

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RE- LATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2021

THURSDAY, MARCH 12, 2020

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

The subcommittee met at 10:38 a.m., in room SD-138, Dirksen Senate Office Building, Hon. John Hoeven (chairman) presiding.

Present: Senators Hoeven, Moran, Hyde-Smith, Merkley, Tester, Udall, Leahy, and Baldwin.

DEPARTMENT OF AGRICULTURE

STATEMENT OF HON. SONNY PERDUE, SECRETARY

ACCOMPANIED BY:

DR. ROBERT JOHANSSON, CHIEF ECONOMIST
ERICA NAVARRO, BUDGET OFFICER

OPENING STATEMENT OF SENATOR JOHN HOEVEN

Senator HOEVEN. We will call the hearing to order. Mr. Secretary, thank you so much for joining us this morning. We truly appreciate it. Dr. Johansson, thank you for being here as well, and also Mrs. Navarro. Thank you. We appreciate all three of you being here. The purpose today's hearing is to discuss the Department of Agriculture's fiscal year 2021 budget.

The Department of Agriculture is responsible for programs that range from production of agriculture and trade promotion to food, safety, and conservation. It also oversees economic development in rural communities and provides nutrition assistance. Thank you for your leadership, Secretary Perdue, at the Department. We truly appreciate it. We appreciate the relationship we have and your commitment to our Nation's farmers and ranchers. Thank you also to Dr. Johansson and Mrs. Navarro as well, as I said.

Congress and the Administration have been working to help our producers overcome the many challenges that they currently face from trade uncertainty to severe weather events. I believe it important progress has been made with the passage of recent trade agreements and the additional disaster assistance funding this committee has provided. However, farm country is still facing difficult times and we must maintain our strong support for rural America.

The proposed reductions in this budget would directly impact the small rural communities many of us call home. Production agriculture is the cornerstone of our rural economies and we cannot weaken the farm safety net because it is very important for our farmers and ranchers, again, as you know, Mr. Secretary. And it is particularly important when we have low commodity prices, as we do now, and in many parts of the country, very bad unseen weather conditions.

Producers not only in my home State but other parts of the country rely on the Department's tools and resources to maintain their livelihoods during these challenging times. While I support some of the proposals included in the President's budget, I am deeply concerned with the proposed cuts to rural development, foreign food aid, and the Ag research programs. We cannot eliminate these important programs.

As I have said before, the burden of balancing the Federal budget cannot be placed on the backs of farmers, rural communities, and food aid recipients. In our fiscal year 2020 Appropriation bill, this subcommittee made great strides towards modernizing infrastructure in rural America, increasing funding for Ag research programs, and enhancing wildlife and pest disease prevention and response efforts.

And I look forward to hearing an update on the Department's plan for the implementation these priorities. Now is the time to be investing in the future of Ag in rural America. And obviously, I look forward to working not only with our Ranking Member Senator Merkley, but other members of this committee to identify priorities and make the most effective and efficient decisions on behalf of American taxpayers.

Also, I want to emphasize again the importance of our crop insurance as the number one risk management tool for our farmers. And we are very committed to crop insurance. So Mr. Secretary, I look forward to discussing these and other important issues with you.

Senator Merkley will join us shortly and can provide his opening statement at that point. However, before we proceed to testimony, I would ask if any of the other members have an opening statement they would like to make before we go to your testimony.

[No response.]

Senator HOEVEN. Okay, hearing none, again thank you, Mr. Secretary, for being here and for your work on behalf of our farmers and ranchers. And I like to start every meeting I have on agriculture and end it by making the simple and true point that every single American benefits every single day from what our farmers and ranchers do which is produce the highest quality, lowest cost food supply in history of the world. So with that, Mr. Secretary.

SUMMARY STATEMENT OF HON. SONNY PERDUE

Secretary PERDUE. And I will agree with you, Mr. Chairman. Thank you very much for the opportunity to be here. And for your other members, certainly in these days. There are a lot of other things going on and I appreciate your taking the time to be here and hear our report and honestly answer your questions as we go forward. But I think this year, we are glad to have 2019 in the

books and in the rearview mirror. From a farming perspective, it was obviously very challenging. But I think what you saw happen was the safety net that you and members of Congress had provided along with the ad hoc disaster programs really helped farmers to survive another year in that way, and I am very proud of our folks for the way they have delivered not only implementing the Farm Bill provisions, another Market Facilitation Program (MFP), as well as an ad hoc disaster program.

Our team on the ground I think are really giving real meaning to the most customer focused service there in the Federal Government. So we are really proud of them and I think we did an overall good job, in fulfilling that commitment to delivering those programs to your constituents that you all appropriate in that way.

The standard disaster program, administered the indemnity type of programs that you provided about \$690 million in assistance, while you provided another \$4.5 million in ad hoc disaster assistance for 2018 and 2019 losses and you certainly know what happened in the beet areas and your areas and the sugar beet areas there as well over just getting frozen and couldn't even get them out at all. But then at the President's direction, the \$16 billion in the market facilitation program which is on top of the \$12 billion from 2018.

We are always concerned about the next year but farmers are optimists. They are resilient. That is what it takes to put that seed in the ground every spring. And I think while this year holds its challenges of where we are from lower working capital, farmers are optimist and I was surprised the other day to see the Purdue economic report that the optimism is kind of all-time high for farmers, which was very interesting. We may have a chart about that but it was encouraging to me. Obviously this was prior to the corona outbreak. I think the last numbers were in January, early February, but they are again doing what they have always done.

So it is 2020, a new decade, and I think gives us reason for new optimism, in particularly in light of the new trade demand that we believe we will see through the trade deals that have been consummated in that way. And I appreciate the President using the leverage of his office to secure these deals. The Phase 1 agreement with China, with hard, enforceable numbers there, is going to be exciting.

We are beginning to monitor that as we go forward even in light of the issue with the virus outbreak worldwide. United States-Mexico-Canada Agreement (USMCA) giving certainly again with our nearest trading partners, Canada and Mexico. The \$7 billion in Japan and a lot of other singles and doubles as Ambassador Lighthizer likes to say. So while we have the markets abroad, here at home the 15 billion gallons of conventional ethanol blended in there will be a good thing, with 15 billion gallons assured. And I think again, what we try to do with the access for customers over this E15 is again the higher blends infrastructure incentive program and grants to expand retail and wholesale renewable fuel infrastructure.

And again, we are working in helping to move people from dependency and employment and training programs as well. And all in all, I think ReConnect is important to broadband. We have done,

I think, an admirable job in deploying the money that you all entrusted to us and provided \$751 million in grants for 83 projects, 431,000 Americans for the ReConnect Broadband Program. And you mentioned the fact that we are beginning to tell the success of the American story.

We hear a lot of people complaining about what farmers get but I asked Dr. Johansson here to my right to really calculate what the difference is over what our families and consumers in America pay for their food versus developed Western European countries, and he only chose France. When you extrapolate it among the number of Americans families there, it is \$830 billion more disposable income that American families have versus Western European families. And there are, again, wholesome, affordable, high-quality food there.

So I know while these have been productive years and a lot of anxiety still there, but the optimism is there. And I want to fully answer your questions about the budget as it concerns the Appropriations as you all appropriators talk about the things that you are concerned about there and we will be happy to answer any questions.

But I think that we are going to do everything we can and so we have to implement the programs and the resources that you give us to make sure that we have a good safe food supply going into the future. And I want to thank you for the opportunity to testify this morning. I would be happy to answer any questions at any time.

[The statement follows:]

PREPARED STATEMENT OF HON. SONNY PERDUE

Mr. Chairman and distinguished Members of this Subcommittee, it is a privilege to appear before you today to provide an overview of the Department's proposed budget for fiscal year 2021. Joining me today are Robert Johansson, the USDA's Chief Economist, and Erica Navarro, USDA's Budget Officer.

Since we last met, USDA has worked diligently to implement the 2018 Farm Bill. Among our milestones, I committed to you last year we would offer the Dairy Margin Coverage (DMC) Program, a significant new risk management tool, in June of 2019, and we followed through. Implementation of conservation programs by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) is on track as well, including FSA's 54th Conservation Reserve Program general sign-up, which opened in December—another commitment kept. We established the U.S. Domestic Hemp Production Program in advance of the 2020 planting season and adapted several existing programs to this promising commodity not widely cultivated since 1937.

USDA has continued to work toward becoming the most effective, most efficient, and most customer-focused Department in the Federal government. USDA worked to create rural economic opportunities and improve the quality of life for rural Americans. Rural Development invested in new and improved high-speed e-Connectivity and electricity for 7 million residents and improved water and wastewater infrastructure for nearly 3 million rural customers. USDA also launched an initiative to provide comprehensive and timely support to veterans interested in opportunities in agriculture, agribusiness, and in rural America.

USDA made strides to reduce trade barriers and ensure farmers, ranchers, and food manufacturers and workers can fairly compete against anyone in overseas markets. Examples of our accomplishments include securing full access for beef to Argentina and Japan, restoring market access for poultry and poultry products to China, improving access for wheat to Brazil, and guaranteeing rice access to the Korean market. In our effort to promote U.S. products around the world, USDA led six trade missions that enabled more than 170 U.S. companies and organizations to engage in 3,200 one-on-one meetings with foreign buyers. Our trade missions and 22 endorsed trade shows generated nearly \$3 billion in projected export sales, while

our export financing programs supported another \$2 billion in exports in 2019. President Donald Trump, meanwhile, laid the foundation for a stronger farm economy through trade accomplishments like the Phase 1 Deal with China, USMCA, and trade agreement with Japan, which USDA will look to build upon in 2020.

As we served out our motto to “Do Right and Feed Everyone,” USDA finalized a rule that will encourage more American to enter, re-enter, and remain in the workforce, helping individuals and families start on a path to a better life. The Trump Administration has produced the longest economic expansion in U.S. history, with an unemployment rate of 3.6 percent over 6 million job openings. All individuals deserve the dignity of work and the lasting transformation it provides to achieve their own American dream. Congress asked us in the 2018 Farm Bill to focus on case management and promote the long-term success and self-sufficiency of SNAP recipients and just last week, we introduced a proposed rule that will strengthen the way states serve our customers through Employment and Training programs. We believe that human connection, not just a monthly SNAP benefit, has the power to change people’s lives.

USDA plowed ahead with IT modernization initiatives to improve customer experience. Customers can now discover our national treasures on Recreation.gov or save time and paperwork associated with disaster assistance, farm programs, and H2A applications on Farmers.gov, all using our interactive tools in the palm of their hand. USDA also developed dashboards across eight Mission Areas and seven administrative functions, which provide employees with sophisticated data analytics to improve internal decisionmaking and maximize the impact of customer-facing programs. USDA will continue innovating across the enterprise to achieve faster, easier, and friendlier programs, with a special focus on areas of greatest potential impact on customer service, like expanded payment options for farm programs, automated AGI threshold compliance, and digital acreage reporting. In addition to supporting our customers digitally, USDA has also taken steps to ensure that our offices are staffed with employees that have the expertise that our farmers, ranchers, and rural residents need. I know Members who serve on this Committee and beyond share my goal to ensure USDA is adequately staffed to deliver efficient and effective service for our farmers, ranchers and rural communities. Even as USDA strives for innovation, automation, and business process re-engineering—customers will always count most on our people. For the fifth consecutive year, attrition at USDA outpaced hiring in fiscal year 2019. Our agencies hired 5,002 permanent employees, while 6,954 employees left USDA, most of whom were field based. Already in fiscal year 2020, USDA faces a deficit of hiring to attrition of nearly 600 employees. The pace of attrition places an extraordinary demand on a Federal hiring process that is encumbered with hundreds of pages of requirements that frustrate qualified candidates and hiring managers alike. To help overcome this mounting challenge, USDA was granted temporary direct hire authority from the Office of Personnel Management for field and front-line positions in FSA, NRCS, Forest Service, Rural Development (RD), Food Safety and Inspection Service (FSIS), Agricultural Marketing Service (AMS), National Institute of Food and Agriculture (NIFA) and the Economic Research Service (ERS). We are holding continued discussions within the Administration on solutions to address this challenge. We look forward to communicating with Congress further when those discussions are completed.

2021 PRESIDENT’S BUDGET

The President’s Budget recognizes the overriding need to reduce the Federal deficit, and USDA shares in the responsibility of controlling Federal spending. There are proposals in the budget for USDA that will produce real savings in both mandatory and discretionary spending. The Budget includes proposals to cut programs that achieved their goals or do not work, eliminate wasteful or duplicative spending, streamline government operations, and limit spending to achieve deficit reduction goals. The President’s 2021 Budget lays out a vision for a Federal government that is efficient, effective, and accountable.

USDA’s total budget authority request pending before this Subcommittee proposes a total of \$146.1 billion in 2021, compared to \$147.1 billion in 2020. The discretionary appropriation request for this Subcommittee is \$18.1 billion, which is lower than the \$21.7 billion under the 2020 enacted levels.

For 2021, we will continue to prioritize customer service every day for our customers—the American taxpayers. We will strive to conduct the people’s business efficiently, effectively, and with the utmost integrity. We will promote the ability of America’s agricultural sector to produce and sell the food and fiber that feeds and clothes the world and to reap the earned reward of their labor. By promoting American agricultural products, we will work to remove obstacles and give farmers,

ranchers, foresters, and producers every opportunity to prosper and thrive. Through our programs and working closely with our customers, we will facilitate rural prosperity through the expansion of rural business opportunities and improved infrastructure. We will also work to preserve the land. USDA will continue to ensure that all Americans have access to a safe and secure food supply.

BECOME THE BEST MANAGED DEPARTMENT IN THE FEDERAL GOVERNMENT

As USDA continues to proficiently deliver our programs, the fiscal year 2021 President's Budget supports new and continuing investments in IT modernization to improve customer service and streamline and modernize rural and farm program and service delivery. In addition, the Budget continues support for the business functions of the FPAC Mission Area by streamlining service delivery between FSA, NRCS, and RMA to improve efficiency, effectiveness, and accountability. To maximize the effectiveness of these customer-focused improvements, the Department must modernize its own back-office technology capabilities. The Budget includes an increase of \$31.5 million to begin the transition to a modernized enterprise network in fiscal year 2021.

