

**AGRICULTURE, RURAL DEVELOPMENT, FOOD
AND DRUG ADMINISTRATION, AND RE-
LATED AGENCIES APPROPRIATIONS FOR
FISCAL YEAR 2017**

WEDNESDAY, MARCH 9, 2016

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

The subcommittee met at 2:05 p.m., in room SD-124, Dirksen Senate Office Building, Hon. Jerry Moran (chairman) presiding.

Present: Senators Moran, Blunt, Cochran, Hoeven, Daines, Merkley, Tester, Udall, and Baldwin.

DEPARTMENT OF AGRICULTURE

STATEMENT OF HON. THOMAS VILSACK, SECRETARY

ACCOMPANIED BY:

**DR. ROBERT JOHANSSON, CHIEF ECONOMIST
MICHAEL YOUNG, BUDGET OFFICER**

OPENING STATEMENT OF SENATOR JERRY MORAN

Senator MORAN. I call this Committee hearing together, and we appreciate the Secretary joining us once again.

As you would expect, the purpose of our hearing is to examine the Administration's fiscal year 2017 budget request.

In addition to Secretary Vilsack, we welcome Dr. Johansson. Thank you very much for joining us last week in a discussion about agricultural economics.

Mr. Young, thank you very much for your presence today.

Agriculture supports 16 million jobs nationwide. It is certainly the backbone of my State, my community and States and communities across the country. We also know, unfortunately, as Dr. Johansson indicated to us last week, farmers are facing a dramatic reduction in commodity prices and falling revenues. We know the facts indicate that from 2013 through 2015, net farm income fell 54 percent.

In these times, it is critical that our Nation's safety net for farmers and ranchers perform well and allow them to continue to grow and raise the safest, most affordable and abundant food supply in the world.

As I indicated in our conversation with the agriculture (ag) economists, in the absence of doing that, they will not be around

in good times. Therefore, I would express my disappointment that, once again, the President's budget proposes significant cuts to crop insurance, even though we had a grassroots effort that successfully reversed a reduction. That reduction pales in comparison to what this year's proposal in the budget requests.

As this Subcommittee works to craft this year's appropriations bill, my priorities will be to focus on supporting agricultural producers and the rural communities in which they live, and keeping a strong safety net will be at the forefront of that effort.

I look forward to discussing these issues and others at today's hearing. When Senator Merkley arrives, we will give him the opportunity to make any statements that he would like to make, then we will turn to Secretary Vilsack.

[The statement follows:]

PREPARED STATEMENT OF SENATOR JERRY MORAN

This hearing will come to order. Good afternoon. The purpose of today's hearing is to discuss the Department of Agriculture's fiscal year 2017 budget request.

Secretary Vilsack, Dr. Johansson, and Mr. Young—thank you for being here today.

Agriculture supports more than 16 million jobs nationwide and forms the backbone of our rural communities. However, as you well know, our nation's farmers and ranchers have faced a drastic downturn in commodity prices and falling revenues. From 2013 to 2015, net farm income fell by a staggering 54 percent.

In times like these, it is critical that our nation's safety net for farmers and ranchers performs well and allows them to continue to grow and raise the safest, most affordable, and abundant food supply in the world.

I'm disappointed that once again the president's budget proposes massive cuts to the crop insurance program—even after the grassroots effort by so many last fall successfully reversed a reduction that pales in comparison to the proposals in this year's budget request.

As the subcommittee works to craft this year's appropriations bill, my priorities will focus toward supporting agriculture producers and rural communities. Keeping a strong safety net intact will be one of those priorities.

I look forward to discussing these issues and others at today's hearing. I would now like to turn to our Ranking Member, Senator Merkley, for his opening statement.

Senator MORAN. Secretary Vilsack, we are going to begin with your testimony. Thank you very much. Welcome.

SUMMARY STATEMENT OF HON. THOMAS VILSACK

Secretary VILSACK. Mr. Chairman, thank you very much. To Senator Merkley and other members of the committee, thank you for the opportunity to be here today.

I thought I would take this opportunity to point out that budgets are oftentimes a lot about numbers. But behind each of these numbers, there are individuals and people that we care deeply about. So I thought I would take a little bit of my time today to discuss the people who will be benefited from the agricultural budget.

The budget we submitted to the Senate and to the House will support 43,000 farm loans. We already, over the last 7 years, provided 239,000 farmers with the credit that they need to be able to operate and own their farm operation, 80 percent of those resources going to those beginning in the farming business and socially disadvantaged producers.

This budget will continue to support our export assistance efforts. Every dollar we invest in export assistance generates \$35 of activity. We are excited about the possibility during the last 7

years of reaching nearly \$1 trillion of ag exports, which is a record, a 45-percent increase over the previous 7-year period. This budget does provide adequate coverage for the \$92 billion crop that will be grown and raised this year through crop insurance and provides what we estimate to be an 18-percent return on investment for the company's crop insurance.

It will provide enough resources to add 44 million acres to an already record number of enrolled acres in our conservation program. We are particularly pleased with the reaction and response to the Regional Conservation Partnership Program (RCPP), which is now leveraging nearly \$2 for every \$1 that we are investing in conservation.

In addition to providing opportunities for credit, we also will, as the Chairman indicated, continue to administer the farm bill safety net programs. Last year, we provided 900,000 farms agriculture risk coverage (ARC) or price loss coverage (PLC) payments, totaling \$5.2 billion. Our expectation is that that amount will increase this year to provide the necessary bridge to better times.

At the same time, we are also going to make sure that we create more innovation and opportunity in rural America. The budget we propose will support 55,000 new jobs added to the 450,000 jobs that we have saved or created as a result of investments in over 100,000 businesses in the last 7 years through rural development.

This budget will finance 167,000 home loans, which will allow us to exceed 1 million home loans in the last 7 years.

We finance nearly 1,000 community facilities, provide safer and better water for 1.7 million rural Americans, which will reach nearly 20 million rural Americans who have benefited from over 5,000 water and wastewater projects that have been financed by the U.S. Department of Agriculture (USDA) since I have been Secretary.

Our budget proposes a threefold increase in broadband grants. There are a multitude of reasons for business, for farmers as well as potential expansion of distance-learning and telemedicine, which will become critically important in rural America if we are to make sure that our youngsters are well-prepared for a very competitive future, and if we are able to deal with the opioid issue, which I know is an issue that many of you are very, very concerned about, as I am.

This budget will also fully fund our research initiative, our competitive research initiative, meeting the goal that was set when the National Institute of Food and Agriculture (NIFA) was first established of \$700 million of assistance for research. There has never been a more important time in agriculture for additional research, whether it is pollinators, antimicrobial resistance, pests and diseases that we are dealing with as a result of a changing climate.

We have already netted 429 patents, 953 inventions, and 714 new plant varieties just in the time that I have been Secretary, through our research initiative.

We will also continue to support and provide additional resources for the important role of the Agricultural Research Service (ARS) within USDA.

On the nutrition side, this budget will support 8.1 million WIC (Women, Infants and Children Program) participants with continued expanded access to our school lunch and school breakfast pro-

gram. I am particularly interested and hopeful that we are able to see an expansion of our summer program. The President has proposed an approach that will allow 1 million youngsters the opportunity to access food during the summer months.

This also will provide an opportunity for us to focus on senior citizens and their access to the Supplemental Nutrition Assistance Program (SNAP). Only 41 percent of eligible senior citizens are currently receiving the benefits of SNAP. We would like to see the percentage increase.

This is a budget, Mr. Chairman, that also will allow for an expansion of local and regional food systems in the bio-based economy.

I would say that even though this is not the purview of this particular Subcommittee, I would hope that this is the year that we finally fix the fire budget, because that has implications and impacts on every other aspect of USDA's budget.

Candidly, I am at the point now where folks have raised concerns about trails and a variety of other facets of the Forest Service that we are not going to do what we have done in the past, which is transfer money for fire suppression. Hopefully, this is the year that Congress get serious about fire suppression.

This is also a budget, I might add, that is \$1.8 billion less than the budget that was submitted in the first full year of this Administration. So we have been dealing with constrained budgets, but we have done this through the administrative services process, which has saved \$1.4 billion, and through a process improvement program, which has saved over 300,000 hours of time and which also saved \$65 million to constituents and customers that we serve, all in an effort to try to continue to do better and more with less.

I look forward to questions from the Subcommittee, and I appreciate the opportunity to be here.

[The statement follows:]

PREPARED STATEMENT OF HON. THOMAS J. VILSACK

Mr. Chairman and distinguished members of this Subcommittee, I appreciate the opportunity to appear before you to discuss the Administration's priorities for the Department of Agriculture (USDA) and provide you an overview of the President's 2017 budget proposals for the Department. Joining me today are Robert Johansson, USDA's Chief Economist, and Michael Young, USDA's Budget Officer.

For more than 7 years, I have had the honor and privilege of serving as Secretary of Agriculture. I have traveled to all 50 states and heard from farmers, ranchers and Americans far and wide, from all walks of life about the impact that USDA's staff, programs and services have on their lives. I could not be more proud of the work the men and women of USDA do each and every day.

Seven years ago I first appeared before this Subcommittee to present this Administration's first budget request for USDA. I made a commitment to make sure that USDA's programs provide a high level of service to advance rural economic opportunity, improve family farm profitability, ensure the safety of our food, expand export opportunities, strengthen local food systems, protect our natural resources, address civil rights and combat hunger and malnutrition.

Seven years later, I can say that the men and women of USDA have made significant advancement in achieving our goals and they have done it with essentially the same discretionary funding level in fiscal year (FY) 2015 as in fiscal year 2009, and with 9,354 fewer total staff years in 2015 than in 2009. Critical to our success was the Blueprint for Stronger Service that allowed us to reduce spending, streamline operations and cut costs. Through the Blueprint for Stronger Services we completed a thorough review of the Department's administrative functions so that we could build a more efficient and effective workplace. Our savings and cost avoidance results for the American taxpayer have totaled over \$1.4 billion since 2010. Through

these results and the institutional changes resulting from the Department's focus on process improvement, shared services, and strategic sourcing, the impacts of the Blueprint will continue to grow into the future.

Before getting to our fiscal year 2017 budget request, I want to highlight some of the great work that we have done to expand opportunities in rural America since fiscal year 2009. In fiscal year 2015, American agricultural producers achieved \$139.7 billion in exports, the third highest year on record. Agricultural exports climbed more than 45 percent in value, totaling over \$911 billion, between 2009 and 2015, the best seven year stretch in history. In addition, agricultural exports have increased in volume, demonstrating an increasing global appetite for American-grown products. Between 2009 and 2015, U.S. companies participating in USDA-endorsed trade shows reported total on-site sales of more than \$1.7 billion and more than \$8.7 billion in 12-month projected sales. An independent study found that U.S. agricultural exports increase \$35 for every market development dollar expended by government and industry.

USDA has worked to open new markets worldwide for farm and ranch products. Trade agreements, like those with Panama, Colombia and South Korea, create opportunities for trade growth. U.S. agricultural exports to these three countries grew by nearly 28 percent, from \$7.6 billion in fiscal year 2012, when the trade agreements were first going into effect, to \$9.7 billion in fiscal year 2015, supporting approximately 73,000 American jobs in 2015. USDA assisted with the recently concluded negotiations on the Trans-Pacific Partnership (TPP). When implemented, the TPP agreement, with 11 Pacific Rim countries representing nearly 40 percent of global GDP, will provide new market access for America's farmers and ranchers by lowering tariffs and eliminating other barriers. Rural America needs the good deal laid out in the TPP agreement. We are committed to working closely with Congress to obtain support for this historic deal so that our businesses can sell more rural-grown and rural-made goods around the world, and we can help more American workers compete and win. Rural exports support farm income, which translates into more economic activity in rural areas. It is estimated that for each dollar of agricultural exports another \$1.27 in business activity is stimulated.

Access to credit is critical to the sustainability of small and beginning farmers. To make agriculture a reality for new and beginning farmers and ranchers, we have provided about 237,000 direct and guaranteed farm ownership and operating loans totaling \$33.3 billion, 80 percent of which have been made to beginning farmers and ranchers and socially disadvantaged producers.

New and beginning farmers and ranchers are a fundamental part of the agricultural marketplace and are needed to carry-on America's strong legacy of agriculture productivity. However, according to the 2012 Census of Agriculture, their numbers are continuing a 30 year downward trend. To reverse this trend, we need to equip the next generation of farmers and ranchers with the tools they need to succeed. Under the leadership of Deputy Secretary Krysta Harden, USDA has increased access to our programs by collaborating with partners and improving customer service to increase opportunities for all sizes, segments, and types of farmers and ranchers to break down the barriers they face during the first 10 years of business. For example, USDA initiated a microloan program that has provided more than 16,800 low-interest operating loans, totaling over \$373 million to producers across the country, and has recently expanded this to include farm ownership loans. We have also developed an innovative web tool and conducted other outreach activities, to help support key groups like veterans, women, and the socially disadvantaged, as well as facilitate intergenerational transfer of farms and ranches. To ensure the success and sustainability of beginning farmers and ranchers, USDA has created an agency priority goal that will publically share USDA performance goals and progress in support of new and beginning farmers.

