

**HEARING FOR THE PURPOSE OF RECEIVING
TESTIMONY FROM THE HONORABLE
THOMAS J. VILSACK, SECRETARY, U.S.
DEPARTMENT OF AGRICULTURE**

HEARING
BEFORE THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTEENTH CONGRESS

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TUESDAY, MARCH 28, 2023

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Committee met, pursuant to call, at 10:01 a.m., in Room 1300 of the Longworth House Office Building, Hon. Glenn Thompson [Chairman of the Committee] presiding.

Members present: Thompson, Lucas, Austin Scott of Georgia, Crawford, DesJarlais, LaMalfa, Rouzer, Kelly, Bacon, Bost, Johnson, Baird, Mann, Feenstra, Miller of Illinois, Moore, Cammack, Finstad, Rose, Jackson of Texas, Molinaro, De La Cruz, Langworthy, Duarte, Nunn, Alford, Van Orden, Chavez-DeRemer, Miller of Ohio, David Scott of Georgia, Costa, McGovern, Adams, Spanberger, Hayes, Brown, Davids of Kansas, Slotkin, Caraveo, Salinas, Perez, Davis of North Carolina, Tokuda, Budzinski, Sorensen, Vasquez, Jackson of Illinois, Casar, Carbajal, Craig, Soto, and Bishop.

Staff present: Justin Benavidez, Patricia Straughn, Jennifer Tiller, Trevor White, John Konya, Kate Fink, Josh Lobert, Ashley Smith, Elaine Zhang, Michael Stein, and Dana Sandman.

**OPENING STATEMENT OF HON. GLENN THOMPSON, A
REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA**

The CHAIRMAN. The Committee will come to order. And welcome, and thank you for joining today's hearing where we will hear from Secretary Vilsack from the U.S. Department of Agriculture.

And before we proceed, I want to take the opportunity to, if you bear with me, just to offer a blessing over our proceedings today and, quite frankly, to lift up in prayer those who most recently have been in our nation impacted by just evil and unwarranted violence in the incident that we have recently seen. So if you will, please pray with me.

Heavenly Father, we love you so much, and we thank you for all that you provide for us, the protections that you provide for us, how you light our steps, Lord. And, Lord, this morning, we do lift up those citizens of this nation that have been impacted, and especially those in the just recent day have been impacted by just unwarranted and evil acts of violence. And so we pray blessings over those that were lost. We pray blessings for those family members

that are in grief, that they would find comfort through a relationship with you, Lord.

We lift up and we ask your blessings over each and every person here, our Members, our Secretary, all of our staff. Lord, you know our prayers before we speak them, so just ask that you minister to those prayers. We pray for those who provide for this nation, those hardworking farm, ranch, forestry families, those who work in processing. Lord, offer your blessings over them. Lord, now I pray over this hearing that we have, that all we accomplish here will serve this great nation and, quite frankly, bring a blessing on to you. And I pray this in the name of my Savior, Jesus Christ. Amen.

All right. Thank you all. And after some brief opening remarks, Members will receive testimony from our witness today, and then the hearing will be open to questions.

So good morning, and welcome, Secretary Vilsack. First of all, on behalf of the Ranking Member and myself, we want to thank you for the opportunity that we had here I think within the past month—days go by rather quickly here—where we joined you and Mrs. Vilsack and us, our spouses, and Senator Stabenow and Senator Boozman for breaking some bread. It was a great dinner, and we both greatly appreciate that.

Your appearance today comes at a critical time for the Committee when Congress will soon come together to debate and authorize the farm bill that will have implications across the agriculture value chain for years to come. And that is where I would like to start this morning.

The farm bill is one of the few remaining pieces of legislation steeped in consensus and makes every attempt to provide producers and consumers with predictability, sensible policy, and fiscal responsibility. The return for this bipartisan, targeted, and statutory investment is more than 43 million jobs, \$2.3 trillion in wages, \$718 billion in tax revenue, \$183 billion in exports, and \$7.4 trillion in economic activity. And almost like clockwork, Congress comes together to reauthorize the farm bill with specific direction to the Department for implementation and execution. Each chamber goes about an extensive review of current law and implementation. The House solicits input from Members from both caucuses and the diverse stakeholders across the 12 titles and with technical assistance from the Administration.

In most instances, the bill follows regular order in both chambers. The conference committee produces consensus legislation, and the final bill is voted on and sent to the President's desk. Not everybody gets what they want. Diverse viewpoints find consensus, and we all agree to move better policy forward. It is this process that creates buy-in and trust. It is this process that makes it work, and it is this process that provides sustainable solutions.

And some may wonder why this is worth reiterating. Because when parties begin to act unilaterally, trust begins to erode, and our process fails, and our work of meeting the needs of all Americans becomes that much harder. Unfortunately, this Administration has consistently and without hesitation upended Congressional consensus through a series of unilateral Executive decisions that will resonate for decades at a time when both the farm sector and

debt is skyrocketing and the farm safety net is dwindling, whether it be the expedited, shoddy updates to the Thrifty Food Plan or the multibillion-dollar climate-smart pilot, rulemaking outside the scope of authority granted by Congress or the demonization of certain industries. Frankly, we are at a crossroads. Despite these frustrations, Mr. Secretary, I know that our Members, in partnership with you and your team at USDA and our counterparts in the Senate, have the capacity to work in concert.

In the wake of record inflation, a global pandemic, and geopolitical turmoil, American farmers, ranchers, foresters, producers, and consumers are suffering. The best way to support them is to pass an effective farm bill that addresses deficiencies in the current safety net and builds on the many tools that we have to support current and future generations. You say so yourself, Mr. Secretary. Our country depends on it.

So, Mr. Secretary, thank you for your time here today, and I look forward to a productive meeting.

[The prepared statement of Mr. Thompson follows:]

PREPARED STATEMENT OF HON. GLENN THOMPSON, A REPRESENTATIVE IN CONGRESS
FROM PENNSYLVANIA

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Some may wonder why this is worth reiterating. It's because when parties begin to act unilaterally, trust begins to erode, our process fails, and our work of meeting the needs of all Americans becomes that much harder.

Unfortunately, this Administration has consistently, and without hesitation, upended Congressional consensus through a series of unilateral, Executive decisions that will resonate for decades, at a time when both farm sector debt is skyrocketing, and the farm safety net is dwindling.

Whether it be the expedited, shoddy update to the Thrifty Food Plan, or the multibillion-dollar climate-smart pilot; rulemakings outside the scope of authority granted by Congress, or the demonization of certain industries, frankly, we are at a crossroads.

Despite my frustrations, Mr. Secretary, I know that our Members, in partnership with you and your team at USDA and our counterparts in the Senate, have the capacity to work in concert.

In the wake of record inflation, a global pandemic, and geopolitical turmoil, American farmers, ranchers, foresters, producers, and consumers are suffering. The best way to support them is to pass an effective farm bill that addresses deficiencies in the current safety net and builds on the many tools we have to support current and future generations.

You say so yourself, Mr. Secretary, our country depends on it.

Mr. Secretary, we thank you for your time today. I look forward to a productive hearing.

With that, I yield to the distinguished Ranking Member for opening remarks.

The CHAIRMAN. And with that, I would now like to welcome the distinguished Ranking Member, the gentleman from Georgia, Mr. Scott, for any opening remarks he would like to give.

**OPENING STATEMENT OF HON. DAVID SCOTT, A
REPRESENTATIVE IN CONGRESS FROM GEORGIA**

Mr. DAVID SCOTT of Georgia. Thank you very much, Mr. Chairman.

And, Secretary Vilsack, welcome. Secretary Vilsack, I am very disturbed about the direction we are going in at this time with the farm bill. I am very concerned about the impact that certain pieces of legislation is having on SNAP. And let me just give you some data. Agra polls recently reported an estimate that Dusty Johnson's bill would take 1.5 million seniors and families with school-aged children off of SNAP.

An analysis published by the Center on Budget and Policy Priorities has much more dire data. They say three million parents and grandparents of school-aged children are at risk of losing their SNAP benefits. That impacts more than four million children. Another two million older adults without children are at risk of losing benefits. Just right there, that total comes to 10.5 million seniors, children.

And let me tell you about our veterans. USDA's, your own Economic Research Service, reported that between 2015 and 2019 that more than 11 percent of working-age veterans lived in food-insecure households and that veterans have a 7.4 percent greater risk of food insecurity than the general population.

Now, Mr. Secretary, as I am talking about this, I am reminded of those great words from David in *Psalms* 40 and 41 where it says "Blessed is that person that helps the poor, for the Lord will help him in his time of trouble. I cried under God, and I waited with patience, and He delivered me. He lifted me out of a horrible pit, out of the miry clay. He set my foot upon a rock, and He established my goings and He put a new song in my mouth." We have to make sure that this farm bill is a new song in the mouths of our veterans, our children, all of that.

And not to mention our farmers, who are struggling. As *The New York Times* recently reported, we are losing 17,000 of our small family ranchers every year, and many thousands of them haven't earned a profit in 5 years.

So, Mr. Secretary, let us make this farm bill sing in the night with the song for our veterans, our poor, those who need our help, and let that song be entitled, *Congress is helping us who need the help the most*.

The CHAIRMAN. I thank the gentleman.

The chair would request that other Members submit their opening statements for the record so our witness may begin his testimony and to ensure that there is ample time for questions.

I am pleased to welcome back to the Committee our witness for today, USDA Secretary Tom Vilsack. Mr. Secretary, thank you for joining us, and we will now proceed with your testimony. You have

5 minutes. The timer in front of you will count down to 0, at which point your time has expired.

Secretary Vilsack, please begin whenever you are ready.

**STATEMENT OF HON. THOMAS J. "TOM" VILSACK, SECRETARY,
U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.**

Secretary VILSACK. Mr. Chairman, thank you very much. And to the Ranking Member, thank you as well and to the Members of the Committee. It is an honor to be here today.

I think Members of this Committee would probably agree with me that one of the major responsibilities, certainly not the only one, is for the USDA to work in concert with the Congress to advance the economic well-being of our rural areas. And certainly the key to that is the economic health and well-being of our farmers, ranchers, and producers.

The reality is in the last 2 years we have experienced record levels of net cash income in farm income, but not all or, for that matter, many have benefitted from that record level of income. In fact, the ERS recently reported nearly $\frac{1}{2}$ of our farmers over the last several years have not made any money at all and that roughly 40 percent of farmers have made money, but the majority of money they make actually comes from off-farm income. So that means that the top ten percent, those who sell more than \$1 million of product, have done quite well, and they should because they are extraordinary farmers, ranchers, and producers.

But I think we have to focus as well on the 90 percent that haven't fared as well. The President likes to talk about rebuilding the middle class from the bottom up and the middle out, and I think we have a classic opportunity here as we discuss the farm bill to do just that.

I think we have two choices that confront us. We can either get big or get out, as Secretary Perdue once suggested, or we can build more, new, and better markets, providing entrepreneurial opportunities for that 90 percent so that they benefit beyond just simply selling livestock and crops and government payments.

I think we have a new opportunity. As a result of resources that are available to the Department of Agriculture, we have worked very hard to expand value-added opportunities to create an opportunity for our farmers to take full advantage of emerging ecosystem markets where they are paid for the environmental results that they can achieve on their farms, looking for ways in which they can convert agricultural waste into ingredients for biobased products like sustainable aviation fuel, working to establish a local and regional food system which complements our production agriculture system, and working of course to take full advantage of the opportunities to embrace renewable energy on the farm and to provide that to their community. Mr. Chairman, these are real opportunities for us to expand more, new, and better markets and to create an entrepreneurial surge in rural places.

Now, this is not a new issue and not a new challenge. In fact, in 1979 then-Secretary Bob Bergland came to this Committee and essentially talked about the same issue. And in fact, it goes all the way back to the beginning of this Department. If you look at the first report of the Commissioner of Agriculture, at the time, a fel-

low by the name of Isaac Newton, not the real Isaac Newton, Commissioner Isaac Newton. In his preface to a 632-page report that he made to the President on the first year of the Department of Agriculture, he mentioned the concern about the consolidation of real estate in the hands of a few. So this is an issue we have been dealing with for quite some time. But I am optimistic, and I am hopeful that, as we work together to fashion a farm bill, that we indeed can create real opportunities for small- and mid-sized farming operations because when they survive and when they thrive, it means that there are more people living in rural communities. With more people, we can keep those schools open. We can expand hospital and healthcare opportunities. We can create new opportunities and new customers for those small businesses that are so vital to a small community. So this is a significant and pivotal and transformational moment for this Committee, and we look forward to working with you.

Just a word about the other major responsibility which we have at USDA, which is to provide not just food security but also nutrition security. I am more than happy to talk to the Chairman and to the Members of the Committee about the Thrifty Food Plan, about work requirements, and about the SNAP program and some of the other nutrition programs. I look forward to questions that you may ask about what we did and why we did it and the statutory authority for doing it. But I will tell you that we are excited about the opportunity to see real opportunity not only to reduce food insecurity and nutrition insecurity, but also to create a connection between those in need and those who produce.

So, Mr. Chairman, I appreciate the opportunity to be here today. I look forward to the questions from the Committee Members. And with that, I will yield back my time.

[The prepared statement of Mr. Vilsack follows:]

PREPARED STATEMENT OF HON. THOMAS J. "TOM" VILSACK, SECRETARY, U.S.
DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

A Transformational Opportunity

Thank you, Chairman Thompson, Ranking Member Scott, and Members of the Committee for the opportunity to come before you today to discuss the work we have underway at the U.S. Department of Agriculture (USDA) as well as the transformational opportunity that the 2023 Farm Bill represents. The programs funded by the farm bill play a significant, if often unrecognized, role in the livelihood and well-being of every American, and billions more people around the globe.

President Biden understands and appreciates that the strength of this great country is in its middle class, and that we can rebuild the middle class "from the bottom up and the middle out." That is why, over the past 2 years, the Biden-Harris Administration and USDA have embraced a path where the future of American agriculture is secure and where there is greater equity and economic opportunity for agricultural and rural communities. With the once-in-a-lifetime investments that Congress has wisely provided through the American Rescue Plan, the Bipartisan Infrastructure Law, and the Inflation Reduction Act, we are transforming the food and agriculture economy so that it works for the future, and so that it works for the many.

We are at a pivotal moment for American agriculture and rural communities with a decision to make about if, and how, agriculture will meet the challenges of our time. One option is to maintain the *status quo*. This path leads towards too many producers, particularly small producers, struggling to cover their costs, too many rural communities languishing, and the outdated agricultural policies designed to address challenges of the 1930s and 1970s—that all too often reinforce systemic inequities. This path works for a few who have done what American agricultural economics has for too long required of them: to get big or get out. But there is another

path, one that prompts us to recognize the undeniable challenges of climate change and the need for greater equity in our food system and recognize they are also opportunities to seize as we seek to adapt to a new course. This path draws on lessons from the COVID-19 pandemic, which exposed vulnerabilities at every point in our food supply chain—from the field to the factory to the grocery store—and compels us to take transformative action so that this vital system is more resilient, secure, and accessible to all. This path draws strength from the Interim Recommendations of the USDA Equity Commission,¹ because they are a roadmap for ensuring USDA lives up to its name as the People's Department for everyone. There is nothing more foundational to a country's security and stability than its food supply; an inclusive agriculture and rural life must be part of a shift to bottom-up, middle-out system if we want to create more opportunity in this country.

In my testimony, I will first provide insights into how we got to where we are today. I will then discuss at length what we are doing today at USDA. In doing so, I aim to make clear how all of us—you as legislators, and my team and I as implementers—have the opportunity in the next farm bill to choose this better path to lead us to this transformation. You have the opportunity to be part of creating a USDA that is better positioned to realize its full potential as the People's Department. USDA can only succeed in its mission to help America thrive if it ensures that the Americans who need its services most receive them. The USDA that we can build together is one that ensures American farmers and families have the tools and support they need to farm, build a business, raise a family, and cultivate a good life in the community they love.

A Stabilizing Force for America

Though our history has not been perfect, with the Department's story reflecting both the aspirations and historical missteps of this nation, time and again USDA has been a lynchpin in creating economic stability for America. The department was created in 1862, in the midst of the Civil War, because President Lincoln recognized the central role of farming and ranching to our country's economy and future. Shortly thereafter, Congress created a network of agricultural and mechanical colleges, now known as the land-grant university (LGU) system, located in every state and supported by Federal funding, to educate citizens and support public research. In 1890, need for further annual Federal appropriations to invest in and support the LGU system facilitated the establishment of a set of LGU institutions that are Historically Black Colleges and Universities.² Creation of USDA and the land-grant university and extension systems was prescient and fundamental to our growing nation, with an overwhelmingly rural and agrarian population.

In the 1930s, the Great Depression and the Dust Bowl brought widespread food insecurity, market failures, environmental degradation, and economic hardship to rural and urban communities alike. In response, Congress and President Franklin Delano Roosevelt created the Agriculture Adjustment Act of 1933, a centerpiece of the New Deal. Creating institutions such as the Farm Credit Administration, the Commodity Credit Corporation, and the first Federal farm, conservation, nutrition, and rural electrification programs. A reflection of the economics, values and social norms of the time, this legislation and the New Deal remain the foundation for agriculture, food, nutrition, and rural policy today. Congress recognized then, as it does today, the value of a strong farm safety net, lending programs to keep farmers farming, rural development programs to enhance life for those in rural areas and small towns, and the pairing of farm and nutrition programs in a single legislative package that benefits us all. The programs and policies put in place at USDA were instrumental in bringing the U.S. economy back from the brink and ensuring that many American farmers, families, and communities were more stable in the 1940s and 1950s than they were in the 1920s and 1930s.

Fast forward to the 1970s and 1980s, U.S. economic policy began to change, as advances in technology in an increasingly globalized world rewarded productivity and efficiency. As a result, the policies and programs of USDA also changed. In 1973, most supply management policies that had been in place since the New Deal came to an end, and market volatility combined with an ill-prepared agriculture policy structure led to the farm crisis of the 1980s, which devastated countless farm communities. Case in point: In 1950 there were 5.3 million farmers total and just under 560,000 Black and 14,700 Native American farmers. By 1978 those numbers

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

² Tribal Colleges and Universities later became part of the system in 1994 through the Equity in Educational Land-Grant Status Act of 1994, as amended.

fell to 2.5 million farmers total and approximately 57,000 Black and 8,350 Native American farmers and by 1997 to under two million farmers total and just 18,450 Black and 10,638 Native farmers. And despite these changes, production output continued to rise. Farm policy of the last half century established new commodity programs, Federal purchase of excess product, food aid and support for export markets, crop insurance, and permanent disaster assistance with the intent to create a safety net to prevent such a crisis from happening again. And to a point, this has been successful: America became a more food-secure nation and our exports feed the world. There have also been often undercounted and overlooked economic, and social costs to these policies.

For instance, while our policies have ensured an increasingly abundant food supply, growth in farm size and consolidation has put extreme economic pressure on small and medium sized farms and our rural communities. Most recently, the COVID-19 pandemic and the Russian invasion of Ukraine, have roiled the supply chain, and exacerbated the impacts of climate change, droughts, wildfires, other natural disasters, and an especially widespread highly pathogenic avian influenza (HPAI) outbreak. American agriculture has proven itself to be extraordinarily efficient, but these crises have further revealed hidden weaknesses in our production-optimized system.

While the last couple of years have seen record national farm income, we know that nearly 50% of American farmers have had negative farm income. Our data shows that 40% of farms are small- and mid-size farms where the primary occupation of the household is farming, but the majority of their income that was supporting their families came from off-farm sources. 11% of American farmers are mid-sized or larger-representing over 80% of the value of U.S. agricultural production, which drove the level record farm income. And lest we not forget that 2% of those farms that did exceedingly well were actually investment banks and institutional investors. As you can see, there have been consequences to solely focusing on productivity. It has become more expensive to put a crop in the ground, which put economic incentive for farmers to spread their expenses over larger bases. Farm sizes have increased and so have gross farm incomes. However, net farm income has decreased, meaning that, while a few farming operations may have done well, with profit rewarding investments made to scale and grow, far too many others have struggled and many have been pushed out of business.

This has impacted more than just farmers and ranchers. It has affected small towns across the nation that depend on agriculture as the driver of main street small businesses, education and healthcare systems, and civic institutions. The 2023 Farm Bill can—and I believe must—be one that enshrines programs, policies, and investments that safeguard rural communities and also a transformational one that goes further to advance equity and address challenges like climate change that our producers face now and will face for generations to come.

To build this future, USDA and Congress must put farmers, rural communities, and families at the center of program design. We must find ways to engage producers in new and more effective ways, streamlining the delivery of programs, opening the doors of agriculture to all, and providing a more effective and holistic farm safety net with flexible responses to disasters. USDA has been working hard to reduce barriers to programs and improve support to underserved farmers, ranchers, landowners, and communities. But there is far more that Congress can do ensure that all farmers, ranchers, and foresters have access to the tools, programs and support they need to succeed in agriculture. Farmers of all kinds must be able to turn a profit and make a living in agriculture. This future must also include the consistent and systematic treatment of all individuals in a fair, just, and impartial manner.

We must ask ourselves: do we want a system that continues to force the big to get bigger and the small and underserved to get out or do we want to build a more innovative system? There is an opportunity here to transform the system so that when farm income is strong, it is strong not only for the few, but also for the many and most.

Market Opportunities That Add Value While Tackling Climate Change: Climate-Smart Agriculture, Organic, Biobased Products, and Renewable Energy

USDA is working to make investments that support new revenue streams for our farmers. An area of great opportunity are investments that not only support new income sources for farmers, but also position farmers to be part of the solution to climate change adaptation and mitigation. Farmers need new tools to improve their practices, and, through their purchasing power, consumers want to support these ef-

forts. It is a false choice for farmers to have to choose between being profitable and being environmentally conscious.

USDA's Partnerships for Climate-Smart Commodities program, which is creating new markets for sustainable agricultural and forestry production practices that the market values and benefits, is case in point. With more than \$3.1 billion of investments in 141 projects, USDA is making it less-risky for farmers to embrace and adopt climate-smart production practices and linking producers to new markets that value those practices and are willing to reward them. Consumers are eager to better understand the origins of their food products, and if they have been produced sustainably. The end result will be more than 60,000 farms reached, encompassing 25 million acres of working land engaged in climate-smart production practices, hundreds of expanded markets and revenue streams for producers and more than 60 metric tons of carbon dioxide equivalent sequestered over the lives of the projects. Coupled with the investments Congress made in USDA's conservation and energy programs in the Inflation Reduction Act, this will allow American producers to appreciably reduce emissions from their operations.

An analogous opportunity that USDA is spearheading is the Organic Transition Initiative, which is putting American Rescue Plan and other resources towards USDA programs that make it easier and less expensive for producers to transition to organic production. Organic production allows producers to hold a unique position in the marketplace and thus take home a greater share of the food dollar. Consumers have demonstrated a consistent demand for organic products and USDA assistance through the 3 year organic transition period is opening opportunities for new and beginning farmers while also expanding direct consumer access to organic foods. Farmers across the country are eager to seek out these new market opportunities and USDA is partnering with over 160 local organizations across the country to support producers transitioning to organic and provide farmer-to-farmer mentoring through the Transition to Organic Program.

Both Climate-Smart Commodities and organic markets serve as new profit opportunities for producers. They also create the opportunity to generate income through ecosystem service markets. There are more than 20 of these markets around the country today, and they include water, carbon, wildlife, and biodiversity markets. They are markets in which farmers will be paid for the environmental results they are able to obtain from sustainable practices. For example, the organic market has grown to \$52 billion in 2021. The combination of these efforts will also allow us to use resources to monitor, measure, report, and verify these results. Continued support from Members of this Committee, coupled with the resources from the FY 2023 Consolidated Appropriations Act and the authorities from the Growing Climate Solutions Act, will allow USDA to advance and foster opportunities for producers to participate in these markets.

Another profit opportunity USDA has focused on is harnessing the bioeconomy. Biobased products hold the potential to improve our food system, supply chain, climate, and health—opportunities abound to convert and balance a fossil fuel-based economy with a biobased one. Thanks to the commitment from President Biden and his direction calling for a whole-of-government approach to advance biotechnology and biomanufacturing towards innovative solutions across many sectors as well as investments by the Bipartisan Infrastructure Law, USDA is investing in this space. Projects and research are happening across the country. The University of Illinois Urbana-Champaign is leading the way on an innovative project that proposes to convert swine manure and other feedstocks into biobinders for asphalt that increase the quality of recycled asphalt pavements. If commercialized, this work may reduce landfill waste and reduce disposal costs for asphalt, food waste, and low-cost products. Another example is an Iowa project that is transforming high oleic soybean oil into thermoplastic rubber for pavements, which has the potential to extend repair longevity for existing surfaces.

Another incredible opportunity for American farmers is the future market for sustainable aviation fuel. Unlike electric vehicles, airplanes can't pull over and recharge. By some estimates, we will need 36 billion gallons of sustainable aviation fuel—fuel that can be produced from agricultural waste and woody biomass. This presents an entirely new industry opportunity for farmers—a new revenue source that can simultaneously reduce operating costs and allows them to put renewable resources on the grid for other small businesses and homes in rural areas.

The Inflation Reduction Act provides once in a generation investment in renewable energy through the Renewable Energy for America Program (REAP), in biofuels infrastructure and the largest single investment in rural electrification since the passage of the Rural Electrification Act in 1936. Rural Development is excited to combine its deep experience in working with rural communities, and long, trusted partnerships with rural electric cooperatives and producers to provide opportunities

to accelerate the transition to clean, affordable, and reliable energy. With these investments, we are positioning farmers to be part of a transformation of our economy to be biobased and renewable, and for wealth creation and investment in rural communities.

Supporting innovation and growth of new market opportunities isn't enough though. We must also work to address the challenges farmers face—from immediate challenges of input costs due to the unprovoked war on Ukraine and supply chain disruptions, to longer-term challenges of drought and severe weather that are constants in the lives of farmers and ranchers across the country. Protection from plant and animal disease threats and ensuring food safety are pillars of USDA's work that cannot be overlooked. USDA has worked to ease port congestion and support grain storage capacity to ease the burden through supply chains and has dedicated significant resources to expand domestic fertilizer production in this country through the Fertilizer Production Expansion Program. Demand has been overwhelming for this program. Through two funding opportunities, we received \$3 billion in interest, from over 350 independent businesses across 47 states, for the \$500 million we have available. We are beginning to make awards now, having announced more than \$29 million of small projects just last week to increase American made fertilizer production.

Risk management tools are essential to support producers in navigating increasingly severe weather conditions. USDA farm loan and loan guarantee programs can be the difference between success and failure for farmers who need access to credit and are not able to secure credit from traditional financial institutions. We look forward to working with Congress to ensure USDA programs are accessible, responsive, and user-friendly and to ensure that USDA's response to producers in need of financing or navigating, drought, floods, blizzards, hurricanes, and other natural disasters find USDA programs and service to be timely, responsive, and aligned with producer needs.

Market Opportunities in Food Supply Chain Resilience: Competition, Fair Markets, and Expansion of Processing Capacity and Local/Regional Food Systems

Another important way to increase producer income and to build stronger rural communities is to return market power to farmers and consumers. The food and agriculture sectors are overwhelmingly concentrated where just a handful of corporations dominant—raising prices and decreasing options for American families, while also squeezing out small businesses and entrepreneurs.

Most farmers now have little or no choice of buyers for their product and little leverage to negotiate, causing their share of every dollar spent on food to decline. Fifty years ago, ranchers got over 60¢ of every dollar a consumer spent on beef, compared to about 39¢ today. Similarly, hog farmers got 40¢ to 60¢ on each dollar spent 50 years ago, down to about 19¢ today. To address this, one of the first things USDA did under the Biden-Harris Administration, with support from Congress, was provide resources to existing meat and poultry processing facilities to help them upgrade from state inspection to Federal inspection, opening up markets across state lines. Thanks to the American Rescue Plan, we have been able to invest significant resources to support new and expanded processing capacity for meat, poultry, and pork across the country. To date, USDA has invested in nearly 300 opportunities and there are more to come in the months ahead. USDA will also soon roll out funding for expansion of processing beyond meat and poultry, creating opportunities for more local processing of specialty crops and other food products.

In the 2018 Farm Bill, Congress had the foresight to enhance investments in local and regional food systems through the establishment of the Local Agricultural Marketing Programs. With American Rescue Plan funds, USDA added additional funding to two of these programs: the Regional Food System Partnership Program and the Local Food Promotion Program. In addition, USDA is establishing Regional Food Business Centers to provide localized assistance to access local and regional supply chains, including linking producers to wholesalers and distributors. USDA has received close to \$2 billion in funding requests for this \$400 million program.

Investing in building out local and regional food systems gives farmers the opportunity to control their own businesses and—ideally—to negotiate prices and marketing arrangements with consumers, schools, grocery stores, and restaurants.

For instance, USDA recently invested an additional \$10 million to the Farm to School Grant Program. This is a relatively small amount in the scheme of things, but it has helped to finance applications from 5,000 schools—schools that will now be able to negotiate and contract with local producers so that they will reap the benefit of locally produced food and farmers will reap the benefit of another new market. We have 19,000 school districts in this country that run school nutrition programs.

Imagine the possibilities to ensure that schools and local producers can work together so children benefit from higher-quality foods on their plates and program operators have stable sources for the products they need. Thanks to the resources from the American Rescue Plan, USDA was able to continue to invest in this program and others that are helping to build infrastructure required to facilitate robust local and regional food systems that go well beyond farm to school.

USDA is also taking a thoughtful look at “business as usual” to support innovative measures. For example, USDA has created the Local Food Purchase Assistance and Local Foods for Schools Cooperative Agreement Programs. Using funds from the American Rescue Plan and the Commodity Credit Corporation, USDA has invested over \$1 billion, and is partnering with 77 state, Tribal and Territorial governments to purchase and distribute foods within the state or within 400 miles of the delivery destination. The result is additional revenues streams and new market opportunities for producers and local food businesses for food banks, schools, and organizations that support underserved populations that are healthy, nutritious, and unique to their geographic region. Farmers have shared that this new market has added diversity to where they sell and long-term revenue streams that have allowed them to secure financing.

COVID exposed the fragility and rigidity of the food supply chain and exposed strong consumer interest and market opportunities for producers that want to sell in their community or region. At USDA, we are dedicated to continuing to strengthen this work in local and regional food systems, and we look forward to working with Congress to bolster these efforts.

Advancing Nutrition Security

The work to develop market opportunities, bolster local and regional food systems, and build resiliency into our food supply chain also connects to the foundational American value that no one should go hungry—that access to affordable, nutritious food is a fundamental human right.

Nutrition assistance has been a central component of our food and agriculture policy from the start and it remains so today. What is now the Supplemental Nutrition Assistance Program (SNAP) was first created and authorized by Congress in 1939 to allow people to buy farm surpluses that otherwise were going to waste because prices for crops had fallen so dramatically as farms across America were struggling to deal with excess supply.

While the name of the program, its design, and delivery have changed dramatically in the last 80 years, two important elements of the program remain true today. First, SNAP remains a lifeline for tens of millions of Americans as the most far-reaching, powerful tool to ensure that Americans can access healthy food. And second, SNAP still directly follows a guiding principle from Congress in 1939 in that investments in SNAP are more than just a safety net for families; they support our farmers who produce the food that participants buy. SNAP is a vital economic engine thanks to the support it provides to local grocery stores—especially in rural areas where a greater percentage of households receive SNAP benefits—to the nation’s manufacturing plants, local food distribution systems and aggregation centers, and our transportation system.

In addition to serving as an economic engine, SNAP is particularly important for the millions of workers in this country who deal with the challenges of hunger in their households that is often episodic in nature. Impacted individuals are often those dealing with low wages, particularly for those living in the 20 states without a state minimum wage and earning just \$7.25 an hour (or even less in two states), no benefits such as paid sick leave, high childcare and housing costs that create difficult trade-offs related to basic needs. SNAP is a critical support that addresses immediate needs by reducing poverty and food hardship; it has long-term impacts as well—participation by young children has been linked to better long-term health, education, and employment. Of course, SNAP is by no means a cure-all, but is a key instrument beside others in our broad safety net. That is why the President’s vision calls for an array of investments that support low-wage workers, seniors, and families.

As we laid out in the National Strategy on Hunger, Nutrition, and Health, USDA aims to continue to modernize payment methods to support online shopping and mobile pay, to provide enhanced job training tied to local workforce programs, and to find additional ways to bring in local farmers and markets as retailers. We are also working to strengthen cross enrollment capabilities across Federal assistance programs, eliminate barriers to food assistance for vulnerable groups, and make healthier choices easier by expanding food purchasing options, fruit and vegetable incentives, and local food procurement.

Moreover, we are proud of the investments that have been made in emergency feeding programs, which expand their reach and support efforts to tie food to local markets, and investments that have increased Tribal involvement and engagement in all nutrition assistance programs. The Biden-Harris Administration recognizes the important role of Tribes and Tribal organizations in ensuring American Indian and Alaska Native households have access to nutrition assistance, and we are committed to continuing to work with our Tribal partners to explore opportunities to advance Tribal sovereignty and access to culturally appropriate food offerings with respect to FNS programs.

An Opportunity for Rural and Tribal Prosperity

Farmers and ranchers live in rural places, and rural and Tribal economies are intertwined with the agriculture and natural resource sectors. To ensure the future of agriculture and rural communities we must make sure that there is ample opportunity in rural places—and that rural communities are places where farmers, ranchers, and their kids want to live and raise their families. That there are rural and Tribal communities in America without water and sewer systems and without broadband in 2023 is intolerable. It's also a problem we can solve—and we must. That's why USDA is committed to ensuring rural America equitable access to all essential resources. USDA is leading the new Rural Partners Network (RPN), an all-of-government program to help rural and Tribal communities access Federal funding and resources. RPN currently supports 36 rural and Tribal communities in 11 states and Territories, and we hope to be able to expand to more communities and states. Through RPN, USDA is hiring new full-time Federal staff who are from the region to work hand in hand with RPN community leaders. Now, more than ever, it is critical to ensure rural and Tribal communities can benefit from Federal investments as the Biden-Harris Administration delivers unprecedented resources through the American Rescue Plan, Bipartisan Infrastructure Law, and Inflation Reduction Act.

For example, one of the ways USDA has leveraged RPN is by partnering with the U.S. Environmental Protection Agency on the Closing America's Wastewater Access Gap Community Initiative. Through this Initiative, Rural Development is providing critical technical assistance to help historically underserved communities identify and pursue Federal funding for modern, reliable wastewater systems—and we are doing it in partnership with the Federal family.