In the National Capital Region (NCR), the Department is proceeding with the OneNeighborhood initiative to better utilize office space in the Washington, DC Headquarters Complex. The Budget requests \$153 million for the initiative to increase the occupancy capacity through life and health safety upgrades; space re-configurations; and the replacement of outdated building systems. The efforts will allow the Department to reduce its lease costs in the NCR that amount to approximately \$40 million annually.

USDA is implementing the Continuous Diagnostics Mitigation program as required by the Department of Homeland Security. The Budget includes \$49 million to enhance cybersecurity capabilities for safety and security of government data and the network. The Budget provides \$8.5 million to develop and implement a budget spending and execution system that integrates with the financial system to allow the Department better stewardship of resources. Additionally, \$2.5 million will support the Foundations for Evidence-Based Policymaking Act of 2018 and enterprise risk management development to provide an organizational view of risks and allow the Department to gauge which risk are directly aligned to achieving strategic goals and objectives resulting in the highest probability of impacting USDA's mission.

CREATE CONDITIONS SO AGRICULTURAL OPERATIONS CAN PROSPER, FULFILLING THEIR MISSION TO FEED, FUEL, AND CLOTHE THE WORLD

Over the past year, USDA responded to circumstances that tested the resilience of American farmers with initiatives to facilitate economic conditions in which they can prosper. With the help of crop insurance, natural disaster assistance programs, and short-term trade mitigation programs, many producers are managing the stresses of these difficult times and are indicating increased optimism, particularly with expectations that trade partnerships will strengthen in the near future. As we implement the 2018 Farm Bill we will work toward achieving the primary goal of farm programs: to help farmers and ranchers manage risks and continue producing food, fiber, and fuel in good years as well as bad. The Budget provides \$4.6 billion for commodity program payments to maintain an effective farm safety net. Commodity programs are critical components of the farm safety net, serving to provide risk management and financial tools to farmers and ranchers. Approximately 1.7 million farms are enrolled in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, which are helping cushion the financial strain felt by producers due to continued low prices for many commodities.

In addition to mandatory funding provided by the 2018 Farm Bill, the President's Budget provides resources to help agricultural operations fulfill their mission to feed, fuel, and clothe the world. The Budget provides \$8.8 billion for the Federal crop insurance program, enough to provide crop insurance coverage for more than \$100 billion in crop value. Crop insurance provides farmers and ranchers a means to effectively manage their risk through difficult periods. The Budget includes \$79 million to fully support the estimated \$8.9 billion demand for farm loans that provide access to credit to about 35,000 farmers and ranchers to finance operating expenses, refinance debt or acquire a farm. It provides \$1.036 billion for the Animal and Plant Health Inspection Service to protect agriculture from pests and diseases, address sanitary (animal) and phytosanitary (plant) trade concerns, and enforce animal care legislation. For agricultural research and extension activities, the Budget includes a total of \$3.3 billion, including \$600 million for competitive grants through the Agriculture and Food Research Initiative. The Budget includes a total of \$135 million for the National Bio and Agro-Defense Facility (NBAF) including operational

and maintenance activities and funding to transition and expand the Agricultural Research Service and the Animal and Plant Health Inspection Service research and diagnostic programs at NBAF.

EXPAND FOREIGN MARKETS AND PROMOTE U.S. PRODUCTS AROUND THE WORLD

USDA is committed to helping U.S. farmers and ranchers identify and access new export markets and expanding trade opportunities. It is critical that USDA work with the American food and agriculture community to ensure farmers, ranchers, and food manufacturers and workers can fairly compete against anyone in overseas markets. To support this mission, the Budget includes \$200 million to reduce trade barriers that disadvantage U.S. agricultural exports and to open new markets for U.S. farm products. Within this amount, funding is also requested to preserve or expand trade valued at \$8 billion through resolution of foreign market access issues. To facilitate exports to buyers in countries that may not have access to adequate commercial credit, the Budget includes a program level of \$5.5 billion for CCC Export Guarantee Programs to provide guarantees.

FACILITATE RURAL PROSPERITY AND ECONOMIC DEVELOPMENT

When rural Americans have increased access to infrastructure services, rural communities can make even greater economic contributions with healthy families and prosperous businesses. Economic and social science research informs decision-makers on current trends in rural America and gaps in existing markets, which USDA then uses to meet the needs of rural American businesses and citizens. USDA leverages funds and stimulates public-private partnerships to build rural infrastructure including: broadband, community facilities, healthcare services and facilities, and safe and affordable housing to help underserved communities become thriving communities.

In addition to \$690 million in program level for the telecommunication infrastructure program which supports communities with population of under 5,000, the Budget provides \$250 million in budget authority to support broadband loans, grants and loan/grant combinations that will provide high speed broadband services to communities with population under 20,000. It also provides \$30 million in budget authority for broadband grants to rural Americans who currently do not receive any broadband service.

The President's Budget supports \$5.5 billion in loans for rural electric improvements, benefiting over 5 million rural residents annually by expanding the use of smart grid technologies and other security and resiliency improvements. The Budget requests \$1.3 billion in direct loans and \$614 million in grants to improve and expand the water and waste disposal facilities in rural America. The Budget supports \$2.5 billion in Community Facilities Direct Loans and \$500 million in Community Facilities Guaranteed Loans for investment in critical community infrastructure, such as healthcare, safety, and educational facilities. The Budget also provides \$24 billion for the Single-Family Housing Guaranteed Loan Program to enable approximately 160,000 families to enjoy homeownership and \$230 million in multi-family guaranteed loans to support the development of more than 8,000 units for very low-, low-, and moderate-income rural residents. The Budget supports \$1.5 billion in program level in business and industry loan guarantees, which is expected to assist 433 businesses support nearly 11,000 jobs and diversify the rural economy.

Providing additional biofuels infrastructure across rural America will help improve the distribution of higher blends of ethanol and biodiesel and increase the domestic consumption of agricultural commodities. In support of this initiative, the Budget includes \$100 million to support grants and incentives to promote domestic ethanol and biodiesel infrastructure and consumption.

PROVIDE ALL AMERICANS ACCESS TO A SAFE, NUTRITIOUS, AND SECURE FOOD SUPPLY

USDA's nutrition assistance programs help ensure food security by providing access to a nutritious diet with an emphasis on those individuals facing need due to unemployment, recession, disaster, age, or disability. These programs also work to promote well-being by providing assistance to help ensure access to a diet consistent with the Dietary Guidelines for Americans. The Budget includes mandatory funds to support estimated participation levels under current law, including \$68.3 billion for the Supplemental Nutrition Assistance Program (SNAP), \$25 billion for Child Nutrition Programs, and \$5.5 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Participation in these nutrition assistance programs is expected to continue declining with sustained economic growth that enables families to work toward self-sufficiency. The Budget includes nearly \$1.1 billion to fully fund the costs necessary to support over 8,700 FSIS personnel

who ensure the safety of the Nation's meat, poultry, and egg products at over 6,400 processing, slaughter, and import establishments. The U.S. has one of the safest food supplies on the planet. Over the last decade, USDA has modernized inspection systems to align with 21st century technology and to prevent the hazards that we cannot see—the invisible pathogens and microbes that cause foodborne illness. USDA is committed to using the best science and technology available to protect the American food supply and ensure the safety of meat, poultry, and processed egg products.

PROGRAM REFORMS

The 2021 President's Budget includes legislative proposals to reform programs to gain efficiencies, while contributing to deficit reduction efforts. This includes several legislative proposals that were included in the fiscal year 2020 Budget to better target commodity conservation assistance and crop insurance that would generate savings of \$42.1 billion over 10 years compared to current baseline spending. In addition, the Budget proposes to delink the Section 32 program from customs receipts and replace the receipt funding with direct mandatory appropriations. This proposal funds all of the current Section 32 nutrition programs and provides stable funding for surplus commodity donations. The Budget's proposals will ensure stable historical levels of funding for all the nutrition programs that have traditionally benefited from these activities while also increasing transparency, improving operational efficiency, generating savings of \$5.1 billion over 10 years.

The Budget also supports a foundational principle that those who need assistance have access to wholesome and healthy foods. The Budget includes an approach to nutrition assistance that combines the use of traditional SNAP Electronic Benefit Transfer cards with a USDA Harvest Box that contains 100-percent American grown products. States would have the ability to provide choice to their recipients, including innovative approaches for the inclusion of fresh products. The Budget also includes proposals to reserve benefits for those most in need, promote efficiency in State operations, and strengthen program integrity. The Budget includes SNAP proposals that have the potential to reduce waste, fraud, and abuse by limiting opportunities for benefits to be misused or trafficked, along with funding for improved Federal monitoring and oversight and enhanced data matching. Combined, these reforms to nutrition assistance programs maintain the Administration's commitment to ensuring Americans in need of assistance have access to a nutritious diet while reducing the cost to taxpayers by approximately \$182 billion over 10 years.

CONCLUSION

In the face of a growing national debt, the President has offered a fiscally responsible budget that no longer puts off the tough decisions to future generations. At USDA, we will do our part to improve customer service while reducing our economic and regulatory impact. Before I conclude, I want to thank our dedicated employees, without whom our service to rural America would not be possible. In 2019, we asked more of our people than perhaps at any other point: implementation of a new Farm Bill, execution of two Support Packages for Farmers, implementation of a supplemental disaster assistance program and its subsequent revisions, all in addition to their normal operations. It is a privilege to lead OneUSDA, while we strive to "Do Right and Feed Everyone."

Thank you for the opportunity to testify this morning. I would be happy to answer any questions at this time.

Senator HOEVEN. Thank you, Mr. Secretary. Did you have any opening comments either from Dr. Johansson or Mrs. Navarro. Okay, with that then I turn to our Ranking Member for opening statement and then we will go to questions.

OPENING STATEMENT OF SENATOR MERKLEY

Senator MERKLEY. Thank you very much, Mr. Chairman, and I apologize for being late. It is related in a way in that the Senators briefing on the challenge with coronavirus was very intense. Many, many concerns about our response here in the United States and of course so many events happened yesterday and are continuing to happen today as our society adjusts.

I will just to give you all a sense of the root of it. Here in America, we have tested about five people per million and in Korea they have tested about 3,800 people per million. So they are tracking community transfer in a very aggressive and extensive way while we are just kind of getting off the ground here. And it is related to certainly that the FDA is part of the portfolio and I am sure there will be a lot more discussion of that. But again, my apologies.

Shifting directly to the affairs at hand, Mr. Secretary a budget as it is often said, is a statement of values and I am disturbed by some of the values present in this budget. This budget says that the Administration doesn't have much affection for economic development in rural America because it slashes the programs to support that development, including the direct single-family housing loans, and multi-family housing loans, and low-income housing repair loans, the economic impact initiative grants, the real business development grants just to name a few.

And I have heard a tremendous amount of feedback from my community saying, what is going on with that. And this budget suggests that the Administration has an affection for hunger, devastating food assistance that fights hunger in multiple ways including proposals to decimate Supplemental Nutrition Assistance Program (SNAP), eliminate the commodity supplemental food program, eliminate the Summer Electronic Benefit Transfer (EBT), zero out their national food assistance programs. This budget says agricultural research isn't that important. But I can tell you, with a very diverse agricultural base in Oregon, agricultural research is absolutely essential with new threats of all kinds all the time.

So I hope we will have a robust discussion of these items and more. I hear from many folks in Oregon who are concerned that nominees for the resource advisory committees have been waiting for your approval, Mr. Secretary. I would love to have you review those nominations so the committees can plan to distribute funds to rural areas that desperately need it. Thank you.

MARKET FACILITATION PROGRAM

Senator HOEVEN. Thank you, Senator Merkley. Alright, we will go to 5 minute rounds of questioning. Mr. Secretary, the MFP has been really important the last 2 years and I want to thank you for your support on it, your hard work on it. Of course, thank the Administration, the President, and it really has been vital to keeping our producers in the game for both of the last 2 years.

So I guess my questions are, you know, given the coronavirus, given the impact it has on the trade agreements, I am going to ask you what your thoughts are in terms of another round of MFP, which I feel may be needed. Given, you know, as we track events here, we are working on getting the disaster assistance out and we will talk about that.

But if there is another MFP, as you know we funded through this committee, do you have the resources—are you going to need additional resources to do that based on where you are in terms of the Commodity Credit Corporation (CCC) program and so forth?

Secretary PERDUE. Well, thank you, Mr. Chairman. To answer that we would have to really know the timing there and really look at our cash flow within CCC in order to do that. You all were gra-

cious enough last year to replenish that in the normal course of events, which we had calculated the first launch we could handle and you all came through with the funding that allowed us to do that. I am on the record right now of advising farmers not to expect a 2020 MFP.

The basis for that is, again, irrespective of coronavirus, which we don't know exactly the long-term impact of that, but what we know right now is the MFP program was a trade disruption program, not a price support mechanism. That is one of the challenges we had earlier to persuade people. It was about what damages they lost in trade not in price support, both when the talks broke down for China, the President called and said we need to do it again in 2019.

His tweet a few weeks ago, I think, got people excited but it was prefaced by that word if, which is a contingency, if trade is not available, I think the President is prepared to recommend that again. And if it is needed, we will do that. We would hope that the trade does materialize as the enforceable numbers with the Phase 1 another.

Again, the coronavirus is very dynamic. But if the trade doesn't materialize, we are prepared to look at that again. We are hoping for the best. The good news is I think China in the technical aspects is doing what it needs to do to prepare to fulfill their commitment once this epidemic of coronavirus subsides.

DISASTER ASSISTANCE

Senator HOEVEN. The other thing I want to ask you about is now we worked on the disaster assistance and you recently announced the details on the drought, excess moisture, and on the sugar program. I want to thank you for those. I want to thank you for working on them with us.

We deeply appreciate it, very important to our producers. But now we have got the quality loss piece. And as you know, I put forward the SURE, Supplemental Revenue Assistance Payments Program, as a model to use. I think that would work well. Where are we in terms of advancing on getting the quality loss adjustment out under the disaster assistance?

Secretary PERDUE. As you might imagine, Mr. Chairman, the quality loss is a little more complicated, a little difficult to enforce. It is not about something you can measure necessarily. It is very specific to each farmer and each individual crop. We are trying right now to have discussions about what is the best way to proceed forward.

We have your recommendations of the secure program. We haven't had this in a while, haven't utilized I think for over 10 years, and it will be a new rule. So we are currently putting those together. We will consult with different groups and commodity groups in affected regions about quality loss and what should be included in that in order to get the best opportunity to meet the needs of people who have suffered because of the weather quality losses.