We recognized that a spark was needed to transform rural America from a primarily agri-based economy to one that makes, creates and innovates. That is why we focused our efforts on taking advantage of the emerging bioeconomy, including biomanufacturing and advanced biofuels, local and regional food systems, broadband, and telemedicine. Our efforts not only supported the most productive agricultural sector in the world, but also assisted rural communities to be places where all businesses, farm and non-farm alike, have prospered and created jobs. We also saw the need to provide increased opportunities to allow everyone to share in the prosperity of the growing economy. So we targeted our efforts to the poorest communities, invested in new and beginning farmers, and supported our veterans, which have increased opportunities for hard working Americans. Our efforts are bearing fruit. Over the last 5 years unemployment rates in rural areas have fallen considerably and fairly consistently in rural areas, with unemployment rates falling by a full percentage point or more in each of the last 2 calendar years. These efforts

have contributed to the employment gains in rural America that have happened since 2009 and have led to increased economic activities in high poverty communities.

We have also recognized rural opportunities beyond agriculture by making historic investments in rural communities, making them more attractive to non-farm businesses and talented hard-working individuals looking to get ahead. USDA has sought to revitalize rural areas and diversify our nation's agriculture by making significant investments in rural infrastructure. Since 2009, we invested a total of \$13.3 billion in new or improved infrastructure in rural areas through 10,623 water projects. These improvements helped nearly 18 million rural residents gain access to clean drinking water and better waste water disposal. Modernized electric service was delivered to more than 5.5 million subscribers and over 180,000 miles of electric lines were funded. We helped nearly 103,000 rural small businesses grow, creating or saving nearly 450,000 jobs between fiscal year's 2009 and 2015. Since 2009, USDA assisted more than 1.1 million rural families to buy or refinance a home, helping 141,000 rural Americans become homeowners in fiscal year 2015 alone.

USDA continues to lead the way for renewable energy by supporting the infrastructure needed to grow the new energy economy. Since 2009, RD has supported over 15,000 renewable energy projects to help producers and rural businesses save energy and increase their profitability and increase the production of renewable fuels. The Department has helped thousands of rural small businesses, farmers and ranchers improve their bottom lines by installing renewable energy systems and energy efficiency solutions, which will generate and save more than 9.4 billion kWh, enough energy to power 820,000 American homes annually. Under expanded authority provided by the 2014 Farm Bill, we are working to expand the number of commercial biorefineries in operation that produce advanced biofuels from non-food sources through the Biorefinery Assistance Program. This focus on renewable energy has resulted in support for the construction of 6 advanced biofuels production facilities, over 2,200 wind and solar renewable electricity generation facilities, and 93 anaerobic digesters to help farm operations capture methane to produce electricity.

In addition, we made available \$100 million in grants under Biofuel Infrastructure Partnership (BIP) to nearly double the number of fueling pumps nationwide that supply renewable fuels to American motorists, such as E15 and E85. Twenty one states are participating in the BIP, with matching funds from state and private partners, providing \$210 million to strengthen the rural economy by increasing the demand for advanced biofuels and expanding marketing opportunities for farmers. We also took new steps to support biobased product manufacturing that promises to create new jobs across rural America, including adding new categories of qualified biobased products for Federal procurement and establishing reporting by Federal contractors of biobased product purchases. We released a study of the bioeconomy last year and found the biobased products industry generates \$369 billion and 4 million jobs each year for our economy. The expanding bioeconomy means more choices for customers and new jobs for rural America. Shifting just 20 percent of the current plastics produced into bioplastics could create an increase of 104,000 jobs.

USDA's place-based efforts are making sure that the programs that help alleviate the impact of poverty are available and accessible even in the poorest and persistently poor areas. In 2016, we expanded the StrikeForce Initiative to four additional states to include a total of 970 counties, parishes, boroughs, and census areas in 25 states and Puerto Rico. We know that place-based efforts work and we have seen StrikeForce bring economic opportunity directly to rural Americans where they live and help rural communities leverage their assets. In 2015, in StrikeForce target areas, USDA partnered with more than 1,000 organizations to support 56,600 investments that directed more than \$7.5 billion to create jobs, build homes, feed kids, assist farmers and conserve natural resources in some of the nation's most economically challenged areas. Since the initiative was launched in 2010, USDA has invested more than \$23 billion in high-poverty areas, providing a pathway to success and expanding the middle class.

Between 2009 and 2014, USDA invested more than \$800 million in more than 29,100 local and regional food businesses and infrastructure projects. In fiscal year 2015, USDA directly supported nearly 10,000 farms and ranches, food entrepreneurs and communities through local food-related projects, which reflects the implementation of FSA microloans. As a result, the market for local food has grown to at least \$12 billion in 2014 from \$5 billion in 2008. Given the current growth of local foods, some industry sources estimate that the market's value could hit \$20 billion by 2019. In addition, USDA has made expanding SNAP recipients' access to fresh fruits and vegetables through farmers markets a priority in recent years. In 2008, about

750 farmers markets and direct marketing farmers accepted SNAP. In 2015, almost 6,500 of these markets and farmers accepted SNAP.

Research provides the foundation for developing innovative practices needed to feed the growing global population, while protecting and conserving our natural resources. USDA's in-house research and our work with land-grant universities have delivered science-based knowledge and practical information to farmers, ranchers and forest landowners to support decisionmaking, innovation and economic opportunity. Between fiscal year 2009 through fiscal year 2015, USDA filed 883 patent applications with the U.S. Patent and Trademark Office and was issued 429 patents. In fiscal year 2015, USDA held 421 income-bearing licenses. It also had 301 cooperative research and development agreements, of which 106 involved small businesses.

USDA has facilitated the adoption of new technologies by streamlining the process for making determinations on petitions involving biotechnology. These improvements provided more rapid and predictable availability of biotechnology products to farmers, ultimately providing technologies to growers sooner and more choices to consumers. In fiscal year 2015 alone, USDA reviews found safe genetically enhanced varieties of potato, corn, soybean, cotton, and alfalfa. USDA estimates that the cumulative number of actions taken to deregulate biotechnology products based on a scientific determination that they do not pose a plant pest risk will increase from a cumulative total of 82 actions in fiscal year 2009 to an estimated cumulative total of 126 actions in 2017.

Since 2009, USDA has worked to safeguard America's food supply, prevent foodborne illnesses and improve consumers' knowledge about the food they eat. For example, USDA adopted a zero tolerance policy for raw beef products containing six strains of shiga-toxin producing *E. coli*, giving products that test positive for any of these strains the same illegal and unsafe status USDA has long given products testing positive for *E. coli* O157:H7. Additionally, USDA set tougher standards for *Salmonella* and new standards for *Campylobacter* on poultry carcasses, and developed the first ever *Salmonella* and *Campylobacter* standards for chicken parts, which are more commonly purchased than whole carcasses. Together, USDA estimates these new standards will reduce illnesses by about 75,000 annually, and help the agency meet Healthy People 2020 goals. The total number of illnesses attributed to USDA-regulated products fell nearly 11 percent from 2009 to 2015, which equates to more than 46,000 avoided illnesses on an annual basis.

The Administration continues its strong support for the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and other critical programs that reduce hunger and help families meet their nutritional needs. SNAP kept at least 4.7 million people, including nearly 2.1 million children, out of poverty in 2014. Because hunger does not take a vacation during the summer months when school meals are unavailable, we have expanded the Summer EBT for Children demonstration pilots over the last 2 years, in tandem with the Summer Food Service Program. Summer meal participation has increased by almost 16 percent since 2009. In total, summer meals sites have served over 1.2 billion meals to low-income children since 2009. During the school year, over 97 percent of schools are successfully meeting nutrition standards by serving meals with more whole grains, fruits, vegetables, lean protein and low-fat dairy, and less sodium and fat. I am pleased the Senate Agriculture Committee passed a bill that ensures progress will continue improving our children's diets and urge Congress to reauthorize these programs for our young people without delay.

America's farmers, ranchers and landowners have led the way in recent years to conserve and protect our soil, water and wildlife habitat. With the help of Farm Bill programs, USDA partnered with a record number of producers since 2009 to create not only a cleaner, safer environment, but to create new economic opportunities. We have enrolled a record number of private working lands in conservation programs and implemented strategies—such as landscape-scale efforts—to restore our forests and clean our water supply. In fiscal year 2015, one such landscape-scale effort provided a noteworthy achievement in that 90 percent of the greater sage-grouse's breeding habitat in the western United States is protected as a result of our Working Land for Wildlife efforts and the work of our many partners. Due to this achievement, the U.S. Fish and Wildlife Service has determined this species does not warrant protection under the Endangered Species Act (ESA). In addition to wildlife benefits, conservation practices have reduced the amount of nitrogen leaving fields by about 26 percent, phosphorus by 46 percent, and the estimated amount of eroded soil by 60 percent over the past 7 years. Through the Regional Conservation Partnership Program (RCPP), we leveraged \$800 million to support 115 high-impact conservation projects across the nation that will improve the nation's water quality,

support wildlife habitat and enhance the environment. We have also offered producers multiple new opportunities to utilize the Conservation Reserve Program to retire marginal agricultural lands, restore grasslands and forests, and protect valuable wildlife habitat. But just as important as protecting our natural resources, we have increased economic opportunities for rural America by boosting outdoor recreation, which adds more than \$640 billion in consumer spending each year.

To build on these accomplishments, we need to do more to transform rural America and increase opportunities for families. To do this, the 2017 Budget will continue to expand opportunity for America's agricultural producers, rural communities, and the most vulnerable populations. Critical investments are made to strengthen rural communities, expand agricultural trade, provide more opportunities for hard working American families, modernize key infrastructure, and build resilience in the face of a changing climate.

USDA's total budget for 2017 we are proposing before this Subcommittee is \$146.8 billion, of which approximately \$127 billion is mandatory funding. The majority of these funds support crop insurance, nutrition assistance programs, farm commodity and trade programs and a number of conservation programs. The budget includes mandatory funds to fully support estimated participation levels for SNAP and Child Nutrition Programs. For discretionary programs of interest to this Subcommittee, our budget proposes \$19.7 billion, approximately \$309 million below the 2016 enacted level. That level fully funds expected participation in WIC. It includes the funding needed to meet our responsibility for providing inspection services to the Nation's meat and poultry establishments.

The budget also includes \$1.4 billion to renew approximately 271,000 rental assistance agreements. This funding is critical to ensure housing stability for elderly and disabled tenants without the means to otherwise obtain safe, affordable housing. I appreciate the Subcommittee's assistance in ensuring we have the resources and flexibility in fiscal year 2016 needed to address challenges facing the Rental Assistance Program. The budget also funds single family housing at the 2016 enacted level, providing over 166,000 homeownership opportunities.

The 2017 budget provides a strong farm safety net and makes investments to meet challenges of a competitive global market, changing climate, and making agriculture a reality for new and beginning farmers. The budget proposes a loan level of approximately \$6.4 billion for direct and guaranteed farm ownership and operating loans, about 80 percent of the loans will be made to beginning farmers and ranchers and socially disadvantaged producers. The Farm Service Agency will offer mentorship opportunities, support landowners who wish to sell or rent their land to beginning farmers and ranchers, increase local outreach and educational efforts, support agricultural youth organizations, provide loan fee waivers for veterans, and target additional farm loan funding to veteran farmers and ranchers. The budget doubles the funding for the Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Grant Program for a total of \$20 million. Funding will be used to assist these groups in owning and operating farms and ranches, while increasing their participation in agricultural programs and services provided by USDA. The 2017 budget also includes a \$5 million increase for the Sustainable Agriculture Research and Education Program to help beginning farmers and ranchers adopt sustainable agricultural practices.

The rural economy will be even stronger because of the investments in rural infrastructure made by USDA. We will make over \$1 billion in investments in rural businesses estimated to provide over 55,000 jobs in rural areas. We will facilitate the growth of the bioeconomy with a \$25 million increase in competitive research funding to support development of biobased energy sources. In addition, the budget includes \$91 million in discretionary funding and \$359 million in mandatory funding for a total of \$450 million for REAP to assist agricultural producers and rural small businesses to take advantage of renewable energy. We also propose \$6.5 billion in loans to rural electric cooperatives and utilities that will support the transition to clean-energy generation and increased energy efficiency. Funding for broadband grants is more than tripled to assist in bringing critically needed broadband service to more rural communities. In addition, the budget includes a total of \$35 million for Distance Learning and Telemedicine grants to support improved education and medical services in rural areas which may help partially address the particular challenges tied to rural America's opioid abuse epidemic. Over \$2.2 billion is targeted to community facilities, which will expand educational opportunities for students, facilitate delivery of affordable healthcare, and ensure the availability of reliable emergency services. Through a pilot called Rural Corps, USDA will work in partnership with local organizations to deploy highly trained staff and increase the likelihood that investments in infrastructure and economic development are strategic, creating jobs and long-term economic benefits.

