblo producers. What do you see as the USDA's role in aiding producers, and in particular

like expanding access to processing opportunities for those producers?

Secretary VILSACK. Well, we have had two initiatives, one basically taking a look at existing processing facilities, and giving them resources to be able to expand their market capacity, and market reach, two bison operations have received those Meat and Poultry Inspection Readiness Grants.

I think—if you are patient with us—within the next month or two you will see there will be a specific effort to provide additional resources for tribal processing, which obviously will be focused a great deal on bison. We have also, as part of our effort on food sovereignty, with tribes we have tried to integrate more bison purchasing, and more bison in some of our feeding programs.

And also I am pleased to note that the Partnership for Climate-Smart Agriculture Commodities included several bison projects as well, so there is a great deal of effort, both in terms of creating market opportunities, expanding processing capacity, and being able to incorporate bison into any climate-smart initiatives that we are developing.

Senator HEINRICH. And I appreciate your focus on it. I would mention, as you are looking at that production side, the concept of shared resources for mobile processing is something there is an awful lot of interest in and something to bear some focus.

Secretary VILSACK. There is a loan guarantee program that we have that is basically providing resources for mobile slaughter and processing, it is a loan program, but it is a guaranteed program with lower interest rates. That is something that folks could look at as well.

#### POLLINATORS

Senator HEINRICH. Great. Thank you. We have had a lot of challenges with pollinators in recent years, and an enormous amount of our agricultural production is directly dependent on pollinators, what are we doing in this budget around ensuring the long-term success of a whole range of pollinators that agriculture depends on?

Secretary VILSACK. Well, we have a specific CRP aspect to pollinator, which isn't necessarily specific to this budget, but it is obviously specific to the Department. There are research initiatives that are also focused on pollinator health, Utah State. For example, has a fairly significant initiative when it comes to pollinators.

I didn't know that there were like, you know, 4,000 different kinds of bees in the United States, and 20,000 internationally, but now I do know that, in part, because of their program. So we fund research, and we provide habitat, expanded investment in habitat.

Senator HEINRICH. Great. I am going to pass things off to the Ranking Member.

Senator HOEVEN. Thanks, Mr. Chairman.

#### DISASTER ASSISTANCE

A number of things that Senator Tester mentioned, I think are really important. I won't go back into them, but the FSA staffing is very important obviously. We want to work with you to address that. He also emphasized the importance of crop insurance and safety net as I did in my opening comment. Do you agree that

those have to be absolute priorities in the in the upcoming Farm Bill?

Secretary VILSACK. Yes.

Senator HOEVEN. Updating those?

Secretary VILSACK. Yes.

Senator HOEVEN. Okay. The emergency—we put together the Wildfires Hurricanes Indemnity Program+ (WHIP+), and then utilized it, and then came back, and utilized it again. You brought it out and called it Emergency Relief Program (ERP). Phase 1 worked very well, we are very pleased with that. Phase II, as you know, we weren't quite as pleased with, in terms of how you formulated it. My request to you, going forward, is that you would work with us if we utilized that WHIP+ Program, or as you call it, ERP, and the Livestock Risk Protection (LRP), again, I think you did a lot of good, but we would like to coordinate with you on how it is implemented, if utilized going forward.

Secretary VILSACK. Do you want me to respond to that, Senator?

Senator HOEVEN. Yes.

Secretary VILSACK. There are three groups of people that we are dealing with when it comes to ERP. There is the group that has Crop insurance or Noninsured Corp Disaster Assistance Program (NAP) coverage, where they have information and data that was provided to us and we pre-populated the application, tried to reduce the time to get resources satisfied.

Senator HOEVEN. Yeah. Mm-hmm.

Secretary VILSACK. That is Phase I. Phase II was focused on the people that did not have. That there are people that are greatest at risk, that don't have any of those protections. Try to get them into that system. If there is money left over from Phase II, our expectation is to take a look at the other group, which is the group that, because of their losses were pretty—didn't trigger an indemnity under crop insurance, that they would then be in a position to be able to receive resources.

And we are learning from this experience, and I would expect and anticipate that we need to look at that in terms of this year's ERP Program.

Senator HOEVEN. Yes.

Secretary VILSACK. Having said that, Senator, there is not enough money in that program.

Senator HOEVEN. I know. And that was part of it, which is why I registered concerns but left it at that.

Secretary VILSACK. Okay.

Senator HOEVEN. But no, that is what I hope you would say, and that is good. We will work with you going forward. Also I think again, as far as that countercyclical safety net that, you know, getting that right and crop insurance right, updating it like we are talking about, will help diminish the need for some of these other disaster assistance programs, so again, incredibly important.

And one of the areas, also, I want to ask about, is the Pest Management policies, you know, some of the issues we have seen with glyphosate, chlorpyrifos, some of those products that our farmers and ranchers have been using for years, and years, and years now are being taken off the market. Not necessarily through your ac-

tions, but through court actions, that can be kind of state by state. It is creating a difficult patchwork for our producers out there.

What can we do about that? And it is also creating a lot of uncertainty for them. I mean they are buying these products, and then they can't use them. I mean, it really is getting to be an issue that USDA needs to take the leadership role in terms of helping our farmers and ranchers from the standpoint of understanding what they do, and the certainty they need as they run their operations?

Secretary VILSACK. Well, I would say a couple things on that. I think, first of all, you are right. We need to be making sure that as other agencies of government make decisions that could impact and affect producers, that we have done a good enough job of educating them about the impact on producers. And I am fairly confident that our Pest Management folks are doing that at USDA. That they are providing the technical, and scientific, and detailed information about the impact and effect of what Environmental Protection Agency (EPA) may be considering.

Then secondly, to the extent that we can work with the industry to make sure that as things are restricted in some way, that the labeling is what it needs to be, to be able to provide clear understanding of when, and under what circumstances certain things can, in fact, be used.

And then third, if there is a way in which our NRCS capacities can be used in a way to mitigate the consequences of some of this, we ought to be, obviously, directing our resources to do so. And I think our research folks also have a responsibility to ask the question: Are there ways in which we can, if we can't use this, what is the alternative; and we need to provide that alternative to our producers through extension?

#### TRANSITIONING NEXT GENERATION FARMERS

Senator HOEVEN. Like-kind exchanges. The average age of a farmer nowadays is about 60 years old, which of course I think is remarkably young, but for most people 60 years old is, you know—we have got to get this next generation into farming. One of the tools they use is 1031 like-kind exchanges, and the administration has come out proposing limitations on 1031 like-kind exchanges. But you know the capital barriers to getting into production agriculture. We have got to help this next generation get into farming; that is an important tool.

Secretary VILSACK. Well, I would say that that is one of the reasons why we have asked for greater flexibility on our loan programs, so that we are in a position to help.

Senator HOEVEN. Agreed. Yeah, we need to do more with the beginning farmer, and the other loan programs as well. But you would agree, those are important tools that our—and that it is an important part of transitioning this next generation into agriculture.

Secretary VILSACK. It is Senator, but the reality is that there are so many needs, I mean we have to take a look at: Where does the resource come from to do all the stuff that we want done, that we have all talked about here in this committee? And that we are talking about in our budget? I mean, it is a balance.