Senator HOEVEN. Yes, and as you know, we are trying to keep it moving and I appreciate that you are too, and I recognize that is challenging with all the things you have had to do, but impor-

tant for our producers too—not only in terms of helping reduce uncertainty but with cash flow and to get them transitioned from last year to the next year. So very important that we keep advancing it. And of course that leads into my next question which is staff vacancies.

STAFF VACANCIES

And you and I have talked about this, but I want to make sure that we are providing you, and I think we are providing, you with help, funding, and flexibility, whatever you need. But I know it is a challenge getting staffing so we want to help you with that and I would like update in terms of where you are at and what is helpful.

Secretary PERDUE. Sure. I think the funding that you all provided in a 2020 budget is adequate for that. We are doing—we certainly had plenty of funding for NRCS. As I mentioned to you in your inquiry, it has been very frustrating to me to hire Federal people in these offices going through the formal network. The onboarding process has been extended.

You don't have people in today's economy that are going to wait 100, 120, 140, and 160 days to be offered a job in that regard. We have been given, from the Office of Personnel Management (OPM) some direct hiring authority which we are aggressively utilizing in these offices, particularly on farm loan officers, which is needed very badly.

We are making progress on that. I think the funding that you give is going to be adequate. It is a matter of having the processes in place to utilize those funds as quickly as possible. We are making progress. I can tell you it is all hands on deck from all of our mission areas to make sure we implement the best recruiting tools that we can in order to get the best people in place.

Senator HOEVEN. And again, if your folks will work with our great crew, we will try to help continue to intervene with OPM because I recognize it is a challenge. I mean, I agree with you, but we want to help you there and will continue to weigh in with OPM as you give us ideas on how you can help advance that process.

Secretary PERDUE. I would welcome that and we could really use the help from this committee in order to persuade the administration at OPM that this is needed here.

Senator HOEVEN. Senator Merkley.

SCHOOL MEALS

Senator MERKLEY. Thank you very much, Mr. Chairman. I want to turn to the potential of schools being closed and the impact on school meals since so many children depend on the breakfast and the lunches. I believe you have a waiver program that you have already given several waivers. Is it anticipated that we will go essentially to the summer EBT model or the schools or the community will set up alternative feeding sites for children to be fed? There is confusion about this.

Secretary PERDUE. It would be similar to a summer feeding program, although the waiver, Senator, is for the non-congregate or the congregate waiver. Obviously, with social distancing being the reason they are out of school, you don't want them to congregate.

So what that means is they can get their foods, they can come by and pick up or have delivered their food rather than having to gather, like a summer feeding program, in one location in that way. That is automatically as you said.

We told all the States that while our lawyers tell us that we have to be asked, we told the States the answer would be yes when they asked.

Senator MERKLEY. Some of the non-congregate settings are actually congregate settings so they are going to be asking for more clarification on that. There was non-school settings where people have gathered to get food in this program. So I will follow up with your team in that regard. Turning to the broadband, you mentioned that \$751 million has been dispersed.

BROADBAND

The funds you have for the program are now \$1.5 billion. So that is half the funds. There is also a lot of feedback from the first round of ReConnect and I wanted to ask if you have had a chance to look at the recommendations that have come from the Oregon delegation on how we might modify this so more communities could participate more easily.

Secretary PERDUE. I am not familiar with those recommendations. We would welcome them. But we actually modified the second tranche and those applications are closing I think the 16th of this month in order—my understanding was there was \$1.1 billion that was left unappropriated in that way from the second and third round, and we are including that in the these applications here now. We expect both of them to be oversubscribed as the first round was.

But I have not been exposed to those recommendations of how we can make the program more beneficial, but I can tell you the anecdotal evidence and the responses we have got has been overwhelmingly positive in the places where those programs have been in place.

WILDFIRE AND HURRICANE INDEMNITY PROGRAM PLUS

Senator MERKLEY. I will follow up with your team on that because we had a lot of feedback from our rural communities that it is complex. The Broadband is connected to a variety of technologies for sure and the rules regarding the program. I wanted to turn to WHIP+, Wildfire and Hurricane Indemnity Program Plus. The plus program, has it been set up yet? Is it ready for applications?

Secretary PERDUE. It already has been implemented and I think the Title I type crops were, as of last September, were eligible to come in. Some of the unusual non-standard crops are being issued in block grants in that way. And then as the latest language own the quality and drought and excessive moisture, those are available for applications now. One thing that the chairman mentioned that we don't have the rule out for is the quality degradation rules there, but the others are in place.

Senator MERKLEY. Okay, the hazelnut producers in Oregon have gotten very confusing direction on this. So that is another piece we will try to sort out with your team.

Secretary PERDUE. Let me mention something about them. Obviously, it is a non-standard type of crop where they don't have a history to come in. Many of the delays on some of those is because they didn't have a profile or record of production there.

So we try to work with producers individually to make sure what their historical averages were and what the damages were so we can calculate the right amount. And that is where the hazelnut people are.

HEMP PRODUCTION

Senator MERKLEY. Okay. Well, that is helpful. I want to try to connect the producers and their damage, to the program and figure out how we can get that processed. I will close with hemp. Hemp has many issues on how we adjust to the testing. We have forged a series of recommendations from the Oregon commerce, which I think is similar to the Kentucky commerce in hemp regarding the flexibility on how many days out from harvest do you test, what part of the stem do you test, and a lot of these come down to questions on whether you go over the 0.3 standard or don't.

And millions of dollars of crop is out there. These are very different crops from the 14 percent plus pure tetrahydrocannabinol (THC) so clearly there are hemp but there has been a lot of concern that the design of the rules, they are designed to make it very hard to farm hemp.

And I don't think that is the intent but we need to work with your team to get a little more flexibility because clearly if there is 0.3 or 0.4, it is still clearly hemp not cannabis, if you will, recreational cannabis.

Secretary PERDUE. Certainly true. I think while we fought for a little more flexibility of widening those standards, I believe statutorily the law was constrained in that 0.3. You may know also in the regulations that we had some pushback from the Drug Enforcement Administration (DEA) that really didn't like the whole program to begin with and from a lab testing and others. We made a few modifications as we were able to under the legal statutes and interim final rule.

This is a new, unusual crop as you understand, and we will be very open to ongoing comments as we go forward about what those other flexibilities and make sure that we make it as available as possible for people who want to grow hemp in that regard. But our hands were constrained many times by the interagency process of other people weighing in.

Senator MERKLEY. And it isn't so much to statutory concern on the 0.3 as it is the rules of exactly how you test because—but we will work with you. I think it is very clear this is hemp not marijuana. We need to make that clear to the DEA community. And thank you.

Senator HOEVEN. Senator Leahy.

Senator LEAHY. Mr. Chairman, Secretary Perdue, thank you for appearing today. I have shared Senator Merkley's concerns regarding the Department's hemp rule. It is a crop and I urge you to continue working with us to get it get it right. But I am worried about some of the priorities in the budget proposal.

FARM-TO-SCHOOL INSTITUTE

And I think I know you well enough to wonder how you want to support some of the farm bankruptcies are continuing, your State, my State, all over the country. Climate crisis is looming. Rural communities, and I live in one of them, struggle to survive. But I don't see help for these farmers or our rural communities. The one bright spot in your budget request is your desire to award grants of up to \$500,000 to support farm to school programs. I applaud you for that. I was pleased to see USDA recently awarded two grants of \$100,000 each to support two regional farm-to-school institute.

But the last two Appropriations bills have directed the USDA to use at least \$150,000 to support entities such as a farm to school institute that strengthens the ability of schools to provide this nutrition education. Your Department claims has the statutory limit of \$100,000 but there really isn't because among other things, you awarded a \$1.8 million cooperative agreement focused on producer training.

So my question is simple, under what authority, statutory authority did USDA award the 2019 cooperative agreement and why does the statutory cap apply to support the farm-to-school institute but not to that cooperative agreement?

Secretary PERDUE. Senator, what was the cooperative agreement that you mentioned? I didn't quite understand what that was.

Senator LEAHY. That was \$1.8 million cooperative agreement focused on producer training. That was done in 2019.

Secretary PERDUE. I am not sure I could answer your question. I will get those answers back. Obviously, we thought the farm to school program was going well. I visited one in Senator Baldwin's district and we thought it was a great program. It is going well across there. We felt like the \$100,000 per unit was good. I can't answer the cooperative program on the other, the comparison.

[The information follows:]

Section 18(g)(3)(C) of the National School Lunch Act limits the amount of a Farm to School grant to \$100,000. The directive to use at least \$150,000 of Farm to School Grant funds to support regional farm to school institutes did not change the underlying statutory limit for Farm to School Grants. The cooperative agreement with the National Center for Appropriate Technology to create producer training materials is not a Farm to School Grant where the recipient organization directs and completes a project independently. Instead it is a collaborative project between USDA and the recipient organization to carry out an activity that USDA cannot complete independently. The cooperative agreement contains terms and conditions that clearly outline USDA's significant involvement in the development and implementation of the producer training. It's also worth noting that the cooperative agreement was not funded out of the farm to school program funds generally used to support grants, but rather the funds provided for farm to school program administrative activities.

Senator LEAHY. We are going to work with your staff. I would like a very clear answer on this because we were told it is \$100,000 on the farm to school statutory limit. It is not, it is \$150,000, and that is why I was wondering what the statutory limit on the cooperative?

Secretary PERDUE. Well, you have educated me this morning because I think I was told the same thing, that it is \$100,000.

Senator LEAHY. Well, that is true and maybe you and I could chat.

Secretary PERDUE. Sure.

SCHOOL MEALS

Senator LEAHY. Coronavirus has already caused two school closures in my State of Vermont. Nationally it could affect millions of low-income students who rely on school meals. I like what you said about the flexibility USDA has taken.

What statutory changes would you need to ensure low-income students the necessary nutrition assistance either, through an electronic benefits card or off-site consumption meal distribution, what can we do?

Secretary PERDUE. I think on the low-income schools, I think we have the flexibility that we need, that is why we have indicated to all the States that as they request waivers, they can assume it will be granted in the non-congregate environment way. The challenge is we cannot direct or determine how school systems are going to implement that to get food to kids.

Senator LEAHY. But they want flexibility from you. For example, do you have the authority to compensate farmers who get market loss from closures of schools or farmer markets, and if they then donate their excess products to a food bank or school feeding program.

Secretary PERDUE. I am not sure. I am not aware of any program like that we would have the flexibility.

Senator LEAHY. Make sure you and your office look at that, and if there is something we need, we will try to get you authority because I am always struck by what a school bus driver told me. He goes from a very affluent area in Vermont, Woodstock area, to the surrounding areas, which is far, far less affluent. In the affluent areas, you almost see the parents, okay kids, you got to go to school, push them out the door.

The poorer areas, the kids have been standing out there for half an hour. They are going to get there first and second, probably the only meals of the day, so they are on time. And I know you have a concern about that because chairman, you and I have discussed this too, the hungry child doesn't learn. And that is not a Republican or Democratic idea. I have raised a couple points. We will work with your staff.

Secretary PERDUE. Well, we would welcome that and any other ideas that you may have about how we can implement that and really in order to get to these kids when their schools are closed, how we can get them those meals. Thank you, sir.

Senator HOEVEN. Senator Moran.

FARM SERVICE AGENCY STAFFING

Senator MORAN. Chairman, thank you. Mr. Secretary, thank you and nice to see you. You mentioned something that was highlighted for me yesterday although I am hearing it way too frequently, and that is the lack of staffing at Farm Service Agency (FSA) offices.

And yesterday the Farm Bureau I was in, this was a topic of their conversation with me and concern, and part of it has been described to me as the number of hours that anyone can be on a com-

puter at a particular time or much computer spaces available nationwide, at times just require our farmers to sit and wait. But the larger issue is just the inability or unwillingness of the Department to fill spaces with qualified staff.

And apparently the issue exists in which if you are a temporary employee, which USDA utilizes a lot in our FSA offices, that temporary time doesn't qualify you for that period to be included if you become a permanent employee.

So you mentioned this in your comments and I wanted to offer my assistance in any way that I can to see that the positions that need to be filled are filled, and that the computer system is available for a longer period of time than apparently I understand it to be.

Secretary PERDUE. Well, I want to assure you, Senator, it is not an unwillingness. And if you want to get us out there and help us out here to recruit people to FSA, we are willing to put them on. I think the really torturous process of Federal onboarding in this day and almost low unemployment is a real challenge in order to get people to wait to be offered an on-boarded and Federal job, and doing all the things we have to do for Federal regulation.

RURAL UTILITIES SERVICE (RUS) RECONNECT PROGRAM THE OFFICE OF
MANAGEMENT AND BUDGET

Senator MORAN. I heard the chairman say his willingness to help in that regard if, I don't know if it was the Office of Management and Budget (OMB) or OPM, one or both, please consider me an ally. I have also learned that broadband providers that are structured as partnerships are prohibited from applying for RUS ReConnect program that on the surface doesn't make sense to me and I welcome somebody from the Department or are RUS explaining that to me. If it is something that we need to change in the law or you need to change the rules, which I think is more the case—I don't think this is statutory, I think this is administrative.

Secretary PERDUE. Sounds like it would be an administrative rule. I am not exactly sure that the partnership is being excluded. But that doesn't sound right to me either. We need more—we have used both telephone, local telephone coops, Electric Membership Cooperatives (EMCs), the big providers, sometimes municipalities and counties have been there. So I am not sure what the partnership prohibition is, but we will get back with you.

[The information follows:]

Traditionally, RUS has not allowed general partnerships to be eligible applicants for any of the programs as these types of partnerships are easily dissolved. We do encourage public/private partnerships, but one of the entities must take the role of fiscal agent to submit the application. We will continue to evaluate these types of relationships and will address this further as USDA develops the ReConnect Program regulation.

Senator MORAN. Thank you, Mr. Secretary. I understand if this is the only program in which partnerships don't qualify at Rural Utilities Service (RUS) and I think the same may be true at Federal Communications Commission (FCC) in regard to broadband deployment. You and I had a brief conversation before the hearing began. I would reiterate the importance of a free trade agreement (FTA) with the United Kingdom.

INTERNATIONAL FOOD AID

You expressed the same sentiments and we both agree that if we can pull the United Kingdom away from the European rules and regulations and regard their policies in regard to food safety, food standards that we have a lot to benefit in our beef and dairy pork and poultry industry in Kansas.