As each of us has experienced personally, the pandemic amplified the need to ensure everyone has reliable, high-speed internet access. Through our work to strengthen e-connectivity we can broaden economic opportunities and job creation in rural America, while allowing underserved communities to offer stronger business services, expand access to modern healthcare, and improve education. Recognizing those needs for equitable access, USDA has invested in more than 282 broadband projects that will connect 359,092 households to internet through the ReConnect program and this is just one example of how USDA is connecting rural communities to the local, regional, and national economy. USDA will continue to work to quickly deploy these vital funds to build high speed internet, including the Bipartisan Infrastructure Law investments that we are on track to fully award before the fall.

With a physical presence in rural communities that is unmatched, USDA is positioned to be a partner to rural communities seeking Federal resources—or a partner in turning a vision for a better future into reality. From low-interest capital that enables communities to finance projects for critical infrastructure ranging from housing and water systems to broadband and business development, USDA is an essential partner to rural and Tribal communities across the country. However, USDA is often hemmed in with programs that are hard to access and applications that are cumbersome, often building on statutes that are outdated or programs created for the challenges of the 1930s and 1960s rather than the opportunities of today. Without spending a dime, Congress can reduce barriers to accessing USDA programs, enhance our ability to work across the Federal family, improve our ability to provide technical assistance and reach underserved communities and ensure that our programs, tools, and authorities keep pace with the innovation, transformation and needs of agriculture and rural communities today.

The Important Role of Public Investment in Research and Extension and Recovery

Finally, a word on research and new challenges. Federal investment in public research and development (R&D) in agriculture is foundational to ensuring we maintain our role as a global leader in agricultural competitiveness and continuing to see the tremendous productivity growth we have enjoyed and meet the challenges ahead. To be clear: it will require far greater investments than current levels pro-

vided by Congress. When adjusted for the rising cost of conducting research, U.S. public agricultural R&D expenditures have declined by about $\frac{1}{3}$ since peaking in 2002.³ At one point in time, agriculture research represented approximately 4.3% of the overall non-defense research allocations and appropriations for the Federal Government. Today it has dropped to 2.3%. Given that public R&D investment is the primary driver of long-term productivity growth in U.S. agriculture, this is a trend that must be reversed if we hope to maintain our competitive advantage.

While this Committee is sharply focused on the farm bill reauthorization, I must note that these public investments in R&D, through the Agricultural Research Service, Economic Research Service, and National Institute of Food and Agriculture to our land-grant institutions, are nearly solely dependent on annual discretionary appropriations. It must also be noted that historically, our 1890 and 1994 minority-serving land-grant institutions have not received funding comparable to 1862 land-grant colleges and universities. These minority serving agricultural institutions are making important contributions towards equitable access to information, education, and capacity to underserved students, farmers, ranchers, and foresters and have a critical role to play as we transform our food system.

Even without farm bill funding, the programs Congress chooses to include in the farm bill provide direction and set USDA research priorities. As you revisit the farm bill, I urge you to consider challenges of the future, needed program flexibilities, and ways to ensure that USDA's research entities are focused on the challenges that producers, community-based organizations, small business owners, health professionals, parents, scientists, and communities will face in the years to come. You must also consider how to make agricultural research, outreach, and technical assistance with extension more equitable, while serving a diversity of constituencies and marginalized communities. Through our partnerships with Minority Serving Institutions USDA is working to support capacity building initiatives, education, and pathways to employment for students and faculty, while helping to develop a strong pipeline of talented individuals for USDA and all of agriculture in this country but there is far more to do and more that Congress can support going forward.

Our research authorizations must be flexible, nimble, and working on timely and relevant research and data collection, as the investments we make today will define innovation for decades to come. Examples of issues that we continue to hear essential for public investment include: drought and climate change mitigation and adaptation, novel food production, carbon sequestration, forest health and resilience, cancer prevention, precision nutrition, environmental mediation, PFAS, pesticides and soil remediation, soil health and cover cropping, food safety innovation, workforce development, biobased product development, renewable energy technology deployment, strategies for effective community development, and economic transition. Transforming the food system to bring prosperity and new opportunities to our producers and rural communities will require investing in and strengthening research, education, and extension capacity across the nation and prioritizing the development of a well-trained workforce that reflects the diversity of agriculture and communities across the country.

We have also seen that our disaster and risk management programs must be flexible, nimble, and have sufficient resources to support our nation's producers as they face an increased frequency and severity of natural disasters, often driven by climate change, and more recently man-made disasters. Within the current authorities, we have used the available flexibilities to reach more types of farming and challenges, and been able to aid farmers to some extent thanks to the variety of tools that USDA has on hand today with the Federal Crop Insurance Program, the Non-Insured Crop Disaster Assistance Program (NAP), various conservation, livestock, and crop disaster assistance programs, and the vitally important and flexible Commodity Credit Corporation (CCC). These efforts have included filling gaps in assistance through later rounds of the pandemic programs, adding both USDA and privately submitted crop insurance options, recognizing how working lands conservation like cover crops and no-till can help make farming more resilient, major streamlining of permanent and *ad hoc* disaster program to remove unnecessary paperwork, and using the CCC to purchase commodities or assist with marketing needs or inputs like fertilizer when the traditional tools oriented only toward natural disasters are inadequate.

Unfortunately, there continues to be many farms and types of disasters that simply are not adequately protected due to authorities being designed for one-type of farming instead of specialty crops and diverse systems or primarily focused on short

³ <https://www.ers.usda.gov/amber-waves/2022/june/investment-in-u-s-public-agricultural-research-and-development-has-fallen-by-a-third-over-past-two-decades-lags-major-trade-competitors/>.

term natural disasters instead of the severe prolonged drought or man-made or input challenges. USDA has sought out new ways to reach underserved producers and improve equity in USDA programming by addressing constraints that impede access to crop insurance or risk management tools and knowledge, but for some producers and production systems it may take a shift from a crop-by-crop approach to looking at the overall health of the operation and targeting assistance based on the operation's overall losses and need.

As these natural disasters have increased in both scale and severity, we have seen that farmers and ranchers often face increasing crop and rangeland losses that may not be covered by our existing programs and risk management tools. Congress has responded in recent years with a patchwork of *ad hoc* disaster programs—although most recently in the FY 2023 Omnibus was under-funded given the scale of the losses farmers and ranchers faced in 2022—and using the same narrow crop loss and indemnity model despite the broader set of challenges producers are facing today. USDA has gone as far as the current tools and authorities allow and continues to look for ways to streamline and improve access. This is another area where you must consider if our risk management and disaster tools are strong not only for the few, but also for the many and most.

Conclusion

The transformational opportunity before this Congress in the next farm bill is not simply about farmers and ranchers, it's not just about income or drought or SNAP, it's not just about breaking down barriers to opportunity or entrepreneurship, all of which is important. It's not just about jobs. It is about the essence of this country. This transformation in agriculture can be part of strengthening the financial base in rural America by rooting wealth, creating opportunity, and creating thriving rural communities. And a strong rural America is important and critical to our democracy.

There are countless farmers and families across the country clamoring for a different way. With shared vision, will, and focus we can create a different, innovative, creative way to approach the future as we think anew and act anew. We can be innovative enough to create additional profit opportunities for farms small, mid-sized, and large. So instead of only one, two, or three ways to generate profit and income on a farm, we can have five or six or seven different ways. We can provide technical and financial assistance and help that will allow producers to connect to their local markets, allowing them to take advantage of expanded processing. We can make it possible for farmers to provide their agricultural waste to a new business with a manufacturing or processing facility located just down the road that's creating a material, a fabric, a fiber, a chemical, a fuel, or an energy source. Congress has an extraordinary opportunity with the farm bill reauthorization to say to the farming community, it's not just get big or get out, it's diversify and thrive. And all of this must be done through a USDA that is mobilized, department-wide, to remove barriers to access to our programs and services for all Americans, including ensuring USDA and all of our Federal resources reach underserved communities and those with the most need.

This is a time of great opportunity—a time to be hopeful. I look forward to working with you on this charge because our farmers and rural communities and next generations need us to meet the moment. And quite frankly our country depends on it.

The CHAIRMAN. Well, Mr. Secretary, thank you so much for your important testimony today. At this time, Members will be recognized for questions in order of seniority, alternating between Majority and Minority Members and in order of arrival for those who joined us after the hearing convened. You will be recognized for 5 minutes each in order to allow us to get as many questions in as possible.

And I will try to be—quite frankly, I am anticipating great participation today, so I promise to be heavy on the gavel at the 5 minute mark so that we can give everybody an opportunity to be able to ask their questions. And with that, I recognize myself for 5 minutes.

Mr. Secretary, as you know, the most recent omnibus appropriations bill (Pub. L. 117–328) contained the SUSTAINS Act (Sponsoring USDA Sustainability Targets in Agriculture to Incentivize

Natural Solutions Act of 2021), which allows USDA to accept third-party donations to fund all farm bill conservation programs. Now that the SUSTAINS Act is law, recognizing that was signed into law just a couple months ago, the end of December, where is the Department with using this expanded authority across USDA conservation programs?

Secretary VILSACK. Mr. Chairman, we are working extensively to try to address the need to get information out to producers so that they can take full advantage of our conservation programs, which includes the opportunity for us to partner with those who are interested in supporting conservation. I think there are a number of opportunities and a number of partnerships that are already being developed. We are looking at a number of environmental and conservation organizations that have indicated a desire to partner with us. You mentioned the Climate-Smart Commodities Program. That is also an example as well. We have incredible numbers of partnerships there that will be advancing significantly climate-smart conservation practices. So I think we are well underway to try and meet the needs of that and the goals of that particular legislation and expand beyond it.

The CHAIRMAN. Okay. Thank you. There are some definitions that I think there is a lot of uncertainty and confusion about what they mean. For example, and maybe you can define for us, *ultra-processed food*. I mean, that is one that is creating a lot of confusion. Does the Department have a clear definition—I mean, we are using that definition, the Department is, but do we have a clear definition of what *ultra-processed food* is?

Secretary VILSACK. Mr. Chairman, I think what we are attempting to do in the *Dietary Guidelines* is to ask a series of questions about the nutritional value of foods that are being submitted to folks. I think ultra-processed obviously involves sort of ready-to-eat kind of foods that have been prepared that can be put in a microwave, that can be put in a pot of boiling water to be able to produce more quickly the food and then put it on the table. I think the challenge is to find out whether or not, as you are producing that food for your families, whether or not you are fully aware of the nutritional value of that compared to maybe some other options and choices that you might have. And that is why we have asked the question in the *Dietary Guidelines* to give us information. I think we are all in a learning process on this.

The CHAIRMAN. Okay. I mean, does that apply also to a word that I think everybody feels like they understand what it is, but within the *Dietary Guidelines*, what does *healthy* mean?

Secretary VILSACK. Well, I think the reality is that we now know and we are learning more each and every day about precision nutrition, that there are many challenges with reference to the connection between what we eat and diet-related diseases. And I think the reality is that a significant amount of our healthcare costs are directly connected to diet-related diseases, that is to say diseases that could potentially be mitigated or even avoided with proper nutrition. And I think that is the reason why we are investing and learning more about precision nutrition so that we are in a position to be able to provide consumers information so they can make appropriate choices for themselves and their family. And that is one

of the reasons why it is important to have *Dietary Guidelines*. It is important to take those guidelines and roll them into the nutrition programs that we administer at USDA.

The CHAIRMAN. Yes, the term I use for that coming out of healthcare is *prescriptive nutrition*, and quite frankly, everybody is different, so it is hard to paint with a broad brush.

Secretary VILSACK. The *prescription* definition is one in which—and we have the GusNIP program which does this, essentially says to doctors, instead of prescribing medications, you might think about prescribing the use of fruits and vegetables, for example, as a way of treating a particular diet-related disease.

The CHAIRMAN. Right. Nutrition is fundamental to health, a fundamental building block, no doubt about it. And with that, it looks like my time is going to expire before I get my question in, but I will submit one to you. It really is on implementation of the Packers and Stockyards Act and a concern I have with the GIPSA rule, which is coming up for kind of a third time at bat.

So with that said, I now recognize the Ranking Member for 5 minutes of questions.

Mr. DAVID SCOTT of Georgia. Thank you very much, Chairman.

Secretary Vilsack, I am very concerned about the drastic and dramatic loss of farms in our agriculture system. As I have said in my opening remarks to you, *The New York Times* has reported an average of 17,000 small ranches or farms being lost every year. That is absolutely staggering. And that many of our farmers have not made a profit in 5 years. And so we went to work, and we got a bill that we are moving on that would set up a safety net for our small rancher families. We have to save the small family rancher and the small farmer. They are the heart and soul of our system. If we don't save them, who is going to be producing and growing and farming? These huge combines? That is what happened at the other end of the supply chain with our meatpackers. We had thousands of meatpackers in this country at one time. Now, it is only four, basically, who control 80 percent. Now, we have to move. So I am asking for your help on getting our bill that would set up a safety net for our small farmers and will provide you with some money so that you can help set up some excellent marketing opportunities so that their products can be sold. I hope you will support us with that.

Now for the veterans. Your information said that between 2015 and 2019 more than 11 percent of working-age veterans lived in food-insecure households, and 7.4 percent of them risked food insecurity. Ladies and gentlemen and Chairman, our food is now becoming a national security issue, especially when we can't feed our veterans. And you and I have been working on this, and I have talked with you as recently as a few days ago about the problems we are having just trying to feed our veterans. Could you please comment on helping us feed our veterans and help the poorer communities so that they are not cut off of food stamps? Will you help us?

Secretary VILSACK. Obviously, Congressman, we would be more than happy to do that. In fact, we are working with the Veterans Affairs Department in an effort to get information out to veterans concerning the availability of the various nutrition programs. We

are also working with the Defense Department to try to figure out ways in which we can make it easier for military families that, because of the nature of military pay, find themselves in a position where they need to have SNAP benefits.

So those are two issues that we are—we are also working with our friends at HUD in terms of multifamily housing opportunities that HUD is supporting in cities, making sure that those facilities are making information available about the various programs. And we will obviously work with states to administer this program, the SNAP program, to make sure that they are doing everything they can to get the information out to veterans.

Mr. DAVID SCOTT of Georgia. And to the small farmer.

Secretary VILSACK. Well—

Mr. DAVID SCOTT of Georgia. To do that, I think it will also give you some funds to help create marketing opportunities—

Secretary VILSACK. We are certainly happy to work with you, but I would also point out that we have just recently announced 31 grants to expand processing, and there is more to come. We have also helped 277 existing facilities expand their market opportunities so they now can sell across state lines. We have helped nearly 3,000 very, very small packing facilities with their inspection fees based on the resources that Congress has provided to us.

Mr. DAVID SCOTT of Georgia. Thank you very much, Mr. Secretary.

The CHAIRMAN. The gentleman yields back.

I now recognize the gentleman from Oklahoma, Mr. Lucas, for 5 minutes.

Mr. LUCAS. Thank you, Mr. Chairman. And it is kind of hard to believe, Mr. Secretary, it has been 14 years since the first time we had one of these conversations. Thank you for being back.

Secretary VILSACK. You still look the same, and I don't.

Mr. LUCAS. You always were the handsome one of the two, though.

Mr. Secretary, I was pleased to see in your written testimony how you note the historic relationship between Federal ag policy and the health of our rural communities. As you have heard me say many times, my beliefs on this topic were instilled in me by my grandparents and parents and various elders in my home community. These were the people who experienced firsthand the depths of unforgiving, persistent droughts, markets upended by far-away conflicts, and monetary and fiscal policy that made capital more expensive and running a business much more complicated. These stories seem to have a more relevant point now than ever due to the record high inflation, surging input costs, erratic weather patterns that producers are currently experiencing. And today, I would like to focus on the impact extreme weather has on production and the programs farmers and ranchers need to weather that storm.

Over the past 6 years, impacted producers have received *ad hoc* assistance for extreme weather events through the WHIP+ Program administered by the previous Administration, and the ERP program administered by your agency. ERP phase 1 followed the WHIP+ model, basing 2020 and 2021 coverage on crop losses. Producers who were left out of phase 1 were given assurances that

they would be captured under the ERP phase 2. However, when the regulations came out for ERP phase 2, FSA had completely changed course and moved from a model based on crop losses to one based on revenue losses calculated by tax year. The reports I am hearing from Oklahoma is that, due to the vast changes in the program, the drought-impacted producers that were left out of phase 1 are not qualifying for phase 2 under the new parameters. So I ask, what is the status of ERP phase 2? Or, as my constituents would ask back home, who is qualifying?

Secretary VILSACK. Well, Congressman, I think part of the problem and the challenge is the Congressionally mandated 70 percent threshold that has to be met in terms of the ability to access those resources. People are bumping up against that 70 percent, but they don't meet the 70 percent threshold, so you may want to take a look at that in terms of what Congress has directed us to do.

Having said that, the challenge is that programs sometimes leave out very, very small producers. They leave out folks who have not received any assistance at all and who are on the cusp of losing their farm. And so the desire for the Department was to create this revenue-directed program so that we would be able to help those farmers out. And if there are resources left over after we do that—and there may very well be—we can come back and take a look at maybe those folks who are bumping up against that 70 percent Congressionally mandated threshold.

Mr. LUCAS. Which leads me to that exact question. If there is money left over, will you go back and address producers who were uncovered under phase 1 model and the unreached under phase 2, potentially both?

Secretary VILSACK. So the answer is yes, and I would just simply point out you are going to get a lot of complaints coming out because the 2023 effort, you gave us \$10 billion before for 2021, \$3 billion for 2022 issues. We are going to be faced with a serious disconnect between the level of help and the amount of money that is available to us.

Mr. LUCAS. And certainly, that is our responsibility to address it. And what are the odds that we would potentially go back to a phase 1 approach for the 2022 losses?

Secretary VILSACK. Well, we will learn from the experiences of the first iteration of ERP, and we will certainly factor that in to how we administer the program for this next phase. And I would point out, too, that I encourage all of the Members to take a look at this on the *Farmers.gov* website. It basically lays out all the programs that are available for disaster assistance and particularly disasters so that you have an idea what programs you can direct your constituents to.

Mr. LUCAS. And I would in closing note how much I still appreciate your help on the 2012 that became the 2013 that became the 2014 Farm Bill, Mr. Secretary. We had a very similar set of challenges both budget-wise and the lay of the Congressional land here. We are all going to have to work together to get this done.

Secretary VILSACK. We are, Congressman, but I think it is really, really important for people to understand that there are a number of tools in addition to the farm bill that we have to figure out how to creatively use to be able to meet the need that is out there.

Mr. LUCAS. Absolutely, Mr. Secretary. Thank you.

I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back.

I now recognize the gentleman from California, Mr. Costa, for 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman and Members of the Committee, Secretary Vilsack. It is, again, I think my honor and pleasure to work with you again on my fourth reauthorization of the farm bill. And clearly, we have a history. I concur with Congressman Lucas' reflection on the fact that we have to work together on this. And it is important, as the Chairman and Ranking Member indicated, for all the reasons that are essential to America, which is that food is a national security issue, and I think we all feel similarly about that.

I want to focus on a couple areas, quickly onto questions. As you know, I am a third-generation farmer and represent the heart of the San Joaquin Valley in California, the incredibly productive agricultural State of California. And, as I look at the farm bill and the 12 titles, I am challenged by how we overcome on a bipartisan basis the essential challenge of baseline funding on very popular programs in the 12 titles that historically in recent years have been oversubscribed. I am talking about the EQIP program. I am talking about the MAP program. The list goes on. I think that is going to be a real challenge as we try to put this reauthorization effort together. I would like your thoughts about the baseline funding challenges that the Department faces.

Secretary VILSACK. Representative, I think in a lead-in to my comments to Congressman Lucas, as you know, the passage of the Inflation Reduction Act (Pub. L. 117-169) provides an historic level of resources for conservation for EQIP, for CSP, for the easement program, and for the RCPP program. And I think it is important and necessary for us to understand that utilization of those resources can complement and supplement what you have to do and can do within the farm bill so that at the end of the day you use all of those tools to meet the demand out there. There is clearly a backlog, and IRA is going to help us address that backlog. It is going to allow us to get more technical assistance to producers. So I would say making sure that you understand the full utilization of the resources under the IRA is one strategy for dealing with this.

Mr. COSTA. Well—

Secretary VILSACK. The strategy is, as the Chairman indicated, partnering with organizations that are equally interested in conservation, which we are doing.

Mr. COSTA. And good, and more to follow on that. And you and your Department have been very accessible in trying to work on some of these things. Time doesn't allow me, but we will go on there.

Also like I think almost everyone here on the Committee, the nutritional programs are a part of—I look at the farm bill as America's safety net. And whether we are talking about for American agriculture, whether we are looking at the nutrition programs, the working poor, young and old alike, many of the folks that Congressman Scott referenced in his opening statement, particularly in the school lunch and breakfast program, but there are a lot of other

facets to it, and I am concerned about the reduction of the Women, Infants, and Children's program on milk and dairy benefits and reducing access to dairy nutrients and the *Dietary Guidelines* and how we work on this. I just think the school lunch and breakfast program is something that—and there is a lot of food wasted that I think we also have to try to figure out how to address, and I would like your comment on that, please.

Secretary VILSACK. Well, I appreciate you raising the issue about dairy with reference to WIC because the reality, Congressman, is that actually more dairy is going to be consumed. I think you have to distinguish between fluid consumption and what we drink and what we eat in terms of dairy. You are going to see an increase in yogurt, you are going to see an increase in cheese consumption under WIC. Why? Because we are looking at containers that are more popular with WIC.

Mr. COSTA. And avoids waste?

Secretary VILSACK. This is really an important issue because the WIC program is supplements, and the reality is that we were providing 128 percent of the daily intake of dairy, so we knocked it down a bit. We are going to expand the number of people using WIC, and so at the end of the day, you are actually going to see significantly more dairy being—

Mr. COSTA. Okay. Well, we will discuss it more. My time is expiring here. We have had, as you know, a deluge of rain. We prayed for rain. I guess maybe we prayed too well. But the Emergency Assistance Program on Agriculture in California is really critical right now. We are assessing the totality of the cost impacted by farmers, ranchers, dairymen and -women, and I am interested in the USDA's support as we deal with this emergency assistance for the losses that have been sustained.

Secretary VILSACK. I actually met with Secretary Ross and other secretaries and commissioners of agriculture from the western states last week in Denver and committed to working with them to try to address both the drought and the flooding challenges.

Mr. COSTA. Thank you.

The CHAIRMAN. The gentleman's time has expired.

I now recognize the gentleman from Georgia, Mr. Austin Scott, for 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Thank you, Mr. Chairman.

Secretary Vilsack, you have talked about the declining number of farmers in the country, as my colleague, Ranking Member Scott, did. The 2023 Farm Bill is currently projected to spend approximately four percent on commodity programs and seven percent on crop insurance. That is less than 12 percent that would actually go to support production agriculture. Eighty-two percent of it goes to SNAP. We have all seen what happened with the price of eggs with the supply and demand issues, and I guess my question for you is do you think that the decline in the percentage of spending on actual farm programs is right? I mean, we are less than 12 percent of what we call the farm bill actually going to commodity support programs. Do you support that number being so low?

Secretary VILSACK. Well, I support a strong commitment to nutrition and food security, Congressman. There is no question about the importance of that not just to the people who need that food

assistance but also farmers. Remember, 16¢ to 18¢ of every food dollar ends up in a farmer's pocket that is spent at the grocery store. It is also about jobs, so there are a multitude of issues involving SNAP.

Having said that, I think you have to look at the other steps that we can take at USDA that are in fact providing assistance and help to our producers.

Mr. AUSTIN SCOTT of Georgia. And what are those steps?

Secretary VILSACK. Well, those steps are creating additional market opportunities.

Mr. AUSTIN SCOTT of Georgia. And what are those market opportunities?

Secretary VILSACK. Well, let's start with the Climate-Smart Agricultural Commodity Partnership Initiative, 141 partnerships investing resources that provide assistance to roughly 60,000 farmers, 25 million acres, additional value-added opportunity where they will make more money for the commodities they produce. Plus, they are also going to be able to comply with and take full advantage of ecosystem service markets, expanded processing capacity providing opportunities for more local and regional sales of livestock so they get a better price, a more competitive price, the conversion of agricultural waste into a variety of new biobased products by virtue of the infrastructure law and by virtue—

Mr. AUSTIN SCOTT of Georgia. Secretary Vilsack, I am going to run out of time, but I think everybody in America who is watching this is smart enough to recognize that the volume of food, as we have seen with eggs, I mean, there are supply and demand issues there. And so no matter how much you give somebody in SNAP benefits, if the cost of groceries continues to go up because of inflation and bad policy, then they have less food to eat at the end of the day. Even if you doubled their food stamps, if the price of eggs goes up threefold, then they can buy fewer eggs with the same number of dollars.

Ninety percent of the food supply in this country, 90 percent of the food supply in this country comes from 12 percent of the farms. Now, I am all for beginning, young, and small farmers, but if you don't have those large farmers out there that produce 90 percent of the food supply in this country, then you are not going to have the groceries on the shelf. And so I want to ask you again. You have been the Secretary of Ag for 10 of the last 20 years if I am not mistaken. When you were originally Secretary of Ag, what percentage of the farm bill went to production agriculture?

Secretary VILSACK. It is roughly the same as it was.

Mr. AUSTIN SCOTT of Georgia. No, sir, you want to check those numbers. But do you think that less than 12 percent of farm bill spending should go to production agriculture?

Secretary VILSACK. That is a difficult question to answer because you are limiting the conversation to the farm bill when there are other things that are being done by the Department. ERP, for example, that is a good example.

Mr. AUSTIN SCOTT of Georgia. Sir—

Secretary VILSACK. It is *ad hoc* disaster assistance. There is research. There is a whole series of resources that are being provided

that you are not including in the equation, Congressman, so it is not a——

Mr. AUSTIN SCOTT of Georgia. I absolutely support research and extension. I think the majority of that that is done right is actually done at the state level through the land-grant institutions.

But let me ask you one other question. In the Inflation Reduction Act there was money set aside to pay off loans. You had phase 1, you had phase 2. You were about to come out with phase 2, as I understand it. But phase 1, am I correct that the loans that were paid off, if you were more than 60 days late, if you were more than 60 days late, your loan got paid off, but if you have sold your car and other assets to make your note current, then you got nothing?

Secretary VILSACK. Let's be clear about this. If you were more than 60 days' delinquent, you were brought current. Your loan got paid off.

Mr. AUSTIN SCOTT of Georgia. Plus next year.

Secretary VILSACK. Exactly. But you——

Mr. AUSTIN SCOTT of Georgia. Well, no, if your loan would have matured previously, you got paid off in some cases.

Secretary VILSACK. Very, very, very few cases, but——

Mr. AUSTIN SCOTT of Georgia. But you did get paid off in some cases, correct?

Secretary VILSACK. Maybe a handful of cases. But the vast majority of people got their payment made, and then we also were—— just I am answering your question, Congressman. We are also bringing—those folks who actually did the right thing, we are also giving them the same benefit.

Mr. AUSTIN SCOTT of Georgia. My time has expired. I am going to be asking for more detailed information on it.

[The information referred to is located on p. 104.]

The CHAIRMAN. Now I am pleased to recognize the gentleman from Massachusetts, Mr. McGovern, for 5 minutes.

Mr. MCGOVERN. Thank you, Mr. Chairman.

Secretary Vilsack, first, I want to thank you for saying that access to affordable, nutritious food is a fundamental human right, and I couldn't agree with you more on that. And I want to thank the Biden-Harris Administration for hosting the White House Conference on Hunger, Nutrition, and Health last September. It was important. And the national strategy released at that conference is bold but achievable, and it calls upon every sector of society to do its part. And if we do, we can make significant progress in ending hunger in this country.

For Congress, the national strategy calls upon us to expand SNAP access for underserved populations, including those subject to the harsh 3 month time limit.

Secretary Vilsack, can you please explain to the Committee what the research shows about time limits on SNAP eligibility?

Secretary VILSACK. There was a study done, Congressman, of nine states, Pennsylvania, Colorado, Oregon. I can't remember some of the other states that were involved in this, but basically took a look at the 3 month. And several things came out of the study. First of all, who we are talking about when we talk about these adults without dependents? Who are these people? Well, they are mostly male, they are mostly homeless, and they are mostly

people with educational achievements that aren't quite as high as you would expect them to be, so that would include obviously a lot of the homeless veterans that we talk about a lot.

The second point of this study was that in fact it didn't impact positively—when you tried to restrain the work requirements, it didn't impact the earnings or the employment opportunities for those individuals. So in other words, you can talk about constraining that, but it is not going to do what you think it is going to do. Plus, you are going to hamstring governors in terms of being able to deal with incidents and events like the one in East Palestine—

Mr. MCGOVERN. Right.

Secretary VILSACK.—to be able to deal with the unemployment that may result in a community by having the flexibility. So there are some real concerns with this.

Mr. MCGOVERN. No, and I think it is important for this Committee to focus on the research. Mr. Secretary, a few weeks ago, President Biden said in a speech on the economy that if Republicans try to take away people's healthcare, increase costs for middle-class families, or push Americans into poverty, I am going to stop them. Would you agree that the proposals we started seeing from some Republicans that would cut SNAP eligibility of benefits, including by expanding SNAP's existing harsh work requirements and time limits would push Americans into poverty?

Secretary VILSACK. Well, clearly, it is going to create some challenges, Congressman. And, more importantly, I think we are seeing a reduction in the number of folks on SNAP because of the employment. Folks are getting jobs, and that is good. We need to work with states to do a better job of using the employment and training resources. Now, that seems to me to be a more viable strategy in terms of trying to get people to move out of poverty and out of SNAP.

Mr. MCGOVERN. Yes, I find it interesting that in these bills with all these new work requirements there is no work requirement for people who receive farm subsidies to actually work on a farm, but I don't want to go down that road.

In the last farm bill (Pub. L. 115–334) Congress passed on a bipartisan basis, it directed USDA to reevaluate the Thrifty Food Plan based on four factors. And that update has meant an additional \$1.19 per day for SNAP recipients, which has been a lifeline, especially as we are dealing with high food costs. I want my colleagues to appreciate. This is the first time in nearly 50 years that a reevaluation actually led to a higher SNAP benefit.

So I want to set the record straight on a couple matters, Mr. Secretary. I have a copy of the law here. I don't see anything requiring the reevaluation be cost-neutral. Is there anything in the 2018 Farm Bill that required the reevaluation to be cost-neutral?

Secretary VILSACK. No, nor is there anything in the Food and Nutrition Act of 2008 (Pub. L. 88–525) which directed the Department to do this assessment and laid out the conditions and circumstances under which it was supposed to do it.

Mr. MCGOVERN. And as a follow-up, would the reevaluation have been able to fully incorporate those four Congressionally determined factors if USDA had held it to cost neutrality?

Secretary VILSACK. No.

Mr. MCGOVERN. Yes. And so, look, I don't know why, but as we are getting to a farm bill here, we have people coming out of the woodwork, again, beating up on poor people, and we ought to be striving to create a country where there is nobody who is hungry, there is nobody who is food-insecure, nutrition-insecure. And it goes back to your statement about food being a fundamental human right, and that ought to be the goal of every single Member, Democrats and Republicans on this Committee. If we want a farm bill, we ought not to screw around with SNAP.

And I yield back my time.

The CHAIRMAN. The gentleman yields back.

I now recognize the gentleman from Tennessee, Mr. DesJarlais, for 5 minutes.

Mr. DESJARLAIS. Thank you, Chairman.

Thank you, Secretary Vilsack for being here today. It seems like a lot of time is being consumed today talking about the nutrition program, and I am going to continue that. As we get ready to write a farm bill that is going to be a piece of legislation that will set the stage for feeding the American people for the next 5 years, I think it is an imperative that this legislation focus on putting the needs of our citizens first.

Eighty percent of the spending in the farm bill budget goes to the SNAP program, so I think it is probably the most important topic we are going to talk about today. The Ranking Member indicated that up to ten million people could lose SNAP benefits if Mr. Johnson's legislation were to become law. Basically, I find it interesting because about 80 percent of people across all political spectrums, Democrats, Republicans, and Independents, agree that able-bodied people who can work, should work, so I am not sure why that is an argument. Do you agree that able-bodied people who can work, should work?

Secretary VILSACK. Well, it depends on your definition of *able-bodied*.

Mr. DESJARLAIS. Okay. I will let Representative Johnson get to that, but most people agree that, if you get too many people in the cart and no one to pull the wagon, there is going to be a problem.

But what I want to focus on today that I have been trying to get answers to for over a year, I asked Under Secretary Dean last April about what we are doing with the immigration problem at the border. I think that there is no one in this room that can't look at the news and agree that we have a problem at our southern border with illegals flowing in. How many people roughly are on the SNAP program in America?

Secretary VILSACK. I am sorry, sir, what?

Mr. DESJARLAIS. How many people are on SNAP program in America?

Secretary VILSACK. Approximately 41 million.

Mr. DESJARLAIS. Forty-one million? What percentage of those are non-citizens or illegals?

Secretary VILSACK. Well, I am not sure that illegal people can qualify for SNAP.

Mr. DESJARLAIS. Well, there are about 11 exceptions to those rules, and I am sure you are aware of them. Two of the ones I will

talk about are the most common. One, if you are 18 or under, you qualify for SNAP. Do you agree with that?

Secretary VILSACK. Yes.

Mr. DESJARLAIS. Okay. And if you are seeking asylum, you qualify for SNAP. Those are the two biggest of the 11 exceptions. Do you agree with that?

Secretary VILSACK. Well, yes.

Mr. DESJARLAIS. Okay. So how many people—

Secretary VILSACK. Are those 18 year olds, were they born in the United States?

Mr. DESJARLAIS. No, people that came here illegally.

Secretary VILSACK. Well, if they were born in the United States, they are American citizens.

Mr. DESJARLAIS. Right. I am talking about people that came here illegally. So we have had roughly five million border crossings since President Biden took office. He ended Title 42. He ended the public charge rule. So the question I have been trying to get answered is how many people of the 41 million receiving SNAP benefits are here illegally? Can you answer that question?

Secretary VILSACK. Well, I would pose the question this way. I would say that there may be exceptions to this rule, but for the vast, vast majority of those 41 million, you are probably talking about American citizens or people that legitimately are getting SNAP.

Mr. DESJARLAIS. Okay. That is the answer I always get, but the number—

Secretary VILSACK. Well, that is the best answer.

