

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RE- LATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2013

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

[The following testimonies were received by the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for inclusion in the record. The submitted materials relate to the fiscal year 2013 budget request for programs within the subcommittee's jurisdiction.]

DEPARTMENTAL WITNESS

PREPARED STATEMENT OF THE FARM CREDIT ADMINISTRATION

Mr. Chairman, Members of the Subcommittee, I am Leland A. Strom, Chairman and Chief Executive Officer of the Farm Credit Administration (FCA or Agency). On behalf of my colleagues on the FCA Board, Kenneth Spearman of Florida and Jill Long Thompson of Indiana, and all the dedicated men and women of the Agency, I am pleased to provide this testimony.

Before I discuss the Agency's role, responsibilities, and budget request, I would like to thank the Subcommittee staff for its assistance during the budget process. Also, I would respectfully bring to the Subcommittee's attention that the funds used by FCA to pay its administrative expenses are assessed and collected annually from the Farm Credit System (FCS or System) institutions we regulate and examine—the FCS banks, associations, and service corporations, and the Federal Agricultural Mortgage Corporation (Farmer Mac). FCA does not receive a Federal appropriation.

Earlier this fiscal year, the Agency submitted a proposed total budget request of \$64,130,601 for fiscal year 2013. FCA's proposed budget for fiscal year 2013 includes funding from current and prior assessments of \$63,300,000 on System institutions, including Farmer Mac. Almost all this amount (approximately 83 percent) goes for salaries, benefits, and related costs.

A key factor driving the fiscal year 2013 budget is the Agency's need to hire and train qualified individuals to replace the many employees who are expected to retire soon. We must ensure that our staff has the skills it needs to address changes in the agricultural industry and the complexities of agricultural finance. Also, changes in the organization and structure of the System itself are presenting challenges. On January 1, 2012, two System banks merged, representing the largest merger in the history of the FCS. As System institutions continue to merge and grow larger and more complex, the Agency must dedicate more resources to examining and overseeing these institutions. The funding we have requested for fiscal year 2013 will allow us to hire and train the people we need to continue to properly examine, oversee, and regulate the System.

MISSION OF THE FARM CREDIT ADMINISTRATION

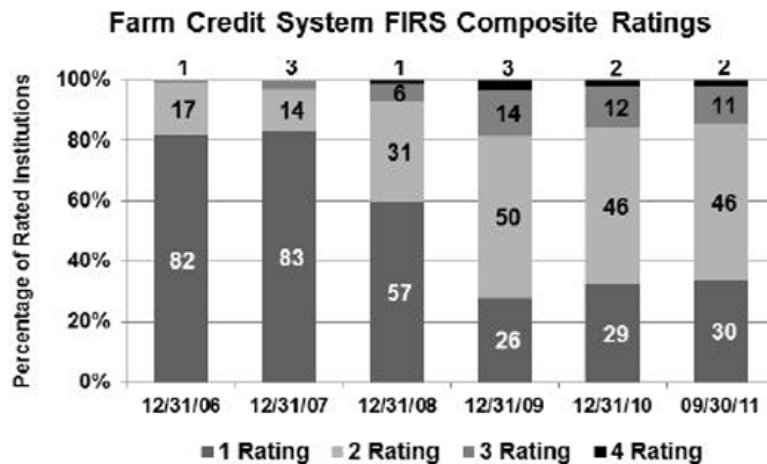
As directed by Congress, FCA's mission is to ensure a safe, sound, and dependable source of credit and related services for agriculture and rural America. The Agency accomplishes its mission in two important ways. First, FCA protects the safety and soundness of the FCS by examining and supervising all FCS institutions, including Farmer Mac, and ensures that the institutions comply with applicable laws and reg-

ulations. Our examinations and oversight strategies focus on an institution's financial condition and any material existing or potential risk, as well as on the ability of its board and management to direct its operations. We also evaluate each institution's compliance with laws and regulations to ensure that it serves all eligible borrowers, including young, beginning, and small farmers and ranchers. If a System institution violates a law or regulation or operates in an unsafe or unsound manner, we use our supervisory and enforcement authorities to take appropriate corrective action. Second, FCA develops policies and regulations that govern how System institutions conduct their business and interact with customers. FCA's policy and regulation development focuses on protecting System safety and soundness; implementing the Farm Credit Act; providing minimum requirements for lending, related services, investments, capital, and mission; and ensuring adequate financial disclosure and governance. The policy development program includes approval of corporate charter changes, System debt issuance, and other financial and operational matters.

EXAMINATION PROGRAMS FOR FCS BANKS AND ASSOCIATIONS

To help ensure the safety and soundness of FCS institutions, FCA uses examination and supervision processes to address material risks and emerging issues at the institution level and across the System. The Agency bases its examination and supervision strategies on institution size, existing and prospective risk exposure, and the scope and nature of each institution's business model. We monitor agricultural, financial, and economic risks that may affect groups of institutions or the entire System. Given the increasing complexity and risk in the System and human capital challenges at FCA, we have undertaken a number of initiatives to improve operations, increase examination effectiveness, and enhance staff expertise in key examination areas.

The frequency and depth of examination activities vary based on risk, but each institution receives a summary of examination activities and a report on its overall condition at least every 18 months. FCS institutions are required to have effective loan underwriting and loan administration processes, to properly manage assets and liabilities, to establish high standards for governance, and to provide transparent disclosures to shareholders. FCA's examination and supervision program promotes accountability in FCS institutions by providing a framework to help institutions identify and manage risks. In addition, FCA is closely watching rapidly rising real estate values in certain sections of the country to ensure that FCS lending practices remain prudent. FCA may use its enforcement powers to effect changes in an institution's policies and practices to correct unsafe or unsound conditions or violations of law or regulations.



Source: FCA's FIRS Ratings Database. The above chart includes only the System banks and their affiliated direct-lender associations. The figures in the bars reflect the number of institutions by FIRS rating.

The Agency uses the Financial Institution Rating System (FIRS) to assess the safety and soundness of each FCS institution. The system provides a framework of

component and composite ratings to help examiners evaluate significant financial, asset quality, and management factors. FIRS ratings range from 1 for a sound institution to 5 for an institution that is likely to fail. As the chart above indicates, the System remains financially strong overall. Institutions are well capitalized, and the FCS does not pose material risk to investors in FCS debt, the Farm Credit System Insurance Corporation, or to FCS institution stockholders.

Although the System's condition and performance remain satisfactory overall, several institutions are experiencing stress and now require special supervision and enforcement actions. Factors causing the stress include weaknesses in the Nation's economy and credit markets, a rapidly changing risk environment in certain agricultural segments, and, in certain cases, management's ineffective response to these risks. We have increased supervisory oversight at a number of institutions and dedicated additional resources in particular to those 13 institutions rated 3 or worse. Although these institutions represent about 2 percent of System assets and do not meaningfully affect the System's consolidated performance, they require significantly greater Agency resources to oversee. As of December 31, 2011, seven FCS institutions were under formal enforcement action, but no FCS institutions are in conservatorship or receivership.

REGULATORY AND CORPORATE ACTIVITIES

Regulatory Activities.—Congress has given the FCA Board statutory authority to establish policy, prescribe regulations, and issue other guidance to ensure that FCS institutions comply with the law and operate in a safe and sound manner. The Agency is committed to developing balanced, flexible, and legally sound regulations. Current regulatory and policy projects include the following:

- Revising regulations to implement the requirements of the Dodd-Frank Act;
- Revising regulations to ensure that FCS funding and liquidity requirements are appropriate and to ensure that the discounts applied to investments reflect their marketability;
- Revising regulations to require that each FCS institution's business plan includes strategies and actions to serve all creditworthy and eligible persons in the institution's territory and to achieve diversity and inclusion in its workforce and marketplace;
- Enhancing our risk-based capital adequacy framework to make it more consistent with the Basel Accord and with that of other Federal financial regulating authorities;
- Revising regulations to enhance System disclosures and compliance requirements for executive compensation, pension, and other benefit programs;
- Strengthening investment-management regulations to ensure that prudent practices are in place for the safe and sound management of FCS investment portfolios;
- Revising regulations to provide guidance on the statutory and regulatory authority related to rural community investments;
- Revising regulations to provide the parameters under which an FCS institution may organize or invest in LLCs, LLPs, and other unincorporated business entities;
- Clarifying and strengthening standards-of-conduct regulations; and
- Revising regulations related to FCS bank and association mergers and consolidations.

Corporate Activities.—Because of mergers, the number of FCS institutions has declined over the years, but their complexity has increased, placing greater demands on both examination staff resources and expertise. Generally, these mergers have resulted in larger, more cost-efficient, and better-capitalized institutions with a broad, diversified asset base, both by geography and commodity. Thus far in fiscal year 2012, two banks have merged, and two associations have merged. In addition, a new service corporation was chartered. As of January 1, 2012, the System had 83 direct-lender associations, four banks, six service corporations, and two special-purpose entities.

CONDITION OF THE FCS

The System remained fundamentally safe and sound in 2011 and is well positioned to withstand the continuing challenges affecting the general economy and agriculture. Total capital increased to \$35.9 billion at September 30, 2011, up from \$33.0 billion a year earlier. In addition, more than 81 percent of total capital is in the form of earned surplus, the most stable form of capital. The ratio of total capital to total assets increased to 15.8 percent at September 30, 2011, compared with 15.0

percent the year before, as strong earnings allowed the System to continue to grow its capital base.

Because of stronger agricultural profits, which reduced the need for farmers to borrow, the System experienced slower loan growth. In total, gross loans grew by 1.3 percent over the 12-month period ended September 30, 2011, compared with 3.9 percent during the previous period. Nonperforming loans decreased modestly to \$3.3 billion at the end of fiscal year 2011, representing 9.2 percent of total capital, down from 11.3 percent a year earlier. However, although credit quality has been improving and is satisfactory overall, volatility in commodity prices, rising input prices, and weaknesses in the general economy pose continued risks to some agricultural operators, creating the potential for a reversal of this trend.

The FCS earned \$3.0 billion in the first 9 months of 2011, a 13.7 percent increase from the same period in 2010. Return on assets remained favorable at 1.7 percent. The System's liquidity position increased from 172 days as of September 30, 2010, to 200 days a year later, remaining significantly above the 90-day regulatory minimum. The quality of the System's liquidity reserves also improved in 2011. Further strengthening the System's financial condition is the Farm Credit Insurance Fund, which holds almost \$3.4 billion. Administered by the Farm Credit System Insurance Corporation, this fund protects investors in Systemwide consolidated debt obligations.

U.S. agriculture just experienced back-to-back years of exceptional profitability. According to U.S. Department of Agriculture estimates, combined net farm income for 2010 and 2011 is 23 percent higher than for 2008 and 2009. Higher farm incomes reflect rising prices for key crops. However, farm prosperity has not been uniform—because of high feed costs, profits were lower for livestock producers than for crop producers. Despite continued financial stress among certain livestock enterprises, such as dairy, farm finances were generally strong going into 2012. While many farmers have significantly increased capital investments, they have done so using excess cash and limited their use of credit. For those farmers borrowing money, they are paying some of the lowest interest rates of their lifetime.

U.S. farm incomes for 2012 may well hinge on the ability of farmers across the globe to expand production enough to alleviate tight world stocks of key crops. Greatly improved weather and higher plantings could turn shortages of key crops such as corn and soybeans into surpluses quickly, thus causing prices to fall. Meanwhile, future world economic growth and, hence, food demand, remains uncertain, as does the exchange value of the dollar and government policies that affect agriculture and energy. As a result, commodity prices will probably remain volatile.

An increasing risk to the farm sector's financial health is the persistent rise in production costs. The surge in farmland prices and rental rates have driven production costs even higher, especially over the past 2 years. This is most notable in the Midwest where corn and soybeans are the main enterprises. In some States, farmland prices now significantly exceed inflation-adjusted records. These prices could drop significantly if grain prices fall or interest rates climb. While the percentage of debt being used to purchase land appears to be modest, FCA continues to closely monitor farmland values and associated risk to loan collateral across the System. In addition, FCA continues to exchange ideas and meet with other banking regulators to determine the most appropriate regulator response to risks associated with rising land values.

The System had full access to the capital markets during 2011, which further increased its overall financial strength and its ability to serve its mission. In addition, as a Government-sponsored enterprise (GSE), the System has benefited from the monetary policies that have helped foster historically low interest rates. Despite continued volatility in the financial markets, investor demand for System debt has remained favorable across the yield curve. Because of low interest rates, the System was able to exercise the options on significant quantities of callable bonds to further reduce the cost of funds. For 2012, the System expects that the capital markets will continue to meet its financing needs.

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

Congress established Farmer Mac in 1988 to establish a secondary market for agricultural real estate and rural housing mortgage loans. Farmer Mac creates and guarantees securities and other secondary market products that are backed by agricultural real estate mortgages and rural home loans, USDA guaranteed farm and rural development loans, and rural utility loans made by cooperative lenders. Through a separate office required by statute (Office of Secondary Market Oversight), the Agency regulates, examines, and supervises Farmer Mac's operations.

Farmer Mac is a GSE devoted to making funds available to agriculture and rural America through its secondary market activities. Under specific circumstances defined by statute, Farmer Mac may issue obligations to the U.S. Treasury Department, not to exceed \$1.5 billion, to fulfill the guarantee obligations on Farmer Mac Guaranteed Securities. Farmer Mac is not subject to any intra-System agreements and is not jointly and severally liable for Systemwide debt obligations. Moreover, the Farm Credit Insurance Fund does not back Farmer Mac's securities.

Farmer Mac made financial progress during fiscal year 2011. Although GAAP net income was down from 2010, this decline was largely the result of unrealized gains and losses; however, core earnings, a measure based more on cash flow, was up by 50 percent. As of September 30, 2011, Farmer Mac's core capital totaled \$461.3 million, which exceeded its statutory requirement of \$336.6 million. The result is a capital surplus of \$124.7 million, down from \$183.2 million as of September 30, 2010. The total portfolio of loans, guarantees, and commitments grew 3.2 percent to \$11.8 billion.

Farmer Mac's program-business portfolio shows stress in certain subsectors, but credit risk remains manageable. Stress in the ethanol industry, as well as certain crop and permanent planting segments, contributed to an increase in the nonperforming loan rate. The nonperforming loan rate was 1.46 percent at September 30, 2011, compared with 1.86 percent a year earlier. Loans more than 90 days delinquent decreased from 1.53 percent at September 30, 2010, to 1.02 percent a year later.

Regulatory activity in 2012 that will affect Farmer Mac includes an interagency joint final rulemaking to implement provisions of the Dodd-Frank Act relating to capital and margin requirements for over-the-counter derivatives that are not cleared through exchanges; a final rulemaking on nonprogram investments and liquidity at Farmer Mac; a proposed rulemaking to amend regulatory requirements governing operating and strategic planning; and a proposed rulemaking to amend the Risk-Based Capital Stress Test to reduce its reliance on credit ratings.

CONCLUSION

We at FCA remain vigilant in our efforts to ensure that the Farm Credit System and Farmer Mac remain financially sound and focused on serving agriculture and rural America. It is our intent to stay within the constraints of our fiscal year 2013 budget as presented, and we continue our efforts to be good stewards of the resources entrusted to us. In addition to appointing a Performance Improvement Officer, we have met all of the other requirements of the GPRA Modernization Act that apply to our Agency. Our Budget Proposal identifies our goals and the performance measures we have developed to help ensure that we use our resources judiciously. While we are proud of our record and accomplishments, I assure you that the Agency will continue its commitment to excellence, effectiveness, and cost efficiency and will remain focused on our mission of ensuring a safe, sound, and dependable source of credit for agriculture and rural America. This concludes my statement. On behalf of my colleagues on the FCA Board and at the Agency, I thank you for the opportunity to share this information.

NONDEPARTMENTAL WITNESSES

PREPARED STATEMENT OF THE AD HOC COALITION

Mr. Chairman, Members of the Subcommittee, this statement is respectfully submitted on behalf of the ad hoc coalition composed of the organizations listed below. The coalition supports sustained funding for our Nation's food aid programs, including the Public Law 480 Title II Food for Peace Program, McGovern-Dole International Food for Education, and Food for Progress. We strongly oppose USDA's proposal to divert funding away from Food for Peace.

Food Aid's Unique Role

The donation of American commodities as food aid has been the cornerstone of U.S. and global foreign assistance programs since their inception, and the need for food aid today is stronger than ever. According to USDA's Economic Research Service, 12 million metric tons of commodities are needed each year to fill food gaps in the 70 most food insecure countries. Food aid, delivered in bags bearing the U.S. flag marked "From the American People" provides a tangible symbol of our Nation's generosity and compassion and builds good will toward the American people.

In recent years, opponents of food aid programs have argued that they are not being administered efficiently, and that we should therefore just transfer these programming funds over to USAID's Emergency Food Security Program (EFSP).

Through a variety of reforms, such as prepositioning commodities and application of the Famine Early Warning System, the speed of delivery and accuracy of food aid targeting has been dramatically improved in recent years, leading USAID Administrator Shah to announce last summer that the United States is now the fastest provider of food assistance at times of crisis and emergency. Rather than abandon the demonstrated, life-saving benefits of U.S.-sourced food aid, we should work together across agencies, and across stakeholders, to apply American ingenuity to these programs, and continue to make them the best, most efficient programs they can be while still preserving their unique benefits overseas and here at home.

In contrast to most other foreign assistance programs which just send money overseas, food aid also provides direct economic benefits here at home. U.S. food aid programs not only further our humanitarian and security goals by allowing Americans to share their bounty with the needy, but these programs also provide stable jobs for hundreds of thousands of Americans in our farming, processing, and shipping economic sectors.

Diversion of Food Aid Funding for Cash Donations

The U.S. Department of Agriculture's proposed fiscal year 2013 budget includes a request to divert \$66 million in funding away from Food for Peace, instead adding it to the \$300 million already designated for USAID's EFSP.

Mr. Chairman, we are concerned that this back-door diversion of funding will further weaken the Food for Peace Program, which has suffered extraordinary cuts in recent years. Although the program is authorized at \$2.5 billion, funding has fallen in recent years and the current requested level is only \$1.4 billion. This proposal is a replay of USDA's proposals for fiscal year 2007–2009, which would have given authority to USAID to use Food for Peace funding for the purchase of foreign or "local and regional" commodities at its discretion. The U.S. Government and its global partners already have significant cash amounts for local and regional purchases when it is necessary and appropriate. Especially in light of the recent cuts to Title II, it is our belief that the present funding level of EFSP does not need a further infusion of scarce Title II funds. We respectfully request that this Subcommittee again reject USDA's proposal, and preserve the integrity of the Food for Peace program.

Conclusions and Recommendations

We respectfully recommend that our food aid programs continue to be funded at responsible, sustainable levels. The Public Law 480 Food for Peace Program is the world's most successful foreign assistance program, has saved countless lives, and has provided valuable jobs to the American people, who take pride in their tangible commitment to relieving global hunger. Its straightforward delivery of American food to the hungry fills a clear and immediate need overseas, and its unique architecture has made it a successful program here at home that has endured for over fifty years. Therefore, we respectfully recommend that USDA's request to siphon money away from Food for Peace be denied as it was in prior years.

America Cargo Transport Corp.	North American Millers' Association
American Maritime Congress	National Corn Growers Association
American Maritime Officers	National Council of Farmer Cooperatives
American Maritime Officers' Service	National Potato Council
APL Limited	National Sorghum Producers
American Soybean Association	Sailors' Union of the Pacific
Central Gulf Lines, Inc.	Seafarers International Union
Hapag-Lloyd USA, LLC	Sealift, Inc.
International Organization of Masters, Mates & Pilots	Transportation Institute
Liberty Maritime Corporation	United Maritime Group, LLC
Maersk Line, Ltd.	U.S. Dry Bean Council
Marine Engineers' Beneficial Association	U.S. Wheat Associates, Inc.
Maritime Institute for Research and Industrial Development	USA Dry Pea & Lentil Council
National Association of Wheat Growers	USA Maritime
	USA Rice Federation
	Waterman Steamship Corporation

PREPARED STATEMENT OF THE AMERICAN COMMODITY DISTRIBUTION ASSOCIATION

On behalf of the American Commodity Distribution Association (ACDA), I respectfully submit this statement regarding the budget request of the Food and Nutrition Service for inclusion in the Subcommittee's official record. ACDA members appreciate the Subcommittee's support for these vital programs.

We urge the subcommittee to fully fund administrative expense funding for the Emergency Food Assistance Program (TEFAP) at \$100 million; to make TEFAP food purchase dollars available for 2 fiscal years; to approve the administration's budget request of \$186,935,000 for the Commodity Supplemental Food Program (CSFP) and provide an increase of \$5 million to begin operations in six additional States approved by USDA, and to evaluate alternative approaches for the Department of Defense Fresh Program.

ACDA is a nonprofit professional trade association, dedicated to the growth and improvement of USDA's Commodity Food Distribution Program. ACDA members include: State agencies that distribute USDA-purchased commodity foods; agricultural organizations; industry; associate members; recipient agencies, such as schools and soup kitchens; and allied organizations, such as anti-hunger groups. ACDA members are responsible for distributing over 1.5 billion pounds of USDA-purchased commodity foods annually through programs such as National School Lunch Program, the Emergency Food Assistance Program (TEFAP), Summer Food Service Program (SFSP), Commodity Supplemental Food Program (CSFP), Charitable Institution Program, and Food Distribution Program on Indian Reservations (FDPIR).

Fully Fund TEFAP Administrative Funds at \$100 Million

We urge the subcommittee to fully fund TEFAP Administrative Funds at \$100 million.

Food banks around the Nation are in great need. The number of Americans who are turning to food banks for assistance continues to increase. The Congress appropriated \$74.5 million for TEFAP Administrative Funds in fiscal year 2010 including ARRA funds, \$49.401 million in fiscal year 2011, and \$48 million in fiscal year 2012. While these resources have been used responsibly, and are sincerely appreciated, food banks around the country are finding that operating expenses are increasing while private sector donations are decreasing. They have had to increasingly depend upon converting food dollars to administrative expense funds in order to maintain their operations.

Donations to food banks are declining as many individuals and businesses no longer have the ability to be as supportive as they had been in the past. ACDA members tell us that unless TEFAP expense funds are restored to at least the fiscal year 2010 level, they will have to accept less food to reduce shipping/warehousing expenses, and will likely have to cut reimbursement to local distributors. These reimbursements are essential to maintaining distribution sites, especially in rural distribution sites. In fact, this past year Minnesota was not able to reimburse food bank warehouses for the storage and distribution costs. New Mexico had to restrict food deliveries to remote locations, and had to reduce paid staff by not hiring replacement employees.

Make TEFAP Food Dollars Available for 2 Fiscal Years

We urge the subcommittee to make TEFAP food dollars available for 2 fiscal years, as was done under ARRA.

ACDA officials have met with FNS and AMS personnel to explore ways to improve the ordering of TEFAP foods. While the agencies of the Department of Agriculture work closely with food banks to provide as much food for distribution as possible, there are occasions when food dollars are at jeopardy through no fault of recipient agencies. If food orders are cancelled by either USDA or vendors for any reason near the end of the Federal fiscal year, State agencies must either purchase whatever items might be available through USDA, or lose these end-of-year balances. We are pleased that Under Secretary for Food, Nutrition and Consumer Services Kevin Concannon told the Subcommittee on February 28 that USDA would support making TEFAP food dollars available for a 2 year period.

At the end of fiscal year 2011, Minnesota was at risk of losing \$70,000. Connecticut had nearly \$69,000 at risk. Other States had similar experiences at a time when private donations are fewer, and when available food dollars result in lower food volumes due to higher prices.

As we did last year, we respectfully point out to the subcommittee that when ARRA was passed, TEFAP food dollars were allowed to be carried over from fiscal year 2009 to fiscal year 2010. This procedure helped food bank operators to make responsible decisions and to take maximum advantage of available resources.

We urge the committee to make TEFAP food dollars available for 2 years, and urge the Secretary of Agriculture to allow those States who made responsible efforts to use their TEFAP Food dollars to roll over to the next fiscal year balances unexpended through no fault of the TEFAP operator.

Funding for the Commodity Supplemental Food Program

ACDA supports the fiscal year 2013 budget request of \$186,935,000 for the Commodity Supplemental Food Program (CSFP), and urges the Committee provide an additional \$5 million to begin CSFP operations in six States that now have USDA-approved State plans—Connecticut, Hawaii, Idaho, Maryland, Massachusetts and Rhode Island. This additional funding would make CSFP available in 45 States. CSFP overwhelmingly serves elderly individuals, many of whom are homebound. States currently operating CSFP requested 116,350 additional caseload slots for the current program year, clearly showing the need for this program.

ACDA Requests the Evaluation of Alternative Approaches for DOD Fresh

There is broad consensus that improving the nutritional well-being of Americans, particularly children, includes increasing fruit and vegetable consumption, including fresh items. USDA's commodity program is constrained in its ability to distribute fresh foods.

However, in the 1990s the Department developed a partner relationship with the Department of Defense to utilize some of the Federal commodity entitlement for school meal programs to allow school districts to purchase through the DOD distribution system. This program, DOD Fresh, was very successful.

Changes in the DOD procurement and distribution program which have outsourced these procurement activities have had a deleterious effect on the school program. This change has also created a situation where each school that participates must pay a fee to access the DOD secure ordering system.

We once again ask the Committee to direct the Secretary to evaluate alternative approaches for replacing DOD Fresh including, but not limited to, developing an analog program through the Agricultural Marketing Service, and report back to the Committee on these options.

We look forward to continuing to partner with you and USDA in the delivery of these needed services.

PREPARED STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION

The American Farm Bureau Federation has identified the following nine areas for funding in the fiscal year 2013 Agriculture spending bill:

- Programs that promote animal health;
- Programs that promote conservation;
- Programs that expand export markets for agriculture;
- Programs that enhance and improve food safety and protection;
- Programs that ensure crop protection tools;
- Programs that further develop renewable energy;
- Programs that strengthen rural communities;
- Programs that support wildlife services; and
- Research priorities.

Farm Bureau strongly opposes any cuts to funding of the farm safety net. The farm bill discussion has begun, and the House and Senate Agriculture Committees should continue to have the primary responsibility to ensure farmers and ranchers have a viable farm safety net.

Programs That Promote Animal Health

Farm Bureau supports a \$5.3 million increase for the Animal and Plant Health Inspection Service (APHIS) to a total of \$14 million for voluntary Animal Disease Traceability (ADT). The ADT program requires strong Government oversight on the expenditure of funds and is essential for animal health.

Farm Bureau supports \$4.79 million for the Veterinary Medicine Loan Repayment Program (VMLRP) administered by the Department of Agriculture (USDA) National Institute for Food and Agriculture (NIFA). VMLRP veterinarians ensure animal health and welfare, while protecting the Nation's food supply.

Farm Bureau supports \$123.4 million for the Food and Drug Administration (FDA) Center for Veterinary Medicine (CVM). The CVM oversees the safety of animal drugs, feeds and biotechnology-derived products.

Programs That Promote Conservation

Farm Bureau supports funding for conservation programs but prioritizes working lands programs over retirement-type programs. Farmers and ranchers have made great strides in conserving our natural resources, and these gains can continue through working lands programs.

Programs That Expand International Markets for Agriculture

Farm Bureau supports funding at authorized levels for:

- The Foreign Agricultural Service (FAS) to maintain services that expand agricultural export markets. Farm Bureau urges continued support for the Office of the Secretary for trade negotiations and biotechnology resources.
- The Market Access Program, Foreign Market Development Program, Emerging Markets Program and Technical Assistance for Specialty Crops Program that are effective export development and expansion programs. These programs have resulted in increased demand for U.S. agriculture and food products abroad and should be fully funded. Public Law 480 programs which serve as the primary means by which the United States provides needed foreign food assistance through the purchase of U.S. commodities.
- The APHIS Plant Protection and Quarantine personnel and facilities, especially the plant inspection stations, which are necessary to protect U.S. agriculture from costly pest problems that enter the United States from foreign lands.
- APHIS trade issues resolution and management activities that are essential for an effective response when other countries raise pest and disease concerns (i.e., sanitary and phytosanitary measures) to prohibit the entry of American products.
- APHIS Biotechnology Regulatory Services (BRS), which oversees the permit, notification and deregulation process for plant biotechnology products. BRS personnel and activities facilitate agriculture innovation, and ensure public confidence and international acceptance of biotechnology.

Farm Bureau supports continued funding for the U.S. Codex Office. Active U.S. participation in the Codex Alimentarius Commission is essential to improving the harmonization of international, science-based standards for the safety of food and agriculture products.

Programs That Enhance and Improve Food Safety and Protection

Farm Bureau recommends that adequate funding for food protection at the FDA and Food Safety Inspection Service (FSIS) be directed to the following priorities:

- Increased education and training of inspectors;
- Additional science-based inspection, targeted according to risk;
- Effective inspection of imported food and feed products;
- Research and development of scientifically based rapid testing procedures and tools; Accurate and timely responses to outbreaks that identify contaminated products, remove them from the market and minimize disruption to producers; and
- Indemnification for producers who suffer marketing losses due to inaccurate Government-advised recalls or warnings.

Farm Bureau supports funding for a National Antimicrobial Residue Monitoring System (NARMS) to detect trends in antibiotic resistance. NARMS protects human and animal health through integrated monitoring of antimicrobial resistance among foodborne bacteria. Farm Bureau requests that Congress direct that stakeholder involvement and industry input be a priority in the ongoing Federal review.

Farm Bureau supports funding for the Food Animal Residue Avoidance Databank (FARAD) at the authorized level of \$2.5 million. FARAD aids veterinarians in establishing science-based recommendations for drug withdrawal intervals. No other Government program provides or duplicates the food safety information FARAD provides to the public.

Farm Bureau opposes the administration's request for new user fees for inspection activities. Food safety is for the public good, and as such, it is a justified use of public funds.

Programs That Ensure Crop Protection Tools

Farm Bureau supports maintaining \$12 million for Minor Crop Pest Management (IR-4) within NIFA Research and Education Activities. Developing pest control tools has high regulatory costs, and public support has been needed to ensure that safe and effective agrichemicals and biopesticides are available for small, orphan markets. The IR-4 Project facilitates Environmental Protection Agency registration of safe and effective pest management technologies where the private sector is unable to cover regulatory cost.

Farm Bureau supports maintaining funding to the National Agricultural Statistical Service (NASS), specifically for the continuation of agricultural chemical-use surveys for fruits, vegetables, floriculture and nursery crops. NASS surveys provide data about the use of agricultural chemicals involved in the production of food, fiber and horticultural products.

Programs That Support the Development of Renewable Energy

Farm Bureau supports funding for the Renewable Energy for America Program (REAP). REAP offers grants, guaranteed loans and combination grant/guaranteed loans for agricultural producers to purchase renewable energy systems and energy efficiency improvements, as well as offers funding for energy audits and feasibility studies.

Farm Bureau supports funding for the Biomass Crop Assistance Program (BCAP). BCAP provides vital financial assistance to farmers who produce and transport eligible biomass feedstocks and helps growers meet the capital-intensive costs of establishing new crops and delivering them to market.

Programs That Strengthen Rural Communities

Farm Bureau supports USDA implementing a regional approach to give its Rural Development (RD) programs greater flexibility and promote innovation in rural regions.

Farm Bureau supports maintaining the funding at authorized levels for:

- The Value-Added Agricultural Producer Grants, Rural Innovation Initiative, Rural Microentrepreneur Assistance Program, and Business and Industry Direct and Guaranteed Loans, which all foster business development in rural communities.
- Rural Utilities Service for rural broadband and telecommunications services, and the Distance Learning and Telemedicine Program.
- The Revolving Fund Grant Program for acquiring safe drinking water and sanitary waste disposal facilities.
- The Resource Conservation and Development Program, which helps local volunteers create new businesses, form cooperatives and develop agri-tourism activities.
- The Beginning Farmer and Rancher Development Program, which provides participants with the information and skills needed to make informed decisions for their operations.
- Agriculture in the Classroom, a national grassroots program coordinated by USDA, which helps students gain greater awareness of the role of agriculture in the economy and society.

Programs That Support Wildlife Service

Farm Bureau supports maintaining the funding level for Wildlife Service programs. Wildlife Service works to prevent and minimize an estimated \$1 billion worth of wildlife damage, while protecting human health and safety from conflicts with wildlife.

Research Priorities

Agricultural research is vital, particularly research focused on meeting the growing challenges of production agriculture. The United Nations' Food and Agriculture Organization predicts that farmers will have to produce 70 percent more food by 2050 to feed an additional 2.3 billion people around the globe. America's farmers are the most efficient in the world, but without a commitment to further agricultural research and technological advancement, even America's farmers could be hard-pressed to meet these challenges.

PREPARED STATEMENT OF THE AMERICAN FOREST & PAPER ASSOCIATION

Introduction

The American Forest & Paper Association (AF&PA) is the national trade association of the forest products industry, representing pulp, paper, packaging and wood products manufacturers, and forest landowners. Our companies make products essential for everyday life from renewable and recyclable resources that sustain the environment.

The forest products industry accounts for approximately 5 percent of the total U.S. manufacturing GDP. Industry companies produce about \$190 billion in products annually and employ nearly 900,000 men and women, exceeding employment levels in the automotive, chemicals and plastics industries. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 States. Within the jurisdiction of this subcommittee, continued resources for protecting forest health and providing adequate resources to enforce existing trade laws are essential. Specific recommendations follow.

Food and Drug Administration—Food Contact Notification Program

AF&PA supports continued funding of the Food Contact Notification Program.—The Food Contact Notification (FCN) program protects consumer health, food safety and quality while providing packaging manufacturers with an efficient process that is less burdensome than the food additive approval process. It has allowed packaging manufacturers to bring new, more environmentally friendly products to market that have extended product shelf life, thereby increasing consumer value.

As Congress begins work on appropriations legislation for FDA in the coming weeks, we would like your support and assistance in ensuring that robust funding is included in the appropriations bills for the Center for Food Safety and Applied Nutrition, and that Congress expresses its intention to continue the operation of the FCN program. AF&PA appreciates that the subcommittee has previously rejected proposals to eliminate the FCN program.

Animal and Plant Health Inspection Service (APHIS)—Lacey Act Enforcement

AF&PA supports \$5.5 million to provide for implementation of the declaration requirement of the Lacey Act, as amended by the 2008 farm bill.—The 2008 farm bill amended the Lacey Act (16 U.S.C. 3371 et seq.) to make it unlawful to trade wood products or other plants taken in violation of the laws of either a U.S. State or foreign country. This ground-breaking legislation already is beginning to influence the way companies make sourcing decisions and monitor their supply chains. Full and effective implementation and enforcement of the Lacey Act will enable American forest product companies to compete fairly in the global marketplace, help keep jobs in the United States, deter the destructive impacts of illegal logging on forests and forest-dependent communities in developing countries, and reinforce initiatives to mitigate climate change.

When fully implemented, the law requires U.S. importers of wood and wood products to file a declaration identifying the genus/species name and country of harvest—a critical measure intended by the law's sponsors to increase supply chain transparency and assist Federal agencies in fair and strong enforcement. The prohibition and the declaration requirement affect a wide array of American industries, so it is critical that the declaration process generates data in a streamlined, cost-effective manner without unduly burdening legitimate trade. To that end, APHIS—which is responsible for implementing the declaration provision—needs \$5.5 million in funding to fully implement congressional mandates, including to establish an electronic declarations database and to add internal capacity to perform data analysis needed for monitoring and enforcement purposes.

APHIS—Plant Pests

AF&PA recommends maintaining at least fiscal year 2012 funding of \$56 million for the “Tree and Wood Pests” category to aid in combating these, and other pests and diseases.—As world trade continues to expand, global weather patterns shift, and an increasingly affluent world population has the ability to travel to—and demand products from—the far corners of the globe, the inadvertent, yet inevitable introduction of nonnative pests and diseases into the United States continues. Additional funding is vitally needed to aid in combating pests such as the Asian long-horn beetle, the Emerald Ash borer, and the Sirex woodwasp, as well as diseases such as *Phytophthora ramorum*. These are but a sampling of the diseases that harm commercial timber stands, community parks, and private forest landowners. American citizens most certainly will bear the cost of combating these and other emergent threats. We believe a comprehensive, coordinated response to each is more effective and more economical.

National Institute of Food and Agriculture—McIntire-Stennis Cooperative Forestry Research

AF&PA requests \$33 million for the McIntire-Stennis Cooperative Forestry Research Program.—Approximately one-third of the United States is forested and these forests enhance our quality of life and economic vitality and are an invaluable source of renewable bioproducts, outdoor recreation, clean water, fish and wildlife habitat, and carbon sequestration. Sustaining these forests in a healthy and productive condition requires a strong, continuing commitment to scientific research and graduate education. Foundational financial support for university-based forestry research and graduate education comes from the McIntire-Stennis Cooperative Forestry program, funded through the USDA's National Institute of Food and Agriculture. Funds are distributed according to a statutory formula to each of the 50 States, Puerto Rico, Guam, and the Virgin Islands, with a dollar-for-dollar match required from the States.

Additional funding is needed to:

- Provide the additional scientific research needed to address critical forest issues such as fires, storms, insects, diseases, urbanization, fragmentation, and lost economic opportunities.
- Develop new knowledge and innovations to sustain healthy, productive forests and address the challenges facing forest owners, forest products manufacturers and all Americans who benefit from our forest resources.
- Support research capacity within each State to address issues that are essential to private forest owners, and develop new opportunities for economic benefit from their forests.

PREPARED STATEMENT OF THE AMERICAN HONEY PRODUCERS ASSOCIATION, INC.

Chairman Kohl and Members of the Subcommittee, my name is Mark Jensen, and I currently serve as President of the American Honey Producers Association (AHPA). I am pleased today to submit the following statement on behalf of the AHPA, a national organization of commercial beekeepers actively engaged in honey production and crop pollination throughout the country. The purpose of this statement is to bring to your attention the continued threats faced by American beekeepers and the billions of dollars in U.S. agriculture that rely upon honeybee pollination services. With those threats in mind, we respectfully request an appropriation that meets the needs anticipated by the 2008 farm bill for research funds to combat CCD and to conduct other essential honeybee research through the Agricultural Research Service (ARS) and other agencies at the Department of Agriculture, including at least \$11.7 million for bee research at the ARS Honeybee Research Laboratories. And we specifically request that funds and personnel not be diverted from the essential ARS Honeybee Research Laboratory in Weslaco, Texas, which for reasons given below would jeopardize highly valuable research at a critical time for America's beekeepers.

Honeybees are an irreplaceable part of the U.S. agricultural infrastructure. Honeybee pollination is critical in the production of more than 90 food, fiber, and seed crops and directly results in more than \$15 billion in U.S. farm output. One key example is the almond crop. California grows 100 percent of the Nation's almonds and supplies 80 percent of the world's almonds, all of which are 100 percent pollinated by managed bees. Nearly half of the managed colonies in the United States are transported each year from other parts of the country to pollinate those almonds. In addition to this clear commercial benefit, honeybees are also vital to the health of all Americans given the dietary importance of such diverse pollinated crops as almonds, apples, oranges, melons, blueberries, broccoli, tangerines, cranberries, strawberries, vegetables, alfalfa, soybeans, sunflower, and cotton, among others. In fact, honeybees pollinate about one-third of the human diet.

With this in mind, a threat to the existence of managed American honeybees is a threat to all Americans. And unfortunately, the American honeybee continues to face a number of significant threats. While not specifically a topic of relevance for congressional appropriators, complex circumvention and customs fraud schemes continue to disadvantage the American honey producer, stress pollinated crops and even threaten the health and safety of consumers. Producers struggle under the impact of increasingly divergent market prices—one price for legitimate honey and another rock bottom price for illegally transshipped honey. The direct result of these divergent prices is a rapidly shrinking domestic market share for American producers. The shrinking domestic share has, in turn, diminished the available supply of managed bee colonies necessary to pollinate U.S. agriculture, and it has placed American consumers at risk due to increasing volumes of low-cost, often adulterated, food products entering uninspected into the Nation's food supply.

This substantial trade threat is layered on top of the industry's ongoing battle against Colony Collapse Disorder (CCD), a phenomenon that since 2006 has ravaged bee colonies across the United States, moving from one hive to another in unpredictable patterns and causing the death of up to 90 percent of the bee colonies in affected apiaries. The National Research Council at the National Academy of Sciences has, as a result of CCD, characterized the beekeeping industry as being in "crisis mode"—a point echoed and re-emphasized in a USDA action plan regarding honeybee threats. And hundreds of news articles and many in-depth media reports have continued to chronicle the looming disaster facing American beekeepers and the producers of over 90 fruit, vegetable and fiber crops that rely on honeybee pollination.

Unfortunately, despite extensive and coordinated work by experts from Government, academia and the private sector, the definitive causes of and solutions for CCD have yet to be identified. The research is complex, as there are a wide range of factors that—either alone or in combination—may be causes of this serious condi-

tion, including stress from the cross-country movement of bees for commercial pollination, stress of pollinating crops, and the impact of certain crop pesticides and genetic plants with altered pollination characteristics. Continuing infestations of the highly destructive Varroa mite, combined with other pests and mites, are also thought to compromise the immune systems of bees and may leave them more vulnerable to CCD. At the same time, researchers will need to focus on the many reported instances in which otherwise healthy, pest-free, stationary bee colonies are also suffering collapse or problems with reproduction.

AHPA, other industry officials, and leading scientists believe that an important contributing factor in the current CCD crisis is the longstanding, substantial underfunding of U.S. bee research, resulting in an inadequate capacity to respond to new research challenges and to take long-term steps to assure honeybee health. In recent years, honeybee research has become overly confined to four ARS laboratories that, while providing the first line of defense against exotic parasitic mites, Africanized bees, viruses, brood diseases, pests, pathogens and other conditions, simply cannot be expected to handle the full range of honeybee research challenges at current funding levels. At the same time, universities and the private sector, despite their ability to provide significant and innovative new research on emerging bee threats, have scaled back their efforts due to a lack of available funds.

In recent years, the Federal Government has spent very modest amounts at each ARS Honeybee Research Laboratory—for a sector that contributes \$15 billion per year to the U.S. farm economy and exponentially more to ensuring ecological balance and a healthy human diet. Worse still, with the emergence of CCD, funding amounts have not been increased commensurate with growing bee health concerns, resulting in a serious gap between the threats faced by U.S. honeybees and the capacity of our researchers to respond. Closing this gap will require significant new resources. To give a sense of this cost, it is estimated that each new scientist, technician and the support materials that they need will cost an additional \$500,000 per year. Many new scientists are needed.

To address these challenges, the AHPA respectfully requests funding consistent with authorizations provided in the 2008 farm bill. Specifically, the funds should be divided among the following Department of Agriculture agencies and programs: (1) the four ARS Bee Research Laboratories for new personnel, facility improvement, and additional research; (2) the Animal and Plant Health Inspection Service to conduct a nationwide honeybee pest and pathogen surveillance program; (3) the ARS Area Wide CCD Research Program divided between the Beltsville, Maryland and the Tucson, Arizona research laboratories to identify causes and solutions for CCD in affected States; (4) the NIFA to fund extension and research grants to investigate the following: honey bee biology, immunology, and ecology; honey bee genomics; native bee crop pollination and habitat conservation; native bee taxonomy and ecology; pollination biology; sub-lethal effects of insecticides, herbicides, and fungicides on honey bees, native pollinators, and other beneficial insects; the effects of genetically modified crops, including the interaction of genetically modified crops with honey bees and other native pollinators; honeybees, bumblebees, and other native bee parasites and pathogens' effects on other native pollinators; and (5) the additional ARS research facilities in New York, Florida, California, Utah, and Texas for research on honeybee and native bee physiology, insect pathology, insect chemical ecology, and honeybee and native bee toxicology.

Unfortunately, it has come to our attention that ARS, in a unique decision to try and achieve false savings, is planning in fiscal year 2013 to close the Weslaco ARS research facility, including the ARS Honeybee Research Laboratory—perhaps the newest and best of the four honeybee research laboratories in terms of practical, near term results achieved. Our understanding is that funds currently dedicated to the Weslaco honeybee research function would be “re-directed” to honeybee research currently conducted in Beltsville, Maryland, and Tucson, Arizona.

The AHPA strongly opposes the decision to close the Weslaco Honeybee Research Laboratory. While we appreciate that ARS intends to maintain and re-direct funds rather than terminate the research function entirely, it is important to note that each of the four ARS Honeybee Research Laboratories focuses on different problems facing the U.S. honey industry and undertakes research that is vital to sustaining honey production and assuring essential pollination services in this country. And each of the four ARS Honeybee Research Laboratories has unique strengths and is situated and equipped to support independent research programs which would be difficult, and in many cases impossible, to conduct elsewhere. This is particularly true of the Weslaco laboratory.