So I again offer my help in any way that I can assist you in that regard. International food aid, I wanted to raise a topic. I believe we ought to increase purchases, and I have had this conversation with you in the past, of commodities to put into international food and feeding programs as an opportunity to help feed a hungry world. Seven famines ongoing. Lots—I showed you, I don't know maybe a year and a half ago, a pile, and a photograph of a pile of grain outside an elevator and yet people are starving around the globe.

One of the things I now know is that we are not tapping into the bill Emerson humanitarian trust which has \$281 million in it. My understanding is that it requires a request from the United States Agency for International Development (USAID) to do so. That is your fund. They have to request it. I had a conversation earlier this week in a hearing with Administrator Green and he was going to pursue that concept.

So I am giving you forewarning for telling that. There is an issue that we may be able to do more as we try to address world hunger. And in my final opportunity, I actually have a question which I would have would appreciate an answer. We have an ongoing issue in the Quivira Wildlife Refuge in Kansas. Senior water right holders are the U.S. Fish and Wildlife Service, junior water right holders are irrigation farmers. This is Kansas law and the priority of first in time, first in right.

CONSERVATION RESERVE ENHANCEMENT PROGRAM

The Farm Bill gave USDA, the 2018 Farm Bill gave USDA authority to allow dry land farming on land enrolled in CREP, in the Conservation Reserve Enhancement Program. It was not utilized and that is an important component as we try to work out an agreement between U.S. Fish and Wildlife Service and farmer irrigators in that region to be able to create a Conservation Reserve Enhancement Program (CREP), and not necessarily just go to grassland, but to move in the direction of dry land farming.

We would reduce the consumption of water, obviously, but I would ask you to take a look at this issue and I would welcome your assistance. I was disappointed FSA chose not to implement that program in the 2018 language, and I need some help in getting them to take a look at that.

Secretary PERDUE. Senator, is it a matter that we chose not to or we haven't gotten to that part yet.

Senator MORAN. Well, my understanding is you chose not to implement that provision in the Farm Bill as compared—we are still waiting but maybe if you find out that you are still waiting, I would feel better about that and we can speed up the process.

Secretary PERDUE. Right. I know we prioritize many of those. That may be one of the things we have not been able to get to, but

we will figure that out. And if it has been the fact we chose not to, I will give you the reason for what that decision was.

[The information follows:]

The purpose of the Conservation Reserve Program (CRP) is to assist producers to conserve and improve the soil, water, and wildlife resources of the land. Allowing land enrolled in CRP, including through the Kansas CREP, to continue to be farmed and not devoted to permanent vegetative cover would be inconsistent with the intent and purpose of the program.

Senator MORAN. Thank you. I appreciate it. Appreciate you.

Senator HOEVEN. Senator Tester.

Senator TESTER. Thank you, Mr. Chairman. I want to thank you for being here today, Secretary Perdue and your team. You have done some good things as the Secretary of Agriculture. Some that come to mind are the Broadband ReConnect Program, even though we have got a lot further ways to go and got to walk before you can run, Farm to School Program, I appreciate and a special thank you for the WHIP+ Program. Those farmers were tough, tough shape. They are still in tough shape, but that WHIP+ Program helped out a bunch.

CATTLE PRICES

I want to talk first of all about live cattle prices. As you well know, Montana raises about 2.5 million head of cattle a year. It is a big deal. In Montana, live cattle prices on January 23rd was \$126.90, yesterday they were \$120. Feeder cattle, same date, \$148.52, seven weeks later \$125.25. Cash cattle prices, \$124 January 23rd, yesterday, \$110. The processor, the choice cut out weekly average price was \$214.78. It bottomed out at \$204.50. Yesterday was \$207.64, a 3 percent drop.

What I am telling you is the feeders and the livestock producers are taken 15, 20 percent cuts in their prices and the packers are seeing a 3 percent drop. If price of crude oil drops, you go to the pumping, you see the pump price drops. It hasn't dropped much at all and we have seen significant drops.

Now, that puts a real bind on feeders and folks that are cow-calf operators. But in the end, is there something that we can do to rework these cattle prices so that—I just think the producers are getting gouged in this whole situation and the consumer isn't receiving the prices they deserve either.

Secretary PERDUE. Senator, I am just as frustrated as you are about this. In fact, it became very evident last Labor Day with a Holcomb Fire there on the drop in live cattle prices and the rise in the wholesale Box Beef prices, and we called in all the major processors there and told them we were beginning an investigation to see what some of those causes were.

That investigation is ongoing and I would love to have some solutions. If you have ideas—and this is very concerning to me, the delta that we are seeing between the prices you describe are historically high and I would love to have some tools to operate.

Senator TESTER. We will come forth with some ideas. The problem is that what is going to involve is more Government regulation and nobody wants that.

Secretary PERDUE. That is right.

Senator TESTER. But the bottom line is when you got people that are—look I honestly think, I just talked to a feeder this morning. He has been doing a generational feeder. He says, I am on the cusp of going broke. And bottom line is the reason they are on the cusp of going broke is because the pie isn't being cut fairly at all. And we need to work on that.

CROP INSURANCE PROGRAM

I just said, maybe this is a better question for Dr. Johansson, but there is a very significant cut in crop insurance. I think chairman talked about it in his opening remarks. Can you give me a reason why that is happening? I mean, you know production agriculture. I mean, there is a lot of people in these secretary jobs that don't understand what they are doing. I think you do and that is particularly concerning.

Secretary PERDUE. Senator, I can give you the reason, I think, and obviously this is not a recent thing. OMB has had some issues with crop insurance for a while. Your chairman has been Governor. I have been Governor. We have submitted budgets to the general assembly, our legislators before, and cut programs that we knew they would restore while we put our priorities on other things. And I think you will see some of that going on as well.

Senator HOEVEN. Well, you can rest assured that that one is not going to get cut.

Senator TESTER. I would just tell you that it would be great to get some of those guys in those windowless rooms. They probably have never stepped foot on a piece of farmland, that work in OMB. Come on out. I will invite them to my place. They could pick some rock and they can find out that, you know, it ain't a bowl of cherries out there all the time.

Secretary PERDUE. You and I both agree that the Crop Insurance Program is the best safety net program and really it has really come into its own. And you won't get any disagreement from me.

FARMERS STRESS NETWORK

Senator TESTER. I didn't think so. So in your opening remarks, you talked about farmers being optimistic and resilient. And you are right. Typically that is the way farmers are but we are seeing foreclosures go up in agriculture. I just read an article just earlier this week on dairy farmers that are committing suicide in record rates.

It is not good in farm country. It is not good. Prices aren't good. Folks are getting taken advantage of by packers. It is an isolated population anyway. A lot of times there is not a lot of folks out there that can help them. And for that reason, Senator Grassley and I introduced a bill that dealt with mental health and agriculture, and it involves FSA officers and public service announcements. It is not going to fix the problem, but it is another bullet in the holster to be able to.

I guess my question is, most of the time you would think this is a Department of Health and Human Services (HHS) issue or an Indian Health Service (HIS) issue or a health issue, but I do think agriculture plays a role in this because you are dealing with farm-

ers every day, and your people who by the way who are really, really good people—those FSA people you got are the best.

And I just want to say, what is your view on the mental health situation amongst agriculture producers, and do you think you play any role in being a solution to the problem? And if you do, what would that role be?

Secretary PERDUE. The answer to your last question is, yes. The role was is really difficult to ascertain that way, other than you have seen the relationship between our local offices and the farmers whom they serve. It is a family and they, I think from an encouragement standpoint—economic stress over a period of time, and I think it is mostly featured on working capital as it decreases and you don't know whether you are going to pay out, you don't know whether you are going to be able to borrow money to go again.

That weighs on you in a very tough way, I think, from the standpoint. And what our local offices do as far as serving people and helping them, they can only do so much. We got this farmer stress network. We what we are trying to communicate the farmers is it is okay to talk to somebody.

That is the main, you know, the main thing, and we are there to listen in that way. But it is really challenging of how we can change that curve other than profitability, other than solving the question, the problems you have already talked about.

TRADE CONCERNS

Senator TESTER. I will just say, I look forward to working with you. I think we have got some ideas. You know, this is not breaking news. I have some real frustrations with what the President has done on trade. I think it is a man-made problem. We can either agree or disagree on that.

I don't expect you to but the bottom line is that we have got a crisis in rural America right now. We are going to have to dig up some things we have done in the past to help them. Otherwise, we are going to lose our production agriculture, and that is a National Security issue.

Secretary PERDUE. No question. We look forward to working with you.

Senator TESTER. Thank you.

Senator HOEVEN. Senator Hyde-Smith.

Senator HYDE-SMITH. Thank you, Mr. Chairman. Mr. Secretary, thank you for being here today and for your excellent leadership at USDA. Whether it has been China's unfair tariffs, natural disasters, or so many challenges, you have had a lot on your plate for the last couple of years and I really admire the way you have handled this.

The manner in which your Department has implemented the Market Facilitation Program in response to unjustified foreign tariffs and the Wildfires and Hurricanes Indemnity Program, the WHIP program, in response to the recent natural disasters has helped keep America on its feet when it comes to agriculture. I would also like to take a minute to commend your staff for their level of responsiveness on Congressional inquiries. They are always

just a phone call or a text away in meeting the needs of rural America.

For your Assistant Secretary of Congressional Relations, Ken Barbic, his Chief of Staff Evan Lee, and Senior Advisor Dudley Hoskins, who I have known for many years, and so many others are very available to us and I appreciate that very much.

EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEYBEES, AND FARM-RAISED FISH PROGRAM

But today I would like to draw your attention to a few issues of a concern in Mississippi right now. The Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP), as you know, provides emergency assistance to producers who are ineligible for your typical crop insurance or your commodity programs or other USDA disaster assistance programs. Mississippi is the number one producing State in the Nation for catfish.

Our catfish farmers are having a serious problems with cormorants. It is not uncommon for a large flock to make a home on a catfish farm and wipe out the entire stock of fish. The cormorants cause the domestic catfish industry roughly \$30 million in damages each year. I have witnessed this many times as the Commissioner of Agriculture. Currently, catfish farmers are not eligible for death losses due to bird predation or disease under the existing USDA ELAP regulations.

However, the explanatory Statement accompanying the further Consolidated Appropriations Act of 2020 directs the Farm Service Agency to update its regulations to address these needs within 180 days of its enactment. And since this is a serious problem that we have dealt with for a long time and they are not eligible for the normal conveniences and programs that would assist them, will you work with FSA to ensure the ELAP regulations are modified in a manner to support catfish producers by bird predation and disease?

Secretary PERDUE. I will make sure we are really working with the right program. ELAP, I think is more what I think of in drought for feed and water. Our Livestock Indemnity Program sounds like it may be the more appropriate regulation or program there to deal with the issue that you talked about.

And I think one of the things that we may want to think about is some cost sharing, if there are other solutions such as nets and other kinds of things that can protect these farmers from predation they are getting from the cormorants there. But I believe it would be the livestock indemnity program, but we would be happy to work with your staff in trying to determine what is the best solution.

Senator HYDE-SMITH. Okay, because the definition of livestock, you know, we would have to include catfish there some way. I would certainly ask that, you know, we get together on that to help with that if that is the best program and to identify that solution. Another thing is Okhissa Lake land transfer.

LAND TRANSFER

The Section 8631 of the 2018 Farm Bill authorized the transfer of 150 acres on the Homochitto National Forest to the Scenic Riv-

ers Development Alliance for the purpose of rural economic development in Southwest Mississippi should you determine it to be the public interest. I firmly believe it is in the public interest and that this plan will bring tremendous economic benefits to this rural part of Mississippi if and when the transfer is finalized.

The local interest are working hard to fulfill their obligations and the U.S. Forest Service has worked diligently to carry out its responsibilities. Of course, there are steps that still need to be made in order to comply with the National Environmental Policy Act, the NEPA.

And although I recognize the Forest Service is funded through the Interior Appropriations subcommittee, I wanted to use this opportunity today to share how important this land transfer is to my constituents and reiterate our appreciation for your continued efforts in this project. Everyone down there is really excited about this project and we have some fantastic plans underway. But I just wanted to make you are aware that this is really important to us.

Secretary PERDUE. We will take a look at this. This is another issue that I am sort of frustrated about. It is one of those bubble wrap things that we have wrapped around all these summer land exchanges, particular when it is directed in a statute there.

We just don't move fast enough. I have talked with our Forest Service people about how we can be more accommodating. Obviously, we have to make sure the NEPA rules and all those things apply, the values and that way but I am not sure when that was—I am not sure what year that was, but I am always frustrated at how slowly we move in those land exchanges, but we will get you an answer over the prospect of when that can be completed.

[The information follows:]

Several steps including the timber cruise and official land survey have been completed. NEPA and National Historic Preservation Act compliance is expected to be completed in Spring 2020, followed by the land appraisal. Conveyance is anticipated for Fall/Winter 2020.

Senator HYDE-SMITH. Thank you very, very much.

Senator HOEVEN. Senator Udall.

POLYFLUORINATED ALKYL SUBSTANCES (PFAS) CONTAMINATION

Senator UDALL. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for your very hard work for the Nation's farmers. You know, Mr. Secretary, last year at this same hearing we discussed the troubling impact of PFAS contamination on dairies in my home State of New Mexico. I asked to help ensure that programs just like the Dairy Indemnity Payment Program and the Livestock Indemnity Program be used to their fullest extent for assistance. I believe you are committed to that assistance and acknowledge that the Government had a responsibility to help.

Instead, the USDA has ended up revising its Dairy Indemnity Payment Program to put an end date on the assistance. My colleagues and I use the Appropriations bill to include report language urging you to purchase and remove contaminated cows from the market rather than paying for prolonged monthly production indemnities.

We also sent you a letter on February 7th urging this same outcome. As a comparison, USDA has already paid over \$20 billion to

compensate farmers for the impacts of trade disputes with China and other nations. These dairy farmers with PFAS contamination face ruin as a result of pollution from Federal Government facilities. Can I get your commitment to resolve this situation without further delay?

Secretary PERDUE. Senator, it is my understanding that is exactly—we have been moving along fairly progressively certainly with the one area that I am familiar within your State and I think we are very, very quickly. We had to get permission, certainly, from FDA, over the residue levels of PFAS there where it could determine what we could do with the cattle there. But I think that is exactly what we are doing. I will get you a resolution date on that.

[The information follows:]

We are trying to find a buyer for these cows.