Additional resources are proposed to address the acute and long-term needs of socially disadvantaged populations, including \$20 million for a new competitive grant Home Visits for Remote Areas Program that will provide support for high-need maternal, child, and family health in remote rural areas and Indian country. It should be noted that such populations are more likely to experience poverty in rural areas where over 18 percent of the total population and over 25 percent of children live in poverty. We are also proposing \$25 million to support a Rural Child Poverty demonstration project to implement multi-generational strategies to addressing rural child poverty, which includes \$5 million to support alignment of data and eligibility determination systems across programs. The budget also includes increased support to build the capacity of 1890 Institutions to meet the growing need for agriculture assistance in high poverty areas. Further, we propose an increase of about \$7 million to enhance research, education, and extension efforts in tribal areas through long-term capacity building at 1994 Institutions and expansion of the federally Recognized Tribes Extension Program (FRTEP). This will lead to increased professional training opportunities, a 25 percent increase in the number of Indian students working on summer internships, and a doubling of the number of FRTEP staff engaged in 4-H activities to 72.

Access to nutritious food is essential to the well-being and productivity of all Americans. The budget makes substantial investments in address child hunger in the summer. It provides an increase of \$3 million in discretionary funding to continue the successful Summer Electronic Benefit Transfer for Children (SEBTC) demonstration pilots. Beyond the expansion of the pilots, the 2017 budget proposes to invest \$12.2 billion over 10 years to make the program permanent and begin phased-in nationwide implementation. Rigorous evaluations of SEBTC pilots have proven effective in reducing very low food security in children for about one-third of the children who would have otherwise experienced it and in improving children's nutrition. The proposal would reach almost one million low-income children beginning in the summer of 2017, increasing to nearly 20 million children after 10 years. Given the harm that hunger imposes on children, this is a smart, evidence-based investment.

The budget includes an increase of \$30 million to strengthen animal disease preparedness and response capabilities funding needed to stem the impacts of significant pests and diseases. Minimizing such impacts allows for an abundant food supply as well as provides trade opportunities for our producers. Over the last few years, USDA has addressed some of the worst animal disease outbreaks in recent history with the emergence of novel swine enteric coronavirus disease in the swine industry and the highly pathogenic avian influenza outbreak last year that infected 232 flocks and resulted in the depopulation of approximately 50 million birds.

Food for Progress and the McGovern-Dole International Food for Education and Child Nutrition Program will continue to provide benefits to millions of people overseas. These programs have helped to engage recipient countries not only by delivering food assistance, but also by fostering stronger internal production capacity and infrastructure, generating employment, boosting revenue, and developing new markets and productive economic partnerships. The budget provides \$20 million, \$5 million through the McGovern-Dole program, to support the local and regional procurement of food aid commodities for distribution overseas to complement existing food aid programs and to fill in nutritional gaps for targeted populations or food availability gaps caused by unexpected emergencies. Also, the budget proposes the authority to use up to 25 percent of Title II resources for these types of flexible emergency interventions that have proven to be so critical to effective responses in complex and logistically difficult emergencies.

The budget recognizes that there is a direct correlation between the capacity of this country to continue to sustainably meet a growing demand for food, feed and fiber and the amount of resources that we put into agricultural research. Long-term agricultural productivity growth relies on innovation through research funded by both public and private sectors. Analysis by the Economic Research Service shows that long-term agricultural productivity is fueled by innovations in animal/crop genetics, chemicals, equipment, and farm organization that result from public and private research and development. The 2017 budget includes \$700 million for competitive grants through the Agriculture and Food Research Initiative, including \$325 million in mandatory funding that would bring the program up to its authorized level. This significant investment is needed to ensure tools are in place to adapt to challenges faced by agricultural producers, while still feeding a growing population. A portion of this funding will support the President's clean energy efforts through the development of commercial-scale advanced biofuels and biobased products that are compatible with existing infrastructure. Also, the budget more than doubles the funding available to address antimicrobial resistance in pathogens of humans and

livestock, and to seek answers to key questions about the relationships among microbes and livestock, the environment, and human health. Further, the budget includes \$36 million for research to address the decline of pollinator health by understanding, preventing, and recovering from pollinator losses.

We appreciate the Subcommittee's action to fund critical research infrastructure in 2016. To continue the process of laboratory improvement, the budget proposes additional investments in research infrastructure to further reduce the backlog of USDA's laboratory construction and renovation needs. These investments include \$30.2 million for the Agricultural Research Technology Center in Salinas, CA, where research is done on alternatives to methyl bromide and development of scientifically based organic crop production practices for weed, insect, and disease control, as well as \$64.3 million for the Foreign Disease-Weed Science Research Laboratory in Ft. Detrick, MD.

The 2017 budget fully funds the EQIP and CSP programs at the Farm Bill authorized levels. The unprecedented level of funding provided for EQIP will support conservation practices on an additional 11.5 million acres, which will help farmers and ranchers make their operations more resilient to climate change, increase access to greenhouse gas markets, and protect wildlife habitat, among other benefits. The funding for CSP will allow 10 million more acres to be enrolled. The budget also provides an increase of \$11 million to support conservation planning, which will result in over 8,000 additional conservation plans. This translates into 2.9 million additional acres of planned conservation. The strong support for conservation planning as well as robust funding for the mandatory conservation programs follows through with the principles laid out in USDA's Building Blocks for Climate Smart Agriculture and Forestry.

Science and data are the primary tools that the Food Safety and Inspection Service (FSIS) uses to prevent foodborne illness and protect public health. As part of this effort, the budget includes \$8.5 million to further modernize FSIS' science-based decisionmaking process by developing and deploying new tools to reduce the prevalence of foodborne illnesses.

To enhance nutrition education and the provision of healthy meals, the budget includes a \$4 million increase to promote healthful behaviors that can reduce incidence of chronic disease and obesity, and lower healthcare costs. Included in this is an initiative to research and implement cutting-edge initiatives to help Americans put healthy eating behaviors, based on the Dietary Guidelines for Americans and MyPlate, into practice. We will also develop the first-ever dietary guidelines for the birth to age two group and pregnant women. In 2013, The Pew Charitable Trusts and the Robert Wood Johnson Foundation released a report that found 88 percent of schools need at least one additional piece of kitchen equipment to serve healthier meals that meet science-based nutrition standards. The budget also requests an increase of \$5 million, for a total of \$35 million, for grants to help schools purchase needed equipment to prepare and serve healthier meals.

The budget requests funding to establish an in-country presence in Cuba to cultivate key relationships, gain firsthand knowledge of the country's agricultural challenges and opportunities, and develop programs for the mutual benefit of both countries. U.S. agricultural exports have grown significantly since trade with Cuba was authorized in 2000. In fiscal year 2014, Cuba imported over \$2 billion in agricultural products including \$300 million from the U.S., and an in-country presence will capitalize on opportunities this nearby market provides for U.S. agricultural exporters.

We have identified additional opportunities to modernize and strengthen the Department. The budget includes resources to pursue these efforts, including \$20 million to continue the modernization of the Headquarters complex that when finalized could yield annual savings of over \$45 million through a reduction in rent and security costs. The budget also provides an increase of \$18 million to fund a relocation or renovation of FNS headquarters in 2017. In addition, the Department is proactively addressing the cyber security threats posed against the network and systems of USDA. Through an investment of an additional \$10 million in 2017, the Department will enhance its ability to monitor and prevent breaches of the systems used to house data of importance to our employees and customers.

The 2014 Farm Bill included several reforms to the Federal crop insurance program; however, there remain further opportunities for improvements and efficiencies. The President's 2017 budget includes two proposals to reform crop insurance, which are expected to save \$18 billion over 10 years. This includes reducing subsidies for revenue insurance that insure the price at the time of harvest by 10 percentage points and reforming prevented planting coverage. These reforms will make the program less costly to the taxpayer while still maintaining a quality safety net for farmers.

We have accomplished much over the last 7 years. The budget presented to you will continue our progress. I would be happy to answer any questions you may have about our budget proposals.

SNAP CONVENIENCE STORE RULE

Senator MORAN. Mr. Secretary, we appreciate your presence here, and I appreciate the number of times you have reached out to me and provided me with information and meeting in the office and the phone calls, and I am grateful for the working relationship that we have.

Let me just ask a couple questions and then we will move to my colleagues quickly, and I will have an opportunity to ask more again later.

But let me start with the SNAP issue. February 17, the Food and Nutrition Service (FNS) published proposed rules in regard to SNAP. As you will recall, this was a significant, contentious issue in the farm bill.

My question to you is, my understanding is that those proposed rules have a significant consequence on potentially the convenience store setting, perhaps small grocery store setting. And I have a particular interest in that because in many rural communities, there is no grocery store. A convenience store is one of the sole providers of food in many communities across rural America.

I would be interested in hearing your thoughts, but my specific question is, would you entertain positively the idea of a longer comment period than the 60 days that you are currently proposing?

Secretary VILSACK. Mr. Chairman, obviously, we will respect your request and certainly take a look at what extension would make sense. We obviously want to take a look at the comments and find out what people think and feel about this. But we obviously want to give people appropriate time to comment on this.

This is an important issue. It is an important issue from the standpoint of the convenience store. It is also an important issue in terms of access to good, wholesome food, as we deal with this obesity crisis and the health care costs that are associated with obesity and the diseases that result from obesity.

Part of the challenge is that folks who do live in rural, remote areas do not have access to the wide array and diversity of food that others are fortunate to have, and we believe it is not asking too much for convenience store owners and operators to be able to provide a broader array of resources and choices for people who are SNAP beneficiaries.

So that is the purpose of the rule. I think there is also the belief that we can partner with these convenience stores in an effort to increase and enhance the nutritional value of what is being sold at the convenience stores.

GIPSA PROPOSED RULES

Senator MORAN. I appreciate what I took as a positive comment, that you will take a look at potentially extending the comment period. I appreciate that, Mr. Secretary.

Let me ask about another rule. On Monday, you indicated in conversations in front of an organization here, I think in Washington, DC, that you anticipated that there would be revised Grain Inspec-

tion, Packers and Stockyards Administration (GIPSA) rules, and you expected them to be finalized before you leave office.

Given the overwhelming congressional opposition to the previously proposed rules, what changes to GIPSA rules do you plan to make? And what discussions and outreach have you had with stakeholders in this regard?

Secretary VILSACK. Mr. Chairman, that process is still ongoing, and no commitments, specifically, have been made in terms of what those rules will look like.

We realize that Congress lifted the restriction on our ability to work on these issues. I have asked the team to take a look at what modifications or changes would be appropriate, given the concerns that have been expressed in the past, and also to determine whether or not what we were considering a couple years ago, whether or not that still makes sense in today's market.

They are putting together that work plan, and I will be more than happy when that process is completed to obviously provide you additional information on precisely what we are thinking.

But the key here is to make sure that the playing field is level between those who are owners and those who are producers, to make sure that there is not an unfair advantage in that relationship and to make sure, especially in difficult times, that those who invested a lot of hard-earned resources and time are treated fairly if a contract is terminated or for some reason a contract is modified.

We have had examples where folks have been dealt a very serious and difficult blow in tight circumstances. The avian influenza situation was sort of a reminder to us about the importance of that relationship, particularly as we did indemnification payments for those who lost birds. We found that not all those indemnification payments were going to the producers who were economically suffering as well.

So we want to make sure it is a fair and equitable relationship, and that is the purpose of our review of those rules.

Senator MORAN. Mr. Secretary, what do you expect the timeframe to be? What schedule are you on?

Secretary VILSACK. I would say that I suspect that some of these rules may very well be finalized and some of these rules may be proposed, given the nature of the concerns that were expressed in the past.

I would hope that we would be able to get work plans completed and we would get something over to the Office of Management and Budget (OMB) relatively soon. I would hope that we would be able to get that done sometime in early spring. And then there is the review by OMB, which can take sometimes up to 90 days or longer.

Then hopefully that process is expedited so that sometime in late summer, early fall, we are in a position to provide information specifically to the public for their comment and review. At that point, any adjustments that need to be made can be made. And hopefully by the time of year end, we will know what the rules will be or what they are at least proposed to be.

AVIAN INFLUENZA

Senator MORAN. Mr. Secretary, you mentioned avian flu. This is a topic of conversation that you and I have had one-on-one, but certainly in the hearing that we had a year ago on your budget, this was a significant issue and concern.

Is there something that USDA has learned that we would now be in a better position, should this kind of occurrence reappear? And then if you would bring us up-to-date on what has transpired in other countries in regard to our exports in regard to avian flu?

Secretary VILSACK. We have learned a great deal, Mr. Chairman.

First of all, we have learned the necessity of making earlier determinations and quicker determinations, so we have beefed up our laboratory capacity. We would like to be able to make determinations within a 24-to-48-hour time period when something arises on a farm. We then would like to be able to work with that producer to be able to depopulate within 24 hours. And we have learned that there are a multitude of ways in which that can potentially be done under each particular circumstance.