Thus, given the multi-factor research capacity needed to address the scourge of CCD and the unique contributions made by each of the four laboratories, the AHPA urges Congress to permit Weslaco and each of the other ARS Honeybee Research

Laboratories to continue and expand upon their unique strengths in their respective geographic locations. For the following reasons, the AHPA believes that maintaining the laboratory in Weslaco is in the best overall interest of our Nation's honeybee research agenda:

- Personnel.*—ARS, in its plan to re-direct funds from the Weslaco Honeybee Research Laboratory, does not account for the loss of highly skilled personnel. While ARS appears to believe that the scientific staff in Weslaco are replaceable, we believe this ignores that honeybee research is a unique study with a limited number of dedicated scientists worldwide. Further, even assuming ARS could replace some or all of the scientists, valuable time and years of practical and scientific knowledge and experience will be lost. In fact, some of the key personnel at Weslaco have already resigned or opted for retirement out of concern that the ARS plan for re-direction of funds will come to fruition. And finally, since the ARS plan would re-direct funding to other laboratories with existing research leaders, the result will likely be the loss of a research leader position—a position typically reserved for distinguished scientists. Each research leader position lost diminishes our capacity to attract world class scientific talent to honeybee research.
- Mission.*—The Weslaco Honeybee Research Laboratory's mission is to research ways to implement integrated pest management principles. As discussed above, each of the four ARS laboratories has a unique focus. Weslaco is the only honeybee laboratory dedicating a significant amount of time, money and expertise to honeybee pest, parasite and disease management—an absolutely necessary endeavor if we intend to preserve colony strength while awaiting the results of research initiatives at other laboratories aimed at longer-term solutions for the same problems. In short, the Weslaco laboratory is the front-line defense. The others represent longer-term hope. For example, in cooperation with pharmaceutical and chemical manufacturing companies, Weslaco scientists have played a key role in bringing to market all of the major chemical controls that have successfully mitigated damage that would otherwise be caused by Varroa destructor mites. If the honeybee research laboratory at Weslaco is re-located as proposed, its research focus will necessarily be altered, and possibly even lost since the other laboratories do not have expertise in the same area of research. We cannot afford to take that risk at this particularly challenging time.
- Cost.*—If implemented, the ARS plan will produce an overall cost increase for the agency's honeybee research program instead of serving as an austerity measure. The Weslaco Honeybee Research Laboratory will realize increased costs associated with travel and other administrative inefficiencies that will be necessary if ARS wishes to continue the current Weslaco research agenda—an agenda that relies on particular geographic and climate qualities not found in Beltsville, Maryland or Tucson, Arizona. Additionally, the receiving facilities will be burdened with new administrative responsibilities and demands for space. Restructuring any research facility requires time and funding. The ARS facilities are no exception. The fiscal year 2012 Senate Appropriations Committee report included the following language: “[W]hile the Committee understands the need to continually look for ways to increase efficiency and improve research outcomes, laboratory closures often cost money in the short-term and do not necessarily provide real savings. Therefore, the Committee directs ARS to evaluate its capital asset requirements for necessary coordination with ongoing and emerging research opportunities. As part of this evaluation, ARS should provide opportunity for public comment in order to incorporate the priorities of all interested stakeholders, including ARS and other scientists, and users of ARS data. Finally, in future budget requests, the Committee directs ARS to identify any costs associated with any proposed laboratory closures, including decommissioning, relocation or other effects on employees, and any other additional costs.” Unfortunately, the ARS plan to re-direct funding does not appear to account for the added costs discussed above and contemplated by Congress just a year ago. Further, while they have communicated with certain stakeholders, ARS has failed to provide formal notice and afford appropriate time for public comment by those most affected by its decision. And finally, ARS has not, to our knowledge, identified “costs associated with any proposed laboratory closures, including decommissioning, relocation or other effects on employees, and any other additional costs.”
- Climate.*—The research currently conducted at the Weslaco Honeybee Research Laboratory relies on more than 450 research-quality bee colonies located near the facility. The scientists at Weslaco have access to such a large bee supply due in substantial part to the unique climate and habitat afforded by the laboratory's Weslaco, Texas location. Taken together, the warm climate and ample

scrub brush ranch land combine for an optimal breeding ground and year-round research—a combination that neither the Beltsville, Maryland or Tucson, Arizona can offer.

—*Quality and Divisibility of Facility.*—As a practical matter, closing the Weslaco Honeybee Research Laboratory is unnecessary. As discussed above, the laboratory at Weslaco is among the best and newest in the country, and it remains an ideal geographic location for honeybee research. While we acknowledge that ARS maintains other agricultural research laboratories on the same campus, known collectively as the Kika de la Garza Subtropical Agricultural Research Center, and that those other laboratories are also targeted for closure, we note that the property is easily divisible and that closure of one lab does not necessitate closure of another. Each laboratory on the Weslaco campus operates in a separate building with considerable distance between buildings. Further, each laboratory has its own independent scientific and administrative staff. Thus, ARS can easily close and lease or sell other agricultural research laboratories located on the Weslaco campus without disturbing the important work conducted by the honeybee laboratory. Indeed, this makes good sense given that the ARS plan is to both close and eliminate funding for those other laboratories whereas, in the case of the honeybee laboratory, it is only to close and re-direct funding, a move that the members of our organization believe strongly will actually result in greater costs than benefits.

—*Precedent.*—This is not the first time ARS laboratories have faced this challenge. In the President's fiscal year 2003 budget proposal, a number of laboratories were proposed for closure, consolidation or reduction. Ironically, those targeted then for closure included all of the ARS Honeybee Research Laboratories except Weslaco. Similar to the current situation, the fiscal year 2003 proposal sought to achieve projected budgetary savings at the expense of science. Congress wisely and emphatically rejected that proposal. The following excerpt is from the fiscal year 2003 Senate Appropriations Committee report: "The Committee does not concur with proposals to close selected research laboratories and consolidate and terminate related ongoing research programs. The Committee directs the Agency to maintain these important research programs and laboratories and maintains funding which was eliminated under the President's budget." Then in the fiscal year 2009 omnibus appropriations bill, Congress preserved funding for the Weslaco, Texas ARS research facility despite a recommendation in the President's budget proposal to close that facility. Congress should again reject closure and consolidation of the ARS Honeybee Research Laboratories in fiscal year 2013, just as it did on two prior occasions in the last decade.

While to date the four ARS Research Laboratories have been the backbone of American Honeybee research, we do not believe that those four facilities alone—even when fully funded—will have the capacity to meet today's research needs. This is why, after analyzing the new and serious threats to U.S. honeybees, Congress, representatives of the farm sector and leading researchers developed the research priorities that were incorporated into the 2008 farm bill. In addition to increased resources for ARS research, these experts pressed for new funding, through NIFA, for Government, academic and private sector research. They also urged new bee surveillance programs through the Animal and Plant Health Inspection Service to address the alarming lack of accurate information about the condition of U.S. bee colonies.

One particularly effective way of adding needed capacity and innovative expertise in the effort to ensure honeybee health would be to reinvigorate private sector and university bee research initiatives. For many years, these sectors played a vital role in honeybee research, and many leading universities have significant bee research capabilities. In recent years, non-Federal agency research has substantially declined due to a lack of support for such initiatives. Fully funding the 2008 farm bill authorization for the Department of Agriculture's NIFA would go a long way toward achieving this worthy goal.

NIFA is tasked with advancing knowledge for agriculture by supporting research, education, and extension programs. Funds may be channeled through the Department to researchers at land-grant institutions, other institutions of higher learning, Federal agencies, or the private sector. The requested funding for NIFA would provide important flexibility in allocating badly needed Federal dollars among Government, private sector and university researchers. The recipients would provide more widespread research on honeybee biology, immunology, ecology, and genomics, pollination biology, and investigations into the effects on honeybees of potentially harmful chemicals, pests, other outside influences, and genetically modified crops. The re-

sult of such funds would be to ensure flexible financing with a comprehensive plan for battling CCD, pests, and other ongoing and future honeybee threats.

Additionally, the same coalition of experts identified a need for a honeybee pest and pathogen surveillance program. Although significant data exists on American honey production, comparably less and lower quality data exists on beekeepers and bees. Providing continued funding under the 2008 farm bill authorizations to the Animal and Plant Health Inspection Service at the Department of Agriculture would allow the Department to utilize such data to better respond to pest and disease outbreaks, and to compile data that may better enable prediction of new threats. Given the roughly \$15 billion added to the U.S. farm economy each year by honeybees, this is certainly a worthwhile investment in the honeybee and pollinator industry.

In conclusion, we wish to thank you again for your past support of honeybee research and for your understanding of the critical importance that Federal funding plays in ensuring a healthy honeybee supply. By way of summary, in fiscal year 2013, the American Honey Producers Association strongly encourages at least \$11.7 million in funding for CCD and other honeybee research spread among the four ARS Honeybee Research Laboratories. The AHPA strongly opposes closure of the ARS Honeybee Research Laboratory in Weslaco, Texas. And, the AHPA supports continued funding for the NIFA at the Department of Agriculture, and the Animal and Plant Health Inspection Service. Only through critical research can we have a viable U.S. beekeeping industry and continue to provide stable and affordable supplies of bee-pollinated crops, which make up fully one-third of the U.S. diet. I would be pleased to provide answers to any questions that you or your colleagues may have.

PREPARED STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

On behalf of the American Indian Higher Education Consortium (AIHEC) and the 32 Tribal Colleges and Universities (TCUs) that currently compose the list of 1994 Institutions, thank you for this opportunity to outline our needs and concerns for fiscal year 2013.

This statement is presented in three parts: (a) summary of our fiscal year 2013 funding recommendations, (b) brief background on Tribal Colleges and Universities, and (c) an outline of the 1994 Institutions' plan for using our land grant programs to fulfill the agricultural potential of American Indian communities, and to ensure that American Indians have the skills and support needed to maximize the economic potential of their resources.

Summary of Requests

We respectfully request the following for fiscal year 2013 for our land grant programs established within the USDA National Institute of Food and Agriculture (NIFA) and the Rural Development mission area. In NIFA, we request: \$4,312,000 for the 1994 Institutions' competitive Extension grants program; \$2 million for the 1994 Institutions' competitive Research Grants program; \$3,335,000 for the Higher Education Equity Grants; a doubling of the corpus in the Native American Endowment fund; and in the Rural Development—Rural Community Advancement Program (RCAP), that \$4 million be appropriated for the TCU Essential Community Facilities Grants program (the same level included in the President's fiscal year 2013 budget request) to help the 1994 Institutions address the critical facilities and infrastructure needs that advance their capacity to participate as full land grant partners.

Background on Tribal Land Grant Institutions

The first Morrill Act was enacted in 1862 specifically to bring education to the people and to serve their fundamental needs. Today, 150 years after enactment of the first land grant legislation, the 1994 Institutions, as much as any other higher education institutions, exemplify the original intent of the land grant legislation, as they are truly community-based institutions.

The 32 Tribal Colleges and Universities that compose the list of 1994 Institutions are accredited by independent, regional accreditation agencies and like all institutions of higher education, must undergo stringent performance reviews to retain their accreditation status. TCUs serve as community centers by providing libraries, tribal archives, career centers, economic development and business centers, public meeting places, and child and elder care centers. Despite their many obligations, functions, and notable achievements, TCUs remain the most poorly funded institutions of higher education in this country. The vast majority of the 1994 Institutions is located on Federal trust territory. Therefore, States have no obligation, and in most cases, provide no funding to TCUs. In fact, most States do not even provide funds to our institutions for the non-Indian State residents attending our colleges,

leaving the TCUs to assume the per student operational costs for non-Indian students enrolled in our institutions, accounting for approximately 20 percent of their student population. This is a significant financial commitment on the part of TCUs, as they are small, developing institutions and cannot, unlike their State land grant partners, benefit from economies of scale—where the cost per student to operate an institution is reduced by the comparatively large size of the student body.

As a result of 200 years of Federal Indian policy—including policies of termination, assimilation, and relocation—many reservation residents live in conditions of poverty comparable to those found in Third World nations. Through the efforts of TCUs, American Indian communities are availing themselves of resources needed to foster responsible, productive, and self-reliant citizens. It is essential that we continue to invest in the human resources that will help open new avenues to economic development, specifically through enhancing the 1994 Institutions' land grant programs, and securing adequate access to information technology.

1994 Land Grant Programs—Ambitious Efforts to Economic Potential

In the past, due to lack of expertise and training, millions of acres on Indian reservations lay fallow, under-used, or had been developed using methods that caused irreparable damage. The Equity in Educational Land Grant Status Act of 1994 is addressing this situation and is our hope for the continued improvement of our reservation lands. Our current land grant programs remain small, yet critically important to us. It is essential that American Indians explore and adopt new and evolving technologies for managing our lands. With increased capacity and program funding, we will become even more fundamental contributors to the agricultural base of the Nation and the world.

Competitive Extension Grants Programs.—The 1994 Institutions' extension programs strengthen communities through outreach programs designed to bolster economic development; community resources; family and youth development; natural resources development; and agriculture; as well as health and nutrition education and awareness. Without adequate funding the 1994 Institutions' ability to maintain existing programs and to respond to the many emerging issues, such as food safety and homeland security (especially on border reservations) is severely limited. Increased funding is needed to support these vital programs designed to address the inadequate extension services that have been provided to Indian reservations by their respective State programs. Funding for the 1994 Land Grant Extension programs is extremely modest. The 1994 Institutions have applied their resourcefulness for making the most of every dollar they have at their disposal by leveraging funds to maximize their programs whenever possible. Two examples of effective 1994 Extension programs include: Extension activities at the College of Menominee Nation (Wisconsin) strengthen the sustainable economic development potential of the Menominee, Stockbridge-Munsee, Oneida, and Potawatomi Reservations and surrounding communities by increasing distance education capacity, conducting needs assessment studies, providing workshops and training sessions, and offering strategic planning assistance. The Agriculture & Natural Resources Outreach Education Extension program at Oglala Lakota College (South Dakota), which is located in one of the poorest counties in the Nation, utilizes education to promote the environmentally sound use of agriculture and natural resources by Lakota people. The program coordinates activities between the college's Agriculture and Natural Resources department, reservation schools, other tribal departments, South Dakota State University, and county extension programs. Specific issues addressed by this program include poverty, isolation, health, cultural dissonance, and land use practices by Lakota landowners. To continue such highly successful programs conducted at 1994 Institutions, we request that the Subcommittee appropriate a minimum of \$4,312,000 for this competitive grants program to support the growth and further success of these essential community-based extension programs.

1994 Competitive Research Program.—As the 1994 Institutions enter into partnerships with 1862/1890 land grant institutions through collaborative research projects, impressive efforts to address economic development through natural resource management have emerged. The 1994 Research Grants program illustrates an ideal combination of Federal resources and TCU-State institutional expertise, with the overall impact being far greater than the sum of its parts. We recognize the severe budget constraints under which Congress is currently functioning. The \$1,801,000 appropriated last year is, by any measure, inadequate to develop capacity and conduct necessary research at our institutions. The 1994 Research Grants program is vital to ensuring that TCUs may finally be recognized as full partners in the Nation's land grant system. Currently, many of our institutions are conducting applied research, yet finding the resources to continue this research to meet their communities' needs is a constant challenge. This research authority opens the door to fund-

ing opportunities to maintain and expand the vital research projects begun at the 1994 Institutions, but only if adequate funds are secured and sustained. A total research program funded at less than \$2 million, for which all 32 of the 1994 Institutions compete for awards, is incredibly insufficient. Priority issue areas currently being studied at the 1994 Institutions include: sustainable agriculture and forestry; biotechnology and bioprocessing; agribusiness management and marketing; plant propagation, including native plant preservation for medicinal and economic purposes; animal breeding; aquaculture; ramifications of human nutrition (including health, obesity, and diabetes); and family, community, and rural development. For example, the Standing Rock Sioux Reservation, home to Sitting Bull College and located in North and South Dakota, is often characterized by high unemployment and considerable health concerns. The college is conducting a research project to develop a natural beef enterprise on the reservation that will maximize use of existing natural resources, allow American Indian students to be actively involved in research and to produce a healthier agricultural product for the community. This project combines expertise from Sitting Bull College, North Dakota State University, and the USDA-ARS Northern Great Plains Research Laboratory. We request that the Subcommittee afford the 1994 Research competitive program a very modest increase, and appropriate \$2 million for these critical grants.

1994 Institutions' Educational Equity Grant Program.—This program is designed to assist 1994 Institutions with academic programs. Through the modest appropriations first made available in fiscal year 2001, the 1994 Institutions have developed and implemented courses and programs in natural resource management; environmental sciences; horticulture; forestry; and food science and nutrition. This last category is helping to address the epidemic rates of diabetes and cardiovascular disease that plague American Indian reservations. We request that the Subcommittee appropriate at a minimum, \$3,335,000 to allow the 1994 Institutions to continue their current course offerings and the successful activities that have been established.

Native American Endowment Fund.—Endowment installments that are paid into the 1994 Institutions' account remain with the U.S. Treasury. Only the annual interest yield, less the USDA's administrative fee, is distributed to the 1994 Institutions. The latest annual interest yield for the 1994 Institutions' treasury endowment was \$4,306,999 and after the USDA NIFA claimed its standard 4 percent administrative fee, \$4,134,719 was distributed among the eligible 32 TCU Land Grant Institutions by statutory formula. Once again, the administrative fee paid to USDA-NIFA to simply make the funds available for draw down by the eligible 1994 Institutions was higher than the amount paid to all but 6 of the 32 tribal college (1994) land grant institutions. In other words, about 80 percent of the 1994 institutions receive less of the annual interest yield for program use than the administrative fee paid to the USDA-NIFA.

Endowment payments appropriated increase the size of the corpus held by the U.S. Treasury and thereby increase the base on which the annual interest yield is determined. These additional funds would continue to support faculty and staff positions and program needs within 1994 agriculture and natural resources departments, as well as to help address the critical and very expensive facilities needs at these institutions. For the latest endowment interest distribution, the median interest payment to 1994 Institutions was \$97,494, which is clearly not sufficient to address curriculum development and instruction delivery, not to mention the need to address the ongoing facilities and infrastructure projects at these institutions. In order for the 1994 Institutions to become full partners in the Nation's land-grant system, we need the facilities and infrastructure necessary to fully engage in education and research programs vital to the future health and well being of our reservation communities. Identifying creative solutions is essential to address so many public funding needs in a time of extreme fiscal austerity. The TCUs propose a one-time doubling of the 1994 Native American endowment, which would result in an increase in the annual interest yield by approximately \$4 million—the same amount as proposed for the TCU Rural Development Essential Community Facilities Grant program. Payments into the endowment remain with the U.S. Treasury, therefore only the interest yield is scored as outlay. Should the endowment corpus be doubled and the agency's administrative fee scaled back, the TCUs could then consider forgoing the Rural Development program. We respectfully request that the Subcommittee consider doubling the current endowment corpus by fiscal year 2015. Additionally, we strongly urge the Subcommittee to review the USDA-NIFA administrative fee charged and consider directing the department to reduce said fee for the Tribal College Endowment program so that more of these already limited interest funds can be utilized by the 1994 Institutions to conduct essential community-based programs and address critical infrastructure needs.

Tribal Colleges and Universities Essential Community Facilities Program (Rural Development).—The Absent the doubling of the 1994 endowment corpus resulting in an additional interest yield equal to the TCU Essential Community Facilities Program, we strongly urge the Subcommittee to appropriate a minimum of \$4 million, the level included in the President's fiscal year 2013 budget request, each year for the next 3 fiscal years to afford the 1994 Institutions the means to actively address critical facilities and infrastructure needs, thereby allowing them to better serve their students and their respective communities.

Conclusion

The 1994 Institutions have proven to be efficient and effective vehicles for bringing educational opportunities to American Indians and the promise of self-sufficiency to some of this Nation's poorest and most underserved regions. The modest Federal investment in the 1994 Institutions has already paid great dividends in terms of increased employment, access to higher education, and economic development. Continuation of this investment makes sound moral and fiscal sense. American Indian reservation communities are second to none in their potential for benefiting from effective land grant programs and, as earlier stated, no institutions better exemplify the original intent of the land grant concept than the 1994 Institutions.

We appreciate your support of the 1994 Institutions and recognition of their role in the Nation's land grant system. We ask you to renew your commitment to help move our students and communities toward self-sufficiency and respectfully request your continued support and full consideration of our fiscal year 2013 appropriations requests.

PREPARED STATEMENT OF THE AMERICAN PHYTOPATHOLOGICAL SOCIETY

The American Phytopathological Society (APS), the premier educational, professional, and scientific society dedicated to the promotion of plant health and plant disease management for the global good, appreciates the opportunity to provide our views on research, extension, and education provisions of the fiscal year 2013 agricultural appropriations bill. The APS believes that now is the time to make strategic, additional investments in agricultural science to help jumpstart the U.S. economy. Thus, we request the Subcommittee to include in the fiscal year 2013 agricultural appropriations bill, funding for agricultural science and technology at no less than the fiscal year 2012 level for the USDA Agricultural Research Service (ARS) and the National Institute of Food and Agriculture (NIFA). We further request the Subcommittee to support strategic investments, above the fiscal year 2012 funding levels, of \$72.9 million for the ARS and NIFA as described below:

- A net increase of \$7.9 million for salaries and expenses for the USDA Agricultural Research Service, (i.e., funding at not less than the President's budget request of \$1,102,565,000);
- A net increase of \$4 million for the Food and Agriculture Defense Initiative (homeland security) under the Integrated Activities account of the National Institute for Food and Agriculture, returning the funding to the fiscal year 2010 level of \$9.83 million with the increase divided equally between the National Plant Diagnostic Network and the National Animal Health Laboratory Network; and
- A net increase of \$61 million (total budget of \$325 million) for the Agriculture and Food Research Initiative (AFRI) competitive grants program of the National Institute for Food and Agriculture.

Agriculture in the United States is highly productive. This productivity was achieved because past investments in agricultural science led to advances that placed our producers, processors, and manufacturers at the cutting edge of agricultural technology. To ensure continued safety and security of our food, feed, fiber, and natural resources, we believe that science-based solutions to the new challenges faced in today's agriculture must be explored and developed. Further, our agricultural economy must be protected from devastating invasive plant diseases and pests by a robust diagnostic network and the development of science based tools and resources. The only way we can achieve these solutions is by providing strategic investments in agricultural science, extension, and education and to make these investments with additional funds and not by reducing funding for other essential programs at ARS and NIFA.

The jobs of 21 million Americans depend on the vitality of the U.S. agriculture and food sector. In Ohio, for example, one in seven jobs is directly tied to agriculture. For every \$1 invested in publicly funded agricultural research, a minimum

of \$20 in economic activity is generated. Unfortunately, U.S. Government investments in agricultural innovation have been flat in recent years. As a consequence, the competitive edge that made the U.S. agricultural research sector the envy of the world has declined, and industry is turning to other parts of the world for innovation. The decisions made by the Subcommittee this year will have far-reaching impacts, the downstream implications of decisions made now have far reaching impacts, as the scientific research funded today will be responsible for enhancing the Nation's agricultural productivity and overall economic prosperity in the future.

While an increase of \$100 million would have little impact on the NIH or NSF research budgets, a \$73 million increase in funding for the USDA's ARS and NIFA would be significant in the impact on the Nation's economy, generating almost \$1.5 billion in economic activity.

The added funds we are requesting for the Food and Agricultural Defense Initiative (Homeland Security) would ensure that we have a coordinated network of diagnostic laboratories and experts at land grant universities, State departments of agriculture to protect our crops from diseases such as soybean rust, citrus greening, plum pox virus, sudden oak death, Ug99. The slight increase in funding for the ARS would support funding for food safety, crop health, and strengthen long-term agroecosystem research that will be essential for ensuring an abundant supply of safe, high quality, food, feed, and fiber during periods of changing weather patterns.

The 23 percent increase in the AFRI competitive grants program would provide a much needed boost of funding for fundamental, applied, and integrated research and education that will be used to address critical gaps in food safety science, particularly those related to human pathogens on/in plants and plant associated microbial communities. The AFRI funding increase could also expand opportunities for scientists broadly trained to meet the needs of the various agricultural industries.

We recognize the difficult challenge facing the Subcommittee. However, we believe that investment in science for food and agriculture is essential for maintaining the Nation's food, economic, and national security. Thank you for this opportunity to present our views.

PREPARED STATEMENT OF THE AMERICAN PUBLIC POWER ASSOCIATION

The American Public Power Association (APPA) appreciates the opportunity to submit this statement outlining our fiscal year 2013 funding priorities within the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Subcommittee. We support increased funding for farm bill Title IX programs, and \$308 million for the Commodity Futures Trading Commission.

APPA is the national service organization representing the interests of over 2,000 municipal and other State and locally owned utilities in 49 States (all but Hawaii). Public power utilities deliver electricity to one of every seven electricity consumers (approximately 46 million people), serving some of the Nation's largest cities. However, the vast majority of APPA's members serve communities with populations of 10,000 people or less.

Department of Agriculture: Title IX Programs

APPA supports full funding for programs authorized in Title IX of the 2008 farm bill for energy efficiency, renewable energy and biofuels. APPA is extremely pleased that the President's budget provides \$56 million for the Rural Energy for America Program (REAP). In addition, we request the full authorized level of \$5 million for the Rural Energy Self-Sufficiency program, and \$5 million for the Community Wood Energy Program for fiscal year 2012.

Commodity Futures Trading Commission

APPA supports the President's budget request of \$308 million for the Commodity Futures Trading Commission (CFTC), a \$102 million increase over fiscal year 2012. As the CFTC continues to implement the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, they will struggle to do so in a timely manner without the proper staffing levels and technology necessary to complete rulemakings and implementation. Given the direct effect the rulemakings will have on public power utilities and consumers, APPA is supportive of giving the CFTC the resources it needs to complete the rulemakings quickly and thoroughly.

PREPARED STATEMENT OF THE AMERICAN SOCIETY FOR MICROBIOLOGY

The American Society for Microbiology (ASM) is pleased to submit the following testimony on the fiscal year 2013 appropriation for food safety and science programs at the U.S. Department of Agriculture (USDA). The ASM is the largest single life science organization in the world with more than 38,00 members.

The administration's fiscal year 2013 budget for research and development (R&D) at USDA would provide \$2.6 billion or a 2.7 percent increase over the fiscal year 2012 level. There is a proposed increase of 23 percent for the USDA's competitive grants program, the Agriculture Food and Research Initiative (AFRI), which funds research at both USDA facilities and land grant universities. Also increased is funding for research in food safety and global food security. The budget would increase support for USDA bioenergy research as well, in part to develop cellulosic and algae-based biofuels. We strongly support these program increases and ask Congress to approve the fiscal year 2013 request for these resources necessary to strengthen USDA research.

Agriculture not only ensures a healthy, plentiful food supply, but contributes significantly to the economy. Agriculture related businesses account for 1-in-12 U.S. jobs. Net farm income is forecast to be nearly \$92 billion this year. Farms and ranches produce food volumes roughly one-third greater than domestic demand, and the U.S. export share of the global ag market is usually about 20 percent. In 2011, exports of agriculture related products reached a record \$136.3 billion, supporting more than 1 million jobs in an economic sector where exports outperform imports.

In 2010, U.S. agriculture generated food products worth \$352 billion, and USDA expects \$410 billion for 2011 when market data are completed. Higher crop yields, better animal breeding, and new products like genetically modified plants are among the many science based advances involved in the success of U.S. agriculture. R&D efforts have had tangible farm-to-fork results, making U.S. agriculture statistically one of the Nation's most productive economic sectors. USDA research also improves food safety, helps develop sustainable energy, protects animal health, and preserves water quality and the environment. USDA personnel depend upon the best available methods and tools to accomplish public health goals like decreasing foodborne illnesses and crop losses due to microbial pathogens.

USDA Funding Advances Science-Based Agriculture

The Agricultural Research Service (ARS) conducts intramural research and the National Institute of Food and Agriculture (NIFA) distributes grants to colleges and universities for extramural research, extension, and education activities. The ARS budget request for discretionary funding is \$1.103 billion, which is \$8 million over the fiscal year 2012 enacted level. The NIFA request is \$1.244 billion or \$37 million over fiscal year 2012. Updated science and technology like genomic databases are critical to USDA's oversight of the agriculture enterprise in this country. For example, one-third of total U.S. ag exports are genetically engineered (GE) crops or products from these crops, and about 80 percent of processed foods sold in the United States contain GE-derived ingredients. Federal regulators test an increasing number of samples resulting from food biotechnology; in fiscal year 2011 alone, testing increased by approximately 28 percent. USDA investigators and educators clearly must access the latest information when assessing the safety of our food supply. USDA researchers also discover best practice approaches to food production, microbial diseases of food animals and plants, and sustainable environments. A 2011 report by the Government Accountability Office called for stronger efforts by USDA in collecting data on antibiotic use in food animals, to better understand the relationship between use and pathogens' drug resistance. These science based activities require adequate funding each year for USDA R&D programs.

ARS maintains over 100 facilities in the United States and abroad with ongoing studies of optimal ag production, food safety and security, and environmental stewardship. ARS scientists are responsible for epidemiological studies of pest and disease transmission to protect crops. The fiscal year 2013 request identifies new proposed research, like the allocation of \$7.6 million to develop management tools for soil-borne plant pathogens and nematodes. One goal is to identify beneficial soil microbes for use as biocontrol tools that stop plant pathogens naturally. ARS also will increase capacity at its overseas biological control laboratories to find new biocontrol agents for use in the United States. Another plant protection program receiving increased funding will develop plant varieties inherently resistant to infectious diseases. Other researchers would focus on livestock protection, such as projects to detect and eliminate tumor and enteric viruses in poultry.

NIFA funds extramural research projects at the States' agricultural experiment stations, land grant universities, State-based cooperative extension system, and

other research and education institutions. Federal funds are distributed through grants and other competitive awards, and NIFA administers USDA's primary grants program, the Agriculture and Food Research Initiative. The ASM supports the fiscal year 2013 budget for AFR1 of \$325 billion, an increase of \$60.5 million. USDA identified priority areas funded in part by this increase will be developing better feed-stocks for biofuel production, minimizing antibiotic resistance transmission among foodborne pathogens, and supporting additional graduate student training through the NIFA Fellows program.

Research results reported in the past year are the best argument for sufficient USDA R&D funding in fiscal year 2013, illustrating the breadth of contributions made by USDA science:

- ARS scientists found that using Fourier transform infrared-attenuated total reflection (FTIR-ATR) spectroscopy can rapidly identify citrus plant leaves infected with citrus greening disease, faster and cheaper than the current DNA method.
- Last year, USDA and the U.S. Department of Energy jointly announced they will invest up to \$30 million over 3 to 4 years to support R&D in biofuels, bioenergy, and high-value bio-based products. In August, they awarded 10 university grants totaling \$12.2 million to improve the efficiency and cost-effectiveness of biofuel and bioenergy crops.
- ARS molecular biologists are identifying genes in the yeast *Saccharomyces cerevisiae* to improve fermentation of fiber from corn, wheat, and other plants into cellulosic ethanol during biofuel manufacture. The genes are likely to improve the yeast's ability to resist deleterious growth inhibitors created during acid pre-treatments.
- Last year, USDA and the U.S. Agency for International Development began construction on a university-associated ARS facility that will specialize in breeding wheat varieties resistant to stem rust disease, which threatens grain crops worldwide.
- An ARS procedure developed to improve polymerase chain reaction (PCR) methods for detecting plant pathogens has increased test sensitivity by 100 to 1,000 fold. Called Bio-PCR, it identified the bacterium responsible for Pierce's disease of grapes in 90 percent of infected samples compared to 13 percent with conventional PCR.
- A team of ARS scientists, screening *Starmerella* yeast for their ability to produce surfactant-like sophorolipids, are identifying green alternatives to the currently used petroleum-based surfactants in products like detergents and paints.

USDA Funding Protects the U.S. Food Supply

One in six Americans becomes sick each year with foodborne illnesses that could be prevented. USDA cooperates daily with other Federal partners, the Food and Drug Administration (FDA) and the Centers for Disease Control and Prevention (CDC) to safeguard the U.S. food supply through prevention, public and industry education, site inspections and disease outbreak investigations. The fiscal year 2013 budget for food safety will continue USDA's three part strategy to fulfill its food oversight responsibilities: prioritizing prevention, strengthening surveillance and enforcement and improving response and recovery.

USDA scientists and inspectors are responsible for some important steps in reducing foodborne illness. For example, USDA expects to enforce new, stricter *Salmonella* and *Campylobacter* standards in turkeys and young chickens, which could prevent up to 25,000 human illnesses annually. During 2000–2010, the agency helped achieve the national goal of reducing *E. coli* O157 infection rates by 50 percent. In the past 15 years, the overall rates of six foodborne infections have declined by 23 percent, according to a 2011 CDC report. Both ARS and NIFA sponsor research on safe production, storage, processing, and handling of animal and plant products. For instance, ARS microbiologists are studying the relationship between cattle feed containing corn byproducts of biofuel processing and the persistence of pathogenic *E. coli* on the animals' hides. Other USDA microbiologists are studying yeast extracts as an alternative to using antibiotics in organic turkey farming.

The USDA's Food Safety and Inspection Service (FSIS) enforces the Federal standards for all meat, poultry, and processed egg products, to ensure they are safe, wholesome, and properly labeled and packaged. The fiscal year 2013 budget proposes a decrease in FSIS discretionary funding: at \$996 million, more than \$8 million below fiscal year 2012 and \$11 million less than the fiscal year 2011 level. Volumes of imported foods are steadily increasing and foodborne illnesses persist as major public health threats in the United States. Approximately 8,400 FSIS employees inspect foods and production methods at more than 6,200 slaughtering and proc-

essing facilities, import houses, and other federally regulated entities involved in food production. Their workload is daunting: for example, about 40 million cattle inspected yearly by FSIS personnel.

Conclusion

The ASM encourages Congress to increase the fiscal year 2013 budget in support of USDA's science and food safety programs. USDA research in multiple agriculture sectors has pervasive impacts on our quality of life. The USDA mission reaches far beyond its role in transforming our Nation's farms and ranches into highly productive, economically important businesses. USDA science protects human and animal health, prevents crop losses from disease and climate changes, seeks best practices to preserve the environment, encourages innovation in valuable agriculture based products and supports new generations of agriculture scientists and educators.

PREPARED STATEMENT OF THE AMERICAN SOCIETY OF AGRONOMY; CROP SCIENCE SOCIETY OF AMERICA; AND SOIL SCIENCE SOCIETY OF AMERICA

The American Society of Agronomy (ASA), Crop Science Society of America (CSSA), and Soil Science Society of America (SSSA) represent over 18,000 members in academia, industry, and Government, and 13,000 Certified Crop Advisers. The largest coalition of professionals dedicated to the agronomic, crop, and soil science disciplines in the United States, ASA, CSSA, and SSSA are dedicated to utilizing science in order to meet our growing food, feed, fiber, and fuel needs. We are pleased to submit the following funding recommendations for fiscal year 2013: ASA, CSSA, and SSSA urge the Subcommittee to support a \$60 million increase from fiscal year 2012 for the Agriculture Food Research Initiative (AFRI), bringing total funding to \$325 million, as requested in the President's fiscal year 2013 budget proposal. This strong level of funding will enable AFRI to continue to target areas that are key to American scientific leadership including: plant health and production, food safety, sustainable bioenergy and global food security. ASA, CSSA, and SSSA further recommend funding the Agricultural Research Service (ARS) at \$1.13 billion in fiscal year 2013 to recognize the essential role of the intramural programs in ensuring the safety of our Nation's food system. In addition, ASA, CSSA, and SSSA recommend funding the United States Department of Agriculture's (USDA) National Institute of Food and Agriculture (NIFA) at \$1.244 billion (an increase of \$37 million over fiscal year 2012) in order to maintain continued support for research, education, and extension programs. Finally, we support a strong commitment to farm bill conservation programs and request that they be funded at levels agreed to in the 2008 farm bill to ensure preservation of our Nation's essential resources—soil and water.

Background

The success of the agriculture and food industry plays a significant role in the overall health and security of the U.S. economy. In 2010, U.S. farms and ranches spent \$288 billion to produce goods valued at \$369 billion. The value of U.S. food and agriculture exports is expected to be more than \$140 billion in 2011, creating a record trade surplus of \$42.5 billion. Furthermore, the jobs of 21 million Americans depend on the vitality of the U.S. agriculture and food sector.

Investments in publicly funded research are critical for maintaining a successful agriculture and food sector. For every \$1 invested in publicly funded agricultural and food research, \$20 in economic activity is generated. Budgetary decisions made today have far-reaching impacts, as the scientific research funded today will be responsible for enhancing the Nation's agricultural productivity and economic prosperity in the future. A strengthened commitment to investments in science for food and agriculture is essential for maintaining the Nation's food, economic, and national security.

Agricultural Research Service (ARS)

ASA, CSSA, and SSSA applaud the Agricultural Research Services' (ARS) ability to respond to and address agricultural problems of high national priority. ARS's 2,200 scientists are located at 90+ research locations, managing 800 research projects that help solve current and future crop and livestock production and protection, human nutrition and environmental quality challenges. ARS programs and technologies ensure high-quality, safe food and other agricultural products; assess the nutritional needs of Americans; help to sustain a competitive agricultural economy; enhance the natural resource base and the environment; and, provide economic opportunities for rural citizens and communities. ARS also forms key partnerships that move new technologies to the marketplace.

These partnerships are especially important to leverage during a time when our Nation's economy remains vulnerable and Federal funding is constrained. Such cooperative research and development helps foster American businesses and enhances the position of the United States as a global leader in food, feed, fiber and fuel production.

Highlighting National Institute of Food and Agriculture Programs (NIFA)

Agriculture and Food Research Initiative (AFRI).—ASA, CSSA, and SSSA strongly endorse funding AFRI at \$325 million, which is less than half of what is authorized in the Food, Conservation, and Energy Act of 2008. AFRI is the premier competitive grants program for fundamental and applied research, extension and education in support of our Nation's food and agricultural systems. Investments in AFRI bolster work performed by ARS, America's land grant colleges and universities, the private sector and the American farmer.

Hatch Act Formula Funding.—ASA, CSSA, and SSSA support \$236 for Hatch Act formula funds. These funds provide research grants to our Nation's great land-grant colleges and universities. Any additional cuts to academic funding will reduce the ability of our scientists and students to conduct imperative research such as developing drought resistant wheat varieties.

Sustainable Agriculture Research and Education Programs (SARE).—ASA, CSSA, and SSSA support the President's budget request for SARE at \$22.7 million. This includes \$4.7 million for the Professional Development Program and \$3.5 million for the creation of a new Federal-State Matching Grant SARE Program. SARE directly supports farmer-led research and development in practices that, in turn, increase food, fuel and fiber sustainability. In 2007, 64 percent of farmer and rancher grantees noted that because of an SARE project, they had achieved higher sales, and another 79 percent had experienced improved soil quality.

Cooperative Extension System.—Extension forms a critical part of research, education and extension program integration, a feature unique to NIFA. ASA, CSSA, and SSSA support \$294 million for Smith-Lever 3(b) and 3(c) to support continuing education and research activities.

Natural Resources Conservation Service

ASA, CSSA, and SSSA also support farm bill conservation programs that help farmers and ranchers adopt critical conservation practices to reduce soil erosion, conserve water, address nutrient management concerns and contribute to carbon sequestration. NRCS conservation programs are an essential tool to help mitigate and address the challenge of producing the food, feed, fuel and fiber needed for a growing global population. We urge the Subcommittee to fund these programs at levels agreed to in the 2008 farm bill.

Summary

A balance of funding mechanisms, including intramural, competitive, and formula funding is essential to maintain the capacity of the United States to conduct both basic and applied agricultural research, to improve crop and livestock quality, and to deliver safe and nutritious food products while protecting and enhancing the Nation's environment and natural resource base.

Thank you for your consideration. For additional information or to learn more about the ASA, CSSA, and SSSA, please visit www.agronomy.org, www.crops.org, or www.soils.org.

PREPARED STATEMENT OF THE AMERICAN SOCIETY FOR NUTRITION

The American Society for Nutrition (ASN) appreciates the opportunity to submit testimony regarding fiscal year 2013 appropriations for the U.S. Department of Agriculture (USDA) National Institute of Food and Agriculture's Agriculture and Food Research Initiative (AFRI) and the USDA Agricultural Research Service (ARS). Founded in 1928, ASN is a nonprofit scientific society with more than 4,500 members in academia, clinical practice, Government and industry. ASN respectfully requests \$1.2 billion for USDA's Agricultural Research Service, and we urge you to adopt the President's request of \$325 million for the Agriculture and Food Research Initiative competitive grants program in fiscal year 2013.

Agriculture and Food Research Initiative

The USDA has been the lead nutrition agency and the most important Federal agency influencing U.S. dietary intake and food patterns for years. Agricultural research is essential to address the ever-increasing demand for a healthy, affordable, nutritious and sustainable food supply. The AFRI competitive grants program is

charged with funding research, education, and extension grants and integrated research, extension, and education grants that address key problems of national, regional, and multi-state importance in sustaining all components of agriculture. These components include human nutrition, farm efficiency and profitability, ranching, renewable energy, forestry (both urban and agro forestry), aquaculture, food safety, biotechnology, and conventional breeding. AFRI has funded cutting-edge, agricultural research on key issues of timely importance on a competitive, peer-reviewed basis since its establishment in the 2008 farm bill. Adequate funding for agricultural research is critical to provide a safe and nutritious food supply for the world population, to preserve the competitive position of U.S. agriculture in the global marketplace, and to provide jobs and revenue crucial to support the U.S. economy.

In order to achieve these benefits, AFRI must be able to advance fundamental sciences in support of agriculture and coordinate opportunities to build off of these discoveries. Therefore, ASN strongly urges you to adopt the President's request of \$325 million for the Agriculture and Food Research Initiative competitive grants program in fiscal year 2013. ASN also strongly supports funding AFRI at the fully authorized level of \$700 million as soon as practical. Current flat and decreased funding for AFRI hinders scientific advances that support agricultural funding and research.

Agricultural Research Service

The ARS is the Department of Agriculture's lead scientific research agency. The ARS conducts research to develop and transfer solutions to agricultural problems of high national priority. It is also the job of ARS to ensure high-quality, safe food, and other agricultural products; assess the nutritional needs of Americans; sustain a competitive agricultural economy; enhance the natural resource base and the environment; and provide economic opportunities for rural citizens, communities, and society as a whole.

Nutrition monitoring conducted in partnership by the USDA ARS with the Department of Health and Human Services (HHS) is a unique and critically important surveillance function in which dietary intake, nutritional status, and health status are evaluated in a rigorous and standardized manner. (ARS is responsible for food and nutrient databases and the "What We Eat in America" dietary survey, while HHS is responsible for tracking nutritional status and health parameters.) Nutrition monitoring is an inherently governmental function and findings are essential for multiple Government agencies, as well as the public and private sector. Nutrition monitoring is essential to track what Americans are eating, inform nutrition and dietary guidance policy, evaluate the effectiveness and efficiency of nutrition assistance programs, and study nutrition-related disease outcomes. Because of past funding deficiencies, some food composition database entries don't reflect the current food supply, which may negatively impact programs and policies based on this information. It is imperative that needed funds to update USDA's food and nutrient databases and the "What We Eat in America" dietary survey, both maintained by the USDA ARS, are appropriated to ensure the continuation of this critical surveillance of the Nation's nutritional status and the many benefits it provides.

With the growing need for agricultural research to ensure that the country is healthy, ARS requires access to sufficient funding. Therefore, ASN requests that ARS receive \$1.2 billion in fiscal year 2013. At least \$10 million above current funding levels is necessary to ensure that the critical surveillance of the Nation's nutritional status and the many other benefits ARS provides continue. With such funding, the ARS will be able to continue its vision of leading America toward a better future through agricultural research and information.

USDA AFRI and ARS programs are both equally important to the nutrition field because together they provide the infrastructure and the investigator-initiated, peer-reviewed research that generates new knowledge and allows for rapid progress toward meeting national dietary needs. These programs allow USDA to make the connection between what we grow and what we eat. Through strategic nutrition monitoring, we can also learn how dietary intake affects our health.

Thank you for your support of USDA ARS and AFRI, and thank you for the opportunity to submit testimony regarding fiscal year 2013 appropriations. Please contact John E. Courtney, Ph.D., Executive Officer, at jcourtney@nutrition.org, if ASN may provide further assistance.

PREPARED STATEMENT OF THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY
TO ANIMALS

On behalf of the American Society for the Prevention of Cruelty to Animals (ASPCA) and our 2.5 million supporters nationwide, thank you for the opportunity to submit this written testimony. Founded in 1866, the ASPCA was the first humane organization in North America. Our mission, as stated by founder Henry Bergh, is “to provide effective means for the prevention of cruelty to animals throughout the United States.” The ASPCA works to rescue animals from abuse, pass humane laws, and share resources with other animal protection groups nationwide.

The fiscal year 2013 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill presents opportunities to not only cut unnecessary and wasteful Federal spending, but also to ensure that programs to protect animals are being effectively implemented. As you craft the fiscal year 2013 appropriations bill, the ASPCA asks that you please consider the following provisions to ensure that Federal funds are being effectively and responsibly spent to protect animals.

Reinstatement of the Ban on Federal Funding for Horse Slaughterhouse Inspections

The fiscal year 2012 Agriculture Appropriations bill failed to include a provision that barred Federal funding of USDA inspectors at horse slaughter plants in the United States. Added as an amendment to the Agricultural Appropriations bill in 2005, the original measure was supported by huge, bipartisan votes (69–28 in the Senate and 269–158 in the House). Each successive appropriations bill included the provision until last year. This provision effectively prevented horse slaughter in the United States for human consumption and saved taxpayers up to \$5 million a year. Now that the ban on inspections has been removed, horse slaughterhouses could resume operations on American soil, even though horsemeat is not sold for human consumption in the United States.

This is distressing on two counts. First, at a time when Congress is cutting funds for many vital programs across the entire Federal budget, it is outrageous that taxpayers would be asked to spend \$5 million for something as senseless as horse slaughter. Second, since Americans do not eat horsemeat, this action will benefit only foreign markets in Asia and Europe, where horsemeat is considered a delicacy.

Contrary to what some may claim, horse slaughter does not create jobs. The last three remaining slaughter plants in the United States only created a handful of physically dangerous and low paying jobs. Nor is horse slaughter a humane way to end a horse’s life. Horses are ill-suited for commercial slaughterhouses due to their biology. They often endure repeated blows to the head and remain conscious during slaughter and dismemberment. The USDA has documented, at length, the cruel treatment of horses at domestic slaughterhouses.

Ending horse slaughter enjoys mainstream, bipartisan support in Congress. The American Horse Slaughter Prevention Act, which would permanently ban horse slaughter in this country and the export of horses for slaughter abroad, has overwhelmingly bipartisan support in Congress with 26 cosponsors in the Senate and over 160 in the House. Beyond Congress, efforts to end horse slaughter enjoy strong mainstream support with the American public. A 2012 poll commissioned by the ASPCA and conducted by Lake Research Partners found that 80 percent of American voters are opposed to the slaughter of horses for human consumption.

The ASPCA requests that the Committee make the fiscally responsible and humane decision to reinstate the ban on Federal funding for horse slaughterhouse inspections by the USDA by inserting the following language:

“None of the funds made available in this Act may be used to pay the salaries or expenses of personnel to—

“(1) inspect horses under section 3 of the Federal Meat Inspection Act (21 U.S.C. 603);

“(2) inspect horses under section 903 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 1901 note; Public Law 104–127); or

“(3) implement or enforce section 352.19 of title 9, Code of Federal Regulations.”

Maintain or Increase Animal Welfare Act Enforcement Funding for the Inspection of Puppy Mills

One of the functions of the USDA’s Animal and Plant Health Inspection Service (APHIS) is to ensure the humane care and treatment of animals by enforcing the requirements of the Animal Welfare Act of 1966 (AWA). Included in this mandate is the inspection of large-scale commercial dog breeding operations, which prioritize

profit over welfare. Dogs raised in these facilities, commonly known as puppy mills, spend their entire lives in small, crowded cages without adequate veterinary care, food, water, and socialization. These dogs receive no exercise or basic grooming. To minimize waste cleanup, dogs are often kept in cages with wire flooring that injures their paws and legs. Because these cages are often stacked, waste falls through wire floors onto the animals housed below. Female dogs usually have little to no recovery time between bearing litters. When, after a few years, they can no longer reproduce, the dogs are often abandoned or killed.