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Senator UDALL. Great. Thank you. This has, as you know, been going on for too long and incurring a great deal of unnecessary stress and strain. I had a question on Environmental Quality Incentives Program (EQIP). We have traditional Hispanic communities in New Mexico known as land grants that have existed since the Spanish colonial days dating back 400 years.

Many of these also have irrigation ditches dating back to that time and they are called . These communities and farming practices are a treasured part of our traditional culture and agriculture in New Mexico, and I have worked for years to make sure these entities are eligible for the Environmental Quality Incentives Program.

I made sure that the 2014 Farm Bill allowed USDA to enter into alternative agreements with them yet we have heard from our stakeholders at there is still not clear confirmation from USDA regarding the eligibility of acequias in the EQIP rules.

Mr. Secretary, can you commit that USDA will give New Mexico land grants and acequias clear guidance soon so they can successfully access EQIP funds?

Secretary PERDUE. I am disturbed that it hadn't been done already at your direction and I will assure you that we will get that done.

AGRICULTURAL MARKETING SERVICE PROGRAMS

Senator UDALL. Great. Thank you very much. We look forward to working with you on that. We also are very proud of our green chilies. We have, as you know, an incredible product in New Mexico. People have been growing this.

Our official State question is red or green, whether you are for green chili or red chili, and these chili growers, along with other specialty crops, have benefited from the Specialty Crop Block Grant Program and the National Organic Program.

And so I want to go on record and express my concerns that the Agricultural Marketing Service is facing a 20 percent cut. The Specialty Crop Block Grant Program is flat in your proposed budget, but the National Organic Program is cut by 33 percent.

So I hope we can do better there. My question to you is this, however the final levels come out, however they come out, will you help us to ensure that New Mexico Chile growers can benefit to the maximum extent possible?

Secretary PERDUE. We will do that. Your Secretary of Agriculture, Mr. Witte, is make sure that I understood the power of green Chile.

Senator UDALL. Yeah, that is it. Well, thank you. Thank you. And then finally, I have a question for the record on the SNAP program. And as you know, that is a very important one for New Mexico, and we will submit that one for the record. Thank you so much for your hard work again, Mr. Secretary.

Senator HOEVEN. Senator Baldwin.

DAIRY FARMING

Senator BALDWIN. Thank you. Secretary Perdue, in July of 2019, President Trump visited the State of Wisconsin and said to our farmers that they were, “over the hump.” I want to share with you the story of Paul Adams from Oliva, Wisconsin. Paul is an organic dairy farmer and last week he had to close his dairy farm. He sold off his herd of more than 600 cows.

The farm had been in his family for 148 years. His daughter Becky had planned to take over the farm from him one day, but that day will never come and if Mr. Adams were sitting here right now today, I would like to hear what you would say to him.

Secretary PERDUE. I would say I am sorry. And obviously, we all know the dairy farming has been under duress. What you all did in the 2018 Farm Bill was a big help. The 2014 Farm Bill did not perform, regarding dairies, as we had hope. And the long-term losses that were incurred—but what you all did in the Dairy Margin Coverage Program in the 2018 Farm Bill, I am disappointed that this family was not able to benefit enough there to survive.

Senator BALDWIN. Thank you. I want to follow up in terms of the funding of some of those programs that we did get into the 2018 Farm Bill because in Wisconsin we have lost 2,060 dairy farms since President Trump took office. This year, my State continues to lead the Nation in farm bankruptcies and President Trump was wrong when he said our farmers were, “over the hump.” They are not and this Administration needs to do better for family farmers in Wisconsin.

EXTENSION SERVICE

Here is some actions I would like to see happen. First, USDA can take action right now to ensure that there are local extension experts who can help farmers navigate their financial options and figure out how to keep farming if that is what they want and ultimately to help them better secure their financial future, whether they are keeping or selling the farm. Second, the President’s budget eliminated funding for the dairy business innovation, an initiative that was included in the 2018 Farm Bill.

I want President Trump to reverse that budget cut and work with me to increase funding for this very important initiative which supports dairy product innovation so that our farmers can modernize their plants and develop new value added dairy products

and reach new markets. Third, farmers first grant funding provides mental health resources for farmers and agricultural workers facing severe stress during these difficult times. Last year this committee provided \$10 million to respond to these challenges.

USDA needs to take action and get this funding to the farmers who need it. And this year, the President has proposed a \$2 million cut in his fiscal year 2021 budget to this program.

And I am calling for the President to reverse that budget cut and work with me to restore funding. Can you commit to taking these actions on behalf of family farmers in Wisconsin with me?

Secretary PERDUE. Senator, we are going to commit to do everything we can. We believe that \$10 million has been dispersed in that way, in that area. You know that we provide capacity grants through NIFA on extension services, but the extension officers are operated by the State in that way, usually through the land grant universities.

But many of them have programs over the mental health issues in that way as well. I thought we had identified Wisconsin as one of those centers of excellence also in the dairy program to help in that way. We will work with you.

Senator BALDWIN. The funding has been totally eliminated in the 2021 budget proposed by the President. We need to restore this funding going into the future. I will have an additional question for the record relating to hardwood issues and trade aid that I will send to you as soon as I can. Thank you.

RURAL INNOVATION STRONGER ECONOMY GRANT PROGRAM

Senator HOEVEN. A few more questions for you, Mr. Secretary. Rural Innovation Stronger Economy Grant Program was authorized in 2018 Farm Bill and we funded it \$20 million—or \$5 million in the 2020 budget. So with the funding we provided, when will the program be stood up?

Secretary PERDUE. We are hopeful we can begin very quickly. You are aware that I toured one of these types of innovative farms in your State, the grand farm there that envisions right in line with what our Ag innovation summit and our Ag innovation program wanted to do with expanding the horizons there from technology, precision agriculture, and others. So I don't know, I would think probably certainly later this spring we should have that money designated and awarded.

BROADBAND

Senator HOEVEN. Good. And we appreciate you coming out. They are off to a great start. It is going to be a fantastic partnership. Also on the broadband ReConnect pilot, I mean the project is a huge project and very important in connecting all the rural America.

I guess one question I have is, what efforts are you taking to prevent overbuilding of the already existing facilities by assuring that awards aren't given to areas where broadband services are already offered or to areas where a Federal or State broadband award has already been made? So kind of that duplication thing.

Secretary PERDUE. Sure. Your statutory language is very clear in that regard and that is one of the reasons that we have an exten-

sive application process. We go around and check that service so we are not overbuilding but these are in unserved, underserved areas.

The flexibility you all gave in the last appropriation though also helped. What we were finding was a census block was determined to be served if there were one or two houses in a census tract and the rest of them weren't.

And so the flexibility of the 10 percent helped in that way, but we are actually auditing and ground checking to make sure we are not overbuilding as it has happened in the past.

BEEF TRADE

Senator HOEVEN. That comment right there shows you know of what you speak because that is exactly right. There is a difference between a house two men covered and having coverage. And so that is very important. I want to associate myself with the comments that Senator Tester made on beef. I am very concerned about the concentration in the industry, concerned about transparency in pricing.

I appreciate your comments. I have talked to Greg. I know he is working on it. We need to get some help for our producers out there, no question about it. And so I am glad you are working on it and if there are ways that we can help you in that, we need to do it.

Brazilian beef. Obviously, our producers are concerned about Brazilian beef coming in and want to know that you are inspecting. Are you going to expect 100 percent of the beef imports or how are you making sure that this is properly handled?

Secretary PERDUE. We audited several of those. As you know, we operate on an equivalency. We suspended their ability to import in the United States for over 2 years, and our chief of Federal service, inspection service went down and determined the equivalency was there. But we still have stepped up inspections here over beef coming in and will continue that until they have earned the right to be totally back on a normal inspection cycle.

CHRONIC WASTING DISEASE

Senator HOEVEN. We included funding for chronic wasting disease, including \$5 million for State Departments of Wildlife and State Departments of Agriculture. Have you figured out how you are going to disperse that out?

Secretary PERDUE. I think that is going really through the Animal and Plant Health Inspection Service (APHIS and Agricultural Research Services (ARS), and I don't know specifically where they are in that award, but I can get back with you. As you know, that is another frustrating issue and probably over half the States in the country with chronic wasting disease and working with State wildlife agencies as well.

[The information follows:]

APHIS is organizing a Summit in early May to bring together the wildlife and farmed cervid stakeholders, and to identify objectives that will be used to determine the distribution of funding among these stakeholders. The Agency is currently planning to host the summit in Ft. Collins, Colorado from May 5 to May 9, and is work-

ing on a contingency plan to host the meeting virtually should travel restrictions remain in place at that time.

Following the Summit, APHIS will provide \$3.225 million to States through cooperative agreements. The remaining funding will support the Summit and other agency costs, including agency coordination and indemnity costs.

Additionally, ARS received an increase of \$1 million in fiscal year 2020 for chronic wasting disease (CWD). The National Animal Disease Center in Ames, Iowa is expanding its CWD research program to 1) support the development of a control program based on the genetic selection of CWD resistant deer and elk and 2) the development of sensitive antemortem diagnostic tests that can be deployable for use by State diagnostic laboratories.

TRIBAL STUDENTS PROGRAM

Senator HOEVEN. Right. Senator Tester brought up the crop insurance. And again, I will sort of associate myself with his comments. That is our number one risk management tool. We are going to fund that. Hemp, I thank the ranking member brought that up. There is a new program for Indian Affairs and this we are very interested and supportive of this tribal students program.

Can you give me an update in terms of where you are? It is a—we provided \$5 million in funding under the new beginnings for tribal students program for fiscal 2020. South Dakota State, for example, has a program. Do you have an update on that one?

Secretary PERDUE. Say again, which program now?

Senator HOEVEN. It is the new beginnings for tribal students, Native Americans. It is a cooperative program with the universities and Native Americans—land grant universities.

Secretary PERDUE. Yes. My understanding is we are moving along with those capacity grants and the 1,890 scholarships as well. I think that program is right in there with those and we have notified those schools of the scholarship offerings and they will be available for the fall.

FOOD FOR PEACE PROGRAMS

Senator HOEVEN. The Food for Peace programs. Again, we are going to fund those. Do you have comments on the budget regarding this?

Secretary PERDUE. No. We visited with Director Beasley of the program when we were in Rome and he told me we met with the people there and the FA about the need for that and helping to really—in the conflict where people are migrating and food insecurity, we believe that it is a good program that really serves people that are in a tough situation from a hunger perspective.

GOODFELLOW BUILDING

Senator HOEVEN. Last question I have is on your Goodfellow Building in St. Louis. Timeline for the move, plans for the move, and so forth.

Secretary PERDUE. Yes, we have gotten progress over more space of where we are going to move in a way and get people out of there as quickly. The good news was in the safety analysis we did, requested by some of the employees, we found no evidence of any kind of harmful substances or any problem that they had with employees, but it is evident we need to be out.

Senator HOEVEN. Okay. Alright. Senator Merkley.

HEMP PRODUCTION RULE

Senator MERKLEY. Thank you, Mr. Secretary. I want to return to the hemp issue. It was potentially \$1 billion crop in my State and therefore it is of great tension. And in fact, if it hit that and it depended on the drawing and the processing, it would have been the largest agricultural crop in the State of Oregon last year.

The under the interim production rule. A couple pieces. Your Department has said they would delay enforcement over the disposal portion of the rule and requirement of using DEA labs because there weren't labs. That was one of the comments that I had forwarded back to you.

Secretary PERDUE. That is right. Those are the two things that we were—

Senator MERKLEY. And that the USDA is going through a two-year process of evaluating the information on the interim rule to develop a final plan. Is it appropriate to refer to this interim rule as a draft plan given the evolving changes in the evaluation?

Secretary PERDUE. I would think you would. The problem is that on an interim final rule, our lawyers explained to me, once it is set, unless there are minor changes and that, you can't change it until you go to the notice of proposed rulemaking.

Where we are, I would functionally say it is a draft plan. This is a very unique crop, as you know. We were learning as we were going and we tried to nail it as best as we could. We had some pushback, as I indicated, in other agencies and I would think your characterization of a draft is a good one.

Senator MERKLEY. This goes to a question about the States that are under the 2014 hemp pilots because the language was that they could be under the pilot until 1 year after the Secretary establishes a plan. And whether you interpret that as a draft plan or a final plan affects the 2021 growing season.

The 2020 growing season, I think everyone agrees, can be under the hemp pilot, 2014 hemp pilot, but it would be very helpful to the States of Kentucky, Oregon, North Colorado, Vermont, about 10 States that are still hoping to operate in the 2021 growing season under the 2014 rules so we can work out these issues I was raising, the 15 days, the how much of it exactly, what part of the plant you test, whether or not you count a molecule that is being counted as THC that isn't quite THC.

There are a series of things that could turn 0.3 and 0.4, and have people destroying very valuable crops that are clearly hemp crops. And so I wanted to work with you to see if we could get those States an additional growing season as we work out the details around this.

Secretary PERDUE. Senator, my preference would be to resolve the issues from our Federal rule, if we can, by that 2021 growing season, certainly for the Oregon's and the Kentucky's who have had experience in this crop. If we cannot, I will be absolutely, as flexible as the law allows, in order to perpetuate the 2021 under the State rules of 2014 in that area if we can't resolve the main issues that the States that had those 2014 laws resolved.

Senator MERKLEY. That would be very helpful. Thank you. The vast amount of the production is happening in a few States right

now that is part of the reason that it is so crazy right now is it is a very expensive to plant crop and not knowing exactly how these things are going to be nailed down, is affecting a lot of uncertainty of whether people should invest in drying sheds, drying processes, processing facility, so on and so forth. Without those, the crop molds in the field, if you will.

Secretary PERDUE. Right. Well, we have asked our undersecretary and marked a regulatory program to continue to look at things that we feel like we can do under the guise of the interim final rule to match up with where the States were in their 2014 rules in order to reconcile any differences and resolve those. Our goal was to have really all the States under the Federal umbrella, but we understand why some States chose not to.

SNAP-RULE CHANGES

Senator MERKLEY. Thank you. Thank you very much. I am going to just close with my concerns on some of the SNAP rule changes. I know one is on hold because it is under—being adjudicated by the courts on categorical eligibility, but essentially this says if you qualified for a school lunch program, Medicaid, and so forth, you don't automatically qualify for SNAP. It is very hard for single parents with children to go to five different places to apply to five different programs.