We have learned the need to pre-position assets, or at least have an awareness and understanding of how disposal will be handled in advance as opposed to after the fact, which can delay disposal, which can in turn create potential greater risk.

We have learned our indemnification systems needed to be altered a bit to reflect a more appropriate balance between the producer, the taxpayer, and USDA. We were cleaning up situations in some of these poultry facilities that had not been cleaned up for a decade, as opposed to cleaning up the specific cause or problem with avian influenza. So there was a better balanced approach there.

The difference between providing the owner of the birds all of the indemnification and now some kind of equitable ratio, if you will, between owner and producer in terms of indemnification so we can keep producers in business.

We have learned the necessity of constantly researching this, because it is constantly mutating and evolving.

And we have also learned the necessity of at least having pre-positioned vaccine, not that we would necessarily use it, but there may be a circumstance or situation where it is appropriate. And we have basically wargamed what that would look like and what we would have to do in order to utilize vaccine.

In terms of the trade issue, we are seeing many of those who initially banned all poultry sales beginning to understand, from an international rules standpoint, the need to look at this regionally. We have actually seen some that have become even State-specific and some bans that have even become very specific to the county or counties.

So we have seen an expansion of opportunity. About 77 percent of the poultry exports are currently in the right place. We are still working with some of our friends in China, for example.

But for the most part, I think people have taken the right approach to regionalization or Statewide bans as opposed to country-wide bans.

Senator MORAN. Mr. Secretary, it seems as if you have learned a lot, which I assume means the USDA, the Federal Government, are better prepared for another occurrence, should it arise.

Are there any legislative changes that are required to help you accomplish a better response?

Secretary VILSACK. I would only say, Mr. Chairman, I think the research aspect of USDA needs to continue to be beefed up, because we are constantly dealing with things like this. But I do not know that we necessarily need a legislative change. But if there are, we will be happy to get some information to you. I do not know of anything, off the top my head.

[The information follows:]

We do not foresee needing any legislative changes to enhance our response to HPAI.

Senator MORAN. Thank you very much.
Senator Merkley.

OPENING STATEMENT OF SENATOR JEFF MERKLEY

Senator MERKLEY. Thank you very much, Mr. Chairman.

Thank you, Mr. Secretary. We are well along in the journey now, an 8-year journey serving President Obama, and I believe you are the only member of the Cabinet who has been there from the starting line and is still with us, and I assume is planning to go across the finish line. I want to thank you for these 8 years of service.

Secretary VILSACK. Thank you.

RENTAL ASSISTANCE PROGRAM

Senator MERKLEY. As you indicated to the Chairman, I know you have learned a lot in the post over these many years on so many different issues. Certainly, in your introduction you mentioned food, water, and shelter, that is everything from SNAP to water purification programs to housing programs. It really reflects on the essential functions that your Department has for millions, millions of Americans.

I just wanted to note your March 7 speech where you called upon Congress to pass mandatory genetically modified organism (GMO) labeling. I know you and I have very different definitions of what that would look like, but I stand with you shoulder-to-shoulder in the cause of mandatory labeling.

I wanted to turn to the housing component. One of the issues we had last year is that, under rental assistance, the project-based rent subsidy program, we had a situation where, essentially, we ran out of money to pay the share of the rent that we were responsible for as the Federal Government.

That appears to be fully addressed in the budget for fiscal year 2017, but I just wanted to raise it and ask if people across the country who were involved in providing project-based housing can rest assured that we have it covered this time?

Secretary VILSACK. Senator, I think we do. That is what I have been told. We certainly appreciate the work of yourself and Members of this Subcommittee to resolve that aspect of our Rental Assistance Program.

We have, as you know, the other issue of maturing mortgages and loan payoffs, which will result potentially, unless we deal with those, in a lot of these units coming out of the program, in which case you are going to have a lot of families that are going to be looking for housing and not be able to afford it.

Senator MERKLEY. You turned immediately to my second topic. We have recently been able to get some data from the Department on maturing mortgages in Oregon, but it is important that across the Nation we know when mortgages are maturing so nonprofits can attempt to buy them in places where they would go to much higher market rates.

I know your team has been working on this issue, but I just wanted to emphasize how hard it is to recover this housing if we lose it out of the affordable portfolio.

Years ago, I worked on a program called LIHPRHA, Low-Income Housing Preservation. It was a very similar situation, only in urban settings. Now we have this in rural settings. So anything I can do, and I am sure many members would say the same, to assist the Department in trying to make sure we identify the expiring projects and do everything possible to preserve them certainly would like to see happen.

Secretary VILSACK. Senator, 75 percent of these loans potentially will become due and paid off in the next 10 years, so that is 75 percent of the units.

One thing that you may want to think about is the ability of vouching for those folks who are in a position where their unit ultimately gets out of the program. Another way that we are looking at it is being able to extend these mortgages and refinancing, so that improvements can be made to the property with the savings that results from extension and refinancing.

So there are some creative solutions here, but we need to get focused on this in the very near future.

RURAL ENERGY SAVING PROGRAM

Senator MERKLEY. I look forward to exploring with the Subcommittee the possibilities, because this will be very important to the housing stock in America.

I wanted to turn to the Rural Energy Savings Program. The Rural Energy Savings Program, the concept was that we could create a lot of jobs in rural America if people could take loans on their electric bill and be able to replace their windows or add installation. It put a lot of people to work, and often the energy savings would pay for the improvements themselves, plus virtually all these products are made in America, so we get more bang for the buck because we get the local construction contractor employed but it also creates jobs in American manufacturing.

We had the initial program funded last year. I was wondering if you have any information whether we have been able to get it stood up on its feet and have it running?

Secretary VILSACK. Senator, as you know, we worked with a program that was similar to what you proposed with an interest rate that was higher. We were in the process of implementing that and learning from that, recognizing that there were some serious learn-

ing curves for the research and extension centers (RECs) that we were dealing with.

We recently announced a statewide initiative in Vermont, where we learned quite a bit and created sort of a template.

The proposal that you were the leader on last year, we expect and anticipate to stand up sometime this spring. We would anticipate and expect that there will be quite an interest in a interest-free or zero-interest loan program. But now that we know how to set it up, I think we will see more of these projects, because I think it is popular, and I think there is a great deal of potential there.

Senator MERKLEY. I can tell you, in Oregon, the employment rate has not rebounded at all in rural areas the way it has in urban areas. I know you know this to be the case across the country, so it is a win-win program on several levels.

Secretary VILSACK. Help us fix the fire budget, and that situation in rural Oregon will change.

Senator MORAN. Senator Blunt.

Senator BLUNT. Thank you, Chairman.

STREAMING FARM PROGRAM

Secretary Vilsack, I want to join Senator Merkley and Senator Moran in appreciating your service, appreciating really how much you bring to this job, I think every year more than the year before. It is amazing how much there is still to learn, and I am impressed by how you dedicated yourself to learning how important this is.

The future challenges and opportunities for agriculture are great, if not greater than they have ever been. Hopefully, we can figure out how to make the most of that.

Just two or three pretty quick questions here. One is, I continue to hear from our friends in agriculture the desire for more streamlining in the reporting process.

My good friend Blake Hurst, who is the president of the Missouri Farm Bureau, was telling me the other day he has to go into the Farm Service Agency (FSA) office and file his report on crop insurance, and then he has to go to his crop insurance agent, and then the crop insurance agent has to refile the same information with Risk Management.

Are we making any progress in trying to streamline that time cost, both to Federal employees and to the people that they work for?

Secretary VILSACK. We are, Senator. Last year we launched and this year we implemented FSA Plus, which is allowing folks to access their records at home. This year we started with a pilot project in Iowa and Illinois, to try to test market how we would be able to have better coordination between the Risk Management Agency (RMA) and FSA and the reporting. We then extended that to a number of other States. Now we are prepared this year to go Nationwide.

So the concerns that he has expressed, I think by the end of this year, he will be much happier than he has been, and he will also be able to access all of his records, all of his maps, all of his information from his home computer with FSA Plus.

Senator BLUNT. I know that is a project that has been out there all the time you have been running the Department.

Secretary VILSACK. It has.

NATIONAL SCHOOL LUNCH PROGRAM

Senator BLUNT. It is frustrating and challenging for all of us. I look forward to seeing it come to a conclusion.

Now, you will remember my mom and dad were dairy farmers, so I come to this next topic with my own personal point of view, which is pretty strongly held.

But I believe that there are significant parts of the country now where packaged bottled water is being offered as a substitute for milk in school cafeterias. Historically, USDA has recommended school children consume 2.5 to 3 servings of milk or other dairy products every day because of the potassium, vitamin D, and calcium.

I guess my two questions are, because I believe the facts are that is an accurate statement about water as an alternative to milk, is packaged bottled water a reimbursable item in the National School Lunch Program?

Secretary VILSACK. I believe it is, but I do not for a fact know that. We can check.

I do know that we are encouraging more dairy products. It does not necessarily have to be milk. Greek yogurt is now a protein substitute, so there is a lot of interest—and, frankly, we are trying to be responsive to what school districts are asking us to provide them with and for.

But I will check on the reimbursement issue.

Senator BLUNT. I am not a big advocate for us buying water as one of the alternatives at lunch. There are other ways to get water, I would think.

USDA funds being used, do you think that is through the National School Lunch Program then? Or it might be and you are going to check and get back to us on that?

Secretary VILSACK. I will check on that.

[The information follows:]

Water is not a food component or food item that is required for the reimbursable meal under the National School Lunch Program. As required by the Healthy, Hunger-Free Kids Act of 2010, potable water must be made available to students during meal service at no cost to students. However, school districts may not promote or offer water or other beverages as an alternative selection to the required fluid milk component on the meal service line. Most schools meet the potable water requirement by providing a water fountain or a cooler filled with tap water in the cafeteria. For the majority of operators, USDA expects compliance with the potable water requirement to incur minimal or no costs. However, USDA does not prohibit use of the nonprofit school foodservice account to purchase non-program food such as water. USDA is working with State agencies and local school districts during the Administrative Review process to provide technical assistance and corrective action when necessary to eliminate the occurrence of choices between milk and water or other beverages during meal service.

BROADBAND PROGRAM

Senator BLUNT. So Senator McCaskill and I wrote a letter recently to Federal Communications Commission (FCC) Chairman Tom Wheeler. Our concern is that the remaining funds available under phase II of the Connect America Fund, it is critically important that rural constituents all over—our letter was specifically focused on Missouri—have the same access to fiber optics and other

advanced broadband networks as their urban counterparts at a comparable price.

Secretary VILSACK. I certainly agree. We have conveyed those same sentiments to the Chairman. Our hope is that as they look at the Connect America and some of the other programs that we will continue to see an expansion of broadband.

Also, we believe it is going to be important for us to continue to stay in that game from a grant and loan perspective. That is why our budget reflects a significant increase in the broadband projects.

DRUG USE IN RURAL AMERICA

Senator BLUNT. I think social access, economic opportunity, all those things matter. It may be that social access may lead to my last question, which is one—you and I talked right after the President asked you to play a leadership role in this effort to curb heroin and opioid use.

On the floor of the Senate this morning, as we were trying to move through this bill, I made the point that actually more people die of drug overdoses now in rural America than urban America. More people die outside a metropolitan statistical area, even if that area may be quite far from the hub of that.

Do you want to talk a little bit about the challenge to rural America of this epidemic of opioid and heroin use and overdose?

Secretary VILSACK. Well, it is a complicated problem. It is one that requires a series of steps. We have to have more prescribers trained in the appropriate prescription of pain medication. I think we have to have, frankly, reasonable expectations on the part of patients as well, in terms of precisely what doctors can and cannot do in terms of pain relief.

I think it is going to be important for us, particularly in rural areas, for our first responders to have access to the overdose reversal drugs that are available, that are now in a nasal spray, now more readily available. In fact, we might want to consider a general prescription that would allow family members to have access to that reversal drug, just in case, knowing that if a loved one is in trouble, being able to respond quickly.

It is going to be necessary for us to look at ways in which we can encourage States, and specifically the State of Missouri, to have a better monitoring program, so we can prevent doctor shopping, and that we have interoperability between States. We have many States with these programs, but they do not necessarily communicate, so if you are on a border community, you can potentially game the system.

I think it is going to be important for us to look at ways in which we can increase support for medication-assisted treatment, and perhaps not just limit it to physicians but perhaps physician assistants or some other medical professional, particularly in rural areas, to be able to be involved in the basic prescribing of those things in terms of trying to meet the needs.

You mentioned broadband, telemedicine, and access to services. That may be a way of providing services without necessarily brick-and-mortar investment.

We need to make sure people understand that mental health services and substance abuse services are now covered by insur-

ance. There is, I think, a lack of understanding about that. We frankly need to engage the entire community, particularly the faith-based community, in making recovery support efforts more readily available.