In 2010, the USDA's Office of the Inspector General (OIG) released a report detailing the lax and ineffective enforcement of the AWA for puppy mills. In response, the House Appropriations Committee late last year, recognizing the importance of inspecting "problematic dog dealers," repurposed \$4 million for puppy mill inspection enforcement. The same OIG report recommended closing a loophole in the AWA that exempts from regulation breeders selling directly to customers over the Internet. In compliance with that request, the USDA is currently drafting regulations that would close that loophole, thereby increasing the number of entities regulated and inspected under the AWA. These rules will likely be final by 2013 and will require increased funding for pre-licensing inspections of these new entities and for continued, annual inspections of these breeding facilities once licensed. The ASPCA is disappointed that the President's fiscal year 2013 budget request includes a reduction in funding for APHIS's AWA enforcement from \$28 million in the previous year to \$25 million. For fiscal year 2012, Congress approved a 20 percent increase in the USDA's annual budget to strengthen inspections and enforcement of the AWA. This is on top of \$4 million in reprogrammed fiscal year 2011 funds approved in October by House Agriculture Appropriations leaders to address problematic dog dealers. We encourage the Committee to continue this trend of prioritizing AWA enforcement. The ASPCA requests that the Committee maintain or increase the previous year's funding for APHIS's Animal Welfare Act enforcement, build upon the advancements of last year's repurposing of funds, and encourage the USDA to improve its inspections of puppy mills.

Exceed the Statutory Funding Cap for Horse Soring Enforcement

In addition to enforcing the Animal Welfare Act, APHIS is charged with protecting horses through its enforcement of the Horse Protection Act (HPA) of 1970. USDA inspectors enforce the HPA by conducting surprise inspections at walking horse shows by examining horses for soring and the presence of harmful and illegal chemicals. Horse soring is a cruel practice in which trainers use painful chemicals and other devices to cause such agony to a horse's front limbs that any contact with the ground makes the horse quickly jerk up its leg, producing the pronounced gait prized by the walking horse industry. Recently, the USDA's Office of Inspector General and the U.S. Attorney's Office for the Eastern District of Tennessee successfully obtained guilty pleas from four individuals arrested for horse soring in Tennessee.

While the ASPCA applauds these successful prosecutions, in most cases the cruelty of horse soring goes unnoticed because USDA officials do not have the resources to oversee most shows. In 2011, USDA inspectors had the resources to attend just 62 of approximately 700 walking horse shows nationwide. Other shows were overseen solely by inspectors trained and hired by the horse industry itself. Although present at only 8–10 percent of shows, USDA inspectors found over 50 percent of reported violations last year. One of the defendants in the recent case in the Eastern District of Tennessee testified that "every Walking Horse that enters into a show ring is sored . . . They've got to be sored to walk." Clearly the problem is endemic and industry self-regulation is not effectively exposing violators. A greater USDA presence is necessary to root out the bad actors and hold them accountable.

Since passage of the HPA in 1970, effective USDA enforcement of horse soring has been frustrated by a \$500,000 statutory funding cap on activities under the authority of HPA. Though Congress can choose to ignore the cap and fund the program at higher levels, only once, in fiscal year 2012, did the Committee choose to do so. If APHIS is to eradicate soring, the program must be adequately funded so that it can assert a strong and frequent presence at horse shows. It must also have proper funding to sample horses for the presence of foreign substances, such as those documented in the most recent criminal soring prosecutions. Finally, HPA enforcement should not have to rely on lax and inadequate industry self-regulation. The agency requires increased funding in order to certify independent veterinarians who are not biased by their involvement in the walking horse industry. APHIS has now begun this process and needs greater resources for the program to be effective.

The President's fiscal year 2013 budget request includes only \$493,000 for HPA enforcement, which is below the statutory cap and below the \$696,000 that this Committee provided last year. The ASPCA requests that the Committee continue

to furnish the USDA with the proper resources and continue to exceed the statutory funding cap to allow the USDA to properly enforce the Horse Protection Act and prevent the cruel practice of horse soring.

Ensure Proper Enforcement of the USDA Ban on Double-Deck Transport of Horses Bound for Slaughter

Double-deck trailers are dangerous and inhumane when used to transport horses. The USDA bans the use of these trailers for horses bound for slaughter, stating: "We do not believe that equines can be safely and humanely transported on a conveyance that has an animal cargo space divided into two or more stacked levels." The USDA's Veterinary Services (VS) program is charged with enforcing this regulation.

Double-deck trailers are designed for cattle and other short-necked livestock—not horses. Because horses are significantly taller and require more head room, these trailers cannot physically provide enough space to stand upright, leading to unstable footing, falls, injuries, trampling, and death. As long as Congress allows horses to be transported and exported for slaughter, VS should take proper steps to ensure that horses are not transported in cramped and inhumane double-deck trailers during their final journeys. Currently, VS does not employ sufficient inspectors in the field or at the border to ensure that horses are not being transported to slaughter in double-deck trailers.

The ASPCA requests that the Committee direct Veterinary Services to properly and effectively enforce the ban on the use of double-deck trailers to transport horses bound for slaughter.

Defund Licensing and Relicensing of Class B Dealers

Currently, two types of animal dealers are licensed by the USDA to sell animals for research: Class A "purpose-bred" dealers and Class B "random source" dealers. Class A dealers are highly regulated businesses that raise their own animals. Class B dealers, on the other hand, routinely obtain animals from suppliers with unknown or suspicious backgrounds. Many of these suppliers obtain the dogs and cats through theft, or by posing as adopters and responding to "free to good home" advertisements. Class B dealers pay suppliers for each animal, creating a financial incentive for individuals to steal pet dogs and cats from owners' properties. Class B dealers then sell the pets to researchers. As a result, many lost or stolen family pets could end up as part of an experiment.

The USDA spends hundreds of thousands of taxpayer dollars each year unsuccessfully trying to regulate Class B dealers. The process is both lengthy and time consuming; the USDA must do lengthy "tracebacks" to try to determine the source of the animals. At one point, the USDA estimated that it spent as much as \$300,000 to regulate approximately 10 Class B dealers, or about \$30,000 per license. Even so, the department acknowledges that it is unable to guarantee that dogs and cats are not being illegally acquired for use in experiments. Five of the only eight dealers currently in operation are under investigation by the USDA, and one was recently indicted on a number of Federal charges, including identity theft. Additionally, the inability to effectively regulate Class B dealers leads to animals often being kept in deplorable and inhumane conditions.

Removing animals sourced from Class B dealers would have little impact on our Nation's research capabilities. In May 2009, a National Academies report released on the Class B dealer system concluded that "Class B dealers are not necessary for supplying dogs and cats for NIH-funded [National Institutes of Health] research." The NIH began implementing a pilot program in March 2011 to eliminate the use of Class B sourced dogs in favor of other more reputable sources for NIH-supported research.

Since the NIH is already taking steps to phase out the use of random sourced animals in research, there is no need or justification for the USDA to continue to spend Federal funds to support the inhumane and corrupt system of Class B dealers. The Committee has an opportunity to not only save tax dollars but to also put an end to its tacit endorsement of inhumane and possibly illegal businesses.

The ASPCA requests that the Committee insert the following language to prohibit the USDA from spending funds on new licensing or relicensing of Class B Dealers:

"Provided, That appropriations herein made shall not be available for any activities or expense related to the licensing of new Class B dealers who sell live, random source dogs and cats for use in research, teaching, or testing, or to the renewal of licenses of existing Class B dealers who sell live, random source dogs and cats for use in research, teaching, or testing".

Defund Wildlife Services' Lethal Predator Control

The USDA's Wildlife Services (WS) division is a little-known Federal agency that uses tax dollars to kill wildlife species considered by private landowners and ranchers to be problematic or nuisances. Unattended traps and poisons—and even helicopter hunting—are all routine features of WS's campaign to kill wildlife. Their work is often carried out without oversight, fiscal accountability, or public notification. The methods they employ are often indiscriminate and ineffective. In some cases, WS traps and poisons have unintentionally killed beloved family pets.

The WS lethal predator control program is a waste of taxpayer dollars. Not only does WS provide a subsidized service for private landowners, but also its indiscriminate and random targeting of predators is not based on sound science. The USDA estimates that it spends \$10 million on its lethal predator control program. By cutting this wasteful and unnecessary program, Congress can ensure that U.S. taxpayers will stop subsidizing risky wildlife control methods for the benefit of private property owners.

The ASPCA requests that the Committee act in a fiscally sound and humane manner and reduce funding for Wildlife Services Damage Management by \$10 million.

Direct APHIS Veterinary Services To Prioritize Twenty-Eight Hour Law Enforcement

Passed in 1873, the Twenty-Eight Hour Law states that animals cannot be transported interstate via "rail carrier, express carrier, or common carrier" for more than 28 hours consecutively without being unloaded for rest, food, and water. It was not until 2005 that the USDA agreed to extend the statute to interstate truck transport, which comprises the overwhelming majority of modern farm animal transport. The Twenty-Eight Hour Law is an important protection for livestock, as many travel great distances en route to livestock auctions and slaughter facilities. However, enforcement of this act is still lacking. APHIS Veterinary Services (VS) program is charged with enforcing the Federal Twenty-Eight Hour Law. Like its lax enforcement of the ban on double-decked trailers for horses bound for slaughter, VS has not made enforcement of the Twenty-Eight Hour Law an enforcement priority.

The ASPCA requests that the Committee direct APHIS Veterinary Services to prioritize Twenty-Eight Hour Law enforcement.

PREPARED STATEMENT OF THE AMERICAN SOCIETY OF PLANT BIOLOGISTS

On behalf of the American Society of Plant Biologists (ASPB) we submit this statement for the official record in support of funding for agricultural research by the U.S. Department of Agriculture (USDA). ASPB supports the requested level for USDA's Agriculture and Food Research Initiative (AFRI) of \$325 million as well as the requested level of the Agricultural Research Service (ARS) at \$1.13 billion.

This testimony highlights the importance of biology, particularly plant biology, as the Nation seeks to address vital issues including a sustainable food supply, energy security, and protecting our environment. We would like to thank the Subcommittee for its consideration of this testimony and for recognizing that its support of agricultural research is an important investment in America's future in this difficult fiscal environment.

Food, Fuel, Environment, and Health: Plant Biology Research and America's Future

Plants are vital to our very existence. They harvest sunlight, converting it to chemical energy for food and feed; they take up carbon dioxide and produce oxygen; and they are the primary producers on which all life depends. Indeed, plant biology research is making many fundamental contributions in the areas of fuel security and environmental stewardship; the continued and sustainable development of better foods, fabrics, and building materials; and in the understanding of basic biological principles that underpin improvements in the health and nutrition of all Americans.

Despite the fact that foundational plant biology research—the kind of research funded by agencies such as USDA—underpins vital advances in practical applications in agriculture, health, energy, and the environment, the amount of money invested in understanding the basic function and mechanisms of plants is relatively small. In his 2012 annual letter Bill Gates wrote, "Given the central role that food plays in human welfare and national stability, it is shocking—not to mention shortsighted and potentially dangerous—how little money is spent on agricultural re-

search.”¹ This is especially true considering the significant positive impact crop plants have on the Nation’s economy and in addressing some of our most urgent challenges like food and energy security.

Understanding the importance of these areas and in order to address future challenges, ASPB organized the Plant Science Research Summit held in September 2011. With funding from the National Science Foundation, USDA, Department of Energy, and the Howard Hughes Medical Institute, the Summit brought together representatives from across the full spectrum of plant science research to identify critical gaps in our understanding of plant biology that must be filled over the next 10 years or more in order to address the grand challenges facing our Nation and our planet. The grand challenges identified at the Summit include:

- In order to feed everyone well, now and in the future, advances in plant science research will be needed for higher yielding, more nutritious varieties able to withstand a variable climate.
- Innovations leading to improvements in water use, nutrient use, and disease and pest resistance that will reduce the burden on the environment are needed and will allow for improved ecosystem services such as clean air, clean water, fertile soil, and biodiversity benefits such as pest suppression and pollination.
- In order to fuel the future with clean energy—and to ensure that our Nation meets its fuel requirements—improvements are needed in current biofuels technologies including breeding, crop production methods, and processing.
- For all the benefits that advances in plant science bestow—in food and fiber production, ecosystem and landscape health, and energy subsistence—to have lasting, permanent benefit they must be economically, socially, and environmentally sustainable.

In spring 2012, a report from the Plant Science Research Summit will be published. This report will further detail priorities and needs to address the grand challenges.

Recommendations

Because of our membership’s extensive expertise and participation in the academic, industry and Government sectors, ASPB is in an excellent position to articulate the Nation’s plant science priorities as they relate to agriculture. Our recommendations are as follows:

- Since the establishment of NIFA and AFRI, interest in USDA research has increased dramatically, a trend ASPB hopes to see grow in the future. However, much higher investment in competitive funding is needed if the Nation is to continue to make ground-breaking discoveries and accelerate progress toward addressing urgent national priorities. ASPB encourages the appropriation of the requested level of \$325 million in fiscal year 2013 for AFRI, which, although far short of the authorized level of \$700 million, provides sound investment in today’s fiscal environment.
- The Agricultural Research Service (ARS) provides vital research to serve USDA’s mission and objectives and the Nation’s agricultural sector. The need to bolster ARS efforts to leverage and complement AFRI is great given the challenges in food and energy security. ASPB is supportive of a strong ARS and supports the \$1.13 billion request for ARS in fiscal year 2013.
- USDA has focused attention in several key priority areas including childhood obesity, climate change, global food security, food safety, and sustainable bio-energy. Although ASPB appreciates the value of such strategic focus, ASPB also emphasizes the importance of robust support for AFRI’s Foundational Program because scientific research supported by this program provides a basis for outcomes across a wide spectrum, often leading to groundbreaking developments that cannot be anticipated in advance.
- Current estimates predict a significant shortfall in the needed scientific and engineering workforce as the demographics of the U.S. workforce change. For example, there is a clear need for additional scientists in the areas of interdisciplinary energy research and plant breeding. ASPB applauds the creation of the NIFA Fellows program and calls for additional funding of specific programs (e.g., training grants and fellowships) to provide this needed workforce over the next 10 years and to adequately prepare these individuals for careers in the agricultural research of the future.
- Considerable research interest is now focused on the use of plant biomass for energy production. However, if crops are to be used to their full potential, extensive effort must be expended to improve the understanding of their basic biology and development, as well as their agronomic performance. Therefore, ASPB

¹ <http://www.gatesfoundation.org/annual-letter/2012/Pages/home-en.aspx>.

calls for additional funding that would be targeted to efforts to increase the utility and agronomic performance of bioenergy crops.

—With NIFA now in place, USDA is in a strong position to cultivate and expand interagency relationships (as well as relationships with private philanthropies) to take on bolder new initiatives to address grand challenges related to food, energy, the environment, and health. ASPB also appreciates the need to focus resources in key priority areas. However, ASPB emphasizes continued focus on individual grantees, in addition to group awards and larger multi-institution partnerships. Truly paradigm shifting discoveries cannot be predicted through collaborative efforts alone and, thus, there is a need to maintain a broad, diverse, and robust research agenda.

Thank you for your consideration of our testimony on behalf of the American Society of Plant Biologists. Please do not hesitate to contact ASPB if we can be of any assistance in the future. For more information about the American Society of Plant Biologists, please see www.aspb.org.

PREPARED STATEMENT OF THE ANIMAL WELFARE INSTITUTE

Thank you for the opportunity to submit testimony as you consider fiscal year 2013 funding priorities. Our testimony addresses the U.S. Department of Agriculture's Animal Care Program of the Animal and Plant Health Inspection Service, and the Food Safety and Inspection Service. AWI has also joined several horse show industry organizations, other animal protection groups, and the key association of equine veterinarians on a separate statement calling for sufficient funding to enable USDA to do a better job enforcing the Horse Protection Act.

Animal Care/Animal Welfare Act Enforcement/Class B Random Source Dealers

In 1966, Congress passed the Animal Welfare Act (AWA) to prevent the mistreatment of animals and to assure families that their pets would not be sold for laboratory experiments after an exposé revealed the widespread theft of pets for that purpose.

Unfortunately, 46 years later, this is still a problem. Despite the well-meaning intent of the AWA and the enforcement efforts of the U.S. Department of Agriculture (USDA), the AWA routinely fails both to reliably protect pet owners against the actions of Class B dealers who sell random source dogs and cats for use in research (also known as “random source” dealers), and to ensure that these dealers provide humane care for the dogs and cats kept on their premises.

In response to repeated requests from Congress, the National Institutes of Health (NIH) funded a study by the National Academy of Sciences (NAS) of the use of Class B dogs and cats in NIH-funded research. The NAS's 2009 report “Scientific and Humane Issues in the Use of Random Source Dogs and Cats in Research” describes a “complicated tangle of trade” in animals sold for use in experiments, and notes that “loopholes in the AWR [Animal Welfare Regulations] permit pets to enter the research pipeline via Class B dealers.” Furthermore, “. . . USDA could not offer assurances that pet theft does not occur, and agreed that such a crime is exceedingly difficult to prove . . .” That difficulty notwithstanding, the report stated that there are “descriptions of thefts provided by informants in prison . . . and documented accounts of lost pets that have ended up in research institutions through Class B dealers.” (p.84)

[As part of its mandate, the NAS report assessed whether there is a scientific rationale for recipients of research grants from NIH to purchase dogs and cats from random source Class B dealers. The report concluded that there is not.]

Across the Nation, these random source Class B dealers—and the middlemen who work for them, known as “bunchers”—use deceit and fraud to acquire dogs and cats. Their tactics include tricking animals' owners into giving away their dogs and cats by posing as someone interested in pet adoption, and the outright theft of family pets left unattended. The treatment of the animals sold by these random source Class B dealers is shocking and cruel. Hundreds of animals are kept in squalid conditions and are denied much needed veterinary care. Again, the NAS report cited a variety of problems with regard to animal welfare and enforcement.

USDA has had to implement a lengthy and time-consuming enforcement protocol for these random source dealers, involving quarterly inspections (more than any other licensees) and “tracebacks,” in order to attempt to verify the source of their animals. While it is exceedingly difficult to put a price tag on this exaggerated level of oversight, USDA did estimate for the NAS report, at a time when 11 random source Class B dealers were still in business, that it was spending as much as \$300,000 per year to regulate that small number of dealers. There are now eight

dealers left, with one's license still suspended and four others under investigation. One dealer who recently gave up his license had been indicted on a number of Federal charges, including conspiracy, aggravated identity theft, mail fraud, and making false statements to a Federal agency.

Congress, too, has spent an inordinate amount of time reviewing the actions of Class B dealers and prodding USDA and NIH to address their respective Class B dealer problems. NIH long ago banned its intramural researchers from using Class B dealers but had until recently ignored Congress' repeated calls for it to do likewise with respect to outside researchers.

As a result of the NAS report, ongoing congressional interest, enhanced (but disproportionate to their numbers) oversight by USDA, and evaporating demand for their dogs and cats, very few of these dealers remain, and with NIH's phased-in ban on the use of Class B dealers by its extramural researchers, the Class B dealer system has become a cruel and expensive anachronism. Those who continue to operate are an unjustifiable drain on USDA's resources. However, as long as it is possible to issue and renew licenses for such dealers, there is the risk that this anachronism will continue to limp along, wasting taxpayer money and perpetuating the inhumane treatment of animals and the trade in illegally acquired dogs and cats.

For this reason, we respectfully request that Congress prohibit any further spending by USDA both to grant new licenses and to renew existing licenses for Class B dealers selling dogs and cats for research purposes by including the following language in the report accompanying the fiscal year 2013 agriculture appropriations:

"Provided, That appropriations herein made shall not be available for any activities or expense related to the licensing of new Class B dealers who sell dogs and cats for use in research, teaching, or testing, or to the renewal of licenses of existing Class B dealers who sell dogs and cats for use in research, teaching, or testing".

While this step in and of itself will not immediately save much money, it will lead to more significant savings later as USDA's enforcement load with respect to these entities is eliminated.

Food Safety and Inspection Service/Humane Methods of Slaughter Act Enforcement

We appreciate the generous support provided by Congress during the past decade for enforcing the Humane Methods of Slaughter Act (HMSA). While USDA's enforcement of the law has increased recently, attention to the issue remains uneven among Federal regional districts.

An analysis of Humane Activities Tracking System (HATS) data reveals that in calendar year 2010, some USDA districts spent 10–20 times the number of hours on humane enforcement, per animal slaughtered, as other districts. Overall, USDA continues to allot an extremely small percentage of its resources to humane slaughter. For example, in calendar year 2010, only 0.5 percent of all noncompliance records written by FSIS were for humane violations.

Repeat violators present a major enforcement problem for FSIS. Of the 205 federally inspected plants that have been suspended for humane slaughter violations since January 1, 2008, 32 percent have been suspended more than once within a 1 year period. Moreover, 32 plants have been suspended on three or more occasions during the past 4 years.

Federal inspection personnel have inadequate training in humane enforcement and inadequate access to humane slaughter expertise. Enforcement documents reveal that inspectors often react differently when faced with similar violations. District Veterinary Medical Specialists (DVMS) are stationed in each district to assist plant inspectors with humane enforcement and to serve as a liaison between the district office and headquarters on humane matters. However, the work load of each of the 15 DVMSs, which includes visiting each meat and poultry plant within the district to perform humane audits and conducting verification visits following suspensions, severely limits the effectiveness of the role.

The problems of inadequate and inconsistent enforcement can be resolved by increasing the number and qualifications of the personnel assigned to humane handling and slaughter duties. No fewer than 140 full-time equivalent positions should be employed for purposes dedicated solely to inspections and enforcement related to the HMSA. In addition, the number of DVMS positions should be increased to a minimum of two per district. It is essential that the DVMS role, and humane slaughter enforcement overall, not be weakened as a consequence of the planned consolidation of FSIS districts. Enforcement records suggest that violations are reported with greater frequency in the presence of outside inspection personnel, such as DVMSs. Hiring additional DVMSs will provide for increased auditing and training to help uncover problems before they result in egregious humane handling incidents.

Animal Care/Horse Protection Act Enforcement/Requested: \$891,000

We request that you support \$891,000 for strengthened enforcement of the Horse Protection Act (HPA). Congress enacted the HPA in 1970 to make illegal the abusive practice of “soring,” by which unscrupulous trainers deliberately inflict pain on Tennessee Walking Horses’ hooves and legs to exaggerate their high-stepping gait and gain unfair competitive advantage at horse shows. They use such abominable practices as applying caustic chemicals and then using plastic wrap and tight bandages to “cook” those chemicals deep into the horse’s flesh for days; attaching heavy chains to slide up and down the horse’s sore legs; inserting metal screws or other foreign objects into the sensitive areas of the hooves; cutting the hooves down to expose the live tissue; and using salicylic acid or other painful substances to slough off scarred tissue in an attempt to disguise the sores.

A report released in October 2010 by USDA’s Office of Inspector General documents significant problems with the industry self-monitoring system on which the seriously understaffed APHIS inspection program relies, recommends its abolition, and calls for funding to enable the agency to more adequately enforce the law.

We greatly appreciate the appropriation last year of \$696,000 for Horse Protection Act enforcement. Under its historic levels of funding, Animal Care inspectors were able to attend only about 10 percent of the more than 500 Tennessee Walking Horse shows held annually. Sustained support at the requested level of \$891,000 will help ensure that this program doesn’t lose ground now that it is finally beginning to address the need for additional inspectors, training, security (due to threats of violence against inspectors), and advanced detection equipment (thermography and gas chromatography/mass spectrometry machines).

Horse Slaughter

In 2006, the U.S. House of Representatives and U.S. Senate overwhelmingly approved language that prevented tax dollars from being used to inspect horse slaughter facilities. This language remained in effect until it was removed in conference last year, despite having been approved by the full House Appropriations Committee. Allowing horse slaughter to resume will only bring this well-documented abuse to U.S. soil at great expense to the horses and the American public.

Given the financial troubles facing the Nation, we encourage the Committee to accept this bipartisan language while the full Congress moves to pass a ban on horse slaughter:

“None of the funds made available in this Act may be used to pay the salaries or expenses of personnel to—

- (1) inspect horses under section 3 of the Federal Meat Inspection Act (21 U.S.C. 603);
- (2) inspect horses under section 903 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 1901 note; Public Law 104–127);
- (3) implement or enforce section 352.19 of title 9, Code of Federal Regulations;
- (4) promulgate or implement a fee-for-service-based Federal horsemeat inspection scheme.”.

PREPARED STATEMENT OF CATHOLIC RELIEF SERVICES

On behalf of Catholic Relief Services (CRS) I thank the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee for this opportunity to testify on fiscal year 2013 appropriations under your jurisdiction.

CRS is the relief and development agency of the U.S. Catholic Church. The Catholic Church’s social teaching informs the work of CRS and our focus on the poorest people in the poorest parts of the world. The Church has broad and deep experience combating poverty and CRS has direct experience as an implementer of foreign assistance projects for almost 70 years, and is currently operating in 100 countries around the world. CRS programs address HIV and AIDS, health, education, civil society, food security, agriculture, emergency relief, WASH, and peace building. The Catholic Church in the United States also has abiding relationships and regular contact with the church in developing countries, where our worldwide community serves the needs of the poorest members of the human family. In fact, CRS counts institutions of the local Catholic Church as important local partners in many countries, and works through the church’s network abroad to reach significantly more people, and often in communities inaccessible to the local government or other actors.

CRS acknowledges the difficult fiscal challenges that Congress faces, including fulfilling our obligations to future generations. We welcome thoughtful efforts to re-

duce our Nation's deficit and debt. But even in this context, the most poor and vulnerable must have adequate access to our Nation's limited resources. We therefore urge Congress to be fiscally responsible in morally responsible ways. We urge Congress and the Subcommittee in particular, not to make cuts to international poverty-focused humanitarian relief and development assistance.

CRS has five specific requests related to the Agriculture appropriations that we ask you to consider:

- CRS is advocating for a reauthorization of Title II of Public Law 480, the Food for Peace Program, of at least \$2 billion per year before the Senate and House Agriculture Committees. We encourage the Agriculture Appropriations Subcommittee to meet our recommended authorized funding levels, but in light of the tight fiscal climate, we consider \$1.5 billion the absolute minimum that should be appropriated to Title II in fiscal year 2013.
- Within the amounts appropriated for Title II, CRS requests that the Agriculture Appropriations Subcommittee direct a minimum of \$450 million to development programs, and that the existing waiver system safe guarding these funds remain unchanged and intact.
- To make more efficient use of resources, CRS encourages the Agriculture Appropriations Subcommittee to direct additional Title II funding to cash resources, which we believe will help to address the inefficiencies of commodity monetization.
- Similarly, to make more efficient use of resources, CRS encourages the Agriculture Appropriations Subcommittee to direct the use of Title II funds toward Local and Regional Procurement (LRP), which has proven to be an effective tool in the implementation of emergency and development programs under certain circumstances.
- CRS requests that the Agriculture Appropriations Subcommittee appropriate \$250 million for the McGovern-Dole Food for Education Program.

For the duration of the testimony, I will explain our justifications for these requests.

Title II should be reauthorized for at least \$2 billion per year, and CRS supports yearly appropriations that match this level, but at minimum \$1.5 billion should to be appropriated to Title II in fiscal year 2013.

It is estimated that around 100 million people will require emergency food assistance¹ and more than 925 million people will continue to suffer from chronic hunger worldwide.² CRS estimates it would take more than \$12 billion annually to effectively address these needs. While this global need exceeds the budgetary constraints of the U.S. Government, we believe it is our moral imperative to provide as much assistance as we can to the world's poor.

Title II has been, and continues to be, the U.S. Government's premier mechanism to fight chronic hunger and meet the food needs of those in emergency situations. In 2011, Title II funding helped CRS respond to the devastating drought and famine in the Horn of Africa that affected more than 12 million people.³ CRS worked in consortium with other international and local organizations to provide life-saving food to more than 2 million Ethiopians, while also helping households protect productive assets, particularly livestock, which is an important source of food and serves as a savings mechanism that is available when absolutely necessary.

Looking ahead to 2012, the Famine Early Warning System has predicted food shortfalls in the Sahel region of West Africa for the coming year. Much like the Horn of Africa, the Sahel has faced in recent years cyclical periods of food deficit due to increasingly inadequate rainfall and farmers' unfamiliarity with cultivation practices tailored to such dry conditions. CRS's current development programs in the region help the poor and vulnerable prepare for impending food crises through interventions like dry season market gardening projects.⁴ In areas where no development programs exist, Title II will likely be needed to fund any potential emer-

¹World Food Program USA, *Emergency Response*, at <http://usa.wfp.org/advocate/emergency-response>, last visited March 21, 2012.

²United Nations Food and Agriculture Organization, *The State of Food Insecurity in the World* (2010), at 8, available at <http://www.fao.org/docrep/013/i1683e/i1683e00.htm>.

³Drought and Famine in the Horn of Africa, Testimony of Assistant Administrator, Bureau for Democracy, Conflict, and Humanitarian Assistance, U.S. Agency for International Development (USAID), Nancy E. Lindborg, Before the Committee on Foreign Relations Subcommittee on African Affairs, Washington, DC, August 3, 2011.

⁴Nancy Lindborg, Assistant Administrator, Democracy, Conflict, and Humanitarian Assistance, USAID, *Responding Early and Building Resilience in the Sahel*, The Huffington Post, March 3, 2012, available at http://www.huffingtonpost.com/nancy-lindborg/responding-early-and-build_b_1316234.html. The article focuses on a CRS market garden program in Burkina Faso that was funded through 2009, and is still in operation under its own accord.

agency response in the Sahel to meet impending acute food needs. Title II will also continue to be a necessary source of funding for other unexpected global emergencies stemming from natural disasters and human conflict.

Within the amounts appropriated for Title II, a minimum of \$450 million should be directed to development programs and the existing waiver system protecting these funds should be preserved.

As mentioned above, more than 925 million people suffer from chronic hunger worldwide, yet there are insufficient resources to meet these needs. Title II development programming is the primary U.S. Government funded program to directly address the underlying causes of chronic hunger. These programs distribute U.S. food commodities and use complementary programming to address all aspects of food security, including agricultural production, health, and nutrition.

Development programs are designed to promote self reliance, long-term sustainability, resilience in poor communities, which in the long-run can reduce their need for emergency assistance. For example, in the recent drought and famine in the Horn of Africa in 2011, CRS worked alongside other aid providers, the U.S. Agency for International Development, and the Government of Ethiopia, to implement a national Productive Safety Net Program (PSNP). The program, funded in large part by Title II development resources, distributed food and cash to the most vulnerable, giving communities the means to withstand the drought's affects and making more costly emergency assistance unnecessary for 7 million Ethiopians.⁵

The United States response to chronic hunger through Title II continues to be disproportionately low compared to the need, and compared to resources provided for emergencies. Prior to the 2008 farm bill, 75 percent of Title II resources were allocated to development programs, but a weak waiver system allowed these resources to be diverted for emergencies. Ultimately, development program funding during this period was whittled down to only a small fraction of overall Title II funding. To address this siphoning of development funding, the 2008 farm bill authorized specific funding levels each fiscal year⁶ and established a stronger waiver mechanism.⁷ Both of these additions have greatly aided development programming by ensuring a reliable funding source, and are generally referred to as the "safebox."

It is critical that development programs have steady and reliable funding because they require a multiyear approach to achieve a sustainable impact on chronic hunger. When funding levels shift dramatically from year to year, it is hard to ensure program objectives, like improved agricultural production or behavior changes around nutrition practices, are met. Funding for development programs should remain consistent with recent authorized and appropriated amounts. CRS therefore requests that the Subcommittee direct \$450 million to development programs in fiscal year 2013, the same level authorized in fiscal year 2012. Furthermore, CRS requests that the Subcommittee protect the integrity of the safebox by maintaining the current waiver provision. We believe it is a common sense approach to ensuring development funding is not siphoned off for emergencies unless other emergency funding sources have been exhausted.

To make more efficient use of resources, CRS encourages the Agriculture Appropriations Subcommittee to consider making more cash resources available within Title II funding.

Improving food security requires more than just food. Essential complementary activities in development programs ensure that gains made by food distribution programs can be sustained.⁸ For example, some development programs provide new mothers with nutrition and sanitation education so that good health practices continue even after programs are completed. Programs also distribute food in exchange for community work. These programs contribute to long-term food security by building roads for better access to markets and by digging irrigation systems to grow crops.

Complementary programs require cash funding to acquire basic inputs such as tools, seeds, and building materials, as well as to hire technical staff to train, mentor and support beneficiaries. However, Title II does not provide cash funding to

⁵ Nancy Lindborg, Assistant Administrator, Democracy, Conflict, and Humanitarian Assistance, USAID, *Building Resilience in the Horn of Africa*, USAID IMPACT blog, Dec. 19, 2011, available at <http://blog.usaid.gov/2011/12/building-resilience-in-the-horn-of-africa/>.

⁶ 7 U.S.C. § 1736f(e)(1).

⁷ This waiver requires following to occur before funds protected by the development safebox can be used for emergencies: (1) the President to determine that an extraordinary food emergency exists; (2) resources from the Bill Emerson Humanitarian Trust be exhausted; and (3) the President has to submit a request for additional appropriations to Congress equal to the reduction in the safe box and Emerson Trust. See, 7 U.S.C. § 1736f(e)(2).

⁸ Bonnard, P., et al. *Report of the Food Aid and Food Security Assessment: A Review of the Title II Development Food Aid Program* (2002).

cover these expenses. Rather, implementers like CRS engage in the practice of monetization, which is the sale of U.S. in-kind food donations abroad to generate proceeds that go to pay for program costs. Monetization is considered an inefficient mechanism to pay for development programs because the costs incurred to buy, ship, and sell U.S. commodities overseas are often greater than the proceeds raised. In the absence of cash resources, CRS values the use of monetization to support program activities, but to address the inefficiencies of monetization CRS believes more cash resources should be made available within Title II, which can be used to fund the necessary complementary activities that are vital in development programming.

One option to increase cash resources is to increase funding available under the existing 202e provision of Title II, and broaden the allowable uses of this funding source. Under the current authorization of the farm bill, 202e permits up to 13 percent of Title II funding to be provided in cash and used for a discrete set of purposes related to program implementation.⁹ However, the limitations placed on the use of 202e hamstringing the ability of this mechanism to provide necessary flexibility in program budgets. The Committee could address this by expressly directing additional Title II funding to be used for 202e, and allowing 202e to cover any type of program cost. If the Agriculture Appropriations Subcommittee pursued this course, CRS recommends that appropriations directed to 202e should be to up to 25 percent of overall Title II funding. Further, other options for providing additional cash resources do exist, and CRS would be happy to discuss these with the Subcommittee.

To make more efficient use of resources, CRS encourages the Agriculture Appropriations Subcommittee to consider allowing the use of Local and Regional Procurement (LRP) as a tool to implement emergency and development programs under Title II.

The 2008 farm bill authorized a small 5-year pilot program for Local and Regional Procurement (LRP) of food assistance.¹⁰ Recent analysis conducted through Cornell University and implementing organizations demonstrates that program activities undertaken as part of the pilot can be cost-efficient, effective in saving lives during emergencies, and enables communities to improve long-term food security through development activities.¹¹ More specifically, the pilot showed that LRP can save money, varying by commodity, with the most cost savings at 53 percent for cereals when compared to U.S. commodities. LRP can also save time, reducing the transportation costs relative to U.S. in-kind shipments by an average of 13.8 weeks. Further, several development LRP interventions funded through the pilot program showed that LRP has multiple potential benefits, including linking smallholder food producers to markets, building local capacity for food processing, milling and fortification, and expanding availability and access to highly nutritious foods.¹²

CRS's LRP pilot program in Mali successfully integrated into an existing school feeding initiative, and realized cost savings of 46 percent for peas and 62 percent for grains. In our program, LRP was also timely by having food available at the beginning of the school year. The program also had noteworthy developmental impacts; for instance, through farmer field trainings, the program improved local production and storage of harvests, and by purchasing locally sourced foods the program helped develop a source for locally led school feeding programs in the future.

The evidence to date demonstrates that LRP can have significant benefits, though it also shows that LRP isn't necessarily appropriate in all situations. The context of any food crisis should frame the decision of which food assistance tool should be

⁹ 7 U.S.C. 1721(e)(1).

¹⁰ Currently USAID provides a limited level of assistance for local and regional purchase in emergencies through the Emergency Food Security Program funded in the International Disaster Assistance (IDA) Account. Unlike the LRP Pilot Program, IDA funded LRP cannot be used for non-emergency purpose.

¹¹ Erin C. Lentz, Christopher B. Barrett, and Miguel I. Gómez, "The Impacts of Local and Regional Procurement of U.S. Food Aid: Learning Alliance Synthesis Report, "Final Report: A Multidimensional Analysis of Local and Regional Procurement of U.S. Food Aid," January 2012, available at http://dyson.cornell.edu/faculty_sites/cbb2/papers/LRP%20Ch%201%20Lentz%20et%20al%2011Jan2012Update.pdf. Formally, this collaboration was known as the Local and Regional Procurement (LRP) Learning Alliance, which began as a collaboration among organizations implementing LRP programs (Catholic Relief Services, Land O'Lakes, Mercy Corps, World Vision) and Cornell University, to monitor and analyze the market impacts of LRP. Since the closing of the LRP Pilot Program, the Learning Alliance continues to work on knowledge sharing to improve the efficacy of LRP as a whole, and has welcomed other LRP implementers, including Fabretto Children's Foundation, International Relief and Development, ACDI/VOCA, CARE and the United Methodist Committee on Relief.

¹² At present, food assistance programs authorized through the farm bill allow implementing partners to purchase enriched, nutritious products only if they are produced in the United States. By supporting the development and production of locally procured foods, including those used for therapeutic and targeted feeding programs, LRP can address this gap.

used. We simply encourage the Agriculture Appropriations Subcommittee to allow LRP programming to be used as a tool within Title II, so that LRP can, where appropriate, achieve cost savings in some Title II programs.

CRS requests that the Agriculture Appropriations Subcommittee appropriate at minimum \$250 million for the McGovern-Dole Food for Education Program.

The McGovern Dole Food for Education (FFE) program supports education, child development, and food security initiatives for some of the world's poorest children through donations of U.S. food commodities, as well as financial and technical assistance for school feeding and nutrition projects. FFE has successfully increased school enrollment by feeding school children. CRS recently implemented a FFE program in Mali, serving 45,000 individuals over 3 years. In this program more than 5 million meals, as well as vitamins and medications, were distributed among 120 schools. Our program increased school enrollment in targeted communities for boys from 26 percent to 32 percent and for girls from 39 percent to 55 percent. As education and nutrition are inextricably linked to a promising future for all children, CRS requests \$250 million be appropriated for the FFE program. By targeting the most poor and vulnerable early in their lives, we hope to curb their need for U.S. assistance in the future.

Thank you for your many years of partnership with CRS and for this opportunity to reiterate our values and report back to you on our experiences.

PREPARED STATEMENT OF THE COLORADO RIVER BASIN SALINITY CONTROL FORUM

Waters from the Colorado River are used by approximately 35 million people for municipal and industrial purposes and used to irrigate approximately 4 million acres in the United States. Natural and man-induced salt loading to the Colorado River creates environmental and economic damages. The U.S. Bureau of Reclamation (BOR) has estimated the current quantifiable damages at about \$300 million per year. Congress authorized the Colorado River Basin Salinity Control Program (Program) in 1974 to offset increased damages caused by continued development and use of the waters of the Colorado River. Modeling by BOR indicates that the quantifiable damages would rise to more than \$500 million by the year 2030 without continuation of the Program. The USDA portion of the Program, as authorized by Congress and funded and administered under the Environmental Quality Incentives Program (EQIP), is an essential part of the overall effort. A funding level at approximately \$18 million annually is required to prevent further degradation of the quality of the Colorado River and increased downstream economic damages.

Congress concluded that the Colorado River Basin Salinity Control Program should be implemented in the most cost-effective way. The Program is funded under EQIP, the U.S. Bureau of Reclamation's Basinwide Program, and a cost share for both of these programs provided by the Basin States. Realizing that agricultural on-farm strategies were some of the most cost-effective strategies,

Congress authorized a program for the United States Department of Agriculture (USDA) through amendment of the Colorado River Basin Salinity Control Act (Act) in 1984. With the enactment of the Federal Agriculture Improvement and Reform Act of 1996 (FAIRA), Congress directed that the Program should continue to be implemented as part of the newly created Environmental Quality Incentives Program. Since the enactment of the Farm Security and Rural Investment Act (FSRIA) in 2002, there have been, for the first time in a number of years, opportunities to adequately fund the Program within EQIP. In 2008, Congress passed the Food, Conservation and Energy Act (FCEA). The FCEA addressed the cost sharing required from the Basin Funds. In so doing, the FCEA named the cost sharing requirement as the Basin States Program (BSP). The BSP will provide 30 percent of the total amount that will be spent each year by the combined EQIP and BSP effort.

The Program, as set forth in the act, is to benefit Lower Basin water users hundreds of miles downstream from salt sources in the Upper Basin as the salinity of Colorado River water increases as the water flows downstream. There are very significant economic damages caused downstream by high salt levels in the water source. There are also local benefits from the Program in the form of soil and environmental benefits, improved water efficiencies and lower fertilizer and labor costs. Local producers submit cost-effective proposals to the State Conservationists in Utah, Wyoming and Colorado and offer to cost share in the acquisition of new irrigation equipment. It is the act that provides that the seven Colorado River Basin States will also cost share with the appropriated funds for this effort. This has brought together a remarkable partnership.

After longstanding urgings from the States and directives from Congress, USDA has concluded that this Program is different than small watershed enhancement ef-

forts common to EQIP. In the case of the Colorado River salinity control effort, the watershed to be considered stretches more than 1,400 miles from the River's headwater in the Rocky Mountains to the River's terminus in the Gulf of California in Mexico and receives water from numerous tributaries. The USDA has determined that this effort should receive a specific funding designation and has appointed a coordinator for this multi-state effort.

In recent fiscal years, the Natural Resources Conservation Service (NRCS) has directed that about \$18 million of EQIP funds be used for the Program. The Colorado River Basin Salinity Control Forum (Forum) appreciates the efforts of NRCS leadership and the support of this Subcommittee. Colorado River water quality standards have been prepared by the Forum, adopted by the States, and approved by the United States Environmental Protection Agency (EPA). The Forum has taken the position that funding for the EQIP portion of the Program should be consistent with the 3-year funding plan submitted by the three NRCS State Conservationists for Colorado, Utah and Wyoming. This amount for 2013 is \$18 million and includes both farm and technical assistance. Over the last few fiscal years, funding has reached the needed level. State and local cost-sharing is triggered by the Federal appropriation. In fiscal year 2013, it is anticipated that the States will cost share with about \$7.7 million and local agriculture producers will add about \$5.5 million. Hence, it is anticipated that in fiscal year 2013 the State and local contributions will be about 42 percent of the total cost. The Basin States have cost sharing dollars available to participate in funding on-farm salinity control efforts. The agricultural producers in the Upper Basin are waiting for their applications to be considered so that they might improve their irrigation equipment and also cost share in the Program, and specifically for the USDA portion of the effort which was added by amendments to the act in 1984. It has been determined that the agricultural efforts are some of the most cost-effective opportunities.

Since congressional mandates of more than three decades ago, much has been learned about the impact of salts in the Colorado River system. BOR has conducted studies on the economic impact of these salts. BOR recognizes that the damages to United States water users alone are hundreds of millions of dollars per year.

The Forum is composed of gubernatorial appointees from Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The Forum is charged with reviewing the Colorado River's water quality standards every 3 years. In so doing, it adopts a Plan of Implementation consistent with these standards. The level of appropriation requested in this testimony is in keeping with the adopted Plan of Implementation. If adequate funds are not appropriated, significant damages from the higher salt concentrations in the water will be more widespread in the United States and Mexico.

Concentrations of salt in the River cause approximately \$300 million in quantified damages and significantly more in unquantified damages in the United States and result in poor water quality for United States users. Damages occur from:

- a reduction in the yield of salt sensitive crops and increased water use for leaching in the agricultural sector,
- a reduction in the useful life of galvanized water pipe systems, water heaters, faucets, garbage disposals, clothes washers, and dishwashers, and increased use of bottled water and water softeners in the household sector,
- an increase in the use of water for cooling and the cost of water softening, and a decrease in equipment service life in the commercial sector,
- an increase in the use of water and the cost of water treatment, and an increase in sewer fees in the industrial sector,
- a decrease in the life of treatment facilities and pipelines in the utility sector,
- difficulty in meeting wastewater discharge requirements to comply with National Pollutant Discharge Elimination System permit terms and conditions, and an increase in desalination and brine disposal costs due to accumulation of salts in groundwater basins, and
- increased use of imported water for leaching and cost of desalination and brine disposal for recycled water.

Over the years, NRCS personnel have developed a great working relationship with farmers within the Basin. Maintaining salinity control achieved by implementation of past practices requires continuing education and technical assistance from NRCS personnel. Additionally, technical assistance is required for planning and design of future projects. Last, the continued funding for the monitoring and evaluation of existing projects is essential to maintaining the salinity reduction already achieved.

In summary, implementation of salinity control practices through EQIP has proven to be a very cost effective method of controlling the salinity of the Colorado River and is an essential component to the overall Colorado River Basin Salinity Control

Program. Continuation of EQIP with adequate funding levels will prevent the water quality of the River from further degradation and significantly increased economic damages to municipal, industrial and irrigation users.

PREPARED STATEMENT OF THE COLORADO RIVER BOARD OF CALIFORNIA

This testimony is in support of funding for the U.S. Department of Agriculture (USDA) and its on-farm Colorado River Basin Salinity Control Program (Program) for fiscal year 2013. This program has been carried out through the Colorado River Basin Salinity Control Act (Public Law 93-320) (Act), since it was enacted by Congress in 1974. Further, with the enactment of the Federal Agricultural Improvement and Reform Act (FAIRA) in 1996 (Public Law 104-127), Congress directed that the Program should continue to be implemented as one of the components of the Environmental Quality Incentives Program (EQIP). Finally, Congress passed the Food, Conservation, and Energy Act (FCEA) in 2008, that addressed the cost-sharing required from the Basin Funds, and redesignated the cost-sharing requirement as the Basin States Program (BSP). Currently, the BSP provides approximately 30 percent of the total amount that will be spent each year by the combined EQIP and BSP efforts.

The Salinity Control Program benefits both the Upper Basin water users through more efficient water management and the Lower Basin water users, through reduced salinity concentration of Colorado River water. For example, California's Colorado River water users continue to suffer economic damages in the hundreds of million of dollars per year due to the current salinity of the Colorado River.