Mr. DESJARLAIS.—of children that have come here illegally that are 18 or under automatically qualify. That is a large number of people. And the people seeking asylum qualify, and that is almost everyone that is coming here illegally. They know the game. If you come here illegally, you say you are seeking asylum, you get released into the United States. Right now, there are millions of people. When I first came to Congress back in 2010, it was said that there was about ten million people living here illegally. Now, there are estimates of 20 to 30 million people living here illegally. And the Center for Immigration Studies shows that 45 percent of non-citizen households are on SNAP benefits, and 21 percent of citizen households are on SNAP benefits. So you can do the math and extrapolate. I think that it is fair to say that anywhere between ten and 20 percent of the SNAP benefits are going to people here illegally, and no one is giving me the information I have asked for yet to disprove it. I sent a letter to you and Secretary Mayorkas last week trying to get those answers. I would urge you to look at that and see if we can get some answers before we write this.

I agree with Mr. McGovern. We need to worry about feeding Americans first. Can we all agree that Americans should be our top priority when it comes to the SNAP program, American citizens, soldiers, people who are needy?

Secretary VILSACK. Sure. All of those people are incredibly important to feed.

Mr. DESJARLAIS. So what I need from you or from your Department before we write this farm bill is how many people are on the SNAP program that are receiving these benefits that are not citi-

zens, how many asylum-seekers, how many children under 18? Because those right here in this rule says that they qualify, and I would challenge that 90 percent of them fall into that category.

Secretary VILSACK. Well, a significant percentage of the people receiving SNAP are moms and dads with children who are in the workforce.

Mr. DESJARLAIS. Are they American citizens?

Secretary VILSACK. They are under 18. You are going to see a lot of numbers, but they aren't necessarily kids who came here, in your words, *illegally*.

Mr. DESJARLAIS. Okay. Well, you are not answering my question either. Hopefully—

Secretary VILSACK. I am.

Mr. DESJARLAIS.—you will respond to my letter and we can have an answer before we try to budget 80 percent of the farm bill for this important topic.

I yield back.

The CHAIRMAN. The gentleman yields back. I am now pleased to recognize the gentlelady from North Carolina, Ms. Adams, for 5 minutes.

Ms. ADAMS. Thank you.

Thank you, Mr. Chairman. Thank you to the Ranking Member as well. And thank you, Mr. Vilsack, for coming back. Mr. Secretary, I appreciate the opportunity. It is just really too bad that we want to penalize people for being poor.

But let me just raise a couple of questions with you. The number of Black farmers in the United States has rapidly decreased over the last century. And as you have noted in your testimony, in 1950 there were over 500,000 Black farmers in this country, and by 1997, that number fell to about 20,000. That precipitous drop in Black farmers is part of why I joined with Senator Booker to lead the introduction of the Justice for Black Farmers Act (H.R. 1167/S. 96), which seeks to undo the harm discriminatory practices have done to the Black farming community over many decades. And while we did take an important step in the Inflation Reduction Act by providing over \$2 billion for farmers that have suffered from discrimination by USDA, you and I both know that there is more work to be done.

And I am curious to hear from you about the progress that is being made on the disbursement of these funds and how realistic, Mr. Secretary, is it that money will start flowing by the end of 2023? And what barriers have you faced determining who is most deserving of payments, and what other efforts are you taking to address this critical issue?

Secretary VILSACK. We have put out a solicitation for the national administrator of that program, Congresswoman. That is the decision-maker in terms of which individuals who suffered discrimination should get financial assistance. We also put out a solicitation to establish the regional hubs that will be the collectors of the applications. We are also working with cooperative groups so we can ensure that word gets out to all those who believe they have been discriminated against at USDA in farm loans and farm activities to be able to make sure that they get the information necessary for the application. Our goal is to try to get resources dis-

tributed by the end of the year, and we have a very aggressive timeline, and we are going to try to meet that.

Ms. ADAMS. Thank you, Mr. Secretary. And I will probably be in touch with you later to talk further. But, as you know, prior to the pandemic, USDA approved a pilot program to allow for SNAP beneficiaries in a select number of states to use online grocery delivery. And as we have seen during the outside of the pandemic and continuing today, grocery delivery services are here to stay and are being utilized by more and more SNAP households. And in your view, how successful has this expansion into grocery delivery been, and can you speak a little bit more broadly about the importance of SNAP keeping up with the way modern consumers engage with their grocery shopping and modern lives?

Secretary VILSACK. Forty-nine states have now worked with us to create an online opportunity for SNAP families, and 170 major retailers have agreed to participate in that effort. So you are going to continue to see an expansion to try to make sure that we are doing everything we can to make sure that the utilization of SNAP is modernized. It is also true in our WIC program. We have also got a very extensive modernization effort there as well.

Ms. ADAMS. Thank you, sir. I am a proud two-time graduate of North Carolina A&T State University, a fierce advocate for our 1890 land-grant universities and HBCUs across the country. And my colleagues and I will continue advocating for a variety of funding streams for 1890s through the appropriations process like the Evans-Allen and Capacity Building Grant Programs. So can you speak briefly to the importance of maintaining strong partnerships between the Department of Ag and 1890 institutions and how you plan to ensure that those partnerships are strengthened, moving forward?

Secretary VILSACK. We meet with the President's council on a regular basis. I meet with the President's council, and our senior staff does as well. We have increased the funding on both the capacity and the facility portions of the budget. We have also developed a next-gen leadership initiative for not just historic Black colleges and universities but minority-serving institutions to try to create more internships and opportunities for young people to access scholarships. So there is a significant amount of assistance and help that we are directing now to 1890s. We are also making sure that every college and university has a liaison so that there is a direct connection with the Department.

Ms. ADAMS. Thank you, Mr. Secretary. And thank you for your positive comments about the need to make sure that no person, no family should go hungry. It is really important. It is a basic right. It is a human right, and I certainly hope that as we move forward with the farm bill that we will address that as needed.

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentlelady yields back.

I now recognize the gentleman from Arkansas, Mr. Crawford, for 5 minutes.

Mr. CRAWFORD. Thank you, Mr. Chairman.

Mr. Secretary, as you recall, you and I had a conversation a couple years ago at the beginning of the previous Congress talking about the threats to production agriculture and how that has really

kind of become a gap in our national security. And as we were talking on the phone, I indicated then that I was offering a bill to introduce what I called the Ag Intelligence Measures Act, the AIM Act (116th Congress, H.R. 8238), which essentially gives USDA Title 50 authority, brings them into the intelligence community as a full-fledged member. And I just wondered, I am hoping that you still support that, as we see foreign state actors and non-state actors that are trying to undermine U.S. ag and steal technology and things like that.

And so my question is do you still believe that at this critical moment in time with the way that China and some of our other adversaries are behaving and posturing that this sort of an office is needed and is necessary at USDA?

Secretary VILSACK. I think it would be helpful.

Mr. CRAWFORD. Okay. Good deal. Well, I appreciate that. And when establishing the office, do you believe there are other capabilities that we should be taking into consideration that we haven't discussed?

Secretary VILSACK. Well, we continue to work with the Treasury Department and others in terms of the CFIUS (Committee on Foreign Investment in the United States) process to make sure that USDA is connected when it is appropriate. We have seen better cooperation recently in that space, but there is probably always continued work to do in that area.

Mr. CRAWFORD. Okay. I am glad you mentioned CFIUS because that is exactly where I was going to go. And in fact, another priority of mine in this ag security space has to do with a bipartisan bill that myself, Representative Stefanik, Representative Costa on this Committee, Senator Rounds and Tester all support, and it is called the Promoting Agriculture Safeguards and Security Act, or the PASS Act (H.R. 683/S. 168). Basically, it establishes a permanent role on CFIUS for the Ag Secretary, and I wanted to get your comments on that. I think your comment just now sort of is in line with what we are trying to achieve. So would you explain how you think your experience and the experience of future Secretaries of Agriculture would play into this new role on CFIUS as it pertains to considering agricultural needs, protecting a vital asset, reviewing foreign transactions that may affect our national security?

Secretary VILSACK. I think what we are learning is that sometimes it is difficult for people to see the direct connection with agriculture, but once it is explained, then it is fairly clear that there is in fact an agricultural interest in a particular company or a particular transaction. So being a permanent member would allow us the opportunity to educate the other members of CFIUS about what to look for and what to be sensitive to when it comes to agriculture and agricultural production.

Mr. CRAWFORD. Excellent, thank you. I am going to shift gears on you, Mr. Secretary. As you know, producers across the country are struggling to find reliable sources of labor. Many have turned to H-2A program to help get the seasonal workers they need. Yet recent changes to the wages for those workers will make costs skyrocket for those producers. The Department of Labor is utilizing the Farm Labor Survey conducted by USDA to set wage rates under H-2A, yet that survey was never designed with the intention

of being used in this manner, and it skews the wage rates to unworkable levels for farmers. So, Mr. Secretary, my question is will you work with stakeholders and the Department of Labor to address these out-of-control wage rate increases?

Secretary VILSACK. What I am happy to do is work with the Members of this Committee and others to pass the Farm Workforce Modernization Act (117th Congress—H.R. 1603), which could have solved this problem, Congressman. We had a chance to get it solved. This body, the previous Congress, passed it in a bipartisan way. The Senate didn't get it done. If they had gotten it done, hundreds of millions of dollars could have been saved. That is the answer. That is the answer. Get that Farm Workforce Modernization Act passed.

Mr. CRAWFORD. Okay. Thank you, Mr. Secretary.

I am going to yield the balance of my time to my colleague from Georgia, Mr. Scott.

Mr. AUSTIN SCOTT of Georgia. Secretary Vilsack, Ms. Adams brought up the issue of the loans as well. My question: if you are going to do it based on discrimination, are they going to have to have some evidence of discrimination, or are they going to be allowed to self-certify discrimination?

Secretary VILSACK. There will be a requirement, Congressman, for establishing the nature of the discrimination that took place.

Mr. AUSTIN SCOTT of Georgia. So they will not be allowed to self-certify?

Secretary VILSACK. They will provide the information under penalty of perjury, which we think is a pretty significant one.

Mr. AUSTIN SCOTT of Georgia. But self-certification, that is self-certification, so that is self-certification with no evidence.

Secretary VILSACK. Well, they have to provide information and documentation as well, Congressman, so it is not that they just—

Mr. AUSTIN SCOTT of Georgia. So they are going to have to provide evidence? They are not going to be allowed to self-certify? They are not going to be able to just walk in and sign the form that says I was discriminated against?

Secretary VILSACK. No, no, it is more—

Mr. AUSTIN SCOTT of Georgia. They are going to have to provide evidence?

Secretary VILSACK. More than that.

Mr. AUSTIN SCOTT of Georgia. Okay. They are going to have to provide evidence. Okay. Thank you.

The CHAIRMAN. Does the gentleman yield back, Mr. Crawford? The gentleman yields back.

I now recognize the gentlelady from Virginia, Ms. Spanberger, for 5 minutes.

Ms. SPANBERGER. Thank you so much, Mr. Chairman.

And thank you for being here, and welcome back, Secretary Vilsack. I am excited to have you here today as we continue our work on the 2023 Farm Bill. Your expertise and experience are invaluable. I also appreciate your comments related to the Farm Workforce Modernization Act, which is something I continue to hear about from producers across my district.

I was really grateful for the time that you spent in my district a few years ago as we were discussing our efforts to recover from

the COVID-19 crisis. And before I begin my questions, I would like to once again invite you to spend some time with Virginia's farmers and producers to hear the issues on their minds as we prepare for the next farm bill. So I hope we can have you back in the district.

My first question is about the Conservation Title. I appreciated how your testimony really seized on the point that often gets missed in the context of USDA's conservation programs, and that point is that these programs, while really good from a conservation perspective, good for the planet, they are also essential economic components of a successful farming operation. I hear that from producers across my district who utilize these programs.

As farmers are both responding to the impacts of the climate crisis and looking for new markets for their crops, investing in climate-smart agriculture not only protects our planet but increases resilience of the farmland, increases marketability, reduces input costs, and raises crop yields. And so I am really proud that in the last Congress we passed the Inflation Reduction Act, which included the largest single investment in conservation since the Dust Bowl. And these investments will soon be paying dividends for producers across the country through programs like EQIP, RCPP, and CSP.

So as we approach the 2023 Farm Bill, there is broad consensus among groups representing growers, including the Farm Bureau and the National Farmers Union, that conservation funds included in the Inflation Reduction Act should stay in place, and I agree. But I am concerned about not sustaining higher funding levels for these historically oversubscribed and under-funded programs in the future. From your perspective, how should this Committee be thinking about future funding for conservation programs in the context of the 2023 Farm Bill? And what might that value be to farmers if we were to sustain these higher levels of investment over the long-term?

Secretary VILSACK. Well, the Inflation Reduction Act, Congresswoman, provides us the opportunity to actually address the backlog, the significant backlog of farmers who want work done but haven't been able to get the approval. The expectation is that we could actually within several years be able to eliminate that backlog and actually provide additional resources for advancing climate-smart practices, and that will in turn allow farmers additional income opportunities. So I think it is critical.

Ms. SPANBERGER. And it is critical, essentially, reducing the backlogs, so these are producers who want to employ these programs on their farms, voluntary programs. We made the effort to reduce that backlog, but recognizing the value of these programs into the future, we want to ensure that they are there not just for farmers who want them but for future generations of farmers. Would you agree with that?

Secretary VILSACK. I would, and I am concerned about suggestions that we reduce the overall budgets by a significant percentage. That could result in as many as 84,000 fewer farmers getting the assistance and help that they want.

Ms. SPANBERGER. And when we are talking assistance, we mean money out of the pockets of farmers, investments that they can't make on their properties, and investments that help them lower

input costs, increase output, and impact their day-to-day operations positively?

Secretary VILSACK. Right. And the technical assistance that allows them to create those concepts and those plans.

Ms. SPANBERGER. Important issue on the technical assistance. Thank you.

I would like to pivot in the minute I have left to livestock and competition. I hear often from Virginia's farmers and livestock producers about the trend of greater consolidation in the food and farm system, and the anecdotes are startling, but also the statistics are jarring. I am thrilled that the Packers and Stockyards division received a significant increase in funding in Fiscal Year 2023 to improve its enforcement of the Packers and Stockyards Act, a law to deal with anticompetitive behavior that, as you well know, was put in place 100 years ago. Can you please share an update on how the Department plans to spend these new resources to improve competition in the livestock sector and ideally positively benefit smaller producers like those I represent?

Secretary VILSACK. It is a combination of three things. One, making sure that we work collaboratively with attorneys general around the states that are concerned about this issue; two, making sure that we continue to invest in additional competition, additional processing capacity; and three, making sure that we expand and make clear the powers under Packers and Stockyards. It is the reason why we have proposed a number of rules with greater transparency, more predictability in terms of what the scope of the rule actually means.

Ms. SPANBERGER. And I thank you, through your ability putting forth much of what we proposed in the Butcher Block Act (H.R. 559) through USDA, and I know Dusty Johnson and I continue to work to get that passed legislatively into the long-term.

Thank you. I yield back.

The CHAIRMAN. The gentlelady yields.

I now recognize the gentleman from California, Mr. LaMalfa, for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman.

And thank you, Mr. Secretary, for spending time with us today as we tackle the farm bill on time this year.

First, I want to thank you for the quick response by your agency for the issues on the disaster declaration we had for tree nuts, more specifically, walnuts in California where a terrible pre-harvest drought and heatwave really, really negatively affected that crop. And so they have a pretty large carryover of low-quality nuts that are still stuck in the supply chain. Section 32 was helpful for a good portion of that on the disaster declaration and some low-interest loans. But as we know with loans, they have to be paid back, and that sector, who has really never asked for much of anything in this type of vein, they are looking for enough relief to move this backlog of crop through. And so other than the Emergency Relief Program, what avenues do you think we are able to help them get a direct result with this backlog for these tree nut growers, and most specifically the walnut folks?

Secretary VILSACK. We have provided resources to the state agriculture departments to essentially allow them to purchase local

and regionally produced foods for food banks, for school meal programs, and for other benefits and purposes. This would be one avenue that I would suggest the walnut growers take a look at in California to see whether or not those resources could be used——

Mr. LAMALFA. I appreciate it. And that is where the ones that maybe aren't perfect quality but they are still very, very edible. There is also a considerable amount that are not edible that would be better for, in some cases, cattle feed or use in energy plants. What could we do to further and speedily get that out? Because they are still stuck with them.

Secretary VILSACK. Well, I guess we could work with the energy companies to see whether or not there is a possibility of utilizing the resources under the Renewable Energy for America Program to allow conversion of those walnuts into feedstock for energy on the farm.

Mr. LAMALFA. Okay. Thank you. A little while ago we were talking also about the processing plants, and you did mention there was 277 existing facilities that are receiving help. There is a perception by some of the existing plants that they are unauthorized, that their drought support, they were ineligible for that. And are you finding that that is an issue that is coming up? Because we are hearing that from some of our processors.

Secretary VILSACK. That is news to me, Congressman. I am happy to look into it if you will provide us more information.

[The information referred to is located on p. 105.]

Mr. LAMALFA. Okay. Thank you for that. Last, we have had tremendous success with many of the conservation programs, EQIP, RCPP. My concerns on the climate-smart one are that this is going to be competing for the same narrow group of dollars here and that although there was an influx, one-time money, that ongoing that it is going to be competing with already oversubscribed programs that are indeed voluntary. So when I look at the climate-smart, basically, that boils down to if we are trying to keep carbon in the soil, basically no-till, and a lot of crops are not adaptable to no-till.

Secretary VILSACK. Well——

Mr. LAMALFA. Go ahead.

Secretary VILSACK.—it is much more than that, Congressman, much more than that. But the goal here is to create market opportunities, so the individuals who are embracing climate-smart practices and utilizing some of the conservation resources to do that are going to see a higher price in the market for what they sell, so it creates a value-added opportunity that they don't have today.

Mr. LAMALFA. Because there is a perception by buyers that they are doing such practice, but such practices are not adaptable for everybody in their types of crops. So what I am afraid of is that they are going to be aced out of that ability to be in the conservation——

Secretary VILSACK. Every crop is involved in this. All specialty crops are engaged and involved in a variety of partnerships, so this covers all commodities. It is not limited to just the basic corn, soybeans. It covers all commodities and all producers.

Mr. LAMALFA. Okay. Last, tariffs are really negatively affecting our ability to get ag products into India. Are we going to be able

to work with the U.S. Trade Rep to quickly expedite and be able to overcome this tariff situation in India?

Secretary VILSACK. I think that is one of the reasons why we are engaged in the Indo-Pacific Economic Framework for Prosperity. It is also one of the reasons why we are engaged in conversations with the Indians. Recently, we were able to get tariff reductions for cherries so that we got cherries into the Indian market.

Mr. LAMALFA. Walnuts are saying that, too.

Thank you. I would like to yield a little bit of time to my colleague, Mr. Kelly from Mississippi.

The CHAIRMAN. The gentleman only has 8 seconds left.

Mr. LAMALFA. Yes, that is—

Mr. KELLY. I was going to ask a question for the record, Mr. Chairman—

The CHAIRMAN. Go ahead.

Mr. KELLY. Mr. Secretary, my home State of Mississippi has been a big user of a Conservation Stewardship Program, or CSP. In the 2018 Farm Bill, statutory changes made to the program impacted the way the program is delivered in my state, dollars *versus* acreage. Can you update the Committee on how the Department plans to utilize the conservation dollars received in the Inflation Reduction Act to better accommodate producers that can't get a CSP contract under current conditions? And if you will take it for the record.

[The information referred to is located on p. 105.]

The CHAIRMAN. Very good. I thank the gentleman.

I now recognize the gentlelady from Connecticut, Mrs. Hayes, for 5 minutes.

Mrs. HAYES. Thank you, Mr. Chairman.

And thank you so much, Secretary Vilsack, for being here today.

Predictably, I will focus my questions today on the SNAP program. But before I start, I do want to highlight something because words matter. A person seeking asylum is not here *illegally*. They are following U.S. law as it is written. And regardless of how they entered the country, if Congress deems they are eligible, they are eligible. Undocumented immigrants are not and never have been eligible for SNAP benefits. People are not illegal.

This month, I led a letter to the House Budget Committee urging the Committee to avoid cuts to SNAP benefits in Fiscal Year 2024 budget resolutions. I am committed to making sure that we are putting forth programs and legislation that feed more people, not less.

When COVID-19 emergency allotments were in place, the likelihood of food insecurity decreased by roughly nine percent with larger impacts for Blacks and Hispanic families with children. We know that increases in SNAP benefits from the reevaluated Thrifty Food Plan kept nearly 2.3 million people out of poverty.

Last month, the USDA Equity Commission presented its 2023 interim report to your office. Of the recommendations they provided, I am strongly interested in the recommendations to continue reevaluation of the Thrifty Food Plan.

And I also want to note the conversation surrounding able-bodied workers. There are many people, as you know, Mr. Secretary, who

benefit from this program and are already working and still living under the poverty level.

Secretary Vilsack, are there things that Congress and USDA can take into consideration for the next reevaluation? Because it shouldn't be every 50 years. And how will these changes impact food security for the most vulnerable in our communities?

Secretary VILSACK. Well, the Food and Nutrition Act of 2008, Congresswoman, basically directs the Department to do this every 5 years, so that is going to happen and should happen every 5 years. And it is appropriate for it to happen every 5 years because there are changes in consumption patterns. There are changes, obviously, in food prices. There are changes in physical activity in families. There are multiple factors that need to be taken into consideration.

So I think that it is important for folks to understand that this needs to be done on a periodic basis. If you do it once every 45 years, you are going to see an increase. You are going to see a pretty significant increase. If you do it every 5 years, that increase may not be quite as significant.

And so that would be my advice, which is make sure that the Department lives by that 5 year rule, and make sure that you are very clear about what you want them to look at in terms of developing what an appropriate family that is getting by, what they would need as a supplement.

Mrs. HAYES. I couldn't agree more. And I think especially as we are emerging from this pandemic and we have seen so many shifts, 5 years would be an appropriate time to reevaluate the Thrifty Food Plan.

We also know during the economic downturn every \$1 in new SNAP beneficiaries can increase GDP by \$1.54. So as we continue conversations about supporting farmers, we should also think about what happens if we limited the spending dollars of both customers and their communities. We saw food delivery being increased. We saw local grocers having to increase inventory as more people moved and relocated into communities. Can you share how rural communities benefit from SNAP and why it is imperative that we expand SNAP to rural beneficiaries and rural economies?

I will yield you the rest of my time, but I also wanted to make one last point about fraud in the SNAP program. The instances are very low, and EBT payment accuracy has reached about 96 percent, so I want to make sure the people know that the SNAP program is functioning at the highest level of integrity that they have ever seen.

So I yield to you, Mr. Secretary, for benefits in rural communities.

Secretary VILSACK. Well, one of the challenges we have in rural areas is the ability to actually not only make sure folks sign up for the program but also make sure that they have a grocery store available to them where they can use the SNAP benefit and that those stores have a wide enough variety of choices that they have advantages for nutritious food, which is one of the reasons why the online ordering and shopping could potentially be of some significant benefit, and that is why we have been focused on it, and that

is why we are excited about 170 retailers joining us with that effort and modernizing the program.

Look, it is important regardless of where you live, whether you live in a rural area, suburban area, or urban area. It is important. It is important for the families. It is important for the jobs that are connected to those people who purchase groceries, and it is important for farmers as well.

The CHAIRMAN. The gentlelady's time has expired.

I am now pleased to recognize the gentleman from North Carolina, Mr. Rouzer, for 5 minutes.

Mr. ROUZER. Well, thank you, Mr. Chairman. And before I address the Secretary, I just want to mention that it has always been striking to me, this conversation about consolidation. And I think it is important to understand why consolidation happens. It is driven by the need for economies-of-scale. And what drives the need for economies-of-scale? It is a combination of things, but lower prices, higher input costs affected by inflation, certainly now. The war on American energy, American traditional energy affects it, unnecessary rules and regulations that add a lot of cost. All that drives the need for economies-of-scale, which leads to consolidation. So, we get more of what we incentivize, not more of what we disincentivize, so I think that is an important point.

Mr. Secretary, great to see you, as always. Thank you for coming before the Committee today. In the 2018 Farm Bill when I served as Chairman of the Livestock and Foreign Agriculture Subcommittee, we worked very hard to establish the National Animal Vaccine and Veterinary Countermeasures Bank. I just want to get a quick update if we can on where that stands. I know that according to the agency's website, APHIS has invested more than \$56 million to amass a stockpile of foot-and-mouth vaccine. Can you provide an update on where we are with that? And a follow-up to that is whether we are sufficient to where we need to be. And then a third follow-up to that is what do we need to do with this farm bill to improve it and to help the agency respond?

Secretary VILSACK. Well, we are looking forward to the transition from Plum Island to the NBAF facility in Manhattan, Kansas, and that is ongoing as we speak. And that is where the vaccine bank and the countermeasures will be housed. We are going to continue to invest in building up the vaccines, and we are going to continue to invest in research to create vaccines. I think we have a lot of work to do in that area, and I think we have learned a little bit about that in connection with some of the recent challenges with high-path avian influenza and the need for us to develop and continue to develop a vaccine that is workable. We are not there yet. We have more work to do. We have African swine fever literally in our hemisphere, which is of deep concern and the need for us to make sure that we have a vaccine ultimately to provide protection for our pork industry. So my advice would be to focus on the ability to develop and create and commercialize these vaccines.

Mr. ROUZER. Well, I appreciate you and your team's work on that front. It is critically important. We live in a day and age it seems that the perfect storm in every industry, every situation, and I worry about a disease outbreak in this country and what it would

do to our food supply and the economic consequences of that as well.

Speaking about economic consequences, disaster assistance programs, we obviously have a lot of hurricanes, flooding, *et cetera*, in my part of the world there in North Carolina, southeastern North Carolina. Can you speak a little bit to the need in your view for some type of permanent disaster program? I know sometimes, for example, we might have a hurricane in North Carolina that doesn't happen anywhere else, but it is 3 years later before we can get some *ad hoc* disaster assistance passed. Cash flow is critically important to producers. I personally am in favor of some sort of at least initial payment once a disaster hits without having to wait for Congress. Curious about your thoughts.

Secretary VILSACK. I think it is important to understand the importance of having a number of tools in addition to crop insurance, NAP, and other risk management tools, and disaster assistance would certainly be one of them certainly for the livestock industry in particular.

I would say that if you are going to craft a livestock or a disaster assistance program generally, you want to make sure that there is significant flexibility in the crafting of this because a disaster in one place doesn't necessarily equate to a disaster in another place. We are seeing significant differences between what is happening, say, in the western part of the United States *versus* what is happening in the Southeast *versus* what happens in the Midwest. So the degree to which you can provide flexibility to meet the moment, I think that would be very important.

Mr. ROUZER. Thank you, Mr. Secretary.

Mr. Chairman, my time has expired, so I yield back.

The CHAIRMAN. I thank the gentleman. He yields back.

I am now pleased to recognize the gentlelady from Ohio, Congresswoman Brown, for 5 minutes.

Ms. BROWN. Thank you, Mr. Chairman. And thank you, Ranking Member Scott, for holding this hearing. I also, Mr. Chairman, want to thank you for opening this hearing with a prayer for the victims in Nashville because prayers for comfort are kind, but I pray for courage to do what is right and necessary to end the scourge of gun violence. I pray we stop offering empty words but effective actions that have been long overdue to ban assault weapons, weapons that time and time again have been the source of these mass killings.

Now, as a person licensed to carry and a Christian, I believe in the Second Amendment and the power of prayer. But let us not forget faith without works is dead. It is imperative we do the work like passing long-overdue laws to make our nation safer. Our faith without works has resulted in too many needless deaths. So let's be sure to couple our faith with the courage to do what is necessary, the necessary work, by passing responsible gun safety laws that the majority of Americans demand and deserve.

So I will start my questions for you, Mr. Vilsack. Thank you for being here. As a Ranking Member of the Subcommittee on General Farm Commodities, Risk Management, and Credit, I have heard from farmers and ranchers about the need for strong, up-front investments in the farm safety net and disaster program in the farm bill. My constituents have unanimously expressed this preference

over patchwork and *ad hoc* payments and unpredictability, as was common in the last Administration.

Secretary Vilsack, my constituents and I thank you for all your hard work. So can you elaborate for us on the need for strong, upfront investments in our commodity and disasters programs in the farm bill?

Secretary VILSACK. Well, Congresswoman, I think it is important to have a set of tools to assist folks in disaster. I think it is important to have a strong crop insurance program. I think it is important to have a program, the Noninsured Crop Disaster Assistance Program, the NAP program. I think it is important to have a disaster assistance program that triggers when we are faced with a serious disaster, as we have seen recently. I think you need all of those tools, and I think you need flexibility to be able to meet the moment, as I said earlier.

And I think it is also important to make sure that we are not focusing the relief on just a small percentage of our farms, that we make sure that we have resources available particularly to small- and mid-size production operations. What we have found during the pandemic was that the initial CFAP payments were made to production agriculture, but they left some of the commodities and some of the producers out or that they didn't meet the moment. For example, those who had to depopulate their livestock because there weren't processing capacity because of the pandemic didn't receive assistance. And so we took a look at ways in which we could provide additional resources and more flexibility and creativity and where those resources go so that a wider range of people received the help that they needed to stay in business.

Ms. BROWN. Thank you. Furthermore, we know that there have been disparities in the past on how these payments have been distributed, particularly for socially disadvantaged farmers and ranchers. So, Secretary Vilsack, can you talk about things the Department has done or could do to address the disparities in payments? What can be done to ensure that disadvantaged producers are able to equitably access benefits in assistance programs?

Secretary VILSACK. Well, I think the first step in that process is to make sure that they are aware of when they in fact benefit from these programs. Oftentimes, we find that folks are not aware of the programs that are available and feel disconnected with the ability to apply appropriately. That is one of the reasons why we have entered into roughly 85 contracts with a variety of cooperator groups to basically go out into communities of underserved folks and basically provide them with information about programs that are available. I mean, if you look at disaster assistance, it is a bit daunting. When you look at this document, the number of programs there are, you may not know that there are programs that might be of assistance and help. So working with these groups, we are getting information out to producers, and then we are using those groups to help them apply and make sure that they are getting the benefits they are entitled to.

Ms. BROWN. Thank you again. And as we discussed nutrition and spending in the context of the farm bill, it is important to remember that investing in nutrition does not take 1¢ away from farm

programs. It is misguided to suggest that investing in families comes at the expense of our investing in our farmers.

So with that, I will close with this, *Romans* 12:20, "If your enemy is hungry, feed him. If he is thirsty, give him something to drink. No one is exempt from the call to feed the hungry. God calls us to meet the needs of even those we might call our enemies."

And with that, I yield back.

The CHAIRMAN. The gentlelady yields back.

I now recognize the gentleman from South Dakota, Mr. Johnson, for 5 minutes.

Mr. JOHNSON. Thank you very much, Mr. Chairman.

I will start with some thank yous, Mr. Secretary. We had Under Secretary Torres Small in South Dakota a couple weeks ago, and she did a great job. She really cares about adding capacity in the meat processing space, as I know you do. My able partner Abigail Spanberger and I were able to pass the Butcher Block Act out of Congress last year. And I know you all, not through that program but through a different funding source, have been able to do really good work out there, and we look forward to adding some permanence to that program by codifying it through the Butcher Block Act this Congress hopefully.

Second, I want to thank you for the work that the Forest Service is doing and really being innovative and trying to ship timber to mills in the Black Hills of South Dakota who otherwise would not be able to get inventory and for being willing to use LiDAR flights to give us a better sense of what is going on in the hills.

And then finally, sir, I want to thank you for talking about the importance of developing a high-pathogenic avian flu vaccine. And as we together decide how to move forward, I would just ask you to give consideration to the platform technologies being developed like in South Dakota with an animal health company. Others are doing it as well. I think it is very promising technology and gives us a real opportunity to move forward in a good way.

But I want to turn my attention now to some truly unfortunate comments that were made at the top of the hearing by Ranking Member Scott, who called me out by name. And I think, Mr. Ranking Member, yes, American families need our help. There is no question about that. They need our help in no small part because of the hyperinflation for food that has been caused by multitrillion dollar giveaways in the past 2 years. Yes, American families need our help, and I would tell you, sir, that their plight is not well-served by the kind of fearmongering that we have heard. The reality is that when we use words like *extreme* to talk about work requirements, let's review the facts. Were these work requirements extreme when they were put into place with Democrats and Republicans working together in 1996? Were those work requirements extreme when a bipartisan group of Democrats and Republicans stood together to renew them in farm bill after farm bill? Are they extreme, sir, in the way that they are being implemented and deployed in your State of Georgia? Were they extreme when then-Senator Joe Biden said from the Floor of the Senate, "The culture of welfare must be replaced with the culture of work. The culture of dependence must be replaced with the culture of self-sufficiency

and personal responsibility, and the culture of permanence must no longer be a way of life.”

Let’s set the record straight because we are talking about millions of needy people being kicked off, so let’s make sure we understand what current law and what these proposals would do. No one who is pregnant would be denied benefits. No one with young dependents at home, no one who is disabled, no one who lives in an area with high unemployment. And yes, I realize that there are some hard-to-serve populations that fall out of those buckets, and that is why existing law provides flexibility to states to select 12 percent of their caseloads to give them additional flexibility because, yes, we want to help people who are trying to help themselves. Work is not punishment. Work is opportunity. There is no pathway out of poverty that doesn’t include some mixture of work, education, and training, and we want to lift up those families that need that work and that education and that training.

There has been plenty talked about today with regard to research and data, so let’s be clear about that. When work requirements have been reimposed in those places where they had been previously held in abeyance, they have not put the multitudes into poverty. In fact, when you look at Arkansas after work requirements were reimposed, caseloads fell by 70 percent not into poverty, but instead, the incomes of those people who moved off the program tripled. I will say that again. The incomes of those folks who moved off the program tripled.

American families do need help, and I think we have an opportunity in a bipartisan way to talk about what kinds of flexibilities and what kind of support would help them move out of poverty. Instead, when we use the language to demonize people who are trying to continue what has previously been a strong bipartisan commitment to work, we do not give this issue the dignity that it deserves.

And with that, Mr. Chairman, I would yield back.

The CHAIRMAN. The gentleman yields back.

I now recognize the gentlelady from Kansas, Ms. Davids, for 5 minutes.