We often talk about efficiency in Government programs. Having to apply separately for every program, the complexity of that is just extremely difficult on ordinary families and especially with chaotic work schedules, etc. And so I am hoping that that strategy will change and not just because it is in the courts, but because it would make sense to have the efficiency of categorical eligibility. It affects 3 million people, a lot of mothers, a lot of mothers with children, and I am hoping we can get that worked out regardless of the court's decision. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator HOEVEN. Thank you, Mr. Secretary. We appreciate you being here and answering all of the questions put forward by the committee. And for members of the committee, any questions that you want to submit for the hearing record should be turned into subcommittee staff within one week, which is Thursday, March 19th, and we would appreciate if we could have responses back from USDA within four weeks of that time, if that is workable.

QUESTION SUBMITTED BY SENATOR JOHN HOEVEN

FEDERAL CROP INSURANCE ENTERPRISE UNITS

Question. The issue of establishing separate enterprise units for crops under the Federal crop insurance program has emerged in several regions of the country. In North Dakota, producers have single enterprise units covering both Spring Wheat and Durum. However, these are two different crops with different loss ratios and growing histories. Combining them into one enterprise unit can adversely affect the production history of one crop over another, which in turn lowers a producer's insurance guarantee and any indemnity that may occur.

What is the status of RMA's efforts to review and develop separate enterprise units for Spring Wheat and Durum?

Answer. USDA is planning to implement changes to allow separate enterprise units for Spring and Durum wheat. The Risk Management Agency (RMA) plans to have this change implemented as early as the 2022 crop year.

QUESTIONS SUBMITTED BY SENATOR SUSAN M. COLLINS

CROP PROTECTION AND PEST MANAGEMENT ACTIVITIES

Question. Mr. Secretary, at last year's hearing I cautioned against the Administration's proposed elimination of the Integrated Pest Management Program, as well as the Minor Crops Pest Management Program (commonly known as IR-4). You agreed with me on the importance of these initiatives, and I was pleased that this year the Administration is not proposing to cut these critical programs. Thank you for your support.

Just last month, the University of Maine's Cooperative Extension Potato Integrated Pest Management program was awarded more than \$550,000 to further research that will improve breeding and quality for potatoes in the Northeast. As one of four universities to receive this Federal grant, UMaine aims to develop new varieties of stress-tolerant, disease- and insect-resistant, visually attractive potatoes to enhance marketing opportunities, farm sustainability, and profits for large and small farms alike.

UMaine has a proven record of successfully converting research dollars into tangible results. For example, in 2016, UMaine partnered with the Maine Potato Board to develop the Caribou Russet variety—named after my hometown—which has become renowned for its high-quality and has boosted Maine's industry.

Mr. Secretary, will you commit to continuing the Department's investment in crop protection and pest management activities, which fortify our farms and help prevent massive agricultural and economic losses?

Answer. USDA remains committed to investing in the development and implementation of new ways to address complex pest management issues. The National Institute of Food and Agriculture (NIFA) continues to administer and provide leadership for a broad portfolio of Integrated Pest Management (IPM) programs. In addition, funding for grantees engaging in crop protection and pest management activities is also available through the Agriculture and Food Research Initiative (AFRI), the Specialty Crop Research Initiative, the Emergency Citrus Disease Research and Extension Program, the Organic Agriculture Research and Extension Initiative, the Crop Protection and Pest Management Program, and through Hatch and Smith-Lever Capacity Programs.

TRADE MITIGATION PROGRAMS

Question. Mr. Secretary, I sent you a letter last week outlining the plight of small- and medium-sized apple growers in my state who are facing challenging times due in part to recent domestic and international trade disruptions. I appreciate the prompt Answer you provided earlier this week.

In previous correspondence on this issue from last fall, you highlighted the fact that USDA had awarded \$10 million to the Washington Apple Commission through the Agricultural Trade Promotion Program (ATP). While I appreciate that this funding could help to stabilize the domestic market by promoting exports of western U.S. apples rather than sending them to eastern U.S. markets, I have noticed a worrisome trend in how the USDA has been administering trade aid relief.

Maine apple growers—including the ninth-generation family that has been growing apples at Ricker Hill Orchard in Turner since 1803—have told me that these payments have benefitted large agri-businesses and did not provide direct assistance to the smaller growers in the Northeast. I have heard similar concerns from Maine blueberry growers, who were deemed ineligible for USDA's Market Facilitation Program funding despite the inclusion of tree nuts, cherries, grapes, cranberries, and ginseng in the program.

How will the USDA ensure that small- and medium-sized agriculture operations such as those run by Maine apple and blueberry growers have the support, they need to weather the trade instability—especially in light of such significant payments to massive agricultural corporations?

Answer. USDA's trade mitigation programs were developed to assist all U.S. farmers and ranchers who were unfairly targeted by trade retaliation, irrespective of operation size.

ORIGIN OF LIVESTOCK RULE

Question. Organic farming is on the rise in my state. According to USDA's 2017 Ag Census, the total organic product sales for Maine reached \$60 million that year, which is a considerable jump from only \$37 million in 2012. Despite the success of Maine's organic sector, I continue to hear from farmers across Maine about how important it is for USDA to finalize its Origin of Livestock Rule, as the current loophole creates disadvantages for smaller organic producers. Just this week, an organic

dairy farmer from Bo Lait Farm in Washington, Maine, raised this issue with me. Last summer, I visited Rainbow Valley Farm in Sidney, Maine, and saw firsthand how much care and time is required to raise organic-certified animals.

I successfully advocated for bill language in the fiscal year 2020 Agriculture Appropriations bill that directed USDA to finalize the Origin of Livestock Rule within 180 days of passage, which would fall around mid-June of this year. The comment period closed over 3 months ago, and the overwhelmingly majority of comments received were in support of the proposed rule. I understand that this rule has not yet been sent to the Office of Management and Budget for review, which could hinder USDA's ability to meet the congressionally mandated deadline.

Can you provide me with a status update on the Origin of Livestock rule and whether you expect it to be finalized by the deadline set by Congress?

Answer. The Origin of Livestock rulemaking continues to be a regulatory priority. USDA recognizes that Congress was expecting a final rule by June 2020, and last fall, the program was confident it could meet Congress' deadline for that rule. However, as the final rule was drafted, specific legal questions and complexities became clearer. While there is broad support for a rule, the topic involves a complex set of policy variables. USDA needs to address the legal concerns in a way that will truly address the underlying need and organic industry participant goals. Given these factors, the program is currently evaluating the best path forward, and is not able to commit to a specific timeline.

FOOD INSECURITY

Question. Another issue I would like to raise today is food insecurity. Maine is one of the most food insecure states in the country—nearly 14 percent of Maine households are food insecure, a rate far higher than the national average of 11.7 percent. This includes one in five children in Maine and 16 percent of Maine seniors who are at risk of going hungry.

Progress is being made, but as these statistics demonstrate, hunger is not going away—in Maine or across the country.

Yet, the Administration's proposed budget includes major restructuring of the SNAP, or the food snap program, which amounts to billions of dollars of cuts over the next 10 years. It also proposes significant reforms to the School Lunch and Breakfast Programs, which served early 25 million lunches and over 14 million breakfasts to Maine students last year.

How will the Department provide all Americans access to a safe, nutritious, and secure food supply, when USDA's nutrition assistance programs are proposed for budget cuts and harmful regulatory changes?

Answer. The President's budget request for USDA fully funds the major nutrition assistance programs to meet projected need in fiscal year 2021. However, it also includes proposals for Congress's consideration to improve program operations and effectiveness in line with our goals to improve customer service, promote strong integrity for taxpayer funds, and maximize the power of these programs to help participants achieve better futures. Similarly, USDA has used its regulatory authority to improve and strengthen the Federal nutrition programs in these areas.

The great majority of potential budget savings is related to the America's Harvest Box proposal, which would convert a portion of Supplemental Nutrition Assistance Program (SNAP) benefits into a box of nutritious foods. This bold proposal harnesses USDA's purchasing power and America's agricultural abundance to ensure that all SNAP recipients receive the nutritious food they need cost-effectively. It is specifically designed to reduce cost without reducing the amount of food that participants receive.

The proposals related to child nutrition programs are designed to strengthen the school meals verification process to achieve lower rates of improper payments and make adjustments to Community Eligibility for free school meals to better target benefits to students in need. They would also expand Farm-to-School grant limits and streamline programming so States can expand their reach, scope, and impact. By improving efficiency and integrity, and increasing public confidence, these kinds of changes help protect the role of nutrition assistance in providing Americans a safe, nutritious, and secure food supply.

RECONNECT

Question. Secretary Perdue, USDA's Rural ReConnect program has played an important role in expanding broadband access in rural areas and upgrading our digital infrastructure. I am delighted that USDA recently announced nearly \$10 million in grants to expand broadband access in several communities in my state—Arrowsic,

Monhegan Plantation, Roque Bluffs, and Biddeford—which will make a real difference to those who live there.

Often, however, small towns struggle with the complexity of the Federal grant application processes. One town told me they have had their applications disqualified because they did not include information in the grant request they were unaware the Department required. In another instance, a small town nearly lost a grant it had been awarded because paperwork that needed to be signed and returned quickly was sent to the town over the holidays. What unites the stories I have heard is the simple fact that small, rural communities often don't have the staffing and resources to manage complex grant applications without assistance.

Have you considered providing greater assistance to communities like these, to ensure that they don't miss out on broadband grant opportunities due to technicalities?

Answer. Yes, the agency is exploring options for providing additional technical assistance directly to prospective applicants.

QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

RECONNECT

Question. Secretary Perdue, I appreciate the work that RUS is undertaking, through the ReConnect program, to expand broadband in rural areas, as well as your commitment to continue to look for opportunities to improve it.

One issue I've heard is that some providers still can't take advantage of the change RUS made to enable subsidiaries to apply for funding because a brand new subsidiary, for example, would not hold the necessary authorizations to access public rights-of-way to deploy broadband.

Would you commit to work with stakeholders on further options to enable more providers to apply for the program, while still ensuring that this valuable funding is protected?

Answer. Yes, additional flexibilities were added to our last funding announcement in order to enable subsidiaries of existing service providers to apply for funding. We understand many providers require facilities and/or services from a subsidiary to ensure their project gets completed, and we will work with our stakeholders to ensure all qualified providers are able to access the funding available through our ReConnect Program.

QUESTIONS SUBMITTED BY SENATOR JERRY MORAN

CENTER FOR VETERINARY BIOLOGICS

Question. USDA's Center for Veterinary Biologics plays a vital role in ensuring that veterinarians and producers have a reliable supply of safe and effective vaccines to prevent animal disease. It has been difficult for CVB to maintain enough staff to keep pace with demands.

Are there hurdles to filling these roles through the Federal hiring process?

Answer. Yes, there are hurdles to filling positions and maintaining staff at the Center for Veterinary Biologics (CVB). It can be difficult for the Federal government to compete with the biologics industry for qualified candidates. The industry's salaries and additional benefits often significantly exceed what the Federal government can offer for the same level of position. In addition, we face challenges in hiring future veterinary medical officers, as we are not able to offer applicants positions until they graduate and meet the required education level. With flexibilities in job offerings, we could offer positions contingent upon graduation and a 1 year service commitment.

Question. What avenues are open to USDA for granting direct hiring authority to fill these needed roles?

Answer. The Office of Personnel Management has granted USDA direct hire authority for the Veterinary Medical Officer position and various other STEM (Science, Technology, Engineering, and Math) fields employed by the Center for Veterinary Biologics. We have used this authority, along with other special hiring authorities such as those available for veterans and individuals with disabilities, to the extent possible to fill vacancies at the Center for Veterinary Biologics.

QUESTIONS SUBMITTED BY SENATOR JOHN KENNEDY

JBS BRAZILIAN MEAT COMPANY

Question. Wesley and Joesley Batista, owners of the Brazilian meat giant JBS, have been found guilty of a major criminal conspiracy. And their illegal activities have clearly funded JBS's significant ag acquisitions in the US.

Does this concern you?

Answer. Yes, this is a matter of concern for USDA. The department's component agencies who have business dealings with JBS and its affiliates reviewed their financial assistance and contract awards to determine what impacts this information will have on USDA's business dealings with JBS et al.

Those JBS entities in the US received very large amounts of USDA supplemental aid in the last year. We looked into USDA's financial assistance and contracts with JBS and its affiliates and considered if suspension or debarment actions are warranted.

From 2010 to present, USDA has awarded \$225 million in contracts and \$2.9 million in financial assistance. No financial assistance awards have been made since 2017. Contracts for fiscal year 2019 and fiscal year 2020 are \$220 million.

Question. In light of all this, why hasn't USDA considered suspension and debarment of JBS entities?

Answer. USDA component agencies reviewed their interactions with JBS and its affiliates to determine if suspension or debarment is warranted and determined that no action is required at this time. The awards were already closed out and no new contracts or awards are currently open with the company or its affiliates.

Question. I know you said in a House hearing that other agencies like DOJ were possibly looking into JBS Issues, but doesn't USDA have an independent responsibility related to suspension and debarment under its programs?

Answer. Yes, USDA does have a responsibility related to suspension and debarment. USDA agencies looked into their interactions with JBS and its affiliates and determined that no further action is required because all awards were made in the past and have been closed out.

NATIONAL FINANCE CENTER

Question. Given your 2019 letter to the Appropriations Committee regarding the transition of the NRC to the GSA,

What is your plan for the future of the National Finance Center?

Answer. Although the Office of the Chief Financial Officer (OCFO) continues to collaborate with the General Services Administration (GSA) concerning its development of a Federal-wide NewPay Software as a Service (SaaS) solution, no substantive planning for transitioning the National Finance Center's (NFC) payroll systems services and supporting staff has occurred since USDA's April 24, 2019 letter to the Appropriations Committee. OCFO continues to operate NFC with the mission of providing robust payroll, time and attendance, benefits administration, and human resources services to its customer agencies across the Federal workspace. We will continue to have collaborative discussions with GSA and keep Congress apprised should additional progress be made.

NEWPAY

Question. There are serious transparency concerns surrounding the NewPay program at GSA, especially these costs. Given these concerns, what role do you think the National Finance Center should have in the implementation of NewPay?

Answer. NFC representatives, along with representatives from the other Federal Shared Service Providers (SSPs), continue to work with GSA as the OMB-designated Quality Services Management Office for Civilian Human Resources (HR) Transaction Services. NFC's role in the NewPay implementation is limited due to the lack of funding. However, as the largest civilian payroll provider, NFC's experience should be leveraged and considered for system development, modernization, and policy planning efforts that may ultimately impact payroll servicing for Federal agency customers.