The Colorado River Board of California (Colorado River Board) is the State agency charged with protecting California's interests and rights in the water and power resources of the Colorado River system. In this capacity, California participates along with the other six Colorado River Basin States through the Colorado River Basin Salinity Control Forum (Forum), the interstate organization responsible for coordinating the Basin States' salinity control efforts. In close cooperation with the U.S. Environmental Protection Agency (EPA) and pursuant to requirements of the Clean Water Act (Public Law 92-500), the Forum is charged with reviewing the Colorado River's water quality standards every 3 years. The Forum adopts a Plan of Implementation consistent with these water quality standards. The level of appropriation being supported in this testimony is consistent with the Forum's 2011 Plan of Implementation. If adequate funds are not appropriated, significant damages associated with increasing salinity concentrations of Colorado River water will become more widespread in the United States and Mexico.

Currently, the salinity concentration of Colorado River water causes about \$300 million in quantifiable damages in the United States annually. Economic and hydrologic modeling by U.S. Bureau of Reclamation (Reclamation) indicates that the quantifiable damages could rise to more than \$500 million by the year 2030 without the continuation of the Salinity Control Program as identified in the 2011 Plan of Implementation. For example, salinity damages occur from:

- A reduction in the yield of salt-sensitive crops and increased water use for leaching in the agricultural sector;
- A reduction in the useful life of galvanized water pipe systems, water heaters, faucets, garbage disposals, clothes washers, and dishwashers, and increased use of bottled water and water softeners in the household sector;
- An increase in the use of water for cooling, and the cost of water softening, and a decrease in equipment service life in the commercial sector;
- An increase in the use of water and the cost of water treatment, and an increase in sewer fees in the industrial sector;
- A decrease in the life of treatment facilities and pipelines in the utility sector;
- Difficulty in meeting wastewater discharge requirements to comply with National Pollutant Discharge Elimination System permit terms and conditions, and an increase in desalination and brine disposal costs due to accumulation of salts in groundwater basins, and fewer opportunities for recycling due to groundwater quality deterioration; and
- Increased use of imported water for leaching and the cost of desalination and brine disposal for recycled water.

In recent fiscal years, the Natural Resources Conservation Service (NRCS) has directed that about \$18 million of EQIP funds be used for the Salinity Control Program. The Colorado River Board respectfully urges the Subcommittee to support funding for the Colorado River Basin Salinity Control Program for fiscal year-2013 at least at this level.

The Forum has taken the position that funding for the Program should be consistent with the 3-year funding plan submitted by the three NRCS State Conservationists for Colorado, Utah and Wyoming. The NRCS funding plan for 2013 is \$18 million and includes both farm and technical assistance program elements. It should also be pointed out that State and local cost-sharing is triggered by Federal appropriations. In fiscal year 2013, it is anticipated that the States will cost-share with about \$7.7 million and that local agriculture producers will add another \$5.5 million. Consequently, it is anticipated that the fiscal year 2013 State and local contributions are expected to be approximately 42 percent of the total Program costs.

In conclusion, the Colorado River Board of California recognizes that the Federal Government has made significant commitments to the seven Colorado River Basin States with regard to the delivery of Colorado River water. In order for those commitments to continue to be honored, it is essential that Congress continue to provide funds to the USDA to allow it to provide needed technical support to agricultural producers for addressing salinity control activities in the Colorado River Basin. Over the past 28 years, the Colorado River Basin Salinity Control program has proven to be a very cost-effective and collaborative approach to help mitigate the impacts of the salinity of Colorado River water. Continued Federal funding of the USDA elements of this important Basin-wide program is essential to maintaining this effort.

PREPARED STATEMENT OF COLORADO STATE UNIVERSITY

Mister Chairman, Ranking Member and Members of the subcommittee, thank you for the opportunity to submit testimony for the record. I am writing to share my concerns regarding a recently recognized fungal canker disease that poses an enormous economic and ecological risk to our Nation's walnut resources. Over the past decade, thousand cankers disease (TCD) has caused the death of thousands of black walnut trees in nine western States (Arizona, California, Colorado, Idaho, Oregon, New Mexico, Tennessee, Utah, and Washington) and recently has been discovered in Tennessee, Virginia and Pennsylvania. The negative economic impacts of TCD are felt by our Nation's timber, nut and nursery producers, furniture manufacturers, and private landowners. While States are attempting to stop the spread of TCD through surveys and quarantines, greater Federal oversight and funding are needed. I request dedicated funding be allocated to the U.S. Department of Agriculture's Plant Protection and Early Detection and Rapid Response programs for fiscal year 2013 for the study and management of TCD.

What is TCD?

TCD results from the combined activity of a fungus (*Geosmithia morbida*) and the walnut twig beetle (*Pityophthorus juglandis*). As the beetle moves through a tree's twigs, branches and main stem it creates galleries beneath the bark of the branches and introduces the fungal spores. Numerous cankers develop and disrupt the flow of nutrients throughout the tree. Over time the tree is unable to store and move nutrients and starves. The most likely pathway for transmission of TCD is through the movement of raw wood (logs, firewood, stumps, burls and wood packaging materials) with bark attached. It is not known whether transmission to the eastern United States occurred through natural dispersal or by human transport of twig beetle infested walnut products.

Need for Greater Federal Funding and Oversight

At the Federal level, pests and diseases similar to TCD are addressed by the USDA's Animal and Plant Health Inspection Service (APHIS) and the U.S. Forest Service (USFS). Within APHIS, the Plant Protection and Quarantine (PPQ) program is primarily responsible and has the regulatory authority for all pests coming to the Nation's borders and the interstate movement of regulated pests. The USFS oversees the Early Detection and Rapid Response (EDRR) program, which detects new invasive species infestations and support the infrastructure necessary to rapidly contain or eradicate these infestations.

To date, USDA has provided some funding and technical assistance for TCD, mainly through fiscal year 2010 farm bill funding for survey, detection and mitigation methods. However, it has not identified TCD as an actionable pest as was done with the emerald ash borer and Asian long horned beetle and it has determined that Federal regulatory oversight of TCD would be challenging due to the interstate movement of products, poor detection capability and the widespread distribution of the disease. I believe that it is for these reasons that greater Federal oversight and funding is needed.

Funding Needs

Funding for basic research to study the life history, biology and behavior of the walnut twig beetle and the fungus is needed and would inform and improve management of the disease. Examples of priority research needs include developing an effective lure for the walnut twig beetle, the development of data and maps that would inform where the pest is most likely to migrate, and evaluating methodologies on survival of the insect and the pathogen after debarking and kiln drying or other treatments.

I thank the committee for this opportunity to provide testimony on this important subject. Please do not hesitate to contact me/us if you should require additional information.

PREPARED STATEMENT OF COPPERHEAD HILL RANCH—JOHN A. AND KAREN M. BUCHANAN, OWNERS

Mister Chairman, Ranking Member and Members of the subcommittee, thank you for the opportunity to submit testimony for the record. I am writing to share my concerns regarding a recently recognized Thousand Cankers Disease (TCD) that poses an enormous economic and ecological risk to our Nation's black walnut resources. Over the past decade, TCD has caused the death of millions of black walnut trees in nine western States (Arizona, California, Colorado, Idaho, Oregon, New Mexico, Nevada, Utah, and Washington) and recently has been discovered in the native walnut range (Tennessee, Virginia and Pennsylvania). The USDA-APHIS has estimated the standing value of walnut timber as being \$539 billion. This does not include potential loss of: Jobs related to logging, transportation, and domestic milling; derivatives of the domestic milling industry to make veneer and lumber for furniture, cabinetry, paneling, flooring, and gun stocks; export market accounts for about 60 percent of the harvested logs; and nuts are shelled into nutmeats and the shells are processed for many industrial uses.

The negative economic impacts of TCD will be felt by private landowners with immature walnut timber and by home owners with millions of walnut trees in residential areas of the Midwest and Eastern States. It will be any ugly site and very expensive to safely remove all the walnut trees as they succumb to TCD over the next couple of decades if this disease is not contained, suppressed, and locally eradicated. Research efforts to date have been limited to monitoring, ecological studies of the walnut twig beetle, epidemiology of the fungal pathogen, and development of phytosanitation treatment of walnut logs harvested in quarantined areas. Insecticide and fungicide application is not feasible or practical as a means of controlling the spread of TCD. Development of biological insect control of the walnut twig beetle is expected to be the most effective and feasible technique in stopping the advancement of TCD through the native range of black walnut.

While States are attempting to stop the spread of TCD through surveys and quarantines, greater Federal assistance and funding are needed. I request dedicated funding be allocated to the USDA-ARS for leadership in the development of biological insect control techniques of the walnut twig beetle and to the USDA-FS for continued efforts in monitoring for TCD for fiscal year 2013.

What is TCD?

TCD is a recently recognized disease in which a tiny walnut twig beetle (*Pityophthorus juglandis*) spreads a fungal organism (*Geosmithia morbida*) that causes cankers under the bark which prevents nutrient flow to the foliage leading to dieback of branches and ultimately death to the tree. While the walnut twig beetle advances only a mile or two per year, humans are the vector that spread TCD great distances within days by hauling walnut slabs with fresh bark attached that harbor the tiny beetles and fungal spores. Such shipments are believed to be the reason TCD moved into the native walnut range from the western States. Movement of firewood, logs, stumps, and burls with fresh bark attached can spread the disease great distances.

Need for Greater Federal Funding and Specific Directives

The USDA-APHIS considers both the walnut twig beetle and the fungal pathogen to be indigenous to the USA (historical evidence shows them to reside on a different walnut species in Arizona and New Mexico). Since neither is considered exotic to the USA, APHIS is not productively serving any role in combating TCD.

Federal funding needs to be directed to the USDA-ARS to lead research and development of techniques that will contain, suppress, or potentially locally eradicate the walnut twig beetle. Additional funding needs to be directed to the USDA-FS for

continued effort in monitoring and development of phyto-sanitization treatment of walnut logs harvested in quarantined areas.

I thank the committee for this opportunity to provide testimony on this important subject. Please do not hesitate to contact me if you should require additional information.

PREPARED STATEMENT OF THE CYSTIC FIBROSIS FOUNDATION

On behalf of the Cystic Fibrosis Foundation and the approximately 30,000 people with cystic fibrosis (CF) in the United States, we are pleased to submit the following testimony to the Senate Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies requesting sufficient funding for the Food and Drug Administration in fiscal year 2013. This testimony urges the Committee to provide the Food and Drug Administration the funding it needs to quickly and efficiently review treatments for CF and other rare diseases and encourages the FDA to reach out on a more systematic basis to outside experts early in the drug development process. Additionally, the CF Foundation urges the Committee to support collaborative efforts by the FDA and the National Institutes of Health, such as the Regulatory Science Initiative and the FDA–NIH Joint Leadership Council. Collaboration between the NIH and FDA has the potential to help move innovative new drugs more quickly through the development process and into the hands of patients.

In particular, the Foundation wishes to commend the speed with which the FDA approved Kalydeco™, a breakthrough treatment for cystic fibrosis that is the first to address the underlying genetic cause of the disease for 1,200 people with CF who carry a specific genetic mutation. The agency reviewed and approved Kalydeco's New Drug Application in only 3 months—one of the fastest approvals of any drug in the history of the agency. The speed with which this review was conducted is a testament to the FDA's commitment to collaboration with Vertex Pharmaceuticals, Kalydeco's developer, and the Cystic Fibrosis Foundation, as well as its commitment to the patients who are already benefiting from the drug. The science behind Kalydeco has opened exciting new doors to research and development that may eventually lead to a cure for all people living with CF.

About Cystic Fibrosis

Cystic fibrosis is a life-threatening genetic disease for which there is no cure. People with CF have two copies of a defective CFTR gene, which causes the body to produce abnormally thick, sticky mucus that clogs the lungs and results in life-threatening lung infections. This mucus also obstructs the pancreas, preventing pancreatic enzymes from assisting in the breakdown of food and the absorption of nutrients.

The mission of the Cystic Fibrosis Foundation is to find a cure for cystic fibrosis and improve the quality of life for people living with the disease. This is accomplished by funding life-saving research and working to provide access to quality care and effective therapies for people with CF. Through the Foundation's efforts, the life expectancy of a child with CF has doubled in the last 30 years. Although real progress toward a cure has been made, the lives of young people with CF are still cut far too short.

The promise for people with CF lies in research. The CF Foundation has raised and invested hundreds of millions of dollars in private money to help develop CF drugs and therapies and nearly every CF drug available today was made possible because of the Foundation's support. The Foundation accredits a nationwide network of over 110 CF care centers that has been widely recognized as a national model for specialized treatment of a disease.

Sustaining Funding for Rare Disease Drug Review at the FDA

Funding for Rare and Orphan Disease Drug Review

In order to encourage swift review of drugs for CF and other rare diseases, we urge the Committee to recommend sufficient funding for the Food and Drug Administration, particularly the Center for Drug Evaluation and Research (CDER)'s Office of New Drugs, in fiscal year 2013.

To be effective, the FDA needs an adequate number of reviewers with the appropriate skills and expertise to evaluate therapies for rare diseases like cystic fibrosis. Additional support for the FDA through increased funding not only ensures that the Nation has a safe and effective supply of drugs and devices, but also that the agency can give the necessary attention to reviewing therapies that treat small populations and serve specific unmet medical needs.

It is more critical than ever that Congress significantly increase funding for the Center for Drug Evaluation and Research (CDER) at the FDA and for the agency as a whole in fiscal year 2013 so that it can meet its statutory obligations in a timely manner.

Accelerating the Rare Disease Drug Review Process at the FDA

The Cystic Fibrosis Foundation applauds the FDA and Associate Director for Rare Diseases Dr. Anne Pariser in particular for their attention to rare disease drugs and sensitivity to the unique challenges posed by the evaluation of these treatments.

As we reap the benefits of the mapping of the human genome, treatments like Kalydeco are being developed that target smaller and smaller populations. This aspect of personalized medicine holds the promise to treat or cure rare diseases and subsets of more common diseases that plague millions of Americans.

However, as the scientific landscape changes, it is important that the FDA has access to the expertise it needs to swiftly review innovative new treatments. FDA review officials have taken steps to improve access to scientific expertise during the review of therapies that treat rare diseases, and FDA leaders and review staff have been willing to engage in constructive dialogue to address the challenges of rare disease review. The agency has taken part in productive conversations with researchers and patients at the CF Foundation, including with many of the world's foremost experts on cystic fibrosis, on the development and review of potential therapies to treat cystic fibrosis and on topics separate from specific drug review, such as improving tools for Patient Reported Outcomes (PROs). In particular, the collaboration showcased during the review of Kalydeco is an excellent example of how the FDA, a drug sponsor, patients and external experts can work to effectively evaluate new drugs and accelerate the approval process.

However, in some cases the opportunity for public comment is not available if the product in question is not the subject of an advisory committee. In all cases, this public comment period occurs very late in the review process. While FDA review divisions do conduct some consultations with external experts separate from the advisory committee process, the complexity and diversity of applications for rare disease therapies suggest that the agency would benefit from more regular consultation with extramural experts early in the review process. The Cystic Fibrosis Foundation asks that the Committee encourage the FDA to reach out on a more systematic basis to outside experts early in the drug development process.

One such strategy the House of Representatives is considering is the proposed Expanding and Promoting Expertise in Review of Rare Treatments (EXPERRT) Act, H.R. 4156. CFF strongly supports the EXPERRT Act, which establishes a program to facilitate FDA outreach to external experts earlier and throughout the drug review process on issues such as unmet medical need, genetically targeted treatments, disease severity, clinical trial design and patient demographics.

Additionally, the CF Foundation urges the Committee to support collaborative efforts by the Food and Drug Administration and the National Institutes of Health, such as the Regulatory Science Initiative and the FDA-NIH Joint Leadership Council. Collaboration between the NIH and FDA has the potential to help move innovative new drugs more quickly through the development process and into the hands of patients by ensuring that the FDA has the resources, strategies, and tools it needs to efficiently review and regulate drugs in this ever changing scientific landscape. As treatments like Kalydeco are being developed to target specific genetic mutations and smaller and smaller populations, it is important that the FDA has the expertise it needs to quickly move these drugs through the review process.

The Cystic Fibrosis Foundation's unique and successful drug development model for creating treatments for a rare disease has helped create a robust pipeline of potential therapies to fight cystic fibrosis. The Food and Drug Administration has played a critical role in this process, working with the Foundation as they review treatments and move them into the hands of patients. Encouraged by our successes, we believe the experience of the CF Foundation in clinical research can serve as a model of drug discovery and development for research on other orphan diseases and we stand ready to work with the FDA and congressional leaders. On behalf of the Cystic Fibrosis Foundation, we thank the Committee for its consideration.

PREPARED STATEMENT OF THE FARMERS MARKET COALITION

The Farmers Market Coalition (FMC) represents more than 2,700 farmers markets across the United States, as well as the more than 30,000 farmers that depend upon them. We seek to build viable agricultural economies by expanding farmers' marketing choices while expanding consumers' opportunities to purchase fresh, lo-

cally grown foods. Herein, we urge you to fully fund both the Farmers Market Promotion Program and the WIC Farmers Market Nutrition Program.

Farmers markets have grown in response to consumer demand in recent years, emerging as cornerstones in more than 7,100 communities across the United States. Markets are extending their seasons into winter months, too, offering farmers income throughout the year. Uniquely, they have the potential to bridge urban and rural divides, strengthening the fabric of our country while addressing the nutritional needs of Americans at every income level. The percentage of SNAP dollars redeemed at farmers markets, for example, is increasing as more markets become EBT-equipped and program participants choose to use their benefits there. For this reason, FNS and AMS programs that facilitate the sector's growth are of critical importance not just to farmers, but to families, and community economies. FMC urges the following:

Reauthorize and increase funding for the Farmers Market Promotion Program.—The ripple effects of the FMPP program are impressive, providing small infusions of funding to communities and groups of farmers in all 50 States since 2006. These awardees grow capacity, increase farmer income, help new entrepreneurs get started in feeding their local communities, and build local partnerships for long-term viability. However, the program is highly competitive, funding only 444 of the Nation's 7,100 farmers markets since 2006. With rural jobs on the line, and the nascent local food sector in need of training, capacity building, and technical assistance, now is not the time to turn our backs on a program with such far-reaching positive impacts, as illustrated in recent Senate Agriculture Committee briefings and testimonies.

We urge you to reauthorize funding for the Farmers Market Promotion Program, and increase funding to \$20 million annually so that it can fully serve farmers markets and the many farmers choosing to begin marketing to consumers in their local communities.

Restore full funding to the WIC Farmers Market Nutrition Program (WIC FMNP).—In 2010, WIC FMNP served more than 2.1 million WIC families, bringing more than \$22 million in income directly to more than 18,000 small and mid-scale produce farmers. Proposed cuts of \$3.5 million to this important program threaten access to fresh local produce for WIC eligible clients in 45 State agencies, Territories and Indian Tribal Organizations. For example, in Wisconsin alone, WIC FMNP provided fresh fruits and vegetables to approximately 100,000 women and their children in 2011, simultaneously providing \$864,037 in additional income to 1,552 participating Wisconsin produce farmers. Proposed cuts to this effective win-win program would mean thousand fewer families in need having access to nutritious, locally grown produce, and many hardworking farmers unable to serve them.

New York State, which serves almost 400,000 WIC mothers and their children, calculated the devastating impact of these proposed WIC FMNP cuts on their agricultural sector. They estimate that small family farmers in the State would lose approximately \$1.1 million in revenues.

We urge you to restore WIC FMNP funding to \$20 million for fiscal year 2013.

Thank you for your consideration of this testimony, and, on behalf of the Farmers Market Coalition Board of Directors and members, thank you for all you do on a daily basis to support America's family farmers.

PREPARED STATEMENT OF FLORIDA HOME PARTNERSHIP, INC.

On behalf of Florida Home Partnership, I wish to thank you for accepting this testimony on Rural Housing Funding for fiscal year 2013. Florida Home Partnership, Inc. (FHP) is a nonprofit Community Housing Development Organization (CHDO). Our mission is to provide low and moderate income families affordable, quality-built, energy efficient homes in communities that offer long-term value and comfort. I am urging the Appropriations Subcommittee to fund the following USDA Rural Housing Programs at the higher of fiscal year 2012 levels or the President's fiscal year 2013 budget request: (1) \$900 million for Section 502 Family Direct Homeownership Loans, (2) \$30 million for Section 523 Self-Help Housing Program, and (3) \$13 million for the Rural Community Development Initiative. The Section 502 Loans provide affordable mortgage opportunities for low-income rural Americans, while the Section 523 funds allow Self-Help Housing grantees across Rural America provide technical assistance to Rural Americans engaged in building their own homes through USDA's Mutual Self-Help Housing Program.

FHP administers the USDA Mutual Self-help Program in the rural areas of Hillsborough and Pasco Counties in Florida. The impact of this service asserts a positive result in four areas: Affordable quality housing for low- to moderate-income

families; Green Built and Energy Star certified homes conserve precious resources; safe and affordable housing instills higher goals for the future of youth and teens; and the Mutual Self-help Program sustains and stimulates the local economic environment.

With the support of the USDA Mutual Self-Help Program, Florida Home Partnership guides groups of 6 to 10, low- to moderate-income families to work together to help build each other's homes. In the past 15 years, over 500 homes and 5 communities have been built. Leveraging dollars from the USDA Mutual Self-Help Program, the State of Florida's Home Ownership Pool and down payment assistance through Hillsborough and Pasco Counties, Federal funds enable FHP to efficiently operate a very complex yet effective program. FHP has successfully administered over \$65 million to implement this USDA affordable housing program.

Family members of the groups share the common goal of homeownership and commit themselves to share in the work that will make that goal a reality. When all homes in the construction group are completed, all homeowners are authorized to move into their new homes on the same day, creating an instant community.

Families and individuals contribute a minimum of 600 hours of "sweat equity" in the construction of their new homes in exchange for their down payment. Hard work is the key, along with a willingness to work cooperatively with other participants. No construction experience is necessary! Participants perform a variety of unskilled and semi-skilled tasks from digging the foundation, to carpentry, painting, electrical and plumbing activities through construction clean-up and landscaping—along with everything in between! Our knowledgeable family construction coordinators (who themselves have gone through the program) guide participants through the construction process all the while teaching the participants many new skill sets. Friends, family, church members, and others help these families accomplish the labor requirements. Therefore, it becomes a community endeavor to complete all the homes in a group.

Each Self Help Home is currently being built as a GREEN Certified home, and is constructed to Exceed Energy Star Standards. To date, FHP has constructed over 150 GREEN and Energy Star Certified homes. These homes conserve energy resources for our country, and just as importantly, conserve the precious financial resources of the low-income rural clients we serve. Many of the Self-Help Housing organizations across America build their homes to these same GREEN and Energy Conserving Standards.

FHP provides services before, during and after to assure the success of the families. Services provided "during" the application process include homeownership education, improving credit, and understanding the responsibilities of homeownership. Once the home is built, homeowners are also educated and encouraged to become active with their homeowners association to assure their community remains a quality and safe neighborhood. FHP recently hosted a Parliamentary Procedure Training class for interested homeowners and to train new and seasoned HOA board members.

While FHP provides safe housing and encourages community involvement, the groundwork is being laid to support a positive outlook for youth and teens in the community. The youth of our communities have witnessed the hard work of their parents leading to the accomplishment of the American Dream, homeownership. We have had multiple experiences where children growing up in our decent affordable self help housing communities, have gone on to build self help homes of their own. These children have learned that hard work and perseverance do pay off.

The USDA Mutual Self-help Program has also had a positive impact on the local economy. In addition to a staff of 17 employees, in which 58 percent are Self Help Homeowners, FHP has been able to regularly subcontract with small family owned, mid-size and chain store businesses. A great portion of the \$65 million has been circulated to these various businesses since our inception in 1993. Consequently, as a primary client for many businesses, including Home Depot, in the Ruskin, Florida area, FHP has contributed to supporting jobs throughout its rural service area.

The value of the Mutual Self-Help Housing Program has inherent benefits that provide answers to other social problems in our society by meeting the needs of affordable, quality and energy-efficient housing that provides safe environments for our rural families. Accordingly, the program also prepares the children of these homeowners with the tools to change their collective destinies; all while creating and maintaining meaningful jobs for rural Americans.

PREPARED STATEMENT OF THE FEDERATION OF AMERICAN SOCIETIES FOR
EXPERIMENTAL BIOLOGY

The Federation of American Societies for Experimental Biology (FASEB) respectfully requests a fiscal year 2013 appropriation of \$325 million for the Agriculture and Food Research Initiative (AFRI) within the National Institute of Food and Agriculture. This funding level matches the recommendation made in the President's fiscal year 2013 budget request. FASEB's broader goal is to support sustainable growth so that AFRI funding reaches its authorized level of \$700 million as soon as feasible.

As a federation of 26 scientific societies, FASEB represents more than 100,000 life scientists and engineers, making it the largest coalition of biomedical research associations in the United States. FASEB's mission is to advance health and welfare by promoting progress and education in biological and biomedical sciences through service to its member societies and collaborative advocacy. FASEB enhances the ability of scientists and engineers to improve—through their research—the health, well-being, and productivity of all people.

As the Department of Agriculture's premier competitive grants program, AFRI supports agricultural research, education, and extension projects at public land grant universities and other institutions nationwide. In order to optimize the effectiveness of its resources, AFRI facilitates collaborative, interdisciplinary research to address key societal problems and build foundational knowledge in high-priority areas of the food and agricultural sciences. AFRI also encourages young scientists to pursue careers in agricultural research by providing research funding for over 1,700 of the Nation's most promising pre- and postdoctoral scholars.

According to the results of a recent study published in the Proceedings of the National Academy of Sciences, global food demand is expected to double by the year 2050. The world must meet the increasing need for food while simultaneously providing better nutrition, new biofuel materials, sustainable farming practices, and greater food safety. The effective coordination of research, education, and extension activities like those supported by AFRI enables efficient translation of scientific discoveries into a broad range of applications to overcome some of our most daunting food and agriculture challenges. For example, a team of scientists supported by AFRI are discovering the biological processes that determine how warm temperatures affect corn seed development and crop production. With this knowledge, researchers can develop hardier genetic variants of corn that are able to overcome the negative effects of heat stress and produce higher yields—advances which will be important for maintaining an adequate food supply. Other AFRI-funded scientists are studying the genomes of soilborne microorganisms responsible for damaging soybeans and other crops. By understanding the pathogen's ability to harm plants, research and extension specialists can develop methods to manage the disease, increase crop production, and assist farmers, who lose an estimated \$300 million to soybean root and stem rot diseases each year. AFRI also makes critical contributions to improving human health; scientists are using multidisciplinary approaches to examine the process by which disease-causing *E. coli* are released from the digestive tracts of cattle into the food supply. Research on the genetic, microbial, and environmental factors that cause the bacteria to spread throughout livestock populations enables scientists to devise new strategies for reducing cattle infections and preventing food contamination.

Robust AFRI funding will also help attract talented young scientists to careers in agricultural research. A new AFRI-sponsored fellowship program has been established to help train and develop the next generation of agricultural, forestry, and food scientists and educators. In its first year of funding, the program awarded a total of \$6 million to 54 students from 32 universities across the country. Fellows are already advancing important research projects, including a study to identify sources of microbial contamination in imported foods.

Agricultural research directly benefits all sectors of society and every geographic region of the country. Furthermore, the private sector relies on public investments in USDA research to increase productivity, improve crops, and train future cohorts of agricultural scientists. The estimated value of U.S. agricultural exports increased 32.2 percent between fiscal year 2007 and fiscal year 2010, illustrating the growing demand for agricultural products worldwide, and yet the AFRI budget has stagnated since the program was established with an authorized funding level of \$700 million in the 2008 farm bill. In fiscal year 2010, AFRI's limited resources could only support 40 percent of project proposals recommended for funding by review panels, and the program remains significantly underfunded relative to its current capacity. The fiscal year 2012 AFRI budget of \$264 million is woefully inadequate to ensure viability of a research enterprise at the core of human prosperity.

Thank you for the opportunity to offer FASEB's support for AFRI.

FASEB is composed of 26 societies with more than 100,000 members, making it the largest coalition of biomedical research associations in the United States. Celebrating 100 Years of Advancing the Life Sciences in 2012, FASEB is rededicating its efforts to advance health and well-being by promoting progress and education in biological and biomedical sciences through service to our member societies and collaborative advocacy.

PREPARED STATEMENT OF FRIENDS OF AGRICULTURAL RESEARCH—BELTSVILLE, INC.

Mister Chairman and Members of the Subcommittee, thank you for this opportunity to present our statement supporting funding for the USDA's Agricultural Research Service (ARS), and especially for its flagship research facility, the Henry A. Wallace Beltsville Agricultural Research Center (BARC), in Beltsville, Maryland. We strongly recommend full fiscal year 2013 funding support for research programs at Beltsville.

We begin our recommendations, Mr. Chairman, by drawing attention to Agriculture Secretary's Tom Vilsack's February 13, 2013, remarks on the proposed fiscal year 2013 budget: "USDA has supported farmers, ranchers and growers so that last year they enjoyed record farm income. . . . To help sustain record farm income, we will invest in research and development to improve agricultural productivity. [And continue] support for in-house research and the land grant universities. We'll continue our efforts to combat destructive pests and disease that threaten crops and livestock.

Following a Department-wide review of operations, we created a Blueprint for Stronger Service to make USDA work better and more efficiently for the American people. We found savings in areas like technology, travel, supplies and facilities. We've been able to avoid the interruptions in service that come with furloughs and employee layoffs.

The Blue Print for a Stronger Service holds out substantive agency-wide impacts for the Agricultural Research Service as a whole as well as for Beltsville in particular. The agency is streamlining its business operations, consolidating activities such as human resources and procurement into three "business service centers." In fiscal year 2011, ARS cut its travel costs by approximately 28 percent from the past year, and the ARS printing fund has been cut by more than half. While continuing to serve the research needs of American agriculture and the Nation, ARS is committed to "doing more with less."

We strongly endorse the remarks of Secretary Vilsack and the purposes and goals of the Blue Print for a Stronger Service. Overall, ARS will close 12 of its research programs at 10 locations in 2012, none of them at Beltsville—a recognition of the outstanding research conducted at Beltsville.

Beltsville—the Nation's premier agricultural research center—has spearheaded technical advances in American agriculture for over 100 years. Beltsville celebrated 100 years of research leadership and technical advances in 2010. The long list of landmark research achievements over that time is truly remarkable. Still at the threshold of its second century, Beltsville stands unequalled in scientific capability, breadth of agricultural research portfolio, and concentration of scientific expertise. Under the leadership of Director Dr. Joseph Spence and with its powerful scientific capability, the Beltsville Agricultural Research Center is distinctively, indispensably prepared for the challenges that lie ahead.

Toward that end, the scientists of Beltsville have developed a new, bold vision for the future. Titled *Innovation and Integration: Agricultural Research for a Growing World*, this visionary document stems from the realization that broader, multidisciplinary approaches will be needed to address new, perhaps unforeseeable agricultural challenges of the future. New approaches will be needed to reach beyond the confines of traditional research approaches tied to narrow issues or specific commodities. Traditionally, for instance, plant scientists may have worked in some combination with animal scientists or with human nutritionists. Only rarely, however, have scientists combined efforts across many disciplines to solve problems. Given its broad research portfolio and its many disciplines, Beltsville is perfectly situated for broad, multidisciplinary approaches to flourish. Thus, in every way, Beltsville remains and will continue to be a national Center of Excellence for the highest agricultural research priorities.

We are aware of the financial constraints facing our country. We are aware, too, of urgent demands for funding among compelling national priorities. Securing ample, safe, and nutritious food—food security—has always been the most compelling of human priorities. That is true today, and it will be no less so in the years

ahead. Commentators such as Robert Samuelson speculate that as much as oil, scarce food could shape global politics for decades to come. In summation, Mr. Chairman, we strongly support adequate funding for Beltsville. We would respectfully suggest that adequate funding for the Agriculture Department's flagship research center is central to maintaining national and world food security.

Priorities in the President's Fiscal Year 2013 Budget Request

Now, Mr. Chairman, we turn to key research areas highlighted in the President's proposed budget. We strongly recommend this proposed funding. Our recommendation is consistent with the remarks of Secretary Vilsack.

We were pleased to see that the fiscal year 2013 budget includes increases for environmental stewardship; crop breeding and protection; animal breeding and protection; food safety; and human nutrition. Obviously, these are areas of great concern to all Americans, and they are certainly among the highest priorities for agricultural research today. All of these research areas are strengths of the Beltsville Agricultural Research Center and they will benefit well from the unique facilities and scientific expertise at the Center. We encourage you to seriously consider funding the proposed budget and to ensure that Beltsville receives the funding that it needs to address these critical research needs.

Although funds are not requested for major facilities projects in the fiscal year 2013 budget, we would like to bring to your attention the urgent need for renovation of Building 307 on the Beltsville campus. The Center has aggressively moved to consolidate space and reduce costs and has been very successful at doing so. However, these plans require the renovation of a building—Building 307—that was vacated some years ago in anticipation of a complete renovation. In the past, Congress approved partial funding for this renovation, and those monies were retained pending appropriation of the full amount required for the renovation. Unfortunately, those funds now have been lost to ARS. Consequently, renovation of this vacant, highly useful building is on indefinite hold. While we realize that funding is extremely tight, we confirm that Beltsville urgently needs a renovated Building 307 for adequate, high quality lab space. Moreover, a renovated Building 307 would not only yield substantial energy savings, but also would allow Beltsville to move forward with other long-delayed relocation and consolidation plans.

In summation, we would highlight these spheres of excellence:

Animal Breeding and Protection.—Beltsville conducts extensive research on animal production and animal health. The research center is the foundation of genetic improvement in dairy cow production. Beltsville is examining ways to prevent resistance to drugs for animal parasite prevention and control.

Crop Breeding and Protection.—Beltsville scientists have an extensive record of ongoing research relating to protecting crops from pests and emerging pathogens. Beltsville has distinctive expertise for identifying pathogens, nematodes, and insects that destroy crops or make crops ineligible for export. Beltsville houses the Germplasm Resource Information Network, the United States coordinating body to identify and catalog plant germplasm.

Child and Human Nutrition.—The Beltsville Human Nutrition Research Center (BHNRC) is the Nation's largest, most comprehensive Federal human nutrition research center; unique activities include the What We Eat in America survey, which is the Government's nutrition monitoring program, and the National Nutrient Databank, which is the gold standard reference of food nutrient content that is used throughout the world. These two activities are the basis for food labels, nutrition education programs, food assistance programs including SNAP, the Supplemental Nutrition Assistance Program, school feeding programs, and Government nutrition education programs.

Global Climate Change.—Beltsville became actively engaged in climate change research long before climate change became a topic of intense media interest. Beltsville scientists are at the forefront of climate change research—understanding how climate change affects crop production and the effects of climate change on growth and spread of invasive and detrimental plants (such as weeds.) A central aim is finding ways to mitigate negative effects of climate change on crops. Beltsville houses unequalled facilities for replicating past climates or climates that may exist in the future.

Plant, Animal, and Microbial Collections.—Beltsville houses matchless national biological collections that are indispensable to the well-being of American agriculture. In addition to the actual collections, Beltsville scientists are internationally recognized for their expertise and ability to quickly and properly identify insect pests, fungal pathogens, bacterial threats, and nematodes. This expertise is crucial to preventing loss of crops and animals, ensuring that invasive threats to American agriculture are identified before they can enter the country, thus helping to protect

homeland security, and ensuring that American exports are free of pests and pathogens that could prohibit exports. Also, Beltsville houses the National Animal Parasite collection and has the expertise to identify parasites that are of importance to agricultural animals.

Mr. Chairman, this concludes our statement. Thank you for consideration and support for the educational, research, and outreach missions of the Beltsville Agricultural Research Center.

PREPARED STATEMENT OF THE GLOBAL HEALTH TECHNOLOGIES COALITION

Chairman Kohl, Ranking Member Blunt, and members of the Committee, thank you for the opportunity to provide testimony on the fiscal year 2013 appropriations funding for the U.S. Food and Drug Administration (FDA). We appreciate your leadership in global health, and we hope that your support will continue. I am submitting this testimony on behalf of the Global Health Technologies Coalition (GHTC), a group of nearly 40 nonprofit organizations working together to advance U.S. policies that can accelerate the development of new global health innovations—including new vaccines, drugs, diagnostics, microbicides, multi-purpose technologies, and other tools—to combat global health diseases and conditions. The GHTC members strongly believe that to meet the world's most pressing global health needs, it is critical to invest in research today so that the most effective health solutions are available now and in the future. We also believe that the U.S. Government has a historic and unique role in doing so. My testimony reflects the needs expressed by our member organizations, which include nonprofit advocacy organizations, policy think-tanks, implementing organizations, product development partnerships (PDPs), and many others.¹ We strongly urge the Committee to continue its established support for global health research and development (R&D), as well as product safety by (1) sustaining and supporting the U.S. investment in global health research, product development, and global regulation; (2) instructing the FDA to prioritize the review and licensure of global health technologies; and (3) requiring leaders at the FDA to put plans in place to ensure that global health product regulation is efficient, coordinated, and streamlined.

Critical Need for New Global Health Tools

Every day, more than 35,000 people die from AIDS, tuberculosis (TB), malaria, and other neglected diseases. The health detriments these diseases cause, even when not fatal, have profound implications in other areas such as economic stability and access to education. This highlights the urgent need for sustained investment in global health research to deliver new tools to combat these devastating diseases. While drugs and other health technologies exist for these diseases, many have grown ineffective due to increasing drug resistance and toxicity or are costly and difficult to administer in poor, remote, and unstable settings. While we must increase access to proven, existing drugs, vaccines, diagnostics, and other health tools to tackle global health problems, it is just as critical to develop the next generation of tools to fight existing disease and address emerging threats such as malaria, dengue, and drug-resistant TB. There are several very promising technology candidates in the R&D pipeline; however, these tools will never be available if the support needed to continue R&D is not supported and sustained.

Innovation as a Smart Economic Choice

Global health R&D brings lifesaving tools to those who need them most; however, the benefits are much broader than preventing and treating disease. It is also a smart economic investment in the United States, where it drives job creation, spurs business activity, and benefits academic institutions. Biomedical research, including global health, is a \$100 billion enterprise in the United States. In Washington State, \$4.1 billion is generated annually from global health activities, including R&D. In North Carolina, the economic impact from global health is roughly \$2 billion. It is important that the U.S. Government support industries, such as global health R&D, which exhibit such strong potential to build the economy at home and abroad. Global health R&D has been an important legacy of USAID's work for over three decades, and should be supported and protected. History has shown that investing in global health research not only saves lives but also produces cost-savings and efficiencies. In the United States alone, for example, polio vaccinations during the last 50 years have resulted in a net savings of \$180 billion. New therapies to treat drug-resistant TB have the potential to reduce the price of treatment by 90 percent and

¹ Global Health Technologies Coalition. <http://www.ghtcoalition.org/coalition-members.php>.

cut health system costs significantly. The United States has made smart investments in research in the past that have resulted in lifesaving breakthroughs for global health diseases, as well as important advances in diseases endemic to the United States. It is essential that we keep this momentum going and not allow this research to lag behind, in order to maximize the resources we have put into these programs. We must now build on those investments to turn those discoveries into new vaccines, drugs, tests, and other tools.

Advancing Global Health Product Development

Because private industry does not invest significantly in the development of products for diseases for which there are no lucrative markets, a host of new organizational models and incentive mechanisms have emerged to address this challenge, with varying success.

One organizational model that has proven promising is the product development partnership (PDP). PDPs are a unique form of a public-private partnership established to drive greater development of products for neglected diseases. Currently, there are more than 26 PDPs developing drugs, vaccines, microbicides, and diagnostics that target a range of infectious and neglected diseases, including HIV/AIDS, malaria, TB, Chagas disease, dengue fever, and visceral leishmaniasis.

While each PDP operates differently depending on its disease area(s) of focus, they typically employ a portfolio approach to R&D to accelerate product development by pursuing multiple strategies for the same disease area. They also work in close partnership with academia, large pharmaceutical companies, the biotechnology industry, and with regulatory and other Government agencies in developing countries.

PDPs are delivering on their promise to develop lifesaving products for use in countries where disease burdens are highest and no viable commercial markets exist. To date, PDPs have developed and licensed 16 products to combat neglected diseases in low- and middle-income countries. More can be expected from PDPs in the future with sustained and additional support: in 2009, PDPs had more than 120 biopharmaceutical, diagnostic, and vector-control candidates in various stages of development, including 32 in late-stage clinical trials. In the next 5 years, it is anticipated that several new technologies could be ready for use or in final stages of clinical development.

For example the RTS,S/AS01 malaria vaccine candidate, manufactured by GlaxoSmithKline and co-developed with the PATH Malaria Vaccine Initiative, has produced positive results in clinical trials thus far, and could be available for general implementation for infants in Africa within 5 years or so. Such a vaccine would significantly reduce the burden of sickness and death from malaria. Additionally, six TB vaccine candidates are in clinical trials worldwide, including the first late-stage infant study of a TB vaccine in more than 80 years. There are also several new TB drug candidates in testing, which, if approved, would become the first new TB drugs in nearly 50 years. These therapies could help reduce the 8 million new TB infections and nearly 1.7 million TB-related deaths that happen each year. Also, a vaccine candidate and drug candidates are currently in clinical trials to prevent and treat visceral leishmaniasis, a neglected disease whose current treatments are costly and toxic. Additionally, two artemisinin combination therapies—the gold standard of malaria drug treatment—developed in partnership with Medicines for Malaria Venture have recently been approved and will be reaching those in need in the near future.

Global Health Product Development Challenges

Developers of products intended for the developing world face challenges in three key areas:

First, capacity to conduct as well as adequately regulate clinical trials does not exist or is often weak in countries where diseases are endemic. Second, there is a lack of financing for late-stage clinical trials, which are necessary for testing the efficacy and safety of new tools. And third, the approval process for new products for neglected diseases is poorly coordinated and involves multiple, complex steps. Global regulatory systems are not sufficiently streamlined and the capacity of regulatory authorities to approve products for the developing world is frequently weak. Therefore, regulatory review and introduction of new safe and effective products takes longer than necessary.

The FDA has demonstrated through a number of recent actions that it can have an impact on the introduction of global health tools. These include:

- The FDA's program to review HIV/AIDS drugs delivered in the developing world through the U.S. President's Emergency Plan for AIDS Relief.

- The release of guidance documents that outlined the FDA’s willingness to review vaccines and other products for diseases not endemic to the United States.
- The agency’s partnership with global bodies, such as the World Health Organization (WHO), to enhance access to medicines for the developing world and assist other countries in bolstering their regulatory capacity.
- The FDA’s Priority Review Voucher Program, which awards a voucher for future expedited product review to the sponsor of a newly approved drug or biologic that targets a neglected tropical disease (NTD).
- The FDA’s Office of Critical Path Initiatives, which supports the development of regulatory science such as biomarkers and animal models to better evaluate and register new TB tools.
- The FDA’s issuance of a guidance for testing new anti-TB drugs in combination, which accelerates the development of new, safe, and highly effective treatment regimens with shorter therapy durations.

The FDA’s efforts in these areas are to be applauded. The agency can and should continue to increasingly leverage its expertise to benefit the millions of people affected by infectious diseases around the world.

Recommendations

Support for global health research that saves lives around the world—while at the same time promoting innovation, creating jobs, and spurring economic growth at home—is unquestionably one of the Nation’s highest priorities. In keeping with this value, the GHTC respectfully requests that the Committee do the following:

- Sustain and support U.S. investments in the FDA’s funding resources, as well as its capacity to provide technical advice to other regulatory bodies and review and license health products for diseases not usually endemic to the United States, and its authority to fund research and development for global health technologies, including but not limited to those created through the Critical Pathways Initiative.
- Instruct all U.S. agencies in its jurisdiction involved in global health to prioritize R&D within all development programs by creating actions plans, including metrics to measure progress. We request that leaders at the FDA to work with leaders at other U.S. agencies, including the State Department, U.S. Agency for International Development, the National Institutes of Health, the Centers for Disease Control and Prevention, and the Department of Defense to ensure that efforts in global health R&D are coordinated, efficient, and streamlined. This should include establishing transparency mechanisms designed to show what global health R&D efforts are taking place and how U.S. agencies are collaborating with each other to make efficient use of the U.S. investment, and align with the goals and intentions of the recently released Health and Human Services Global Health Strategy.²
- Direct that the results of these initiatives should be reported on to Congress and be made publicly available. Past reports of the health R&D activities at U.S. agencies have helped coordinate efforts between agencies and transparently inform the public about the investment of taxpayer money. These reports must be continued in the future and should include information on all U.S. Government agencies involved in global health R&D.

We respectfully request that the Committee consider inclusion of the following language in the report on the fiscal year 2013 Agriculture and FDA appropriations legislation: “The Committee recognizes the critical contribution that the U.S. Food and Drug Administration’s (FDA) funding for new global health tools and its leadership in reviewing and licensing global health technologies makes to the impact of new global health technologies, and also recognizes the need to sustain and support U.S. investment in this area by fully funding the FDA to carry out this work. The Committee acknowledges the FDA’s essential role in capacity-building abroad to help build strong regulatory authorities in other nations, and asks that the FDA continue and expand on this work. New global health products are cost-effective public health interventions that play an important role in improving global health and are vital in protecting the lives of Americans and populations abroad. The Committee directs the FDA to expand its outreach and information-sharing activities with product developers—including but not limited to industry groups, nonprofit organizations, and other product development partnerships (PDPs)—to support the development of safe and effective global health tools. Further, the Committee directs the FDA to submit a report to Congress and the public outlining the monitoring, evaluation, and progress of its ‘Pathway to Global Product Safety and Quality’ as

² HHS Global Health Strategy. <http://www.globalhealth.gov/global-programs-and-initiatives/global-health-strategy/>.

it pertains to products outlined in paragraphs (2) and (3) of section 740(c) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (Public Law 111–80). In its review of drugs and other products for neglected diseases, the Committee requests that FDA:

- Maximize the use of priority review where feasible and appropriate.
- Work with sponsors to facilitate expanded access to investigational products.
- Increase coordination and interaction with the World Health Organization, European Medicines Agency, and other international regulatory agencies.
- Implement mechanisms for enhanced collaboration between the FDA and national regulatory authorities in developing countries.
- Increase coordination among individual drug, biological product, and device review divisions across FDA centers to support the development and monitoring of safe and effective medical products for rare and neglected diseases.