Ms. DAVIDS of Kansas. Thank you, Chairman. I do have a slightly different approach than some of my colleagues. I guess I would just say that, well, in 1996 I was 16, and there were plenty of decisions that were made that I would probably very much disagree with on both sides of the aisle. And so I just will put that out there. Yes, some of those decisions were extreme, and plenty of us disagree with people who were on both sides of the aisle at that time. Granted, I was in high school, so I didn’t know at the time what I agreed or disagreed with because I wasn’t like the youngsters today who are so involved in this stuff.

So, Secretary Vilsack, thank you so much for joining us. I am Sharice Davids. I represent the 3rd District in Kansas. And my district is actually really interesting. We have quite a range of folks, medium-size family farms, we have urban areas and rural areas. We have everything ranging from hobby farms to poultry producers, specialty crops, some row crops. And the Kansas City region also happens to be home to some really key intermodal hubs

that our ag economy from across the country uses to move their products to feed our country and to feed the world.

And over the last 2 months, I have spent a lot of time—I am new to this Committee, so I have been visiting with dozens of farmers, producers. I have had quite a few roundtables and listening sessions. And I have heard a lot of ways that USDA works and some ways that maybe some of the programs don't work as well as they could. And one of the common concerns I have heard about is around supply chain issues. And in your testimony you mentioned farmers and consumers at all points of the supply chain needing a more resilient system. So I am curious if you could expand on that a bit and share a bit about flexibility of the supply chain and improving that resiliency from your point of view.

Secretary VILSACK. Well, I think there are a couple of things that we need to be focused on, and that is the rail industry, the trucking industry, and the ports in terms of being able to move product more efficiently and more effectively. I think it is fair to say that we have some serious issues with reference to the rail industry and the fact that they may very well be understaffed at this point. We have seen significant delays that have occurred as a result of the transition in transportation of grain that is being produced in the Midwest out to the West Coast that is needed for their farms. That is a deep concern that was expressed to me when we had a series of roundtable discussions with groups and producers.

There is an issue with reference to encouraging more individuals into the trucking industry so that we have more trucks, more capacity. And we still have some challenges with reference to the ports. So part of the challenge that we have to undertake at USDA is to make sure that we expresses concern to the boards and commissions that are in charge of surface transportation, in charge of ports to make sure that they know that the problems have not been totally solved, that we still have issues and that we still require a very keen eye on all of this.

Ms. DAVIDS of Kansas. And then I do want to switch over to a different important topic, and I might have missed it if it was discussed earlier, but one of the things that I am very concerned about is our farmers and producers have very demanding lives. Growing and producing the food that feeds us requires demanding days. They are dealing with supply chain disruptions and extreme weather events. And there is a ton of stress that is associated with that. And I know that ranchers, farmworkers, rural residents are having a hard time accessing mental and behavioral health resources. That is material support, the full range. And I know that the Farm and Ranch Stress Assistance Network has been doing a lot of work to fill the gap, but I am curious if you could talk about that program. And actually, my time is running out, so if you could—

Secretary VILSACK. We have provided more resources for that program, and we have also worked with secretaries and commissioners of agriculture at the state level to encourage more information. We have also invested more in rural mental health services and facilities through our Community Facility Program.

Ms. DAVIDS of Kansas. Thank you so much, and I appreciate that work. I yield back.

The CHAIRMAN. The gentlelady's time has expired.

I would now recognize the gentleman from Kansas, Mr. Mann, for 5 minutes.

Mr. MANN. Chairman Thompson, thank you for hosting this hearing. And, Secretary Vilsack, thank you for being here today.

I represent the big 1st District of Kansas. We are the number-one beef, sorghum, and wheat-producing district in the country. My district has more than 60,000 farms and ranches, feedlots, ethanol plants, and agribusinesses, and farm country has made it loud and clear that they cannot survive when the government burdens them with nonsensical regulations and red tape.

Mr. Secretary, your proposed Packers and Stockyards rules are especially concerning to me because, while I understand USDA was directed by Congress in the 2008 Farm Bill to undergo a prescriptive rulemaking under the Act, I also understand that that mandate was satisfied by a rule finalized during the Trump Administration. Yet the Department ignores Congressional intent and legal precedent regarding harm to competition. Congress has weighed in and made it clear that competitive harm or likelihood thereof is a requirement to establish a violation of the Act. As Chairman of the Subcommittee on Livestock, Poultry, and Dairy, I can say that I concur with my predecessors on this point. And if we as Congress did not make it crystal clear, the courts certainly have. The harm-to-competition standard has been challenged in Federal circuit court eight times, and on eight occasions, the courts have upheld the will of the Legislative Branch. In my opinion, this issue is settled, and I am looking forward to working with my colleagues to craft sound, comprehensive livestock policy that honors the work of every link of the American agriculture supply chain.

Next topic, Mr. Secretary, as you know, President Biden's budget eliminates the stepped-up basis and imposes a new capital gains tax on the unrealized gain of assets held in family trusts for more than 90 years. This is the farm-killer tax. We have to understand that these taxes the Administration is putting down are not game-changers, they are game-enders for American agriculture and our family farms.

My question for you, Mr. Secretary, in your opinion, what would the elimination of the stepped-up basis or the imposition of the farm-killer tax do to family farms and small businesses?

Secretary VILSACK. Well, I am not sure that that is what the President proposed because I think there is a limitation or a—I don't know what the right word is, but there is an exemption that is attached to that, which will cover 99 percent of the farms that we are talking about. So I am not sure that that is what he is proposing.

Mr. MANN. But, Mr. Secretary, I mean, clearly the intent repeatedly by this Administration is to do away with the stepped-up basis. We fought this fight three times, and then a new tax, the farm-killer tax.

Secretary VILSACK. No——

Mr. MANN. Everybody needs to understand. So lands owned by farms.

Secretary VILSACK. I don't think that is correct, Congressman.

Mr. MANN. I am going to finish my—for 90 years in 2030 would be subject to a one-time capital gains tax. This is devastating. I have introduced legislation, introduced last week (H. Res. 237). We have bipartisan support to keep the stepped-up basis. And I don't understand how we can talk about food security if we are not willing to stand up for our producers. I will let you finish, Mr. Secretary.

Secretary VILSACK. Well, obviously, you and I disagree in terms of what the President has proposed, and I would say that at the Department of Agriculture we are working every single day to work for producers, for ranchers, and farmers. And I could go through a litany of all the things that we have done and are doing to try to create additional markets, to expand markets, to provide credit, to provide disaster assistance, so I think it would be unfair to suggest that we are not concerned about our producers. We are.

Mr. MANN. Well, I would encourage everyone on this Committee to join our legislation to tell the Administration loud and clear that we want to keep the stepped-up basis for our ag producers.

Next topic, June 2022 the EPA announced proposed revisions to the September 2020 proposed interim decision for atrazine that included a picklist of mitigation measures that producers would be required to implement when using atrazine. In the development of these mitigation measures, the EPA refused to incorporate any feedback provided by USDA. The public comment period on these revisions closed in October 2022, and USDA once again provided feedback. Mr. Secretary, have you had any conversations with Administrator Regan about the importance of atrazine and why USDA feedback should be incorporated into these proposed mitigations?

Secretary VILSACK. I have had a number of conversations with the Administrator about the important role that USDA has in terms of providing input to the EPA. But frankly, Congressman, this is a tough issue. I don't want the EPA Administrator calling me and telling me how to do my job. Our job is to basically provide the information, provide it as best we can, provide the documentation behind it. EPA makes the decision, and then it is our job to figure out ways in which we can help farmers comply if they can, and that is what we are going to do.

Mr. MANN. I understand. I would just say if those of us in this room don't stand up for our producers, no one else is going to, and it is on us to make sure that we get it right for them.

Last question, I know my time is expiring, how much were you involved in the rewrite of the WOTUS rule that went into effect? At the USDA, were you able to provide input into the process?

[The information referred to is located on p. 105.]

Secretary VILSACK. Mr. Chairman, do you want to give me a minute to respond to that, or do you want me to respond in writing?

The CHAIRMAN. Respond in writing, please.

Secretary VILSACK. Okay.

The CHAIRMAN. As much as I would like to hear it myself, we will keep within expectations I set.

Mr. MANN. I yield back the time that I no longer have, Mr. Chairman. Thank you.

The CHAIRMAN. And it is gladly received, Mr. Mann. Thank you so much.

I now recognize Congressman Slotkin from Michigan.

Ms. SLOTKIN. Hi, Secretary. Great to see you. I am proud to be the only Michigander on this side of the Agriculture Committee on the House side along with Senator Stabenow, obviously, the queen of agriculture on the Senate side. And you came to my district in 2021 and did a town hall with farmers actually on the capital gains tax issue, and you were a strong proponent of saying there should be an exception for farmers, so I just want to make that note.

I am a former CIA officer and Pentagon official, so I tend to look at things through a national security lens. And I think reauthorizing the farm bill is a national security imperative, and learning the lessons on supply chains that we all learned clearly from COVID I think to me are an area of focus. And I led a defense supply chain task force in 2021 with Representative Mike Gallagher picking up the rug on defense supply chains, our military supply chains. And there were some creepy-crawlies under there, particularly as it relates to dependencies on China. And the Defense Department is now taking a proactive approach to diversify, to get rid of those dependencies. And I guess my question is I hear from farmers all the time about all the different ways supply chain issues are affecting them, fertilizer, chemicals, inputs, outputs, the whole thing. What comprehensively has the USDA done in order to look at this as a national security issue for our food security?

Secretary VILSACK. We began a process of trying to establish more self-reliance in terms of fertilizer and the inputs necessary to put a crop in the ground. We recently announced eight awards in the fertilizer initiative. There are 21 in phase 1 of this effort to try to become more self-reliant that we are going to fund, everything from additional fertilizer production to substitutes to new and more efficient ways to use fertilizer, so that money is being invested. Roughly \$500 million is going to be invested in this effort. There will be a second round that will be focused more on longer-term, larger-scale capital projects that will be announced later this year. So there is a significant amount of activity. We got several hundred applications for these resources, over \$1 billion—actually, over \$4 billion of requests. My guess is it will probably score \$1 billion of those projects, try to figure out resources that we can put towards greater self-reliance.

Ms. SLOTKIN. Great. Just a comprehensive approach I think is really important after what we have all learned. Can you talk a little bit about the legislation? We know that in this Committee there are going to be a lot of debates. You have seen some of them expressed already. There are going to be debates on SNAP and food assistance. I think also it seems clear that there is going to be an attempt to claw back some of the legislation that was in the Inflation Reduction Act in August. Can you talk a little bit about what that legislation opened up for farmers specifically?

Secretary VILSACK. Well, specifically, it gives us the opportunity, first, to reduce the backlog that exists in EQIP and some of the other conservation programs, number one. Number two, it allows us the opportunity to—once we learn more from our Climate-Smart Partnership Initiative, we will be able to make wiser and more tar-

geted investments that will be of benefit to farmers and producers, creating additional market opportunities, value-added opportunities, allow them to participate in ecosystem service markets. It will basically generate new revenue streams.

One of the challenges here is that we are limited. We either sell a crop, we sell livestock, we get a government payment. We have to have more revenue streams particularly for small- and mid-size producers. To do that, you need those conservation resources to be able to get the environmental results that then could be marketed or sold if you will. So there is tremendous opportunity.

Ms. SLOTKIN. Yes, I think in spirit the incentivizing of farmers to do things on conservation, I have heard only positive things from farmers who want those incentives, and I just hope that we have a conversation that is based in fact on what helps our farmers *versus* what is based in politics.

Last comment, I know you have gotten a few questions. Chinese ownership of American agricultural land, of food manufacturing, food production. Just tell me your topline philosophy on foreign purchase of agricultural land and components to the sector.

Secretary VILSACK. The top five countries in the world today that own American agricultural land are Canada, Netherlands—

Ms. SLOTKIN. No, we love our Canadian brother.

Secretary VILSACK. No, no—

Ms. SLOTKIN. I am talking about adversaries.

Secretary VILSACK.—this is the point, Congresswoman. The point is in terms of Chinese ownership, it is less than one percent of one percent. It is a relatively small amount. I think the real challenge is a structure and system that we can get more consistent information about foreign ownership. Right now, we are reliant on people basically self-reporting. There is no mechanism for us to collect from 3,000 county organizations that recorded deeds every single day. So I think if you want to focus on this, you need to focus on some kind of—

Ms. SLOTKIN. Reporting.

Secretary VILSACK.—system that will allow us the information.

Ms. SLOTKIN. Thank you, Mr. Secretary.

The CHAIRMAN. The gentlelady's time has expired.

I now recognize the gentlelady from Illinois, Congresswoman Miller, for 5 minutes.

Ms. MILLER of Illinois. Yes, thank you, Mr. Secretary. As you know, there is a growing concern over the foreign purchase of our farmland, especially by Chinese Communist Party. And I was wondering if you could tell us what the USDA is currently doing to enforce the Agriculture Foreign Investment Disclosure Act (Pub. L. 95-460) and what you are doing to investigate foreign purchases that have not been reported.

Secretary VILSACK. We have doubled the number of people focused on implementation of the current law. But, Congresswoman, here is the challenge. The challenge is we do not have any investigative power. We don't have that power. We have essentially the ability to assess penalties, but we don't have the capacity to investigate. You are looking at more than 3,000 counties in this country. Every single county has a recorder's office. Every single recorder's office receives deeds. There isn't a process now for there to be an

accumulation of the deeds that are being filed today in those recorder's offices. It is dependent on people making the report to us voluntarily. So it is a system where there is a gap in terms of our ability to know what transactions are taking place.

Ms. MILLER of Illinois. Well, it is too bad that we have let this go on so long and not sought to rectify it.

Secretary VILSACK. When you think about rectifying it, basically what you would have to have is you would have to have a clearinghouse where information would be filed on every real estate transaction in the country, okay, so that clearinghouse can then be looked at. Now, I mean, just think about that, whether people really are—

Ms. MILLER of Illinois. Yes, that is why I have a bill to stop foreign purchases of farmland until we can get this in place and figure out, number one, how much land is owned already by foreign—

Secretary VILSACK. About 40 million acres.

Ms. MILLER of Illinois.—and foreign adversary, China, and how we are going to enforce the disclosure of those purchases.

Mr. Secretary, on March 2, I sent you a letter outlining concerns with Brazil's beef imports after they were late to report an atypical case of BSE. Given Brazil's repeated history of failing to report diseases and failing to meet international standards, what steps are you taking to ensure beef from Brazil does not pose a risk to U.S. consumers?

Secretary VILSACK. We continue to provide significant surveillance of the border to make sure that whatever is coming in from this country is safe. I would say that you have to be very careful about atypical cases because we have had atypical cases here in the U.S., so we have to be very careful about bans on exports because—

Ms. MILLER of Illinois. Yes, well, I wasn't talking about bans.

Secretary VILSACK. Okay.

Ms. MILLER of Illinois. It was the fact that they didn't report it. I mean, I understand that we have that also.

Secretary VILSACK. Okay. Well, that is a situation and issue where the WTO is basically advised. We expressed concern. We are obviously going to continue—and we have expressed concern about the lateness of it, but we want to make sure that you know that we are making sure that we are doing extra, extra vigilance at the border, not just for Brazil but also, as I mentioned earlier, African swine fever. That is a really significant issue.

Ms. MILLER of Illinois. Great. Thank you so much. My constituents are concerned with Mexico's import ban of GM corn from the U.S. I was happy to hear that the U.S. Trade Representative requested technical consultations earlier this month. Can you talk more about what happens after the technical consultations and if the USDA would encourage the White House to bring a dispute?

Secretary VILSACK. Well, I have been very clear about this. We are going to take this as far as it needs to go to be able to reverse the decree that Mexico has in place today.

Ms. MILLER of Illinois. Good, thank you. Illinois corn farmers appreciate that.

And one last question, the EPA continues to create this overburdensome regulation for farmers as it relates to pesticides. So what is the message of the USDA towards the EPA when it comes to over-regulation of crop protection tools?

Secretary VILSACK. We have a division within USDA that basically provides information to EPA on any proposal that they have relative to crop inputs to make sure that they understand and appreciate the impact and effect that a particular course of action might be on producers and on production.

Ms. MILLER of Illinois. If you find that they are overburdensome, do you follow up with them?

Secretary VILSACK. Well, basically, our job isn't necessarily to tell the EPA exactly what they are supposed to do because I don't want them telling me what to do. My job is to basically provide them the information as best we can in terms of the impact and then whatever decision they make, it is our job to try to provide resources so farmers can comply with whatever the regulation is.

Ms. MILLER of Illinois. I am sure you are very influential with them, and the overburdensome regulations are a great burden on the farmers. Thank you so much.

The CHAIRMAN. The gentlelady's time has expired.

I am now pleased to recognize the gentlelady from Colorado, Congresswoman Caraveo, for 5 minutes.

Ms. CARAVEO. Thank you, Chairman Thompson, to you and to Ranking Member Scott, for hosting the hearing this morning.

And Secretary Vilsack, thank you for taking the time to come and provide your testimony and in particular for coming to Greeley in my district last week.

Earlier this month, I also had the opportunity to meet with a great dairy farm called Colorado Cow that is in my district with Under Secretary for Rural Development Torres Small. This dairy has received a Value-Added Producer Grant from the USDA. This grant, they told me, really helped expand their company's market, a product line of A2 milk, which is friendlier to individuals with lactose issues. And frankly, they said it saved their business.

The USDA has incredible grant opportunities for our farmers and ranchers, but it was also clear that the grant application process is difficult for a small family dairy to maneuver, and actually had to employ an outside grant writer that came at a significant cost to Colorado Cow.

I know that helping small and family ranchers is a priority for you. Can you tell me what the USDA currently does to help smaller groups apply for grants that the agency offers? And how can we continue to work and making sure that the process is easier to best serve our community so that all of these programs are both well-known and accessible?

Secretary VILSACK. We have invested nearly \$100 million in 85 organizations that have access to and are connected to underserved producers and communities to basically give them an opportunity to go out and sort of extend our reach with information about programs that we have and to provide assistance and help for folks to be able to qualify and apply for programs. So we are doing that on the farm service side, and that would include opportunities like the ones you have suggested. We are also doing it with NRCS in

terms of conservation. They have another program where they are providing resources to about 118 organizations. So we are extending our outreach.

We are also taking a look at our application process. It is fair to say that some applications can be pretty cumbersome. Just most recently, our farm application used to be 26 pages. Now, it is 13 pages. I would suggest it is probably still too long, but it is better than 26 pages. And we are encouraging all of our mission areas to take a look at how complicated things need to be or how simple they could be and encouraging them to do so.

Ms. CARAVEO. I certainly appreciate those efforts. And the Under Secretary in particular highlighted that grant application process and how it has been shortened.

To kind of switch gears a little bit, I do want to thank you again for visiting in particular Maplewood Elementary School in Greeley, and we really hope you were able to have some great conversations on the innovative nutrition programs at that school. I was excited to hear your announcement on actions USDA will be taking to expand support for access to school meal programs, including for increased collaboration between schools and food partners, expanded nutrition education, and options providing more healthy meals to children at no cost.

As a pediatrician, I cannot emphasize enough the importance of children being able to have access to healthy foods for their well-being as they grow and so that they can focus on their schooling. Can you speak more to the importance of investing in school meals for our students and how Congress and the USDA can continue to work together on this issue?

Secretary VILSACK. One of the things we are attempting to do is to try to allow school districts who are interested in participating in universal free school meals to be able to do so through the Community Eligibility Program and reducing the threshold for compliance or ability to participate in that program. The President's budget also proposes additional resources to support financially those school districts—which you benefit from the fact that Colorado voters basically approved a referendum that allows you to have universal free meals starting in 2024. That particular school district actually put resources of their own to make sure that it was available this year.

I would say community eligibility is one issue. I would also point out the fact that there is pretty good research that there is a direct correlation between healthier outcomes and nutrition and better school performance and nutrition and that school meals need to be looked upon as truly an integral part of the school day. That school district was pretty smart because they put recess before lunch and not after lunch. It basically resulted in kids actually having an appetite but also having sort of the jitters out of them before they went into the school line, so a lot of creative things in that school district. They are doing a great job.

Ms. CARAVEO. Well, I thank you also for your emphasis on child nutrition and the ties to education. Before I yield back, I want to reiterate what so many of my colleagues have talked about, the importance of SNAP, particularly for children. With changes to the program, there would be 50,000 children in my district alone who

would have benefits that are at risk, and we should be investing in children, making sure that they have the nutrition they need to focus on what they need to do in school.

The CHAIRMAN. The gentlelady yields back. Her time has expired.

Just for clarification, if many Members are aware, the WIC program, although it falls on the shoulders of the Secretary, the WIC program and school nutrition is in the jurisdiction of the Education and Workforce Committee. As near and dear as it is to most of our hearts, it is outside the jurisdiction of this Committee.

I now recognize the gentleman from Alabama, Congressman Moore, for 5 minutes.

Mr. MOORE. Thank you, Mr. Chairman. And, Secretary Vilsack, I appreciate you being here today.

I was listening to the debate and the discussion here today, and I need clarification. How many people did you say are receiving SNAP benefits in America?

Secretary VILSACK. Roughly 41 million, Congressman.

Mr. MOORE. Forty-one million people. We are not tracking how many illegals at this point. We really don't know, I guess, is what you are telling us? Mr. DesJarlais kind of brought—I have been to the border a few times, and when he asked that question, I was just kind of curious, too. We are not tracking that at all, or do you have any kind of estimates?

Secretary VILSACK. Well, as has been pointed out, those who are undocumented are not entitled to participate in the SNAP program.

Mr. MOORE. But if they apply for asylum, they automatically qualify. Is that correct?

Secretary VILSACK. Well, but then they are not illegal because they have applied for asylum and the law allows them to do that.

Mr. MOORE. Okay. And then it brings a valid point. I think that is something I just want to bring to your attention. I was down on the border in Yuma, Arizona, a couple weeks ago, and this is for my friends across the aisle. Anybody who hasn't been to the border, we need to go and see what is going on. But the minute folks cross the border down there, Secretary, they are offered a motion to appear. It is an MTA basically, and they turn themselves in to the border agents. And so that qualifies them instantly. They consider that their asylum request. What happens then is they automatically, according to the locals that I have talked to in Yuma and different areas, is they are automatically qualified for taxpayer-funded subsidies. And so in a sense the way the border is working right now—and even the cartel are actually doing this. They are sending groups of people at a time, four or 500 at certain spots, and they will turn themselves in to the CBP. Our border agents basically have become concierge. So they instantly get that motion to appear in court, and they get a free cell phone so we can call them when it is time for them to appear in court. Now, they take our phones, but they are not taking our phone calls right now. Ninety-five percent of them we don't know where they went. But my concern is we have had five million encounters on the U.S. southern border. You are telling me we have 41 million people now that are cur-

rently on subsidies or SNAP program. The five million are turning themselves in instantly, they are getting the motion to appear, and they are becoming eligible. But at this point, we really—are you concerned, Mr. Secretary, at some point—I am not trying to make this political, believe me. I am just curious. Are you concerned that at some point that we will have more people——

Secretary VILSACK. No.

Mr. MOORE.—receiving benefits than the American taxpayers——

Secretary VILSACK. No.

Mr. MOORE.—can afford?

Secretary VILSACK. No. Look, first of all, let's take a look at who is actually getting SNAP. Somewhere between 80 to 85 percent of the people receiving SNAP are in one of three categories. They are a person with a disability, they are a senior citizen who worked and is living on a fixed income, Social Security check, or working moms and dads with children.

Mr. MOORE. But we are not tracking it, so we don't really know if the five million people that have applied for asylum actually are—or we have come in contact are eligible at this point?

Secretary VILSACK. With due respect, Congressman, I think it is absurd to suggest that there are five million people who applied for SNAP.

Mr. MOORE. Oh, I am not suggesting. I am just asking if you can give me a number. I am just curious. If we don't know the number, then how can it be so absurd to ask the question? I am just trying to get to the bottom of it.

Secretary VILSACK. Because we would know if there were five million people.

Mr. MOORE. There is 41 million now, right?

Secretary VILSACK. Well, there are 41 million. We would know that five million of them——

Mr. MOORE. Well, I am just curious.

Secretary VILSACK. It is ridiculous.

Mr. MOORE. I am not trying—I just want to let you know that down there, people are getting instantly benefits when they turn in as a motion to appear in court——

Secretary VILSACK. Well, I don't believe that they are——

Mr. MOORE. My concern is for the American taxpayer and the program itself. One of my colleagues—and she made a valid point a while ago. She said, “For every \$1 we put in SNAP, that is 80 percent of the program now.” I have been in Congress 25 months. I was stunned to find out that 80 percent of the program is actually SNAP. About 20 percent actually goes to the producers in the country. But one of the colleagues pointed out a while ago that for every \$1 we put in SNAP, we get \$1.54 in return. But where does that \$1 that goes into SNAP come from, Mr. Secretary?

Secretary VILSACK. Well, it comes from the people of this country.

Mr. MOORE. The American taxpayer.

Secretary VILSACK. Let me ask you a question, Congressman.

Mr. MOORE. And hopefully I can answer it.

Secretary VILSACK. What do you think about the fact that there are working men and women with children who require SNAP be-

cause they are working for \$7.50 an hour? Do you think we should increase the minimum wage?

Mr. MOORE. No, you can't increase the minimum wage.

Secretary VILSACK. Oh, you can't—

Mr. MOORE. It doesn't work. Because then—

Secretary VILSACK. That would reduce—

Mr. MOORE.—everything—when you increase the minimum wage, this is simple economics, everything in the economy increases in price. We have seen nothing else—

Secretary VILSACK. It would reduce—

Mr. MOORE. Milton Friedman said himself—and he is an economist—

Secretary VILSACK. It would reduce the SNAP—it would reduce—

Mr. MOORE.—that every time we print dollars in D.C., basically, we are creating inflation. And that is the problem the American farmers are facing right now, whether it is fuel cost with the domestic energy policy or us printing money like runaway sailors up here, it is making it harder and harder for the small farmer to survive, and we are going to ask the taxpayers where we are excited about spending money, \$1 a person to get \$1.54 back, when every bit of it comes from the American taxpayer. And then, as these people are pouring across the U.S. southern border, we are giving them MTAs and instant benefits. How much longer can the people that are pulling the wagon pull the wagon if everybody is riding in it?

And, look, I have to yield back, I am running out of time; but, I was just curious if we knew how many people were on SNAP. So thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentleman's time has expired.

I now recognize the Congresswoman from Oregon, Congresswoman Salinas, for 5 minutes.

Ms. SALINAS. Thank you, Mr. Chairman, and thank you to the Ranking Member for holding this hearing today. And I want to thank you, Secretary Vilsack, for being here.

You understand the limitations at USDA to continue to assist specialty crops, especially in an era of increasing devastating wildfires and different natural weather-related events that really risk the entire livelihoods of many of the farmers in my district. And we really are a specialty crop industry in the Willamette Valley. And as I look towards this farm bill, I am interested in finding a solution that really puts specialty crops on par with other commodities, which have long had protections for market stabilization and other things. So my goal is really to leave no farm behind, especially for the Willamette Valley specialty crops. So my question is: are there any specific authorities that would be helpful for Congress to provide USDA in order to address this specific concern?

Secretary VILSACK. Well, I think it is important for Congress to continue to support crop insurance and to encourage the Risk Management Agency to continue to do what they have done recently, which is to expand the number of policies that are available. There are now over 600 policies available, and that covers a great number of specialty crops, and we are seeing more and more of that oppor-

tunity. And to the extent that we can get the data that will allow us to create those policies, that is one mechanism.

We talked about a disaster assistance program earlier. I think that also is another thing that ought to be considered. We are focused as well on creating additional local and regional market opportunities for those producers, and I think it is important to be very supportive of that because that is going to help the small- and mid-size producer have additional income opportunities that they need to have to be able to keep the farm.

Ms. SALINAS. Great. Thank you. And on a topic that we really haven't discussed very much today, or at all, I don't think, I would like to ask a broad question around forest policy. As I previously alluded to, one of the natural disasters that has been really devastating a lot of my growers and farms back home have seen these more frequent and intense wildfires that Oregon has seen in the last few years. And the health of our forests, obviously, is essential for curbing the magnitude and scale of any future wildfires. And the impacts extend far beyond our farmers, though they often feel the damages most immediately. As new science becomes available on forest management, how can we best facilitate the Forest Service adopting and implementing new practices that would have the potential to limit wildfires and conserve our forests?

Secretary VILSACK. I think we are doing that, Congresswoman. Because of the infrastructure law and other resources that have been provided as well under the Inflation Reduction Act, we have identified roughly 250 firesheds, which we think represent the greatest risk based on the most recent science. We just recently announced 21 priority landscapes, some of which are in the State of Oregon and in the area that you are talking about to essentially put resources, nearly \$1 billion of resources over the next couple of years into better forest management, utilizing a number of strategies, thinning, prescribed fire, *et cetera*. So that is going to happen. Because of the lifting the cap in the REPLANT Act (Repairing Existing Public Land by Adding Necessary Trees Act), we are also engaged in a reforestation effort, which will be helpful as well.

So I think that is happening. You are going to see a much more aggressive effort in the forest space that will be minimized over time if these resources can be continued and supported. Part of the challenge is to make sure that we continue to support this. We have resources for the next couple of years, but then the question is what happened after that. But if those resources are continued, I think you are going to see significant improvement over the next several years.

Ms. SALINAS. Thank you. So we really need the funding behind it.

Secretary VILSACK. No question about it.

Ms. SALINAS. Thank you. I yield back.

The CHAIRMAN. The gentlelady yields back.

I now recognize the gentleman from Iowa, Mr. Feenstra, for 5 minutes.

Mr. FEENSTRA. Thank you, Chairman Thompson and Ranking Member Scott. And I just want to say thank you, Secretary Vilsack, for being here today. I have always appreciated what you have

done for Iowa over the years. I had a lot of conversations with you over the years and highly respect what you have done.

I have concerns obviously with the Administration, which you are a part of. We are from Iowa. We are the breadbasket of the world, literally, the breadbasket of the world, and I just wish the Administration would talk about it once in a while. I never hear the Administration ever talk about rural America. I never heard it in his State of the Union address. We have so much to offer this great country, especially economically, and, I don't know, it sort of hurts me.

And then also, if I look at what is happening in trade, we had Katherine Tai in Ways and Means a week ago, and we have this significant ag trade deficit that, again, could be very concerning to our farming community. And then obviously, *Waters of the U.S.* with EPA doubling down and just penalizing the farmer.

And then finally, which I want to talk about with you. And I know my good friend, Congressman Tracey Mann, mentioned this is the budget that the Administration put out, I mean, this is really going to hit hard if it were to be passed when it comes to like-kind exchange and stepped-up in basis. And you noted to him that 99 percent of the farmers would not be hurt. That is probably pretty inaccurate when I think about northwest Iowa. I talked to our accountants. I just got off the phone with them, and they said virtually everyone would get hit, especially when it comes to like-kind exchange when you are exchanging out your tractors and stuff like that. And I just wondered, any thoughts or anything that you can help the people, the producers that are listening right now, the bread basket of the world, what is your thought on this matter?

Secretary VILSACK. Well, Congressman, with all due respect, first of all, the President did mention and did talk about farmers in his State of the Union address. I was there. I heard it, number one. Number two, on the trade side, we have had \$15 billion of new and preserved market access during the course of this Administration, fresh potatoes in Mexico, tariff reductions on beef in Japan, corn, wheat, and pork opportunities in Vietnam with tariff reductions, *et cetera*. I could go on, and there is—

Mr. FEENSTRA. But were there any new markets?

Secretary VILSACK. Pardon?

Mr. FEENSTRA. Were there any new markets?

Secretary VILSACK. Yes. Fresh potatoes in Mexico is a new market.

Mr. FEENSTRA. Okay. I understand that. But how about corn or soybeans?

Secretary VILSACK. There is—

Mr. FEENSTRA. I mean, we are Iowans.

Secretary VILSACK. Well, we reduced the tariff for corn and pork in Vietnam, for example, and that expanded the market opportunity there. Opportunities for ethanol in Panama, opportunities for poultry in the Middle East.

Mr. FEENSTRA. I mean, this is the first time in decades that we are at an agricultural deficit. I mean, this doesn't happen—

Secretary VILSACK. Oh, no, no, no. I am not sure where that does—that is not accurate at all. We have been at a trade surplus in agriculture, and there was a suggestion that we might have a

trade deficit this year, but if you look at the recent trade numbers, what you are going to find is that exports are actually exceeding expectations and that we are still operating at a trade surplus.

Mr. FEENSTRA. Yes. So can you address the topic of tax, like-kind exchange, stepped-up in basis. You already talked about stepped-up in basis. Like-kind exchange is obviously very significant. What are your thoughts there, and can you advocate to the Administration that these are sort of big topics for the farmer?

Secretary VILSACK. I clearly have provided information to the Administration on the notion of stepped-up basis, which is why when this was proposed there was an exemption that basically would cover—done the research on this. It is like 99 percent of the farms, what it touches really. And, to me, this is where there ought to be concern. You can talk about farms and farm families, but the reality is a growing number of investment bankers are the owners of this real estate. Roughly four percent of the top ten percent of production facilities in this country are essentially owned and operated—

Mr. FEENSTRA. Yes, okay—

Secretary VILSACK.—by investment banks, so—

Mr. FEENSTRA. I understand. Let me yield back my time. But you think about northwest Iowa, Secretary. I mean, every farmer, yes, they are corporate, they are LLCs or—

Secretary VILSACK. No, no, no—

Mr. FEENSTRA.—partnerships—

Secretary VILSACK. There is not—

Mr. FEENSTRA.—and they are going to get hit.

Secretary VILSACK. This is not about partnerships and corporations. This is about investment bankers owning farmland and basically owning very, very large amount of farmland. And the question is—

Mr. FEENSTRA. Right, but I am talking about the regular producer, the regular producer in Iowa that owns 500 to 1,000 acres. They are the ones that they might be asset-rich, but they are poor when it comes to what they have to pay in tax. So we might disagree on this, but this is a really significant topic for a lot of our farming communities. And thank you for being here again, and I yield back.

The CHAIRMAN. The gentleman's time has expired.

I now am pleased to recognize for 5 minutes Congresswoman Gluesenkamp Perez.

Ms. PEREZ. Thank you, Mr. Chairman. And thank you, Secretary Vilsack, for being here.