Senator HOEVEN. Yeah. No, I understand. We have to we have to figure out good commonsense ways to accomplish it.

Again, thank you, for being here today; and for your work. Secretary VILSACK. You bet.

Senator HEINRICH. Senator Baldwin.

Senator BALDWIN. Thank you, Mr. Chairman.

#### DAIRY BUSINESS INNOVATION INITIATIVE

Secretary Vilsack, it is great to have you back before the committee today. Before I get to my questions, I would like to just thank you for prioritizing the Dairy Business Innovation Initiative in your budget. In the time since its inclusion in the 2018 Farm Bill, millions of have gone to Dairy Producers including those in Wisconsin, enabling businesses to expand their product lines, and increase their market share.

These small dollar grants have been incredibly meaningful to my state's world-renowned dairy and cheese industry. So we appreciate that prioritization.

Wisconsin dairy farmers have also led the way in implementing managed grazing to sustain herds. This practice, when done right, can go a long way in improving soil health, plant diversity, and water quality. For years, Wisconsin grazers and those interested in pursuing managed grazing have made it clear to me that the success of their operation is significantly improved when they are able to consult a grazing expert.

Specifically a knowledgeable technician who can help address the unique needs of their operation, and can save farmers valuable time and get them on an expedited path to profitability, improved water quality, and climate resilience.

#### GRAZING LANDS CONSERVATION INITIATIVE

I was able to secure funding for the Grazing Lands Conservation Initiative in the fiscal years 2022 and 2023. And this funding was intended to begin meeting the needs for grazing technical assistance for the first time in over a decade.

So Secretary Vilsack, could you share with me the Agency's plan to allocate these funds so that technical assistance can be made available? But additionally, I would note that funds were not included in the fiscal year 2024 Budget, and so I am curious to know how the USDA plans to sustain this operation?

Secretary VILSACK. Senator, I may stand to be corrected in the answer I am about to give you. So bear with me if I am misstating something. NRCS has basically outlined a variety of factors that we want to, basically, invest our conservation resources in. And one of them has to do with grazing, and one of them has to do with rotational grazing and proper management, as part of their climate-smart practices.

And so I think, from a standpoint of NRCS, we see this as kind of already included in the suite of 45 practices that we have identified, that we want to target our resources, we want to direct IRA resources towards, based on the requests from farmers that we get. There is a significant backlog. I suspect that there are some producers in Wisconsin that are waiting for, they have a plan they are waiting for the resources from NRCS. And we are really trying to

focus on reducing that backlog, and then basically making sure that the EQIP, Conservation Stewardship Program (CSP), all of those resources are effectively invested in climate-smart practices.

#### CLIMATE—SMART COMMODITY PARTNERSHIP INITIATIVE

That is in addition to the fact that many Wisconsin producers will also be engaged and involved in the Climate-Smart Commodity Partnership Initiative, and I know that there are management practices included in many of the projects that we sponsor, and will be sponsoring in Wisconsin. So you will also have opportunities within that partnership initiative to also see significant investment in those practices.

Senator BALDWIN. Okay. I will certainly want to follow up, and be able to track this with some granularity.

I would like to next ask about Avian Influenza, which has contributed to major increases in egg prices this year; the Animal and Plant Health Inspection Service Line for the Emergency Preparedness and Response Initiatives, so a minor increase in your budget.

How will this budget proposal ensure that needs are met to fully address the spread of Avian Influenza, including providing quarantine and inspection services to producers, and funding for state agencies and universities that are conducting Avian Influenza testing?

Secretary VILSACK. This is a great question, and I appreciate you raising it. Because it basically allows me to indicate that there are a number of tools that we are bringing to the HPAI fight, and one of those tools is the Commodity Credit Corporation (CCC). So APHIS is receiving additional resources from the CCC Fund, which is essentially providing resources to allow us to help farmers deal with the detection, eradication, and restoration of their facilities.

And so there is a complement there, as you just can't look at the four corners of the budget, you have to look at also the additional resources that we are providing.

In addition, when we basically create resources for research there are a number of research projects that involve this that are underway at universities at are getting—they aren't specifically on a line item, but they are involved, potentially, in an AFRI effort.

We are also meeting with the industry and, you know, I think there is more work to be done here in terms of encouraging, not just the development of biosecurity plans, but the implementation of those plans, our producers, our commercial operations have done a much, much, much better job than they did in 2014/2015, because we didn't see quite the spread from commercial operations that we did.

But we need to continue to be very vigilant about that, we need to take a look at the design of these facilities in terms of the transmission, airflow which can potentially complicate things. We need to make sure that we continue our research on vaccines, with the understanding that we are not there yet, we are not even close to being there yet. We don't have a commercial operation willing to produce the vaccine, we haven't matched it identically to the issue that we have got right now, and there are trade complications as a result of the use of vaccine.

So it is really complicated. Some people like to simplify it, but it is very, very complicated. So all of that is in the budget in various pieces, it may not be specifically identified as such, but it is all in the budget.

Senator BALDWIN. Thank you. I yield back.

Senator HEINRICH. I want to thank you, Secretary Vilsack; and you Mr. Rapp, for being here today.

#### ADDITIONAL COMMITTEE QUESTIONS

Questions for the record are due by next Wednesday, April 5th, and we would appreciate responses back from USDA within the next 30 days.

#### QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

##### DEFERRED MAINTENANCE FOR RESEARCH FACILITIES

*Question.* Secretary Vilsack, as you may know, a March 2021 study found that there is at least \$11.5 billion of deferred maintenance for university agricultural research facilities nationwide, and that 69 percent of infrastructure at these facilities is more than 25 years old. In Fiscal Year 2023, Congress provided \$2 million towards Research Facilities Act competitive grants. Absent a sustained Federal effort to upgrade aging or obsolete infrastructure, I am concerned that the United States' ability to conduct world-leading research will suffer.

Secretary Vilsack, what actions is the U.S. Department of Agriculture (USDA) currently taking to improve research infrastructure and support the next generation of agricultural researchers? How is USDA utilizing the \$2 million provided by Congress for Research Facilities Act grants in Fiscal Year 2023? How should USDA's efforts be scaled to better meet the needs of research institutions across the country?

*Answer.* USDA currently provides research facilities funding through multiple programs including the 1890 Facilities Grants Program, the Agriculture and Food Sciences Facilities and Equipment Program for Insular Areas and, most recently in fiscal year 2023, the Research Facilities Act Grant Program (RFAP). Through RFAP, USDA National Institute of Food and Agriculture (NIFA) will provide funding to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of agricultural research facilities. RFAP prioritizes facilities that are located at or primarily benefit minority-serving institutions in accordance with the Joint Explanatory Statement, which accompanied the Consolidated Appropriations Act, 2023. NIFA will host a virtual listening session on April 13, 2023, to receive input from stakeholders, customers, and partners that will facilitate the development of the Research Facilities Act Program Request for Applications (RFA). Once the publication date for the RFA is finalized, NIFA will host a technical assistance webinar to provide information and assist stakeholders in applying to RFAP.