I know in my own personal situation, my mother struggled. She would have never been able to recover but for Alcoholics Anonymous (AA) and some of the support that she had from people similarly situated. There are not places today in many rural communities where those meetings can take the place. Faith-based organizations I think have a particularly interesting role and opportunity there.

So it takes a broad approach. I think the Administration looks forward to working with you and others to try to make sure we put the resources behind all of these solutions, because it is a horrendous problem and tens of thousands of people are dying, and hundreds of thousands of families are being impacted and affected by this.

Senator BLUNT. Thank you for your leadership there and in other areas, Mr. Secretary.

Mr. Chairman, thank you for the time.

Senator MORAN. Thank you, Senator Blunt.

Senator Tester.

Senator TESTER. Thank you, Mr. Chairman, for allowing me to speak and giving me these glasses so I can read.

NORTHERN PLAINS AGRICULTURAL RESEARCH LABORATORY

It is good to have you here, Secretary Vilsack. I am going to start out a little parochial right now with an ARS station in Sidney.

I do not know all the information about it because it was just pointed out to me today by a producer from eastern Montana, that it is being repurposed or potentially may be taking a step toward closure. So I just want to get some input from you on what is going on. If you do not know, you can certainly get back to me.

But these guys do incredible research. It is an incredible facility, as I am sure they all are. It does research on saw fly and other kinds of pests. You now the issue with barley scab showing up in Montana. So these research facilities are really, really important.

Can you give me an idea what the plans are for that?

Secretary VILSACK. The budget that we proposed requested an increase in the ARS budget. Part of that increase would be targeted actually toward the facility that you mentioned.

It currently supports 41 scientists. I do not know of any plan to reduce that number, or reduce the support for those 41 folks.

Obviously, research projects come in. Some get concluded and new ones begin. So I am not sure that is necessarily repurposing, but perhaps there is a different focus given a particular disease or pest. But I do not know of any desire to close or reduce the importance of that.

RESEARCH BUDGET

Senator TESTER. That is what I wanted to hear. You answered that very, very well.

The research for Smith-Lever dollars and Hatch are flat at about \$302 million and \$44 million, respectively. These are also very,

very important. Could you shed some light? Has the use of those also flattened out? Or does demand far exceed? Tell me what is going on.

Secretary VILSACK. Yes, it is a combination of having an overall number for our budget, and the challenge in our budget where fire suppression, WIC, rental assistance, and food safety eat up to 50 percent of the budget. Oftentimes, when those items have to be increased, it impacts and affects the other 50 percent.

It is also a fact that we are trying to look at our competitive grant programs as a way of encouraging more collaboration between universities. Many universities are receiving resources from that that ultimately help to support the university and support the capacity university, so it is a balance.

Senator TESTER. I got you. I think that you have done some positive things for research in here. But you know, you know how important research is. For farmers to do trial and error is a good way to go broke.

So moving forward, you are in office for another 10 months.

Secretary VILSACK. I am in office for another day, for sure. I serve at the pleasure of one guy.

Senator TESTER. One never knows what might happen to you. I stand corrected.

But moving forward, are you confident that this budget that you are putting forward, those priorities on research particularly, will be heading in the right direction, moving into the next administration, whoever that might be?

Secretary VILSACK. I am confident, because I think we have addressed both short-term and long-term, traditional and nontraditional, challenges that agriculture is going to face.

This is an incredibly complex and changing world that our farmers are living in. I think we have figured out a way in which we can provide them assistance and help, if our research budget is adequately funded.

WATER AND WASTE DISPOSAL PROGRAMS

Senator TESTER. Okay. I want to talk about rural development and water infrastructure, critically important in rural America, as you well know. \$244 million for loans and grants to rural businesses, tripling of funding of broadband grants, which is really important.

There is a reduction though in grants and loans for water and waste disposal programs. If you look around this country, and I know I am preaching to the choir here, these systems are for the most part wore out. So why the reduction?

Secretary VILSACK. Well, because in the past several years, we reduced the business and industry loan programs, and we have reduced and not adequately funded some, so it is about balance, number one.

Number two, we are looking for leveraged opportunities. We are trying to get the private sector more engaged in investing in these water projects. We are finding that there is interest in this. Pension plans, some of the private investment that we have been cultivating at USDA to leverage our scarce resources are now seeing 3-percent or 4-percent payment on a 30-year loan quite attractive.

We are actually working to try to look at our own portfolio to see whether or not we can maximize the value of that portfolio and create an incentive for the private sector to invest hundreds of millions if not billions of dollars.

So it does not necessarily mean that less work is going to be done, Senator. It just means that we have to be creative about where the financing is going to come from. We are being very creative at USDA.

RURAL COMMUNITY POPULATIONS

Senator TESTER. We appreciate that creativity. I just want to talk about something. We had a roundtable that the Chairman and Ranking Member put on. Dr. Johansson was at it here a couple weeks ago.

One of the things that is going on in rural America that I also know you know about is depopulation in a big, big way. We are seeking rural communities dry up, I think at a faster rate than I have ever seen in my lifetime.

In the last 40 years since I graduated from high school, the little town I am from, if you go by enrollment in high school, is two-thirds smaller than it was when I went to school there, more than two-thirds.

I know there is big equipment out, and I know it is more efficient, and we do have more technology that makes things move. But I mean, where I live, and it is different in every area, but you know, 1,000 acres was an average farm. I have folks around me that farm 20,000 acres and north of that even.

So is this just something that is going to continue? Are there things that we can do to encourage smaller farms maybe? Or encourage more people to move into rural America?

Because you have schools that are closing down. You have cities that have to build schools. They are just all sorts of social problems that all cost money.

Secretary VILSACK. Senator, in my lifetime, American agriculture has increased its productivity 170 percent, with 22 million fewer farmers—

Senator TESTER. Yes.

Secretary VILSACK [continuing]. On 26 percent less land.

Here is the problem. In the past, we did not create a companion economy to the extraction economy that was part and parcel of rural America.

We now have a companion economy. It involves local and regional food assistance. We supported nearly 1,000 infrastructure investments in local and regional food systems supporting 162,000 producers. We are beginning to see that prosper.

We are seeing conservation. Howard Buffett came to our Outlook Forum and talked about the need for people to understand that conservation can actually be profitable. He is proving it in his operation.

And the bio-based economy, the ability to transfer and produce a multitude of materials and chemicals and fabrics and fibers and fuels from bio-based systems.

So we are headed in the right direction on two data points. One, the unemployment rate is coming down, which is good. And two,

the poverty rate in rural America in the last 2 years has come down faster than in any preceding 25 years.

So we are beginning slowly to turn around. Now, we are not going to get out of the fix that you mentioned overnight because we did not get into it overnight. But I think we are headed in the right direction.

And I am hopeful that this companion economy that you all have helped to support with farm bills and budgets continues.

Senator TESTER. Thank you.

Thank you, Mr. Chairman.

Senator MORAN. The Senator from Montana, Senator Daines.

Senator DAINES. Montana and Montana, Jon. All good.

Senator TESTER. Back to back.

BRUCELLOSIS

Senator DAINES. Secretary Vilsack, thanks for being here today.

Agriculture is Montana's number one industry. It is a \$5 billion a year economy for us.

Last year, I was pleased to be able to work with the Montana Grain Growers and other stakeholders to reform and reauthorize the Grain Standards Act to ensure that Montana farmers are protected from disruptions in federally mandated grain inspections, like what happened at the Port of Vancouver.

I remember having literally farmers jumping off of a combine in the middle of the harvest running to Great Falls to meet with you and talk about the crisis we had. I was glad to see we got it resolved, and I look forward to ensuring this new law is implemented effectively moving forward, so we can prevent the crisis from happening again. Thank you for your help on that.

I want to shift gears and talk about brucellosis. I live about an hour north of the Yellowstone National Park. I went from kindergarten through college there in Bozeman.

As you know, there is significant bison herd within Yellowstone National Park and the greater Yellowstone ecosystem.

My question is, how is your Department and the Animal and Plant Health Inspection Service (APHIS), in particular, coordinating and cooperating with State agencies in Montana like the Fish, Wildlife and Parks in Montana and the Department of Livestock on disease management efforts, particularly regarding brucellosis in the greater Yellowstone area?

Secretary VILSACK. A number of years ago, we entered into an arrangement with the folks at Yellowstone, the State officials and others, to address this. I can get you more information, Senator, on the success of that, but I think we were able to isolate and provide a much better environment relative to the bison and other animals.

So I would be happy to get you more detail about that, but I know that we have been working collaboratively with folks on this.

[The information follows:]

The Greater Yellowstone Area (GYA) wild elk and bison populations have persistent levels of brucellosis and the potential for continued exposure to livestock. To address this unique challenge, we assist with the Interagency Bison Management Plan (IBMP) operations in the GYA in cooperation with our fellow IBMP partners. These partners include the National Park Service; the U.S. Forest Service; the Montana Department of Livestock; the Montana Department of Fish, Wildlife, and Parks; the Intertribal Buffalo Council, the Confederated Salish and Kootenai Tribes,

and the Nez Perce Tribe. We also facilitate and participate in studies to develop brucellosis risk mitigation measures.

The ultimate goal of the IBMP activities is to reduce the risk of brucellosis transmission from wild bison and elk in the GYA, while maintaining a viable wild bison population. In addition to the cooperative effort, each IBMP agency is actively conducting activities that are in line with their own agency's mission. Recently, we sponsored a review of brucellosis control in the GYA by a National Academy of Sciences panel, and we are waiting on the report's release later this year. This report will describe the likely effectiveness and trade-offs of options that could be used to address brucellosis in the GYA. It will also describe and prioritize further research needed to reduce uncertainties and advance the knowledge base on brucellosis vaccines, vaccine delivery mechanisms, and diagnostics. APHIS will use the findings from this report to help guide the development of a unified strategy to deal with brucellosis in the GYA.

Specific to Montana, APHIS provides cooperative agreement funds to support brucellosis mitigation activities. APHIS personnel also work with the State on every aspect of the brucellosis program, such as sample collection and testing for surveillance, responding to detections, and conducting epidemiological investigations. In collaboration with the Agricultural Research Service and the States of Montana and Wyoming, APHIS has developed and continues to develop non-lethal techniques to detect and eliminate the disease from bison and elk populations.

Senator DAINES. Speaking of collaboration, I am going to throw something out there, something to consider. In prior years, there was extensive collaborative effort. I think actually we had better communication. There are a lot of moving parts here between State agencies, Federal agencies, and private groups.

It was called the Greater Yellowstone Interagency Brucellosis Committee. It brought together a diverse group of stakeholders, including representatives from Montana, Idaho, Wyoming—obviously, this crosses borders—as well as USDA and the Interior. The working group improved communication and furthered efforts to provide sound science surrounding wildlife disease management throughout the Greater Yellowstone area.

Unfortunately, this effort lapsed in 2006, 10 years ago, and no similar working group has filled that void. I have heard concerns in talking to farmers, ranchers, and stakeholders that the result has been a deterioration in communication between agencies, Federal, State, as well as private groups, regarding disease management in the Greater Yellowstone Ecosystem.

So my question is, would the USDA be supportive of reestablishing that Greater Yellowstone Interagency Brucellosis Committee, or perhaps something similar?

Secretary VILSACK. Senator, I appreciate you bringing this up. My understanding was that we were in the process of a focused, collaborative effort. But if that is not the case, I will certainly go back and ask our team to figure out a way in which we can be more collaborative as a working group or whatever it is.

We have been trying to stress collaboration with the local folks at every level. So if that is not happening, we need to make it happen.

GENETICALLY MODIFIED ORGANISMS

Senator DAINES. I appreciate that, if that would be an outcome from this hearing. We could certainly have that communication and bring that concern and try to bring those groups together again. The word from back home is that it really was valuable.

I want to shift gears now and talk a bit about what is going on in the area of GMOs and biotech. Last weekend, you were quoted

at a commodities conference, referring to GMOs, stating, “I am here to say unequivocally they are safe to consumers.”

With that in mind and notwithstanding marketing efforts or the hurdles of getting legislation through Congress, which is a topic of discussion here as we sit here today, are there any safety concerns or any sound scientific research that would warrant the mandatory labeling of GMOs?

Secretary VILSACK. No, but that is not obviously the issue. The issue is that folks in States have made decisions based on referendums and State legislators to create labeling systems that are applicable within State borders.

That creates a circumstance and situation, as you know, where we are going to have a hodgepodge and chaotic circumstance where individual States and/or individual companies are going to make their own decision about what they are going to put on the package. It is going to create confusion. It is going to create additional expense. It may limit access to food, or it may increase the cost of food. It does not have to be.

There is a way, in my view, where you can respect a consumer’s right to know, if they have interest in knowing the production process by which their food has been produced, but doing it in a way that does not convey the wrong impression about the safety of the food.

Senator DAINES. So I guess getting to this issue of mandatory versus voluntary, I mean I think to be clear, a decision to implement mandatory labeling would then not be based on safety concerns or sound science, but on other factors?