I want to touch on some of the big issues facing my district in southwest Washington. Mr. Secretary, I would like to get your perspective on how USDA relief programs can work better for producers in my district. I recently visited Pacific County, which sits on the Pacific Ocean, as the name suggests, on the western edge of my district. The county produces over 50 million pounds of oysters and clams a year valued at over \$10 million and supporting almost 600 jobs. When I was there, I spoke with an oyster farmer who was so excited that aquaculture is now eligible for ELAP but that she and her fellow oyster farmers faced some challenges in accessing the program. As you know, ELAP requires oysters to be

completely containerized while they grow in order to distinguish between wild and the seed oysters. This is challenging in Pacific County where wild oysters often intermix. In order to be eligible for the payments, the producer then has to identify which of their oysters are wild *versus* seed and to get this information verified. So, as you can imagine, this is extremely difficult to determine and leaves the program out of reach for many, many producers in my district.

So my question is what can the USDA do to help shellfish producers access these ELAP payments? What technical assistance or other services are available to help them navigate this program? Thank you.

Secretary VILSACK. Well, Congresswoman, first of all, I am working with the Farm Service Agency folks to try to make sure that they understand the challenges. I appreciate you bringing this to my attention. I will be happy to take this back to our team and ask them to take a look at how we might be able to not only simplify the process but also make sure the information gets out about it. [The information referred to is located on p. 105.]

Ms. PEREZ. Thank you so much. I have also heard about challenges with ERP. Both rounds of ERP require crop insurance in order to access the funds. For many specialty crop producers in my district and across the state, crop insurance is incredibly expensive, and many have never had it. So for too many who consider purchasing crop insurance, in order to be eligible, they find that the cost of insurance is actually higher than any potential USDA payout. So what can we do to ensure that specialty crops are not left out of these vital programs?

Secretary VILSACK. Well, first of all, they are entitled to ERP programs. There are two phases to this. Phase 1 involved those who have crop insurance and named coverage. Phase 2 is basically covering those who don't have access to those programs, so they are entitled to ERP programs.

And then second, we are trying to work with folks to better understand how we can price and market crop insurance so it becomes more available to folks. I think it is a challenge for us in some cases. But your producers can qualify for ERP even though they didn't sign up for crop insurance—

Ms. PEREZ. In Phase 2. Okay. Thank you.

I would like to shift a little bit and talk about rural development, specifically broadband. So I live in a rural area, and like many rural areas, I have terrible internet. I get it from a radio tower. I would like to talk about how USDA can provide more services to our rural communities. Broadband is obviously critical to this, and that is why it is so important that the bipartisan infrastructure law provided almost \$2 billion for ReConnect Program.

So I read in your testimony that Congress can reduce barriers to accessing USDA programs without spending a dime, and I would love to hear more about that.

Secretary VILSACK. I am sorry, I didn't catch the last part of that.

Ms. PEREZ. In your testimony, you stated that Congress can reduce barriers to accessing USDA programs such as rural broadband without spending a dime.

Secretary VILSACK. Well, I think what we are encouraging—well, first of all, let me just say about the ReConnect Program. We will have most of those resources that were provided under the infrastructure law obligated by probably the end of this spring, so we are getting the resources out the door.

Second, I think the challenge for us I think is to figure out where else we need to be focusing our efforts. To the extent we know where there is lack of service, insufficient service, inadequate service, the more we know about where those places are, the better we can target those resources.

Ms. PEREZ. Yes. And that leads into another issue that we have seen. The FCC's National Broadband Map should be a key tool for identifying rural communities that are underserved and guide broadband investments, but when I looked into this, I actually found that the only way for logging challenges against the map is online. And if we don't have internet—so there is a mismatch there, and I would like to talk about how the USDA has engaged to create a National Broadband Map and how the agency can improve coordination for rural broadband deployment programs.

Secretary VILSACK. We can certainly convey those concerns. That is something that—we are not actually drawing the map or we are not actually participating in that.

Ms. PEREZ. Yes.

Secretary VILSACK. The Commerce Department and the FCC are doing that. So I will be happy to—

Ms. PEREZ. Thank you. Sincerely, thank you for your work. I yield back.

The CHAIRMAN. The gentlelady yields back.

I now recognize the gentleman from Minnesota, Mr. Finstad, for 5 minutes.

Mr. FINSTAD. Thank you, Mr. Chairman. And thank you, Ranking Member Scott, for having this important hearing today. And also, thank you, Secretary Vilsack, for being here.

Food and farm security is national security. It has been stated a few times, and I don't think we can state it enough. And as a proud fourth-generation farmer from southern Minnesota raising that fifth generation, I understand very clearly how important it is that we write and pass a strong farm bill. And I would just say that this farm bill needs to be by farmers and for farmers, by rural America and for rural America. It can't be written by those of us in a small room here in D.C. for D.C., so the more we can do to listen to real folks that are making real things happen, the better this farm bill process can be.

I just want to make a statement here. Mr. Secretary, earlier today, you responded to our colleague from Kansas about—and I liked what you had to say. You said I don't want EPA calling me and telling me how to do my job. And I will just tell you, as a farmer and someone that represent a lot of farmers in southern Minnesota, I don't want EPA telling us how to do our job. I don't want them showing up on our farms and telling us to farm with one hand behind our backs, so I agree with you on that statement.

I want to switch gears a little bit here. Mr. Secretary, last September, it was revealed that the Feeding Our Future, a Minnesota nonprofit, allegedly exploited USDA child nutrition programs to de-

fraud American taxpayers of over \$250 million. It was intended to feed hungry children during the COVID-19 pandemic. Indictments later revealed that the items purchased at the taxpayers' dime included luxury vehicles, real estate, and even an airplane.

Mr. Chairman, I would like to submit into the record a letter I sent to Secretary Vilsack on September 30th of last year, along with you and the Education and Workforce Chairwoman Fox and Oversight Chairman Comer requesting documentation to enable Congressional oversight on how USDA and its partnering state agency, the Minnesota Department of Education, failed to prevent this fraud.

[The letter referred to is located on p. 99.]

Mr. FINSTAD. So, Mr. Secretary, I know a lot of folks from Iowa. I do a lot of phone calls, texts, emails, and I write letters to my friends in Iowa. They respond right away. It has been 6 months since we sent this letter, and I haven't heard a word from you or your office. So would you commit today to providing the Committee staff information that we have requested in this letter within 2 weeks? That would allow us to do our job in Congress and enable Congressional oversight of this Feeding Our Future fraud.

Secretary VILSACK. Congressman, I will commit to you that we will get a response. I don't want to necessarily commit to a 2 week time frame because I don't know how complicated the response is. I don't know whether or not there is litigation involved, investigations involved. I would like to have the opportunity to basically—we receive over 300,000 inquiries a year from folks across the country, including Members of Congress, so give me an opportunity to get the letter, read the letter, and, certainly, you are entitled to a response, and you will get a response.

Mr. FINSTAD. Well, and I hope you see the wisdom in the needed response. When we are talking about rewriting the farm bill, we have heard a lot of conversation today around SNAP and the importance of making sure that we as good neighbors are willing to give the shirt off our back to those that are in time of need. It is hard to say that with a straight face when you see this kind of fraud that has happened. And so with that, what measures has the USDA taken to enhance integrity measures across all of the FNS programming to ensure that fraud on this scale will never be allowed to happen again?

Secretary VILSACK. Well, as you know, the programs are administered by the states, and so we are going to work closely with the states to make sure that they understand the joint responsibility we have to make sure that these programs are operated in a fair way.

I think, during the course of the pandemic, things were not as focused on this as perhaps they could have been because of the nature of the pandemic and the challenges that that presented and the need to get information and support out to folks that were in need. But I am happy to take a look at this particular circumstance to figure out what we should be doing or can do to make sure this doesn't happen again because it shouldn't happen. You are right.

Mr. FINSTAD. I appreciate that. Switching gears here quick with my remaining few seconds, I want to thank you for moving quickly to provide certainty for the pork producers in southern Minnesota

and all across this nation for following the letter I sent to you in February requesting an extension of the NSIS time-limited trial for pork processing plants. I guess my question to you in the closing seconds here is do you agree that a permanent solution is needed to provide certainty for our pork and poultry plants to ensure that they continue to operate safely and efficiently at this operational capacity?

Secretary VILSACK. Sure.

Mr. FINSTAD. Perfect. I appreciate your time here today, and, Mr. Chairman, I yield back.

The CHAIRMAN. The gentleman yield back.

I now am pleased to recognize the gentlelady from Hawaii, Congresswoman Tokuda for 5 minutes.

Ms. TOKUDA. Thank you very much, Mr. Chairman. The difficult part about going towards the tail end of a large Committee is I know we have discussed a lot of issues already today. I wanted to go into an area about statistics. I am a self-professed data wonk myself, and the National Agricultural Statistics Service survey recently conducted the Census of Agriculture, and we will see the data in the summer of 2024. We are still using some data from before the pandemic to make vertical policy decisions, as you know.

Furthermore, while speaking with agricultural producers across my district, which is a very rural community, I have heard concerns about the lack of agricultural data, making their decisions as farmers and business owners much more challenging. What barriers to data collection has the USDA identified, and what more can the Committee do to ensure that we have the data we need to do our jobs? And how can the USDA ensure data is up-to-date, it is accurate in a rapidly changing market with market changes, consolidations, global crisis, and conditions? Secretary?

Secretary VILSACK. Part of our challenge is to make sure that people understand the importance of filling out the survey, so we have done and continue to do an aggressive outreach effort to make sure that people understand and appreciate the more people who respond to the survey completely and fully, the better the information and data is. So we have actually put resources behind further extension and outreach to make sure that we are dealing with underserved populations who need to fill out and need to be part of the survey. And I am hopeful that we will see increased data, a reflection of that in the data that is going to be created from this particular survey.

Ms. TOKUDA. Thank you, Secretary. And hopefully with that data we will also understand where best we can apply resources and support as well.

When I talk to a lot of the farmers and producers and ranchers in my district, who are mostly small- to medium-size farms in Hawaii, one of the big things that come up is farmworkers, labor issues, shortages that we are dealing with. And I know we have done the Farm Workforce Modernization Act, but more can we do to support our farm workforce? And I think of housing, I think of healthcare, mental health services. As our farms struggle to get workers and we need to support our workers, what can we do in this area?

Secretary VILSACK. Well, passage of the Farm Workforce Modernization Act again by this Congress would be helpful. It didn't get through the Senate, and that would be pretty significant, number one.

Ms. TOKUDA. That is true. We still have work to do.

Secretary VILSACK. Number two, we are working on a pilot program to try to create a pathway or a model that can be utilized to showcase how that Farm Workforce Modernization Act could work, and we will be launching that sometime this spring or summer, which addresses some of the issues in a pilot way, and so look for that.

We are also using our Rural Development resources, we are encouraging better utilization of the farmworker assistance programs within USDA. There are still significant resources available for housing that we want to make sure people are aware of and can utilize to provide better housing.

On the mental health side, as I have indicated, we have used our community facility program resources to expand the facilities for mental health services, and we have continued to work with commissioners and secretaries of agriculture at the state level to expand access and support for the hotlines and telephone opportunities for folks to call in if they need help and assistance.

Ms. TOKUDA. Thank you. And touching a little bit upon that, one of the big things that I hear often is that it is just too difficult to make use of the—to apply for or to qualify to comply with a lot of the programs that exist out there or potentially will be coming through the pike. So really, how are we doubling down on technical assistance to farmers to make sure, especially for our smaller farmers, a lot of them also are newly arrived citizens to this country. How are we making sure that that technical assistance is there so that they can actually draw down these programs that are important to them?

Secretary VILSACK. The NRCS on the conservation side has agreements with 118 organizations that are linked to the populations that you just mentioned to basically extend our ability to reach out into those unserved populations to get information out about programs. FSA and FPAC have also entered into a series of contracts with 85 organizations to get information out about farm loans and other programs that operate through the Farm Service Agency. So there is an extensive network that has now been supported and created to try to get information out and to provide assistance to apply for the programs that are available.

Ms. TOKUDA. Thank you. I appreciate those programs. I would often say, too, we need to always make sure that our ROI on those programs are in fact getting to the people that they need to get to. I am not questioning any of these organizations or its effectiveness of these programs, but I often hear from at least our rural farmers that is very, very difficult to even get that tech assistance to be able to comply.

So thank you very much. I have a number of other questions, but I yield back, Mr. Chairman.

The CHAIRMAN. I thank the gentlelady.

I now recognize the gentleman from Tennessee, Congressman Rose, for 5 minutes.

Mr. ROSE. Thank you, Chairman Thompson and Ranking Member Scott, for holding the hearing. And thank you, Secretary Vilsack, for taking time to be with us here today.

Mr. Secretary, in addition to record inflation and crippling input costs facing the cattle producers in my district, depredation by predatory birds like black vultures has taken a real financial toll on our producers. According to USDA APHIS, nearly $\frac{1}{3}$ of calves lost to predators each year in Tennessee is attributable to predatory birds, vultures being chief among them in our state. These scavengers are a nuisance to livestock producers, and they take a significant chunk out of agriculture's bottom line each year in Tennessee and across the country. What tools and flexibilities does USDA provide to farmers and ranchers to deal with this issue?

Secretary VILSACK. Congressman, I have been asked a lot of questions today, and I have answers to most of them, but this one I don't. I am happy to take a look at what we do in this particular area.

Mr. ROSE. Sure. And if you might—and I would appreciate that—if more legislative flexibility was given to USDA's Wildlife Services to address this issue, would you direct the agency to expand their efforts to control and take species that are currently listed under the Migratory Bird Treaty Act, including the black vulture?

Secretary VILSACK. I am happy to take a look at this and figure out exactly what we need to do. I appreciate you bringing it to my attention. It is something that—this is the first time I have heard it.

Mr. ROSE. Well, thank you. And we will certainly follow up on that.

Secretary Vilsack, I am going to shift gears here a little bit—that science and consumer surveys show that when all forms of produce are present, people eat more fruits and vegetables. And I learned this a long time ago. My mom was a county home agent, home demonstration agent back in the days. I guess today we would call her a county extension agent. And she taught me growing up on the farm that when you preserve fruits and vegetables by freezing them—and she was from that era when freezers were a new thing—that actually the freezing process retains the nutritive value of those fruit and vegetables. And in fact, recent science has shown that perhaps it actually improves the nutritional value of vegetables and fruits when they are preserved by freezing. However, anytime USDA puts anything out, the agency highlights one type of produce, and that is fresh, which you and I know doesn't always provide families the choices they need, particularly for our low-income neighbors. As a matter of fact, there are some days when frozen is the only option to make sure my own family gets the fruits and vegetables that they need.

I want to know what USDA is doing to make sure that all USDA agencies are supporting the availability of all forms of fruits and vegetables to families in the manner that best serves them?

Secretary VILSACK. Well, we are providing resources, partnering with states with resources under The Emergency Food Assistance Program to provide resources for food banks and for our schools. And they end up purchasing a lot of canned and, to the extent that

they have refrigeration capacity, frozen options. So that is a way in which we are providing resources.

Mr. ROSE. And I want to focus your attention specifically on the Gus Schumacher Nutrition Incentive Program, or GusNIP—you are probably familiar with that program—which supports fruit and vegetable consumption for low-income families through point-of-sale incentives and a produce prescription program, also separately a produce prescription program that USDA has currently. But they only promote the consumption of fresh produce. And so while USDA has the statutory authority at least since the 2018 Farm Bill, to fund frozen projects, they never have. If the goal is to get more people consuming fruits and vegetables, particularly those utilizing Federal assistance, then why would we limit their options, especially when frozen produce is just as nutritious as fresh and more affordable, lasts longer when families need it, and particularly in rural areas where we don't get to grocery stores every day?

Secretary VILSACK. Let me look into it.

Mr. ROSE. Thank you. I appreciate that.

Just quickly in the minutes that remain, this past year the Securities and Exchange Commission proposed a rule entitled, *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (87 FR 21334). Mr. Secretary, I fear deeply that if this rulemaking is put into place, that farmers, particularly small farmers all across the country, are going to be adversely impacted. And I hope that you will commit to pushing back against that rule. And with that, I see my time has expired. I yield back.

The CHAIRMAN. I appreciate the gentleman. I also appreciate the gentleman's question given that it is frozen food month, so it was perfect timing.

And I had missed the opportunity, so I wanted to enter into the record Mr. Finstad's unanimous consent request to submit a copy of his correspondence. It is agreed to without objection.

[The information referred to is located on p. 99.]

The CHAIRMAN. I now am pleased to recognize the gentlelady from Illinois, Congresswoman Budzinski, for 5 minutes.

Ms. BUDZINSKI. Thank you, Mr. Chairman. And thank you, Secretary Vilsack. It is great to be with you, thank you for making time to be here.

I am really honored to get to represent the 13th District in Illinois, which is really located in central and southern Illinois. And I think this area actually has some very unique agricultural opportunities. From Decatur to Champaign, we are the ag tech corridor of the country. We have ADM. We have the University of Illinois, my alma mater that is in this district. We are really leading with some of our community college partners, with Parkland Community College and Lincoln Land on precision agriculture. I would say second also Piatt County is the top soybean-producing county in our entire state. And then of course, we are very excited to share the Farm Progress Show with the State of Iowa, which we are hosting actually in Decatur later this year and extend that invitation.

My first question, though, is really about how we are supporting our young and beginning farmers. The USDA launched a pilot program to increase access to land capital and markets for underserved producers, including young and beginning farmers, which I

hope to make permanent. Removing barriers to entry of the farming industry will serve to strengthen the pipeline into the agricultural sector. I understand the rollout is underway. And can you tell us about why the program is so vital and some of the barriers to entry that you have observed thus far?

Secretary VILSACK. Well, one of the big challenges we face in agriculture is the aging nature of our farm population, which means it is important for us to be able to figure out ways in which we can attract younger people who are interested in this. I mean, it is no secret it is a challenge to get in this business from a credit perspective, from a capital perspective. That is one of the reasons why we proposed and suggested in the President's agenda that we increase the Microloan Program from \$50,000 to \$100,000 to make it easier. That is why we have proposed changes in the qualifications for participating in FSA loans, perhaps not requiring as much level of experiences in the past to be able to access those larger credit opportunities. It is why we have resources that are outstanding in our effort to try to figure out ways in which we can expand access to land and markets for new and beginning farmers and for underserved producers. We have received a significant number of proposals that we are in the process of reviewing, and sometime this summer, we would expect to make grants to organizations that will help us figure out creative ways to provide access to land. So if you provide access to land, you make it a little bit easier to get credit and capital, and then you create new market opportunities by linking those young beginning farmers to a local and regional food market, maybe a local school, maybe a local grocery store, a local restaurant. You can create the opportunity for them to eventually get started and grow over time.

Ms. BUDZINSKI. Yes, I would love to be a partner with you in that work for sure. I also just wanted to share—this is more disheartening information that I just received last week in one of the communities that I represent in the district. The Walmart in Cohokia Heights, Illinois, which is in the metro east region right near St. Louis, near other communities like east St. Louis, announced that it would close its doors in April. And I know we talked a little bit—you have spoken a little bit about food deserts, but this closure really has the potential to exacerbate an already existing food desert situation in a very underserved area of this district, limiting access to healthy food options for many of the residents in the 13th District. Solutions exist, as you know, like the Food Deserts Act (H.R. 1230) to support the operation of grocery stores in underserved communities. I am very proud to be a cosponsor of that legislation. But could you talk a little bit more about what USDA is doing to help address the food desert crisis?

Secretary VILSACK. We have what we refer to as the Healthy Food Financing Initiative in which we provide resources to community development, financial institutions who in turn provide credit and resources to those who are interested in establishing a grocery store or expanding a grocery store with a capacity to better serve underserved or food desert areas. So we have roughly \$130 million that we have allocated to that—actually, \$155 million that we have allocated to that initiative, and so that would be one place where I would suggest the community might begin to think about access-

ing potentially those resources to see if there will be someone else that would be able to provide grocery services.

Ms. BUDZINSKI. Great. Thank you.

I will go ahead and yield back my time. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentlelady as she yields back.

I now recognize the gentleman from Texas, Congressman Jackson, for 5 minutes.

Mr. JACKSON of Texas. Thank you, Mr. Chairman. I appreciate it. And thank you, Mr. Secretary, for being here today.

Mr. Secretary, numerous times throughout your testimony you mentioned addressing the many challenges the agriculture industry has facing it today with outdated agricultural policies initially designed to address challenges from the 1930s and the 1970s. And obviously, I couldn't agree with you more on that. America's farmers and ranchers are still facing historic levels of feed, fuel, and fertilizer costs that they absolutely rely on to produce the food and the fiber that feeds and clothes the world, not to mention the issues with finding qualified, reliable labor, disruption to the supply chain, and barriers to global markets. America's agriculture, I think anyone would argue, is struggling to survive.

The natural disasters that have wreaked havoc on most of the U.S. over the past few years have created many unique challenges and hardships for America's agriculture producers. To provide relief for farmers and ranchers throughout the country, Congress was quick to implement disaster assistance for crop losses in 2020 and 2021. While farmers were extremely pleased with the effective approach taken to expedite payments under the Emergency Relief Program, phase 1, the changes that were implemented in the roll-out of ERP phase 2 have been less well-received. Phase 1 provided straightforward relief for producers and minimized the paperwork for local Farm Service Agency employees. Now, phase 2 is requiring farmers and ranchers to disclose Schedule F tax information in order to get the program funds that were appropriated to support them.

Additionally, it has been brought to my attention that the USDA has instructed FSA employees not to help producers complete the documents necessary to apply for the ERP phase 2 in person, and if they have additional information, they should contact a tax preparer.

Another issue I have been hearing from producers in my district has been about timing issues regarding winter wheat growers and when losses were verified by their crop insurance agent at the end of 2021. Wheat farmers that suffered losses from the same disaster but had their losses adjusted in early 2022, just a few days or weeks later, are still waiting for assistance. The process used for ERP phase 2 has become too burdensome and complicated for farmers and the FSA agents that are responsible for providing this assistance. With these issues in mind, sir, could you please discuss what is the Department's plan for offering disaster assistance for eligible 2022 losses?

Secretary VILSACK. Well, Congressman, the farmers that we are talking to about phase 2 are very small producers who have never accessed any of these programs because they don't have crop insur-

ance, they don't have NAP coverage. And so we are looking at a revenue structure to be able to provide resources to these producers. So there is an element of agriculture that doesn't get benefits under the traditional disaster assistance efforts, so we are trying to address it and keep those people on the farm.

Once that phase 2 is completed, if there is additional resources available under the \$10 billion that was originally appropriated, we are going to go back and take a look at any other farmers that may not have been able to meet the 70 percent threshold that is required that Congress has set and provide potential resources for those folks as well. We are going to learn from this experience, and we are going to figure out ways in which we can improve the \$3 billion that you have provided for 2022 disasters, and we hope to be able to do a good job of getting that resource out very quickly.

I have made a note about the wheat issue that you have mentioned, and I will be happy to take a look at that and whether there is something we can do to expedite those payments.

[The information referred to is located on p. 106.]

Mr. JACKSON of Texas. Thank you, sir. And also, I think one of the things that I hear the most also is about the new information that is required regarding tax information and stuff. Is that absolutely necessary, or is there a way that that could be relooked at?

Secretary VILSACK. We are actually looking at it from a revenue perspective as opposed to a production perspective. It is a different way of addressing those farmers who don't have crop insurance. The reason why the ERP worked very well the first time was because we were using that information that we had already received about damages, losses that have occurred because they filed for crop insurance or they had NAP coverage, right? If you don't have that coverage, how do you establish the loss? One way to establish it is whether or not your income has significantly been impacted, and if so, this is how we are going to provide help and assistance to those very, very small producers. That is who we are trying to help here.

Mr. JACKSON of Texas. Well, thank you, sir. I appreciate that. I think part of the heartburn is also I think a lot of people are just worried about it. I understand where you are coming from and what your issue is and how you are trying to use information, but honestly, I think people in my district, in combination with things like the Biden Administration's new—the money that has just been provided for 87,000 new IRS agents is making people in my district a little bit nervous.

But I understand where you are coming from, sir. I just wanted to pass that information that is a concern for farmers and ranchers in my district. And thank you, sir. I appreciate your time. With that, I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back.

I am now pleased to recognize for 5 minutes the gentleman from Illinois, Congressman Sorensen.

Mr. SORENSEN. Thank you, Mr. Chairman, and thank you, Secretary Vilsack, for your time today.

Your insight, your leadership is essential to help Congress craft a bipartisan farm bill that ensures our farmers, rural communities, and food systems are resilient and thriving. And from my district

on the eastern banks of the Mississippi River in Illinois, my thanks to you for your service across the Mississippi in the Hawkeye State.

I would like to talk about crop insurance. It is one thing that I hear from a lot of folks in my district in western Illinois. Since the last farm bill, producers received \$13 billion in response to extreme weather events as it has impacted their yield, which is why I will work to protect and expand the crop insurance program in the upcoming farm bill. The current safety net does not reflect the current levels of risk, especially in a warming climate as we see more increasing weather disasters.

So my question to you, Mr. Secretary, are there options available and/or being developed through the Federal Crop Insurance Program to help farmers manage these increasing risks?

Secretary VILSACK. We are always taking a look, Congressman, at ways in which the risk management tools available to our farmers can be improved, whether it is expanding coverage or whether it is making sure that we are keeping abreast of prices and what the risk actually is. That is an ongoing process, and we are committed to it. We are committed to crop insurance. We are committed to it as a tool. It is by no means the only tool, but it is a very important one.

Mr. SORESENSEN. I would like to talk for a minute about biofuels. Last summer, President Biden took bold action to address high fuel costs, issuing an emergency waiver to allow E15 to be sold. As a result, consumers saw the savings in my district of up to 30¢ a gallon and across the country where E15 was sold. As summer approaches, we may see an increase in the price of gas unless action is taken to permit the sale of E15 again. Do you foresee the Administration permitting the sale of E15 yet this year?

Secretary VILSACK. I know that that is currently under advisement, but the good news is that there has been an indication from the EPA Administrator of a desire to make that a permanent fixture in 2024, which obviously would be beneficial.

I think one of the challenges I think from a national perspective is making sure that the infrastructure that allows for these higher blends to be available to consumers, and that is one of the reasons why it is important to continue to get resources out the door under the bipartisan infrastructure law for the infrastructure and Inflation Reduction Act. We intend and expect to make over the course of this year quarterly awards of resources to retailers to be able to expand distribution systems so that E15 and other higher blends are more readily available.

Mr. SORESENSEN. In Illinois, we are proud producers of ethanol. As transportation goes electric, I have heard from our producers saying what is going to happen to us as we are producing the corn for ethanol? As their trusted meteorologist for many years in western Illinois, I said, "Hey, listen, we need to talk sustainability." How do we make sure that we advance biofuels such that airlines and aircraft manufacturers are going to be able to utilize biofuels in the aviation industry?

Secretary VILSACK. There is a grand challenge that the Department of Agriculture, the Department of Energy, and Department of Transportation are engaged in. The goal is to get 3 billion gallons of sustainable aviation fuel by 2030. Our role at USDA is to really

focus on feedstock and feedstock supply and logistics, and so we have I think roughly 26 of our experts basically working on this piece of it, trying to figure what is the best feedstock, how can we convert it, how do we make sure it is available. The Department of Energy is providing grants for the production of sustainable aviation fuel. This is a massive opportunity. It is a 36 billion gallon industry that doesn't exist today that will exist and will more than help those farmers who are concerned about what the next level is.

By the way, we are going to have to have combustion engines for a long period of time, so I don't foresee that we are going to not have the need for ethanol. And we are seeing greater export opportunities as well.

Mr. SORENSEN. And I think you and I both agree that farmers are going to be the heroes in the climate solution.

And with that, thank you, Secretary.

And, Mr. Chairman, I yield back.

The CHAIRMAN. I thank the gentleman. The gentleman yields back.

I now recognize the gentleman from Iowa, Mr. Nunn, for 5 minutes.

Mr. NUNN. Thank you very much, Mr. Chairman. Thank you, Secretary. It is always good to have another Iowan who is championing not just agriculture but serving in our government here.

Sir, I want to first off begin with E15. I want to highlight the fact that are you, first of all, aware, Secretary, that the EPA has recently announced a proposed rule that would allow the year-round sale of E15?

Secretary VILSACK. Yes.

Mr. NUNN. Are you further aware that that does not go into effect until 2024?

Secretary VILSACK. Yes.

Mr. NUNN. Do you realize that by pushing this out until 2024 we are missing out on an entire summer that would basically result in the lack of 1,888 new jobs, \$20 billion reduction in consumer motor fuel spending, and would prevent a \$66.3 billion contribution to our nation's GDP by not having year-round E15 starting this year?

Secretary VILSACK. You are making an assumption that we may not have it. I am not willing to agree to that at this point in time.

Mr. NUNN. Well, thank you, Secretary, because I am very much on the same page with you. I think we do need to move forward on this. The EPA has the ability to move forward with emergency power.

Secretary VILSACK. Right.

Mr. NUNN. Would you support year-round E15 starting this summer?

Secretary VILSACK. I always have.

Mr. NUNN. Very good. I would like to move forward then on our rural broadband programs. Both you and I worked together in the State of Iowa on making sure that Iowa had access to rural broadband, but still, $\frac{1}{3}$ of Iowa counties sit in broadband deserts. USDA has a huge opportunity here to be a leader in this, and Congresswoman Spanberger and myself, through bipartisan efforts, have pushed forward with the support of 83 Members of the House

Appropriations Committee urging Chairman Granger and Ranking Member DeLauro to provide adequate funding for our rural broadband programs. Are you also committed to making sure that high-speed internet for all of our rural communities is something that USDA will stand with us on?

Secretary VILSACK. Yes, I am pleased that we are—the roughly \$2 billion that was allocated under the bipartisan infrastructure law to USDA for the ReConnect Program, that we will have all those resources obligated by this summer. And those are the first resources under the bipartisan infrastructure law for expanded access that will actually be obligated. I am looking forward to our colleagues in the Department of Commerce and the FCC working collaboratively with states to make additional resources, \$63 billion of additional resources available. States are obviously going to play a very big role in making sure that the unserved or underserved areas receive the benefits of those once these maps are completed, so I look forward to continue working with our ReConnect Program. But I think the real big opportunity is with the additional resources under the infrastructure law.

Mr. NUNN. So, in Iowa, obviously, we know where those needs are. We allocated \$300 million of our own money towards it. We look forward to the Federal Government actually allocating those resources forward so they can actually go to those communities.

I would like to move on to pesticides here. In November of 2022, the EPA issued a proposal, interim decision restricting the use of common rodenticides. The USDA then provided a comment to this rule stating the proposed restrictions on the use of rodenticides would devastate U.S. agriculture, resulting in potential loss of rodent control, increased crop damage, and spread of animal and human diseases. Mr. Secretary, do you agree that these restrictions would result in the loss of rodent control, and have you personally been in contact with the EPA about restricting the use of those rodenticides?

Secretary VILSACK. The process that we use, Congressman, is for our office that works on these issues to work collaboratively with the EPA to provide that information, which we have done and which we will continue to do. The reality is that the end of the day the decision is obviously the EPA's, and it is our responsibility at the USDA to figure out if there are ways in which we can use the conservation resources or other resources at USDA to provide help and assistance to comply with whatever regulation EPA is adopting.

Mr. NUNN. Well, Mr. Secretary, I appreciate that. And I know that you do a great job of listening to people across this country on this. Representative Budzinski and myself, a Democrat from Illinois, we have a number of these type of issues that are very acute for our communities. We would offer you the opportunity to come out to either Illinois or Iowa in a bipartisan fashion and hear again firsthand from individuals in your home state and mine on why this is so important to them. And I guess I would ask, we have tried to commit several times. I know you have a very busy schedule on this. But would you commit to coming out and joining us here in the Midwest to hear firsthand from farmers on these issues?

Secretary VILSACK. Congressman, I live in the Midwest.

Mr. NUNN. As do I.

Secretary VILSACK. And I have talked to a lot of farmers in the Midwest. I am happy to come out, and obviously, I will be in Iowa from time to time and I will be in Illinois from time to time. And I make myself available to farmers all the time. We are acutely aware of the issues that are out there.

Mr. NUNN. I yield my time back. Thank you, Mr. Secretary.

The CHAIRMAN. The gentleman's time has expired. I am now pleased to recognize the gentleman from New Mexico, Mr. Vasquez, for 5 minutes.

Mr. VASQUEZ. Thank you, Mr. Chairman.

Secretary Vilsack, I want to first thank you for the work that you and all of USDA do for New Mexico's farmers, ranchers, cattlemen, and farmworkers, as well as those across the country. New Mexico is at the heart of the American agricultural landscape. Our state produces staples ranging from beef to our famous green chili, including my district's very own famous hatch chili. But I am worried about the future of family farms in my district.

During my first district work period, I met with Dale and Dwayne Gillis, and in fact, I actually brought Dale to the State of the Union address. Dale and Dwayne are two brothers who own a multigenerational onion and chili farm in the Hatch Valley. They told me that they are finding it difficult to sustain their small family farm these days, and they consistently hammered one message. The biggest issue that they have wasn't water. It was farm labor and how their farm and nearby operations have struggled to find local workers since the pandemic. Dale and Dwayne told me that they have 100 acres' worth of produce that they left on the ground because they cannot hire enough workers, despite a wage increase that they offered. And so at a time when our country is losing record numbers of farms and ranches, we can't afford to leave crops unharvested.

Secretary, short of what Congress can do and should do, what can USDA do to address labor shortages on farms like for the Hill brothers?

Secretary VILSACK. We have a pilot program that we are working collaboratively with USAID on identifying the potential of workers in the northern triangle that can be identified, that can be trained appropriately, that can be brought into the U.S. properly, and then basically located in farms that would be willing to embrace these workers. We want to be able to show what the Farm Workforce Modernization Act would actually be like if it were in fact enforced or enacted. And honestly, at the end of the day, it is very limited what we can do at USDA in terms of this. We can do this pilot, but at the end of the day, it really requires Members of Congress have the courage and the fortitude to get this Farm Workforce Modernization Act passed both in the House and in the Senate.

Mr. VASQUEZ. Thank you, Secretary.

And as a follow-up to that question, some of the issues I heard around specifically with the H-2A visa program were around the housing requirements and also the lack of work authorization for spouses and dependents. What are your thoughts on H-2A? How could that program work better?

Secretary VILSACK. Well, in terms of the housing, we have resources at USDA that potentially could be utilized to expand housing opportunities and would encourage producers to take full advantage of those resources. We will continue to work with our friends at the Department of Labor to make sure that to the extent that we can, we make the H-2A program work as effectively as it can. But frankly—I am going to beat a dead horse here—at the end of the day, it really does need the Farm Workforce Modernization Act to get it done because then you would have a guaranteed number of people. You would have guaranteed conditions for workers. You would have guaranteed income stability for the farmers. It is the right thing to do, and it is amazing to me that it hasn't been done yet.