NIFA's current research infrastructure programs support both fundamental and applied research across diverse institutions serving different communities. This investment in research infrastructure allows for more institutions, including minority-serving institutions, to improve their agricultural research facilities with multiple benefits including greater output of cutting-edge research that addresses current and future priority issues, improved training of a more diverse and well-trained workforce, and enhanced competition with global competitors. Among the multiple beneficiaries of investments in research facilities are limited resource farmers and ranchers since it can help them access new technologies, methods, and knowledge that will improve productivity, efficiency, and profitability. Consumers also benefit because improved and advanced research facilities can lead to the development of new and better products, such as healthier, safer, and more sustainable food choices. Finally, investments in research facilities can improve opportunities for students to gain firsthand experience leading to a better trained workforce in food and agricultural sciences. USDA stands ready to scale such efforts to better meet the needs of research institutions across the country.

##### LABOR COSTS

*Question.* Secretary Vilsack, labor costs account for 39 percent of the total cash expenses for specialty crop producers, three times more than other types of farms. In a report required by the 2018 Farm Bill on automation research efforts, USDA

found that specialty crop automation and mechanization research at Agricultural Marketing Service, Agricultural Research Service, and National Institute of Food and Agriculture represented 2 percent, 1 percent, and 3 percent of specialty crop research funding, respectively, from 2008 through 2018.

Secretary Vilsack, how can USDA better utilize existing programs to support automation and mechanization for specialty crops? Would USDA support a new stand-alone grant program to facilitate the development of labor-saving tools and support training and retraining of impacted workers?

*Answer.* Despite tremendous progress and advances made by existing USDA programs to support automation and mechanization for specialty crops, there remains a huge unmet need for USDA to expand and accelerate its support for the research, development, and use of next generation automation, sensors, robotics, and AI-powered (artificial intelligence) analytics in the production, harvesting, and processing of specialty crops that will result in new labor- and cost- saving tools, high-paying technical jobs, and support the training and retraining of impacted workers.

Based on the 2020 report to Congress, “Developing Automation and Mechanization for Specialty Crops: A Review of U.S. Department of Agriculture Programs” prepared by the Economic Research Service, USDA has six programs in the Agricultural Marketing Service (AMS), the Agricultural Research Service (ARS), and the National Institute of Food and Agriculture (NIFA) that, among other objectives, support the development and use of automation or mechanization in the production and processing of U.S. specialty crops. The programs are: 1) AMS Specialty Crop Block Grant Program; 2) ARS Crop Production National Program and Product Quality and New Uses National Program; and 3) NIFA Specialty Crops Research Initiative (SCRI), Small Business Innovation Research (SBIR), and Agriculture and Food Research Initiative (AFRI). From 2008 to 2018, these programs funded \$288 million (\$28 million per year) toward 213 projects to develop and enhance the use of automation or mechanization in specialty crop production and processing. The projects included job aid/machinery automation, machine learning/data analysis, mechanical harvesting/processing, precision agriculture, remote sensing/drones, and sensors, and covered a variety of specialty crops (almonds, apples, avocados, beets, blueberries, broccoli, cabbage, carrots, cauliflower, celery, cherries, chestnuts, chickpeas, chili peppers, citrus, cranberries, currants, elderberry, table and wine grapes, hazelnuts, hops, lettuce, maple syrup, mushrooms, nursery crops, olives, onions, ornamentals, pecans, peaches, pears, peaches, peonies, pistachios, potatoes, pumpkin seeds, raspberries, sod, strawberries, sweet corn, sweet potatoes, tea, tomatoes, and walnuts).

As more data is collected and USDA becomes more informed, resources could be used to address climate-smart agriculture of the future, in respect to novel scalable implementation of workforce development and in leveraging of resilient food systems transitions for broadening agricultural workforce participation across all sectors of society and ages.

There is a need for continued support regarding long-term data curation and sustainability of automation and mechanization projects, databases, and software. However, the focus of many new proposals center on novel ideas and tools, rather than continued maintenance and update of systems which is needed. USDA’s support of open-source projects helps encourage collaboration, reduces costs and time associated with project initiation and database development, and may decrease barriers associated with farmer concerns regarding for-profit data collection and use.

USDA stands ready to implement and support all existing and any new programs intended to support the development of labor-saving tools and support training and retraining of impacted workers.

#### CROP LOSS FROM NATURAL DISASTERS

*Question.* Since 2018, Congress has appropriated funds four times to support producers that experienced crop loss and damage due to natural disasters. These supplemental appropriations have included shifting requirements for USDA and producers, leading to the creation of several programs at USDA—the Wildfires and Hurricanes Indemnity Program in 2017, the Wildfire and Hurricane Indemnity Program Plus in 2018 and 2019, and the Emergency Relief Program in 2020 and 2021. Although, these programs provided much-needed assistance, the changing regulations confused producers and delayed payments. Beyond that, the impact of disasters can extend beyond the farm and into agricultural support industries-like processors which may be devastated if there are no crops planted or harvested.

Secretary Vilsack, would a permanently authorized disaster program modeled on the Emergency Relief Program (ERP) improve USDA’s ability to quickly disseminate funds to disaster-affected producers following supplemental appropriations? How

could assistance be extended to agribusinesses that also experience significant loss after natural disasters?

*Answer.* USDA offers subsidized crop insurance, has permanent disaster programs, and is working to implement the current ad-hoc disaster program that Congress has authorized as a \$3.74B disaster assistance funding in the Consolidated Appropriations Act, 2023 (Div. N), which supplemented and extended provisions in the Emergency Relief Program/Emergency Livestock Relief Program from the Extending Government Funding and Delivering Emergency Assistance Act (Public Law 117-43). A permanently authorized disaster program may improve USDA's ability to quickly disseminate funds to eligible producers, although the full costs and benefits of a permanently authorized disaster program are unknown at this time. There is time needed after legislation is passed to develop policy and software for program implementation; however, after initial program implementation, future years can be close to seamless and allow USDA to respond to disasters in real-time, when funded.

Current and past ad-hoc disaster programs are tied to the loss of crops; with a 2-year linkage requirement to purchase crop insurance where crop insurance is available or Noninsured Crop Disaster Assistance Program (NAP) coverage for those commodities for which crop insurance is not available.

Agribusinesses are not eligible for current and past ad-hoc disaster programs, nor are they part of the permanent disaster programs, as agribusinesses are not the owners or shareholders of the crops. However, there are commercial insurance products that agribusinesses could choose to option as part of their risk management strategies. If Congress were to consider inclusion of agribusinesses it would require legislative guidance to change or further clarify the definition of loss and/or eligible producer.

#### CROP INSURANCE FOR SPECIALTY GROWERS

*Question.* Secretary Vilsack, I appreciate USDA's efforts to expand access to crop insurance for specialty crop growers, but I remain concerned that many growers have inadequate insurance options and are forced to rely on policies that only cover catastrophic loss or leave significant acreage uncovered.

Secretary Vilsack, how can USDA improve crop insurance options for specialty crop producers, especially those who have historically not purchased insurance policies or relied solely on coverage for catastrophic losses?

*Answer.* Expanding crop insurance to specialty crops and smaller farmers is a priority for this Administration. The USDA Risk Management Agency (RMA) made tremendous progress on expanding options for specialty crop growers, and we know there is still more work to be done. We've doubled the eligibility for Whole Farm and tripled the eligibility for Micro Farm, which helps smaller farmers.