The Committee is also aware that Chagas disease is not on the list of neglected diseases as currently defined by the FDA. The Committee urges the FDA to make the necessary modifications to include Chagas disease in its list of neglected diseases in line with the World Health Organization (WHO) list of neglected tropical diseases. The Committee is pleased with FDA's current activities in the areas of regulatory capacity-building and the promotion of sound regulatory science practices abroad, and recommends that the FDA explore how to expand on such activities."

On behalf of the members of the GHTC, I would like to extend my gratitude to the Committee for the opportunity to submit written testimony for the record.

PREPARED STATEMENT OF THE HOUSING DEVELOPMENT ALLIANCE, INC.

On behalf of Housing Development Alliance, Inc. and the communities we serve, I wish to thank the Subcommittee for the opportunity to submit testimony on fiscal year 2013 Appropriations for the Department of Agriculture (USDA) Rural Housing Programs. I urge this subcommittee to fund USDA Rural Housing's Section 502 Single Family Direct Loan Program at \$900 million (the fiscal year 2012 level); Section 504 Very-Low Income Rural Housing Repair Loans at \$28 million; and Section 504 Very-Low Income Rural Housing Repair Grants at \$29.5 million.

Housing Development Alliance, Inc. (HDA) serves Perry, Knott, Leslie and Breathitt Counties in Kentucky. These are among four of the poorest counties in the Nation with poverty rates ranging from 24 percent to over 33 percent. In these four counties over 12,650 households have annual incomes of less than \$25,000 including over 5,100 households with incomes less than \$10,000. Furthermore, these counties suffer from persistent poverty (having more than 20 percent of population in poverty for more than five decades) which has resulted in a poor housing stock and a broken housing market. In short, our community has a critical need for safe, decent and affordable housing.

Since 1996, the Housing Development Alliance has constructed 90 new homes which were sold to qualified low and very-low income homebuyers who received financing through the Section 502 Single Family Direct Loan Program. In this same period, the Housing Development Alliance has repaired nearly 180 homes using Section 504 Loan and Grants. These programs often serve the poorest of the poor. In fact, the average annual income of our Section 502 Direct Loan homebuyers was \$14,252 and the average annual income of our Section 504 Loan and Grant repair client was \$10,660 per year.

In many cases the living conditions of the households prior to receiving assistance are deplorable. These homes often lack an adequate heat source; have little or no insulation; often have major structural defects including collapsing foundations, rotting floors and walls and leaking roofs; have unsafe electrical wiring; and lack complete plumbing. For example recently the Housing Development Alliance encountered an elderly woman whose gas water heater was spewing potentially deadly levels of carbon monoxide into her home and another elderly woman whose tub/shower was not hooked to the sewer and was draining directly under her home.

However, the benefits of these programs are not limited to just to the households purchasing the new home or receiving the affordable home repair. The programs provide jobs and other needed economic activity to our community. For example, in 2011 the constructed seven homes financed in part by the Section 502 Single Family Direct Loan Program. Using the National Association of Home Builders' estimate that each home constructed creates/preserve 3 construction job per year, in 2011 the Housing Development Alliance's use of Section 502 Direct Loans created/preserved 21 construction jobs. Even more jobs were created/preserved through our use of the Section 504 Repair Loans and Grants which funded 14 home repairs. While these

numbers may seem modest, as they are repeated in rural communities throughout America these programs have a huge impact on jobs in rural America.

Furthermore the Section 502 Single Family Direct Loan Program is the most cost effective Federal housing program. Despite serving low and very-low income households, the average lifetime cost of a Section 502 Single Family Direct Loan is just \$7,200 while the average cost of Section 8 Housing Assistance is nearly \$7,000 per year. This low cost is due in part to the fact that Section 502 Direct portfolio maintains an excellent repayment history with a foreclosure rate of just over 4 percent.

The administration and others have suggested that the Section 502 Guarantee Program is a suitable alternative to the Section 502 Direct Loan Program; this is simply not true in our community. We completed a study of our 502 Direct Loan Program recipients and found that only 1 out of 10 would have been able to afford the higher interest cost associated with a Section 502 Guarantee Loan.

Thank you again for the opportunity to provide testimony on the critically important programs. Without adequate funding for these programs low income households will remain trapped in substandard, if not outright deplorable, housing and construction and other related jobs will be lost across rural America.

PREPARED STATEMENT OF THE HUNGER TASK FORCE

I am writing to provide comments on the fiscal year 2013 Agriculture Appropriations bill.

Hunger Task Force is a nonprofit, independent food bank located in Milwaukee County. We have been feeding emergency food free of charge to needy people in southeastern Wisconsin since 1974. Last year we distributed 9.8 million pounds of food to programs in our network.

Currently, our network of 81 food pantries, soup kitchens and homeless shelters is providing food to over 35,000 people per month in our food pantry network, and we are serving over 60,000 hot meals in our soup kitchen network each month. We have seen an 11.9 percent increase in the number of people using our food pantries in the last 12 months. The numbers do not surprise us as 1-in-3 City of Milwaukee residents continue to live at or below the poverty level, and 1-in-2 Milwaukee children live at the poverty level. Milwaukee County's 2-1-1 IMPACT emergency hotline says that the number one reason people call them (27 percent of all calls) is to connect to an emergency food provider. A record 272,661 Milwaukee County residents (1-in-5 residents in the county) now receive FoodShare benefits. In Wisconsin, a record 831,000 people now receive FoodShare benefits. A recent report by our State's Department of Public Instruction notes that the percentage of children in Wisconsin receiving free and reduced-price meals has increased 8 consecutive years—a record 41 percent of Wisconsin's children now receive free and reduced-price meals, and in the City of Milwaukee a record 83 percent of students now receive subsidized meals.

The increasing poverty and ongoing demand for emergency food in southeastern Wisconsin and throughout the State make the Federal nutrition and commodity programs more important than ever.

Hunger Task Force continues to be involved in many of the Federal nutrition programs. We have been a contracted provider of TEFAP foods since 1999, and we have implemented the CSFP (we call it StockBox) since 2003. TEFAP and CSFP commodity foods now account for 75 percent of the food we distribute every year. We coordinate 100 StockBox sites in southeastern Wisconsin at which 9,300 low-income seniors receive monthly box deliveries to their doorstep. The CSFP boxes are incredibly important to the seniors we serve. A recent survey of our StockBox beneficiaries told us that 39 percent of recipients would eat less, go hungry or have a hard time obtaining enough food in they could no longer obtain a StockBox. Another 21 percent of StockBox beneficiaries mentioned that they would have to look for additional assistance, such as meal sites or food pantries, if they did not receive a StockBox each month.

Hunger Task Force has also administered the Senior Farmers Market Nutrition Program since 2004. Last year we distributed 3,200 vouchers to needy seniors in Milwaukee County. We know Milwaukee's seniors value these vouchers, as 91 percent of the vouchers were redeemed in 2011.

Hunger Task Force has also been actively involved in improving and expanding participation in programs such as SNAP (Supplemental Nutrition Assistance Program), School Lunch and School Breakfast, WIC (Women, Infants and Children), CACFP after-school suppers, and the SFSP (Summer Food Service Program). For example:

- We worked with the Milwaukee Public School district to pilot and then expand a universal-breakfast-in-the-classroom program. This program now provides free breakfast every day to all MPS schoolchildren in 87 schools—over 25,000 children per day now receive this benefit.
- We have spearheaded a local coalition that provides summer meals (including suppers) to low-income children in Milwaukee. This summer feeding initiative, which is in large part subsidized by the Kohl's Corporation, provided over 720,000 meals (including 89,000 suppers) to needy children last summer.
- We continually strive to “modernize” FoodShare programming in Milwaukee County. Since 2009, through our three satellite self-service locations, we have helped over 47,000 people apply for FoodShare or retain benefits. We also have received Federal/state SNAP Outreach Grant funding to ensure that all people eligible for SNAP benefits receive them.
- We worked with Senator Kohl's office to bring the CACFP after-school supper program to Wisconsin in 2009. Currently, 36 MPS schools provide more than 40,000 after-school suppers each month to schoolchildren.
- We have been a member of the Wisconsin WIC Advisory Committee since 2000. As a member, we work with local practitioners and State officials to ensure that WIC participation is maximized for those who are eligible. We also have begun attempting to work with State officials on a transition to EBT, and we have conducted outreach in our network around the new WIC food package.

Our experience with the Federal nutrition programs is diverse and extensive. We see the value of these programs to the people who need benefits, as well as to the service providers and local economy. In general, we are very pleased with President Obama's fiscal year 2013 Proposed Budget for USDA's nutrition programs. In particular:

- We support continued investment in the SNAP, including a continuation of State options to suspend time limits on SNAP for able-bodied adults without dependent children and restoration of cuts to SNAP benefits made in the 2010 child nutrition bill.
- We support the increased investment in the SFSP and WIC Program, including an increase in the cash value vouchers for fruits and vegetables for children from \$6 to \$8 per month.
- We support the competitive grants to fund school meal equipment needed for the implementation of the new school meal standards and expansion of the School Breakfast Program.
- We are supportive of the \$187 million provided to support the existing CSFP caseload, but disappointed that CSFP is not made into a seniors-only program. We also would like to see a seniors-only CSFP expanded to all 50 States.
- We are supportive of the increased funding for TEFAP (both commodity purchases and administrative funding).
- We are disappointed that the budget does not provide increased investment in the Senior Farmers Market Nutrition Program and WIC FMNP. Although we provided SFMNP vouchers to 3,200 needy seniors last year, poverty among the elderly continues to grow and we could easily triple the number of distributed vouchers with additional Federal funding. Also, the WIC FMNP is proposed to receive a 30 percent reduction, which will impact families who need healthy and nutritious produce as well as small farmers at farmers markets that operate in low-income communities.

As an experienced emergency food provider and advocacy-driven organization, we ask that you consider our comments as you move forward with fiscal year 2013 budget deliberations. Thank you for your consideration.

Sincerely,

JON JANOWSKI,
Director of Advocacy.

PREPARED STATEMENT OF THE IZAAK WALTON LEAGUE OF AMERICA

The Izaak Walton League of America appreciates the opportunity to submit testimony concerning appropriations for fiscal year 2013 for various agencies and programs under the jurisdiction of the Subcommittee. The League is a national, non-profit organization founded in 1922. We have more than 39,000 members and 250 community-based chapters nationwide. Our members are committed to advancing common sense policies that safeguard wildlife and habitat, support community-based conservation, and address pressing environmental issues. The League has been a partner with farmers and a participant in forming agriculture policy since

the 1930s. The following pertains to conservation programs administered by the U.S. Department of Agriculture.

The Food, Conservation, and Energy Act of 2008 (farm bill) was enacted with a prominent commitment to increased mandatory conservation spending. It was bipartisan and supported by more than a thousand diverse organizations engaged in farm bill policy. We urge the Subcommittee to maintain the mandatory spending levels for conservation programs as provided in the farm bill. The League strongly opposes the administration's proposal to cut essential conservation programs, unilaterally reducing the farm bill baseline for fiscal year 2013 and beyond.

The League is concerned that the administration's budget would deprive farmers and ranchers of conservation and environmental stewardship assistance in fiscal year 2013 and reduce the farm bill conservation baseline. These programs benefit producers through improved soil quality and productivity of their land, and the American people through cleaner air and water and healthy habitat. Reducing the farm bill baseline in the face of increasing future demands for resource protection and productivity is counterproductive.

The League and its members across the country are especially focused on the following core conservation programs:

Conservation Reserve Program (CRP).—The Conservation Reserve Program (CRP) reduces soil erosion, protects water quality, and enhances habitat through long-term contracts with landowners that convert highly erodible cropland to more sustainable vegetative cover. The administration's fiscal year 2013 budget for CRP proposes a reduction in the farm bill authorized acreage limit from 32 million to 30 million. It is encouraging to see the announcement of a general sign-up in fiscal year 2012, and the special provision for 1 million acres of wetland and grassland restoration, but that does not alter the proposed cut to CRP's mandatory authorization for fiscal year 2013.

Wetlands Reserve Program (WRP).—The Wetlands Reserve Program (WRP) provides technical and financial assistance to landowners to restore and protect wetlands on their properties. Wetlands are generally conserved through permanent or 30-year easements purchased by the U.S. Department of Agriculture. Unfortunately, the administration takes no action to request new farm bill funding for WRP, which expires with the current farm bill authorization in fiscal year 2012. The League urges Congress to continue the decades-long commitment made to the goals of the program.

Grassland Reserve Program (GRP).—The Grassland Reserve Program (GRP) focuses on limiting conversion of pasture and other grasslands to cropland or development while allowing landowners to continue grazing and other operations that align with this goal. Again, the League is disappointed that the administration has not proposed continuing GRP or any form of the program beyond fiscal year 2012. The League opposes this reduction because it will undermine efforts to protect one of the country's most threatened natural resources.

Conservation Stewardship Program (CSP).—The Conservation Stewardship Program (CSP) is a comprehensive approach to conserving soil, water, and other natural resources across a range of lands, including cropland, prairie, and forests. CSP makes conservation the basis for a producer to receive Federal financial support rather than limitless subsidies for intensive production of a few crops. It is troubling that the administration's fiscal year 2013 budget is proposing to cut the mandatory spending for CSP by \$68 million. The League opposes this cut because CSP is a comprehensive, whole-farm approach to conservation that can maximize benefits to natural resources, fish and wildlife, and producers alike.

Wildlife Habitat Incentives Program (WHIP).—The Wildlife Habitat Incentives Program helps agricultural landowners develop habitat for upland wildlife, wetland wildlife, threatened and endangered species, fish, and other wildlife. The President's fiscal year 2013 proposal also seeks to permanently reduce the mandatory commitment established for WHIP in the farm bill. The budget would cut fiscal year 2013 funding for WHIP by \$12 million. The League opposes this damaging cut to a program with the central goal of supporting wildlife resources in rural America.

Finally, effective implementation of farm bill conservation programs depends upon adequate technical resources to work with landowners in addressing their unique environmental concerns. Although conservation programs are available, under-investment in technical assistance limits agency support to assist farmers and ranchers in selecting and optimizing appropriate programs for their operations. The technical expertise of the Natural Resource Conservation Service and partners that assist in the delivery of programs and technical assistance directly to landowners is necessary for the adoption and maintenance of conservation practices. We request that the Subcommittee support the mandatory levels of conservation program fund-

ing as provided in the farm bill to enable robust technical resources to implement those programs successfully.

We appreciate the opportunity to testify in strong support of fully funding agricultural conservation programs.

PREPARED STATEMENT OF THE LITTLE DIXIE COMMUNITY ACTION AGENCY, INC.

LDCAA is requesting adequate funding provided to support \$900 million in lending authority for the Section 502 Single Family Direct Loan Program. It is disappointing to see the USDA relinquish the section 502 direct loan program. The section 502 direct loan program has far exceeded in successful outcomes any other Federal homeownership program. No other Federal program can equal the profile of families served: approximately 60 percent of the families receiving section 502 loans have incomes of less than 60 percent of the median income, and 40 percent of families participating in the program have incomes that do not exceed 50 percent of the median income.

Despite serving families with limited economic means, the section 502 direct loan program is the most cost effective affordable housing program in the Federal Government. In fiscal year 2010, the total per unit cost for a homeownership loan to a low income family was less than \$5,000. This stands in significant contrast to the Section 8 Rental Assistance program with the annual per unit costs exceeding the total Federal expense of a section 502 direct loan.

Section 523 Mutual Self-Help Housing Program

LDCAA is requesting national funding of \$30 million for the Section 523 Mutual Self-Help Housing Program. Currently, more than 100 organizations across America participate in the self-help housing program. These organizations unite groups of 8 to 10 self-help families who work collectively in the construction of each family's home. They perform approximately 65 percent of the overall construction labor. This "Sweat Equity" results in each homeowner earning and gaining instant equity in their homes. It also makes a significant investment in their community often resulting in the building of homes and neighborhoods together. And despite the fact that self-help families constitute the lowest incomes of participants in the section 502 portfolio, data demonstrates that these families prove to have the lowest rates of default and delinquency.

For the past 3 years, self-help housing organizations have constructed almost 3,500 homes. This construction has in turn led to more than 11,000 jobs, more than \$738 million in local income and \$77 million in taxes and revenue in rural communities across the Nation as evidenced from economic impact numbers from the National Association of Homebuilders.

PREPARED STATEMENT OF THE LUMMI NATION

Mr. Chairman and subcommittee members, thank you for the opportunity to provide testimony on the fiscal year 2013 Agriculture, Rural Development, Food and Drug Administration and Related Agencies appropriations. The following are the requests and priorities of the Lummi Nation.

BACKGROUND INFORMATION

The Lummi Nation is located on the northern coast of Washington State, and is the third largest Tribe in Washington State serving a population of over 5,200. The Lummi Nation is a fishing Nation. We have drawn our physical and spiritual sustenance from the marine tidelands and waters for hundreds of thousands of years. Now the abundance of wild salmon is gone, and the remaining salmon stocks do not support commercial fisheries. Consequently, our fishers are trying to survive off the sale of shellfish products. In 1999 we had 700 licensed fishers who supported nearly 3,000 tribal members. Today, we have about 523 remaining. This means that over 200 small businesses in our community have gone bankrupt in the past 15 years. This is the inescapable reality the Lummi Nation fishers face without salmon. We were the last surviving society of hunters/gatherers within the contiguous United States, but we can no longer survive living by the traditional ways of our ancestors.

GOVERNMENT-TO-GOVERNMENT PROTOCOL

Executive Order No. 13175.—The United States has a unique legal and political relationship with Indian tribal governments, established through and confirmed by the Constitution of the United States, treaties, statutes, executive orders, and judi-

cial decisions. In recognition of that special relationship, pursuant to Executive Order 13175 of November 6, 2000, executive departments and agencies (agencies) are charged with engaging in regular and meaningful consultation and collaboration with tribal officials in the development of Federal policies that have tribal implications, and are responsible for strengthening the government-to-government relationship between the United States and Indian tribes.

LUMMI SPECIFIC REQUESTS

Rural Development Loan Fund

Tribal Financing and Access.—It is critical that Tribal governments acquire affordable and assessable financing for infrastructure development, to build facilities that provide tribal governmental services to our member and other governmental projects. Tribes must have equitable access and the same loan eligibility criteria as counties and States. Currently, existing loan criteria is inequitable and obligates valuable Tribal financial resources that otherwise would be allocated to providing needed services to our community.

Water Supply.—Phase 1 funding of +\$2 million, for a new Water Supply System—Increase in funding for Hatchery construction, operation and maintenance. Funding will be directed to increase hatchery production to make up for the short-fall of wild salmon.

The Lummi Nation currently operates two salmon hatcheries that support tribal and non-tribal fishers in the region. The tribal hatchery facilities were originally constructed utilizing Federal funding from 1969–1971. Understandably most of original infrastructure needs to be repaired, replaced and/or modernized. Lummi Nation Fish Biologists estimate that these facilities are currently operating at 30 percent of their productive capacity. Through the operation of these hatcheries the Tribe annually produces 1 million fall Chinook and 2 million Coho salmon. To increase production, we must pursue a “phased approach” that addresses our water supply system first. The existing system only provides 850 GPM to our hatchery. To increase production to a level that will sustain tribal and non-tribal fisheries alike, we need to increase our water supply four-fold. A new pump station and water line will cost the Tribe approximately \$6 million. We are requesting funding for the first phase of this project. Our goal is to increase fish returns by improving aquaculture and hatchery production and create a reliable, sustainable resource to salmon fishers by increasing enhancement.

Lummi Nation needs financial resources to develop comprehensive water resources conservation and utilization plans that accommodates the water needs of its residents, its extensive fisheries resources.

To ensure related to the removal of wild stocks from the salmon available for harvest are compensated through increased hatchery construction, operations and maintenance funding.

Job Development.—The Lummi Nation needs support of its comprehensive Fisherman's Cove Harbor and Working Water Front Project which addresses Indian Energy, Economic and Workforce Development needs of the Lummi Nation membership.

Unemployment on the reservation has been very difficult to address with limited on-reservation jobs. Tribal governments need to be able to meet the employment and training needs of our membership as well as the business development needs of our communities. This is the objective of the Lummi Nation Fisherman's Cove Harbor and Working Waterfront Project. We need financial assistance to enable our membership to get the job skills the local (Reservation and Non-Reservation) labor market demands. We ask the Committee to direct the Bureau to require this Office to work with the Lummi Nation to fully develop the Working Waterfront Project for the benefit of the Lummi Nation fishers, members and others invested in the marine economy of the extreme northwest corner of the United States.

USDA—Natural Resources Conservation Service

Treaty Reserved Rights.—The Lummi Nation and other western Washington tribes are in danger of losing our treaty reserved rights. At risk are our constitutionally protected treaty reserved rights to harvest salmon. Because of the diminishing salmon populations and subsequently constrained tribal harvests—all due to the inability to restore salmon habitat faster than it is currently being destroyed and limitation on hatchery production to mitigate for lost natural production. To stop this habitat degradation, we are requesting that our Federal trustee to implement their fiduciary duties by better protecting salmon habitat. By fulfilling these essential Federal obligations, it is our hope that our salmon resource—the founda-

tion of our cultures, our economies, and our rights—will be restored. We are urging the following action:

- Require that all Federal funding for agricultural BMPs are contingent upon agreement to implement full suites of NMFS/USFWS/EPA's western Washington BMP performance standards.
- Consult with NMFS regarding the impacts of agricultural subsidy programs on western Washington salmon.
- Fund tribal riparian easement and fee simple habitat conservation acquisitions.
- Make the production of traditional tribal foods eligible for agricultural subsidy and conservation programs.

FAMILY AND CHILDREN WELLNESS

Healthy, Hunger-Free Kids Act of 2010.—Lummi Nation needs assistance to develop and implement our tribal program to take full advantage of the National School Lunch Program reimbursement by having our tribal traditional foods eligible for reimbursement/subsidy.

Child Abuse and Neglect.—Poverty is the primary factor in predicting incidents of child abuse and neglect. When the whole family is living in a car or a camper or in a low income house sparsely furnished house stimulation for positive mental, physical and emotional child development is absent. Poverty starts a downward spiral that is further fueled by the lack of traditional teachings, which values working together, not competing with one another. The first and most important step in reversing this trend is a job. Jobs not only change the life of the one who gets the job, but the lives of everyone in their family and positive impact to the community. The reverse is also true when jobs are lost. Over the last 10 years over 300 hundred small fishing businesses operated by members of the Lummi nation have financially failed. The people employed and families supported by these businesses are unemployed without access to unemployment insurance. Most of these people have replaced their employment with access to TANF, GA and other related income transfer programs. Lummi Nation needs financial assistance to insure that every Lummi Nation members who needs a job has access to a job.

Domestic Violence.—Poverty starts a downward spiral that is further fueled by the lack of traditional teachings, which values working together and not competing with one another. Domestic Violence is a function of poverty and a lack of traditional values about the most prominent difference in our lives is the difference between men and women. Traditionally both are considered sacred functions and cannot be preempted by the other. The first and most important step in reversing this trend is a job.

Elder Abuse.—Lummi Nation is concerned that incidents of elder abuse have been identified in our community. The Lummi Nation is committed to identify conditions which lead to and support elder abuse and eliminating those conditions from the community. Those elders who have secured social security payments are often the only family member with cash income. As the head of a family they are looked to support others who do not have a cash income. When the available resources do not match required expenditures month after month tension builds and tragic incidents result. Lummi Nation needs financial assistance to insure that all of its members who need jobs have jobs. This is the best way to insure that our elders may live in our community without harm.

Thank you again for this opportunity to provide you with the priorities and requests of the Lummi Nation.

Hy'shqe.

PREPARED STATEMENT OF THE MASSACHUSETTS VEGETABLE & FLOWER GROWER

U.S. agriculture is made up of hundreds of crops of which only a dozen or so are considered major crops. The rest are referred to as minor or specialty crops and form the backbone and bloodline of our country's food supply. The commodity groups supporting this letter represent those who grow all the high quality vegetables and fruits we eat, the herbs and spices that add flavor to our lives, and the flowers and landscape plants that make America a beautiful place to live. All crops require pest control whether grown organically or conventionally. Due to cost of meeting EPA standards, which ensure all pest control compounds are safe to both human health and the environment, it is often economically unfeasible to commercialize pest control products for minor markets without public support. The limited acres on which these crops are grown do not provide the economic incentive for the private sector to register these products on our crops. Recognizing the need for the Government

to assist with pest management in specialty crops, the IR-4¹ Project was created nearly 50 years ago to help America's specialty crop growers. The IR-4 Project is widely considered to be a model program with a history of successfully providing specialty crop growers with needed production tools and has deep support throughout the agricultural community.

We believe the IR-4 Project has become one of the most efficient, indispensable and reliable Government programs ever developed. Simply put, specialty crops cannot economically survive without the IR-4 Project. Since the IR-4 Project is so crucial to our existence, we felt great alarm and deep concern when the fiscal year 2013 President's budget proposal for the USDA National Institute Food and Agriculture (NIFA) was proposing to transfer the IR-4 budget line item (Minor Crop Pest Management in Research and Education Activities) into a proposed new Crop Protection Program which includes five integrated pest management (IPM) programs. This proposed elimination of dedicated funding for the IR-4 Project will have profound negative impacts on production costs for all specialty crops and will result in unsustainable economic losses to growers, food processors and, ultimately, the consumers.

We support the logic and financial considerations behind the proposal to consolidate five similar Integrated Pest Management Programs into the proposed Crop Protection Program. However, we believe that the Crop Protection Program is not the appropriate place to merge IR-4 due to its distinct objectives, which do not dovetail into the other IPM programs.

We offer the following reasons why we are adamantly opposed to this move:

- The five Focus Areas for the proposed Crop Protection program, as documented in the Explanatory Notes, which was submitted to Congress in the President's budget, do not include the primary IR-4 mission of "supporting the development of appropriate data to facilitate registration of sustainable pest management technologies for specialty crops and minor uses". Thus, it appears that USDA does not intend to continue to support the regulatory approvals of new crop protection chemicals and biopesticides for food and nonfood specialty crops in the proposed Crop Protection Program. We consider this change to be a serious threat to specialty crop agriculture in the United States.
- IR-4 is exempt from indirect cost recovery by the host land-grant universities under 7 U.S.C. 450i(e), the NIFA grant currently provided to fund IR-4. The proposed Crop Protection Program transfers funds to Integrated Activities which would allow up to 30 percent indirect cost recovery. If IR-4 is included as part of the Crop Protection program, it means a 30 percent decrease in funds available for IR-4 project. This funding decrease is a very threatening proposition for specialty agriculture and is something that we cannot accept.
- IR-4 does much more than crop protection chemical testing. IR-4 collaborates with:
 - USDA-Foreign Agricultural Service*.—To reduce the impact of pesticide residues in/on specialty crops from being a barrier of trade for U.S. grown exports.
 - Department of Defense*.—To prevent sickness/death within deployed U.S. military forces who are exposed to insect pests which transmits diseases to humans by facilitating the availability of public health pesticides.
 - USDA-APHIS*.—To perform collaborative research to combat invasive pests.
 - USEPA*.—To review IR-4 submitted data to help with their priorities to provide new technology to reduce the risk from pesticides.
 - Department of Commerce/OMB*.—IR-4 is involved in a critical project supporting the U.S.-Canada agreement to accomplish key objectives of the Regulatory Cooperation Council.
- IR-4 food residue research often takes 3 to 5 years to complete, involves highly trained staff that are proficient with USEPA's Good Laboratory Practices regulations, and requires expensive analytical instruments. This is vastly different from NIFA's typical research grants. Restructuring or eliminating IR-4 and abandoning numerous ongoing studies would be extremely expensive and a waste of already appropriated taxpayer money.
- Investment in IR-4 has yielded a huge return on investment. Since its inception, IR-4 has facilitated the registration of over 25,000 crop uses. The Michigan State University Center for Economic Analysis (Dec. 2011) determined that for a total budget of \$18 million (USDANIFA and other public/private sources),

¹The Friends of IR-4 is a large diversified assemblage of commodity/agricultural organizations that rely upon and support the IR-4 Project as it currently exists. For more information, go to www.saveir-4.org.

IR-4 efforts contribute over \$7.2 billion to annual U.S. Gross Domestic Product and supports 104,650 U.S. jobs.

These comments are on behalf of the 88 undersigned commodity associations/grower groups who represent American specialty agriculture. Collectively, we represent growers with operations in almost every congressional district of every State. Our operations are a huge driver in American agriculture; the farm gate value of specialty crops is over \$67 billion annually. For more information on this topic please see: www.saveir-4.org.

In summary, the proposed consolidation of the IR-4 Project into the Crop Protection Program significantly hurts growers of food and non-food specialty crops and our food systems. It will lead to higher prices for the food that enhances health, and plants that enhance the environment. Consolidating IR-4 with the proposed Crop Protection Program will substantially increase costs to the taxpayer or result in a much smaller program providing significantly less service to American growers and ultimately the American public. We urge the Senate Appropriations Committee Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies to continue to dedicate at least \$12 million net dollars for Minor Crop Pest Management (IR-4) in fiscal year 2013 USDA-NIFA Research and Education Activities. Simply put, the United States specialty crop growers ask Congress to let the IR-4 Project continue to do the excellent job it has done for the past 49 years.

The following commodity associations/grower groups support the above written testimony:

(WHILE LOOKING AT THIS LIST, CONSIDER THE BREADTH OF CROPS, REGIONS AND STATES REPRESENTED)

Ag Matters, LLC	American Western Fruit Grower
American Farm Bureau Federation	American Vegetable Grower
American Mushroom Institute	Florida Grower
American Nursery & Landscape Association	Greenhouse Grower
Ball Horticultural Company	CropLife
California Apple Commission	Michigan Asparagus Advisory Board
California Asparagus Commission	Michigan Cherry Committee
California Blueberry Commission	Michigan Mint Growers Association
California Garlic and Onion Research Advisory Board	Minor Crop Farmers Alliance
Cherry Marketing Institute, Inc.	Mint Industry Research Council
Center for Applied Horticultural Research	Montana Mint Committee
Cranberry Institute	Nash Produce
Dill Growers of Oregon and Washington	National Asparagus Council
Engage Agro USA	National Barley Growers Association
Essex County Fruit Growers	National Greenhouse Manufacturers Association
Florida Blueberry Growers Association	National Onion Association
Florida Fruit and Vegetable Association	National Potato Council
Florida Strawberry Growers Association	National Watermelon Growers Association
Ginseng board of Wisconsin	NC Commercial Blackberry & Raspberry Growers Association
Great Lakes IPM, Inc.	NC Pickles Packers Association
Hawleys Florist	NH Vegetable & Small Fruit Growers Association
Hoogasian Flowers, Inc.	New England Vegetable & Berry Growers Association
Hop Growers of Washington, Inc.	North American Blueberry Council
Hop Growers of American, Inc.	North American Greenhouse/Hothouse Vegetable Growers Association
Idaho Grain Producers Association	North American Strawberry Growers Association
Idaho Hop Commission	North California Garlic & Onions Growers
Idaho Hop Growers Association	North Carolina Blueberry Council
Idaho Sugar Beet Growers Association, Inc.	North Carolina Nursery & Landscape Association
Iwasaki Bros, Inc.	North Carolina Strawberry Association
Kona Perfect Estate Grown Coffee	Oregon Blueberry Commission
Lavender Growers of Oregon	Oregon Essential Oil Growers League
Maine Vegetable & Small Fruit Growers Association	Oregon Fine Fescue Commission
Massachusetts Fruit Growers Association	
MGB Marketing	
Meister Media Worldwide-Publisher of:	

Oregon Hop Commission	U.S. Apple Association
Oregon Mint Commission	U.S. Dry Pea & Lentil Council
Oregon Ryegrass Commission	U.S. Hop Industry Plant Protection Committee
Oregon Seed Council	Washington Asparagus Commission
Oregon Tall Fescue Commission	Washington Blueberry Commission
Pacific Northwest Christmas Tree Association	Washington Hop Commission
Pacific Northwest Vegetable Association	Washington Mint Growers Association
Pickle Packers International	Washington Red Raspberry Commission
Rudd Farm	Washington State Commission on Pesticide Registration
Society of American Florists	Western Alfalfa Seed Growers Association
Texas Citrus Mutual	Wisconsin Mint Industry
Texas Vegetable Association	Wisconsin Muck Farmers Association
Tulelake Growers Association Mint Research Advisory Committee	

PREPARED STATEMENT OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

The Metropolitan Water District of Southern California (Metropolitan) encourages the Subcommittee's support for fiscal year 2013 Federal funding of about \$18 million from the U.S. Department of Agriculture's Environmental Quality Incentives Program for the Colorado River Basin Salinity Control Program.

The concentrations of salts in the Colorado River cause approximately \$300 million in quantified damages in the lower Colorado River Basin States each year and significantly more in unquantified damages. Salinity concentrations of Colorado River water are lower than at the beginning of Program activities by over 100 milligrams per liter (mg/L). Modeling by the U.S. Bureau of Reclamation indicates that the quantifiable damages would rise to more than \$500 million by the year 2030 without continuation of the Colorado River Basin Salinity Control Program (Program).

Water imported via the Colorado River Aqueduct has the highest level of salinity of all of Metropolitan's sources of supply, averaging around 630 mg/L since 1976, which leads to economic damages. For example, damages occur from:

- A reduction in the yield of salt sensitive crops and increased water use for leaching in the agricultural sector;
- A reduction in the useful life of galvanized water pipe systems, water heaters, faucets, garbage disposals, clothes washers, and dishwashers, and increased use of bottled water and water softeners in the household sector;
- An increase in the cost of cooling operations, and the cost of water softening, and a decrease in equipment service life in the commercial sector;
- A decrease in the life of treatment facilities and pipelines in the utility sector;
- Difficulty in meeting wastewater discharge requirements to comply with National Pollutant Discharge Elimination System permit terms and conditions, and an increase in desalination and brine disposal costs due to accumulation of salts in groundwater basins, and fewer opportunities for recycling due to groundwater quality deterioration; and
- Increased use of imported water for leaching and the cost of desalination and brine disposal for recycled water.

Concern over salinity levels in the Colorado River has existed for many years. To deal with the concern, the International Boundary and Water Commission approved Minute No. 242, Permanent and Definitive Solution to the International Problem of the Salinity of the Colorado River in 1973, and the President signed into law the Colorado River Basin Salinity Control Act in 1974 (Act). High total dissolved solids in the Colorado River as it enters Mexico and the concerns of the seven Colorado River Basin States regarding the quality of Colorado River water in the United States drove these initial actions. To foster interstate cooperation and coordinate the Colorado River Basin States' efforts on salinity control, the seven Basin States formed the Colorado River Basin Salinity Control Forum.

The salts in the Colorado River system are indigenous and pervasive, mostly resulting from saline sediments in the Basin that were deposited in prehistoric marine environments. They are easily eroded, dissolved, and transported into the river system, and enter the River through both natural and anthropogenic sources.

The Program reduces salinity by preventing salts from dissolving and mixing with the river's flow. Irrigation improvements (sprinklers, gated pipe, lined ditches) and vegetation management reduce the amount of salt transported to the Colorado River. Point sources such as saline springs are also controlled. The Federal Govern-

ment, Basin States, and contract participants spend over \$40 million annually on salinity control programs.

The Program, as set forth in the act, benefits both the Upper Colorado River Basin water users through more efficient water management and the Lower Basin water users, hundreds of miles downstream from salt sources in the Upper Basin, through reduced salinity concentration of Colorado River water. California's Colorado River water users are presently suffering economic damages in the hundreds of millions of dollars per year due to the river's salinity.

These Federal dollars will be augmented by the State cost sharing of 30 percent with an additional 25 percent provided by the agricultural producers with whom the U.S. Department of Agriculture contracts for implementation of salinity control measures. Over the past years, the Colorado River Basin Salinity Control program has proven to be a very cost effective approach to help mitigate the impacts of increased salinity in the Colorado River. Continued Federal funding of this important Basin-wide program is essential.

Metropolitan urges the Subcommittee to support funding for fiscal year 2013 of about \$18 million from the U.S. Department of Agriculture's Environmental Quality Incentives Program for the Colorado River Basin Salinity Control Program.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF COUNTY AND CITY HEALTH OFFICIALS

The National Association of County and City Health Officials (NACCHO) is the voice of the approximately 2,800 local health departments across the country. City, county, metropolitan, district, and tribal health departments work every day to ensure the safety of the water we drink, the food we eat, and the air we breathe. Local health departments work with State, local, and national partners to prevent, identify, and respond to outbreaks of foodborne illness.

The Nation's current financial challenges are compounded by those in State and local governments further diminishing the ability of local health departments to address community health and safety needs. Repeated rounds of budget cuts and layoffs continue to erode local health department capacity. NACCHO surveys have found that since 2008, local and State health departments have lost 52,000 jobs due to budget reductions. In the area of food safety, that means there are fewer inspectors and trained food safety and food service professionals—from restaurants and school cafeteria workers to street fair vendors—able to identify risks and prevent foodborne illness.

Local health departments have wide ranging responsibilities including measuring population-wide illness and organizing efforts to prevent disease and prolong quality of life. In the area of food safety, local health department responsibilities are focused on preventing foodborne illness and investigating the cause and spread of illness. Local health departments represent two-thirds of the 3,000 State, local and tribal agencies that have primary responsibility to regulate the more than 1 million food establishments in the United States.

Despite the best efforts of public officials, over 48 million cases of preventable foodborne illness occur every year in this country. Many of these cases cause pain and suffering, high medical bills, disability, lost productivity, lower life expectancy and death. Foodborne illness causes an estimated 128,000 hospital visits and 3,000 deaths annually. Foodborne illness has significant costs associated with direct medical expenses, lost productivity, and decreased revenue for food manufacturers and retail establishments. Salmonella, which causes 1 million cases of foodborne illness, costs \$365 million a year in direct medical expenses. The 2009 salmonella outbreak saw a double digit decline in the amount of peanut products purchased.

In 2011, the United States experienced the deadliest foodborne illness outbreak in 90 years, an outbreak of listeria in cantaloupe that killed 32 people and infected 146 people in 28 States. This outbreak was quickly contained and the loss of life limited because of coordinated action between local, State and Federal public health agencies, including local and State health departments.

Local health departments are on the front lines conducting food safety inspections and have the expertise to educate food handlers in their communities. Local health departments inspect restaurants, grocery stores, daycare facilities, hospitals, schools, and some food manufacturing plants to ensure safe food handling practices and sanitary conditions. Local health departments investigate citizen complaints and when necessary, will take action to ensure that a food establishment complies with sanitation standards.

In 2010, Congress passed the Food Safety Modernization Act (FSMA), which recognized the importance of protecting the public from foodborne illness and the need

to strengthen our current system for prevention of these costly illnesses. In the 21st century, our global food supply system is more complex than ever before and has an increased risk of accidental or intentional contamination. In FSMA, the Federal Government made a commitment to foster coordination and increase capacity at the local, State and Federal level to prevent and respond to foodborne illness. The return on Federal investment in food safety training, surveillance and investigation capacity can be measured in improved health and lower health care costs and lost productivity. In fiscal year 2012, Congress made a down payment on the implementation of FSMA by providing \$39 million. NACCHO recommends Congress take further steps in fiscal year 2013 to fully implement FSMA and fund the Food and Drug Administration's food safety programs as outlined below.

FOOD AND DRUG ADMINISTRATION—CENTER FOR SAFETY AND APPLIED NUTRITION

NACCHO Request: \$1.0 Billion

President's Fiscal Year 2013 Budget: \$1.0 Billion

Fiscal Year 2012: \$883 Million

FDA's Center for Safety and Applied Nutrition (CFSAN) supports partnerships at the local, State and Federal level to protect consumers from, and quickly respond to and track, foodborne illness outbreaks. CFSAN also oversees the food safety training program which helps to maintain uniform standards in food inspection and the retail food safety initiative which provides best practices for retail food handlers.

A national food safety training system, including a certification system, will ensure that officials at all levels of government have consistent, up-to-date knowledge, as well as the necessary skills, to do their jobs. Without a robust national training system, there is less capacity to consistently and continuously improve knowledge and skills based on the latest science and risk assessments. It is crucial that regulators and public health partners have the appropriate knowledge and training to carry out their duties to safeguard the public from foodborne illness. Food safety training requires continued funding to increase capacity and adequately train our Nation's food protection workers.

FDA's dedicated retail food safety initiative supports research and distribution of technologies that prevent, mitigate, or detect foodborne illness hazards in the retail environment. FDA resources allow local health departments to learn about and adopt best practices for prevention of foodborne illness in the retail setting and to utilize products developed by FDA to educate the public and food service workers in their communities.

As you draft the fiscal year 2013 Agriculture-Rural Development—FDA Appropriations bill, we urge consideration of these recommendations for FDA programs that are critical to ensuring the safety of our Nation's food supply and protecting our Nation's people.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS

Chairman Kohl and Ranking Member Blunt, I am David Terry, Executive Director of the National Association of State Energy Officials (NASEO) (dterry@naseo.org), and I am testifying in support of funding for the energy title of the farm bill. Specifically, we support funding of at least \$39 million in discretionary funds for the Rural Energy for America (REAP) program (Section 9007 of the farm bill), in addition to any mandatory funding. The REAP program was created in the 2002 farm bill and it has been a huge success. Over 9,600 energy efficiency and renewable energy projects have been implemented in every State since 2003. With a required \$3 match of non-Federal funds for every Federal dollar invested in REAP, over \$1.6 billion in matching funds have been provided. This program has specifically benefitted farmers, ranchers and rural small businesses. NASEO members work directly with eligible entities, as well as State agricultural agencies and rural interests to promote this successful program. Rising oil and distillate prices have made this program even more important.

NASEO represents the energy offices in the States, territories and the District of Columbia. The REAP program, and the other critical programs in the energy title of the farm bill, helps create jobs, increases agricultural productivity, saves energy for farmers, ranchers and rural small businesses, generates energy, promotes use of alternative fuels, reduces our dependence on imported petroleum and saves money in rural America. The cost is very low and the payback is very high. REAP is about rural economic development.

We urge your support for the REAP program.

PREPARED STATEMENT OF THE NATIONAL COMMODITY SUPPLEMENTAL FOOD
PROGRAM ASSOCIATION

Mister Chairman and Subcommittee members, thank you for this opportunity to present information regarding the USDA/FNS Commodity Supplemental Food Program (CSFP).

The National Commodity Supplemental Food Program Association (NCSFPA) requests the Senate Agriculture Appropriations Subcommittee fund CSFP for fiscal year 2013 at \$191,935,000; \$186,935,000 as requested by the U.S. Department of Agriculture, an additional \$5 million to begin CSFP operations in six States (Connecticut, Hawaii, Idaho, Maryland, Massachusetts, and Rhode Island) with USDA-approved plans. Additionally, the subcommittee should note that current States requested approximately 116,350 additional slots to meet the rising demand for nutritional assistance among our vulnerable senior population.

CSFP is a unique program because it brings together Federal and State agencies, along with public and private entities. In fiscal year 2011, the CSFP provided services through 150 nonprofit community and faith-based organizations at 1,800 sites located in 39 States, the District of Columbia, and two Indian Tribal Organizations (Red Lake, Minnesota and Oglala Sioux, South Dakota).

In fiscal year 2011, 97 percent of all CSFP recipients were low-income seniors. Our association has proposed as part of the next farm bill fully converting the program into a seniors-only program, allowing sufficient time for those mothers and children to transition off CSFP.

USDA purchases specific nutrient-rich foods at wholesale prices, including canned fruits and vegetables, juices, meats, fish, peanut butter, cereals, grain products, cheese and dairy products from American farmers. State agencies provide oversight, contract with community and faith-based organizations to warehouse and distribute food, certify eligibility and educate participants. Local organizations build broad collaboration among nonprofits, health units, and area agencies for effective access to these supplemental foods as well as nutrition education to improve participants' health and quality of life. This partnership reaches even homebound seniors in both rural and urban settings with vital nutrition and remains an important "market" for commodities supported under various farm programs.

CSFP continues to be a testimony to the power of community partnerships between faith-based organizations, farmers, private industry and Government agencies. The CSFP offers a unique combination of advantages that are unparalleled by any other food assistance program:

- The CSFP specifically targets one of our Nation's most nutritionally vulnerable populations: low-income seniors (but association is suggesting that this becomes senior-only project, so don't mention children?).
- The CSFP provides a monthly selection of food packages tailored to the specific nutritional needs of seniors. The nutritional content of the food provided has improved with the introduction of low-fat cheese, whole grain products, canned fruits packed in fruit juice or extra light syrup, and low-salt canned vegetables.
- The CSFP purchases foods at wholesale prices, directly supporting American farmers. The average cost of a CSFP food package is estimated at \$19.85 while the retail value is \$50.
- The CSFP involves the entire community. Thousands of volunteers and private companies donate money, equipment, and most importantly time and effort to deliver food to needy and homebound seniors. These volunteers not only bring food but companionship and other assistance to seniors who might have limited support systems.

In the most recent CSFP survey, more than half of seniors living alone reported an income of less than \$750 per month. One-half of respondents from two-person households reported an income under \$1,000 per month. Twenty-five percent were enrolled in the Supplemental Nutrition Assistance Program (SNAP) and 50 percent said they ran out of food during the month. Seventy percent of senior respondents said they choose between medicine and food.

The Senate Agriculture Appropriations Subcommittee has consistently supported CSFP, acknowledging that it is a cost-effective way of providing nutritious supplemental foods. While USDA's budget request will provide adequate resources for our monthly caseload of 599,380 seniors, mothers, and children—a reduction from the 604,931 packages USDA was able to support in fiscal year 2011—we urge the Subcommittee to strongly consider our request for increased funding to allow six additional States to begin providing nutritional assistance to their vulnerable seniors.

CSFP and other nutrition programs such as SNAP are only supplemental programs by design. Together they cover a shortfall that many seniors face each month.

These programs must have support to meet the increasing need as part of the “safety net”.

According to the 1997 report by the National Policy and Resource Center on Nutrition and Aging at Florida International University, Miami—Elder Insecurities: Poverty, Hunger, and Malnutrition, malnourished elderly patients experience 2 to 20 times more medical complications, have up to 100 percent longer hospital stays, and incur hospital costs \$2,000 to \$10,000 higher per stay. Proper nutrition promotes health, treats chronic disease, decreases hospital length of stay and saves healthcare dollars. America is aging. CSFP must be an integral part of Senior Nutrition Policy and plans to support the productivity, health, independence and quality of life for America’s seniors, many of whom now need to continue working at least part-time beyond retirement age to afford basics.