Mr. VASQUEZ. Thank you for that answer, Secretary.

There are over 24,000 farms in our state. Most of them are smaller operations. About 75 percent make less than \$10,000 in sales. And as you noted in your testimony, we have seen record profits for large operations, but our small family farms are struggling. Small farms not only face higher costs but don't have the resources to market their products the same way the large farms do. With growing seasons in competitive places like Mexico overlapping with our own, our farmers are getting crowded out of the market. Secretary, how could we increase opportunities for these small farmers to advertise and sell their products in a competitive both state and national and global market?

Secretary VILSACK. Well, there are four programs in particular. There is a local farm promotion program that has resources to be able to help farmers with marketing. There is a regional farm marketing effort to try to create local and regional food systems that can service schools, can service hospitals, other institutional purchasers. There is a Value-Added Producer Grant Program. There is an effort underway to encourage local procurement by state agencies that are using our resources to purchase food for food banks and for schools. And we are also giving resources to local schools to be able to purchase locally. So there are a number of different ways in which we are creating new market opportunities for small- and mid-size producers to be able to access resources and new markets that they have advantages.

The other issue would be farm-to-school. There are farm-to-school grants. Just to give you the power of this, we recently did \$10 million in farm-to-school grants. It impacted and affected 123 grantees who in turn provided opportunities in 5,000 schools across the United States. That is 5,000 new markets.

Mr. VASQUEZ. Thank you, Mr. Secretary. I yield back.

The CHAIRMAN. The gentlemen's time has expired.

I am now pleased to recognize the gentlelady from Texas, Congresswoman De La Cruz, for 5 minutes.

Ms. DE LA CRUZ. Thank you so much, Mr. Chairman. And thank you, Secretary, for being here with us today.

I am in south Texas on the border of Mexico. The Biden open-border policy has affected many communities and specifically our ranchers and our farmers, who have suffered property damage, loss of crops, loss of livestock, as well as the mental anguish of finding abandoned children, dead bodies on their farmland.

That being said, like my colleague across the aisle, Congresswoman Slotkin said, looking through this in a national security lens is important. That being said, I would like her and my colleagues across the aisle to look at border security through the lens of, as my colleague said, facts *versus* politics. Let me give you, and my colleagues, some facts. Some of these facts include a 1,221 percent increase in Chinese nationals crossing through just the RGV sector, just one sector where they are paying the cartels from \$30,000 to \$50,000 for each person. We are under great stress, and our farmers and ranchers through their experience of, again, property damage, loss of crops, loss of livestock, as well as the dead bodies that they find on their ranch lands.

Now, Mr. Secretary, us Texans, we are resilient, and we look tough times in the face and we take them head on. With that being said, sometimes, we do have to ask for help, and there is one thing that we do need help on, and that is the fever tick issue happening in south Texas. You see, the fever ticks pose a great threat to our agriculture economy of Texas and our domestic beef industry as a whole. These ticks carry cattle fever, which attacks and destroys animal's red blood cells, causing high fevers and enlarged spleen and liver.

That being said, in the unlikely chance that these parasites get out of control or out of the quarantine zone, which we have several quarantine zones in south Texas, we are looking at herds being devastated and livelihood lost. Can you assure us of the necessary resources are put toward keeping the quarantine zone from growing and even commit to shrinking it?

Secretary VILSACK. We are continuing to work on this issue, Congresswoman. I appreciate you bringing it up. I know that we have invested resources, and we will continue to do that because we understand the challenge.

And I would also say just as a parenthetical to your comment about the damage that farmers have experienced, we have provided EQIP resources to assist them in the repairing of fencing and things of that nature. You might want to be aware of that.

Ms. DE LA CRUZ. And I will make you aware of that the farmers and ranchers have said while there is the system, they have had great difficulty in actually accessing the money. And we hear that time and time again. And, Mr. Secretary, I invite you to my district so you can hear from the farmers and ranchers and what difficulty they have had. In fact, we have so much difficulty that in Brooks County one of the counties in my district, they have actually had to build a morgue just to hold the amount of dead bodies that they have found on ranch lands. It is completely unacceptable. And again, I invite you so you can hear from our farmers and ranchers in south Texas.

With that, I yield back.

The CHAIRMAN. The gentlelady yields back. I am now pleased to recognize I think Mr. Carbajal—well, give me just a second just to make sure.

Mr. CARBAJAL. Why don't I go and you could go back later?

The CHAIRMAN. I know, and you will have me check later. I am kind of tempted to put you last, but I would be glad to recognize my good friend from California, Mr. Carbajal, for 5 minutes.

Mr. CARBAJAL. Thank you, Mr. Chairman. And thank you, Secretary Vilsack, for being here today.

I also would like to, like everybody else before me, invite you to my district. I know we have been talking about finding a date. I hope we can make that happen. I think my constituents would really benefit from an exchange with you.

Secretary Vilsack, the recent storms in California have resulted in losses of crops and millions of revenue. On the Central Coast which I represent, there has been growing frustration from growers of specialty crops about their inability to receive disaster relief support. With climate change, these storms will not be the last to hit the Central Coast and other regions in California. What can Congress do to better support farmers in the aftermath of climate disasters to help them keep up with the food demand of our nation?

Secretary VILSACK. Well, first and foremost, make sure that we get you a copy of this, which provides a listing of all the disaster assistance programs that are available for producers.

Second, I think it is important—and we have talked about this today, about the need for a disaster assistance provision if you will in the farm bill that provides the flexibility to be able to respond instead of the *ad hoc* assistance that you have been providing.

One of the challenges will always be trying to figure out what amount is the appropriate amount. We did \$10 billion 1 year, we do \$3 billion the next year, so people's expectations are that this is that they are going to get a certain amount, and they are obviously going to be surprised when that amount is significantly less than it was for disasters 2 years ago. So I would say disaster assistance would be helpful.

Mr. CARBAJAL. Thank you. And I am really glad—I was hearing the testimony in my office before I came for my remarks, and I am really glad that you are providing clarification to a lot of the misinformation that is put forward. When I come to my hearings, I don't mind having a healthy debate with my colleagues on both sides of the aisle, but when there is outright misinformation and BS that is coming forward, I think it really demeans the institution by not having the integrity of information that is put forward like five million undocumented individuals on SNAP, which couldn't be more ridiculous on its face value.

You mentioned in your testimony that SNAP is a vital economic engine, especially in rural areas where there is a greater percentage of households that received benefits. During the COVID-19 pandemic, SNAP was a key player in feeding families and helping farmers find markets for their remaining produce. Cutting this program will leave millions hungry in the country. Can you touch on additional impacts that would occur should SNAP be cut?

Secretary VILSACK. Well, in addition to reducing the benefits and the access to groceries, obviously, there are a number of studies that have shown that by having adequate SNAP, you basically have better health outcomes, particularly for children. So that is at risk.

Second, you have the jobs that are associated. Every time somebody is able to buy more at the grocery store, they do that, which obviously creates a series of jobs in the supply chain. And obviously, every time there is \$1 spent at the grocery store, there are

resources that end up supporting our farmers, so there is an impact there as well. So if you are interested in poverty reduction, if you are interested in healthier outcomes, if you are interested in jobs, if you are interested in farm income, this is a program that is part of the overall comprehensive nature of how we provide resources to assist people.

Mr. CARBAJAL. Thank you, Mr. Secretary. You mentioned in your testimony that SNAP is—am I getting these wrong? There are several challenges facing the farm workforce right now, especially with the recent storms in California that have left many unemployed. How can we best support that next generation of agricultural producers through the farm bill and other methods like immigration reform or workforce development legislation?

Secretary VILSACK. Well, Farm Workforce Modernization Act being passed would be very, very helpful, providing additional resources for beginning farmer and rancher programs helpful to get people as they transition from being a farm laborer to a farm owner. Ultimately, that is what we would like to see more of. The ability to make sure that we can provide additional support for housing, which has been discussed here today as well, and there are a variety of ways in which there can be significant help.

Mr. CARBAJAL. Thank you. Mr. Chairman, I yield back.

The CHAIRMAN. The gentleman yields back.

I now recognize the gentleman from Missouri, Congressman Alford, for 5 minutes.

Mr. ALFORD. Thank you, Mr. Chairman and Ranking Member. Mr. Secretary, thank you for being here today.

I want to talk about chlorpyrifos, a critical crop protection tool for soybeans, alfalfa, cotton, and wheat important to our Missouri farmers. EPA Administrator Regan frequently claims the 9th Circuit tied the EPA's hands and forced them to revoke all tolerances for chlorpyrifos. However, they actually gave EPA the option to either revoke all tolerances or modify the existing tolerances. Secretary Vilsack, in the letter from September 20 of 2022, you broke with the EPA's decision to revoke all tolerances and said, quote, "OPMP scientists believe EPA could retain certain chlorpyrifos uses that meet EPA's safety standards," end quote. The 2020 Democratic party platform even stated the party's desire to ban the use of this provided further evidence that this decision was political.

Mr. Secretary, do you agree that this decision was based on political science and not actual science? Yes or no, sir?

Secretary VILSACK. I don't think—

Mr. ALFORD. That would be a yes or no, sir, please.

Secretary VILSACK. Well, no, you can't define how I answer a question, sir.

You can ask the question, but you can't define how I answer it.

Mr. ALFORD. Is it yes or no?

Secretary VILSACK. And the answer is I honestly believe the folks at the EPA are acting in good faith. Now, do we disagree with them from time to time? For sure, and we provide information. At the end of the day, they make the call, but I don't think this decision was political in nature.

Mr. ALFORD. So it was not a political decision, correct?

Secretary VILSACK. I don't think it was a political decision.

Mr. ALFORD. Since the answer is no, do you no longer agree with the USDA scientists that certain chlorpyrifos's uses could have been retained? Why? What changed?

Secretary VILSACK. Nothing changed. That is the opinion that we provided. Sir, you don't understand the process. The process is we don't get to dictate what EPA does. We get to provide information to EPA. We get to provide the best information based on the science as we see it. We give it to EPA. EPA makes a call, and then it is our responsibility to figure out ways in which we can help farmers comply with whatever regulation. We don't make the regulations.

Mr. ALFORD. Okay. I am going to move on to the next question regarding China because I know a lot of people have asked about this. This is a big concern in my district as well. We have 95,000 farms. You said earlier that foreign-owned land is 40 million acres?

Secretary VILSACK. Correct.

Mr. ALFORD. And that one percent of one percent is owned by the Chinese?

Secretary VILSACK. Roughly 383,000 acres.

Mr. ALFORD. That is a lot of acreage.

Secretary VILSACK. It is less than one percent of one percent of—

Mr. ALFORD. I am here to tell you, Mr. Secretary, this is a big concern, and 1 acre that is bought or owned by the Chinese Communist Government or any agent thereof is a big concern, especially when it is near Whiteman Air Force Base in my district home of the B2 stealth bomber.

Secretary VILSACK. No, I agree.

Mr. ALFORD. Something has to change in this.

Secretary VILSACK. I agree with you, Congressman, that we have to be very, very careful about the ownership of land near any of our defense installations, which is why a recent situation in North Dakota was brought to everyone's attention. I agree with you on that.

Mr. ALFORD. In real estate, I had to give up my real estate license to do this job. There are disclosures for mold, radon, lead, sexual predators even. The Chinese Communist Government, it is a serious threat, as you know, to the future of our nation in all aspects. They have their tentacles in everything we do. Would you be in favor of a buyer's disclosure to the seller and that would go to the USDA stating exactly where the money is coming from to buy farmland in America?

Secretary VILSACK. The more information we have, the better job we can do of implementing the law that is on the books. Right now, we don't get the information that we need to fully completely comply with it.

Mr. ALFORD. Why aren't you demanding that information?

Secretary VILSACK. Well, we are demanding it, but the reality is we are talking about, as you know, because you are in the real estate business every county officer gets deeds every single day, and they are supposed to report to us. The question is we don't have any investigative power. We don't have any ability to know on a particular day whether—

Mr. ALFORD. Well, what would you suggest—and we have 30 seconds left——

Secretary VILSACK. Well, a clearinghouse——

Mr. ALFORD. What do we need to do to make this right before it is too late?

Secretary VILSACK. Some kind of clearinghouse, some way of basically making it easy for us to know precisely what is happening on a day-to-day basis.

Mr. ALFORD. Are you committed to working with this Committee to make sure that that happens?

Secretary VILSACK. Absolutely.

Mr. ALFORD. I would love to have a personal conversation with you. I know many others on this Committee, especially those who are also on the House Armed Services Committee because we see what is going on. The veil is being lifted. The Chinese Communist Government is the number-one threat to America right now, and we have to do something before they buy up farmland and they start firing missiles at our stealth bombers. It has got to stop.

Thank you, and I yield back.

The CHAIRMAN. The gentleman yields back. I now recognize the gentleman from Florida, Mr. Soto, for 5 minutes.

Mr. SOTO. Thank you, Mr. Chairman. And thank you, Secretary Vilsack, for your leadership, for showing you are a class act through what has been a long hearing. And thanks for traveling to Polk County, areas near my district just recently. I know you were very well-received there by our citrus growers and our ranchers. I also want to thank you for helping dispatch Under Secretary Torres Small to Osceola County in our district to meet with our good friends at Deseret Ranch, the biggest cattle herder in the nation. And we got to go to communities like Kenansville to talk about rural broadband that we are helping fund through the American Rescue Plan and the infrastructure law, \$7 million already that is connecting hundreds of farmers and ranchers in the south part of our district, as well as meeting with folks in Orange County, too, who are doing urban and suburban farming.

We are home to citrus, cattle, ranches, farmers growing strawberries, blueberries, tomatoes. You heard firsthand about their challenges, as well as Under Secretary Torres Small, and citrus greening is one of the challenges that you know very well. How critical from your experience from going there is the research and making sure we have the right waivers for certain herbicides and pesticides and for Emergency Relief Program after hurricanes, the future of America's vitamin C source?

Secretary VILSACK. Well, the citrus industry has been devastated by citrus greening. And research is incredibly important. And the good news is that there appears to be some research that is showing very, very good signs of working. The challenge will be the cost of application of that research, so there needs to be something that we can potentially do at USDA to encourage more of that solution to be utilized. And it is important to obviously have programs that provide assistance and help to those who are impacted and affected by disasters.

Mr. SOTO. And in fact we in Congress have to make sure we get you the right resources, right? We saw a cut in some of the Emer-

gency Relief Program that you lamented about when you were in Polk County as we saw citrus growers recovering from Hurricane Ian, as well as the research. So we need to get you the resources so that you can lead and do what we need to do for USDA.

Also with our ranchers we have heard a lot about beef competition and processors, vaccine banks, even our bipartisan bill on black vulture population control. How key is competition to making sure we have the best prices at the grocery store while still making sure our ranchers are making a good living?

Secretary VILSACK. It is critically important, which is why we are investing hundreds of millions of dollars in expanded capacity and in providing opportunities for existing processing facilities to sell to a wider market.

Mr. SOTO. And in fact under your leadership we are going to see a new one near central Florida that I know our ranchers are very excited about after many years of really dealing with the big four, and that is just un-American to not have that kind of competition.

And then of course the SNAP program, we heard a lot about that already, but strengthening The Emergency Food Assistance Program I have heard from so many of our food banks in the area, as did Deputy Secretary Torres Small, disaster, SNAP. And what I really was excited about is all your focus on improving farm income. I am thinking of the small family ranches in my district that are under 1,000 acres with a few hundred head of cattle. You have mentioned conservation and new products like aviation fuels. What I am most excited about is your concept for SNAP in school lunch through regional food centers.

So talking to local ranchers at home, how would these regional food centers help local ranchers and blueberry farmers and citrus growers connect to their local school programs better?

Secretary VILSACK. We are eventually going to set up a series of centers across the country in which people who are interested in developing a local and regional food system in the supply chain would be able to get the technical assistance and the financial assistance to make that happen. We know it is complicated, so we want to try to break it down by having places where people can go and get the information they need and assistance that they need to make sure that they get access to resources.

Mr. SOTO. And the paperwork is complicated, as well as the logistics to make sure we are getting food to our schools in time, right, while it is still fresh?

Secretary VILSACK. That is basically what this is designed to do. It is designed to simplify that process and break down the barriers that exist.

Mr. SOTO. Well, in one of our first hearings we had the President of the American Farm Bureau here talking about that, a critical link between our local farmers and providing food to the SNAP program and how both of those are critical to the farm bill, so thank you for your testimony, Mr. Secretary, and I yield back.

The CHAIRMAN. The gentleman's time has expired.

I now recognize the gentleman from Wisconsin, Mr. Van Orden, for 5 minutes.

Mr. VAN ORDEN. Thank you, Mr. Chairman, and thank you, Mr. Secretary.

I would like to briefly address this SNAP issue we have been talking about. I was raised in abject rural poverty by a single mother, and we depended on the SNAP program. And then as an active duty Navy seal in combat getting shot at, my wife and I utilized the WIC program to feed our children. So I don't want anybody thinking and saying things like we are beating up the poor and trying to penalize the poor. Those statements are inflammatory, and they are not productive, and I will not be lectured. That is just not going to happen.

So, Mr. Secretary, I find some of your comments in the written statement disturbing as you mentioned the word *equity* five times, some form of *transform* eight times, but you failed to mention the word *equality* or *excellence*. We don't need to fundamentally change American agriculture. Our farmers feed the nation and the world. Unfortunately, some of the policies the Biden Administration are proposing and setting we are on track to be a net food importer as early as 2026. That is not bottom-up, middle-out. That is bottoming out.

The only thing that needs to fundamentally transform is the Biden Administration's attempt at regulatory overreach and a war on energy that is killing our farms, particularly curtailing natural gas production for fertilizer and the 58 percent increase in diesel fuel since President Biden has taken office. To put a seed in the ground, to water it, foster that, get it out of the ground, get it to a processing facility, and then get that to a market is all predicated on diesel fuel. So until the Biden Administration figures out what they are doing and lowers diesel fuel costs, none of these food costs are going to go down. And it is devastating.

So I have a question for you, sir. This Committee, in coordination with our brothers and sisters on the Education and the Workforce Development Committee, are working diligently to get whole milk and cheese—and I am the cheese king of Congress. Just ask the Chairman. We are trying to get this back into schools. Will you please champion this effort with us?

Secretary VILSACK. Congressman, this is an issue that I have talked to the dairy industry about this. And I think part of the challenge that you are going to face with this is the cost, the cost associated with it. And I think as the dairy industry comes forward to this Committee and to me with changes in the Milk Marketing Order, which I think are long-overdue, I would imagine and anticipate that they will probably make some effort to try to address the cost issue.

Mr. VAN ORDEN. Yes. Will you help champion this with us?

Secretary VILSACK. I will be happy to work with folks on this.

Mr. VAN ORDEN. Thank you.

Secretary VILSACK. But that is a challenge. There is a second issue here in terms of consumption generally, and it has to do with the containers.

Mr. VAN ORDEN. Oh, yes.

Secretary VILSACK. There are a lot of things that have improved in the world since I was in school, a lot. One thing that hasn't changed are those containers, milk containers.

Mr. VAN ORDEN. Yes, sir. I have limited time. I understand you are spot on.

We introduced the DAIRY PRIDE Act (H.R. 1462, Defending Against Imitations and Replacements of Yogurt, Milk, and Cheese To Promote Regular Intake of Dairy Everyday Act) that is designed to make the FDA follow their own definitions that basically states that milk comes from a mammal. This promotes truth in advertising and allows Americans to understand what they are consuming and promotes the consumption of wholesome dairy products. In your professional opinion, does milk come from a mammal?

Secretary VILSACK. If you use the term *milk*, it has a nutritional brand.

Mr. VAN ORDEN. I like where you are going.

Secretary VILSACK. And I think if you are going to use the term, then you ought to be able to establish that the nutritional value of whatever it is you are trying to say is milk is equal to or better than—

Mr. VAN ORDEN. So should the FDA have to follow their own definitions?

Secretary VILSACK. Well, I mean—

Mr. VAN ORDEN. I know you are not—we talk—

Secretary VILSACK. I think the regulation is on the books, and if they want to change the regulation, that is up to them.

Mr. VAN ORDEN. Right on.

Secretary VILSACK. But at the end of the day, I think the key here really is making sure that whenever people use these terms, that the nutritional value, that the consumer is not confused.

Mr. VAN ORDEN. Yes, sir. And then my final question is you use the term *build new and better market opportunities* multiple times. There are 1.5 billion Indians on the subcontinent. According to Pew Institute, 81 percent limit their meat consumption. And that is 1.2 billion people. Thirty-nine percent self-report as vegetarian. That is 585 million people. The number of Indians who exercise dairy restrictions is nominal.

So will you go on the record today saying that you will go with me so my buddies from this Committee and some from whoever else is appropriate, probably from Ways and Means, to go to India to try to open up these markets for dairy products and also not just for our farmers but to help reduce the Chinese strategic advantage that they are currently holding in the Indo-Pacific region? I would love to host you.

Secretary VILSACK. I am happy to work with you on this. And I had this job before.

Mr. VAN ORDEN. I know.

Secretary VILSACK. For 8 years I pounded on the door.

Mr. VAN ORDEN. Yes.

Secretary VILSACK. I went to India. I traveled to India. I think the opportunity with the generalized preferences, India is very concerned about having lost that capacity. That is a leverage that ought to be used to help open up those markets.

Mr. VAN ORDEN. Well, let's go. I will take that as a yes. Thank you, sir.

The CHAIRMAN. The gentleman's time has expired, and his designation as the cheese king is accepted without objection.

The CHAIRMAN. I would now recognize the gentleman from Texas, Mr. Casar, for 5 minutes.

Mr. CASAR. Thank you very much, Mr. Chairman. Thank you, Mr. Secretary, for spending all this time with us and for recently spending time with the Congressional Hispanic Caucus. I learned a lot from you and from your time as Secretary.

I appreciate how at the beginning of your remarks today you laid out how in the past there has been this view of get big or get out that has really hurt our consumers and our small farmers and small ranchers, and now we are looking at a more bottom-up and middle-out philosophy. I also noticed in your testimony and we have talked about in past committee meetings how, for example, four corporations controlling over 80 percent of the beef industry and meatpacking really hurts consumers in particular. And the question that I have starting for you is it seems that at four we have an enormous amount of corporate concentration. Would it be even worse if we were at three or at two?

Secretary VILSACK. Well, obviously.

Mr. CASAR. And you think that it would be a helpful exercise for us in this Committee as we work on things like the farm bill to find ways to better examine and potentially slow down continued concentration so that we don't go, for example, from four to three or to two?

Secretary VILSACK. Well, I think that is part of it, but I think also something that this Committee could do and ought to do is continue to figure out ways in which we can help competition grow, in other words, help small and independently owned processing facilities be able to be located in the appropriate areas. So I think it is a combination of making sure that consolidation doesn't occur when it is inappropriate, but also making sure that you are providing financial resources to expand competition.

Mr. CASAR. And the reason I ask the question is because I think there has been a good amount of continued conversation and good support for us to say let's support those smaller operations. Let's make sure that they can make it through. Let's make sure that even on a sometimes uneven playing field of corporate concentration, that they can still make it. But I think there has been a little bit less focus on, well, this corporate concentration has continued to occur over the years. When does it stop? Could it get worse in this one particular area, go from four to three to two? I know there has been some number of bills and amendments that have been discussed over the years on how we can slow that form of corporate concentration. What ideas get kicked around in your Department on what the Congress could do to better slow the continued concentration that makes it harder for those small farms and small ranchers to keep competing?

Secretary VILSACK. Well, one of the things that we attempt to do is to try to work closely with our colleagues at the Department of Justice to make sure that they have information and data because at the end of the day they are the ones who are making the decision about whether or not something makes sense or doesn't make sense, something is anticompetitive or not. But in order for them to make a rational decision about that, they have to have data and information, and that is where we come into play. So the ability for us to have information and data that is accurate, that is comprehensive, that is current becomes incredibly important, so that is

one area in particular that I would focus on in terms of the jurisdiction of this particular Committee.

Mr. CASAR. I appreciate that, and we will be—I am brand new to the Congress but have seen excellent work from Abigail Spanberger and Ro Khanna and Mark Pocan and others on trying to figure out how we can support both the DOJ's work but also USDA's work to slow the corporate concentration while we support the smaller operators. So thank you for your time.

And, Mr. Chairman, I yield back the remainder of my time to the Ranking Member.

The CHAIRMAN. Well, the Ranking Member is not here.

Mr. CASAR. Well, if you would like—

The CHAIRMAN. Anyone else you want to yield—

Mr. CASAR. That is okay. I will just yield back, Mr. Chairman. I am just trying to be polite.

The CHAIRMAN. All right. And the gentleman's politeness is appreciated, and he yields back.

I now recognize the gentlelady from Oregon, Congresswoman Chavez-DeRemer, for 5 minutes.

Mrs. CHAVEZ-DEREMER. Thank you, Mr. Chairman. And thank you, Mr. Secretary, for being here. I feel like I should invite you to Oregon. I don't know if you have been, but since everybody else was inviting you, I am thinking that should be the first thing I should do instead of waiting until the end. I know that I have the Chairman coming out with the Committee to see exactly what we offer there. So thank you for appearing today.

I want to talk about an industry that I often find that is left out of the conversation despite the contribution to both American and worldwide markets and consumers. Like many other Members on the Committee, I represent a state that produces an abundance of specialty crops. Our specialty crop producers face unique hurdles when interacting with USDA. I have heard from many of our producers that the current offerings of the crop insurance program do not meet their needs or align with industry-specific risks they face. The program still largely operates as a one-size-fits-all. What steps are you taking to improve these programs to better meet the needs of these specialty crop growers?

Secretary VILSACK. Well, one of the things that has occurred is a fairly significant expansion of risk management tools for specialty crop producers. And when I first got this job back in 2009, there were very limited options. Now, there are over 600 policies that are being offered.

To the extent that we can have information and data, we are very open to creating new programs or to take a look at existing programs. I know on the organic side, for example, we looked at the pricing mechanisms and realized that there needed to be some adjustments. The NAP coverage also provides additional resources in the way in which we are administering the ERP program, phase 2, also speaks to specialty crop producers. So we are open to any suggestions or information people have about how we can improve that effort. We are obviously interested in doing that.

Mrs. CHAVEZ-DEREMER. Great. Thank you. I do have a follow-up on that. Specialty crops have a smaller market share than commodity crops, which makes it more difficult for producers to access

buyers and secure fair prices for their goods. What is your team at the USDA doing to support the development and promotion of those markets for those specialty crops?

Secretary VILSACK. Well, there is a Local Food Promotion Program. There is the Regional Agricultural Promotion Program. There is the establishment of regional food business centers, which I talked about, which will create opportunities to create the supply chain for local and regional food systems. There is an effort that we now have underway. As we provide resources for food banks and for school meals, we are directing a portion of those monies be spent with local and regional producers. Oftentimes, those are specialty crop producers. So there are a variety of assistance that we are providing.

We are also taking a look at ways in which we can create more processing capacity in that area. There has been a lot of focus, obviously, on meat, poultry, and processed eggs in terms of our efforts at USDA, but you will see this summer what we refer to as a Competitive Food Initiative, which is designed to expand processing capacity for non-meat and poultry products, which will provide opportunities as well.

Mrs. CHAVEZ-DEREMÉR. Okay, great. Thank you. I am going to switch directions a little bit. I recently held a farm bill listening session in my home State of Oregon where I heard from many women farmers that they, like many other women in America, struggle to find accessible childcare. I thought that was unique when I heard that. We heard often across the country but in different industries. My office has been looking into options to ease the burdens for moms who farm such as incentivizing the development of childcare facilities and services in rural areas. Make no mistake, the ag industry would suffer without their involvement, as you very well know. Is your Administration aware of this? If not, I suppose you could stop there. But if you have heard this, what is the Department doing to ensure that all families have access to this and what they need to thrive both on and off the farm?

Secretary VILSACK. Well, the one thing we can do at USDA is to provide assistance to develop, to equip, and to locate childcare facilities to reduce the cost of actually starting up a childcare operation in rural places. We have a Community Facility Grant and Loan Program, which has pretty broad application, including the ability to finance childcare centers and to equip those childcare centers. That is an important consideration for us.

Mrs. CHAVEZ-DEREMÉR. Thank you. With that, Mr. Chairman, I yield back.

The CHAIRMAN. The gentlelady yields back.

My intention here is to recognize Mr. Davis from North Carolina for his line of questioning. And then votes have been called, so I will recess after that, but we will reconvene. We have a number of Members who have yet to ask questions. There are only two votes, and so we will gavel back in as soon as we complete those two votes. So now I am pleased to recognize the gentleman from North Carolina, Mr. Davis, for 5 minutes.

Mr. DAVIS of North Carolina. Thank you so much, Mr. Chairman, and also to the Secretary for being with us today.

The first question is for a district that is as rural as mine, Members have just put in for community project funds request. And I look at the USDA community facilities account, and it is an invaluable funding source, especially in areas such as mine. However, the sliding scale for cost-sharing under this account is considerably steep. Mr. Secretary, can you give me a sense of what criteria are used to determine these cost-share requirements? And what if any procedures are in place at USDA to regularly review these requirements?

Secretary VILSACK. Congressman, I will be general in my answer and will provide you more specifics because your question is pretty technical.¹ But I think part of what we are attempting to do is try to distinguish areas of persistent and long-term poverty in an effort to try to make sure that we are providing resources in those areas. But in terms of the criteria, I think that is one criteria where if we know that this is an area of persistent poverty, then we take a look at what we can do and how we can reduce the financial impact to the community and try to provide as much support as possible. But honestly, I will have to get you more detailed information about the scoring criteria.

Mr. DAVIS of North Carolina. Thank you, Mr. Secretary. Housing is a major issue in eastern North Carolina, and USDA has been very helpful to provide vital assistance to the elderly in rural areas with repairs and rehab to their homes. How has USDA responded to the increase and rising cost and inflation to help the elderly with this assistance?

Secretary VILSACK. Well, it is a budget issue, Congressman. To the extent that we have additional resources or additional capacity, we can provide additional help. If the resources are limited, then obviously, we are going to continue to have the limitations that we have because we want to be able to try to provide as much help as we can.

Mr. DAVIS of North Carolina. And, Mr. Secretary, I was using my time wisely here because I know votes have been called, so there has been a lot of comments made that you visit certain districts, and then others have made requests. And I think I even heard a request to India—I am just going to make my request for eastern North Carolina. How about that one?

Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentleman for yielding back. Unfortunately, votes have been called. The good news is there is only one vote. Is that right? There are two, so we will return quickly to get through the rest of our Members' questions, and we appreciate your patience, Mr. Secretary. With that, the Committee stands in recess, subject to the call of the chair.

[Recess.]

Mr. BAIRD [presiding.] So I want to call this hearing back to order.

And, Mr. Secretary, I hope you have had a nice break. You got me for a little bit, and then GT will be back. So we really thank you for being here. We have just about five or six more that would

¹ Editor's note: the information referred to is located on p. 106.

like to ask questions, and so with that, Mr. Langworthy from New York, you have 5 minutes.

Mr. LANGWORTHY. Thank you very much, Mr. Chairman. And thank you, Secretary Vilsack, for being here.

This is a very important hearing as USDA has gone unchecked over these past 2 years. In speaking with farmers back in western New York in the southern tier in the western end of New York State that I represent, the number-one issue facing their operations are skyrocketing energy costs. In addition to this Administration's egregious green climate agenda, which also they are getting double hit by the state government, it is putting our farmers' backs against the wall. And frankly, it is going to end up running some of them right out of business.

Our farmers have been left with uncertainty in a lot of cases, and what we have gotten so far is very little transparency and honesty from this Administration. But I very much am optimistic that we can change that. This farm bill will have consequences and impact on how farm policy is shaped over these next 5 years.

And with that, Mr. Secretary, I wanted to discuss rural broadband. As you know, rural development in the farm bill is critical as it provides funding for infrastructure and small businesses and job creation. I have a very rural district. And across the border around 75 percent of my constituents have no access to the internet in a broad way. What steps can the USDA take to improve broadband infrastructure to support those that live in very rural areas, including farmers in their agricultural operations?

Secretary VILSACK. Congressman, I am familiar with your area. I went to school in upstate New York and went to law school in Albany and lived in Richfield Springs on Route 20, so I am familiar with the area.

We have a ReConnect Program, which is our principal broadband assistance program. It is really designed to provide resources to communities to be able to improve access by increasing upload and download speeds and by providing resources to be able to do that. We received about almost \$2 billion from the infrastructural law, and I am proud to say that we will have all of those resources obligated by this summer. So that money will be available to projects as they unfold, and that should begin to bridge the time when the Department of Commerce and the Federal Communications Commission provide the resources to fill in the gaps operating through state governments to provide resources for expanded broadband access.

Mr. LANGWORTHY. Thank you, Mr. Secretary. And I know that the Department continues to state that the Thrifty Food Plan reevaluation was data-driven and science-based. However, the GAO highlighted the key role that policy decisions played. As Secretary, what was your role in making decisions for the reevaluation?

Secretary VILSACK. This is interesting. I am glad you brought this up, Congressman, because if we had followed the prescription and direction of the GAO, the increase would have been significantly higher than it was. It would have been roughly 17–18 percent higher because they were asking us to use a different data set. We use the more conservative data set in terms of the calculations. When you don't do something for 45 years, it is not surprising that

there would be an increase. But you look at basically the consumption patterns of American families, we don't see families spending an hour to an hour and a half preparing food from scratch like we did back in the 1970s. Things have changed. That has to be factored. The choices that people have at the grocery store, we used information from specific purchasing to be able to provide as accurate a picture of what a family has to actually go through to be able to provide food for their families. We very strongly believe that we followed the right prescription, we followed the law, and we came up with the conclusion we came up with. And if we had followed GAO, it would have been even higher.

Mr. LANGWORTHY. Now, was it you that authorized the acceleration of the reevaluation?

Secretary VILSACK. We didn't authorize acceleration. We were required by law by the 2008 food and farm bill that was passed by Congress to do this by 2022, which is what we did. Congress directed us to do it by 2022.

Mr. LANGWORTHY. According to the GAO—and I know you took some umbrage there—when the USDA accelerated the Thrifty Food Plan reevaluation in 2021, it was done without having key project management elements in place, and the USDA missed a lot of great opportunities to identify ways to measure project success and to set clear expectations for stakeholders. And second, USDA developed a project schedule but not a comprehensive project management plan that included certain elements such as a plan for ensuring quality through the process. And then third, the agency did not employ a dedicated project manager to ensure that key practices in project management were generally followed.