Secretary VILSACK. It would be based on balancing the desire on the part of a growing amount of consumers who want to know, and companies are in the business of selling to consumers—obviously, the customer is always right kind of thing—with doing it in a way that does not send the wrong message about the safety.

In the past, we have labeled, we have put something on the package, either to talk about caloric content or nutrition or a known risk. That is not what this is about, which is why I have suggested the establishment of the smart label process, which would essentially give consumers who are interested information that they are interested in, but not in a way that conveys a false impression about the safety of the product.

Senator DAINES. I think we agree it is critical we address this issue in a timely manner, given what is going on in Vermont.

Secretary VILSACK. Absolutely.

Senator DAINES. And I have no issue with the voluntary programs that meet market demands or consumer preferences.

That being said, I do believe the USDA’s priority should be with making determinations based on sound science regarding the safety of biotech products within its jurisdiction, not on marketing or mandatory labeling efforts that really have no bearing on food safety or plant pest risk.

Secretary VILSACK. Well, I am trying to avoid a chaotic circumstance, Senator. I am certainly hopeful that there are at least 60 of you who feel the same way I do.

Senator DAINES. All right. Thank you.

Senator MORAN. We are pleased to have the Chairman of the Full Committee with this.

Senator Cochran, you are recognized.

OPENING STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you.

Thank you to the panel for being here and helping us sort through the requests we have for funding of various activities administered by the Department of Agriculture.

One of the bright spots in what appeared to be some questions that all seemed to be having trouble being administered or costing too much or contributing to the deficit and all kinds of bad things, what we found out is that the Department of Agriculture has won a big victory in the labeling of domestically produced farm fish grown and sold in the United States.

They were having to compete with fish from overseas that were mislabeled or suggested that they were superior in some ways to domestically produced fish.

So thank you for the good, strong support and effort in defining the new limits and the new requirements that help to give customers and consumers an opportunity to choose. They are finding out that they are choosing to buy American, and that is encouraging in this day of real tough international competition in so many areas of agriculture and food production and marketing.

The end of my speech.

Senator MORAN. Mr. Chairman, thank you for joining us.

We now recognize the Senator from New Mexico.

Senator UDALL. Thank you very much, Chairman Moran.

And thank you, Senator Vilsack, for your service.

Secretary VILSACK. I am a Secretary. I am not a Senator.

Senator UDALL. Secretary. I understand. I understand, and you were a Governor before that. And you like to get things done, I know.

Senator MORAN. Would you like those words stricken from the record?

[Laughter.]

STRIKE FORCE INITIATIVE

Senator UDALL. Secretary Vilsack, thank you very much for your service and thank you for being here. Just a couple things I wanted to ask your support on.

The New Mexico delegation recently sent you a letter in support of the Navajo Promise Zone applications submitted by the Navajo Technical University and also submitted by the Navajo Nation for what is called a Tribal Promise Zone.

It is an extremely high priority for me. Let me tell you why here.

The Navajo Nation faces significant challenges, high poverty, lack of basic infrastructure, lack of housing, public safety deficiencies, among other things. The unemployment rate there is totally unacceptable. It is near 50 percent. And an equally large percentage of the population is below the poverty level.

They have made steady progress on economic development in recent years, but they really needed a boost. I think this Promise Zone would really make a difference.

As part of the President's efforts, this Promise Zone will help the Navajo Nation help tackle the issues outlined in their application, which I have talked a little bit about here.

I simply urge you to give consideration to their request. I know there are many communities in need, but few face the extremely difficult conditions we see on the Navajo Nation.

Secretary VILSACK. That is one of the reasons why we have already included that area in our StrikeForce Initiative at the USDA. But you are right, the Promise Zone would extend that kind of approach to all Federal agencies.

I appreciate the comment, Senator, and I will take that back to the team.

Senator UDALL. Secretary Vilsack, could you tell me a little bit about the StrikeForce effort there?

Secretary VILSACK. Sure. StrikeForce was designed to focus on the areas of persistent poverty in this country. The reality is 85 percent of persistently poor areas in this country are, in fact, in rural areas.

What we found early in the Administration was that we were not doing enough work in those areas to get folks to understand how to basically apply for programs where they could get help.

So we instructed our team, our FSA team, our nutrition team, our rural development teams, and our NRCS team, to go to communities across the country where there is persistent poverty and basically work with a community-building organization to identify projects and needs that we could address through USDA programs.

It is now operating in 920 counties, 21 States, and several tribal areas. The result is that we have invested \$26.3 billion in over 190,000 investments that have been made in the StrikeForce areas.

I would imagine a significant percentage of those would never have been made but for the attention and intense work relationship that we have created.

We are now working with over 1,500 community-building organizations and partners. It has been I think a successful endeavor.

And I think that has led us to take a look at the Promise Zone and some place-based initiatives as well throughout the entire Federal Government.

COLONIAS

Senator UDALL. Thank you very much for that initiative, because I have many communities in my State that I think need that kind of initiative and kind of push that you are making there.

This next issue is an issue that I raised last year, and it is yet to be resolved. Two communities in New Mexico, Chaparral and Sunland Park, our designated colonias. I think you are probably familiar with that term. It is on your USDA rural Web site. But it means neighborhoods or communities within 150 miles of the United States-Mexico border that are economically distressed.

They both have been designated colonias, and they are ineligible for some USDA rural development funds because of the USDA's formula for determining a rural community based on proximity to a municipality.

In this case, because of their proximity to El Paso, Texas, even though they are in New Mexico, even though they do not benefit

from any support or municipal services from a city or county like El Paso, which they are close to, and because they are not in the same State, these communities have high poverty rates, limited public sector funding, separated by over 40 miles from Las Cruces, the nearest city.

These communities need rural development funds for critical housing projects, economic development funding, infrastructure improvements. The area is seeing increasing traffic at the nearby Santa Teresa Port of Entry, which is positive, but really underscores the need for infrastructure.

So waivers have been used for similar situations in the past, but we are experiencing difficulty with waivers in these cases. Would you work with me and within your authority to ensure that these two communities do not fall through the cracks and are made eligible for rural development assistance?

Secretary VILSACK. Senator, as you were outlining your request, I turned to my staff to ask whether or not waivers were available, and we will certainly work with you and your team to figure out, if they are, how to use them, and if they are not, what else we could potentially do to provide—because colonias is part of our StrikeForce Initiative. So we obviously are cognizant of the challenges of that particular area, so we will be happy to try to find a creative solution to the problem they are facing there.

Senator UDALL. Thank you very much. I could not think of a better person to be Secretary of Agriculture because you served as Governor from a rural State. You know rural communities and how they are struggling. I sure appreciate this effort in terms of the StrikeForce and look forward to working with you. Thank you very much.

I yield back, Mr. Chairman.

Senator MORAN. You had no time to yield back, but thank you for the effort.

The Senator from North Dakota.

FARM PROGRAMS SURVEY DATA

Senator HOEVEN. Thank you, Mr. Chairman.

Good to see you, Mr. Secretary. Thank you for your work on behalf of our farmers and ranchers. As you know, we want to make the farm bill as farmer-friendly as possible.

That is particularly important right now with low commodity prices. We are seeing real stress out there in the ag world on the part of our farmers and ranchers with these low commodity prices.

One area that we can help in terms of making sure that the farm bill is farmer-friendly is with the National Agricultural Statistics Service (NASS) data. I think that you are already working on this with your FSA Administrator Val Dolcini.

But in some cases, that NASS data, because there are not enough survey forms sent in for some counties, we are getting a bad result.

It is not unique to North Dakota. It is occurring in other States as well. I believe in Iowa, and I do not know about Kansas, but a number of States. We have counties, and there are not enough of the survey forms that come back and so the NASS information is

not used. Instead, we are using Risk Management Agency (RMA) information. And we are getting a bad result.

What I mean by that is if you take counties, for example, in North Dakota, Logan and Lamoure, and you compare them to similar counties in terms of the average for corn, for example, for the year. If we do not have enough NASS data, we use the RMA data, and we are getting a result that does not correlate with like counties. So other counties that typically have about the same yield, those farmers get an ARC payment. But because the RMA data is so high, it is disqualifying farmers in Logan and Lamoure counties, for example, from getting in an ARC payment on corn.

That is one example. There are other examples around the country.

So we have asked Val Dolcini at FSA to allow us to work with the FSA Director in the respective State and use comparable counties that have adequate NASS data, so we do not get a skewed result. It is very important to farmers, particularly with low commodity prices.

So what can you tell me in terms of your willingness to provide this flexibility? I know you are doing an interagency analysis or study, I think is the term for it. But what can you do to help here, Secretary, so we can get this fixed?

Secretary VILSACK. Well, as you know, Congress made the decision to do a county program as opposed to an individual program. I think they probably did that because of the cost of the individual program and the need to generate savings in the overall program. So we obviously have to deal with the county program, and we have to have some kind of process by which we can try to treat as many of the several thousand counties that we are dealing with as fairly and equitably as we can.

So we have come up with a proposal, the outline that you have addressed, which we have looked at NASS data first. If there are inadequate numbers of surveys, we ought to focus on making sure we get farmers to respond to those surveys, so we have adequate information.

If we do not, we go to RMA information. If we are not satisfied that that is appropriate or correct, we have empowered our State Committees to basically take a look and provide some direction.

So we think we have some degree of predictability and consistency without necessarily creating a circumstance where we cannot address the anomaly or the inaccuracy of information.

I am more than happy to go back to our team and basically make sure that we are in a position to be able to explain why we are making the decisions we are making. If we cannot, then we obviously need to do something different.

Senator HOEVEN. My understanding is it is currently in this interagency review. I do not know what the results of that are.

If, in fact, the State Committee is empowered to make a decision, I think that is where we need to go. Again, it is making sure you are giving discretion out there in the field to your directors to make a good decision.

Secretary VILSACK. That is the key, a good decision. We do not necessarily want to create a circumstance where everybody is not happy with whatever it is they ultimately get, because then you

create a very confusing circumstance and you end up getting an individual program when you really, by statute, are directed to have a county program.

So I think there is a balance here. I am more than happy to try to be flexible, but I think we do have to have some system.

Senator HOEVEN. I hear you. Of course, we want the NASS survey forms to come in, so you have adequate data and you have good data. But where that has not occurred, just so that that State Committee or FSA Director, however you decide you want to do it, is empowered to say, okay, this is a nonsensical result. We will make an adjustment.

My question is, I do not think we have gotten that response back from FSA. They are still doing this interagency review. This has been going on since November. I am asking for your help to get an answer.

Secretary VILSACK. You deserve an answer, Senator. We will try to get you one quickly.

Senator HOEVEN. All right, thank you very much, Secretary.

CROP INSURANCE PROGRAM

The other thing I will just mention, if you have any reaction, that is great. I am very concerned about any reductions to the support for crop insurance. That is the number one risk-management tool for our farmers. You are probably not surprised to hear me say that because you and I have had this discussion before.

But I am very concerned about that and I am going to make sure we do everything we can to support crop insurance. In fact, we included language in the farm bill to make sure that did happen.

On the positive side, though, I appreciate the support that you have provided for Agricultural Research Service, ARS, and for NIFA, National Institute of Food and Agriculture. I think that research area is incredibly important, incredibly impactful for our farmers and ranchers. So if you have some thoughts there, I would welcome them.

Secretary VILSACK. Just briefly on the crop insurance, there are two areas. One is on the prevented planting. Our Inspector General, and I think the Government Accountability Office, have been critical of the way in which that program operates. So I think it is appropriate for us to be responsive to those criticisms. What we have proposed in the budget is our effort at being responsive.

On the price harvest loss option, where we are proposing a slightly different arrangement between the producer, the government, and the insurance company, where we are currently financing 62 percent of the premium, we think it is probably fair to taxpayers that it be more of a 50/50 partnership. Those are the two proposals.

Senator HOEVEN. I would point out that since 2008, \$12 billion has been taken out of crop insurance support. And you want a robust number of companies out there providing crop insurance to have a competitive market, and we have to be careful or you are not going to have enough competition out there to have a robust market.

Secretary VILSACK. That is true. Our projections I think for return on investment with this budget is 18 percent.

Senator HOEVEN. For which they have to cover all of their costs.
Secretary VILSACK. Well, not all their costs, because there is also an additional resource for administrative and operating costs.

Senator HOEVEN. Right. But again, at the end of the day, if they cannot make enough money to continue to stay in that business and to cover costs, you are going to have fewer and fewer agencies. You are not going to have a robust insurance group out there providing crop coverage.

Secretary VILSACK. I am not sure either one of these two proposals necessarily impacts the issue that you have raised, but I am certainly sensitive to the fact. That is why we are continuing look at the return on investment. We had a couple of years where it was difficult, but we are beginning to see more profitability in that part of the operation. I think it was 15 percent or 13 percent last year, 18 percent projected for this year.

Senator HOEVEN. Again, I appreciate that. I understand your point of view, though I do not agree with it.

I do want to again emphasize that crop insurance support has been reduced by \$12 billion since 2008. I think there are a lot of programs across the Federal Government that have not contributed as much in terms of help with finding savings as crop insurance.