Question. Should the National Finance Center sever a project management role in NewPay?

Answer. NFC continues to provide its expertise as requested to the GSA NewPay team to evaluate data and comment on policy matters that will impact the design and configuration of the New Pay SaaS application. NFC does not currently have the resources (people or financially) to serve in a project management role.

RECONNECT

Question. What is being done to ensure that the dollars meant to facilitate reliable Internet in rural America are being fully utilized?

Answer. The successful implementation of our ReConnect Program is a priority for the agency. We have devoted significant staff and financial resources in order to stand up the program and ensure its success. In our first round of funding the agency awarded over \$700 million in funds which will help to expand broadband service throughout 33 states and territories. Under our second funding window, the agency received 172 applications requesting over \$1.2 billion in funds. We are currently in the process of reviewing all submitted applications and expect to obligate over \$700 million in funds under our second funding round by the end of September. Once entities are approved for an award, they are required to provide annual maps to USDA showing the areas where broadband service has been extended to serve residents and businesses, as well as quarterly reports with information on the number of residents, businesses and critical community facilities that are subscribing to their service. USDA staff will also be making regular visits out to awardees to monitor construction and ensure funds are being used for the purposes for which it was intended.

 QUESTIONS SUBMITTED BY SENATOR JOHN TESTER

BOXED BEEF AND FED CATTLE PRICE SPREAD INVESTIGATION

Question. In our discussion at the hearing, you mentioned that it would be helpful to have some tools to address the disparity in beef pricing between producers and packers.

What specific tools can Congress give the U.S. Department of Agriculture to address this issue?

Answer. Very soon, the U.S. Department of Agriculture (USDA) will release a Boxed Beef and Fed Cattle Price Spread Investigation Report on its ongoing boxed beef and fed cattle price spread investigation. In that report, USDA will provide a number of considerations on possible tools that could be helpful including changes to the Livestock Mandatory Reporting Program, risk management solutions, and small processor and cooperative opportunities. Such tools could allow USDA to better identify, analyze, and address disparities in beef pricing between producers and packers that occur over time. The full report will be found here: <https://www.ams.usda.gov/sites/default/files/media/CattleandBeefPriceMarginReport.pdf>. It is important that any proposals aimed at addressing these complex issues receive careful consideration and thorough vetting given their potential to affect everyone whose livelihood depends on the sale of cattle, beef, or related products.

MADE IN THE USA LABELING

Question. U.S. cattlemen raise some of the best beef in the world, and farmers, and ranchers, workers, and consumers benefit from labeling transparency on the origin of their food.

What steps in the U.S. Department of Agriculture taking to standardize the definition of “Made in the USA,” and enable consumers to make an informed decision about their food?

Answer. The Food Safety Inspection Service (FSIS) has concluded that its current labeling policy, which permits meat and poultry products that were derived from animals that may have been born, raised and slaughtered in another country but processed in the United States to be labeled as “Product of USA,” may be causing confusion in the marketplace, particularly with respect to certain imported meat products. Therefore, FSIS has decided to initiate rulemaking to define the conditions under which the labeling of meat products would be permitted to bear voluntary statements that indicate that the product is of U.S. origin, such as “Product of USA” or “Made in the USA.” FSIS intends to propose that such labeling be limited to meat products derived from livestock that were slaughtered and processed in the United States.

FERAL SWINE

Question. Feral pigs are a proven threat, costing billions of dollars each year in damages and control efforts, and Montana is at a crossroads, with sightings as close as twenty miles across the Canadian border. Feral hog invasion would be bad for tourism, public health, agriculture, and the environment.

What steps is the U.S. Department of Agriculture taking to prevent feral hog invasion in states that do not have an existing feral hog presence?

Answer. USDA serves as the lead Federal agency in a cooperative effort with other Federal, State, tribal, and local entities that share a common interest in addressing feral swine. The USDA's National Feral Swine Damage Management Program (NFSP) uses an integrated approach to suppress feral swine populations and reduce damage and, where possible, eliminate feral swine to avoid future risks and damages. We have established operational activities in 37 States where animals have been identified. However, the program actively works with all 50 States to maintain awareness of possible feral swine incursions and approaches to have them removed if feral swine are introduced to a new State.

In cooperation with landowners, USDA was able to conduct feral swine activities on approximately 200 million acres in fiscal year 2020. USDA is focusing efforts to eliminate feral swine in States where the populations are still small enough that eradication is feasible. This strategy allows us to remove feral swine before large populations are established and/or cross into bordering States.

NFSP maintains funding specifically targeted at supporting responses, confirming suspected sightings, or actual removals in States without existing feral swine presence. For example, in fiscal year 2020 USDA supported several actions in Montana to determine if feral swine had entered the State. The program also reevaluates the allocation of resources annually to ensure we are addressing the highest priority areas.

VETERANS NUTRITION ASSISTANCE

Question. Veteran hunger is a pervasive problem across the country—a quarter of U.S. veterans are food insecure, and more than a million rely on Federal nutrition assistance. SNAP is a powerful tool to combat veteran hunger, and especially in light of the COVID-19 public health crisis, it is more important than ever that our veterans do not fall through the cracks. As such, please provide background on the following questions:

What measures can be used to access veteran participation in SNAP?

Answer. The Census Bureau's American Community Survey includes both reported veteran status and SNAP participation. The annual survey can be used to track both the number and proportion of veterans who receive SNAP, as well as the share of SNAP participants that are veterans.

Question. What Federal tools can be used to partner with state SNAP agencies to increase veteran enrollment in the program and to eliminate barriers to their participation?

Answer. State agencies administering SNAP have the option to conduct activities to inform low-income households, including veterans, about the availability, eligibility requirements, and application procedures for SNAP. SNAP outreach can also correct myths and misperceptions about SNAP and enable potentially eligible people, including veterans, to make an informed decision about whether or not to apply for the program. States often work with community organizations and advocacy groups as partners in their outreach efforts—this can include organizations that advocate and support veterans. As with all SNAP administrative costs, States are reimbursed for 50 percent of the cost of conducting these types of allowable activities. State agencies are encouraged to submit outreach plans to the Food and Nutrition Service (FNS) in order to better target their activities and ensure that the State Agency can be reimbursed. In fiscal year 2020, 46 States have approved outreach plans.

Question. In light of COVID-19, what can the U.S. Department of Agriculture do to ensure that veterans have access to nutrition assistance?

Answer. USDA is working with States to ensure that all eligible people, including veterans, have access to nutrition assistance in light of COVID-19. USDA intends to use all available program flexibilities and contingencies to serve our program participants across our 15 nutrition programs. To ensure states have the flexibilities they need to protect the health of participants, the Food Nutrition Service (FNS) has approved roughly 3,000 program flexibilities across our 15 nutrition programs. Specifically, Sec. 2302 of the Families First Coronavirus Response Act allows USDA to approve certain adjustments of SNAP program procedures when a public health emergency is declared and a State issues an emergency or disaster declaration based on a COVID-19 outbreak. These adjustments are limited to issuance methods and application and reporting requirements under the Food and Nutrition Act and must be consistent with what is practicable in each affected area. USDA has been working with States to approve requested adjustments consistent with these requirements to provide administrative relief for States and benefit SNAP clients dur-

ing a pandemic that requires State agencies to deliver SNAP with minimal face-to-face contact with clients and reduces local office capacity. We stand ready to provide technical assistance to States as they seek to maintain operations and serve clients during the current Public Health Emergency and will continue working diligently to provide all appropriate flexibilities as States submit requests.

Question. What options are available to veterans who are home-bound or need to remain at home due to high risk factors for COVID-19?

Answer. The information is provided for the record.

1. USDA has taken unprecedented steps to expand the online purchasing pilot in addition to providing other proven methods that allow a SNAP participant to get food from SNAP authorized retailers in light of the social distancing recommendations related to COVID-19. Importantly, to ensure protection of participant benefits and protect the vulnerable from potential fraud and theft of benefits, SNAP participants should never give retailers their EBT card number and PIN over the phone and delivery fees and other associated charges may not be paid for with SNAP benefits. To protect both the SNAP participants and the integrity of the program, FNS worked with State Agencies to find options that fit within these parameters, such as: Place an order online or over the phone and picking it up at the store. If the store has wireless point-of-sale for check out, veterans can complete the transaction from their car or without going into the store. If the store does not have wireless/mobile point-of-sale for check out, veterans can complete the sale in lane but this would minimize the time spent in the store to pick-up and payment.
2. Place an order online or over the phone and having the order delivered to your delivery address. If the store has wireless point-of-sale for check out, veterans can complete the transaction at the point of delivery.
3. Place an order online or over the phone and designating a person to pick the order up at the store using the EBT card. The payment and pick-up transaction can be completed in the store, or if the store has wireless/mobile point-of-sale for check out the designee would be able to complete the transaction from their car or without going into the store.
4. Purchase food online. This method originated with a pilot program in five States—New York, Washington, Oregon, Alabama, and Iowa—through the online purchasing pilot (OPP). Since March, USDA has expedited the opportunity for States and stores to support online purchasing and delivery and as of mid-August, 43 States are serving more than 90 percent of SNAP participants via this option.

QUESTIONS SUBMITTED BY SENATOR TOM UDALL

SNAP ABLE BODIED ADULTS RULE

Question. I understand that the Administration has recently said they still plan on implementing the so-called “able bodied adults” rule that limits SNAP accessibility and will not be offering additional waiver opportunities for states.

Are you willing to reconsider that position, and at least delay this policy change, if the coronavirus situation and the economic situation continue to get worse between now and April 1st?

Answer. The core premise and intent of this rule is to ensure that SNAP does all it can to help participants engage in work and training to achieve a brighter future, as prescribed by law. Under USDA’s rule, States retain their statutory flexibility to waive the time limit in areas of high unemployment and to exempt a percentage of their caseload through the use of discretionary exemptions. USDA does not believe delaying the rule is necessary given the flexibility provided in the rule for States to apply for waivers in areas of high unemployment.

PUBLIC HEALTH EMERGENCY NUTRITION ASSISTANCE

Question. What specific action does USDA plan to take to ensure that important nutrition programs like SNAP are easily accessible to those who need it during this public health emergency?

Answer. USDA intends to use all available program flexibilities and contingencies to serve our program participants across our 15 nutrition programs. To ensure states have the flexibilities they need to protect the health of participants, the Food Nutrition Service (FNS) has approved roughly 3,000 program flexibilities across our 15 nutrition programs. Specifically, Sec. 2302 of the Families First Coronavirus Re-

sponse Act allows USDA to approve certain adjustments of SNAP program procedures when a public health emergency is declared and State issues an emergency or disaster declaration based on a COVID-19 outbreak. These adjustments are limited to issuance methods and application and reporting requirements under the Food and Nutrition Act and must be consistent with what is practicable in each affected area. USDA has been working with States to approve requested adjustments consistent with these requirements to provide administrative relief for States and benefit SNAP clients during a pandemic that requires State agencies to deliver SNAP with minimal face-to-face contact with clients and reduces local office capacity. We stand ready to provide technical assistance to States as they seek to maintain operations and serve clients during the current Public Health Emergency and will continue working diligently to provide all appropriate flexibilities as States submit requests.

SNAP EXPANSION

Question. Are you willing to work with Congress on future options to avoid limits and expand SNAP should the coronavirus and other factors cause a serious, longer term economic downturn?

Answer. USDA stands ready to provide technical assistance to Congress upon request.

CHILD NUTRITION PROGRAM LUNCH SHAMING

Question. This committee included direction for USDA to provide specific guidance on this issue in our last funding bill.

What has USDA done to provide guidance to school lunch providers to discourage children from being publicly shamed?

Answer. USDA endeavors to provide flexibility and strategies school officials can use to design an effective local policy. USDA has consistently discouraged the tactics referred to as “lunch shaming” in media reports, such as denying children meals or using hand stamps, stickers, or other methods to identify children with unpaid meal charges. USDA requires school districts to develop a policy addressing situations where children participating in the school meal programs at the reduced price or paid rate do not have money at the time of the meal service. Instituting and clearly communicating a local policy prevents confusion for families, ensures a consistent approach, and gives school officials leverage to address the issue. In an effort to provide high-quality customer service, USDA has developed numerous resources to support schools, including policy guidance, webinars, handbooks, trainings, and checklists. These resources are available on our unpaid meal charges webpage: <https://www.fns.usda.gov/school-meals/unpaid-meal-charges>. USDA encourages schools to ensure eligible children are certified for free or reduced price meals, to allow families to add money to their children’s accounts online, and to communicate about meal debt directly to parents and guardians.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

ORIGIN OF LIVESTOCK FINAL RULE

Question. Success of the growing organic sector continues to rely on certification standards that are transparent, consistently applied, and enforced. I continue to be concerned that inconsistencies in enforcement and interpretation of organic regulations, particularly those involving the organic dairy sector, threaten to undermine consumer trust and the level playing field the organic label was intended to create. To address one of the most glaring enforcement inequities for organic dairy, the fiscal year 2020 appropriations bill directed USDA to, not later than 180 days after its enactment, issue a final rule based on the proposed “Origin of Livestock” rule originally issued in 2015. The report accompanying the bill also directed USDA to eliminate any enforcement inconsistencies for organic dairy production more broadly and prioritize training of certification staff.

Will USDA and the Office of Management and Budget (OMB) meet the June 17, 2020 deadline set forth in Public Law 116–94? If finalizing this rule will be delayed, please provide a detailed account of why, and a timeline for when it will be finalized.

Answer. The Origin of Livestock rulemaking continues to be a regulatory priority. USDA recognizes that Congress was expecting a final rule by June 2020, and last fall, the program was confident it could meet Congress’ deadline for that rule. However, as the final rule was drafted, specific legal questions and complexities became

clearer. While there is broad support for a rule, the topic involves a complex set of policy variables. USDA needs to address the legal concerns in a way that will truly address the underlying need and organic industry participant goals. Given these factors, the program is currently evaluating the best path forward, and is not able to commit to a specific timeline.

ORGANIC DAIRY SECTOR RISK BASED ENFORCEMENT

Question. What other actions have you taken to improve risk-based enforcement in the organic dairy sector and bring possible violators into compliance? Please provide an update to the Committee on all enforcement actions taken in 2019 and 2020 on organic dairy operations or accredited certifying agents, as well as any steps taken to improve the training for certifiers and staff.