CSFP recipients believe this is a very significant and vital program; our belief is supported by agency and recipient testimonials. An Arkansas recipient tells us that they would not be able to eat the balanced meals that CSFP provides each month. Arkansas program operators talk about the importance of interaction between seniors and program staff, saying this interaction is very important for the well-being of recipients, and recipients are able to live more stable, self-sufficient lives as a result. Colorado participants say that they would not be able to have juice and cereal without CSFP, and many appreciate the program because they are homebound, and that there are 100 clients on the waiting list in El Paso County. Seniors in St. Louis, Missouri, say that CSFP foods help them get through to their next checks. Participants in Nebraska say that they don’t know what they would do without this food, calling the program a “lifesaver”. New Hampshire participants tell us that they use CSFP as a primary source of nutrition each month and would see a dramatic loss in food availability without the program. One Wisconsin recipient said that they would starve without the program, while others said that CSFP on their limited income meant that they could pay their telephone and electric bills.

These anecdotes represent just a small portion of those affected, but it highlights the deep and rising need we are seeing in communities across the country. Whether urban, suburban, or rural—we have seen dramatic rises in the demand from the community—and have become more limited in available resources. With an ever-growing senior population living on fixed incomes, there has never been a more pressing time to fund this vital program.

The CSFP is supported by committed grassroots operators and dedicated volunteers with a mission to provide quality nutrition assistance economically, efficiently, and responsibly always keeping the needs and dignity of our participants first. We commend the Food Distribution Division of Food and Nutrition Service of the Department of Agriculture for their continued innovations to strengthen the quality of the food package and streamline administration.

PREPARED STATEMENT OF THE NATIONAL ORGANIC COALITION

Chairman Kohl, Ranking Member Blunt, and Members of the Subcommittee: My name is Steven Etka. I am submitting this testimony on behalf of the National Organic Coalition (NOC) to detail our fiscal year 2013 funding requests for USDA programs of importance to organic agriculture.

The NOC is a national alliance of organizations working to provide a voice for farmers, environmentalists, consumers, cooperative retailers and others involved in organic agriculture. The current members of NOC are the Beyond Pesticides, Center for Food Safety, Equal Exchange, Food and Water Watch, Maine Organic Farmers and Gardeners Association, Midwest Organic and Sustainable Education Service, National Cooperative Grocers Association, Northeast Organic Dairy Producers Alliance, Northeast Organic Farming Association—Interstate Policy Council, Organically Grown Company, Organic Seed Alliance, Rural Advancement Foundation International—USA, and the Union of Concerned Scientists.

USDA/AGRICULTURAL MARKETING SERVICE (AMS)

National Organic Program

Request: 9.896 Million

Sales of organic food and beverages have experienced a rapid growth over the last decade, averaging nearly 20 percent per year. Despite the recession, organic sales grew at a rate of 5 percent in 2009 and 8 percent in 2010. In 2011, the organic sector experienced a 9.5 percent growth rate. The National Organic Program (NOP) is the agency charged with regulating and enforcing the USDA organic label. For years, the rapid growth of the organic industry has far outpaced the resources pro-

vided to the NOP, which has greatly limited the ability of NOP to fulfill its regulatory and enforcement role credibly.

Fortunately, both Congress and the Administration responded with an increase in funding in fiscal years 2009 and 2010 to meet these needs. In the final fiscal year 2011 Continuing Resolution cuts were made to AMS overall, and funding levels for individual AMS programs were left to the discretion of the agency. The resulting NOP funding level for fiscal year 2011 is \$6.919 million.

We are requesting for \$9.896 million for the NOP, which is the same level requested by the Administration's fiscal year 2012 budget, representing an increase of \$2.98 million over current levels. The Administration's fiscal year 2013 level-funding request for NOP does not adequately address the needs of this rapidly growing sector. Increased funding is needed to accelerate the review and amendment of program standards and regulations to reflect industry and consumer expectations through a transparent and participatory process; improve the consistency in certifier application of the standards; and improve timeliness and effectiveness of enforcement actions to protect organic integrity.

USDA (AMS, ERS, NASS)

Organic Data Initiative

Request: \$300,000 for AMS Price Report; Report Language for NASS Organic Production Survey, and ERS Organic Data Analysis

Authorized by Section 7407 of the 2002 Farm Bill, the Organic Production and Marketing Data Initiative states that the "Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing." Section 10302 of the Farm, Conservation, and Energy Act of 2008 amends the provision to provide mandatory funding, and to authorize \$5 million annually in discretionary funding.

As the organic industry matures and grows at a rapid rate, the lack of national data for the production, pricing, and marketing of organic products has been an impediment to further development of the industry and to the effective functioning of many organic programs within USDA. The organic data collection and analysis effort at USDA has made significant strides in recent years, but remains in its infancy. Because of the multi-agency nature of data collection within USDA, organic data collection and analysis must also be undertaken by several different agencies within the Department.

In 2008, NASS conducted the first-ever comprehensive Organic Production Survey as a follow-on survey to the 2007 Census of Agriculture. Published in February 2010, the survey has provided information vital to the organic sector's growth and to the U.S. Department of Agriculture. The Organic Production Survey should be conducted on a regular basis to properly assess the characteristics, trends, and changes in the sector.

The Administration's fiscal year 2013 budget proposes to address organic data collection needs within the overall budget request for the data collection agencies. However, we are requesting that report language be included in the fiscal year 2013 report to clearly specify the organic data collection efforts within AMS, ERS and NASS. Specifically, we are requesting report language identifying \$300,000 for AMS organic price reporting, level with fiscal year 2012 funding. In addition, we are requesting report language urging NASS to undertake the necessary planning to conduct an Organic Production Survey on an on-going 5-year cycle, as a follow-on survey to the Census of Agriculture, starting in 2013; and for ERS to continue its organic data analysis efforts.

USDA/NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (NIFA)

Organic Transitions Program

Request: \$5 Million

The Organic Transition Program, authorized by Section 406 of the Agricultural Research, Education and Extension Reform Act (AREERA) for Integrated Research Programs, is a research grant program that helps farmers surmount some of the challenges of organic production and marketing. As the organic industry grows, the demand for research on organic agriculture is experiencing significant growth as well. The benefits of this research are far-reaching, with broad applications to all sectors of agriculture, even beyond the organic sector. Yet funding for organic research is minuscule in relation to the relative economic importance of organic agriculture and marketing in this Nation.

The Organic Transition Program was funded at levels ranging between \$2.1 and \$1.8 million during the period of fiscal year 2003 through fiscal year 2009, received an increase to \$5 million in fiscal years 2010, and \$4 million in fiscal years 2011 and 2012. The Administration's fiscal year 2013 budget requested level funding. We are requesting \$5 million to restore the program to its fiscal year 2010 level.

Agriculture and Food Research Initiative (AFRI)

Request: Report language on Conventional/Classical Plant and Animal Breeding

In recent decades, public resources for classical plant and animal breeding have dwindled, while resources have shifted toward genomics and biotechnology, with a focus on a limited set of major crops and breeds. This problem has been particularly acute for organic and sustainable farmers, who seek access to germplasm well suited to their unique cropping systems and their local environment.

Since fiscal year 2005, the Senate Agriculture Appropriations Subcommittee has included report language raising concerns about this problem, and urging CSREES (now NIFA) to give greater consideration to research needs related to classical plant and animal breeding when setting priorities within the National Research Initiative (now AFRI).

In Section 7406 of the Food, Conservation, and Energy Act of 2008, the National Research Initiative was merged with the Initiative for Future Agriculture and Food Systems to become the Agriculture and Food Research Initiative (AFRI). Congress included language within AFRI to make "conventional" plant and animal breeding a priority for AFRI research grants, consistent with the concerns expressed by the Appropriations Committee in preceding appropriations cycles.

Despite the many years of Senate report language and the 2008 Farm Bill language on this matter, research proposals for classical breeding that have sought AFRI funding in recent years have been consistently denied. Of the 127 AFRI-funded projects in 2009, 2010, and 2011 related to plant breeding and genomics, there was only one project that could truly be classified as classical breeding, which was a 2010 grant to Kansas State University for \$210,000. Of the 59 AFRI-funded projects in animal breeding, fertility and genomics, there appear to be no classical animal breeding projects funded at all.

It is becoming clear that unless a separate AFRI subgrant category dedicated to classical plant and animal breeding and the development of public cultivars is created, the 2008 Farm Bill classical breeding requirement and concerns stated in years of Senate report language will not be adequately addressed.

We are requesting strong report language from the Subcommittee to reiterate that the funding for classical plant and animal breeding and public cultivar development should be a priority area within the AFRI program, and urging that a separate and distinct RFA be created within AFRI to address this critical need. Specifically, we are requesting the following report language in the AFRI section of the Committee report:

The Committee believes that funding for classical plant and animal breeding that results in finished public cultivars and breeds should be a priority area within the AFRI program, and urges the agency to create a separate and distinct RFA within AFRI to address this critical need.

Sustainable Agriculture Research and Education (SARE)

Request: \$30 Million (\$18 Million for Research and Education Grants, \$7 Million for the Federal-State Matching Grant Program, and \$5 Million for Extension and Outreach Grants)

The SARE program has been very successful in funding on-farm research on environmentally sound and profitable practices and systems, including organic production. The reliable information developed and distributed through SARE grants have been invaluable to organic farmers. The President's budget requests \$22.7 million for SARE program for fiscal year 2013, including \$3.5 million to start the Federal-State Matching Grant program. We are requesting \$18 million for research and education grants, \$7 million for Federal-State Matching Grant program, and \$5 million for extension and outreach.

USDA/RURAL BUSINESS COOPERATIVE SERVICE

Appropriate Technology Transfer for Rural Areas (ATTRA)

Request: \$3 Million

ATTRA, authorized by Section 6016 on the Food, Conservation, and Energy Act of 2008, is a national sustainable agriculture information service, which provides

practical information and technical assistance to farmers, ranchers, Extension agents, educators and others interested and active in sustainable agriculture. ATTRA interacts with the public, not only through its call-in service and website, but also provides numerous excellent publications written to help address some of the most frequently asked questions of farmers and educators. Much of the real-world information provided by ATTRA is extremely helpful to both the conventional and organic communities, and is available nowhere else. As a result, the growth in demand for ATTRA services has increased significantly, both through the website-based information services and through the growing requests for workshops.

Funding for ATTRA was completely eliminated in the fiscal year 2011 Continuing Resolution, greatly jeopardizing information transfer to farmers seeking the most up-to-date scientific and practical information about sustainable farmers systems, but was funded at \$2.25 million in fiscal year 2012. The President's fiscal year 2013 budget requests level funding (\$2.25 million) for ATTRA. We are requesting \$3 million for fiscal year 2013, to help meet the growing demand from farmers for up-to-date, science-based information.

USDA/AGRICULTURE RESEARCH SERVICE (ARS)

Classical Plant and Animal Breeding Activities

Request: \$9.03 Million

As noted above in the AFRI section of this request, public resources for classical plant and animal breeding have dwindled in recent decades, and as a result, our capacity for public breeding in at a critical point. While USDA's statutory obligation to address this problem through the AFRI competitive grant program remains strong, ARS also has an obligation in this regard. Although ARS has the resources and expertise to help reverse this dangerous trend, the agency has not made a concerted effort in this regard.

We are requesting \$9 million for ARS classical plant and animal breeding efforts, to be utilized in a manner similar to that described in the Administration's fiscal year 2011 budget request (pages 16–19 and 16–29 of USDA's fiscal year 2011 Budget Justification document), which called for an increase of \$4.289 million for "crop breeding to enhance food and production security" and other \$4.75 million for "crop protection to enhance food and production security," with a clear focus on classical plant and animal breeding activities. With the change in leadership at USDA, the Administration's fiscal year 2012 and 2013 requests for ARS have failed to reiterate this request. However, we believe the fiscal year 2011 ARS request for this research was well stated, and urge the Subcommittee to provide funding for this critical ARS activity.

Thank you for your consideration of these fiscal year 2013 funding priorities. We look forward to working with the Subcommittee throughout this year's appropriations process.

PREPARED STATEMENT OF THE NATIONAL RURAL HOUSING COALITION

On behalf of the National Rural Housing Coalition (NRHC), I would like to thank the Subcommittee for the opportunity to submit testimony on fiscal year 2013 appropriations for Department of Agriculture (USDA) Rural Housing Programs. I strongly urge this Subcommittee to fund USDA Rural Housing programs at the higher of fiscal year 2012 levels or the President's fiscal year 2013 budget request: (1) \$900 million for Section 502 Family Direct Homeownership Loans; (2) \$28 million for Section 504 Very-Low Income Rural Housing Repair Loans; (3) \$29.5 million for Section 504 Very-Low Income Rural Housing Repair Grants; (4) \$26 million for Section 514 Farm Labor Housing Program Loans; (5) \$9 million for Section 516 Farm Labor Housing Program Grants; (6) \$64.5 million for Section 515 Rural Rental Housing Program; (7) \$907 million for Section 521 Multi-Family Rental Housing Rental Assistance Program; (8) \$30 million for Section 523 Self-Help Housing Program; (9) \$3.6 million for Section 533 Housing Preservation Grants Program; (10) \$150 million for Section 538 Guaranteed Multi-Family Housing Loans; (11) \$46.9 million for the Multi-Family Housing Preservation and Revitalization Program; and (12) \$13 million for the Rural Community Development Initiative.

NRHC is a national membership organization consisting of housing developers, nonprofit housing organizations, State and local officials, and housing advocates. Since 1969, NRHC has promoted and defended the principle that rural people have the right, regardless of income, to a decent, affordable place to live, clean water, and basic community services.

Housing Needs in Rural America

Even in strong economic times, the needs of rural America are too often overlooked. And, although our most recent economic crisis pushed these many of these communities to the brink, their needs continue to be neglected by the mainstream media, traditional sources of capital, and Federal policymakers. For example, although nearly 20 percent of the population lives in rural communities, other Federal agencies consistently overlook their unique housing needs; less than 7 percent of the Federal Housing Administration assistance, 10 percent of Veterans Affairs programs, and 12 percent of Section 8 Rental Assistance serves rural areas.

Rural communities have severe housing and development needs. With some of the Nation's lowest incomes, rural communities are four times more likely to have at least 20 percent of their population living in poverty. About 98 percent of "consistently poor counties" are rural, as are nearly all communities with inadequate drinking water. As a result, rural families are far more likely to live in substandard housing or be overburden by rent. Housing in rural America is simply too expensive relative to household income, overcrowded, or lacks certain basic facilities.

Despite the overwhelming need for safe, clean, and affordable housing in rural America, Congress has consistently cut funding for the very programs specifically tailored to meet this need. And now, President Obama has proposed significant cuts to the Section 502 Direct Loan and Self-Help Housing programs, and the elimination of the Section 515 Rural Rental Housing program. Because these programs overwhelmingly serve our most vulnerable residents—lower income families, the elderly, and persons with disabilities, these cuts will only make it harder for low-income, rural Americans to access safe, decent, affordable housing. As such, I would like to focus my testimony on how these programs are critical to meeting the needs of rural families.

Section 502 Single-Family Direct Homeownership Loans

Over 60 years, the Section 502 Direct Loan Program has helped more than 2.1 million families realize the American Dream and build their wealth by more than \$40 billion. Despite the program's success, demand for Section 502 loans continues to outpace supply. Over 25,000 loan applications—amounting to more than \$2 billion—are currently on Section 502 waiting lists.

No other Federal home ownership program can match the profile of the families served under Section 502. It is the only Federal homeownership program that is exclusively targeted to very low- and low-income rural families. By law, at least 40 percent of Section 502 funds must be used to assist families earning less than 50 percent of the area median income. Two-thirds borrowers have incomes less than 60 percent of AMI, with an average income less than \$27,000.

Despite serving families with limited economic means, Section 502 is the single, most cost-effective Federal housing program, period. On average, each Section 502 loan costs less than \$7,200 over its entire lifetime. Compare that to the average Section 8 Housing Assistance payment, which costs taxpayers nearly \$7,000 each year.

Although some have suggested that the Section 502 Guarantee Program can serve as an adequate alternative, this is simply untrue. Unlike the Direct Loan program, the Guarantee program overwhelmingly serves higher-income individuals—with an average income of nearly twice that of Direct Loan families—leaving rural communities with the greatest credit needs without any alternative. Even the USDA has held that the guarantee program is the worst-targeted of all its rural development guarantees, with loans going to larger, wealthier communities. Likewise, the guarantee program does not provide interest rate subsidies. This defect will become even more harmful when interest rates return to normal levels.

Section 523 Mutual Self-Help Housing

The Self-Help Housing program adapts the rural tradition of barn-raising to provide housing opportunities for families with limited economic means. Through this program, more than 3,500 families have been able to realize the American Dream in the past 3 years. This construction has led to over 11,000 jobs, more than \$738 million in local income and \$77 million in taxes and revenue in rural communities across the country. If the President's budget is approved by Congress, Self-Help Housing will be cut to its lowest funding in more than 30 years, decimating the network of over 100 Self-Help organizations over 37 States and deserting 50,000 families currently on their waiting lists.

Self-Help Housing is the only Federal program that combines "sweat equity" homeownership opportunities with technical assistance and affordable loans for America's rural families. Self-Help Housing families work nights and weekends to provide 65 percent of the construction labor on their own and each other's homes. In doing so, families earn equity, decrease construction costs, and make lasting in-

vestments in their community. The hallmark of the Self-Help Housing program is its emphasis on hard work, self-reliance, and community.

This program is exclusively targeted to very low- and low-income families who are otherwise unable to access decent housing. Over half of the participants are minorities. Although these families have lower incomes, default rates are significantly lower than other borrowers. Section 515 Rural Rental Housing

Section 515 is the principal source of financing for rental housing in rural communities. Today, more than 500,000 families live in housing financed by Section 515. If approved by Congress, the President's budget will end a 40-year effort to improve the quality of rural housing, leaving seniors, low-income families, and those with disabilities even more vulnerable.

Rental units developed with Section 515 loans are exclusively targeted to very low-, low-, and moderate-income families, the elderly, and persons with disabilities. A vast majority—94 percent—of Section 515 tenants have very-low incomes. The average yearly income is only \$11,000. Some 57 percent these households are elderly or disabled, 26 percent are headed by persons of color, and 73 percent are headed by women.

Demand for affordable, rural rental housing continues to outpace supply. More than 7.8 million rural residents—including 19 percent of all rural children—live in poverty. Almost 1 million rural renters live in substandard housing. Yet, despite its success and increased demand, Section 515 funding has been cut drastically, stalling the production of new units and the preservation of existing ones.

Conclusion

Providing adequate funding for USDA Rural Housing programs is essential to efforts to improve the quality of life and economic opportunity in rural America. These programs are all part of the toolbox that USDA employs address the shortfall in decent, clean, and affordable housing in these communities. For a very small fraction of the USDA's budget, Congress can provide affordable rental and homeownership opportunities to thousands of rural families with limited means and boost flagging economies in small communities.

Thank you for this opportunity to submit this statement.

PREPARED STATEMENT OF THE NATIONAL SUSTAINABLE AGRICULTURE COALITION

Thank you for the opportunity to present our fiscal year 2013 funding requests. NSAC is a national alliance of over 90 organizations that advocates for policies that support the economic, social, and environmental sustainability of agriculture, natural resources, and rural communities. Our USDA requests are as follows, in the order they appear in the appropriations bill.

Departmental Administration

Office of Advocacy and Outreach.—The Office of Advocacy and Outreach coordinates policy and outreach in two vital areas—small and beginning farmers, and socially disadvantaged or minority farmers. It administers the Outreach and Technical Assistance for Socially Disadvantaged Farmers and Ranchers program and the Farm Labor Grants program. We support USDA's request for \$1.4 million for the OA&O.

National Institute of Food and Agriculture

Sustainable Agriculture Research and Education Program (SARE).—We urge you to fund this innovative competitive grants program at \$30 million, divided among research and education grants (\$18 million), extension and professional development grants (\$5 million), and Federal-State matching grants (\$7 million). SARE has helped turn farmer-driven research, education, and extension initiatives into profitable and environmentally sound practices for over 20 years.

Organic Transitions Integrated Research Program.—We request \$5 million to maintain the funding level established in fiscal year 2010 and in USDA's fiscal year 2012 request. Maintaining the fiscal year 2010 funding level will allow cooperation with natural resource programs to provide environmental solutions with strong farmer delivery mechanisms built in. Without full funding, organic research will fall further behind in its fair share of the research budget, a share that continues to lag behind trends in agriculture.

National Food Safety Training, Education, Extension, Outreach, and Technical Assistance.—We request \$10 million to help small and mid size farms and small processing facilities comply with new food safety regulations. This food safety training for farmers and small processors, authorized in the Food Safety Modernization Act

of 2010, is one of the best, quickest, and least costly ways to improve food safety outcomes without resorting to excessive regulation.

Agricultural Marketing Service

Federal-State Market Improvement Program (FSMIP).—The FSMIP provides matching funds to State departments of agriculture to help grantees increase marketing efficiency and innovation, reduce costs, stabilize food prices, and support local and regional food marketing opportunities. NSAC supports the USDA request of \$1.3 million.

Organic Market Reporting.—NSAC requests level funding at \$0.3 million for AMS for this price data collection and reporting initiative. As the organic industry surpasses \$30 billion a year in sales, this multi-agency initiative is vital to maintaining markets, creating risk management tools, and negotiating equivalency agreements with foreign governments. We also support baseline funding for NASS and ERS to continue coordinated data collection and reporting on organic production, marketing, and pricing, including NASS funding for the Organic Production Survey.

Farm Service Agency

Direct Farm Ownership and Operating Loans—(Program Levels).—Direct loans provide a crucial source of capital for beginning farmers and others not well served by commercial credit. The final fiscal year 2011 continuing resolution cut direct farm ownership loan funding by \$175 million and the fiscal year 2012 bill retained this lower level. Nearly \$130 million worth of qualified applications were turned away in fiscal year 2011. In light of the increasing age of farmers and the challenges faced by beginning farmers, it is critical that we fund these direct loan programs in the most effective way possible. We ask that Congress appropriate sufficient funds to provide for program levels of \$600 million for Direct Farm Ownership loans and \$1,050 million for Direct Operating Loans.

Beginning Farmer and Rancher Individual Development Account (IDA) Program.—We urge you to provide \$5 million for this program, as authorized in the 2008 farm bill. This competitive grants program enables low-income, limited resource beginning farmers and ranchers to open an IDA (matched savings account) to save for asset-building purchases, including farmland, equipment, breeding stock, or similar expenditures. A 50 percent local match is required.

Natural Resources Conservation Service

Conservation Technical Assistance (CTA).—CTA, a subset of Conservation Operations, supports farmers enrolling in financial assistance programs and helps farmers with conservation planning and implementation. CTA also funds assessment of conservation practices and systems that underpin the conservation programs, as well as NRCS collection, analysis, and dissemination of information on the condition of the Nation's natural resources. NSAC urges you to provide \$740 million for CTA in order to adequately support and maximize the effectiveness of conservation financial assistance. We also support the addition of report language encouraging a modest net increase in the percentage of farm bill mandatory funding that may be used for technical assistance.

Rural Business and Cooperative Service

Value-Added Producer Grants (VAPG).—VAPG offers grants to farmers and ranchers developing new farm and food-related businesses that boost farm income, create jobs, and increase rural economic opportunity. VAPG grants encourage the kind of entrepreneurship in agriculture that enables farms and communities to survive economically. Moreover, growing interest in local and regional foods is generating greater demand for mid-tier value chains and enterprises that aggregate local production, exactly the kind of rural development strategy VAPG is designed to support. We request VAPG funding of \$30 million.

Rural Microentrepreneur Assistance Program (RMAP).—RMAP provides business training, technical assistance, and loans to owner-operated businesses with up to 10 employees. Small businesses make up 90 percent of all rural businesses, and micro-businesses are the fastest growing segment in many areas. RMAP creates jobs and local markets and alleviates poverty. This program was stripped of its mandatory farm bill funding (only \$3 million) in fiscal year 2012. NSAC requests \$5.7 million in discretionary funding in fiscal year 2013 and opposes any limitation to renewed or extended direct Farm Bill spending for RMAP.

Appropriate Technology Transfer for Rural Areas (ATTRA).—The ATTRA program, also known as the National Sustainable Agriculture Information Service, provides critical support to farmers and Extension agents throughout the country. The national program was reauthorized by the 2008 farm bill. We urge \$3 million for fiscal year 2013.

General Provisions

Repeated annual cuts the Conservation Stewardship Program, Environmental Quality Incentives Program, and other mandatory conservation programs have created enormous backlogs among highly qualified producers and made it more difficult for farmers to maintain healthy, productive soil and to protect water and other natural resources. These programs provide critical public benefits such as clean water, erosion reduction, and carbon sequestration and act as a key piece of the farmer safety net. We strongly oppose the proposed cuts to these critical conservation programs. We also oppose changes in mandatory program spending to any existing, renewed, or extended farm bill direct spending for the Organic Agriculture Research and Extension Initiative, Beginning Farmer and Rancher Development Program, Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers, Farmers' Market Promotion Program, National Organic Certification Cost-Share Program, Community Food Grants, and Rural Energy for America Program.

Finally, we oppose any limitation to full implementation of the Packers & Stockyards rule on fair competition that Congress directed USDA to promulgate in the 2008 farm bill.

SUMMARY OF NSAC'S FISCAL YEAR 2013 REQUESTS
[Dollars in millions]

	Fiscal year 2012	USDA 2013 request	NSAC 2013 request
Departmental Administration: Office of Advocacy and Outreach	\$1.2	\$1.4	\$1.4
National Institute of Food and Agriculture:			
Sustainable Agriculture Research and Education Program	\$14.5 (research & education) + \$4.7 (extension) = \$19.2	\$14.5 + \$4.7 + \$3.5 (Federal-State matching grants) = \$22.7	\$18.0 + \$5.0 + \$7.0 = \$30 total
Organic Transitions Program	\$4.0	\$4.0	\$5.0
National Food Safety Training, Education, Extension, Outreach and Technical Assistance (Authorized by Congress in the Food Safety Modernization Act of 2010).			\$10.0
Agricultural Marketing Service:			
Federal-State Market Improvement Program	\$1.2	\$1.3	\$1.3
Organic Market Reporting	\$0.3	Funding for this activity included in top line request	\$0.3
We also support continued baseline funding for NASS and ERS to continue coordinated data collection and reporting on organic production, marketing, and pricing, including NASS funding for the Organic Production Survey.			
Farm Service Agency:			
Direct Farm Ownership and Operating Loans—(Program Levels)	\$475.0 + \$1,050.0	\$475.0 + \$1,050.0	\$600.0 + \$1,050.0
Beginning Farmer Individual Development Account (IDA) Pilot Program		\$2.5	\$5.0
Natural Resources Conservation Service: Conservation Technical Assistance	\$729.5	\$728.8	\$740.0
Rural Business and Cooperative Service:			
Value-Added Producer Grants	\$14.0	\$15.0	\$30.0
Rural Microentrepreneur Assistance Program	\$0.0 (\$3.0 CHIMP + \$0 discretionary).	\$3.7 (discretionary)	\$5.7 (\$5.7 discretionary + no CHIMP/limitation on 2012 farm bill direct funding)
National Sustainable Agriculture Information Service (ATTRA)	\$2.25	\$2.25	\$3.0

SUMMARY OF NSAC'S FISCAL YEAR 2013 REQUESTS—Continued
[Dollars in millions]

	Fiscal year 2012	USDA 2013 request	NSAC 2013 request
General Provisions: Conservation Stewardship Program We also oppose changes in mandatory program spending (CHIMPS) for: other directly funded farm bill conservation programs; and any existing, renewed or extended mandatory farm bill spending for the Organic Agriculture Re- search and Extension Initiative, Beginning Farmer and Rancher Development Program, Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers, Farmers' Market Promotion Program, National Organic Certifi- cation Cost-Share Program, Community Food Grants, and Rural Energy for America Program. We oppose any limitation to full implementation of the Packers & Stockyards rule on fair competition that Congress directed USDA to promulgate in the 2008 farm bill.	\$768.5 (\$75.5 CHIMP)	\$972.0 (\$68.0 approx. CHIMP; perma- nent cut of 759,632 acres).	No CHIMP/limitation on farm bill direct spending

PREPARED STATEMENT OF THE NORTHWEST REGIONAL HOUSING AUTHORITY

USDA Rural Development funding for these programs needs to be funded to at least the level of 2012. Section 502 Direct Program should be at \$900 million or more and the Section 523 funding needs to be maintained at \$30 million. The 502 Direct Program is the only Federal homeownership program that is exclusively targeted to very low- and low-income rural families. In the past 60 years this program has helped more than 2.1 million families build wealth and achieve the American dream of homeownership. By law 40 percent of 502 Direct Loan funds must be used to assist families earning less than 50 percent of area median income. 25,000 loan applications are currently on a waiting list for Section 502 loan funding.

The Section 523 program helps organizations to provide training, supervision and technical assistance to families. Families work nights and weekends providing construction labor on their own and each other's homes to decrease construction costs increase equity and build wealth. Every 100 homes built on this program results in 324 jobs, \$21.1 million in local income and \$2.2 million in tax revenue. Even though Self-Help families have lower income, default rates are significantly lower than other borrowers. More than 50,000 families are currently on Self-Help Housing waiting lists. Each family that builds a Self-Help home makes many sacrifices. Throughout the process and after all the hard work they will say, yes, it was worth it. It does not make sense to let these programs deteriorate to the point of extinction.

Thank you for the opportunity to address these issues today.

 PREPARED STATEMENT OF THE OREGON WATER RESOURCES CONGRESS

The Oregon Water Resources Congress (OWRC) strongly supports the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) and is deeply concerned about reductions to programs important to our members for fiscal year 2013. OWRC is requesting that funding for several key NRCS programs be increased for fiscal year 2013 and that the "Bridging the Headgates" MOU between NRCS and the Bureau of Reclamation be reactivated and expanded to include other Federal agencies.

OWRC was established in 1912 as a trade association to support district member needs to protect water rights and encourage conservation and water management statewide. OWRC represents non-potable agricultural water suppliers in Oregon, primarily irrigation districts, as well as other special districts and local governments that deliver irrigation water. The association represents the entities that operate water management systems, including water supply reservoirs, canals, pipelines, and hydropower production.

Need

OWRC and its members believe conservation of natural resources through collaborative partnerships is crucial to ensuring the viability of irrigation districts and similar organizations that deliver irrigation water for the Nation's agriculture. Federal support of water conservation activities funded through NRCS programs including the Agricultural Watershed Enhancement Program (AWEP) and the Cooperative Conservation Partnership Initiative (CCPI) are essential to the conservation of our natural resources and critical to protecting our food, energy and water supply. Irrigation districts and other agricultural water users in Oregon have used these programs to develop collaborative projects with Federal, State, and other local entities—proving that on-the-ground conservation can be best achieved by leveraging partnerships, pooling available resources, and focusing on each partner's strengths.

We are deeply disappointed that the NRCS budget for fiscal year 2013 is a 13 percent decrease from fiscal year 2012 estimated budget levels. While we recognize that the administration has increased funding for some of the NRCS programs, the need for additional financial assistance with conservation projects still far outweighs the budget. NRCS programs are essential to irrigation districts in developing and implementing conservation projects that benefit not only the individual farmers they serve but also the entire watershed and community as a whole. Furthermore, conservation projects also benefit the economy through job creation and ensuring the future viability of American agriculture. OWRC is requesting that funding for AWEP be increased to at least \$75 million, which is comparable to the enacted fiscal year 2011 levels but is still far less than what could be used in Oregon and nationally.

AWEP and CCPI Needs

AWEP and CCPI help fill a funding void for multi-partner conservation projects. Often large conservation projects do not include individual on-farm projects which limits the effectiveness of the project. AWEP and CCPI allow farmers to pool together and leverage the dollars invested in the off-farm project with the addition of EQIP on-farm projects. Because of the large number of successful project applications for AWEP, USDA will have to obligate a large amount of the annual \$60 million appropriation to existing multiyear projects. It is important that the funding for these projects not be interrupted so that they may be completed. However, it is equally important to have funding available for new eligible AWEP and CCPI projects that simultaneously benefit the environment and economy.

Bridging the Headgates MOU and Watershed Planning Needs

The need for continued coordination among Federal agencies, including NRCS, the Bureau of Reclamation (BOR), Bureau of Land Management (BLM), Environmental Protection Agency (EPA), NOAA Fisheries, U.S. Fish and Wildlife Service, and Army Corps of Engineers (ACOE), is a significant issue. With the loss of watershed planning funding, reactivating and expanding this program to other Federal agencies would be a very cost-effective alternative.

In the past, Oregon NRCS used a watershed resources planning team to conduct Rapid Watershed Assessments throughout Oregon. This planning program helped prioritize projects to bring about the most benefit in critical watersheds. The use of the Rapid Watershed Assessment has been instrumental in getting on-the-ground conservation projects completed in a timely manner. A number of NRCS funded district projects have been implemented using the data from this program.

Following in the vein of the Rapid Watershed Assessments, Oregon has adopted a Strategic Approach to Conservation. The goal is to invest technical and financial resources to strategically solve natural resource problems and be more effective, efficient, and accountable for staffing, funding and partnerships. The process builds from the ongoing planning process utilizing existing conservation plans, watershed assessments; conservation agencies, organizations, groups and producers to develop consensus on overarching 5–10 years local goals and priorities for conservation; including vision, resource inventories, resource problems, desired outcomes, other Government/NGO partners interests and contributions. This is a method to prioritize and develop detailed strategies to address natural resource problems. This strategy is intended to accelerate the conservation implementation and leverage technical and financial resources required to solve the problem. These types of program activities are effective tools that need a consistent funding source.

Program Benefits

OWRC strongly supports AWEP and CCPI, which are both critical tools for districts and other agricultural water suppliers in developing and implementing water and energy conservation projects in Oregon. AWEP has been highly successful in developing cooperative approaches on a basin-wide scale. This program allows districts and other agricultural water suppliers to partner with farmers to address regional water quantity and quality issues in local watersheds.

The CCPI allows partnerships to be formed with Federal, State and local interests to address Endangered Species Act (ESA) and Clean Water Act (CWA) issues in watershed basins and sub basins. We believe that water supply issues in Oregon and elsewhere in the Nation can be resolved best locally in cooperative partnership efforts that promote conservation with a more aggressive Federal funding partnership as defined in AWEP and CCPI. In the spirit of streamlining farm bill programs, OWRC would support combining AWEP and CCPI into one program, but only if the current authorized funding is maintained or increased for the two programs combined. OWRC strongly supports the continuation and increased funding of the AWEP and CCPI programs for fiscal year 2013.

Examples of Successful AWEP Projects in Oregon

Oregon has had several successful AWEP applicants over the past several years, three from our member districts (described below). The full list of Oregon projects can be found on the Oregon NRCS website at: <http://www.or.nrcs.usda.gov/programs/awep/index.html>.

—The Whychus Creek/Three Sisters Irrigation District Collaborative Restoration Project focuses on irrigation water efficiency with irrigation improvements in the Upper Division of the Three Sisters Irrigation District, which is the project partner. The effort will improve stream flows and water quality for native fish while providing farmers a reliable supply of water. Fiscal year 2012 funding: \$251,300 (AWEP).

- The Talent Irrigation District Project works with agricultural producers to install conservation practices that will properly utilize limited surface water resources, improve water quality on flood irrigated land by converting to more efficient irrigation systems, and apply irrigation water management to eliminate irrigation runoff. Fiscal year 2012 funding: \$4,470 (AWEP).
- The Willow Creek Project helps landowners in the Lower Willow Creek Watershed portion of Malheur County convert to water-saving irrigation systems, reduce irrigation runoff, and improve water quality in Willow Creek and Malheur River. The project partner is the Vale Oregon Irrigation District. Fiscal year 2012 funding: \$251,300 (AWEP).

In 2012 Oregon requested approximately \$3.1 million for project funding but only received \$2.4 million for existing AWEP approved projects. Oregon also requested approximately \$3.2 million of CCPI funds and received \$3 million. Each year local interest has increased to compete for AWEP and CCPI funding and additional innovative projects like the ones above could be developed and implemented in Oregon if more funding is made available.

The projects above are just a few examples of how NRCS programs have been successfully used in Oregon to develop and implement collaborative multi-benefit conservation projects. In the future, OWRC would also like to see additional funding targeted for projects that conserve both water and energy—which are two key and complimentary resource areas for the agricultural community. In Oregon, NRCS is helping develop the Save Water, Save Energy Initiative, a multi-agency cooperative effort to develop a clearinghouse of information on financial incentives and technical expertise to assist districts and their water users in implementing conservation measures. Supporting projects like the pilot project being implemented in the Deschutes Basin will provide the groundwork for future Save Water, Save Energy projects and help maximize Federal investment in conservation efforts.

Conclusion

Our member districts, the farms and other water users they serve, and the communities in which they are located benefit greatly from the NRCS programs described in our testimony. Oregon's agricultural community is actively committed to water conservation programs, but those programs require Federal participation if the agricultural community is to be able to continue its efforts to address Oregon's water supply needs through water conservation. These valuable programs are essential tools in not only conserving natural resources but also in leveraging Federal, State, local partnerships and resources to implement important projects that would otherwise be unrealized. Increasing the budget for NRCS programs is a strategic investment that will pay both environmental and economic dividends to Oregonians and America as a whole.

Thank you for the opportunity to provide testimony for the record on the proposed fiscal year 2013 budget for the U.S. Department of Agriculture.

PREPARED STATEMENT OF THE ORGANIC FARMING RESEARCH FOUNDATION

The Organic Farming Research Foundation (OFRF) is a national, farmer-led non-profit organization that fosters the improvement and widespread adoption of organic farming systems. Organic agriculture is one of the fastest growing sectors of American agriculture, creating jobs in rural areas and keeping farmers in business. In 2011, the organic sector grew by 9.5 percent; the sector experienced double-digit growth before the economic recession and has maintained positive growth since. Ensuring the continued growth and job creation ability of the organic sector requires upholding the integrity of the U.S. Department of Agriculture organic label and continuing the modest but important investment in organic agriculture. The following requests are for national programs authorized by Congress in past farm bills. The agencies included in the requests are all at the U.S. Department of Agriculture (USDA): National Institute of Food and Agriculture (NIFA), Agricultural Marketing Service (AMS), Rural Business—Cooperative Service (RBCS). The programs are the Organic Transitions Integrated Research Program (ORG) at \$5 million, the Sustainable Agriculture Research and Education Program (SARE) at \$30 million, the National Organic Program (NOP) at \$10 million, the Organic Production and Market Data Initiatives (ODI) at \$0.3 million, and the Appropriate Technology Transfer for Rural Areas (ATTRA) at \$3 million. We present sensible, modest requests that support a basic investment in a fast-growing, job-creating sector of agriculture. Additionally, we urge no cuts to mandatory program funding. Please read below for further details.

Organic Transitions Integrated Research Program (ORG)—USDA–NIFA

2008 Farm Bill Authorized: Sums as Appropriate; Fiscal Year 2013 OFRF Request: \$5 Million

An investment in research underpins growth in any sector. One of the barriers to continued growth in organic is lack of research and information that growers need to improve and increase production. ORG is a national, competitive research, education, and extension program that provides research to the fast-growing organic sector. Funding ORG at \$5 million would help bridge the gap between sector growth and research investment.

Sustainable Agriculture Research and Education Program (SARE)—USDA–NIFA

2008 Farm Bill Authorized: \$60 Million; Fiscal Year 2013 OFRF Request: \$30 Million

SARE is a farmer-driven and regionally led competitive research and extension grants program that provides farmers with business, marketing, and production information to be successful. SARE complements the activities of dedicated organic research programs by funding on-farm research. Funding SARE at \$30 million would allow for the launch of a Federal-State Matching Grants program to build capacity at the State level for research and extension to address regional and local needs. We support splitting the funding between the Research and Education section of SARE (\$25 million) and the Extension (or Professional Development Program) section of SARE (\$5 million).

National Organic Program (NOP)—USDA–AMS

2008 Farm Bill Authorized: \$11 Million; Fiscal Year 2013 OFRF Request: \$10 Million

NOP enforces the national organic program standards, accredits certifiers, develops equivalency agreements, handles complaints—in essence, NOP ensures the integrity of the organic seal. NOP performs regulatory oversight of the organic label and ensures that consumers are getting what they pay for when they choose foods with the organic label. These are essential functions to the survival and growth of the organic sector.

Organic Production and Market Data Initiatives (ODI)—USDA–AMS

2008 Farm Bill Authorized: \$5 Million; Fiscal Year 2013 OFRF Request: \$0.3 Million

Every sector needs reliable, current data and statistics to function properly and grow. USDA has historically not collected basic data and statistics on the growing organic sector. In the 2008 farm bill, Congress directed USDA to collect data for organic through ODI. As the industry surpasses \$32 billion, the information collected through this multi-agency initiative is vital to maintaining stable markets, creating proper risk management tools, and negotiating equivalency agreements with foreign governments. The request of \$0.3 million for AMS is specifically to continue the collection of price data and its dissemination through Market News Reports. We also support continued baseline funding for NASS and ERS to continue coordinated data collection and reporting on organic production, marketing, and pricing, including NASS funding for the Organic Production Survey.

Appropriate Technology Transfer for Rural Areas (ATTRA)—USDA–RBCS

2008 Farm Bill Authorized: \$5 Million; Fiscal Year 2013 OFRF Request: \$3 Million

ATTRA serves farmers and ranchers nationwide by providing cutting-edge production and marketing information through web publications and a toll-free phone line. Authorized originally in the 1985 farm bill, ATTRA has provided technical assistance and educational resources to a broad range of farmers and agricultural professionals for over two decades. Just last year, ATTRA received over 60,000 technical requests, had over 5.8 million publication downloads from its website, and conducted workshops in 45 States that over 177,000 individuals attended. The program was recently zeroed out because of the mistaken assumption that the program is an earmark. ATTRA is a national program that is run according to statute by a national, nonprofit organization through a cooperative agreement with USDA. The classification of the program as an earmark is a mistake.

No Cuts to Mandatory Program Spending

OFRF urges the Subcommittee not to cut mandatory program spending. Over half a billion dollars in cuts have already been made to mandatory farm bill programs

(primarily conservation and energy), and we urge the Subcommittee not to make anymore. These cuts have negative impacts on the baseline funding available for the next farm bill and should not unfairly be targeted to certain sectors of agriculture.

Thank you for the opportunity to submit testimony. Organic agriculture is a growth industry. Making the modest investments in the key programs described above will help to ensure that organic sector operations and businesses continue to grow, to hire new employees, and to meet the strong consumer demand for organic food.

PREPARED STATEMENT OF PICKLE PACKERS INTERNATIONAL, INC.

SUMMARY

Sustained and increased funding is desperately needed to maintain the research momentum built over recent years and to defray rising fixed costs at laboratory facilities. Companies in the pickled vegetable industry generously participate in funding and performing short-term research, but the expense for long-term research needed to insure future competitiveness is too great for individual companies to shoulder on their own.

Additional Budget Requests for Fiscal Year 2013

Funding needs for four USDA/ARS laboratories are as follows:

REQUESTS FOR PROGRAM ENHANCEMENT—PICKLED VEGETABLES

	Amount
Emerging Disease of Crops	\$500,000
Quality and Utilization of Agricultural Products & Food Safety	500,000
Applied Crop Genomics	500,000
Specialty Crops	550,000
Total Program Enhancements Requested—Pickled Vegetables	2,050,000

USDA/ARS Research Provides

Consumers with over 150 safe and healthful vegetable varieties providing vitamins A, C, folate, magnesium, potassium, calcium, and phytonutrients such as antioxidant carotenoids and anthocyanins.

Genetic resistance for many major vegetable diseases, assuring sustainable crop production with reduced pesticide residues—valued at nearly \$1 billion per year in increased crop production.

Classical plant breeding methods combined with bio-technological tools, such as DNA marker-assisted selection and genome maps.

New vegetable products with economic opportunities amidst increasing foreign competition.

Improved varieties suitable for machine harvesting, assuring post harvest quality and marketability.

Fermentation and acidification processing techniques to improve the efficiency of energy use, reduce environmental pollution, and reduce clean water intake while continuing to assure safety and quality of our products.

Methods for delivering beneficial microorganisms in fermented or acidified vegetables, and produce reduced sodium, healthier products.

New technology and systems for rapid inspection, sorting and grading of pickling vegetable products.

Health and Economical Benefits

Health agencies continue to encourage increased consumption of fruits and vegetables, useful in preventing heart disease, cancer, stroke, diabetes and obesity.

Vegetable crops, including cucumbers, peppers, carrots, onions, garlic and cabbage (sauerkraut), are considered “specialty” crops and not part of commodity programs supported by taxpayer subsidies.

Current farm value for just cucumbers, onions and garlic is estimated at \$2.4 billion with a processed value of \$5.8 billion. These vegetables are grown and/or manufactured in all 50 States.

The pickled vegetable industry strongly supports and encourages your committee in its work of maintaining and guiding the Agricultural Research Service. To accomplish the goal of improved health and quality of life for the American people, the health action agencies of this country continue to encourage increased consumption

of fruits and vegetables in our diets. Accumulating evidence from the epidemiology and biochemistry of heart disease, cancer, diabetes and obesity supports this policy. Vitamins (particularly A, C, and folic acid), minerals, and a variety of antioxidant phytochemicals in plant foods are thought to be the basis for correlations between high fruit and vegetable consumption and reduced incidence of these debilitating and deadly diseases.

As an association representing processors that produce over 85 percent of the tonnage of pickled vegetables in North America, it is our goal to produce new products that increase the competitiveness of U.S. agriculture as well as meet the demands of an increasingly diverse U.S. population that is encouraged to eat more vegetables. The profit margins of growers continue to be narrowed by foreign competition. This industry can grow by meeting today's lifestyle changes with reasonably priced products of good texture and flavor that are high in nutritional value, low in negative environmental impacts, and produced with assured safety from pathogenic microorganisms and from those who would use food as a vehicle for terror. With strong research to back us up, we believe our industry can make a greater contribution toward reducing product costs and improving human diets and health for all economic strata of U.S. society.

Many small to medium sized growers and processing operations are involved in the pickled vegetable industry. We grow and process a group of vegetable crops, including cucumbers, peppers, carrots, onions, garlic, cauliflower, cabbage (sauerkraut) and brussels sprouts, which are referred to as "minor" crops. None of these crops are in any "commodity program" and do not rely on taxpayer subsidies. However, current farm value for just cucumbers, onions and garlic is \$2.4 billion with an estimated processed value of \$5.8 billion. These crops represent important sources of income to farmers and rural America. Growers, processing plant employees and employees of suppliers to this industry reside in all 50 States. To realize its potential in the rapidly changing American economy, this industry will rely upon a growing stream of appropriately directed basic and applied research from four important research programs within the Agricultural Research Service. These programs contribute directly to top research priorities that the Research, Education, and Economics Mission Area (REE) of the USDA has identified in that they develop vegetable crop germplasm and preservation technology that contributes to improved profitability with reduced pesticide inputs in a safer, higher quality product grown by rural farm communities across the United States, consequently improving food security and food safety. Improved germplasm, crop management practices and processing technologies from these projects have measurably contributed to the profitability, improved nutritional value and increased consumption of affordable vegetable crops for children and adults in America and around the world.