We undertook an effort last winter to meet farmers and insurance professionals throughout the country to promote Whole Farm and Micro Farm. To date, we've had over 8,000 attendees. We've learned a great deal and so have the attendees. We hope to use this as a model to promote and educate about new products. RMA has a specialty crop liaison in every regional office and a national employee devoted to this effort. We would be glad to engage and discuss any specific ideas your office has on enhancing coverage.

On the outreach and education front, since 2021, the RMA has invested more than \$6.4 million in partnerships with 27 entities to expand outreach and education on crop insurance, which embodies the diversity of agriculture including Hispanic/Latino, Native Americans, African American, Beginning, Women, Veteran and Historically Underserved farmers, with additional emphasis on those producers who are growing and producing specialty crops, livestock, organic-certified or transitioning, sustainable/regenerative crops and/or small farms and ranches.

#### CAPTIVE MARINE MAMMAL CARE

*Question.* Secretary Vilsack, the USDA last updated key elements of its standards for the handling and care of captive marine mammals in 1984, nearly 40 years ago. Since that time, significant progress has been made in marine mammal biology and ecology research. You were also the Secretary of Agriculture in 2016 under President Obama, when a proposed rule was released that would have finally updated these standards. Unfortunately, that rule was never finalized, and it was withdrawn in 2021 because it was outdated.

Secretary Vilsack, do you agree that the captive marine mammal standards of care are outdated? What efforts is USDA undertaking to examine the standards and space requirements of marine mammals?

*Answer.* USDA takes the health and welfare of every animal covered under the Animal Welfare Act seriously, including marine mammal populations. The Animal

Welfare Act sets basic standards for humane care and treatment that must be provided for certain animals used in certain activities. USDA's focus is specific to those marine mammals used for public exhibition or biomedical research. Research surrounding captive marine mammals continues to evolve, including since the 2016 proposed rule was drafted. We will review the newly available research, as well as consider opportunities to engage with members of the marine mammal community, as we consider options for future rule making.

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QUESTIONS SUBMITTED BY SENATOR TAMMY BALDWIN

REGIONAL CONSERVATION PARTNERSHIP PROGRAM

*Question.* The Regional Conservation Partnership Program (RCPP) has shown significant promise as a flexible and partner driven conservation program but has had a troubled implementation and rollout since the 2018 Farm Bill. Given the U.S. Department of Agriculture's wide discretion in implementing this program, what steps has the agency taken to improve RCPP implementation? In particular, how is the agency: reducing paperwork burdens; ensuring efficient easement appraisal processes; streamlining easement and land management project implementation; and ensuring sufficient and consistent agency staffing—both at NRCS Headquarters and in State offices—to guarantee that Federal funds and partner resources are effectively delivered to America's farmers?

*Answer.* The USDA National Resource Conservation Service (NRCS) is evaluating the flexibilities to ensure appropriate use of RCPP funding, while listening to the challenges of our customers. We are leaning in on certified entities for easement transactions and internal training of our RCPP coordinators to ensure consistent interpretations of policies and procedures for success. We expect to make an initial public announcement in Spring of 2023 on the first set of flexibilities and are working towards additional improvements and efficiencies.

CONSERVATION TECHNICAL ASSISTANCE

*Question.* The Natural Resource Conservation Service (NRCS) has the ability to use Conservation Technical Assistance (CTA) funding to hire grazing technicians across the country, both within NRCS and at third party organizations, via the Grazing Lands Conservation Initiative (GLCI). With the passage of the Inflation Reduction Act (IRA), more CTA funding is available to NRCS than ever before, making now an ideal time to ensure dedicated funding for GLCI. Yet the recent President's Budget Request notes USDA's intention to spend \$0 through GLCI in FY24. Why is USDA opting to withhold funding that could support access to grazing technicians for producers across the country?

*Answer.* NRCS continues to prioritize hiring and focus on recruitment and retention of qualified technical staff. We are increasing staffing numbers and working with Land Grant Universities and other institutions to produce USDA qualified applicants, including grazing technicians. We are also seeking opportunities to partner with other technical organizations and agencies to onboard staff.

CONSERVATION STEWARDSHIP PROGRAM

*Question.* Secretary Vilsack noted during the March 29th Senate Appropriations subcommittee hearing on Agriculture, Rural Development, food and Drug Administration, and Related Agencies, that IRA spending within the Conservation Stewardship Program (CSP) and the Environmental Stewardship Program (EQIP) will be used to contract with producers implementing sustainable grazing practices already available within each program. However, contracting with a producer to implement a practice does not guarantee that that practices will create an overall benefit for farm, and targeted technical assistance is often needed to ensure practices have both an environmental benefit and an agronomic benefit. When both are realized, producers are more likely to maintain and improve upon practices over the long term. Given the importance of technical assistance in ensuring the success of sustainable grazing practices on farms, why hasn't USDA committed to ensuring that increased GLCI funding accompanies IRA spending in CSP and EQIP, helping to provide increased grazing TA simultaneously with increased funding for practice implementation?

*Answer.* The USDA National Resource Conservation Service (NRCS) is committed to this work and continues to seek out qualified applicants to join the technical teams across the country in our field offices. Grazing lands are a key component of soil health and climate solutions. Using a systems approach to addressing climate

smart resource concerns and the co-benefits of a grazing system are a primary focus of the Inflation Reduction Act (IRA) implementation.

#### BUSINESS AND INDUSTRY PROGRAM

*Question.* Last year, USDA proposed—and the Committees accepted—an interchange in budget authority that increased the lending authority of the Business and Industry Program. The program, again, faces a shortage of loan authority. Of the loans that have currently been obligated and the dollar value of those in the pipeline, there will be a deficit in the program in excess of \$250 million. To avoid the denial of qualified loans, would the agency consider supporting another interchange of unobligated funds to enable lending in the Business and Industry Program?

*Answer.* The Department is exploring options for continuing support of the Business and Industry Guaranteed Loan program above the level that Congress provided in order to meet demand. An interchange of unobligated funds is one of the options but in the interim the Department continues making any funding available from this program's recoveries.

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#### QUESTIONS SUBMITTED BY SENATOR JOE MANCHIN, III

##### USDA STAFFING NEEDS

*Question.* Is the Department of Agriculture able to adequately meet its staffing needs and is the agency able to fill key positions with qualified employees?

*Answer.* The Department is working diligently to maximize the effectiveness of the funding provided by Congress to meet our staffing needs across the country. At this time, yes, the Department believes that we are able to adequately meet our staffing needs. Our leadership team continues to look closely at staffing needs as they arise, whether within a headquarters unit or in a field office, to ensure that our staffing resources are ultimately aligned to address the needs of USDA's customers.

*Question.* Related, what percentage of USDA employees are back in the office full time nationwide?

*Answer.* Throughout the public health emergency, tens of thousands of USDA employees continued to work in-person to meet the Nation's needs for critical public services such as meat and poultry inspections and wildland firefighting. As the Department continues to analyze the data and evidence, we are focused on ensuring that our customers continue to get the support necessary from our workforce to meet their expectations and to meet their daily needs for support from USDA. When the Department concludes its analysis and finalizes its plans for maximizing the customer experience, we will share that information with you and the Committee.