Answer. USDA is continuing our ongoing actions to assist organic dairy farmers. In 2018, the Agricultural Marketing Service (AMS) initiated a Dairy Compliance Project to better assess industry compliance with the USDA organic regulations, particularly with respect to the pasture standard. This initiative was expanded in 2019, with unannounced, on-the-ground visits in 13 states by Federal auditors to assess both certifier and operation compliance. All AMS visits conducted for the Dairy Compliance Project were unannounced. A risk-based approach was used to select the participants; factors included size, previous compliance history, and farm characteristics such as herd size.

The 2019 visits confirmed that all the targeted dairies demonstrated at least 120 days of grazing and all cows received at least 30 percent dry matter intake from pasture during the season. Several correctable issues were identified, requiring action from both certifiers and operations. Multiple certifiers have received noncompliances as a result of dairy surveillance visits or investigations since the Dairy Compliance Project began.

Based on findings from the Dairy Compliance project, the National Organic Program launched a Dairy Compliance Course in the Organic Integrity Learning Center in October 2019. The course provides an overview of the USDA organic livestock standards, with a special focus on dairy operations. Key audiences include certifiers, inspectors, and reviewers who assess organic dairies for compliance with the USDA organic regulations, as well as organic livestock and dairy operations interested in gaining a better understanding of the Federal requirements.

In January 2020, the National Organic Program conducted face-to-face training with almost 200 certifier staff and inspectors; the training included a special segment on the Dairy Compliance Program. In March 2020, National Organic Program livestock specialists conducted both classroom and field training with California Department of Food and Agriculture staff, and certifier representatives and inspections to review livestock requirements. This trip included unannounced inspections to initiate the 2020 Dairy Compliance Project.

This Spring and Summer, the National Organic Program will engage in multiple desk audits of dairy operations across the country, and is applying new technology tools, such as aerial mapping services to assess ground conditions against records provided by the certifiers.

Protecting the integrity of the organic seal and protecting organic operations that are playing by the rules is an important priority for USDA.

AGRICULTURAL INNOVATION CENTER DEMONSTRATION PROGRAM

Question. The Agricultural Innovation Center (AIC) Demonstration Program, first authorized in the 2002 Farm Bill and reauthorized in the 2018 Farm Bill, is a small but important initiative to help agricultural producers expand their markets and diversify their products. Some states, including Vermont, have compounded the positive impact of AICs by creating their own programs to support agricultural innovation in concert with the AICs. These states are best positioned to quickly deploy AICs following several years of the program lacking any funding. This is especially important as Congress provided funding for the program in fiscal years 2018 and 2019, but USDA has still awarded no projects using those funds. To ensure the program is stood up quickly following this delay, in providing \$3 million for the program, the report accompanying the fiscal year 2020 appropriations bill for USDA specified funding for states “authorized to host, and that have previously hosted, a USDA Agriculture Innovation Center and where the State continues to demonstrate support and provide non-Federal grant funding to producers developing, producing, and marketing value-added agricultural and food products.”

What states have hosted Agricultural Innovation Centers since the program’s authorization in the 2002 Farm Bill?

Answer. States receiving funding under the Agricultural Innovation Center program are: Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, New Jersey, New York, North Dakota and Pennsylvania.

Question. In finally rolling out fiscal year 2018, 2019, and 2020 funding for the program, what steps has USDA taken to prioritize states that have previously hosted AICs?

Answer. The Agricultural Innovation Center program is a competitive grant opportunity that Rural Development communicates through the publication of an annual funding notice. While the program is not restricted to past award recipients, the scoring criteria will support applicants with existing capacity to carry out program objectives. Over 60 percent of the possible points that can be awarded are accounted for by an applicant's unique ability to deliver services, track record in achieving value-added successes, qualifications of key personnel, local support and future support. Applicants with experience and capacity in providing technical and business development assistance to agricultural producers seeking to engage in the marketing or the production of value-added products will be well positioned to submit competitive proposals.

EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM

Question. The Expanded Food and Nutrition Education Program (EFNEP) continues to be a critical component of the Cooperative Extension System. Though services provided through the program have demonstrated positive and durable nutrition and food security outcomes for all demographics, limited funding has focused the program solely on pregnant women and parents of children through age 19 in food insecure households. To help land grant universities and partners to build on this work, the report accompanying the fiscal year 2020 appropriations bill for USDA directed the Secretary to establish a pilot program to evaluate expanding the program beyond the program's current target populations, to include the elderly and low-income households with children of any age.

What specific steps has USDA taken to develop this pilot program?

Answer. USDA appreciates the Committee's recognition of the importance of EFNEP to low-income households. Food resource management and diet quality/physical activity have been required core teaching areas of the program since 2011. Program monitoring data has been collected annually, ever since. Through its family focus, EFNEP reaches youth, children, and adult caregivers responsible for feeding children, including seniors responsible for feeding their grandchildren and other young family members. Program has discussed several potential pilots with senior leadership. Clarification is needed for operationalizing this competitive component within capacity grant funded grants. USDA is seeking clarification from Department staff for procedural guidance for the outlined pilot. USDA welcomes the opportunity to explore ways to expand its audience to support the nutritional health and well-being of low-income populations.

In fiscal year 2019, EFNEP's low-income audience included 88,456 adults reached directly, and 253,824 family members reached indirectly; and 323,762 youth. Adult participants were 83 percent female and 17 percent male; 28 percent were 29 or younger; 31 percent were 30–39 years; 19 percent were 40–49 years; 10 percent were 50–59 years; 9 percent were 60+ years, and 3 percent did not report age.

Youth participants were 50 percent female and 50 percent male; 10 percent were pre-Kindergarten–Kindergarten; 27 percent were 1–2 grade; 45 percent were 3–5 grade; 13 percent were 6–8 grade; and 7 percent were 9–12 grade.

Annual data consistently shows that more than 90 percent of adult EFNEP participants report improved behaviors following program involvement.

CONSERVATION RESERVE PROGRAM

Question. I have serious concerns with USDA's implementation of the Conservation Reserve Enhancement Program (CREP) and the impact for Vermont. Section 2209 of the 2018 Farm Bill directed USDA to revise the section of the Code of Federal Regulations for the Conservation Reserve Program (CRP) to allow for CRP eligibility on land where State or local conservation requirements are not more stringent than the practice standards required by CREP. Unfortunately, the interim final rule for CRP issued on December 9, 2019, requires an arbitrary 25 percent reduction in annual CRP rental payments for land that is subject to State "resource conserving or environmental protection measures or practices" of any kind, regardless of whether those State requirements are consistent with and not contradictory to the purposes of the program. Although I do not believe this payment reduction will apply to Vermont because the state's Required Agricultural Practices for pastures, hay fields, and other perennial cropland fields do not require any alternative "resource

conserving or environmental protection measures,” the payment reduction outlined in the interim final rule could significantly reduce the program’s effectiveness and provide a disincentive for states to enact their own minimum conservation standards.

Based on what calculations or other factors did you determine that 25 percent was the appropriate rate at which to reduce payments?

Answer. The 25 percent reduction to the annual rental payment for the land subject to the Vermont Required Agricultural Practices rule is consistent with the amount used historically under the CRP.

Question. What guidance has USDA issued to FSA state offices regarding the application of this provision?

Answer. On December 9, 2019, USDA issued national procedure to the Farm Service Agency (FSA) State Offices stating land where Tribal, State or other local laws, ordinances, or other regulations require any resources conserving or environmental protection measures or practices is ineligible for enrollment in CRP. There is an exception for land enrolled in CRP under an approved CREP agreement that was in effect on December 20, 2018, when:

- The CRP contract is in the final year,
- The scheduled expiration date of the current contract is before the effective starting date of the new contract, and
- There is a 25 percent reduction to the annual rental payment that would otherwise be paid for such land were no such laws, ordinances, or regulations in effect.

Question. Which states or tribes has FSA determined to be subject to the 25 percent rate reduction?

Answer. FSA applied the 25 percent reduction to Minnesota and Vermont. The laws within Minnesota and Vermont require resource conserving or environmental protection measures or practices on certain land within the State.

Question. Has FSA or another USDA office conducted an analysis of the resource conserving or environmental protection laws, ordinances, or other regulations in all states? If not, does it have plans to? If not, why not?

Answer. In May through June 2018, USDA reviewed multiple State/local requirements regarding activities and conservation measures that are required/prohibited on land within the State. Starting in 2020, the State Farm Service Agency Offices will be conducting an annual review of Tribal, State, and local laws and ordinances.

Question. With regard to determining land subject to the 25 percent rate reduction, what is FSA’s definition of “resource conserving or environmental protection measures or practices”?

Answer. The applicable Tribal, State, or other local laws, ordinances, or other regulations that require the resource conserving or environmental protection measures or practices are utilized for purposes of the CRP policy because each Tribal, State, or other local law, ordinance, or regulation is different regarding the resource concern and protection measure or practice required, such as vegetation buffers, structural practices, management practices, other alternative practices, or combinations thereof.

Question. Based on its existing eligibility determinations, what cost savings does FSA expect to achieve in applying the 25 percent rate reduction?

Answer. The intent of the 25 percent reduction is to account for the resource concern (water quality) already being addressed. The 25 percent reduction would save an estimated \$31 per acre.

RECONNECT

Question. In Vermont, a broadband provider (VTel) won Rural Utilities Service funding from the American Relief and Recovery Act by promising to deliver wireless broadband to much of the state. Unfortunately, the service has not lived up to expectations, and many rural parts of Vermont both lack adequate service and are now prohibited from applying to the RUS for funding, including the ReConnect Program.

What is the process in place for new ReConnect applicants to challenge the service levels provided by existing awardees if they are not delivering adequate speeds? In particular, what is the timing of such challenges and how are challenges integrated into the grant application and review process?

Answer. If a ReConnect applicant believes that a certain area should be eligible for funding—even if the area is already served by an existing Rural Utilities Service (RUS) borrower—the applicant should include information in their application detailing why the area should be eligible for funding. Such information could include

speed tests or other documentation showing that the RUS borrower is not providing service at the level required by their award. RUS will then review the information when they review the ReConnect application and make a determination before an award decision is made.

Question. Will you work with Congress to ensure that future ReConnect funding rounds will not exclude states like Vermont, where, despite USDA's maps, there are large areas that are unserved and should be eligible to apply for funding?

Answer. Yes, USDA will continue to work with Congress to ensure that areas with insufficient broadband service are able to apply for funding through our ReConnect Program.

AGRICULTURE QUARANTINE INSPECTION

Question. The Senate Appropriations Committee has expressed concern that the restructured commercial aircraft fees for the APHIS AQI Program may not be equitable for small aircraft. Canada is one of Vermont's closest and strongest partners in trade, commerce, travel and tourism. As such, small commuter-type flights originating in Canada and arriving in Burlington are foundational to our seasonal economies.

What consideration has the Department, as directed by the Committee, given to comments submitted through the rulemaking process about the impact of these fees on small aircraft?

Answer. The Animal Plant Health Inspection Service' (APHIS) current Agriculture Quarantine Inspection (AQI) user fee rate regulations exempt passenger aircraft with 64 or fewer seats from the commercial aircraft fee if they are not carrying certain items and cargo that pose an agricultural risk and which do not offer meal service other than beverages and prepackaged snacks that contain agricultural risks from the commercial aircraft fee. In fiscal year 2017, USDA received two comments related to the AQI user fee for commercial aircraft in response to the Secretary of Agriculture's notice for Identifying Regulatory Reform Initiatives in the Federal Register (82 FR 32649—32650). The comments suggested expanding the current exemption to flights with 80 seats or fewer or eliminating the commercial aircraft fee altogether.

APHIS conducted a pathway analysis in fiscal year 2019 to evaluate the potential phytosanitary risk posed by commercial aircraft with 64 or fewer seats versus the risk posed by commercial aircraft with 65 or more seats. The pathway analysis compared the number of flights, number of flight routes, flight origins (country and airport), and flight destinations (state and airport) for commercial aircraft with 64 seats or fewer versus commercial aircraft with 65 or more seats. APHIS's pathway analysis determined that the number of seats present in an aircraft is not relevant to the phytosanitary risk posed by the aircraft and found no difference in the pest introduction risk posed by commercial aircraft with 64 or fewer seats versus commercial aircraft with 65 or more seats.

Based on the results of the pathway analysis, APHIS has determined that it will not expand the current exemption from the AQI fee for commercial aircraft nor eliminate the commercial aircraft fee. Customs and Border Protection (CBP) Agriculture Specialists, with support from APHIS, inspect all commercial aircraft, regardless of seat number, to detect pests and, if necessary, mitigate the risks posed by the presence of quarantine significant pests. Accordingly, CBP incurs costs related to the aircraft that meet the requirements of the exemption. Expanding the exemption to 80 seats or eliminating it for passenger aircraft would significantly increase the number of arriving planes that would be exempt but still require inspection, increasing the unrecovered costs.

Question. The Department has not yet provided regulatory relief to these small aircraft under the AQI program. Why? What specific considerations has the Department given to establishing an equitable fee scale for small aircraft?

Answer. While commercial aircraft with 64 or fewer seats have fewer arrivals and fewer routes than commercial aircraft with 65 or more seats, they arrive from countries all around the world. These smaller commercial aircraft are capable of accessing smaller airports and more remote airports both as points of origin, and final destinations. This geographic range means that commercial aircraft with 64 or fewer seats have a similar, if not identical, potential for harboring quarantine significant pests to commercial aircraft with 65 or more seats.

APHIS has reviewed the comments regarding AQI user fees made to the Secretary of Agriculture's notice for Identifying Regulatory Reform Initiatives and determined that it will not expand the current exemption. APHIS is further evaluating ways to ensure that the AQI user fees and fee structure accurately reflect the costs incurred based upon level of effort, assess fees fairly and accurately to the various

user classes, and achieve full cost recovery so that APHIS and CBP can continue to carry out their joint agricultural safeguarding mission.

SUBCOMMITTEE RECESS

Senator HOEVEN. And again, Mr. Secretary, thank you for your work on behalf of farmers and ranchers. I am going to close with what I said at the outset. Thank you to our farmers and ranchers for producing the highest quality, lowest cost food supply in the world. With that, we are adjourned.

[Whereupon, at 11:54 a.m., Thursday, March 12, the subcommittee was recessed, to reconvene subject to the call of the Chair.]