VEGETABLE CROPS RESEARCH LABORATORY, MADISON, WISCONSIN

The USDA/ARS Vegetable Crops Research Lab at the University of Wisconsin is the only USDA research unit dedicated to the genetic improvement of cucumbers, carrots, onions and garlic. Three scientists in this unit account for approximately half of the total U.S. public breeding and genetics research on these crops. Their past efforts have yielded cucumber, carrot and onion cultivars and breeding stocks that are widely used by the U.S. vegetable industry (i.e., growers, processors, and seed companies). These varieties account for over half of the farm yield produced by these crops today. All U.S. seed companies rely upon this program for developing new varieties, because ARS programs seek to introduce economically important traits (e.g., pest resistances and health-enhancing characteristics) not available in commercial varieties using long-term high risk research efforts. The U.S. vegetable seed industry develops new varieties of cucumbers, carrots, onions, and garlic and over 20 other vegetables used by thousands of vegetable growers. Their innovations meet long-term needs and bring innovations in these crops for the United States and export markets, for which the United States has successfully competed.

Scientists in this unit have developed genetic resistance for many major vegetable diseases that are perhaps the most important threat to sustained production of a marketable crop for all vegetables. Genetic resistance assures sustainable crop production for growers and reduces pesticide residues in our food and environment. Value of this genetic resistance developed by the vegetable crops unit is estimated at \$670 million per year in increased crop production, not to mention environmental benefits due to reduction in pesticide use. New research in Madison has resulted in cucumbers with improved disease resistance, pickling quality and suitability for machine harvesting. New sources of genetic resistance to viral and fungal diseases, tolerance to environmental stresses, and higher yield have recently been identified along with molecular tools to expedite delivery of elite cucumber lines to U.S. grow-

ers. A new genetic resistance to nematode attack was found to almost completely protect the carrot crop from one major nematode. Baby carrots were founded on germplasm developed in Madison, Wisconsin. Carrots provide approximately 30 percent of the U.S. dietary vitamin A. New carrots have been developed with tripled nutritional value, and nutrient-rich cucumbers have been developed with increased levels of provitamin A. The genetic bases of onion flavor, as well as compounds that enhance cardiovascular health and have anti-carcinogenic effects have been determined and are being used to develop onions that are more appealing and healthier for consumers.

There are still serious vegetable production problems which need attention. For example, losses of cucumbers, onions, and carrots in the field due to attack by pathogens and pests remains high, nutritional quality needs to be significantly improved and U.S. production value and export markets should be enhanced. Genetic improvement of all the attributes of these valuable crops are at hand through the unique USDA lines and populations (i.e., germplasm) that are available and the new biotechnological methodologies that are being developed by the group. The achievement of these goals will involve the utilization of a wide range of biological diversity available in the germplasm collections for these crops. Classical plant breeding methods combined with bio-technological tools such as DNA marker-assisted selection and genome maps of cucumber, carrot and onion will be used to implement these genetic improvements. With this, new high-value vegetable products based upon genetic improvements developed by our USDA laboratories can offer vegetable processors and growers expanded economic opportunities for United States and export markets.

FOOD SCIENCE RESEARCH UNIT, RALEIGH, NORTH CAROLINA

The USDA/ARS Food Science Research Unit (FSRU) in Raleigh, North Carolina is the major public laboratory that this industry looks to for new scientific information on the safety of our products and development of new processing technologies related to fermented and acidified vegetables. The scientists in the FSRU have consistently provided innovative solutions to processing challenges which have helped this industry remain competitive in the current global trade environment. Major accomplishments of the FSRU include: pasteurization treatments currently used for most acidified vegetables; the preservation technology used for manufacturing shelf stable sweet pickles; fermentation technology (purging) used to prevent the formation of air pockets within fermented pickles. These innovations have improved processing and product quality and yielded significant savings industry-wide. Furthermore, the FSRU has determined the microbial safety parameters now used for acidified vegetable process filings, as required by the Food and Drug Administration. The pickling industry in the United States relies on the FSRU for the development of new and improved technologies that will increase the economic value of processed vegetable products, provide consumers with safe, high quality, healthful vegetable products, and reduce the environmental impact of industrial activities. Additional funding is needed to support important new research initiatives.

First, nearly all retail pickled vegetables are pasteurized for safety and shelf stability. Current steam and water bath pasteurizers rely on technology from the 1940s and 1950s. Promising new technologies include continuous flow microwave technology and "hot-fill-and-hold" pasteurization. The objective is to reduce water use and significantly improve energy efficiency with new, scientifically validated thermal processing technology.

Second, additional research that offers significant economic and environmental advantages to the U.S. industry includes the reduction or replacement of salt in commercial vegetable fermentations. Calcium substitution of salt in commercial vegetable fermentations has the potential to eliminate salt disposal problems and create opportunities to manufacture calcium enriched, reduced sodium, healthier vegetable products. Reducing environmental impact and production costs for the manufacture of healthier products is essential to the sustainability of the U.S. industry.

Third, there is a growing body of research indicating that certain beneficial microorganisms (probiotics) improve human health by remaining in the intestinal tract after they are consumed. New processing technology is needed to develop high value probiotic vegetable products, opening new markets in the United States and improving the health benefits derived from consumption of fermented and acidified vegetables.

SUGAR BEET AND BEAN RESEARCH UNIT, EAST LANSING, MICHIGAN

Quality inspection and assurance of pickling vegetables is critical to growers and processors and ultimately consumers of pickling vegetables. While automated sys-

tems are currently used in many pickle processing facilities, they are only for inspecting product surface quality characteristics. Opportunities exist for developing more efficient sensors and automated inspection technologies, especially for internal quality assessment and grading of pickling vegetables and pickled products. Moreover, labor required for postharvest handling and processing operations represents a significant portion of the total production cost. New and/or improved inspection technologies can help growers and processors assess, inspect and grade pickling vegetables and pickled products rapidly and accurately for internal and external quality characteristics so that they can be directed to, or removed from, appropriate processing or marketing avenues. This will minimize postharvest losses of food that has already been produced, ensure high quality, consistent final product and end-user satisfaction, and reduce production cost.

The USDA/ARS Sugarbeet and Bean Research Unit at East Lansing, Michigan, provides national leadership in research and development of innovative technologies and systems for assessing and assuring quality and marketability of tree fruits and pickling vegetables and enhancing production efficiency. Over the years, the Unit has developed a number of innovative engineering technologies for rapid, non-destructive measurement and inspection of postharvest quality of tree fruits and vegetables, including a novel spectral scattering technology for assessing the texture and flavor of fruits, a portable fruit firmness tester, and a spectral property measuring instrument for quality evaluation of fruits and vegetables. Recently, it also developed an advanced hyperspectral imaging system for automated detection of internal and external quality of pickling cucumbers and pickles. Research at East Lansing will continue to provide the pickling vegetable industry a vital source of innovative inspection and grading technology to assure high-quality safe products to the marketplace and achieve labor cost savings. It is critical that additional resources be provided to support and expand the existing program to effectively address the technological needs for the pickling industry.

U.S. VEGETABLE LABORATORY, CHARLESTON, SOUTH CAROLINA

Research at the USDA/ARS U.S. Vegetable Laboratory in Charleston, South Carolina, addresses national problems confronting the vegetable industry of the southeastern United States. The mission of the laboratory is to develop disease and pest resistant vegetables, and also new, reliable, environmentally sound disease and pest management practices that do not rely on conventional pesticides. The laboratory's program currently addresses 14 crops, including those in the cabbage, cucumber, and pepper families, all of major importance to the pickling industry. Research at this ARS facility is recognized world-wide, and its accomplishments include over 150 new vegetable varieties and many improved management practices.

Expansion of the Charleston program would directly benefit the southeastern vegetable industry. Vegetable growers depend heavily on synthetic pesticides to control diseases and pests. Cancellations of many effective pesticides directly impacts future vegetable crop production. Without the use of certain pesticides, producers will experience crop failures unless other effective, non-pesticide control methods are readily identified. In this context, the research on improved, more efficient and environmentally compatible vegetable production practices and genetically resistant varieties at the U.S. Vegetable Laboratory continues to be absolutely essential. Research like this can help provide U.S. growers with a competitive edge they must have to sustain and keep their industry vibrant, allowing it to expand in the face of increasing foreign competition. Current cucumber varieties are highly susceptible to a new strain of the downy mildew pathogen; this new strain has caused considerable damage to commercial cucumber production in some South Atlantic and Midwestern States during the past 5 years, and a new plant pathologist position at the U.S. Vegetable Laboratory could address this critical situation.

FUNDING NEEDS FOR THE FUTURE

It remains critical that funding continues the forward momentum in pickled vegetable research that the United States now enjoys and to increase funding levels as warranted by planned expansion of research projects to maintain U.S. competitiveness. We also understand that discretionary funds are now used to meet the rising fixed costs associated with each location. Additional funding is needed at the Wisconsin and South Carolina programs for genetic improvement of crops essential to the pickled vegetable industry, and at North Carolina and Michigan for development of environmentally sensitive technologies for improved safety and value to the consumer of our products. The fermented and acidified vegetable industry is receptive to capital investment in order to remain competitive, but only if that investment is economically justified. The research needed to justify such capital investment in-

volves both short term (6–24 months) and long term (2–10 years or longer) commitments. The diverse array of companies making up our industry assumes responsibility for short-term research, but the expense and risk are too great for individual companies to commit to the long-term research needed to insure future competitiveness. The pickled vegetable industry currently supports research efforts at Wisconsin and North Carolina and anticipates funding work at South Carolina and Michigan as scientists are put in place. Donations of supplies and processing equipment from processors and affiliated industries have continued for many years.

It is important to note that fiscal year 2012 funding for four USDA ARS laboratories (Charleston, South Carolina; East Lansing, Michigan; Madison, Wisconsin; and Raleigh, North Carolina) totaled \$11,004,900. However, funding for all cucurbits equaled just \$3,939,000 with only \$1,718,000 directed toward pickled vegetable research. For fiscal year 2013, PPI is requesting an additional \$2,050,000 in program enhancements that will provide needed research for pickled vegetables.

U.S. VEGETABLE LABORATORY, CHARLESTON, SOUTH CAROLINA

There is a critical need to establish and fund a plant pathology position to address cucumber diseases, especially the disease caused by a new strain of the downy mildew pathogen responsible for recent extensive damage to cucumber production in South Atlantic and Midwestern States. The pathologist is needed to characterize pathogen strains and to develop new management approaches, as well as resistant cucumber varieties, to combat the disease. Ultimately, this proposed plant pathologist would accomplish research that results in effective protection of cucumbers from disease without the use of conventional pesticides.

	Amount
Fiscal year:	
2012 (pickled vegetables)	\$456,100
2013 (proposed budget)	456,100
2013 additional request (plant pathologist and support)	500,000

FOOD SCIENCE RESEARCH UNIT, RALEIGH, NORTH CAROLINA

The current funding includes research and development for a variety of vegetable products, including fermented and acidified vegetables. To carry out new research initiatives to reduce energy and water use, reduce environmental impact from commercial fermentations, and develop new health-promoting food (probiotic) technology, we request additional support for the Food Science Research Unit of \$500,000 in fiscal year 2013. This will provide support for Post-Doctoral or Pre-Doctoral research associates in food engineering and food microbiology along with necessary equipment and supplies to develop these new areas of research.

	Amount
Fiscal year:	
2012 (pickled vegetables)	\$647,800
2013 (proposed budget)	647,800
2013 additional request (post-doctoral and pre-doctoral research associate and support)	500,000

VEGETABLE CROPS RESEARCH LABORATORY UNIT, MADISON, WISCONSIN

Emerging diseases, such as downy mildew of cucumber, threaten production of the crop in all production areas. Therefore, we request an additional \$500,000 to fully fund the scientists and support staff in fiscal year 2013, including graduate students and post-doctorates for researching genetic resistance to emerging diseases.

	Amount
Fiscal year:	
2012 (pickled vegetables)	\$456,600
2013 (proposed budget)	456,600
2013 additional request (post-doctoral and pre-doctoral research associate and support)	500,000

SUGAR BEET AND BEAN RESEARCH UNIT, EAST LANSING, MICHIGAN

The current funding is far short of the level needed to carry out research on inspection, sorting and grading of pickling cucumbers and other vegetable crops to as-

sure the processing and quality of pickled products. An increase of \$550,000 in the current base funding level would be needed to fund the research engineer position.

	Amount
Fiscal year:	
2012 (pickled vegetables)	\$157,500
2013 (proposed budget)	157,500
2013 additional request (research engineer and support)	550,000

Thank you for your consideration and expression of support for the USDA/ARS.

LETTER FROM THE RURAL COALITION/COALICIÓN RURAL, ET. AL

MARCH 30, 2012.

Hon. HERB KOHL, Chairman,
Hon. ROY BLUNT, Ranking Member,
*Subcommittee on Agriculture, Rural Development, Food and Drug Administration,
and Related Agencies, Committee on Appropriations, U.S. Senate, Washington,
DC.*

DEAR SENATORS: As the Senate considers the Agriculture Appropriation for fiscal year 2013, we respectfully request that the Senate Appropriations Subcommittee on Agriculture, Rural Development and FDA provide adequate funding for a set of critical programs that make a real difference in communities that most need support.

The 2008 Farm Bill made significant improvements in programs designed to address the outreach and technical assistance challenges of historically underserved producers. We urge you to provide long-term protection and continued funding for this critical subset of programs and offices charged with serving the most chronically underserved segments of agriculture. These represent a fraction of the full agriculture budget but are the lifeblood of the sustainable agriculture community, beginning, socially disadvantaged and veteran producers, and farmworkers.

We urge you to consider the following recommendations:

Farm Credit.—Farm Service Agency (FSA) Direct Farm Ownership and Operating Loans provide a crucial source of capital for farmers who are ineligible for commercial credit. The final fiscal year 2011 continuing resolution cut direct farm ownership loan funding by \$175 million and the fiscal year 2012 bill retained this lower level. Nearly \$130 million worth of qualified applications were turned away in fiscal year 2011. This is the funding that is essential to create opportunities for individuals to get into the farming business. To meet the challenges faced by many farmers who are confronting increasing input costs and volatile prices, it is critical to fund these direct operating loan programs at the highest level possible. We ask that Congress appropriate sufficient funds to provide for program levels of \$600 million for Direct Farm Ownership loans and \$1.05 billion for Direct Operating Loans.

We further urge you to ensure that farmers and ranchers who are in economic trouble receive fair loan restructuring and servicing of their loans by funding the Federal match for State Mediation Programs at \$5 million. These programs currently operate in 40 States. We urge the Committee to instruct FSA to develop price information to improve eligibility and lending capabilities to farmers growing for local and regional food markets.

Tribal Communities.—We urge you to support and expand funding to a level of \$10 million for the Office of Tribal Relations Program to enhance its ability to serve its function as a critical link between the Department of Agriculture and the Nation's Tribes.

In addition, in order to provide critically needed services to tribal producers, we urge you to expand funding for the Federally Recognized Tribal Extension Program (FRTEP) to \$10 million for fiscal year 2013 to reach at least 100 of the 566 tribes. Congress mandates research and extension services in every county in the Nation—over 3,100 offices nationwide, funded cooperatively by county, State, and Federal levels of government. Extension services are not extended to Indian Reservations, except through the limited Federal funds provided through USDA to the FRTEP, the only vehicle by which extension programs are currently delivered to Indian Country. Tribes contribute in-kind cost share for office space and a small portion of operating expenses.

Only 36 extension agents are supported on Indian reservations with current funding of \$3 million. These programs have significantly affected not only agriculture, but natural resources, 4-H/youth development, human nutrition, community re-

source development and family and consumer sciences program areas—much like the impacts seen in non-reservation, county-based extension programs. The inadequate funding of FRTEP has, without question, a profound negative impact on the long-term viability of tribal agriculture, which remains a critical basis for the economic security, health and nutrition of Native Americans.

Fewer than 4 percent of American Indians living on America's Indian reservations have access to these programs, yet more than 97 percent of America's counties have had robust programs since 1914. Increased funding would allow FRTEP to serve better the many tribes who have repeatedly requested full access to these programs. It is time that Native American producers, families, youth and reservation residents receive the same level of service as U.S. citizens who are not reservation-bound. In order to correct this grave inequity, we urge you to appropriate \$10 million for this program in the fiscal year 2013 Agriculture Appropriation.

Farmworker Communities.—Farmworkers are a critical component of our food and agriculture system. We urge you to maintain the Farmworker Coordinator in the Office of Advocacy and Outreach (see below), restore funding of at least \$4 million annually for the Grants to Improve the Agricultural Labor Workforce Program, and provide at least \$2 million to the Emergency Disaster Grants for Farmworkers program to provide funding for services to farmworkers affected by natural disasters and keep this critically needed workforce in place in disaster affected areas.

Coordination Activities.—For many years, beginning and socially disadvantaged producers have lacked an office at USDA to better understand and utilize the wide array of USDA services. The Office of Advocacy and Outreach, established in the 2008 Farm Bill, is now in full operation and working effectively with communities across the Nation to provide equitable access to its programs and enhance the viability and profitability of small farms, beginning farmers and ranchers, and socially disadvantaged farmers and ranchers, and farmworkers. An increase to \$5 million would fund the staffing and operational needs of this office to allow OAO to adequately conduct its activities related to overseeing the Advisory Committees on Minority Farmers and Beginning Farmers and Ranchers, overseeing the activities of the Office of Small Farms Coordination and the Farm Worker coordinator; managing the 1890, 1994 and Hispanic-serving institutions programs; managing outreach programs and performing any other outreach functions that improve coordination among USDA agencies to improve their ability to enhance access to USDA programs for underserved constituencies. We urge Congress to provide at least \$5 million to this office to allow it to continue to provide the important coordination services it is designed to deliver.

Rural Housing.—These Federal rural housing programs provide loans, grants and related assistance that create jobs and ensure that low-income families live in safe, decent housing. Of particular importance is maintaining adequate funding levels for the Section 502 Direct Loan program, the Mutual Self Housing program, and programs to finance Rural Rental Housing construction and preservation.

Under the Section 502 Direct Loan program, nearly 66 percent of the families receiving loans have incomes at or below 60 percent of area median income and 40 percent of the loans go to households with incomes at or below 50 percent of area median income. In fiscal year 2011, the average total cost to the government for a Section 502 loan was less than \$7,200 per unit.

We support funding levels for Rural Housing programs administered by the Rural Housing Service (RHS) at USDA at the following levels:

- \$900 million for the Section 502 Single Family Direct Homeownership Loans;
- \$28 million for the Section 504 Very Low-Income Rural Housing Repair Loans;
- \$29.5 million for the Section 504 Very Low-Income Rural Housing Repair Grants;
- \$26 million for the Section 514 Farm Labor Housing Program Loans;
- \$9 million for the Section 516 Farm Labor Housing Program Grants;
- \$64.5 million for the Section 515 Rural Rental Housing Program;
- \$907 million for the Section 521 Multi-Family Rental Housing Rental Assistance Program;
- \$30 million for the Section 523 Self-Help Housing Program;
- \$3.6 million for the Section 533 Housing Preservation Grants Program;
- \$150 million for the Section 538 Guaranteed Multi-Family Housing Loans; and
- \$46.9 million for the Multi-Family Housing Preservation and Revitalization Program; and \$13 million for the Rural Community Development Initiative.

Farmers Market Nutrition Programs.—We strongly urge the Committee to fund the WIC Farmers Market Nutrition Program at its fiscal year 2011 funded level of \$20 million. The fiscal year 2012 cut will translate into a loss of 25 percent in the benefits available to eligible consumers this year who shop at our Nation's farmers' markets and roadside stands. In fiscal year 2010, 2.15 million WIC participants re-

ceived FMNP benefits and over 18,000 farmers were authorized to receive them at 3,647 farmers' markets and 2,772 roadside stands. According to USDA's data, this translated into over \$15.7 million in revenue to farmers.

Conservation Programs.—We further urge you to protect and maintain funding agricultural conservation programs including maintaining support for the Environmental Quality Incentive Program and the Conservation Stewardship Program, and other programs which are helping producers across the Nation protect their land. The diverse producers many of the undersigned groups represent are returning to USDA through these programs, and building up small operations that care for the land and contribute to the economic viability of small rural communities in some of the poorest areas of the Nation.

Beginning Farmer and Rancher Individual Development Account (IDA) Program.—We urge you to provide \$5 million for this program, as authorized in the 2008 Farm Bill. This pilot program would enable low-income, limited resource beginning farmers and ranchers to open an IDA (matched savings account) to save for asset-building purchases, including farmland, equipment, breeding stock, or similar expenditures.

In addition to the programs outlined in this letter, we urge you to oppose changes in mandatory program spending to any existing, renewed, or extended farm bill direct spending. These programs include the Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers, Beginning Farmer and Rancher Development Program, Farmers Market Promotion Program, Community Food Project Competitive Grants, National Organic Cost-Share Program, Organic Agriculture Research and Extension Initiative, and the Rural Energy for America Program.

As you proceed with funding for these important programs for fiscal year 2013, we urge you to consider the impacts of your funding decisions on the future, a concern for the next generation of American farmers and ranchers, and great care to being inclusive of beginning, minority, tribal women, and limited resource farmers who are often in most need of these important programs.

Sincerely,

Alliance of Forest Workers and Harvesters, Oakland, CA	Live Real, Oakland, CA
American Federation of Government Employees Local 3354, St. Louis, MO	National Family Farm Coalition, Washington, DC
American Federation of Government Employees (AFL-CIO), Washington, DC	National Hmong American Farmers, Inc., Fresno, CA
BioRegional Strategies, Albuquerque, NM	National Latino Farmers and Ranchers Trade Association, Washington, DC
Birthing Project USA, Albuquerque, NM	National Wildlife Federation, Washington, DC
California Food & Justice Coalition, Oakland, CA	National Women in Agriculture Association, Oklahoma City, OK
Casa de Cultura, Las Vegas, NM	National Young Farmers' Coalition, Tivoli, NY
CASA del Llano, Inc., Hereford, TX	New Orleans Food & Farm Network, New Orleans, LA
Church Women United in New York State, Rochester, NY	Northern New Mexico Stockman's Association, Albuquerque, NM
Community Food Security Coalition, Portland, OR	Oklahoma Black Historical Research Project, Inc., Oklahoma City, OK
D.C. Farm to School Network, Washington, DC	Rural Advancement Fund, Orangeburg, SC
Family Farm Defenders, Madison, WI	Rural Coalition/Coalición Rural, Washington, DC
Farmworker Association of Florida, Apopka, FL	Southern Regional Asset Building Coalition, Tuskegee, AL
Federation of Southern Cooperatives, Atlanta, GA	Taos County Economic Development Corporation, Taos, NM
Food & Water Watch, Washington, DC	The Cornucopia Institute, Cornucopia, WI
Idaho Rural Council, Filer, ID	The Presbyterian Church (U.S.A.) Office of Public Witness, Washington, DC
Intertribal Agriculture Council, Billings, MT	United Farmers USA, Manning, SC
Just Food, New York, NY	World Farmers, Inc., Lancaster, MA
Kentucky Resources Council, Inc., Frankfort, KY	
Lideres Campesinas, Oxnard, CA	

PREPARED STATEMENT OF THE RURAL HOUSING DEVELOPMENT CORPORATION

On behalf of Rural Housing Development Corporation (RHDC), I would like to thank the Subcommittee for the opportunity to submit testimony on fiscal year 2013 Appropriations for two of Department of Agriculture (USDA) Rural Housing Programs. I strongly urge this Subcommittee to fund USDA Rural Housing programs at the higher of fiscal year 2012 levels or the President's fiscal year 2013 budget request: (1) \$900 million for Section 502 Family Direct Homeownership Loans; and (2) \$30 million for Section 523 Self-Help Housing Program.

RHDC is a nonprofit affordable housing organization in Utah. Since 1998, RHDC has promoted affordable housing opportunities to low-income families living in Central Utah. Over 300 single family homes have been built through USDA's Mutual Self-Help Housing program using the 502 loan in Central Utah and over 1,000 homes have been built across the State of Utah.

About the Mutual Self-Help Housing Program

The Mutual Self Help Housing program takes the rural tradition of barn-raising and puts it to use for families who, after working all day and all week, spend their nights and weekends building their own home. It is a model of how low-income families help themselves through sweat equity. Without the opportunity, many of these families would never own their own home. Consider the West family in Utah, a low-income family of 5 (children ages 5, 3 and 1), who have lived in two-room log cabin built in the 1880's. The cabin measures 21 by 26 feet, which is very similar to a modes two-car garage.

In their own words:

"While we enjoy the 'coziness' of our home, it does present some challenges. The cabin is not well-insulated. We can feel the wind through the single-paned windows and cracks throughout the house. Big rainstorms cause leaks. Other than weather problems, we are not sure which we have the most of living in the walls of our home: bees, spiders or mice. Our home is on a cinderblock basement built into a dike constructed to control the flooding of the river in the 1980's. Because of our close proximity to the river and lake, we have had to face additional challenges. This year the ground water is so high it fills the septic tank, causing the sewer to back up. The high water flow in the river also caused the water to seep through the cracks in our basement floor. At the highest point, we had almost 2 feet of standing water. Even though the water level has recently dropped, we are left with the challenge of the profuse growth of mold. Every summer, we have a mold problem in the basement. However, this year, with the flooding, the mold is 100 percent worse. This makes us concerned for our family's health.

"Unfortunately for us, moving is not an option at this time. For these reasons, we are telling you our story—not to complain, but to ask you for the much needed financial assistance in purchasing a new, healthy home for our family through the Mutual Self Help Housing Program. We cannot better our situation without your help."

Families like the West family have found refuge in building their own home and for that reason take great care in the homes they have a major stake in. Of the 1,000+ homes built in Utah, there is a foreclosure rate of less than 1 percent. This means that the 502 loans borrowed are paid back with interest and perpetuated for future families.

Economic Impact

The economic impact in Utah has been substantial; it is anticipated that during 2011 and 2012, the Self Help Housing program would bring Utah's economy approximately \$58,210,788. The program also creates employment opportunities in rural areas; each year in Utah, over 500 jobs are created for subcontracts, suppliers, realtors, and land developers.

The Section 502 program provides loans to low- and very-low income families at a low cost the Government, and as mentioned, has a very low foreclosure rate. Sixty percent of the families borrowing direct loans from USDA have incomes at or below 60 percent of the area median income. The proposed budget contends that the 502 guarantee loan program can assist families who are now receiving direct loans. There is ample evidence to the contrary; including an Economic Research Service report indicating that the guarantee loan program is not working well in smaller, more isolated communities. Nor does the guarantee loan product have a track record of serving households with incomes at 60 percent AMI or less, while the direct loan program does. The proposed change will not provide homeownership opportunities for many of the current workforce in rural areas, who struggle to find affordable

rental housing that is both safe and adequate for their family size. The loss of this program will also destabilize rural workers, negatively impacting rural employers.

I would ask that the Subcommittee reconsider the proposed budget and look at ways to reallocate the reduced spending level in a manner that still supports the 502 and 523 programs as indicated above. I appreciate your consideration of this request.

PREPARED STATEMENT OF THE SELF-HELP ENTERPRISES

Self-Help Enterprises is a regional nonprofit housing and community development organization serving eight expansive counties in California's agricultural San Joaquin Valley. Founded in 1965, Self-Help Enterprises has developed nearly 6,000 self-help homes and 1,200 units of multifamily rental housing for farmworkers and other low wage earners. In partnership with local governments, SHE has rehabilitated or replaced 6,000 homes, assisted 1,500 first-time homebuyers, and provided planning and technical assistance to dozens of small, unincorporated communities meeting needs for safe drinking water and wastewater treatment.

The Rural Housing Service's housing programs continue to be the most effective, and in many cases, the only, resources which address the critical housing needs of rural America. Self-Help Enterprises strongly supports an appropriation to maintain USDA's Rural Housing programs at the following levels.

- Section 502 Family Direct Homeownership Loans: \$900 million
- Section 504 Very-Low Income Rural Housing Repair Loans: \$28 million
- Section 504 Very-Low Income Rural Housing Repair Grants: \$29.5 million
- Section 514 Farm Labor Housing Program Loans: \$26 million
- Section 516 Farm Labor Housing Program Grants: \$9 million
- Section 515 Rural Rental Housing Program: \$64.5 million
- Section 521 Multi-Family Rental Housing Rental Assistance Program: \$907 million
- Section 523 Self-Help Housing Program: \$30 million
- Section 533 Housing Preservation Grants Program: \$3.6 million
- Section 538 Guaranteed Multi-Family Housing Loans: \$150 million
- Multi-Family Housing Preservation and Revitalization Program: \$46.9 million
- Rural Community Development Initiative: \$13 million

Section 523 Mutual Self-Help Housing Program

No other program combines the unique features which make the Self-Help program a success. The Section 523 grants provide support to Self-Help sponsors who provide technical assistance, recruiting, training, and supervising to families to earn "sweat equity." This unique construction method also promotes strong communities by building close bonds among future neighbors. (PART review, www.expectmore.gov)

Created by the Housing and Community Development Act of 1968, the USDA Rural Development Section 523 Mutual Self-Help Housing Program is one of the best and most successful avenues to sustainable homeownership for low-income rural Americans.

With its roots in the tradition of barn raising, mutual self-help housing gives hardworking rural families the opportunity to work together to achieve the dream of homeownership which individually could not be attained. Mutual self-help housing programs, which still retain a style reminiscent of pioneer barn raisings, provide the organizational structure that allows low-income families to build the homes they so desperately want and need. This includes the capital, training and supervision, coordination, accounting, and myriad of other technical skills necessary to any successful housing development effort.

The concept is straightforward: groups of 6–12 low-income families join together to pool their labor to build each other's homes, in the process building a neighborhood for their community, for their children, and for themselves. The future homeowners commit to completing 65 percent of the work necessary to build the homes. At Self-Help Enterprises, these families pour the concrete, frame the walls, and install electrical wiring, heating ducts, roof framing, as well as all finish, tile, paint, and trim. Reducing the labor cost of the home reduces the total cost of the home, enabling lower-income households to become homeowners and earn equity at the same time.

The economic benefits extend far beyond the individual homeowners. As contractors are hired to turn raw land into subdivisions, local vendors provide building materials and subcontractors complete technical work such as plumbing. Local governments receive building permit fees, and in the long term, property taxes from proud

homeowners. Rural communities, often plagued with an abundance of substandard housing, gain an expanding stock of good housing and the stability that comes to a community of homeowners.

In the San Joaquin Valley each year, as many as 120 hardworking families each commit 1,400 hours, 40 hours per week, week after week, through the heat of summer and the cold of winter, sharing the labor necessary to build homes for their neighbors, their children and themselves.

It is popular today to talk about the importance for homebuyers to have “skin in the game” as protection against failed mortgages. Mutual self-help families have more than skin in the game. They have skin, sweat, and occasionally a bit of blood as they invest themselves in the home of their dreams. And does it work? With 47 years of experience behind us, those of us at Self-Help Enterprises say “YES” unequivocally. Self-help homebuilders achieve remarkable stability. Despite being the lowest income of the Section 502 borrowers, our self-help homebuilders have lower delinquency rates and very low foreclosure rates.

No other path to homeownership for low-income families has proven to be as successful.

Section 502 Direct Lending Program

The Section 502 Direct Loan program is an equally important element of self-help housing, affording well-underwritten construction-to-permanent mortgages that finance the home from the start of construction to the final mortgage payment. But the reach of this model mortgage program goes far beyond self-help households.

Since the Housing Act of 1961, the USDA 502 Direct Loan Program has been a cornerstone of homeownership opportunity in rural America, with over 2 million homeowners seizing the opportunity for an affordable mortgage which would enable them to be homeowners in the town where they live and work. For a surprisingly low Federal budget cost, the 502 Direct mortgage is a well underwritten, affordable, no gimmicks financing for rural families who want to invest in homes and in their communities.

No other Federal home ownership program can match the profile of the families served by the section 502 direct loan program. The average income for families receiving direct loans is \$27,000. By law, 40 percent of families participating in the program have incomes that do not exceed 50 percent of the median income. For the past 2 years at Self-Help Enterprises, fully 60 percent of the borrowers have incomes below 50 percent of median.

Despite serving families with limited economic means, the section 502 direct loan program is the most cost effective affordable housing program in the Federal Government. In fiscal year 2011, the total per unit cost for a homeownership loan to a low income family was less than \$7,200. There are a number of reasons for this overall low cost to the Government. First, a low interest rate environment reduces the cost of borrowing. Less well known is a longstanding requirement to recapture subsidy when a house financed under section 502 is sold. Essentially a family and the Government share in the appreciation on a home, taking into account how long a family has lived in the house. Recapture provides a substantial return to the Government.

Although the Section 502 Direct Loan Program lends to families with limited incomes, the program has a record of success not only in creating affordable homeownership opportunity, but also protecting the Federal investment. For example, in 2010, USDA Rural Development in California foreclosed on a mere 57 mortgages out of a loan portfolio of nearly 10,000 loans. This is a foreclosure rate of just over 0.5 percent and stands in stark contrast to what is happening in the conventional market in California.

It has been stated that the Section 502 guarantee program is an alternative for families eligible for direct loans. It is not. The average annual income for families receiving the guarantee is \$48,000. The majority of the loan guarantees go to households with incomes at or above 100 percent of the median, and only about 5 percent of families receiving guarantees make between 60–70 percent of the median. With the inevitable end of the current low interest rate environment, interest rates on 502 Guarantee loans will once again rise, and the number of qualifying low income borrowers will drop, if not disappear altogether.

Summary

USDA's Rural Housing Service and the resources it delivers represent vital resources to the people and the economies of rural American communities so desperate for jobs. As the recession seems finally to be fading in some areas of the country, its grip on rural America is still devastatingly strong. This is no time to reduce the investment so important to the recovery of Rural America.

PREPARED STATEMENT OF THE SELF-HELP HOUSING CORPORATION OF HAWAII

The Self-Help Housing Corporation of Hawaii is requesting the same allocations from fiscal year 2012 for the USDA Rural Development 502 Direct Loan Program, and the RD 523 Technical Assistance Mutual Self-Help Housing Program. With the average sales price for a single family house in Hawaii at \$550,000, there would be no affordable housing for homeownership in Hawaii without the USDA Rural Housing Programs. Because of the extreme gap of income levels for low income families in Hawaii and the average housing prices, even the "workforce" of Hawaii cannot afford homeownership without the subsidies offered by these programs.

Through the recent development of its 72 lot subdivision in a rural low income neighborhood, SHHCH is able to offer homeownership opportunities to 72 very low and low income families who will build their own houses through the mutual self-help housing program. SHHCH is providing more than 200 jobs with just this self-help housing project with the construction of the infrastructure, materials and equipment from building supply houses, and services from title companies, appraisers, insurance companies, lenders, etc. With the Federal funding of these programs acting as a catalyst, SHHCH has been able to leverage another \$11 million in private financing to undertake this development. Additionally, very low and low income families, who presently live in sub-standard, and severely crowded situations, not only improve their housing situations, but also gain equity; thereby, continuing to improve their lives.

The Self-Help Housing Corporation has built 591 self-help units throughout the State of Hawaii with firemen, policemen, teacher's aides, hospital workers, hotel workers, laborers, and those considered the "workforce" of Hawaii. Currently, in a remote rural area of Maui, SHHCH is assisting native Hawaiian low income families to build three and four bedroom houses through the RD 523 and RD 502 Direct Loan Programs. This is the first affordable housing program in Hana in 35 years. Some of these self-help builders have no electricity or potable water in their existing houses. Without these Rural Housing Programs, these families, and thousands of rural low income families across the country would continue to live in severely sub-standard conditions, some without electricity and potable water; conditions I saw as a Peace Corps volunteer in third world countries!

In the past 3 years more than 3,500 low income families in more than 37 States have built their own houses through the RD 523 Technical Assistance Program in tandem with the RD 502 Direct Loan Program. With a cost of approximately \$5,000 to subsidize the program over the entire 33 year amortization period, these programs are less expensive than rental subsidy programs. Through these programs not only does the family improve their living situation, gain equity, and learn invaluable skills in leadership, team work, and building skills, but the community benefits with a broadening of the tax base, an enhancement of property values, and an establishment of stable neighborhoods with well maintained houses. Every 100 homes built in this program results in 324 jobs, \$21.1 million infused in the local economy, and \$2.2 million paid in for tax revenues. These significant housing programs are assisting to rebuild the economy in rural areas.

I urge you, as at the leaders of our country, to consider funding such valuable community development programs at the fiscal year 2012 funding levels.

PREPARED STATEMENT OF THE SCHOOL NUTRITION ASSOCIATION

The School Nutrition Association (SNA) strongly supports approval of the \$35 million requested by the Food and Nutrition Service for School Meal Equipment Grants. Many School Food Authorities (SFAs) throughout the Nation have a significant need to replace and upgrade their equipment, particularly as we all work to implement the final rule revising school lunch and school breakfast meal standards. Most importantly, new equipment will directly benefit the millions of children that school food service professionals serve each and every school day by enabling SFAs to provide more fruits and vegetables, and enabling SFAs to maintain, expand, and establish school breakfast programs throughout the Nation.

Mr. Chairman and Members of the Committee, SNA represents more than 55,000 members who provide high-quality, low-cost meals to students across the country. We appreciate your continuing support for all school meal programs. These programs are needed more than ever before and we want to work with you to improve the efficiency and integrity of school meals.

Our members are charged with several simultaneous tasks. First, they must provide the best meal possible. Second, they must provide the safest meal possible. Third, they must do so within extremely tight budget limits that often do not leave any resources for replacing and upgrading equipment on a regular basis.

School meals must be nutritious and varied in order to qualify for Federal reimbursement, and to maintain student interest. As a result of both the new meal pattern standards and requirements of the Healthy, Hunger-Free Kids Act of 2010, SFAs are required to serve both a greater volume and a wider array of fruits and vegetables. We are prepared to meet that challenge, but many SNA members will need additional refrigeration equipment, storage equipment, and food preparation equipment in order to meet these requirements. Equipment assistance is vitally needed to fully achieve the requirement for nutritious and varied meals.

Food safety is a tremendous responsibility. SNA members take great care to provide safe food for the benefit of each child, and for the integrity of school meal programs. Old equipment that is in need of constant repair or is scheduled to be replaced jeopardizes food safety. Equipment assistance is vitally needed to help ensure the continued provision of safe food.

And while we certainly recognize and respect the financial challenges facing the Federal budget, one school food service professional after another is prepared to tell you about the difficult budget situations they face in their States, their school districts, and their individual schools. Many areas that have traditionally been well off financially are facing significant budget difficulties. We see this in our schools every day as more and more students move from paid meals to reduced price meals to free meals as families face economic difficulties. As a consequence, school food service professionals are managing tighter and tighter budgets, and are forced to put off replacing and upgrading equipment more than they should. Equipment assistance is vitally needed to help SFAs deal with little or no local resources for replacing and upgrading equipment.

It is well known that the \$100 million provided by the American Recovery and Reinvestment Act, and the \$25 million provided as part of the fiscal year 2010 Agriculture Appropriations Act made a positive difference for the 6,500 successful applicants. Yet many more SFAs need to upgrade their equipment. There were 25,000 applications submitted for the prior program, with priority having been given to school districts where 50 percent or more students are eligible for free or reduced price meals.

As an example of what this prior funding accomplished, Burlington, Vermont, schools received several ARRA fund grants. Most went into walk-in coolers and one went into a Blodgett oven. The new walk-in coolers have given the Burlington schools the ability to provide more fresh fruits and vegetables to their students daily. Between the use of salad bars, the Fresh Fruit and Vegetable Program, breakfast, and after-school suppers and snacks they are now providing at least 8+ fruit and vegetable choices daily, to all students K-12. In addition, the increased refrigeration space has improved their food safety and storage capacity as well as reducing energy costs, noise and heat in their kitchens. The addition of the oven, which replaced a 25+ year old electric model, was not only more cost effective, but also reduced cooking times and improved food quality.

The amount requested as part of the fiscal year 2013 FNS budget is projected to assist up to 10,000 schools in 15 to 25 States make similar improvements.

We also would like to respectfully point out that many schools serving fewer than 50 percent free and reduced price meals need equipment assistance. While SNA understands the desire to prioritize who may be eligible for this assistance, schools serving fewer than 50 percent free and reduced price meals face the same budgetary problems and equipment needs. The prior program established an assistance scale for SFAs with less than 50 percent free and reduced price participation. If a school applying had less than 30 percent F&R, they would only have been reimbursed for 25 percent of the cost of the equipment. This discouraged SFAs from applying at all last time. The situation is further complicated by the Paid Equity requirement included in the Healthy, Hunger-Free Kids Act. This provision requires SFAs with meal prices below the Federal reimbursement rate to increase their prices, even if they are already covering all of their costs. SFAs are relying on paying students for most of their income, and find that any price increase usually means a drop in participation. This drop in participation makes it even harder for SFAs to derive sufficient revenue to replace equipment absent a full grant. We hope that FNS will have the flexibility to consider additional methods for prioritization of grant applications in addition to just meal participation rates.

We thank you for this opportunity to share our support for the requested \$35 million for School Meal Equipment Grants, and look forward to continue to work with you in the future.

PREPARED STATEMENT OF THE SOCIETY FOR WOMEN'S HEALTH RESEARCH

The Society for Women's Health Research (SWHR) is pleased to submit written testimony to urge the Committee to increase the fiscal year 2013 budget authority (BA) appropriations (non-user fees) for the U.S. Food and Drug Administration (FDA) to \$2.656 billion, resulting in a 6 percent increase over 2012. This allocation will allow the agency to provide necessary and critical improvements in infrastructure, address resource shortages, and support needed investment into the Office of Women's Health (OWH), the focal point on women's health within the Agency.

SWHR, a national nonprofit organization based in Washington, DC, is widely recognized as the thought leader in research on sex differences and is dedicated to improving women's health through advocacy, education, and research. SWHR was founded in 1990 by a group of physicians, medical researchers and health advocates who wanted to bring attention to the myriad of diseases and conditions that affect women uniquely.

Insufficient investment in this important agency prevents the FDA from fully achieving its mission and threatens the health, economic and national security of the Nation. While SWHR recognizes the need for responsible discretionary spending, proper and sustained funding of the FDA must remain a public priority. The increase of \$150 million to FDA reflects the Agency's increased responsibilities and workload. Appropriate funding of the FDA by Congress is vital for it to fulfill its mission. Americans rely on the FDA every day, from promoting wellness and meeting healthcare needs to ensuring the food supply and keeping drugs safe and effective. Altogether, 25 percent of every consumer dollar spent in America is spent on products regulated by the FDA.

This level of investment will allow the FDA to foster a 21st century culture of proactive science and research leadership that will better meet the demands and expectations of the American public. Each year, over 80 percent of FDA's budget is allocated toward the salary of its scientists and staff, making a substantial investment in infrastructure needs, technology, and human collateral all but impossible. Until the budgetary allocation from Congress is enough to allow FDA to invest in staffing and infrastructure needs, the FDA will continue to act in a reactionary manner against the emerging or known threats to food and drug security.

FDA and Sex Differences Research

In the past decades, scientists have uncovered significant biological and physiological differences between men and women. Sex differences have been found everywhere, from the composition of bone matter to the metabolism of certain drugs, to the rate of neurotransmitter synthesis in the brain. Sex-based biology, the study of biological and physiological differences between men and women, has revolutionized the way that the scientific community views the sexes. America's drug development process continues to advance in delivering new and better targeted medications to combat disease; however, medication effectiveness and safety could be better targeted to women and men if analysis of sex and gender differences would be done routinely during review processes at FDA.

SWHR has long recognized that the inclusion of women in study populations by itself was insufficient to address the inequities in our knowledge of human biology and medicine, and that only by the careful study of sex differences at all levels, from genes to behavior, would science achieve the goal of optimal healthcare for both men and women. Many sex differences are already present at birth, whereas others develop later in life. These differences play an important role in disease susceptibility, prevalence, time of onset, and severity and have documented roles in cancer, obesity, heart disease, immune dysfunction, mental health disorders, and other illnesses. Physiological differences and hormonal fluctuations may also play a role in the rate of drug absorption, distribution, metabolism, elimination as well as ultimate effectiveness of response in females as opposed to males. This vital research is supported and encouraged by the OWH at FDA, working directly with the various centers to advance the science in this area, collaborating on programs, projects, and research.

Unfortunately, FDA's requirement that the data acquired during research of a new drug or device's safety and efficacy be reported and analyzed as a function of sex is not universally enforced.

Information about the ways drugs may differ in various populations (e.g., women may require a lower dosage because of different rates of absorption or metabolism) are often unexplored, or female enrollment in studies is too low to adequately power statistically significant results. As a result, this information is not able to be transmitted to healthcare providers and the potential benefit of a more appropriate medical option is not available to the patient, man or woman.

SWHR believes that the opportunity to translate this information to patients exists now. Sex differences data discovered from clinical trials can be presented to the medical community and to patients through education, drug labeling and packaging inserts, and other forms of alerts directed to key audiences. SWHR encourages the FDA to continue addressing the need for accurate, sex-specific drug and device labeling to better serve male and female patients, as well as to ensure that appropriate data analysis of post-market surveillance reporting for these differences is placed in the hands of physicians and ultimately the patient.

FDA Must Improve Its IT Infrastructure

The FDA is tasked with guarding the safety, efficacy, and security of human drugs, biological products, and medical devices, yet still does not have sufficient resources to establish and maintain the information technology needed to appropriately analyze the information that FDA receives. This lack of appropriate IT systems inhibits the FDA from fulfilling its mission and prevents appropriate sex differences analysis from being conducted. A 2007 Science Board Report, requested by former Commissioner von Eschenbach, found that FDA's IT systems were inefficient and incapable of handling the current demands placed on the Agency.

Tremendous advances have been made throughout the Agency to modernize in the 5 years since that initial report; however, it still remains a challenge for the Agency to access and maintain the information technology needed to meet the growing expectations from the American public and to fulfill its mission. As technology continues to advance, congressional investment in FDA must remain robust.

FDA is expected by Congress and the American public to have IT systems that can quickly and effectively do appropriate data analyses and reporting, safety analyses, tracking the natural history and disease models for rare disorders, analyses of subpopulations within the context of larger trials or comparative effectiveness research (CER), access large amounts of clinical data, capture emerging trends, and determine food and drug safety when a problem impacting the public breaks out.