#### DIFFICULT TERRAIN AND ACCESS TO URBAN AREA PROJECT

*Question.* The USDA Economic Research Service (ERS) has been working on the "Difficult Terrain and Access to Urban Area" project. This project was started in 2021, and as of 2023 my office has not seen the Phase I published report, due to "unanticipated delays". Can you provide an update on the status and publication of this project? Will the ERS commit to visiting West Virginia to better understand our mountainous and difficult terrain areas?

*Answer.* Yes, USDA is committed to visiting West Virginia to gain greater insights into the mountainous and difficult terrain areas. The ERS researchers are in the process of incorporating comments and conducting additional analysis of the data based on the comments on the peer review manuscript. In addition, ERS met with the Federal Office of Rural Health Policy in February to discuss the progress of this project. ERS plans on providing the office with the data needed for the next cycle of grant announcements. USDA is on track to publish the report by this summer.

#### BROADBAND COORDINATION

*Question.* With tens of billions in Federal funding directed to broadband in the last 5 years, how is USDA coordinating with other broadband deployment programs—such as those administered by the FCC, NTIA, and Treasury?

*Answer.* USDA meets regularly and on an ad hoc basis with the Federal Communications Commission (FCC), the National Telecommunications and Information Administration (NTIA) and the U.S. Treasury to ensure that Federal dollars are spent in the most efficient way possible. Additionally, USDA shares information with our Federal partners regarding the awards made under our programs to enable other

agencies to take those awards into consideration to ensure projects do not overlap or overbuild existing services already made available.

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QUESTIONS SUBMITTED BY SENATOR SUSAN M. COLLINS

REMOTE WORK AND UPGRADES TO USDA HEADQUARTERS

*Question.* During the COVID-19 pandemic, many Federal employees were given the opportunity to work from home. While most have returned to the office, it is my understanding that many USDA employees are now permanently working from home with no intention to return. What is your plan for the South Building and to return staffing in the building to pre-pandemic levels so that taxpayers aren't asked to fund refurbishment of empty workspace?

The FY2024 budget proposes an increase of \$84 M for Agriculture Buildings and Facilities, \$46.8 M of which is specifically designated for modernization of the USDA South Building. The USDA South Building modification has been an ongoing endeavor since well before the pandemic. The Committee has requested a plan for how these funds will be used and prioritized, and we have yet to see one.

*Answer.* The Department recently submitted its response to OMB-M-23-15, the next step in reviewing USDA's Future of Work policies while maintaining laser focus on service delivery. USDA has been on a journey to modernize and transform our culture and workplace to become one of the "Best Places to Work in the Federal Government." A core value of our Future of Work approach is the importance of making data-driven decisions and ensuring our employees have a voice in the policies that impact their lives. We are committed to continuing to refine performance measures and benchmarks, use data to ensure we have a warning system in place to alert us if performance starts to wane under the current policies, and have data that will give the Department a better chance to make any telework policy changes without causing any drastic short-term performance and morale losses.

The South Building is a critical component of the Department's real property portfolio in the National Capital Region (NCR) and is home to the headquarters for many of the Department's program agencies and staff offices. The building, originally built in the 1930s, still includes many original systems which have been well maintained but the building has only been partially upgraded in recent years. A continued investment in the renovation of the South Building will enable the Department to address significant life and health safety challenges that exist throughout the facility due to the relative age of the structure and systems. These renovations will also create opportunities for the Department to make strategic decisions on the continued use of leased facilities throughout the NCR. Without continued investments in building modernization, the Department will likely need to maintain a significant portfolio of leased facilities in the NCR that cost over \$10 million per year in rental payments.

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QUESTIONS SUBMITTED BY SENATOR JERRY MORAN

INTERNATIONAL MARKET ACCESS

*Question.* As major exporters of beef, wheat, and oil seed, Kansas farmers know how crucial international market access is to their prosperity. The Department's budget request also recognizes foreign trade as essential for the vitality of the U.S. agricultural industry.

However, I'm increasingly concerned that the Biden Administration is instead opting out of free trade agreements that facilitate agricultural exports in favor of loosely-defined frameworks that do not benefit our farmers.

How does USDA reconcile the importance of agricultural trade with the administration's opposition to pursuing free trade agreements?

*Answer.* USDA is working alongside the United States Trade Representative (USTR) within the parameters of the Biden Administration to advance trade policy. One challenge that USDA and USTR currently face is to build trust in this country on trade. USDA and USTR must, therefore, work to secure wins by creating new or expanded market access, enforcing existing agreements, and restoring trust in trade. There are a multitude of ways in which USDA is making a difference in terms of trade without necessarily focusing solely on free trade agreements. We must continue to expand trade missions, provide support to foreign market develop-

ment programs that help drive exports, and always look for opportunities to break down barriers to trade.

We will therefore continue to work with USTR, the Department of Commerce, and other U.S. government partners on the U.S.-Kenya Strategic Trade and Investment Partnership (STIP), the 21st Century Taiwan Trade Initiative, and the Indo-Pacific Economic Framework for Prosperity (IPEF). The IPEF, for instance, can serve to increase U.S. agricultural exports to an area of the world where both the middle class and the demand for high-quality, trusted, sustainably produced agricultural products are growing. The IPEF Trade Pillar seeks to emphasize agricultural sustainability and agricultural biotechnology, enhancing agricultural supply chain resilience, improving transparency on regulatory measures, and promoting science-based decision-making to protect human, animal, and plant life. In doing so, markets can be created or opened to the type of high-quality, high-value products our farmers, ranchers, and producers are already producing.

USDA has also sponsored numerous Agribusiness Trade Missions (ATMs). In calendar year (CY) 2022, ATMs provided small and medium-sized U.S. exporters opportunities in markets including the United Arab Emirates, United Kingdom, Philippines, Kenya, Tanzania, Spain, and Portugal. During these missions, participants engaged directly with potential buyers, resulting in a total of 125 U.S. agribusinesses participating in 1,310 business-to-business meetings reporting \$42.2 million in 12-month projected sales. Our work to expand ATMs provides U.S. exporters with additional opportunities to increase their market presence overseas and generate sales, while providing senior-level USDA officials with a platform to advance U.S. agricultural trade priorities directly with foreign counterparts. Regarding CY 2023, USDA has executed or is in the process of executing trade missions to Panama, the Netherlands, Japan, Chile, Malaysia, and Angola.

The United States continues to implement agricultural trade policies in a manner consistent with its free trade agreement obligations and expects our trading partners to do the same while working to maintain open and predictable markets for American farmers and producers. Policy discussions with the European Union (EU) on several agricultural trade issues are ongoing to address market access issues such as overly restrictive maximum residue levels (MRL), unpredictable animal health certificate policies, lack of recognition of common food names, and deforestation-free supply chain regulations, to name a few.

Additionally, USDA continues to work in close coordination with USTR on dispute settlement efforts regarding Canada's tariff-rate quota allocation measures for dairy products under the U.S.-Mexico-Canada Agreement (USMCA). The United States' priority remains ensuring that U.S. workers, processors, farmers, and exporters benefit from the market access Canada committed to through the USMCA. USDA and USTR also continue to engage with Mexican officials at all levels to convey our serious concerns about Mexico's treatment of agricultural biotechnology. It is critical that Mexico fully complies with its USMCA commitments and that it returns to a science- and risk-based regulatory approach for all biotech products. Mexico is a valued trading partner, and USDA is committed to working with it to resolve these biotech issues and avoid any disruption of trade in corn or other agricultural products.