Secretary VILSACK. You do not have to tell me about reductions, Senator. My overall operating budget is less than it was in 2010.

Senator HOEVEN. Secretary, again, thanks for what you do. Thanks for your willingness to take a look at the NASS data. I appreciate it.

Senator MORAN. Senator Merkley.

RURAL BROADBAND PROGRAM

Senator MERKLEY. Thank you, Mr. Chairman.

I thought I would turn to a piece of the picture that I hear about a lot that has not been mentioned yet, and that is rural broadband. Everywhere I go in Oregon, folks note the importance of it to the success of their rural communities.

So I wanted to explore this a little bit, because, as I understand it, USDA recently rewrote the broadband loan program regulations to reflect the changes in the 2014 Farm Bill. It really has just kind of gotten going, but I believe you are now proposing eliminating this.

Meanwhile, the grant program, which has increased, is a distinctly different program. The grant program serves a small number of poor, unconnected communities. The number of communities it focused on in fiscal year 2015 was five communities.

So I think there is concern that there is going to be a sacrifice of a program that serves large expanses for assisting a small number of communities, and whether or not that really reflects the demand for rural broadband. There is probably a lot more thinking behind it. I thought I would just give you a chance to explain it.

Secretary VILSACK. Senator, I appreciate the question. What we have found is that it is not impossible for companies to secure loans. But to the extent that they can get grant funds that either reduce the amount they have to borrow or to reduce the interest rate on the loan, that makes it much more likely that they are in a position to do significant improvements and expansions.

So listening to what we believe the industry is telling us is necessary to get more broadband in more places, combining that with hopefully with what the FCC is attempting to do and hoping it works properly to create more incentive and more resource for expansion of broadband, the combination of those two.

So that is why we are proposing an increase in the grant program, because we think that will generate more activity than simply a loan program.

Senator MERKLEY. Thank you for that explanation. I look forward to tracking that because it is of so much importance.

My colleague from Wisconsin has arrived, and I am going to turn this over to her. Just in closing out my comments, thank you again for your service over 7-plus years and counting. There are many more questions I have that I will be submitting to you for the record, but I do not need to address them at this point. Thank you.

Senator MORAN. The Senator from Wisconsin.

My intention is to have the Senator from Wisconsin ask her questions. I have a few follow-up questions, and then we would anticipate concluding the hearing.

WATER AND WASTE WATER TREATMENT PROGRAM

Senator BALDWIN. I thank the Chair.

Mr. Secretary, in Wisconsin, water issues are on everyone's mind, as our rural communities are facing many challenges to protect their water quality.

In particular, Kewaunee and Door Counties in Wisconsin's northeastern region have nitrate and bacteria contamination in their groundwater. Testing is showing that more and more private wells are contaminated.

Local stakeholder groups are working with the State Department of Natural Resources (DNR) to talk about long-term solutions. But as those deliberations continue, rural families remain without immediate solutions to these very pressing concerns and the obvious need for safe drinking water.

Mr. Secretary, I believe your Department can help, but it is going to take some really, really hard work. So I would ask you how you see the USDA playing a role in these communities in Wisconsin, and would you commit to working with me and the local communities to offer both immediate and long-term solutions that help watersheds in this vital region of our State and our country?

Secretary VILSACK. Senator, do you know offhand what the population is of those two communities? Is it greater than 10,000 or less than 10,000?

Senator BALDWIN. Both counties I believe would be greater, but they might be close. They are sparsely populated.

Secretary VILSACK. Well, the first line of response to your question is, to the extent that the infrastructure that treats water can be modernized, obviously, the USDA has our water and wastewater treatment programs that are available.

We also have a partnership with CoBank and other farm credit agencies that are providing infrastructure loans that USDA cannot do or will not do or does not have enough resources to do. It is leveraging our resources.

We have had a series of partnerships with the farm credit system where we will fund half a project and the CoBank will fund the other half. They made a \$10 billion commitment to infrastructure in rural areas across the United States.

The third alternative, on this side of the equation, is to work with us to identify potentially private sector investors who might be willing to provide the financing to improve the systems.

So those are three basic avenues of financing infrastructure. We will be more than happy to work with you and have our rural development people work with those two counties in those two areas.

You asked for a short- and long-term solution. Obviously, long-term is to try to work with conservation programs to try to prevent the problem from getting worse and ultimately reversing it.

Actually, Wisconsin has a number of communities like Green Bay that are working with the Fox River that are trying to create ecosystem markets where essentially regulated industries would be able to pay farmers for conservation that would allow them to satisfy a particular ecosystem regulation, or there may be a corporate entity that is looking from a social responsibility perspective.

We just did an event with Chevrolet on carbon credits, for example, in North Dakota, a working ranch in North Dakota.

So we are trying to create more ecosystem market opportunities in Wisconsin. That requires us to be able to measure and verify and quantify the conservation results. If you can do that, and I would encourage those folks to consider a Conservation Innovation Grant, a CIG grant, which we have used in the past to help create a measurement and certification and qualification system.

Let me just give one other piece of this. There is also the regular Natural Resources Conservation Service (NRCS) programs and the Conservation Reserve Program (CRP). There is a continuous program that potentially could be used to develop bioreactors in those conservation programs that would allow for better filtering of contaminants, nitrates and so forth.

So there is a body of steps that can be taken short term and long term to try to address this.

Senator BALDWIN. I appreciate that, and there has been, as I was mentioning, a good local collaboration not only with our State DNR but I know a real interest in these collaborations on long-term solutions at the Federal level.

I will just restate that many of the residents impacted have private wells. They, therefore, have an immediate need for clean drinking water. So I hope we can follow up this exchange with ways in which the USDA can help meet those very important and immediate needs.

Secretary VILSACK. What we were able to do in a slightly different situation in California where it was drought and they had private wells, but they just did not have any water in the well, we were able to take a look at whether they were adjoining an area of municipal systems that could potentially be extended to those private homes that were serviced by a private well.

So I do not know if that is possible at all in what you are talking about, but that is something.

CLASSICAL BREEDING RESEARCH

Senator BALDWIN. I appreciate your commitment to work with me and local communities, and we will certainly follow up.

I did have one other question that I wanted to address to you, Mr. Secretary. In addition to being America's dairyland, Wisconsin also produces a lot of specialty crops, and we have a very vibrant and rapidly growing organic sector, second only to the State of California in the number of organic farms within our State.

The specialty crops and organic farmers have a great need for new varieties and breeds that are adapted regionally and respond to market demands that can help them grow their markets, so-called seeds and breeds.

In response to this Subcommittee's work last year and direction in the fiscal year 2016 spending bill, I know that the USDA is producing a report on classical breeding investments, but this committee also directed the agency to create a specific competition for classical breeding so that proposals for this specific type of research compete against each other and not against other different research fields.

So we have yet to see progress on that particular front. For Wisconsin farmers, it is not about the academic competition. It is about having the varieties that they need right on the farm to help them make it through tough years.

So I hope that you will commit to resolving this issue this year, and pushing forward with that specific competition for classical breeding research.

Secretary VILSACK. I will certainly take a look at that. I will tell you that there is an intent and interest in this area. We are investing a bit more time and energy in it.

We are also making sure that our own seed banks are available, in the event there is a situation where we do not have seed in the past. So it is a combination of preserving the past and also preparing for new varieties.

I said earlier that our research has already created, over the time I have been Secretary, 714 different plant varieties, so we are involved and engaged in this. I think there is a good balance between where we have genomic information, using that, where we do not, using the classical breeding. So it is a combination and balance.

AGRICULTURAL RESEARCH

Senator BALDWIN. I thank the Chairman and Ranking Member for their leniency in watching the clock.

Senator MORAN. Thank you, Senator Baldwin, for joining us today, and thank you for your questions of the Secretary.

Mr. Secretary, let me editorialize just for a moment.

In regard to agriculture research, our fiscal year 2016 agriculture appropriation bill provided \$350 million for the Agriculture and Food Research Initiative (AFRI), a \$25 million increase. That is the highest funding level this program has received since its inception. We worked hard under the allocation that we had to provide additional support for agriculture research. You mentioned its importance, as have a number of my colleagues.

My editorial comment is that we cannot compete with the Administration's budget when they use mandatory spending as the solution to funding this and many other programs, not just in your budget but across the Federal Government, Federal Government-wide.

Again, this is a budgetary issue beyond your scope, but it is important that the Administration recognize that when they make a budget request to us as appropriators, we do not have the ability to provide funding with mandatory spending. I think they know that. It sets a bar. Perhaps it is just posturing to suggest that the Administration, your Department is more interested in agricultural funding than we are. But when we come to the amount of money that we have within our jurisdiction to provide support for agriculture research, in my view, we have been there.

CUBA OFFICE

You have been kind enough to attempt to include me in a visit to Cuba. I appreciate that invitation. I have been a longtime advocate for lifting the embargo, particularly as it relates to food, medicine, and agriculture commodities to Cuba. I had some success in that regard when I was a member of the House of Representatives.

Your budget includes some funding for changes that may occur in our relationship or is occurring in our relationship with Cuba. What is the circumstance by which you ask for dollars for agricultural representation in Cuba?

And secondly, knowing that the appropriations process in which you are asking for this money to be included, that may be a controversial request, I am not certain. But even if it is not, this process takes a long time. So what is USDA doing in Cuba today to help assist in the export, sale of agriculture commodities.

Secretary VILSACK. Senator, the embargo statute basically prohibits the Department of Agriculture from using any of its market assistance programming money, so we cannot directly help promote, as we do in other countries. That is one of the reasons why we need to get rid of the embargo.

But even if we get rid of the embargo tomorrow, we would not necessarily be prepared to do everything we are potentially able to do in Cuba, in terms of regaining market share that we have lost over the years because we do not have the relationships and people on the ground to basically know the people that we need to know on the Cuban side to be able to effectuate more trade. That is the reason why we have asked for personnel to be down in Cuba, to be permanently located down there, so they can create the relationships so that when the embargo is in fact lifted and we can use promotion resources, that we are in a position to move expeditiously to take full advantage.

Senator MORAN. I do not know off the top my head the amount of dollars you have requested.

Secretary VILSACK. I think it is \$1.5 million for five or six people.

Senator MORAN. I think that is right. So the point you are making is that is not to assist directly in support subsidization of any sale to Cuba or to any marketing program.

Secretary VILSACK. Correct.

Senator MORAN. It is directly related to the ability to have USDA personnel in Cuba, developing relationships with potential customers.

Secretary VILSACK. And also to do an evaluation of the pests and diseases that we may potentially confront when our relationship becomes more bilateral.

The second piece of this is that there are commodity groups that are quite interested in doing business down there, because they realize that we have a competitive advantage that we have not taken full advantage of. They are asking us to explore ways in which they themselves, apart from what we cannot do, can they be more aggressive in their promotion efforts.

We are looking for ways we can find—a way for them to be more aggressive, so that without necessarily direct support from USDA, commodity groups, State ag commissioners, State ag secretaries, individual farm groups will be able to promote product.

Senator MORAN. Mr. Secretary, in that regard, my understanding of the current state of the law in regard to Cuba is that we can sell agriculture commodities, food, and medicine to Cuba for cash.

Secretary VILSACK. It is harder, but we can.

Senator MORAN. So commodity groups could promote those sales today. Is that true?

Secretary VILSACK. Yes. The question is whether or not any of the resources, the check off dollars, for example, could potentially be used by those commodity groups. We are in the process of trying to figure out the answer to that question. We do not want to unnecessarily create a circumstance where we are violating the law. We want to make sure we understand the law.

But this is a tremendous opportunity for us. It is just nuts that we do not have more of a market share than we do down there.

Senator MORAN. Dr. Johansson, in his commentary to us, in his conversation with us last week, indicated significant opportunities and compared it to the Dominican Republic, as I recall.

Secretary VILSACK. Eighty percent of Cuban food is imported, 80 percent. And I think we do 10 percent, 15 percent of their needs today. We should be doing 50 percent.

BROADBAND OPPORTUNITIES

Senator MORAN. We have seen significant improvements in the opportunity to sell. I think it was 2010, maybe 2011, the law was changed to allow the sales. And regulations were altered about that point in time, money had to be received upfront, whether it was when the ship left the United States or when it arrived in Havana. Then the third-party financing issues.

But those are regulatory issues that perhaps will be addressed. But this issue of Cuba will be one of broad interest in Congress. It has its opponents, which I discovered in my time working on this issue.

Let me return to a topic that we visited about last year in this same setting. I encouraged you, and you indicated that you do and would, continue your conversations with the Federal Communications Commission. I have expressed an ongoing concern about the ability for particularly rural telephone companies to be able to

repay loans they owe the Rural Utilities Services (RUS) based upon decisions that the FCC has and is continuing to make.

I would again highlight this issue for you in the sense that it is important I assume to you that we allow those companies to expand broadband opportunities in rural America, but also you may have a default rate of significant magnitude if the FCC makes decisions, particularly as it relates to the Universal Service Fund that would have consequences to a telephone company, a broadband provider, let me be broader than that, a broadband provider's ability to repay RUS.