So I am out of time here, but thank you very much for your testimony. I yield back.

Mr. BAIRD. Thank you. The gentleman yields back. And now we go to Illinois for Mr. Jackson, 5 minutes.

Mr. JACKSON of Illinois. Thank you, Mr. Secretary. I feel obligated to also call you my Governor from my great neighboring state, and my father and family send their greetings to you. I appreciate your candor and your preparedness for these questions. On rural broadband is the question I have for you. Is there anything else that we can do that needs to be done to speed up the facilitation of access and implementation for rural broadband?

Secretary VILSACK. Congressman, I think if I were in your shoes I would be reaching out to my Governor to make sure that he and his Administration are prepared to quickly review the maps that are being presented and will be presented this year to determine where the unserved and underserved areas are left in your state and make sure that they are accurate because that is going to drive where the resources go, the resources under the infrastructural law. So that is number one. And number two, that they are prepared once they get the resources from the Federal Government, this is going to be funneled through the state governments, that the state governments are prepared to quickly appropriate those resources.

Mr. JACKSON of Illinois. The other question, sitting from your position—and this seems like it is going to be a hot-button issue on SNAP. I am hearing a lot of people in my district that we are hav-

ing, still, grocery store closures. There are 6,500 tracts according to the United States Census where people are food-insecure. They simply don't have transportation, mobility, or they may have the higher level of poverty where the grocery markets aren't able to work and have profitable groceries. That is a longer-term issue I would like to discuss with you. But what is the benefit of SNAP that you would tell everyone in the Congress that we should know about why it should be increased and maintained?

Secretary VILSACK. There is data that indicates obviously that SNAP is one of the most effective poverty-reducing programs, if not the most effective poverty-reducing program we have. There is also ongoing data collection and research that indicates that with adequate SNAP benefits, health outcomes, particularly for children, are improved. Obviously, there are circumstances as well where employment is tied to the supply chain, to the ability to have adequate SNAP benefits. It is a process that I think creates—if you look at the troubled places in the world today, they have two things in common. They have a lot of unemployed people and a lot of hungry people. And to the extent that we can provide opportunities for employment and we provide opportunities for people to avoid hunger, I think it makes us a safer place. So I think it helps to stabilize our democracy, which I think is pretty important right now.

Mr. JACKSON of Illinois. Can we talk about the growing need for college students to have access to SNAP and nutritional programs? Hunger amongst college students is an overlooked topic by many.

Secretary VILSACK. Well, I think one of the things that has changed is the character of the person going to college. We have a lot of single parents that are trying to get themselves an education and trying to get themselves an opportunity for advancement. And so the SNAP program can be incredibly important to those college students who are playing by the rules and doing what they are supposed to do and trying to get a better education.

The reality is it also provides a little bit of help in terms of the cost associated with college, as we know, pretty expensive, and sometimes these young people are laden with debt as a result, so it is an effective tool.

Mr. JACKSON of Illinois. And last question is, do you think the SNAP work requirement rules are sufficient or, if they were to change, would it have a negative unintended consequence?

Secretary VILSACK. I get the messaging part of this, but honestly, if we are really seriously interested about this, what we should be doing is working with states to improve the employment and training programs that we finance under SNAP. We know that there are some states that do a particularly good job of helping able-bodied individuals who are capable of working to be able to find employment. I mean, it is the state governments that know who is receiving SNAP. It is the state governments that know where the workforce opportunities are. And the question is why aren't we, at the state level, doing a better job of connecting the people who need the job with the jobs that are available, especially in this labor market today? It seems to me that is where the focus ought to be. If you restrict the capacity of a Governor to respond to a particular crisis, a plant closing in a community that can be devastating, the loss of a major employer, I think you are going to find that that is not

at the end of the day the best thing by restricting the Governor's capacity. I think the challenge here is to say to the Governors let's do a better job of using the millions of dollars we are providing for employment and training.

Mr. JACKSON of Illinois. Thank you.

Mr. BAIRD. The gentleman yields back.

And now we go to Florida with Representative Cammack.

Mrs. CAMMACK. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for being here today. I know last time we jumped right in talking about some dairy programs. And, as you know, Florida is a pretty unique situation. And, as you know, our dairymen and -women have suffered doubly this past year, first with the aftermath of devastation from Hurricanes Ian and Nicole and the residual impact of the Pandemic Market Volatility Assistance Program caps that left them with massive shortfalls and disparities from farm to farm as a result of how the payments were calculated.

I am glad that USDA has made announcements on both fronts to provide additional payments from funds that Congress has provided, but none of those payments have gone out. Can you update us on the status of both of these programs and let us know what we can be doing to help get as much of this assistance needed out the door and onto the farm?

Secretary VILSACK. I anticipate the Dairy Margin Protection Coverage that we increased reasonably will be going out very, very shortly.

Mrs. CAMMACK. What is very, very shortly?

Secretary VILSACK. Well, let me get back to in terms of the actual time, but we are not talking about months and months and months. We are talking about something less than that.

Mrs. CAMMACK. Can you commit to me that you will have an answer by the close of business today?

Secretary VILSACK. I will get you the answer as quickly as I can because, I don't know, I might still be here by the close of business today.

Mrs. CAMMACK. I think for everyone in this room we hope that you aren't. But how about this we will compromise.

Secretary VILSACK. We will get you an answer.

Mrs. CAMMACK. By the end of the week if you could have an answer back to my—

Secretary VILSACK. Sure.

Mrs. CAMMACK.—I surely would appreciate it. Thank you.

Secretary VILSACK. Sure.

Mrs. CAMMACK. Also, as you know, Hurricane Irma, as it ripped through the heart of Florida, our ag communities in 2017, they were absolutely devastated, particularly the citrus industry. Much like Ian and Nicole, it literally blew away an entire crop, leaving Florida growers with absolutely nothing. I was there when the announcement came on anticipated boxes for the year, and it was like being in the middle of a bad dream that you couldn't wake up from.

So, as you know, we have been working together on a block grant to make sure that the delivery of Federal disaster money made it to the citrus industry. Can you commit to working with us as we seek to give the USDA the authority again to make sure that the

citrus industry can participate in the disaster funding that was recently appropriated by Congress?

Secretary VILSACK. If you direct us and give us the power to do so, we will do everything we can to get the resources to people who are in need as quickly as we can.

Mrs. CAMMACK. Okay. At the end of this—I am just going to jump right to it. At the end of this, would you commit to meeting with me before the end of the month or the end of April? Because there is a lot of Florida-related specific items that I think need to be addressed that a lot of our producers are concerned about.

Secretary VILSACK. The only reason I am hesitating is because a significant amount of the first part of April I will be traveling to the G7 meeting in Japan and Vietnam on some trade issues, so that has a tendency—makes it more difficult for me to commit to being in D.C. at a particular time, but we will certainly make an arrangement. I will tell you what I can commit is maybe a phone call.

Mrs. CAMMACK. That will suffice.

Secretary VILSACK. That would be a little bit easier.

Mrs. CAMMACK. That can be arranged, I believe, in 30 days certainly.

Secretary VILSACK. Okay.

Mrs. CAMMACK. And shifting now to Rural Utilities Service, RUS, and the NTIA's BEAD (Broadband Equity, Access, and Deployment) Program, which has really been working with the state broadband programs, I know that you guys have signed a memorandum of understanding and taken steps to coordinate NTIA and the FCC on the broadband funding issue. But what are the results of that coordination? Have you been able to assure that the funding will not be going to areas that are already connected? Because overbuilding has been a constant concern.

Secretary VILSACK. We are sensitive to the overbuilding concern, and we are providing information to the other entities in the MOU about where we are making investments under our ReConnect Program so that they are aware of where we are investing as they put their maps together and they make decisions about the allocation of the bulk of resources under the infrastructure law.

Mrs. CAMMACK. Okay. And that is something that I will definitely follow up with you on talking about the broadband deployment issues when we have our call before the end of April, just putting that on the record.

And then finally, turning to some of the more concerning news that has been coming out of Brazil, obviously, I am sure you know that the test samples were submitted to the World Organisation for Animal Health, and they tested positive for BSE. That was on February 22nd of this year, but it indicates that the event of BSE started on January 18th, which was a difference of 35 days. Unfortunately, Brazil has a history of delayed reporting, which, as you know, could have devastating consequences for our markets. Considering their track record is basically a failed one of reporting on animal diseases and compliance with the standards, will your Administration, your agency take appropriate action to suspend Brazilian beef imports until we can verify an equivalent level of safety

and credible reporting in Brazil's food safety and animal health systems?

Secretary VILSACK. I think that would be a mistake, Congresswoman, and the reason it would be is because we are talking about an atypical BSE incident, which we also had in the United States. And if we were to restrict trade because of that atypical incident that is not recognized by WTO as an actionable interest, we would be exposing our own industry to significant disruption.

We have expressed concerns to Brazil about the lateness, and we have also made sure that our surveillance at the border is as appropriate as it needs to be to protect our industry.

Mrs. CAMMACK. Mr. Secretary, respectfully, I think that is a mistake. This is billions of dollars that we will be susceptible to loss of.

So with that, I yield back. I am over my time. Thank you, Mr. Chairman.

Mr. BAIRD. Thank you. The gentlelady yields back. And now we go to California and Congressman Duarte.

Mr. DUARTE. Thank you, Mr. Chairman. Thank you, Secretary, for being here today.

Let's talk a little about WOTUS and the risks of farm operations with the new WOTUS rule coming down and perhaps other regulatory issues, but I think we are going to focus on WOTUS for the most part today.

Secretary VILSACK. Okay.

Mr. DUARTE. I am a farmer who is prosecuted with threats of criminal penalties for planting wheat in a wheat field under the 2008 WOTUS rule, so this goes way back before Obama, before Trump, before the new Biden rule. And one of the concerns with the expanded WOTUS rule that is coming is farmers just don't know what the rules are. We don't know what *prior converted cropland* standards are. There is no universal definition that I am aware of. There is no universal definition of what *crop rotation* means or how farmers are to work under the new WOTUS rule to—in my case, I planted wheat in a wheat field that had been planted 20 years prior, and wheat markets in 2011 were high. There was a global food crisis similar to what we stumbled on with the Ukraine invasion here recently, so we recommissioned idled farmland that had been grazed, an agricultural use but hadn't been planted to wheat for a couple decades simply because markets didn't warrant that it be planted to wheat. Have you worked with the Administration or have you worked within your USDA to actively promote what exactly are the rules that farmers need to follow to be compliant with the new WOTUS rule as published?

Secretary VILSACK. Congressman, I encouraged EPA to, first and foremost, as they are developing a response to a court directive to develop this rule, to make sure that they met with farmers. And I was pleased to see that there were literally dozens of meetings that EPA had with ag organizations, that in fact they put together a Farmer and Rural Advisory Committee that included 30 farmers and ag stakeholders that made recommendations that were incorporated in the rule, that they had ten regional roundtables, three of which were led by Farm Bureau presidents, state presidents, in North Carolina, Arizona, California. So to me, that is the first re-

sponsibility I have is to make sure that they are listening to farmers. And then second, as they develop whatever the rule is going to be whenever it ultimately gets finalized, our job at USDA is to say, "Okay, how can we help? How can we help farmers with conservation resources or whatever it might be to be able to comply?"

Mr. DUARTE. Sure.

Secretary VILSACK. The challenge is we are going to continue to go back and forth—

Mr. DUARTE. Well, let me ask you this. You use the EPA as your lead agency to define what a *wetland* is or isn't and to communicate standards.

Secretary VILSACK. It is their job.

Mr. DUARTE. They are not often interfacing with farmers. The USDA is oftentimes the lead agency interfacing with farmers, and many farmers plant their crops without a consultation of the EPA, as was the case with me.

Another issue I would love you to answer is I was prosecuted by the Army Corps of Engineers when I wasn't under an Army Corps of Engineers permit, and when the EPA wouldn't pick up the case and prosecute me, they went to the Department of Justice Division of Environment and Water and got them to prosecute me because the EPA wouldn't prosecute under our set of facts. Are you going to agencies outside the EPA and looking for what their guidance is in terms of what cases will be prosecuted by them if the EPA demurs?

Secretary VILSACK. Well, I think the first order of business, Congressman, is to get a rule, we don't have that really. We have multiple rules in multiple jurisdictions. There is a great deal of uncertainty. And my plea is that we get some degree of certainty in this process.

Mr. DUARTE. Well, I would venture then, the rule is written, and the Obama rule was very similar. They defined *wetlands* with a lot of latitude given to the actual field agent at the very bottom of the organizational chart as far as I understand the Army Corps of Engineers and the EPA to determine, based on their experience and expertise, what is or isn't a jurisdictional *wetland*. So you not only have multiple agencies prosecuting with and without subject matter jurisdiction, but you also have field agents determining what is or isn't a *wetland* on their, quote, experience and expertise kind of on-the-fly. So I don't know how the Administration seeks to have a unifying rule when they leave it really up to the field agent.

Secretary VILSACK. Well, I think there is an effort to try to be as responsive as we possibly can and get this thing finally done. I mean, we have been talking about this for literally decades. And the reality is it is a result of a law that was passed in 1972, the Clean Water Act. I think everybody wants clean water. The courts have directed EPA to do this, and they have to do it. So the question is when are we going to have the rules in place that we actually know what the rules are? We constantly have—

Mr. DUARTE. I would offer, as long as we look for an expansive definition of what is or isn't a *jurisdictional wetland* under the Clean Water Act, you are going to have pushback, and it is going to continue to vacillate back and forth. If the Army Corps of Engineers or EPA wants to regulate farmland in a way that is pretty

much specifically excluded by the Clean Water Act in the 404 permit amendment that was done later, then I would suggest they come back to Congress and seek that jurisdiction.

Secretary VILSACK. I don't know if I am supposed to respond, the time is up, but the reality is the Supreme Court has basically created this directive, and Federal courts are directing the EPA to do this. It is not like the EPA is doing this on their own. They are being directed to do this, so they have court direction.

Mr. DUARTE. Well, they have had a single judge that said something about a *significant nexus*. We can go into this.

Secretary VILSACK. Still, it is a Federal judge.

Mr. DUARTE. So when the *Sackett* decision comes down here in a few days, weeks, months, the Administration will take that direction, reopen this rule, and provide compliant rulemaking for that decision?

Secretary VILSACK. I am sure that the EPA will do whatever the court directs them to do because that is what we have to do.

Mr. DUARTE. Thank you.

Mr. BAIRD. Thank you. The gentleman yields back.

And now we go to Representative Molinaro.

Mr. MOLINARO. Thank you, Mr. Chairman. And thank you, Mr. Secretary.

I just would argue that there was certainty as it related to jurisdictional wetlands. That was gummed up. I live in the State of New York, served in the State of New York. And quite frankly, in fact, the State of New York guide rails were sufficient.

But I am not here to talk about that particular topic. You would not recall and there is no reason to, but I joined then-Congressman Gibson and perhaps even Congresswoman Gillibrand in welcoming you to upstate New York some years ago. I don't recall in what role, but I want to focus on some of the challenges in upstate New York in particular, and thanks for your time today.

So my first question is as it relates to the Risk Management Agency's proposed rule. This drastically changes apple crop insurance. As I am sure you are aware, New York is the second-largest apple-producing state in the country. I am kind of partial to Cortland apples myself as they are principally in the 19th Congressional District, and there are approximately 600 commercial producers across New York, including dozens in my district alone.

Many of those growers have expressed concern regarding the proposed rule as it is to them and to us detrimental to apple farmers throughout the Northeast. It doesn't take into account varying conditions of regional family farms like ours. Many of the growers expressed that crop insurance will no longer be available or a viable option should the proposal be implemented as-is. The RMA held an initial public comment period and is now conducting a series of listening tours across the country. I would like to know if the RMA is still considering significant revisions to the rule to incorporate that feedback, whether or not there is an update on the timeline. And, as I understand it, some of those listening sessions had to be rescheduled due to the same weather the farmers deal with, and I am hopeful that that period is extended to accommodate additional concerns.

Secretary VILSACK. I am happy to provide you with details about this, Congressman, but I would hope that RMA would take into consideration what they are hearing out there in the field. But I am happy to check on this and get back to you.

[The information referred to is located on p. 107.]

Mr. MOLINARO. So some of the reporting requirements and, as I understand it, in particular, apple farmers are concerned they just won't be able to meet the standard as has been initially proposed, so the hope would be more than listening, that they accommodate some of those very unique challenges that Northeast apple farms face.

Broadening that particular topic, fruit farmers in general have concern regarding accessing crop insurance, and I wonder if there is an effort to ease some of the reporting requirements to accommodate their accessing that coverage.

Secretary VILSACK. Well, you could help us by being a bit more specific about what you mean.

Mr. MOLINARO. Okay. What I would love to do offline is provide you very specifically what they have identified, and if you are open to it, I would love to talk in more detail. We don't need to use a hearing for that.

Secretary VILSACK. Sure.

Mr. MOLINARO. And I appreciate that. I want to just if I could address some concerns in the area of farm labor, specifically a reversion to the adverse effect wage rate released by the Department of Labor. I know from New York farmers that some of those changes added an administrative burden that severely limits the flexibility of H-2A workers. And of course that is a challenge for all of us. Considering those particular changes and the rate is calculable based on USDA Farm Labor Survey data, I would like to know if USDA had input in the Department of Labor's rulemaking process, and what if anything USDA has expressed on behalf of those farmers.

Secretary VILSACK. Well, I will tell you what the USDA has expressed, which is pass the Farm Workforce Modernization Act, which would have saved farmers hundreds of millions of dollars. That is the answer, Congressman. Honestly, that is the answer.

Mr. MOLINARO. That is a broad answer, but we have obviously this specific concern—

Secretary VILSACK. No, this—

Mr. MOLINARO. In the interim, Mr. Secretary, would the USDA—

Secretary VILSACK. We provide information and data, and the Department of Labor obviously then makes calculations, and they basically run through a process and a formula. And that is precisely why the Farm Workforce Modernization Act is so important because it creates a—

Mr. MOLINARO. I appreciate your advocating for this piece of legislation. I am just—

Secretary VILSACK. Well, that is the answer.

Mr. MOLINARO. I understand. In the interim, having USDA at least advocate within that rulemaking process until such time would be reassuring and helpful to the farmers that are affected.

Secretary VILSACK. Well, I am happy to advocate for farmers, and that is what I am advocating for is a process that provides greater predictability than what we have today.

Mr. MOLINARO. So USDA is not in this particular rulemaking case making any advocacy or simply abdicating for the broad change of legislation?

Secretary VILSACK. When you say rulemaking—

Mr. MOLINARO. In this rulemaking—

Secretary VILSACK.—case, I am not quite sure what you mean by that.

Mr. MOLINARO. Well, my time is up, and I apologize. I would be happy to communicate with you offline. Thank you, Mr. Secretary.

The CHAIRMAN [presiding.] I think the gentlemen. I now recognize the gentleman from Ohio, Mr. Miller, for 5 minutes.

Secretary VILSACK. You have been patient.

Mr. MILLER of Ohio. Well, Mr. Secretary, it has been a long day for both of us. Am I on?

The CHAIRMAN. Is your microphone on?

Mr. MILLER of Ohio. Is that working?

The CHAIRMAN. It is now.

Mr. MILLER of Ohio. Yes, running back and forth between hearings is fun for everyone, but thank you for your patience, and thank you for being here today.

Agriculture is one of Ohio's largest industries.

The CHAIRMAN. Max, I don't think it is on. Sorry.

Mr. MILLER of Ohio. Does that work? All right. Man, you really got to hug this thing. Can I get some time back? Is it on the clock, maybe just like 20 seconds?

The CHAIRMAN. I am okay with giving your time back.

Mr. MILLER of Ohio. Thank you, Mr. Chairman.

The CHAIRMAN. We will get you a fresh start.

Mr. MILLER of Ohio. It is like in football, right? You throw a flag, got to get some time back. All right.

The CHAIRMAN. That is right.

Mr. MILLER of Ohio. Well, thank you. I recently heard firsthand from our farmers and livestock producers regarding key priorities to farm economies throughout northeast Ohio when I convened an Agriculture Advisory Council of farm sector leaders. Volatile commodity markets, rising fertilizer and crop inputs, regulatory uncertainty threats from animal disease, unstable trading markets, and other issues continue to pressure the farm safety net, impacting Ohio agriculture.

Runaway inflation the last 2 years is having a terrible impact on America's farmers and ranchers as spiraling energy and farm diesel costs are taking their toll on our ability to produce. Ohio ranks number nine in the nation in the number of farms, and nearly 90 percent of those farms are run by families or individuals. However, the U.S. Department of Agriculture's most recent farm income forecast indicates a decrease in farm income from last year of \$25.9 billion or down 15.9 percent in 2023.

I look forward to working with you, Mr. Secretary, as well as Members of this Committee, on the upcoming farm policies to provide an opportunity to address the broad range of challenges to the

farmers and livestock producers in my Congressional district and throughout the country.

While international trade is a critical market component impacting Ohio agriculture producers, I understand the U.S. Department of Agriculture forecasts U.S. agriculture exports to be 5.5 billion less than had been forecast back in November. USDA anticipates exports for all major commodity groups to be reduced with the largest decreases projected for corn, sorghum, and soybeans, and this was from USDA Economic Research Service February 23, 2023.

Mr. Secretary, you have called publicly for reauthorization of trade promotion authority, an important tool in the negotiation of international trade agreements. Absent trade promotion authority, how can we best help expand our overseas markets?

Secretary VILSACK. A couple of things, Congressman. First of all, the keys to trade are people, presence, and promotion. Expanded trade missions are one strategy. We are getting more information out and getting opportunities, making sure that we continue to support the Foreign Market Development Programs or the MAP program to be able to provide resources for cooperators so that they in turn can be out there marketing U.S. products, looking for opportunities to break down barriers, whether it is in the Indo-Pacific Economic Framework for Prosperity, looking at trade barriers that exist, SPS issues that exist, breaking them down similar to what we have done, for example, in Japan with increased beef opportunities by addressing the beef quota. So there are a multitude of ways in which we can make a difference in terms of trade without necessarily focusing solely on trade agreements. And that is what we are focused on right now. I can tell you in the last 2 years, \$15 billion of new or expanded market access has been created by virtue of what we have been doing it USDA.

Mr. MILLER of Ohio. Well, thank you for that answer, and if you can help me work with our ally to the north and get our tariffs off dairy from the USMCA agreement that they violated—

Secretary VILSACK. No, and that is why we have gone to the consultation room not once but twice with our Canadian friends, and we are going to continue to focus on that until we finally get a decent implementation of USMCA. And that is important because that is what builds trust in trade is the fact that when you have a trade agreement, you actually live by it. And that is precisely why we are pursuing our friends in Canada, as well as our friends down south.

Mr. MILLER of Ohio. Big dairy producers down in Wade County in the 7th, so I would love to see that go away.

Secretary VILSACK. Got it.

Mr. MILLER of Ohio. In the absence of new agricultural market access opportunities, the enforcement of existing trade agreements becomes even more important, including Canada's adherence to its dairy market access, as I just touched on, obligations under the USMCA. Can you provide an update on when we can expect a ruling on the ongoing USMCA dairy dispute settlement panel?

Additionally, if the United States were to win this second panel, will you commit to working with other Administration officials and our overseas counterparts to ensure Canadian compliance?

Secretary VILSACK. We will continue to work until we get a satisfactory response from our Canadian friends. The timing of the consultation and the decision-making process—and I don't want to give you too precise an answer because I am not sure. It depends. But I can tell you as soon as that process is completed, if in fact we are successful, we will press Canada for meaningful changes to their tariff quota and the way in which they implement this quota. They play games, and they have been playing games forever, and this is the first time we have actually called them on it. We were satisfied with the first response from the first consultation process. That is why we brought the second one.

Mr. MILLER of Ohio. Thank you, Mr. Secretary. I do have a couple more questions, but I want to be respectful of your time and everyone else's. And, Mr. Chairman, I yield back. And thank you.

The CHAIRMAN. I thank the gentleman. He yields back.

I now recognize the gentleman from Nebraska, Congressman Bacon, for 5 minutes.

Mr. BACON. Thank you, sir. And thank you, Mr. Secretary, from your neighbor from Nebraska.

I have a couple of questions dealing with foot-and-mouth disease, trade, E15, so we will start off with foot-and-mouth disease. It was largely my initiative back in the last farm bill to try and get that in the farm bill. Could you just give us an update how we are doing? Are we operational with the foot-and-mouth disease vaccine bank, and what else do we need to do to even make it better?

Secretary VILSACK. We are operational. We are in the process of purchasing vaccine and stockpiling it, and we are in the process of making the conversion from Plum Island to Manhattan, Kansas, in terms of the NBAF facility.

Mr. BACON. Okay.

Secretary VILSACK. We should probably be completed sometime in 2024. That is where the vaccine bank will be housed, and that is where our countersurveillance measures and so forth will also be operated out of.

Mr. BACON. I think that is a success for our ranchers, and I appreciate that.

How are we coming along with African swine fever? Are we nearing the spot where we can start doing vaccines, or is there more research that needs to be done?

Secretary VILSACK. I think there are three efforts that need to be addressed here. First, the need to try to rectify the circumstances in the Dominican Republic and Haiti. We have invested resources, we have invested time and personnel to try to do that, more progress in the Dominican Republic than Haiti simply because of the nature of the government down there.

Having said that, we need to and we have bolstered our bio-surveillance and security on our own border. We have created a zone within Puerto Rico. We are increasing our K9 presence in airports and ports-of-entry to make sure that nothing is coming in that could potentially create a problem. And we continue to work on vaccine. There is a vaccine study in Vietnam that has promising results. We are not quite there yet, but we are going to continue to focus on trying to figure out at the NBAF facility what we can

do in terms of ultimately getting to a point where we have a vaccine.

Mr. BACON. Thank you. Trade is obviously a top priority for Iowa farmers and ranchers, as well as Nebraska. How is China doing with meeting its agreements?

Secretary VILSACK. With its——

Mr. BACON. China, is China meeting the first-phase agreements or are they falling short?

Secretary VILSACK. They are continuing to purchase it at a pretty significant rate, which allows us at this point in time to look like we might have a trade surplus as opposed to a deficit, which was originally projected. Having said that, they are not at where they promised to be, which is no surprise.

Mr. BACON. How about Mexico with what I would say the break in the treaty agreements when it comes to the corn? Are we making progress with them?

Secretary VILSACK. Well, we have started the consultation process because, frankly, we weren't satisfied with the reaction and response to the questions and concerns we expressed. And I made two visits to Mexico to speak directly to the President of Mexico about this. They are continuing to purchase our corn, not the white corn, certainly the yellow corn. But this is a very important issue for us. We have to make sure that we are very firm about this because it underlines our entire approach to trade. You have to have a science-based system. If you basically begin to inject culture, you inject things that are nonscientific, it is going to be very destructive to the trade system globally. So this is a very important case for us. We are going to continue to push it.

Mr. BACON. I will just make a statement on the E15. You know how important it is for Iowans and Nebraskans, so I appreciate you helping us make that a year-round requirement for E15.

I would like to go down something we call the cliff effect with SNAP. But it affects a lot of our social programs. We had a hearing in the last Congress. The Democratic experts, two of the three, said there was a cliff effect, one said not. And the Republican witness said there was. The bottom line is you get a certain point in earnings. If you earn \$1, you could lose \$400 to \$600 in benefits. So it seems to me that that is a reality. Would you be interested working with us to find a way to decrement the support so that we can incentivize full-time work and promotions so someone feels like they are not taking a pay cut if they get more money?

Secretary VILSACK. I mean, I am happy to take a look at what you are concerned about, Congressman. I think we always ought to be open to taking a look at things. I am happy to make sure our team works with your team to see what works and what doesn't.

[The information referred to is located on p. 107.]

Mr. BACON. I just think we have an opportunity instead of someone making \$1 more and losing \$400, if we decremented that down bits at a time, then they are not taking a pay cut when they get the pay raise or the full-time job. And I think that is what we need right now. We want to incentivize people to feel like they can achieve their dreams and not be held down. So we have an opportunity to make improvement here, I believe, and I would like us

to look at it. And I appreciate your willingness to take a look at it. Thanks.

Mr. Chairman, I yield back.

The CHAIRMAN. The gentleman yields back.

And now I recognize the Chairman of the Subcommittee on Conservation, Research, and Biotechnology, Congressman Mr. Baird for 5 minutes.

Mr. BAIRD. Thank you, Mr. Chairman. I appreciate that.

And, Mr. Secretary, we sure appreciate you being here. And I have heard a lot of folks mention inviting you to their state, Iowa for one and Illinois, Nebraska. So I want to extend a very good Hoosier welcome to you to come to Indiana. And, as you well know, Indiana has quite a significant agriculture presence. And I know you have been there before, so I extend that invitation.

I guess I have a couple of questions that I think you will find relatively easy with all the other questions you have had. But the USDA laid down a 2024 budget to develop a science-based regulatory pathway, and so I am getting around to animal biotechnology, and I am really pleased to see this development which the budget described as secretarial, high-priority. And this proposal addresses concerns raised by myself and Congresswoman Plaskett in a letter to you. And while I am supportive, I don't see that we have made any plans, and it seems to be unclear. So my question is can you clarify USDA's proposal and timeline for implementing a plan to develop a science-based regulatory pathway for products of animal biotechnology at USDA?

Secretary VILSACK. Congressman, we are still in the process of trying to distinguish responsibilities between the USDA and the FDA in terms of animals that are being produced for food production, animals that are being produced for potential health benefits. And we are in the process of negotiating and having conversations with the FDA. My hope is that in the very near future those conversations will ultimately lead to an agreement in terms of jurisdiction so that we provide some degree of clarity and certainty to the industry. I understand the importance of getting this done quickly because the industry wants to move forward and move ahead. They need to know what the rules are, and we are working on it.

Mr. BAIRD. Very good. I am glad to hear that because I think that is an issue some folks are concerned about.

So my second question deals with animal feed ingredient innovation and regulation. It is a similar question to the first one regarding a science-based regulatory pathway for products of animal biotechnology, and regulatory hurdles are preventing FDA's approval of innovative feed ingredients with forward-leaning environmental benefits. And I am thinking about the methane reduction in cattle, for those ingredients. And so I think we are falling behind because of this slow process. So my question is how has USDA engaged with FDA to help modernize the agency's approval process so that the farmers can have access to these feed additives? And it is very similar to your last question, but I will give you an opportunity to—

Secretary VILSACK. Yes, on that specific issue, first and foremost, we have tried to advise our friends at FDA about the reaction and attitude of other countries in terms of this same feed additives and

how they have approached it as a feed additive as opposed to a pharmaceutical. Part of the problem with our current structure is FDA is treating this as a pharmaceutical and not necessarily as a feed additive, which creates more time, more expense. New Zealand, the EU see this differently, and as a result, they are putting it into the market more quickly, which provides them potentially a market advantage, and we tried to explain that to our friends at the FDA. We will continue to do that. And hopefully, eventually, they get it done because it is a significant reducer of methane, which obviously we are all interested in having.

Mr. BAIRD. So I appreciate it. I hope you will continue the conversation with them, and I know you will.

And so with that, I yield back, Mr. Chairman.

The CHAIRMAN. Well, I thank the gentleman for yielding back.

Mr. Secretary, thank you again for—let me make sure I didn't—I don't see anybody else sitting here, so we are good. Thank you for your patience and your endurance. And as always, we appreciate your engagement, and I look forward to a productive partnership as we continue crafting an effective farm bill that works for all of agriculture.

I am proud to be the third Member of Congress from Pennsylvania to ever chair the House Agriculture Committee. We had the first one in 1820, and then we had one just prior to the Civil War. I am hoping that person didn't contribute to the Civil War. I don't know anything about them. And I am the third. And based on my review of the facts, you are the first U.S. Secretary of Agriculture to be born in Pennsylvania, and so we are kind of—I know Iowa claims you, but we are pretty proud of that fact, too.

On behalf of the Ranking Member, who had obligations he really tried to get out of that he couldn't, and myself, I want to thank you, Secretary, and your staff for your preparation and your time, your work, your endurance, and your service. I want to thank our Members. We had great participation today. I want to thank our staff because we couldn't do any of this without all of our Committee staff and our personal staff, and much appreciated.

As we prepare for the 2023 Farm Bill, this hearing and our future hearings and listening sessions are instrumental, especially bringing the voices for those who produce, process, and quite frankly consume our food, fiber, energy, and building resources.

Mr. Secretary, I appreciate the words that you used in your opening statement, *in concert*. And that which is done, quite frankly, because that describes how we are going to do the best possible job with this coming farm bill and, quite frankly, all the responsibilities that we have outside the farm bill as well that maybe some people aren't familiar with, but we have that responsibility as the House Committee on Agriculture.

In concert is important to me because I believe that which is done unilaterally is destined to fail in fulfilling the intended purpose. So I appreciate your commitment to work in partnership and in concert as we move forward. We heard questions identifying important issues that will be addressed in the farm bill from our Members, and thank you for your responses. Alphabetically, I couldn't identify anything with a Z, there was probably something out there, but we went from animal health to yellow corn.

And I want to note for our Members that there were a lot of questions outside the jurisdiction of what you have control over with the EPA and some of their actions which, quite frankly, have hurt American farmers. And I am pleased to announce that Administrator Regan has accepted an invitation to come and be before the Committee. So some of the questions you received we have maybe a more appropriate place to ask those questions here sometime in the future.

We heard about nutrition. And quite frankly, farmers feed, and nutrition matters. I am an old Boy Scout, so everything I do, I use principle-based leadership. And we have used that now for over 2 years in the Committee, and we define our principles ahead of time, and we use that like the true north arrow on a compass, to keep us pointed in the right direction. And, quite frankly, there are a lot of distractions and disruptions when you are serving in Congress, but this keeps us focused.

When it comes to the nutrition title, four pretty simple principles. Number one, this is 2023. We should be looking to leverage whatever flexibility and innovation we can within that Nutrition Title now, which is a lot more than SNAP EBT. As we know, it is support for food banks and food pantries. There are some great programs well beyond the SNAP program, which is a great program.

Number two, the Congress in past Administrations, as we have had farm bills passed and enacted into law, have always been committed to helping these folks through work opportunities and moving people towards independence, financial independence. And so financial independence is something we should obviously—is the right thing to do for folks who are struggling financially.

Number three is program integrity. We have a fiduciary responsibility to make sure that—I personally don't believe, as I have looked at the data, there is a tremendous amount of widespread fraud within the SNAP program, but we know that some, like in all programs, always exists, and we have an obligation to do our best to address even the smallest amount of fraud that may be out there.