Specifically for beef, tariff reductions that came about under the U.S.-Japan Trade Agreement that went into effect in 2020 have helped the United States become Japan's top beef supplier for the first time in more than two decades. The revision of the beef safeguard, negotiated in 2022, will ensure that U.S. beef exports to Japan can continue to grow. For soybeans, the U.S. exported a record \$33.3 billion in product in 2022, and we will continue to fight any barriers that impede their export to global markets.

USDA advocates for U.S. agriculture around the world through diverse mechanisms to secure tariff reductions, improve the environment for exporting U.S. agricultural products, and increase predictability and transparency in trade regulation. Under this administration, USDA engagement was critical to delivering roughly \$15 billion in new or preserved market access through active policy intervention with foreign governments. By leveraging creative trade policy tools, and working in concert with USTR, USDA remains committed to making significant gains and expanding market access for farmers and ranchers throughout the United States.

#### RECONNECT DEPLOYMENT

*Question.* Secretary Vilsack, the FY2024 budget requests another \$400 million for the ReConnect broadband deployment program. With more than \$175 billion in Federal funding directed to broadband in the last 5 years, I am concerned about keep-

ing this program focused on unserved areas in rural America and ensuring Federal broadband deployment resources are efficiently utilized.

Does the Memorandum of Understanding (MOU) that USDA, NTIA, FCC, and Treasury signed in May 2022 ensure that ReConnect funds will not duplicate other Federal broadband deployment investments?

*Answer.* USDA meets regularly and on an ad hoc basis with the Federal Communications Commission (FCC), the National Telecommunications and Information Administration (NTIA), and the U.S. Treasury to ensure that Federal dollars are spent in the most efficient way possible. Under the Memorandum of Understanding that is in place, USDA shares information with our Federal partners regarding the awards made under our programs to enable other agencies to take those awards into consideration to ensure projects do not overlap or overbuild existing services already made available.

*Question.* If not, what more needs to be done to ensure Federal funds are not being duplicated, while unserved areas still exist?

*Answer.* The MOU signed in May 2022 is helping to ensure that duplication will not occur.

#### FARM SERVICE AGENCY LOAN OFFICERS

*Question.* Secretary Vilsack, as you are aware, USDA Farm Service Agency staff performs a crucial role in facilitating the investments in our agricultural communities and the rural towns they support we advocate for. My understanding is that about 40 percent of the FSA loan officers are retirement eligible in the next 5 years and that it takes 2 years to train a new loan officer.

What steps is the department taking to recruit and retain loan officers?

*Answer.* The USDA Farm Service Agency (FSA) continues to be challenged in the recruitment and retention of employees. In Farm Loan Programs, for example, 42 percent of loan officers and supervisors are eligible for retirement between now and fiscal year 2027. In addition to attrition through retirements, challenges include hiring and retaining new staff due to Federal pay scales that are not competitive with the private sector, high workload demands, and business processes that are manual and paper based compared to other financial industry employers.

FSA has taken several steps to address these challenges and to recruit and retain Loan Officers. Over the last couple of years, FSA has increased use of the Pathways Program to bring college students and recent graduates into the Agency, as well as increasing use of the 1890 Scholars Program and other internship programs. FSA has modified the required experience for the Loan Officer positions to include not only FSA loan approval authority but also private sector agricultural loan experience, thus expanding the Agency's recruitment reach. FSA is also encouraging States to make more use of the Loan Analyst position; loan analysts complete the first year of the Farm Loan Officer Training program, building a workforce that is readily available to step into the Loan Officer role more quickly.

FSA has also increased utilization of recruitment, relocation, and retention incentives for farm loan employees. In fiscal Year 2022, FSA issued over \$620,000 in student loan repayments to 69 farm loan employees. In exchange for receiving loan repayments, employees signed a 3-year service agreement. FSA plans to utilize student loan repayments for these series again in fiscal Year 2023. In addition, since February 2022, FSA has approved 38 relocation and recruitment incentives in these series. FSA continues to explore all options to improve recruitment and retention.

*Question.* For example, will you be seeking direct hiring authority from the Office of Personnel Management for these critical positions?

*Answer.* The FSA is looking at leveraging various authorities that exist including OPM waivers for direct hire authority.

#### SELECT AGENT REGISTRATION

*Question.* Can you please provide an update on the status of the select agent registration activities including a program schedule, it is my understanding that this is currently running slightly behind the initial planned schedule.

*Answer.* Delays in facility construction, commissioning schedule, and receipt of commissioning documents have impacted our initial Select Agent Registration schedule, yet personnel at the National Bio and Agro-Defense Facility (NBAF) have been proactive in the registration process and have been working with the Federal Select Agent Program (FSAP) on registration and approval for all activities with Select Agents necessary to transfer the mission from the Plum Island Animal Disease Center (PIADC) to NBAF.

NBAF personnel are in constant contact with FSAP regarding document submission and are coordinating with FSAP on planning inspection dates, with the goal of having a first inspection in Fall 2023.

NBAF and USDA leadership have developed a tiered science transition strategy, to begin laboratory work with non-infectious materials, progressing to low risk agents, and then eventual work with Select Agents after full FSAP approval is received. They will not work with any Select Agents until approved by the FSAP. The goal of completing full registration of the facility by Fall 2024, pending any unforeseen circumstances, remains the same.

*Question.* Please provide a crosswalk of the funds in the budget request for NBAF and related science at both ARS and APHIS.

*Answer.* The fiscal year 2024 President's budget requested an increase of \$23.9 million over the fiscal Year 2023 enacted level. This proposed increase consists of \$13 million in operations for contracts (facilities, security, supplies, and services), an additional \$10.6 million for capital improvements in the USDA Agricultural Research Service (ARS) Buildings and facilities account, and an increase of \$300 thousand to cover the anticipated increase in pay costs. There is no change in the proposed research and science budgets at ARS or the Animal and Plant Health Inspection Service (APHIS).

*Question.* Please explain USDA's plan to obtain sufficient BSL-2 space needed to house animals prior to the beginning of a specific experiment. If additional funds were provided in FY24 to address these needs, please provide budget details for funds would be executed.

*Answer.* While we recognize that BSL-2 space at NBAF is limited, there are no current plans for expanding animal holding capacity.

#### COLLABORATION WITH UNIVERSITY PARTNERS

*Question.* If additional funds were available in FY24 to enhance collaboration with university partners, what would be most helpful in either equipment or curriculum development to make enduring progress on the important educating and training students for the future workforce?

*Answer.* The partnership and workforce development funds provided have enabled considerable education and training initiatives for USDA ARS and APHIS to meet their specific mission needs. Additional investment in the NBAF Agrosecurity Partnerships for Innovative Research (ASPIRE) program would further strengthen the framework by which NBAF will enhance America's agricultural biosecurity by forming strategic partnerships with universities, industry, and other Federal agencies to support the NBAF Strategic Plan and National Biodefense Strategy.