Secretary VILSACK. We are cognizant of that. I can assure you that we indicate to FCC concern in that space. So we are keeping an eye on it. We have advised them of your concerns and of our concern.

Senator MORAN. On the same topic of broadband, I am an advocate, obviously, for expansion of those opportunities in places that are unserved. I have worried from time to time that various programs, perhaps more related to the Stimulus package than the programs under your Department, have provided loans and subsidization for companies to compete in already existing territory in which broadband services exist.

Could you tell me the current state of at least your programs, those that you are responsible for, and their ability to obtain support from your Department to compete with existing broadband providers?

Secretary VILSACK. Yes. We do not have unlimited resources, so we have to make sure that they do the job. We are mostly focused on unserved and underserved areas. I do not believe we are creating circumstances where we are encouraging competition here. We are trying to meet an unmet need.

Senator MORAN. You used a few words there that cause me to ask you to confirm that to me.

Secretary VILSACK. Sure. I am not trying to be evasive here. I am reasonably certain that our focus is on unserved and underserved areas. It is not based on places where there is already service.

Now, I would say that we may be in a situation where we are trying to upgrade the service that is being provided, so that download speeds and upload speeds are increased. I do not think that falls within the scope of your question, because it is not competition. It is about working with an existing operation to improve their service.

Senator MORAN. I know of circumstances in which loans or grants were made to provide service to areas that had no service. But in order to make that financially possible, the territory in which the loan could be used included areas that already had service. So areas that already had service got competition. They were larger communities, and I assume the theory was that revenue generated in that larger area makes it economically more viable for service to be provided in places that are much smaller that have no service.

But my view is that the government program is the subsidy, not creating additional service in places that are already served, and taking the revenue that is generated there to support areas that do not have service.

Secretary VILSACK. You deserve a more detailed answer. We will make sure you get it.

[The information follows:]

The Farm Bill Broadband Loan Program funds broadband facilities in rural service territories with at least 15 percent unserved households, as per statute in Title VI of the Agricultural Act of 2014 (Public Law 113-79, Section 6104 2(B)i). A household is considered unserved if it is not receiving broadband service as defined in the latest Notice of Funding Available (NOFA). The program offers incentives for loan applicants to go into areas with at least 50 percent unserved households. Areas with three existing broadband service providers are not eligible for funding. Applications that are proposing to provide service at the Broadband Lending Speed as defined in the NOFA will receive priority consideration for funding.

MCGOVERN DOLE PROGRAM

Senator MORAN. I appreciate that. I am almost done, Mr. Secretary.

Food aid, and particularly the McGovern-Dole—in Kansas, we would say the Dole-McGovern program. You are proposing reductions in the spending in that area.

If we agree with your position, your budget request, how would USDA absorb those cuts? Are there ongoing programs that would be affected? Do you have countries that you would specifically exclude from the program? So if there is less money, how would you spend the money that you would have remaining?

Secretary VILSACK. As you well know, the Dole-McGovern, McGovern-Dole program is designed not to be a permanent level of support for countries, but it is designed to show the wisdom of basically linking education and food with the hope that the host country would eventually take over that responsibility. So there very well may be countries where we have been active and involved in providing assistance for an extended period of time, but which we think it is time for them to basically pick up the mantle, if you will. That may be a consequence.

So it may be that there is not a circumstance where we are necessarily going to cut off or cut out people who are currently receiving service or assistance without some substitute from the host country.

The other possibility is that we are proposing to use a small portion of McGovern-Dole for local purchases, which may potentially leverage those dollars more effectively as well.

So I would be more than happy to give you a more detailed response to that question, but it does point out the challenge. Whenever we have conversations about budgets, we always focus on individual programs. But the reality is your circumstance and our circumstance in putting a budget together, it is all about choices.

If we did not have a finite number that we had to deal with, if we could fix the fire budget, it creates more flexibility in our budget.

FOREST FIRE BORROWING

Senator MORAN. Is there another opportunity you would like to say that, Mr. Secretary?

Secretary VILSACK. Yes. To be very, very candid, Mr. Chairman, this is one area that has frustrated me more than any since I have

been Secretary, because everybody—everybody—knows this is a problem.

The reason I feel so strongly about this is last year during our award ceremony, I had to give out seven American flags to family members who lost loved ones in forest fires. The reason why some of them were lost was because we have not been able to do the job that we need to do in restoring and making our forests more resilient because every year we borrow money from those very accounts to put fires out.

To me, a fire is no doggone different than a flood or tornado or hurricane, where we fund not out of an operating budget, but out of an emergency budget.

If we could just create a circumstance where those large, uncontrolled, very expensive fires could be dealt with, it would create more flexibility within this budget, and many of the concerns that you all have addressed here, which we share, could potentially be more adequately addressed.

NATIONAL BIO AND AGRO-DEFENSE FACILITY

Senator MORAN. Thank you for your passion and for your compassion.

Mr. Secretary, I appreciate you being in Manhattan, Kansas, when we cut a ribbon on the National Bio and Agro science facility. Thank you very much, soon to be a Department of Agriculture operation.

I just would highlight, as transition occurs from Plum Island to the National Bio and Agro-Defense Facility (NBAF), my impression is that there may be USDA employees who do not relocate. We want to work with you to make certain that the training and recruitment, retention opportunities exist at USDA to make certain that when the day comes that you are fully staffed with the highly capable and significant expertise in this important issue of protecting our homeland.

Secretary VILSACK. Well, that is certainly an appropriate request, Mr. Chairman. Thank you.

NEW, BEGINNING, AND VETERAN FARMERS AND RANCHERS

Senator MORAN. Finally, your budget proposes a \$5 million increase in the Office of the Secretary. This sounds like a difficult question, but it is for something that I find very appealing, for new, beginning, women, and Veteran farmers. I am not certain how you intend to utilize those dollars, but I would highlight for you that our Subcommittee intends to have a hearing in the next several weeks on this topic of how to bring veterans into agriculture.

Secretary VILSACK. We have finally, after a good deal of effort, secured commitments from the Department of Defense to begin the process of going on base. As service men and women are leaving the service, they receive a series of briefings on opportunities. In the past, agriculture has not been part of that process. Now we are getting permission to be part of that process.

We want to be able to provide those veterans with the opportunity to know how they might be able to access a chance to be a farmer.

If you go on our Web site, probably the most popular aspect of our Web site in the last 6 months has been are Beginning Farmer Web site that we revamped. You can actually go in now and you can plug in your wish list of what kind of farmer you would like to be, what you would like to grow, how big you would like to be. It will give you essentially a personalized plan for the programs within USDA that can provide help and assistance, whether it is a microloan, conservation, help with crop insurance, whatever it might be.

We think the combination of more education of those returning veterans about opportunities that do, in fact, exist within agriculture, the greater the interest will be.

So to the extent that we can sort of spread our tentacles in a much wider base than we have in the past, I think that will be helpful.

We also know that 70 percent of the world's farmers are women, and there is an increasingly greater interest among women in this country to participate. Again, it requires outreach. It requires a little time. It requires access to information and providing an easy way for people to get information.

So that is the purpose of this. The Deputy, Secretary Krysta Harden, who is no longer with the agency, was a great proponent of this. I think her work has been very successful.

If you look at the recent census, you are going to see an increase in women farmers. You are going to see an increase in farmers of color. And you are also going to see an increased interest in working with other veterans' groups to see bring veterans into the farming business.

Senator MORAN. Mr. Secretary, I applaud those efforts. We have seen a number of just individuals—Gary LaGrange, who is retired military in my hometown, has created opportunities for veterans returning with traumatic injuries to enter farming, in this case, beekeeping, in a very successful way.

Incidentally, legislation that I have introduced has passed the Small Business Committee to create an opportunity for veterans to use their G.I. Bill. I welcome my colleagues who are still here to join us in this effort, to use their G.I. Bill to get education, training vocationally to become farmers, or other business men and women to become entrepreneurs, which farming is.

So we look forward to working with the Department to accomplish that.

I would be less than polite if I did not give my colleagues a chance—I hope they say no—but does anybody have anything to follow up before I conclude the hearing?

Senator Merkley.

FOREST FIRE BORROWING

Senator MERKLEY. Thank you, Mr. Chair.

Since you offered, I just wanted to address the fire borrowing. Senator Wyden and I have been working with Senator Murkowski and have been chief advocates of ending fire borrowing. We worked very hard to persuade the Administration to back this plan. The Administration backed it. Thank you.

It is not in this Subcommittee's jurisdiction, but it is absolutely important. I hope every meeting you go into, you will be talking about it.

We did make a significant change last year. That is that the fire-fighting was funded at 100 percent of the previous 10-year average, plus a \$600 million buffer. Given the impact of the Pacific blob and its change in precipitation in the forests of the Northwest, there is a chance that there will be no fire borrowing this year. We will wait and see. We will see what the summer looks like.

But you are absolutely right. I will just put a huge exclamation point. The mega-fires, the large fires, should be treated as the natural disasters they are. We have constantly robbed fire health and hazardous fuel buildup on the floor of the forests, we have constantly robbed that to pay for fighting fires. People say, why do you always go to the backend when it is at the point of disaster, rather than treat the forest right on the front end?

So thank you for your advocacy on it. Please continue in every possible setting. All of us from the Northwest who suffer these terrible fires are grateful.

Secretary VILSACK. Senator, I appreciate those comments. I just want to underscore, I am not going to authorize transfers.

Senator MERKLEY. Oh, yes, not from this committee to another. But that is not the point. Yes, I understand. You are saying you are going to block—

Secretary VILSACK. I am not going to authorize it because basically that takes everybody off the hook.

Senator MERKLEY. Well, I think that should focus a lot of minds here on Capitol Hill.

Secretary VILSACK. I hope so.

Senator MERKLEY. Thank you.

Senator MORAN. Senator Baldwin.

Senator BALDWIN. Thank you. At the risk of not saying no to your offer, I want to also add my words of agreement with tackling the fire borrowing issue.

Certainly, Wisconsin is not a State where we have many forest fires, but we have a significant part of our Northwoods with a very active timber industry and small businesses dependent upon sustainable management of our forests. I feel like we absolutely must tackle this.

I just want to say, not only to the Secretary, but to the Chair and Ranking Member, how pleased I am to be on the Subcommittee, and how much I look forward to working on a number of issues with you over this appropriations season. I wanted to just call attention to two that I did not have a chance to refer to during my question period, which is promoting agricultural innovation through the Value-Added Producer Grant program, and everything we can do to help new producers get their start with the Beginning Farmer programs, in addition to the ones the chairman and the Secretary just discussed. I am a big fan and look forward to working with all of you on that.

CLOSING STATEMENT OF SENATOR JERRY MORAN

Senator MORAN. Senator Baldwin, we appreciate your participation and presence on the Subcommittee. We look forward to working with you on that and other issues.

Senator Merkley, thank you very much for your kindness and the working relationship that we have.

Mr. Secretary, you have been complimented by members of this Subcommittee on both sides of the aisle. I would add my compliments to you. This is the only the second year that I have chaired this Subcommittee, so while I have been on it, this is the time I have had the most opportunity to get acquainted with you, mostly in this setting.

What I would say is that I am impressed, pleased, about the level of your knowledge, the amount of detail that you know. There is something perhaps to what Senator Blunt said about experience, 7 years. I guess I should not assume this is your last opportunity to appear in a budget hearing before this Subcommittee. Perhaps it is. But I would like to thank you for being a Secretary who apparently, seemingly, knows what is going on to a large extent at the Department that you head. That is pleasing to me.

We are going to try to do everything that I can do to become comparable in level of knowledge as a member of this Appropriations Committee, so that I can have a full and complete understanding as best as possible on the details of what goes on at USDA, and, in our case, the Food and Drug Administration (FDA). I want to be knowledgeable as well and look forward to developing greater expertise as you have developed over the last 7 years. I thank you for your public service.

Secretary VILSACK. Mr. Chairman, thank you very much. It has been an honor to appear before this Subcommittee.

I really feel blessed that I get to work with incredibly dedicated people at USDA. We all work for just an amazing group of people who live, work, and raise their families in rural areas who do so much for this country and oftentimes what they do is underappreciated or not appreciated at all. So I appreciate this privilege that I have, and I consider it a deep honor. Thank you.

Senator MORAN. Mr. Secretary, thank you very much.

I will not diminish what you just said by sounding very formal now, but I have magic words I must say.

For Members of the Subcommittee, any question that you would like to submit for the hearing record should be turned into Subcommittee staff within 1 week, which is Wednesday, March 16. We would appreciate it if you would have responses back from USDA within 4 weeks of that time.

SUBCOMMITTEE RECESS

Senator MORAN. I thank the gentlemen who accompanied you today, and I believe that concludes our hearing.

Thank you.

[Whereupon, at 3:45 p.m., Wednesday, March 9, the subcommittee was recessed, to reconvene subject to the call of the chair.]