FDA Must Create a Centralized Database

The creation of a central database would provide a single repository for all relevant facts about a certain product, including where, when and how the product was made. Such a database will be relevant for all information stored across agencies, so as to maximize functionality not only of FDA's data but for any other research and analysis needed by the American public for safety and surveillance. This database should allow for easier tracking of recruitment and retention rates of women and minorities in clinical trials, which will allow the FDA to monitor and collect data on how drugs, devices and biologics affect men and women differently, and allow for sex differences to be analyzed during the drug review process.

FDA IT Systems Must Encourage Electronic Submissions and Be Able To Handle All Applications in an Electronic Format

FDA must move away from a paper based system into a standardized electronic format. This will aid in transforming Agency reviews, CER, and further data analysis and reporting, such as sex differences.

FDA Office of Women's Health

The FDA's Office of Women's Health (OWH), like the Agency that houses it, requires steady and sustained investment to remain a key resource advocating for this important research. OWH at the FDA, established in 1994, plays a critical role in women's health, both within and Agency and as an information source to the public.

OWH's programs, often conducted with the Agency centers, focus on women's health within the FDA and are critical to improving care and increased awareness of disease-specific impacts on women. OWH works to ensure that sex and gender differences in the efficacy of drugs (such as metabolism rates), devices (sizes and functionality) and diagnostics are taken into consideration in reviews and approvals, but they cannot fix the problem alone. Additionally, OWH endeavors to correct sex and gender disparities in the areas for which the FDA has jurisdiction and also monitors women's health priorities, providing both leadership and an integrated approach to problem solving across the FDA. The OWH continues to provide women with invaluable tools for their health and ensure that the agency is examining sex and gender differences during its review of new drugs, devices, and biologics.

To address OWH's growing list of priorities, SWHR recommends that Congress support an additional \$1 million budget for OWH for fiscal year 2013 within the budget for the FDA. Each year, OWH exhausts its budget as OWH's pamphlets are the most requested of any documents at the Government printing facility in Colorado. More than 5 million OWH pamphlets have been distributed to women across America, including target populations such as Hispanic communities, seniors and

low-income citizens. Last year, the OWH's intramural research program funded over 23 new and 8 continuing research studies conducted by FDA scientists. To date, over 50 concept papers were submitted. OWH has also collaborated with CDRH to award a contract to Duke Research Institutes for prospective assessment of clinical and patient-reported outcomes for female patients undergoing percutaneous coronary intervention (PCI) procedures via femoral and radial access. Further, FDA OWH has worked closely with CDRH on its publication of the Draft Guidance on the Evaluation of Sex Differences in Medical Device Clinical Studies.

The value-added with congressional investment in FDA's OWH is clear. The office provides women with the high quality and timely information that American women need to make medical decisions on behalf of them and their families. Further, OWH's website is a vital tool for consumers and physicians. It is regularly updated to include new and important health information. The website provides free, downloadable fact sheets on over 100 different illnesses, diseases, and health related issues for women. OWH has created medication charts on several chronic diseases, listing all the medications that are prescribed and available for each disease. This type of information is ideal for women to use in talking to their doctors, pharmacists, or nurses about their treatment options. Such resources need to be updated, evaluated, and disseminated to further impact improvements in women's health.

OWH provides imperative information to the medical communities in the form of web trainings to keep medical professionals up to date with emerging science. OWH developed Sex and Gender Differences in Health and Behavior, with assistance from the Office of Research on Women's Health (ORWH) at the National Institutes of Health (NIH) to develop the second in a web series of free courses on the "Science of Sex and Gender in Human Health". Developed in partnership with the Health Resources and Services Administration (HRSA), OWH developed online courses in health literacy to help promote best practices for improving patient/provider communication and addressing factors such as low health literacy that limit a patient's ability to safely use their medications.

OWH and Sex Differences Research

OWH funds high quality scientific research to serve as the foundation for FDA activities that improve women's health. Since 1994, OWH has funded approximately 195 research projects with approximately \$15.7 million in intramural grants, supporting projects within the FDA that address knowledge gaps or set new directions for sex and gender research. All contracts and grants are awarded through a competitive process and a large number are published in peer reviewed journals. It is critical for Congress to help preserve the vital functions of OWH and to ensure that its budget is dedicated to the resource needs of the office and to the projects, programs, and research it funds.

In conclusion, Mr. Chairman, we thank this Committee for its strong record of support for the FDA and women's health. SWHR recommends for fiscal year 2013 BA appropriations (non-user fees) of \$2.656 billion so that the FDA may dramatically improve upon current operations and to improve its staffing and infrastructure needs. Second, we urge you to allocate \$7 million for the Office of Women's Health for fiscal year 2013, and to ensure that future budget appropriations for the OWH never fall below fiscal year 2012 funding levels of \$6 million.

We look forward to continuing to work with the Committee to build a stronger, healthier, and safer future for all Americans.

PREPARED STATEMENT OF THE HUMANE SOCIETY OF THE UNITED STATES

As the largest animal protection organization in the country, we appreciate the opportunity to provide testimony to your Subcommittee on fiscal year 2013 items of great importance to The Humane Society of the United States (HSUS) and its 11 million supporters nationwide. In this testimony, we request the following assistance for the following USDA accounts:

- APHIS/Animal Welfare Act Enforcement—\$27,087,000;
- APHIS/Horse Protection Act Enforcement—\$891,000;
- APHIS/Investigative and Enforcement Services—\$16,275,000;
- FSIS/Horse Slaughter—language mirroring fiscal year 2012 House bill provision;
- FSIS/Humane Methods of Slaughter Act Enforcement—language directing FSIS to ensure that inspectors hired with funding previously specified for Humane Methods of Slaughter Act enforcement focus their attention on overseeing com-

pliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas;
 —OIG/including Animal Fighting Enforcement—\$85,621,000;
 —NIFA/Veterinary Medical Services Act—\$4,790,000;
 —APHIS/Emergency Management Systems/Disaster Planning for Animals—\$1,017,000;
 —APHIS/Wildlife Services Damage Management—reduce by \$10 million; and
 —APHIS/Class B Dealers—language barring expenditures of funds for licensing or renewal of licenses of any Class B Dealers who sell dogs or cats for use in research, teaching, or testing.

At this time of intense budget pressure, we thank you for your outstanding past support for enforcement of key animal welfare laws by the U.S. Department of Agriculture and we urge you to sustain this effort in fiscal year 2013. While we understand the focus on reducing Federal spending, we believe there should be room for careful decisionmaking within the budget to achieve macro-level cuts and at the same time ensure adequate funding for specific accounts that are vital and have previously been underfunded.

Your leadership is making a difference, helping to protect the welfare of millions of animals across the country and upholding the values of the American public. As you know, better enforcement also directly benefits American citizens by: (1) preventing the sale of unhealthy pets from unlawful commercial breeders, commonly referred to as “puppy mills”; (2) improving laboratory conditions that may otherwise impair the scientific integrity of animal-based research; (3) reducing risks of disease transmission from, and dangerous encounters with, wild animals in or during public exhibition; (4) minimizing injury, loss, and death of pets on commercial airline flights due to mishandling and exposure to adverse environmental conditions; (5) decreasing food safety risks to consumers from sick animals who can transmit illness, and injuries to slaughterhouse workers from suffering animals; and (6) dismantling orchestrated dogfights and cockfights that often involve illegal gambling, drug trafficking, human violence, and can contribute to the spread of costly illnesses such as bird flu. In order to continue the important work made possible by the Committee’s prior support, we request the following for fiscal year 2013.

Animal and Plant Health Inspection Service (APHIS)/Animal Welfare Act (AWA) Enforcement

We request that you support level funding of \$27,087,000 for AWA enforcement under APHIS. We commend the Committee for responding in recent years to the urgent need for increased funding for the Animal Care division. The funding has helped improve inspections by Animal Care of approximately 12,870 sites, including commercial breeding facilities, laboratories, zoos, circuses, and airlines, to ensure compliance with AWA standards. In May 2010, USDA’s Office of Inspector General released a report criticizing the agency’s history of lax oversight of dog dealers, finding that inhumane treatment and horrible conditions often failed to be properly documented and yielded little to no enforcement actions. While Agriculture Secretary Vilsack called for more inspections and a tougher stance on repeat offenders, the agency must have the resources to follow through on that commitment. USDA is also implementing a new responsibility created by Congress in 2008—enforcing a ban on imports from foreign puppy mills where puppies are mass produced under inhumane conditions and forced to endure harsh long-distance transport. Animal Care currently has 122 inspectors (with 14 vacancies that are in the process of being filled), compared to 64 inspectors at the end of the 1990s. An appropriation at the requested level would help the agency continue to address the concerns identified by the OIG, enforce the new puppy import ban, and provide adequate oversight of the many licensed/registered facilities.

APHIS/Horse Protection Act (HPA) Enforcement

We request that you support \$891,000, the amount provided in last year’s Senate bill, for strengthened enforcement of the Horse Protection Act. Congress enacted the HPA in 1970 to make illegal the abusive practice of “soring,” in which unscrupulous trainers use a variety of methods to inflict pain on sensitive areas of Tennessee Walking Horses’ hooves and legs to exaggerate their high-stepping gait and gain unfair competitive advantage at horse shows. For example, caustic chemicals—such as mustard oil, diesel fuel, and kerosene—are painted on the lower front legs of a horse, then the legs are wrapped for days in plastic wrap and tight bandages to “cook” the chemicals deep into the horse’s flesh, and then heavy chains are attached to slide up and down the horse’s sore legs. Though soring has been illegal for 40 years, this cruel practice continues unabated by the well-intentioned but seriously understaffed APHIS inspection program and the inherent conflicts of interest in the

industry self-policing system established to supplement Federal enforcement. A report released in October 2010 by USDA's Office of Inspector General documents these problems and calls for increased funding to enable the agency to more adequately oversee the law. Several horse show industry groups, animal protection groups, and the key organization of equine veterinarians have also called for funding increases to enable the USDA to do a better job enforcing this law. To meet the goal of the HPA, Animal Care inspectors must be present at more shows. Exhibitors who sore their horses go to great lengths to avoid detection—even fleeing shows when USDA inspectors arrive. With current funding Animal Care is able to attend only about 10 percent of the more than 500 Tennessee Walking Horse shows held annually. We greatly appreciate the enactment of a modest increase for Horse Protection Act enforcement last year (bringing the budget for this to \$696,000), the first time in decades that the program received more than \$500,000. An appropriation at the requested level will help ensure that this program doesn't lose ground but instead builds on last year's crucial first step in addressing the need for additional inspectors, training, security—for threats of violence against inspectors—and advanced detection equipment.

APHIS/Investigative and Enforcement Services

We request that you support level funding of \$16,275,000 for APHIS Investigative and Enforcement Services (IES). We appreciate the Committee's consistent support for this division. IES handles many important responsibilities, including the investigation of alleged violations of Federal animal welfare laws and the initiation of appropriate enforcement actions. The volume of animal welfare cases is rising significantly. An appropriation at the requested level would enable the agency to keep pace with the additional enforcement workload.

Horse Slaughter

We request inclusion of the same language barring USDA from the expenditure of funds for horse slaughter inspection as was included in the Committee's fiscal year 2012 Agriculture Appropriations bill. This provision is vital to prevent renewed horse slaughter activity in this country.

Food Safety and Inspection Service (FSIS)/Humane Methods of Slaughter Act (HMSA) Enforcement

We request language to ensure strengthened HMSA enforcement. We appreciate the Committee's inclusion of language in the fiscal year 2012 Committee report regarding humane slaughter. USDA oversight of humane handling rules for animals at slaughter facilities is vitally important not only for animal welfare but also for food safety. Effective day-to-day enforcement can prevent abuses like those previously documented in undercover investigations, and reduce the chance of associated food safety risks and costly recalls of meat and egg products. We therefore urge inclusion of language directing FSIS to ensure that inspectors hired with funding previously provided specifically for Humane Methods of Slaughter Act enforcement focus their attention on overseeing compliance with humane handling rules for live animals as they arrive and are offloaded and handled in pens, chutes, and stunning areas.

Office of Inspector General/Animal Fighting Enforcement

We request that you support level funding of \$85,621,000 for the Office of Inspector General (OIG) to maintain staff, ensure effectiveness, and allow investigations in various areas, including enforcement of animal fighting laws. We appreciate the Committee's inclusion of funding and language in recent years for USDA's OIG to focus on animal fighting cases. Congress first prohibited most interstate and foreign commerce of animals for fighting in 1976, tightened loopholes in the law in 2002, established felony penalties in 2007, and further strengthened the law as part of the 2008 farm bill. We are pleased that USDA is taking seriously its responsibility to enforce this law. Its work with State and local agencies to address these barbaric practices, in which animals are drugged to heighten their aggression and forced to keep fighting even after they've suffered grievous injuries, is commendable. Dogs bred and trained to fight endanger public safety, and some dogfighters steal pets to use as bait for training their dogs. Also, in 2002–2003 cockfighting was linked to an outbreak of Exotic Newcastle Disease that cost taxpayers more than \$200 million to contain. Cockfighting has further been linked to the death of a number of people in Asia reportedly exposed to bird flu. Given the potential for further costly disease transmission, as well as the animal cruelty involved, we believe it is a sound investment for the Federal Government to increase its efforts to combat illegal animal fighting activity. We also support the OIG's auditing and investigative work to

improve compliance with the Animal Welfare Act, the Horse Protection Act, and the Humane Methods of Slaughter Act and downed animal rules.

National Institute of Food and Agriculture/Veterinary Medical Services Act

We request that you support level funding of \$4,790,000 to continue the implementation of the National Veterinary Medical Service Act (Public Law 108-161). We appreciate that Congress is working to address the critical maldistribution of veterinarians practicing in rural and inner-city areas, as well as in Government positions at FSIS and APHIS. A 2009 Government Accountability Office report enumerating the challenges facing veterinary medicine identified that an inadequate number of veterinarians to meet national needs is among the foremost challenges. Having adequate veterinary care is a core animal welfare concern. To ensure adequate oversight of humane handling and food safety rules, FSIS must be able to fill vacancies in inspector positions. Veterinarians support our Nation's defense against bioterrorism. The Centers for Disease Control estimates that 75 percent of potential bioterrorism agents are zoonotic—transmitted from animals to humans. Veterinarians are also on the front lines addressing public health problems such as those associated with pet overpopulation, parasites, rabies, chronic wasting disease, and bovine spongiform encephalopathy—"mad cow" disease. Veterinary school graduates face a crushing debt burden of \$142,613 on average, with an average starting salary of \$66,469. For those who choose employment in underserved rural or inner-city areas or public health practice, the National Veterinary Medical Service Act authorizes the Secretary of Agriculture to repay student debt. It also authorizes financial assistance for those who provide services during Federal emergency situations such as disease outbreaks.

APHIS/Emergency Management Systems/Disaster Planning for Animals

We request that you support level funding of \$1,017,000 for Animal Care under APHIS' Emergency Management Systems line item. Hurricanes Katrina and Rita demonstrated that many people refuse to evacuate if they are forced to leave their pets behind. The Animal Care division develops infrastructure to help prepare for and respond to animal issues in a disaster and incorporate lessons learned from previous disasters. Funds are used for staff time and resources to support the efforts of State, county and local governments and humane organizations to plan for protection of people with animals. They also enable the agency to participate, in partnership with FEMA, in the National Response Plan without jeopardizing other Animal Care programs.

APHIS/Wildlife Services Damage Management

We request that funding be reduced for Wildlife Services Damage Management by \$10 million. This is the amount that the USDA estimates it spends annually on lethal predator control to protect livestock. In light of record deficits, this is a wasteful subsidy that needs to be terminated. Under its "livestock protection" program, Wildlife Services provides taxpayer-subsidized wildlife extermination services to private agribusiness. USDA data show that less than 1 percent of livestock are killed by predators. Livestock producers and property owners—not U.S. taxpayers—should be financially responsible for protecting their property from damage attributed to wildlife. Expensive lethal control methods used by Wildlife Services such as aerial gunning, poisoning, and trapping are indiscriminate and ineffective, often killing non-target species including endangered species protected by Federal law and companion animals. Common sense non-lethal methods like the use of guard animals (e.g., llamas, dogs), lighting, penning, and good animal husbandry practices like shepherding are cheaper and proven more effective in reducing predation to livestock. Ranchers have no incentive to use these methods if the Federal Government continues to pay for unlimited lethal control. By cutting this wasteful and unnecessary program, we will ensure that U.S. taxpayers stop subsidizing lethal wildlife control for the benefit of private livestock producers and property owners.

APHIS/Class B Dealers

We also ask that you include a funding limitation as suggested below regarding Class B Dealers. A September 2010 Government Accountability Office report to Congress found that numerous Animal Welfare Act violations have been documented during inspections of Class B dealer facilities, seven of the nine licensed Class B dealers of live, random-source dogs and cats at that time had one or more violations, and several Class B dealers were under further investigation by the USDA because of repeated violations. The USDA is spending an inordinate amount of its limited resources in an attempt to regulate these Class B dealers, especially considering that a 2009 study by the National Academies—"Scientific and Humane Issues in the

Use of Random Source Dogs and Cats in Research”—found that Class B dealers are not necessary to supply random-source dogs and cats for NIH-funded research.

Requested bill language: “*Provided*, That appropriations herein made shall not be available for any activities or expense related to the licensing of new Class B dealers who sell dogs or cats for use in research, teaching, or testing, or to the renewal of licenses of existing Class B dealers who sell dogs or cats for use in research, teaching, or testing”.

Again, we appreciate the opportunity to share our views and priorities for the Agriculture, Rural Development, FDA, and Related Agencies Appropriation Act for Fiscal Year 2013. We are so grateful for the Committee’s past support, and hope you will be able to accommodate these modest requests to address some very pressing problems affecting millions of animals in the United States. Thank you for your consideration.

PREPARED STATEMENT OF THE HUMANE SOCIETY OF THE UNITED STATES—EQUINE PROTECTION

On behalf of the undersigned animal welfare and horse industry organizations, with combined supporters exceeding 12 million, and former Senator Joseph Tydings, we submit the following testimony seeking funding for the USDA/APHIS Horse Protection Program of \$891,000 for fiscal year 2013. We recognize that Congress is focused on the imperative of cutting Federal spending. But we believe that it should be possible to achieve meaningful reductions in the overall budget while still addressing shortfalls in very specific accounts that are vital and have been seriously underfunded. This \$891,000 is urgently needed to begin to fulfill the intent of the Horse Protection Act—to eliminate the cruel practice of soring—by allowing the USDA to strengthen its enforcement capabilities for this law.

In 1970, Congress passed the Horse Protection Act to end soring, the intentional infliction of pain to the hooves and legs of a horse to produce an exaggerated gait, practiced primarily in the Tennessee Walking Horse show industry.

For example, caustic chemicals—such as mustard oil, diesel fuel, and kerosene—are painted on the lower front legs of a horse, then the legs are wrapped for days in plastic wrap and bandages to “cook” the chemicals deep into the horse’s flesh. This makes the horse’s legs extremely painful and sensitive, and when ridden, the horse is fitted with chains that slide up and down the horse’s sore legs, forcing him to produce an exaggerated, high-stepping gait in the show ring. Additional tactics include inserting foreign objects such as metal screws or hard acrylic between a heavy stacked shoe and the horse’s hoof; pressure shoeing—cutting a horse’s hoof down to the sensitive live tissue to cause extreme pain every time the horse bears weight on the hoof; and applying painful chemicals such as salicylic acid to slough off scarred tissue, in an attempt to remove evidence of soring.

The Horse Protection Act authorizes the USDA to inspect Tennessee Walking Horses and Racking Horses—in transport to and at shows, exhibits, auctions and sales—for signs of soring, and to pursue penalties against violators. Unfortunately, since its inception, enforcement of the act has been plagued by underfunding. As a result, the USDA has never been able to adequately enforce the act, allowing this extreme and deliberate cruelty to persist on a widespread basis.

The most effective way to eliminate soring and meet the goals of the act is for USDA officials to be present at more shows. However, limited funds allow USDA attendance at only about 10 percent of Tennessee Walking Horse shows. So the agency set up an industry-run system of certified Horse Industry Organization (HIO) inspection programs, which are charged with inspecting horses for signs of soring at the majority of shows. These groups license examiners known as Designated Qualified Persons (DQPs) to conduct inspections. To perform this function, some of these organizations hire industry insiders who have an obvious stake in preserving the status quo. Statistics clearly show that when USDA inspectors are in attendance to oversee shows affiliated with these organizations, the numbers of noted violations are many times higher than at shows where industry inspectors alone are conducting the inspections. By all measures, the overall DQP program as a whole has been a failure—the only remedy is to abolish the conflicted industry-run inspection programs charged with self-regulation and give USDA the resources it needs to adequately enforce the act.

USDA appears to have attempted to step up its enforcement efforts in recent years, and has begun to work with the Department of Justice in prosecuting criminal cases as provided for under the act. In 2011, a Federal prosecutor sought the first-ever criminal indictments under the act and as a result, a well-known, winning trainer in the Spotted Saddle Horse industry is serving a prison sentence of over

1 year. A former Walking Horse Trainers' Association Trainer of the Year and winner of the Tennessee Walking Horse World Grand Championship was recently indicted on 52 counts (18 of them felony) of violating the act and is awaiting trial.

While these are significant actions which should have a deterrent effect, there are many other violators who go undetected, and many cases which go unprosecuted—all due to a lack of resources. USDA needs enhanced resources to carry out its responsibilities under this act, as Congress, and the public, expects.

In years past, inspections were limited to physical observation and palpation by the inspector. Protocols for the use of new technologies, such as thermography and “sniffer” devices (gas chromatography/mass spectrometry—or GC/MS—machines), have been implemented, which can help inspectors identify soring more effectively and objectively. The results of USDA’s recent GC/MS testing for prohibited foreign substances used by violators on the legs of horses (either to sore them, or to mask underlying soring and evade detection by inspectors) are staggering: 97.6 percent of the samples taken at various Tennessee Walking Horse competitions in 2011 tested positive for illegal foreign substances, and 86 percent tested positive in 2010.

Effective though this inspection protocol may be, due to budget constraints, USDA has been unable to purchase and put enough of this testing into use in the field, allowing for industry players to continually evade detection. In 2011, USDA was able to afford to collect and test samples at only three of the industry’s largest shows; in 2010, only five. With increased funding, the USDA could purchase more equipment and hire and train more inspectors to use it properly, greatly increasing its ability to enforce the HPA.

Currently, when USDA inspectors arrive at shows affiliated with some industry organizations, many of the exhibitors load up and leave to avoid being caught with sored horses. While USDA could stop these trailers on the way out, agency officials have stated that inspectors are wary of going outside of their designated inspection area, for fear of harassment and physical violence from exhibitors. Armed security is frequently utilized to allow such inspections, at additional expense to this program. The fact that exhibitors feel they can intimidate Government officials without penalty is a testament to the inherent shortcomings of the current system.

Lack of a consistent presence by USDA officials at events featuring Tennessee Walking Horses, Racking Horses, Spotted Saddle Horses and other related breeds has fostered a cavalier attitude among industry insiders, who have not stopped their abuse, but have only become more clandestine in their soring methods. The continued use of soring to gain an advantage in the show ring has tainted the gaited horse industry as a whole, and creates an unfair advantage for those who are willing to break the law in pursuit of victory. Besides the indefensible suffering of the animals themselves, the continued acceptance of sored horses in the show ring prevents those with sound horses from competing fairly for prizes, breeding fees and other financial incentives, while those horse owners whose horses are sored may unwittingly suffer property damage and be duped into believing that their now abused, damaged horses are naturally superior.

The egregious cruelty of soring is not only a concern for animal protection and horse industry organizations, but also for veterinarians. In 2008, the American Association of Equine Practitioners (AAEP) issued a white paper condemning soring, calling it “one of the most significant welfare issues faced by the equine industry.” It called for the abolition of the DQP Program, saying “the acknowledged conflicts of interest which involve many of them cannot be reasonably resolved, and these individuals should be excluded from the regulatory process.” The AAEP further stated, “The failure of the HPA to eliminate the practice of soring can be traced to the woefully inadequate annual budget . . . allocated to the USDA to enforce these rules and regulations.”

The USDA Office of Inspector General conducted an audit of the Horse Protection Program, and issued its final report in September 2010. The report recommends the abolition of the DQP program, and an increase in funding for APHIS enforcement of the Horse Protection Act. The agency concurred with the findings and recommendations in the report, specifically Recommendation 2: “Seeking the necessary funding from Congress to adequately oversee the Horse Protection Program,” indicating that it would develop a budgeting and staffing plan to phase in the resources needed to adequately oversee the Horse Protection Program.

It is unacceptable that nearly 40 years after passage of the Horse Protection Act, the USDA still lacks the resources needed to end this extreme form of abuse. It is time for Congress to give our public servants charged with enforcing this act the support and resources they want and need to fulfill their duty to protect these horses as effectively and safely as possible.

We appreciate the opportunity to share our views about this serious problem, and thank you for your consideration of our request.

UNDERSIGNED ORGANIZATIONS

Friends of Sound Horses, Inc.; former U.S. Senator Joseph Tydings; Animal Welfare Institute; American Society for the Prevention of Cruelty to Animals (ASPCA); American Horse Protection Association; American Horse Defense Fund; Plantation Walking Horses of Maryland; Red Rover; National Plantation Walking Horse Association; Plantation Walking Horse Association of California; United Pleasure Walking Horse Association; Gaitway Walking Horse Association; International Pleasure Walking Horse Registry; Sound Horse Outreach (SHO); One Horse At a Time, Inc. Horse Rescue; Northern California Walking Horse Association; Tennessee Walking Horse Association of Oklahoma; Pure Pleasure Gaited Horse Association; Northwest Gaited Horse Club; New York State Plantation Walking Horse Club; Northwest Pleasure Tennessee Walking Horse Association.

PREPARED STATEMENT OF THE WILDLIFE SOCIETY

The Wildlife Society appreciates the opportunity to submit testimony concerning the fiscal year 2013 budgets for the Animal and Plant Health Inspection Service, National Institute of Food and Agriculture, Natural Resources Conservation Service, and Farm Service Agency. The Wildlife Society represents over 11,000 professional wildlife biologists and managers dedicated to sound wildlife stewardship through science and education. The Wildlife Society is committed to strengthening all Federal programs that benefit wildlife and their habitats on agricultural and other private land.

Animal and Plant Health Inspection Service

Wildlife Services, a unit of APHIS, is responsible for controlling wildlife damage to agriculture, aquaculture, forest, range, and other natural resources, monitoring wildlife-borne diseases, and managing wildlife at airports. Its activities are based on the principles of wildlife management and integrated damage management, and are carried out cooperatively with State fish and wildlife agencies. The President's request is a \$7 million decrease from fiscal year 2012 and a \$10 million decrease from fiscal year 2011. In recognition of the important work that Wildlife Services performs regarding methods development and wildlife damage management, we request that Congress appropriate \$94 million to Wildlife Services in fiscal year 2013.

A key budget line in Wildlife Service's operations is Methods Development, which funds the National Wildlife Research Center (NWRC). Much of the newest research critical to State wildlife agencies is being performed at NWRC. In order for State wildlife management programs to be the most up-to-date, the work of the NWRC must continue. We recommend funding Methods Development at \$18 million in fiscal year 2013.

National Institute of Food and Agriculture

The Renewable Resources Extension Act (RREA) provides an expanded, comprehensive extension program for forest and rangeland renewable resources. RREA funds, which are apportioned to State Extension Services, effectively leverage cooperative partnerships at an average of four to one, with a focus on private landowners. The need for RREA educational programs is greater than ever because of continuing fragmentation of land ownership, urbanization, diversity of landowners needing assistance, and increasing societal concerns about land use and increasing human impacts on natural resources. The Wildlife Society recommends that the Renewable Resources Extension Act be funded at \$10 million.

The McIntire-Stennis Cooperative Forestry Program is essential to the future of resource management on non-industrial private forestlands while conserving natural resources, including fish and wildlife. As the demand for forest products grows, privately held forests will be increasingly needed to supplement supplies obtained from national forest lands. However, commercial trees take many decades to produce. In the absence of long-term research, such as that provided through McIntire-Stennis, the Nation might not be able to meet future forest-product needs as resources are harvested. We appreciate the \$33 million in funding allocated in the fiscal year 2012 appropriations process and urge that amount to be continued in fiscal year 2013.

Natural Resources Conservation Service

Farm bill conservation programs are more important than ever, given the huge backlog of qualified applicants, increased pressure on farmland from biofuels development, urban sprawl, and the concurrent declines in wildlife habitat and water quality. The Natural Resources Conservation Service (NRCS), which administers

many farm bill conservation programs, is one of the primary Federal agencies ensuring our public and private lands are made resilient to climate change. NRCS does this through a variety of programs that are aimed at conserving land, protecting water resources, and mitigating effects of climate change.

One key program within the overall NRCS discretionary budget is Conservation Operations. The total fiscal year 2013 request for Conservation Operations is \$828 million, level with fiscal year 2012 but down from \$871 million in fiscal year 2011. Conservation Operation's Technical Assistance (TA) subactivity provides funding for NRCS to support implementation of the various farm bill programs. The fiscal year 2013 budget recommends level funding for TA, which is a decrease of \$26 million from the fiscal year 2011 level of \$755 million. The Wildlife Society encourages you to return funding for TA to the fiscal year 2011 level of \$755 million.

Overall, The Wildlife Society believes more attention to TA delivery is needed. Changes in the 2008 farm bill greatly increased the number of conservation programs NRCS was required to support through delivery of TA. In addition, Congress expanded TA eligible activities in the 2008 farm bill to include conservation planning, education and outreach, assistance with design and implementation of conservation practices, and related TA services that accelerate conservation program delivery. TA will require funding levels from OMB that are more than what was historically allocated if NRCS is to fulfill congressional intent as expressed in the 2008 farm bill. Recently, Congress allowed the use of mandatory funds for TA and, under current economic conditions, The Wildlife Society believes that such funds must continue to be utilized for effective delivery to occur. The Wildlife Society urges Congress to authorize up to 30 percent of each mandatory program's funding for Technical Service Provider provisions as mandated by the 2008 farm bill and additional technical assistance to provide resources necessary to help meet NRCS TA shortfalls. Similarly, we strongly encourage Congress to explore new ways of funding technical assistance in fiscal year 2013 and beyond.

The Wildlife Society also supports the continuation of funding for the Conservation Effects Assessment Project. Information gathered from this effort will greatly assist in monitoring accomplishments and identifying ways to further enhance effectiveness of NRCS programs.

The Wildlife Society recommends farm bill conservation programs be funded at levels mandated in the 2008 farm bill. Demand for these programs continues to grow during this difficult economic climate at a time when greater assistance is needed to address natural resource challenges and conservation goals, including climate change, soil quality deficiencies, declining pollinator health, disease and invasive species, water quality and quantity issues, and degraded, fragmented and lost habitat for fish and wildlife.

We would like to specifically highlight the Wildlife Habitat Incentive Program (WHIP), a voluntary program for landowners who want to improve wildlife habitat on agricultural, non-industrial, and Indian land. WHIP plays an important role in protecting and restoring America's environment, and is doubly important because it actively engages public participation in conservation. We appreciate the proposed increase in WHIP funding, to \$73 million in fiscal year 2013 from \$50 million in fiscal year 2012, but would urge Congress to fully fund WHIP at \$85 million.

The Voluntary Public Access and Habitat Incentives Program was first authorized in the Food, Conservation, and Energy Act of 2008 (2008 farm bill) for \$50 million for fiscal year 2008–2012, and was administered by the Farm Service Agency. This funding has expired, and the fiscal year 2013 budget includes \$5 million for the program within the NRCS budget. The Wildlife Society commends the administration for continuing to fund this program in fiscal year 2013. These funds will assist State and Tribal governments with needed resources to provide the public with additional outdoor opportunities. In addition, increased public access opportunities will help create jobs and stimulate rural economies. Continuity of program funding is critical to these programs that rely on landowner interest across multiple years.

Farm Service Administration

The administration's request would increase funding for the Conservation Reserve Program (CRP) to \$2.2 billion in fiscal year 2013, up from \$2.07 billion in fiscal year 2012. This increase assumes a CRP enrollment of 6 million acres in 2012. The Wildlife Society applauds FSA efforts to have a 6 million acre general sign-up in 2012, and to more fully utilize CRP enrollment authority to address conservation needs. Lands enrolled in CRP are important for the conservation of soil on some of the Nation's most erodible cropland. These lands also contribute to water quantity and quality, provide habitat for wildlife that reside on agricultural landscapes, sequester carbon, and provide a strategic forage reserve that can be tapped as a periodic compatible use in times when other livestock forage is limited due to drought or other

natural disasters. We strongly encourage Congress to fund CRP at a level that fully utilizes program enrollment authority through CRP general sign-up. We are pleased with and support the general sign-up and target enrollment of 6 million acres FSA included in the fiscal year 2012 budget. However, we are concerned about the proposed reduction in the acreage cap from 32 million to 30 million.

Thank you for considering the views of wildlife professionals. We look forward to working with you and your staff to ensure adequate funding for wildlife conservation. Please feel free to contact Laura Bies, Director of Government Affairs, at laura@wildlife.org if you need further information or have any questions.

LETTER FROM THE USA RICE FEDERATION

MARCH 30, 2012.

Hon. HERB KOHL, Chairman,
 Hon. ROY BLUNT, Ranking Member,
*Subcommittee on Agriculture, Rural Development, Food and Drug Administration,
 and Related Agencies, Committee on Appropriations, U.S. Senate, Washington,
 DC.*

Re: USA Rice Federation's Fiscal Year 2013 Agriculture Appropriations Requests

DEAR CHAIRMAN KOHL AND RANKING MEMBER BLUNT: This is to convey the rice industry's requests for fiscal year 2013 funding and related policy issues for selected programs under the jurisdiction of your subcommittee. The USA Rice Federation appreciates your assistance in making this letter a part of the hearing record.

The USA Rice Federation is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants, and allied businesses. USA Rice members are active in all major rice-producing States: Arkansas, California, Florida, Illinois, Kentucky, Louisiana, Mississippi, Missouri, Tennessee, and Texas. The USA Rice Producers' Group, the USA Rice Council, the USA Rice Millers' Association, and the USA Rice Merchants' Association are members of the USA Rice Federation. The rice industry annually supports about 128,000 jobs and more than \$34 billion of economic output nationally.

USA Rice understands the budget constraints the subcommittee faces when developing the fiscal year 2013 appropriations bill. We appreciate your past support for initiatives that are critical to the rice industry and look forward to working with you to meet the continued needs of research, food aid, and market development in the future.

A healthy U.S. rice industry is also dependent on the program benefits offered by the Farm Bill. Therefore, we oppose any attempts to modify the farm-safety-net support levels provided by this vital legislation through more restrictive payment limitations or other means and encourage the subcommittee and committee to resist such efforts during the appropriations process, especially given that the 2008 Farm Bill will be debated and reauthorized this year, is paid for, and represents a five-year contract with America's producers. USA Rice also strongly opposes reducing the farm-safety net to appropriate funds for other Federal programs. We urge that the President's fiscal year 2013 legislative proposals be rejected that would eliminate farm-bill commodity programs, change crop-insurance provisions, and reduce conservation-program funding. We also urge that the Natural Resources Conservation Service technical-assistance user-fee proposal be rejected.

A list of the programs the USA Rice Federation supports for appropriations in fiscal year 2013 are as follows:

MARKET ACCESS

Exports are critical to the U.S. rice industry. About 50 percent of the U.S. crop is exported annually in a highly competitive world-rice market. Those directly involved in U.S. rice exports contributed \$6 billion in output and supported more than 14,000 jobs. The Market Access Program (MAP) and Foreign Market Development (FMD) Program play key roles in helping to promote U.S. rice sales overseas. USA Rice Federation industry members spend \$4 in matching funds for each \$1 of FAS funds received. The USA Rice Federation uses MAP and FMD funding in over 20 markets to conduct successful export-market-development initiatives.

The Foreign Market Development Program allows USA Rice to focus on importer, foodservice, and other non-retail promotion activities around the world. This program should be fully funded for fiscal year 2013 at the authorized level of \$34.5 million.

The Market Access Program (MAP) allows USA Rice to concentrate on consumer promotion and other activities for market expansion around the world. This program

should also be fully funded for fiscal year 2013 at the authorized level of \$200 million.

In addition, the Foreign Agricultural Service should be funded to the fullest degree possible to ensure adequate support for trade-policy initiatives and oversight of export programs. These programs are critical for the economic health of the U.S. rice industry.

FOOD AID

Food-aid sales historically account for an important portion of U.S. rice exports. We urge the subcommittee to fund Public Law 480 Title I. No Title I funding has been provided since fiscal year 2006. At a minimum, fiscal year 2013 funding should be the same as 2006. Public Law 480 Title I is our top food-aid priority and we support continued funding in order to meet international demand.

For Public Law 480 Title II, we strongly support funding Title II up front at the fully authorized \$2.5 billion level, which would help to make possible satisfying the 2.5 million MT amount required by statute. We encourage the subcommittee to fund Title II at the higher level to ensure consistent tonnage amounts for the rice industry. We strongly oppose any shifting of Title II funds, which have traditionally been contained within USDA's budget.

We believe all U.S. food-aid funds should continue to be used for food-aid purchases of rice and other commodities from only U.S. origin.

USA Rice supports continued funding at fiscal year 2006 levels, at a minimum, for the Food for Progress Program's Public Law 480 Title I-sourced funding. For the program's Commodity Credit Corporation funding component, USDA's fiscal year 2013 budget estimate of \$170 million is requested. Funding for this program is important to improve food security for food-deficit nations.

The McGovern-Dole International Food for Education and Child Nutrition Program is a proven success and it is important to provide steady, reliable funding for multi-year programming. USA Rice supports funding at the \$300 million level for this education initiative because it efficiently delivers food to its targeted group, children, while also encouraging education, a primary stepping-stone for populations to improve economic conditions.

RESEARCH

U.S. agricultural-research needs are great and the challenges are plentiful. USA Rice strongly supports funding for the core-capacity programs at land-grant institutions, USDA's intramural-research activities, and the National Institute of Food and Agriculture and its Agriculture and Food Research Initiative at levels that would continue the commitment to strong agricultural research by and through USDA.

FARM SERVICE AGENCY, RISK MANAGEMENT AGENCY, AND NATURAL RESOURCES CONSERVATION SERVICE

We encourage the subcommittee to provide adequate funding so the agencies can deliver essential programs and services, including for improved computer hardware and software. Our members fear a serious reduction in service if sufficient funds are not allocated.

Please feel free to contact us if you would like further information about the programs we have listed. Additional background information is available for all of the programs we have referenced; however, we understand the volume of requests the subcommittee receives and have restricted our comments accordingly.

Thank you for your consideration of our recommendations.

Sincerely,

REECE LANGLEY,
Vice President, Government Affairs.

PREPARED STATEMENT OF THE WISCONSIN WALNUT COUNCIL

Mister Chairman, Ranking Member and Members of the subcommittee, thank you for the opportunity to submit testimony for the record. I am writing to share my concerns regarding a recently recognized Thousand Cankers Disease (TCD) that poses an enormous economic and ecological risk to our Nation's black walnut resources. Over the past decade, TCD has caused the death of millions of black walnut trees in nine western States (Arizona, California, Colorado, Idaho, Oregon, New Mexico, Nevada, Utah, and Washington) and recently has been discovered in the native walnut range (Tennessee, Virginia and Pennsylvania). The USDA-APHIS has estimated the standing value of walnut timber as being \$539 Billion. This does not

include potential loss of: Jobs related to logging, transportation, and domestic milling; derivatives of the domestic milling industry to make veneer and lumber for furniture, cabinetry, paneling, flooring, and gun stocks; export market accounts for about 60 percent of the harvested logs; and nuts are shelled into nutmeats and the shells are processed for many industrial uses.

The negative economic impacts of TCD will be felt by private landowners with immature walnut timber and by home owners with millions of walnut trees in residential areas of the Midwest and Eastern States. It will be any ugly site and very expensive to safely remove all the walnut trees as they succumb to TCD over the next couple of decades if this disease is not contained, suppressed, and locally eradicated. Research efforts to date have been limited to monitoring, ecological studies of the walnut twig beetle, epidemiology of the fungal pathogen, and development of phyto-sanitation treatment of walnut logs harvested in quarantined areas. Insecticide and fungicide application is not feasible or practical as a means of controlling the spread of TCD. Development of biological insect control of the walnut twig beetle is expected to be the most effective and feasible technique in stopping the advancement of TCD through the native range of black walnut.

While States are attempting to stop the spread of TCD through surveys and quarantines, greater Federal assistance and funding are needed. I request dedicated funding be allocated to the USDA-ARS for leadership in the development of biological insect control techniques of the walnut twig beetle and to the USDA-FS for continued efforts in monitoring for TCD for fiscal year 2013.

What Is TCD?

TCD is a recently recognized disease in which a tiny walnut twig beetle (*Pityophthorus juglandis*) spreads a fungal organism (*Geosmithia morbida*) that causes cankers under the bark which prevents nutrient flow to the foliage leading to dieback of branches and ultimately death to the tree. While the walnut twig beetle advances only a mile or two per year, humans are the vector that spread TCD great distances within days by hauling walnut slabs with fresh bark attached that harbor the tiny beetles and fungal spores. Such shipments are believed to be the reason TCD moved into the native walnut range from the western States. Movement of firewood, logs, stumps, and burls with fresh bark attached can spread the disease great distances.

Need for Greater Federal Funding and Specific Directives

The USDA-APHIS considers both the walnut twig beetle and the fungal pathogen to be indigenous to the USA (historical evidence shows them to reside on a different walnut species in Arizona and New Mexico). Since neither is considered exotic to the USA, APHIS is not productively serving any role in combating TCD.

Federal funding needs to be directed to the USDA-ARS to lead research and development of techniques that will contain, suppress, or potentially locally eradicate the walnut twig beetle. Additional funding needs to be directed to the USDA-FS for continued effort in monitoring and development of phyto-sanitization treatment of walnut logs harvested in quarantined areas.

I thank the committee for this opportunity to provide testimony on this important subject. Please do not hesitate to contact me if you should require additional information.

LETTER FROM THE WYOMING STATE ENGINEER'S OFFICE

HERSCHLER BUILDING, 4-E,
Cheyenne, Wyoming, March 29, 2012.

Hon. HERB KOHL, Chairman,
Hon. ROY BLUNT, Ranking Member,
*Subcommittee on Agriculture, Rural Development, Food and Drug Administration,
and Related Agencies, Committee on Appropriations, U.S. Senate, Washington,
DC.*

Re: Support for Designation to the Colorado River Basin Salinity Control Program of Not Less Than \$18 Million of the Total Environmental Quality Incentives Program (EQIP) Funding Recommended in the President's Fiscal Year 2013 Budget

DEAR CHAIRMAN KOHL AND RANKING MEMBER BLUNT: This letter is sent in support of the designation of \$18 million of the fiscal year 2013 Environmental Quality Incentive Program (EQIP) funding for the Department of Agriculture's (USDA's) Colorado River Salinity Control (CRSC) Program. Realizing that agricultural on-

farm strategies¹ provided some of the most cost-effective strategies to control salinity, the Congress in 1984 directed the USDA to implement its CRSC Program. Since enactment of the Federal Agriculture Improvement and Reform Act of 1996 (FAIRA; Public Law 104-127), the USDA's CRSC Program is a component program within EQIP. Wyoming views the inclusion of the CRSC Program in EQIP as a congressional recognition of the Federal obligation and commitment to maintaining the EPA-adopted, basin-wide water quality standards for salinity in the Colorado River. The USDA has played a vital role in meeting that commitment over the past 25 years we have observed and encouraged Agriculture's efforts effectively reducing salt loading into the Colorado River system through proven and cost-effective irrigation water application and management practices. Each of the seven Colorado River Basin States, acting collectively through the Colorado River Basin Salinity Control Forum, have actively assisted the U.S. Department of Agriculture in implementing its unique, collaborative and important program.

Established in 1973, the seven State Colorado River Basin Salinity Control Forum coordinates with the Federal Government on the maintenance of the basin-wide Water Quality Standards for Salinity in the Colorado River System. The Forum is composed of gubernatorial representatives and serves as a liaison between the seven States and the Secretaries of the Interior and Agriculture and the Administrator of the Environmental Protection Agency. The Forum advises the Federal agencies on the progress of efforts to control the salinity of the Colorado River. Its annual recommendation process includes suggesting to the Department of Agriculture the funding amount the Forum believes USDA should expend in the subsequent 2 years for its CRSC Program. The combined efforts of the Basin States, the Bureau of Reclamation and the USDA have resulted in one of the Nation's most successful nonpoint source control programs.

The Colorado River provides municipal and industrial water for nearly 33 million people and irrigation water to approximately 4 million acres of land in the United States. The River is also the water source for some 3 million people and 500,000 acres in Mexico. The high concentration of total dissolved solids (e.g., the water's salinity concentration) in the water limits users' abilities to make the greatest use of this water supply. This remains a major issue and continuing concern in both the United States and Mexico. The water's salinity concentration especially affects agricultural, municipal, and industrial water users. The Bureau of Reclamation presently estimates direct and computable salinity-related damages in the United States amount to more than \$300 million per year.

At its recent October 2012 meeting, the Forum recommended that the USDA CRSC Program expend not less than \$18 million of the Environmental Quality Incentive Program's funding. In the Forum's judgment, this funding is necessary to implement one of the most successful Federal/State cooperative nonpoint source pollution control programs in the United States.

The State of Wyoming greatly appreciates the Subcommittee's support of the Colorado River Salinity Control Program in past years. We continue to believe this important basin-wide water quality improvement program merits support by your Subcommittee. We request that your Subcommittee direct the allocation of \$18 million of the Environmental Quality Incentives Program funding for the USDA's CRSC Program during fiscal year 2013. Thank you in advance for your consideration and this statement's inclusion in the record for 2013 appropriations.

Respectfully submitted,

PATRICK T. TYRRELL,
*Wyoming State Engineer,
Member, Colorado River Basin,
Salinity Control Forum.*

DAN S. BUDD,
*Interstate Stream Commissioner,
Member, Colorado River Basin,
Salinity Control Forum.*

¹ These strategies include reducing deep percolation of irrigation water through salt-bearing shale formations below farmlands across the Upper Colorado River Basin through improving irrigation water application efficiency by changing from flood and furrow irrigation methods to gated pipe, side-roll sprinkler and center-pivot sprinkler and low-energy, precision application (LEPA) irrigation practices.