Through ASPIRE, USDA is partnering with the Research Corporation for Science Advancement (RCSA) to launch a Scialog, pairing "science and dialogue" around fundamental scientific challenges, on Mitigating Zoonotic Threats. The Scialog fellows include around 50 early career faculty and scientists from across the U.S. with varied disciplinary expertise who work together for over 3 years to innovate around current best ideas and build an innovation network that will extend over the next 30+ years of their careers. ARS and APHIS have several of their early career scientists within this cohort.

Other key partnerships include the Research Alliance for Veterinary Science and Biodefense BSL-3 Network 'RAV3N' funded by USDA, which is a collaborative community of 18 U.S. academic and Federal institutions. The Network aims to establish strategic and coordinated approaches for collective large-animal biocontainment infrastructure and science capacity to improve bio-surveillance, diagnostics, and countermeasure developments against high- consequence pathogens of veterinary importance.

Recognizing the competitiveness of the workplace for research, diagnostic, and operational staff for high containment facilities, USDA has developed programs to help supply the scientific and operational pipeline and provide awareness of career opportunities at NBAF. For example, ARS has trained more than 20 students from 5 different universities and trained an additional 18 post-docs. In fiscal Year 2022, a new partnership was established with Indiana University of Pennsylvania to create a biosafety certificate program to increase the workforce pipeline for work in high containment facilities. APHIS is developing the next generation of subject matter experts and laboratory staff at NBAF through its NBAF Scientist Training Program (NSTP) and the NBAF Laboratorian Training Program (NLTP). The NSTP has supported 26 students from 15 universities with 10 now transferred to permanent Federal positions at NBAF and already contributing to science transition planning. The NLTP has trained 39 undergraduate students between programs at Kansas State University and Texas Tech University and will continue to do so.

*Question.* If additional funds were available in FY24, what activities and in what amount would be useful to the Department's future plan to house a Biologics Development Module at NBAF? Are there opportunities for university partners to contribute to the production of standardized biological reagents?

*Answer.* The Biologics Development Module (BDM) has filled several key positions and is developing a prioritization of projects to begin as the facility comes online. USDA will hold a BDM Stakeholder meeting on June 21–22, 2023, in Manhattan, Kansas. A primary goal for this meeting is to identify key contacts among industry, academia, and other Federal agencies who will be instrumental in successfully establishing collaborations and partnerships with the BDM. In addition, USDA will introduce stakeholders to the BDM personnel and describe its capabilities and solicit feedback from stakeholders regarding past experience with public private partnerships and lessons learned, and the potential to partner with universities on the production of standardized biological reagents.

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#### QUESTIONS SUBMITTED BY SENATOR DEB FISCHER

##### UNOBLIGATED COVID FUNDING

*Question.* The President has stated that the pandemic is over, and the National emergency is set to end in May. Since 2020, USDA has received billions of dollars through the CARES Act, the Consolidated Appropriations of '21, and the American Rescue Plan Act to administer as emergency assistance, to help farmers and ranchers, consumers and rural communities withstand the impacts of the pandemic.

Can you provide to this subcommittee an accounting of the funds that remain unobligated and unspent under these authorities?

*Answer.* USDA submits a monthly accounting of the funds that remain unobligated and unspent under funding received through the CARES Act, the Consolidated Appropriations of 2021, and the American Rescue Plan Act to administer as emergency assistance, to help farmers and ranchers, consumers, and rural communities withstand the impacts of the pandemic. The latest report was sent March 14, 2023.

##### RECONNECT

*Question.* Can you provide the subcommittee with the latest outlays for ReConnect from the funding included in the Bipartisan Infrastructure Law?

*Answer.* USDA is working diligently to expedite all funding made available under the Bipartisan Infrastructure Law. The agency has already awarded over \$540 million in funds under our 3rd funding window and we are on-track to obligate the remaining ReConnect funding under our 4th window and expect to obligate approximately \$1.9 billion in awards by leveraging both loan and grant funding. As of today, there have not been any outlays, but Rural Development expects that outlays will begin this fiscal year and continue in the next 7 years, in line with the normal outlay patterns for the program.

*Question.* Would you be able to clarify your position about the program's goal, and whether you feel it should help unserved Americans without any broadband access in rural America?

*Answer.* The ReConnect Program is focused on extending affordable, reliable high-speed broadband service in rural unserved and underserved communities. Priority is given to unserved communities, but the program does make funding available to eligible underserved communities as well.

##### WATER QUALITY AND QUANTITY

*Question.* The legislative text of IRA departed from the resource concerns agreed to in the bipartisan 2018 Farm Bill and restricted those funds use to address "improving soil carbon, reducing nitrogen losses or to reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions, associated with agricultural production." Water quantity and water quality remain top local resource concerns in Nebraska. How will USDA interpret the restriction placed on IRA conservation funds?

For example, how will USDA look at a producer wanting to use EQIP cost share funding to upgrade their irrigation pivot to optimize water use? Would they be at a disadvantage with IRA funding?

*Answer.* Investments from the Inflation Reduction Act (IRA) are investments to help farmers, ranchers, and forest owners implement new or additional conservation activities on their lands, with a focus on Climate-Smart mitigation activities that

can increase storage of carbon and reduce greenhouse gas emissions and may also help to address drought and other climate-related stressors. We realize that conservation practices build upon each other, and the solutions include co-benefits. Applicants who want to address resource concerns related to climate smart agriculture and forestry are able to apply for all conservation programs regardless of funding source. State Technical Committees provide the guidance to the State Conservationist for funding priorities. In addition, NRCS recently announced the Western Water and Working Land Framework, of which Nebraska is included in the 17 States. In the Framework, NRCS identifies six major water and land resource management challenges, guidelines for identifying vulnerable agricultural landscapes and 13 strategies for NRCS leaders in western States to use now to collaborate with partners, water resource managers and producers. The goal is to help secure clean and available water supplies, healthy soils, resilient landscapes, and thriving agricultural communities, now and in the future.

*Question.* The IRA also removed a Farm Bill requirement that 50 percent of EQIP funds are used for livestock production. Without that requirement, does USDA anticipate a significant shift in the distribution of EQIP funds?

*Answer.* Livestock production will continue to be a significant piece of NRCS Farm Bill Environmental Quality Incentives Program (EQIP) distribution based on locally driven priority resource concerns. While IRA does not require a minimum, we continue to use EQIP Farm Bill funds with the 50 percent requirement.

#### PRECISION AGRICULTURE

*Question.* As you know our Nation is at a critical juncture in advancing precision agriculture technology and related artificial intelligence. To ensure producers have access to safe digital tools to guide and enhance management and production options, Congress provided US Department of Agriculture (USDA) Agriculture Research Service with the initial planning funding to co-locate and establish a national center for resilient and regenerative precision agriculture in Lincoln at the Nebraska Innovation Campus. This facility is envisioned to serve as the anchor of a national network comprised of USDA and land-grant universities and their Cooperative Extension arms to equip America's farmers and ranchers with 21st century precision technologies to meet present-day and future challenges.

Can you provide the Committee with an update on steps USDA taken to help expedite planning surrounding the implementation of initial funding provided by Congress and support moving forward?

*Answer.* The strategic plan for the new National Center for Resilient and Regenerative Precision Agriculture (NCRPA) will more than double ARS personnel at the location, expand research capacity, catalyze collaborations with University of Nebraska-Lincoln (UNL), and add new Agricultural Research Service (ARS) buildings to the existing ARS presence in Lincoln. The project is progressing. There will be two construction projects: one is a new headhouse and greenhouse (HH/GH) and one is a new lab/office building (LOB). ARS currently has \$11.2 million appropriated for planning and design and \$20 million for construction. ARS is actively planning and designing both buildings and will build the HH/GH first with funds already appropriated. The Architect and Engineering firm submitted the Program of Requirement for ARS review in December 2022. In March 2023, the 35 percent design for the LOB was provided to ARS. USDA ARS will adapt the HH/GH space into a Plant Growth Facility that will be a hybrid HH/GH plus grow house. Integrating a climate-controlled grow house reduces overall operating costs to meet current and future research mission needs. The hybrid Plant Growth Facility will still occupy 25,140 square feet and follows the Nebraska Innovation Campus building guidelines.

*Question.* What research and technology gaps has USDA identified that could be addressed by a National Center for Regenerative Precision Agriculture for the development of enhanced digital tools to meet present day and future challenges?

*Answer.* A key priority for the National Center for Regenerative Precision Agriculture (NCRPA) will be to develop and enable precision agriculture for producers of all sizes, of all crop and livestock systems, and in all parts of the U.S. Since data drives precision agriculture, this will require Big Data and High-Performance Computing capacity as well as data capture, integration and standardization efficiencies. USDA Agricultural Research Service (ARS) has worked to identify key data, infrastructure and technology gaps that are bottlenecks to providing all producers with meaningful and helpful precision agriculture tools and capacity.

As part of this, ARS has allocated most of the funding appropriated in fiscal year 2023 for Measurement and Monitoring Innovation to strategically catalyze innovation in sensors, Internet of Things (IoT) technologies and data capture, automation,

standardization and integration. In deploying these funds to a new project in Lincoln, ARS has directed the team there to establish collaborations with UNL around data integration and with North Dakota State University around sensor, electronics and computer engineering and design. In addition to these strategic new collaborations, the project will seek to link well aligned sensor, IoT and data integration research efforts at other ARS research locations (including Clay Center, Nebraska; Stillwater, Oklahoma; Mandan, North Dakota; Fort Collins, Colorado; Beltsville, Maryland; Mississippi State, Mississippi; Columbia, Missouri; and others) and university collaborators (including University of Nebraska-Lincoln, North Dakota State University, Colorado State University, Oklahoma State University, University of Missouri, North Carolina State University, and others).

Additionally, the fiscal Year 2024 President's Budget includes, as part of the ARS Climate Science request, the creation of a focused and coordinated climate change adaptation and mitigation modeling, data management and tool development project that serves as an ARS center of excellence to strengthen and support research across ARS and regional engagement of the Climate Hubs. If funded, this new Climate Science center of excellence will likely be located at NCRRPA and will increase the impact of ARS climate change mitigation and adaptation research efforts such as Long-Term Agroecosystem Research (LTAR), Breeding Insights, ARS Grand Challenges Synergies, and others. This new project will catalyze a data-driven and precision agriculture focus on climate change adaptation and mitigation. It will support and enhance other precision agriculture efforts already underway at ARS as well as the new precision livestock management effort at nearby Clay Center, University of Nebraska-Lincoln and other locations. Building on the current collaborations and common research framework of LTAR, the Climate Hubs, and others, these funds will increase focus specifically on climate smart practices, data, tools, and technologies that are relevant both regionally and nationally, and that can lead to greenhouse gas mitigation, producer participation in carbon and ecosystem markets, resilience to weather extremes, and adaptation to regional expected climatic conditions of the future. The effort will leverage ARS's Partnerships for Data Innovations, SciNet infrastructure for Big Data, Artificial Intelligence and Machine Learning processing and analytics, Life Cycle Analysis and strengthen data and modeling collaborations with other Agencies and Departments such as the National Oceanic and Atmospheric Administration, the National Aeronautics and Space Administration, and the Department of the Interior.

*Question.* Outside of funding, are there any barriers that would hinder the construction and establishment of the proposed ARS co-located facility?

*Answer.* ARS notes that significant progress is being made and no other significant barriers have been identified at this time.

#### EXTREME DROUGHT

*Question.* The extreme drought that persists across the western U.S. and shows signs of intensifying has wreaked havoc on farming communities, towns, and municipalities across the Western U.S. and some areas east of the Mississippi. One essential tool that USDA and U.S. agriculture producers have benefited from since 1999 is the U.S. Drought Monitor (USDM), produced weekly by the National Drought Mitigation Center (NDMC) at the University of Nebraska Lincoln. Can USDA provide the Committee with the current USDA programs and other Federal and State agencies that use the USDM and early warning science-based NDMC products to inform drought-related decisions?

*Answer.* While USDA cannot speak to USDM usage by other Federal agencies, several States have official drought plans incorporating information provided by the NDMC, including the weekly USDM map and associated statistics. These plans can be found here: <https://drought.unl.edu/planning/DroughtPlans/StatePlans.aspx>.

Congress has also mandated its use as a trigger for the Livestock Forage Disaster Program in the Food, Conservation, and Energy Act of 2008. Other USDA programs that use the USDM as a determinant of eligibility are:

- The Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish Program;
- Fast Track USDA Disaster Designations;
- Emergency Farm Loans; and
- Emergency Haying and Grazing under the Conservation Reserve Program.

A summary of these and other programs providing relief from drought and other natural disasters is here: <https://www.farmers.gov/sites/default/files/2021-10/fsa-usdroughtmonitor-factsheet-21-101521.pdf>.

## PORK PROCESSING CAPACITY

*Question.* I am glad the Department avoided a lapse in the NSIS time-limited trial and subsequent loss in pork processing capacity this spring. I appreciate the efforts you have taken to make gains in meat and poultry processing capacity. I'd urge you to establish the NSIS which allows plants to process hogs at the higher line speed permanently. These plants have been operating in this way for decades now, safely and efficiently. Do you agree we need a permanent solution to ensuring pork line speed? Can you share with us the timing and process for re-establishing this program permanently?

*Answer.* FSIS has contracted with a team of worker safety experts to study the impact of increased line speeds on worker safety at poultry establishments. The agency was able to expand the contract to include swine establishments. In early March 2023, FSIS announced that it was extending the duration of the swine "Time-Limited Trials" (TLTs) until November 30, 2023. This extension will allow the contractors to finalize their report on the swine establishments data, enable the agency to assess the report's findings and conclusions, and to determine future actions, including a potential rulemaking on line speed.

*Question.* Are there funding needs from the Department to ensure a permanent program?

*Answer.* There are no additional funding needs at this time.

## SUBCOMMITTEE RECESS

Senator HEINRICH. And thank you. Thank you both.

And with that, this hearing is adjourned.

[Whereupon, at 11:35 a.m., Wednesday, March 29, the hearing was adjourned, and the subcommittee was recessed, to reconvene at a time subject to the call of the Chair.]