And number four, I think we all share this commitment to healthy foods and healthy eating. So those are the four principles that, as far as I am concerned, will guide us as we go through this process on Title IV of the Nutrition Title.

There is a lot on the line as well as we strive for a bipartisan, bicameral, on-time, and highly effective farm bill, a lot on the line for those that produce, those who process, and, quite frankly, those who consume. Well, that would be everybody in the country. And the bottom line, if farm families fail, all American families will fail in the end.

As we close today, I did want to briefly circle—I am not really looking for a response, but I just want to make sure I just fully teed up a topic that I ran out of time to touch on earlier but has been mentioned several times today, the pending Packers and Stockyards regulation. Unfortunately, your comments earlier to Ms. Spanberger about the expanding powers of the Packers and Stockyards Act underscores the concern I mentioned in my opening statement about unilateral administrative action exceeding the balance of Congressional intent and statutory authority. You are obvi-

ously knowledgeable and passionate about these so-called GIPSA rules, having pushed them three different times during your terms as Secretary. And given your experience, you are also acutely aware of the controversial nature of these rules and widespread concerns about their unintended market consequences.

And so far during this round of rulemaking we have only seen two parts of the plan and are still waiting on the third. So without all three proposals in hand, it is impossible to evaluate their full impact at this point. But frankly, I am concerned about this piecemeal approach and what I see as a chilling effect on public input and farm feedback at the Department.

So, Mr. Secretary, it is unlikely we are ever going to fully agree on these policies, but at a minimum, quite frankly, I am hoping you are willing to commit to two things: first, assuring us USDA will evaluate the cost of all these rules in their totality; and second, ensuring stakeholders have the opportunity to provide input on the full suite of rules well ahead of any of the individual components being finalized. Obviously, that is the best way we all work.

And with that, I appreciate you really taking that into consideration. And with that, under the Rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional materials and supplementary written responses from the witness to any of the questions posed by a Member. This hearing of the Committee on Agriculture is adjourned.

[Whereupon, at 3:10 p.m., the Committee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED LETTER BY HON. BRAD FINSTAD, A REPRESENTATIVE IN CONGRESS FROM
MINNESOTA

September 30, 2022

Hon. THOMAS J. "TOM" VILSACK,
Secretary,
U.S. Department of Agriculture
Washington, D.C.

Dear Secretary Vilsack:

We write with concerns about fraud and improper payments affecting taxpayer-funded nutrition programs intended to help hungry Americans. Feeding Our Future, a Minnesota-based nonprofit organization participating in the Federal Child Nutrition Program,¹ allegedly defrauded the United States Department of Agriculture's (USDA) Food and Nutrition Service (FNS) of over \$250 million.² As Members of the Minnesota delegation and Committees with oversight jurisdiction over these programs, it is critical that we understand how this alleged fraud was perpetrated and what is being done to mitigate further exploitation of these programs. We request documents and information to assist our oversight efforts.

The Child and Adult Care Food Program and Summer Food Service Program are taxpayer-funded, state administered programs within USDA that provide meals to eligible children and adults through approved local providers.³ They are designed to operate as a partnership among the Federal Government, designated state agencies, and approved local providers of meals to adults and children.

Feeding Our Future is a Minnesota-based nonprofit organization that claims to "utilize the Child and Adult Care Food Program to increase healthy food access for Minnesota's youth and seniors."⁴ Last week, the Department of Justice unsealed criminal charges against 47 defendants affiliated with Feeding Our Future, alleging criminal misuse of \$250 million of taxpayer funds in a vast fraudulent scheme.⁵ The number of charged defendants have grown to 49 in recent days. The alleged conspiracy, according to the charges, appears to have started around the time of the increased flexibilities provided by USDA and Congress in the wake of the COVID pandemic.⁶ For example, Feeding Our Future received only \$3.4 million in 2019, but nearly \$200 million in 2021.⁷ As part of the conspiracy, the defendants submitted fraudulent reimbursement claims and used the proceeds of the scheme for a variety of personal—and potentially illegal—uses, including luxury vehicles, residential real estate, and international travel.⁸ In addition, participants in the scheme are alleged to have both given and received kickbacks often described as "consulting fees" to expand the number of contracted providers in order to bilk the taxpayers out of even more money.⁹

These allegations raise many questions about the management of these programs by the Biden Administration. It is unclear how the USDA and its partnering state agency, the Minnesota Department of Education, failed to prevent this fraud, which has been described as the "largest pandemic fraud . . . in the United States."¹⁰ Billions of taxpayer funds were allegedly stolen at the expense of hungry children in that state.

To enable oversight of improper payments at USDA programs intended to provide nutrition assistance for hungry Americans, please provide the following documents and information no later than October 31, 2022:

1. All documents and communications regarding Feeding Our Future, including but not limited to any records required to be made available by Feeding our

¹ Office of Public Affairs, *U.S. Attorney Announces Federal Charges Against 47 Defendants in \$250 Million Feeding Our Future Fraud Scheme*, DOJ (Sept. 20, 2022) available at <https://www.justice.gov/opa/pr/us-attorney-announces-federal-charges-against-47-defendants-250-million-feeding-our-future>.

² *Id.*

³ USDA, *Child and Adult Care Food Program State Agency*, (accessed Sept. 27, 2022) available at <https://www.fns.usda.gov/cacfp/state-agency>.

⁴ Feeding Our Future, (accessed Sept. 27, 2022) available at <https://www.feedingourfuturemn.org/>.

⁵ *Supra*, n. 1.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ WCCO Staff, *U.S. Attorney's Office charges 47 in "largest pandemic fraud in the United States."* CBS Minnesota (September 20, 2022).

Future for audit and inspection in connection with its participation in Federal nutrition programs;

2. All documents and communications regarding any USDA inspection or audit of any records associated with Feeding Our Future;
3. All documents and communications between any USDA official, employee, agent, or contractor and any official or entity within the State of Minnesota, including but not limited to the Minnesota Department of Education, relating to Feeding Our Future;
4. A copy of any relevant USDA policy relating to the authority of USDA officials, employees, agents, or contractors or state partner agencies to respond to and prevent potential fraud or improper conduct;
5. All documents and communications relating to any actions taken or planned by USDA to establish additional integrity measures designed to prevent against fraud and improper payments.

Thank you for your consideration of this important issue. To make arrangements to deliver documents or ask any related follow-up questions; please contact Committee on Oversight and Reform Republican Staff at (202) 225-5074. The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



Hon. MICHELLE FISCHBACH,
Member of Congress



Hon. JAMES COMER,
Ranking Member, House Committee on
Oversight and Reform



Hon. VIRGINIA FOXX,
Ranking Member, House Committee on
Education and Labor



Hon. GLENN THOMPSON,
Ranking Member, House Committee on
Agriculture



Hon. BRAD FINSTAD,
Member of Congress



Hon. TOM EMMER,
Member of Congress



Hon. PETE STAUBER,
Member of Congress

SUBMITTED LETTER BY HON. JAHANA HAYES, A REPRESENTATIVE IN CONGRESS FROM
CONNECTICUT

March 13, 2023

Hon. JODEY C. ARRINGTON,
Chairman,
House Committee on the Budget,
Washington, D.C.;

Hon. BRENDAN F. BOYLE,
Ranking Minority Member,
House Committee on the Budget,
Washington, D.C.

Dear Chairman Arrington and Ranking Member Brendan Boyle,

In accordance with Section 301(d) of the Congressional Budget Act of 1974 and clause 4(f) of Rule X of the Rules of the House of Representatives, we are writing

to offer additional views and estimates regarding the Fiscal Year (FY) 2024 budget as it relates to the Supplemental Nutrition Assistance Program (SNAP).

We are happy to see that the President's FY 2024 budget request, released last Thursday, helps to better align our nation's Federal nutrition programs with the National Strategy on Hunger, Nutrition, and Health. Making progress towards the goal of ensuring that all Americans have access to healthy, affordable food and eliminating barriers to food assistance for vulnerable groups are key priorities for each of us and we look forward to working with the Administration on these issues as the Committee works to draft the 2023 Farm Bill.

In 2023, SNAP recipients, like all Americans, will likely continue to face economic pressure from inflation and the increased cost of food associated with the ongoing impacts of COVID-19, the war in Ukraine, and the avian bird flu outbreak in the U.S. These factors, in addition to the 2021 Thrifty Food Plan reevaluation mandated by the bipartisan 2018 Farm Bill, have led to increased outlays in the program. However, the Congressional Budget Office (CBO) estimates that program spending will decrease by \$6 billion from FY 2023 to FY 2024 as Federal Public Health Emergency measures sunset, inflation subsidies, and participation decreases, contributing to an improved fiscal outlook.¹

In FY 2024 and beyond, SNAP spending is expected to remain flat over the remainder of the decade as enrollment continues to decline and Americans recover from the lingering impacts of these major world events.² As a result, SNAP spending as a share of gross domestic product (GDP) is expected to decline over the next decade from 0.5 percent of GDP to 0.3 percent³ and from 1.4 percent of Federal spending in Fiscal Year 2019 to less than one percent, a historic low.⁴ These projections reflect that SNAP, like many farm bill programs, is countercyclical. SNAP spending increases when economic conditions necessitate further support for families, and it declines as the economy improves. Indeed, this feature helps make SNAP one of our most powerful anti-poverty tools.

Over the next decade, SNAP spending will continue to support a robust national economy by returning \$1.50 for each additional dollar spent in a recovering economy,⁵ and by generating hundreds of thousands of jobs in grocery, transportation, manufacturing, and other industries.⁶ Further, SNAP's outsized economic impact in rural communities will help to ensure that economic recovery does not leave these communities behind; SNAP spending is shown to increase rural economic output annually by 1.25 percent and rural employment by 1.18 percent⁷ and to have a stronger impact on poverty in rural counties than non-rural counties.⁸

It is also important to note that SNAP's favorable economic effects extend far beyond its immediate impact. Food insecurity can have serious long-term impacts on individuals' health and well-being, leading to higher incidence of chronic diseases and increased healthcare costs,⁹ while participation in SNAP is linked to improved current and long-term health, increased access to preventative healthcare, and reduced healthcare costs.¹⁰ Studies have found that adults participating in SNAP are

¹ Congressional Budget Office, "Baseline Projections: Supplemental Nutrition Assistance Program," February 2023. (<http://www.cbo.gov/system/files?file=2023-02/51312-2023-02-snap.pdf>).

² *Ibid.*

³ Dottie Rosenbaum, "Setting the Record Straight About SNAP Spending and the Upcoming Farm Bill," Center on Budget and Policy Priorities. (<https://www.cbpp.org/blog/setting-the-record-straight-about-snap-spending-and-the-upcoming-farm-bill>).

⁴ Peter G. Peterson Foundation, "What is SNAP? An Overview of the Largest Federal Anti-Hunger Program." (<https://www.pgpf.org/blog/2021/09/what-is-snap>).

⁵ Canning, Stacy, "The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier," USDA Economic Research Service. (<https://www.ers.usda.gov/publications/pub-details/?pubid=93528>).

⁶ National Grocers Association, "The National Grocers Association Economic Impact Study." (<https://www.nationalgrocers.org/news/new-study-highlights-independent-community-grocers-pivotal-role-in-growing-the-u-s-economy/>).

⁷ USDA Economic Research Service, "SNAP spending contributed to rural economic output and jobs following the Great Recession" (<https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=103216>).

⁸ Schanzenbach, "SNAP Supports Rural Families," American Enterprise Institute. (<https://www.aei.org/wp-content/uploads/2022/03/SNAP-Supports-Rural-Families.pdf?x91208>).

⁹ Gregory, Coleman-Jensen, "Food Insecurity, Chronic Disease, and Health Among Working-Age Adults." (<https://www.ers.usda.gov/webdocs/publications/84467/err-235.pdf?v=42942>); U.S. Department of Health and Human Services, "Social Determinants of Health Literature Summaries: Food Insecurity," *Healthy People* 2030. (<https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/food-insecurity>).

¹⁰ Arteaga, Hodges, Heflin, "Giving Kids a Boost: The Positive Relationship Between Frequency of SNAP Participation and Infant's Preventative Health Care Utilization," *SSM-Popu-*

more positive in assessing their health status, miss fewer days of work, have more preventative checkups but fewer doctors' office visits overall, and have lower likelihood of psychological distress.¹¹ Children receiving SNAP have better health outcomes than their counterparts not receiving benefits—including reduced likelihood of obesity, high blood pressure, heart disease and diabetes in adulthood.¹²

SNAP is a work support program. The vast majority of SNAP participants who can work, do work.¹³ In fact, in 89% of SNAP households with children and at least one non-disabled adult, at least one member of the household worked in the year prior to or after receiving SNAP.¹⁴ Further, research has established that receiving SNAP benefits as a child has been linked to long-term improved economic outcomes in adulthood.¹⁵

SNAP and its Employment & Training program also work hand-in-hand to improve employment and earnings outcomes for program participants, further contributing to its far-reaching economic effects. SNAP is structured to incentivize work by phasing out benefits gradually—every dollar in earnings warrants only 24¢ to 36¢ in benefit reduction¹⁶—and by providing a 20 percent deduction for earned income when determining eligibility. SNAP also includes stringent work requirements, including a strict 3 month time limit on benefits for non-elderly adults without children that are unable to find work. Rather than promoting work, this time limit has been shown repeatedly, through independent studies, to have little effect on employment and earnings.¹⁷ These policies do, however, create a steep cliff for childless adult beneficiaries—many of whom are veterans, chronically homeless individuals, and people struggling with underlying mental and physical health problems—causing them to lose the modest benefits they need to afford food.

The built-in features of SNAP—including means-testing that makes it responsive during economic downturns, public-private partnership that supports the broader farm and food economy, positive impacts on recipients' health, and incentives for work and earned income—make it an incredibly powerful economic stabilizer, both for the larger economy and for individual households, and one of our nation's most cost-effective anti-poverty programs. Additional investments in the program serve to further increase the reach of these favorable impacts. As mentioned, in 2021, USDA reevaluated the Thrifty Food Plan based on current food prices, food composition data, consumption patterns, and dietary guidance, as required by our Committee in the bipartisan 2018 Farm Bill. This was the first reevaluation to take place in 15 years and, at the behest of Congress, the first in 40 years not to be held cost neutral. As a result, SNAP benefit levels were updated in October 2021 to better reflect the cost of an adequately nutritious diet for low-income households. In the fourth quarter of 2021, the reevaluation kept nearly 2.3 million people out of poverty¹⁸ and

lation Health 15, 2021. (<https://www.sciencedirect.com/science/article/pii/S2352827321001853>).

¹¹ Hoynes, Whitmore Schanzenbach, Almond, "Long-Run Impacts of Childhood Access to the Safety Net," *American Economic Review*, 106(4): 903–934, April 2016 (<https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20130375>); Christian A. Gregory, Partha Deb, "Does SNAP improve your health?," *Food Policy* 50, 2015 (<https://pages.stern.nyu.edu/~wgreene/AIB/Gregory-Deb-SNAP-Bivariate-OP-Probit2015.pdf>).

¹² Hoynes, Schanzenbach, and Almond, "Long-Run Impacts of Childhood Access to the Safety Net." (<https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20130375>).

¹³ Keith-Jennings, Chaudhry, "Most Working-Age SNAP Participants Work, But Often in Unstable Jobs," Center on Budget Policy and Priorities. (<https://www.cbpp.org/research/food-assistance/most-working-age-snap-participants-work-but-often-in-unstable-jobs>).

¹⁴ Center on Budget and Policy Priorities, "Policy Basics: The Supplemental Nutrition Assistance Program." (<https://www.cbpp.org/sites/default/files/policybasics-SNAP-6-9-22.pdf>).

¹⁵ Hoynes, Bailey, Rossin-Slater, Walker, "Is the Social Safety Net a Long-Term Investment? Large-Scale Evidence from the Food Stamps Program." (<https://gspp.berkeley.edu/faculty-and-impact/working-papers/is-the-social-safety-net-a-long-term-investment-5cd06d6b43b4a4.02083762>).

¹⁶ Wolkomir, Cai, "The Supplemental Nutrition Assistance Program Includes Earnings Incentives," Center on Budget and Policy Priorities. (<https://www.cbpp.org/research/food-assistance/the-supplemental-nutrition-assistance-program-includes-earnings-incentives>).

¹⁷ Gray, Leive, Prager, Pukelis, Zaki, "Employed in a SNAP? The Impact of Work Requirements on Program Participation and Labor Supply," *American Economic Journal: Economic Policy* 15 (2023) (<https://www.aeaweb.org/articles?id=10.1257/pol.20200561>); Feng, "The Effects of Changing SNAP Work Requirement on the Health and Employment Outcomes of Able-Bodied Adults without Dependents," *Journal of the American Nutrition Association* 41 (2022) (*Link Redacted*); Urban Institute, "The Impact of SNAP Able-Bodied Adults Without Dependents (ABAWD) Time Limit Reinstatement in Nine States." ([Incorrect link in submitted letter]).

¹⁸ Wheaton, Kwon, "Effect of the Reevaluated Thrifty Food Plan and Emergency Allotments on Supplemental Nutrition Assistance Program Benefits and Poverty." (<https://www.urban.org/research/publication/effect-reevaluated-thrifty-food-plan-and-emergency-allotments-supplemental>).

amplified SNAP's impacts as an economic stabilizer for American families and the broader U.S. economy.

In its Budget Views and Estimates letter, the House Agriculture Committee, on a bipartisan basis, has made clear the importance of SNAP. As Democratic Members of the House Agriculture Committee, we remain unified in opposition to any cuts to SNAP or the nutrition title and to any further restrictions on beneficiaries. We agree that additional resources are necessary to further improve our already strong anti-hunger safety net. A robust nutrition title is key to enacting a bipartisan farm bill this year. We appreciate your consideration of the immense positive impact SNAP has on the lives of millions of Americans as well as its beneficial impact on the national economy and our nation's long-term financial sustainability.

Sincerely,



Hon. JAHANA HAYES,
Member of Congress,
Ranking Member, Subcommittee on Nutrition, Foreign Agriculture, and Horticulture



Hon. JAMES P. MCGOVERN
Member of Congress



Hon. JIM COSTA,
Member of Congress



Hon. JONATHAN L. JACKSON,
Member of Congress



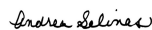
Hon. DARREN SOTO,
Member of Congress



Hon. ANGIE CRAIG,
Member of Congress



Hon. SHARICE DAVIDS,
Member of Congress



Hon. ANDREA SALINAS,



Hon. SHONTEL M. BROWN
Member of Congress



Hon. DONALD G. DAVIS,
Member of Congress



Hon. JILL N. TOKUDA,
Member of Congress



Hon. CHELLIE PINGREE,
Member of Congress



Hon. YADIRA CARAVEO,
Member of Congress



Hon. GABE VASQUEZ,
Member of Congress




Hon. JASMINE CROCKETT,

Member of Congress



Hon. ERIC SORENSEN,
Member of Congress



Hon. ALMA S. ADAMS,
Member of Congress



Hon. ABIGAIL DAVIS SPANBERGER,
Member of Congress

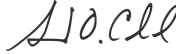


Hon. GREG CASAR,
Member of Congress



Hon. MARIE GLUESENKAMP PEREZ,
Member of Congress

Member of Congress



Hon. SALUD O. CARBAJAL,
Member of Congress



Hon. NIKKI BUDZINSKI,
Member of Congress



Hon. SANFORD D. BISHOP, JR.,
Member of Congress



Hon. ELISSA SLOTKIN,
Member of Congress

SUPPLEMENTARY MATERIAL SUBMITTED BY HON. THOMAS J. "TOM" VILSACK,
SECRETARY, U.S. DEPARTMENT OF AGRICULTURE

Insert 1

Mr. AUSTIN SCOTT of Georgia. . . .

* * * * *

. . . In the Inflation Reduction Act there was money set aside to pay off loans. You had phase 1, you had phase 2. You were about to come out with phase 2, as I understand it. But phase 1, am I correct that the loans that were paid off, if you were more than 60 days late, if you were more than 60 days late, your loan got paid off, but if you have sold your car and other assets to make your note current, then you got nothing?

* * * * *

Mr. AUSTIN SCOTT of Georgia. My time has expired. I am going to be asking for more detailed information on it.

Secretary Vilsack, I'm concerned that under Section 22006 of the Inflation Reduction Act, borrowers who were more than 60 days late on their loan payments had their loans paid off, while others who made sacrifices to stay current on their payments got nothing.

Now we've seen that USDA is taking steps to help individuals who received Section 22006 assistance alleviate the tax burden on the forgiveness they received. Please provide a detailed overview on the steps USDA has taken to help these individuals avoid or alleviate their tax burdens as well as how much tax revenue this could amount to should all of the burdens be avoided or alleviated.

USDA understands that some borrowers made sacrifices to stay current on their payments and avoid delinquency on their loan accounts. These sacrifices have included but are not limited to refinancing more debt, selling property and other as-

sets, and/or deducting funds from their retirement, college, or savings accounts. We are currently working on a program to address the sacrifices borrowers made to stay current and anticipate providing additional details in late May or early June.

USDA continues to work with the Department of Treasury, stakeholders, and co-operators to help borrowers understand the potential tax implications from the receipt of assistance under Section 22006 of the Inflation Reduction Act, including that options may be available to potentially avoid or alleviate any tax burden incurred from receiving this financial assistance.

In early April, USDA shared a specific set of revised tax documents, educational materials, and resources to borrowers that received assistance in 2022, including a link to a webinar hosted by a group of farm tax experts to provide education on the options available. USDA cannot provide tax advice and encourages borrowers to consult their own tax professional, but FSA is providing educational materials for borrowers to be aware of the options.

Insert 2

Mr. LAMALFA. . . . A little while ago we were talking also about the processing plants, and you did mention there was 277 existing facilities that are receiving help. There is a perception by some of the existing plants that they are unauthorized, that their drought support, they were ineligible for that. And are you finding that that is an issue that is coming up? Because we are hearing that from some of our processors.

Secretary VILSACK. That is news to me, Congressman. I am happy to look into it if you will provide us more information.

Mr. Secretary, you made several announcements last year totaling hundreds of millions of dollars for grants to strengthen the supply chain and expand processing capacity, but at the same time the Department told my constituents who were staggering through year 3 of drought that support for their survivability was unauthorized. Instead of new announcements and grants to encourage new processing, why doesn't the Department find a way to support the processing we already have in places like California, and for that matter much of the West, which supplies so much of what we consumer?

USDA provides support for existing processing plants and also expansion. The vast majority of USDA's work in this space allows for expanding processing capacity and applications from existing plants.

Insert 3

Mr. KELLY. Mr. Secretary, my home State of Mississippi has been a big user of a Conservation Stewardship Program, or CSP. In the 2018 Farm Bill, statutory changes made to the program impacted the way the program is delivered in my state, dollars *versus* acreage. Can you update the Committee on how the Department plans to utilize the conservation dollars received in the Inflation Reduction Act to better accommodate producers that can't get a CSP contract under current conditions? And if you will take it for the record.

See response to Mr. Rose Question 2 (p. 130).

Insert 4

Mr. MANN. . . .

Last question, I know my time is expiring, how much were you involved in the rewrite of the WOTUS rule that went into effect? At the USDA, were you able to provide input into the process?

See response to Mr. Thompson Question 34 (p. 121).

Insert 5

Ms. PEREZ. . . .

So my question is what can the USDA do to help shellfish producers access these ELAP payments? What technical assistance or other services are available to help them navigate this program? Thank you.

Secretary VILSACK. Well, Congresswoman, first of all, I am working with the Farm Service Agency folks to try to make sure that they understand the challenges. I appreciate you bringing this to my attention. I will be happy to take this back to our team and ask them to take a look at how we might be able to not only simplify the process but also make sure the information gets out about it.

FSA is updating the ELAP fact sheet with further amplification of outreach and education efforts. FSA is also continuing to provide additional educational training to all state and county office personnel across the country to ensure producers receive the adequate and timely customer service they deserve. In addition to the aforementioned efforts, FSA is currently working with field offices and stakeholders to pursue further opportunities to expand and improve the ELAP aquaculture program and requirements. We are including a link to the current *ELAP fact sheet*.^{1*}

Insert 6

Mr. JACKSON of Texas. . . .

* * * * *

Another issue I have been hearing from producers in my district has been about timing issues regarding winter wheat growers and when losses were verified by their crop insurance agent at the end of 2021. Wheat farmers that suffered losses from the same disaster but had their losses adjusted in early 2022, just a few days or weeks later, are still waiting for assistance. The process used for ERP phase 2 has become too burdensome and complicated for farmers and the FSA agents that are responsible for providing this assistance. With these issues in mind, sir, could you please discuss what is the Department's plan for offering disaster assistance for eligible 2022 losses?

Secretary VILSACK. . . .

* * * * *

I have made a note about the wheat issue that you have mentioned, and I will be happy to take a look at that and whether there is something we can do to expedite those payments.

To maintain flexibility in allowing producers to apply under ERP Phase 1, applications included indemnified losses for 2020, 2021, and 2022 crops in which the claim record recorded by the Approved Insurance Provider documented a 2020 or 2021 calendar year damage date. Before the ERP payment can be issued, participants are responsible for certifying that the indemnity shown on the ERP Phase 1 application is a result of a qualifying disaster event occurring in either the 2020 or 2021 calendar year, per the authorizing statute. In the event a participant suffered a crop loss and the damage date recorded is in the 2022 calendar year, the indemnified record would not be considered eligible for ERP Phase 1 as the documented adverse weather event occurred in the 2022 calendar year.

Insert 7

Mr. DAVIS of North Carolina. . . .

. . . Mr. Secretary, can you give me a sense of what criteria are used to determine these cost-share requirements? And what if any procedures are in place at USDA to regularly review these requirements?

Secretary VILSACK. Congressman, I will be general in my answer and will provide you more specifics because your question is pretty technical.

The authorizing legislation for the Community Facilities Grant Program specifies that the maximum grant shall not exceed 75 percent of the total project cost. Further, it directs the Secretary to establish a graduated scale for the amount of the Federal cost share for grants, with higher Federal shares for facilities in communities that have lower community population and income levels.

The Community Facilities Program regulations have implemented the statutory requirements to provide grant assistance on a graduated scale so that smaller communities with the lowest median household incomes are eligible for projects with a higher proportion of grant funds.

There are currently four levels of grant assistance ranging from 75 percent to 15 percent based on a population range of 5,000 or less, to 20,000 or less, and median household incomes of the population to be served ranging from 60 percent or below to 90 percent or below of the state non-metropolitan household income, or below the poverty line, if higher.

The Community Facilities Program has been working to develop new consolidated direct loan and grant program regulations that will simplify the graduated scale. However, in recent years, the appropriation for Community Facility grants has been declining and there is some concern that a reduction in Federal cost share for com-

¹ https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafilms/FactSheets/2022/elap_farm_raisedfish_factsheet-2022-final.pdf.

* **Editor's note:** the fact sheet is retained in Committee file.

munities with larger populations and higher incomes would result in fewer communities being served.

Insert 8

Mr. MOLINARO. . . .

* * * * *

Many of those growers have expressed concern regarding the proposed rule as it is to them and to us detrimental to apple farmers throughout the Northeast. It doesn't take into account varying conditions of regional family farms like ours. Many of the growers expressed that crop insurance will no longer be available or a viable option should the proposal be implemented as-is. The RMA held an initial public comment period and is now conducting a series of listening tours across the country. I would like to know if the RMA is still considering significant revisions to the rule to incorporate that feedback, whether or not there is an update on the timeline. And, as I understand it, some of those listening sessions had to be rescheduled due to the same weather the farmers deal with, and I am hopeful that that period is extended to accommodate additional concerns.

Secretary VILSACK. I am happy to provide you with details about this, Congressman, but I would hope that RMA would take into consideration what they are hearing out there in the field. But I am happy to check on this and get back to you.

RMA is still reviewing comments and feedback from the listening sessions. Changes, if any, will be published in a Final Rule no earlier than August 2024 for the 2025 crop year.

RMA will hold listening sessions in June 2023 to accommodate earlier sessions impacted by the weather, including additional sessions in New York. We will get you the details on these sessions.

Insert 9

Mr. BACON. . . .

I would like to go down something we call the cliff effect with SNAP. But it affects a lot of our social programs. We had a hearing in the last Congress. The Democratic experts, two of the three, said there was a cliff effect, one said not. And the Republican witness said there was. The bottom line is you get a certain point in earnings. If you earn \$1, you could lose \$400 to \$600 in benefits. So it seems to me that that is a reality. Would you be interested working with us to find a way to decrement the support so that we can incentivize full-time work and promotions so someone feels like they are not taking a pay cut if they get more money?

Secretary VILSACK. I mean, I am happy to take a look at what you are concerned about, Congressman. I think we always ought to be open to taking a look at things. I am happy to make sure our team works with your team to see what works and what doesn't.

SNAP is an important work support, and the program is designed to provide incentives for participants to seek employment and increase their earnings. For each additional dollar SNAP participants earn, their SNAP benefits decline by only 24¢ to 36¢. That ensures that workers see an overall benefit when they bring home additional income. In addition, a SNAP state option, categorical eligibility, allows states to mitigate a moderate benefit cliff for households with income close to the income cutoff, who otherwise could face a meaningful cliff given even modest increases in earnings.

We welcome the opportunity to work with Congress to ensure that SNAP incentivizes work through targeted benefit design and state flexibility.

SUBMITTED QUESTIONS

Response from Hon. Thomas J. "Tom" Vilsack, Secretary, U.S. Department of Agriculture

Questions Submitted by Hon. Glenn Thompson, a Representative in Congress from Pennsylvania

Question 1. The August 2021 Thrifty Food Plan report uses the word "healthy" more than 100 times across the 125-page report. The Department has consistently touted the reevaluation as a means for households to increase the purchase of healthy foods, and subsequently, achieve a healthier diet. Secretary Vilsack, please

walk me through the library of research that supports these claims, particularly when a sufficient body of impartial (and apolitical) research shows those receiving SNAP have higher instances of diet-related, chronic disease. Also, it has now been 18 months since the reevaluation impacted household benefits; can you provide the Committee with the body of research to support not only that the reevaluation increased the purchase of healthy foods, but also improved diets? Please also provide the Committee with the definition of healthy as used throughout the Thrifty Food Plan reevaluation report.

Answer. A modernized TFP is more than a commitment to good nutrition—it's an investment in our nation's health, economy, and security. Putting healthy food in reach for low-income families helps prevent disease, supports children in the classroom, reduces health care costs, and more.

The modernized TFP puts healthy foods and beverages in reach for low-income families by supporting a practical, cost-conscious, nutritious diet. For example, the 2021 TFP includes more fish and red and orange vegetables to reflect the latest dietary guidelines. The 2021 TFP also includes more convenient foods like baby carrots and pre-cooked, canned beans and soups to reflect what Americans purchase and eat.

Research published by the Urban Institute found that the increase in SNAP benefits resulting from USDA's reevaluation of the TFP reduced poverty rates by nearly 5% in the fourth quarter of 2021 after the re-evaluated TFP took effect. The Urban Institute also found that the TFP reevaluation alone reduced child poverty by 8.6%.

The evaluation of the Summer EBT demonstration—which was implemented in certain states and Tribes and provided a SNAP-like benefit to low-income households with children in the summer, when children lose access to school meals—is also instructive. The evaluation showed that providing Summer EBT not only cut the most severe form of childhood food insecurity by $\frac{1}{3}$, but also that households receiving Summer EBT ate more healthfully. Children receiving Summer EBT ate about 13% more fruits and vegetables, 30% more whole grains, and 10% more dairy.

FNS's FY 2023 Research and Evaluation Plan includes substantial investments to investigate how the increase in SNAP benefits resulting from the TFP reevaluation has affected SNAP households.

Congress designed SNAP to supplement the income households have available for food up to the cost of the TFP, to support their ability to buy that diet.

Question 2. Secretary Vilsack, as you know, the Department held an “expert” roundtable in February 2021 related to the Thrifty Food Plan reevaluation. Who was invited, and who at the Department was responsible for selecting the “experts?” How did the Department ensure the “experts” represented a range of backgrounds and perspectives? How was the input from the “experts” incorporated into the reevaluation, if at all? Additionally, each of the public events, and even the press campaign leading up to the introduction of the reevaluation, were significantly skewed. This is exactly why a peer review process is necessary, especially when the outcome significantly increased the cost of the benefit. Why did you permit the reevaluation to go without a peer review process? Please provide any and all documentation related to the decision **not** to pursue a peer review.

Answer. FNS engaged external subject matter experts in a roundtable focused on the TFP methodology, including the optimization model, in preparation for its reevaluation. The roundtable discussion included individuals from government, academia, and nongovernmental organizations with identified expertise in economics, nutrition, and policy implementation related to the TFP. Individuals with extensive knowledge of SNAP demographics and participation rates were also invited to join this discussion. The continued use of the optimization model to inform the 2021 reevaluation was supported by the subject matter experts who participated in the roundtable. USDA also hosted five listening sessions with SNAP participants, researchers with relevant expertise, state and local officials, public health and health professionals, and other relevant organizations, to gather diverse input about the TFP.

FNS also drew upon broader USDA expertise in key areas, including consultation with economists from the Economic Research Service on methods for calculating food prices, and nutrition scientists from the Agricultural Research Service on the food composition datasets used in the development of food categories used in the model.

As we continue to advance peer review in future reevaluations, FNS will commit to developing a formal Peer Review Guidance document specific to FNS, applying the USDA Guidance, and further clarifying the decision-making process for which scientific projects will be subject to peer review, how those decisions will be made,

and the process for peer review. (*USDA DR 1074-001*)^{1*} and *USDA Peer Review Implementation Guidelines*.²

Question 3. Secretary Vilsack, the Department continues to state the Thrifty Food Plan reevaluation was data driven and science based, however the Government Accountability Office highlighted the key role policy decisions played. As Secretary, what was your role in making decisions for the reevaluation? Did you authorize the acceleration of the reevaluation? Did you support avoiding a peer reevaluation? Do you think the failures in this process have led stakeholders to question the Department's commitment to data, science, and transparency?

Answer. In the bipartisan, 2018 Farm Bill, Congress required USDA to conduct a reevaluation of the TFP by 2022. President Biden issued an Executive Order on January 22, 2021, prompting USDA to prioritize the TFP reevaluation because ensuring the SNAP benefit amounts reflect the true and current cost of a nutritious, economical diet was an important way to provide American families with resources and to help stabilize the economy in the midst of COVID. USDA's FNS conducted a science-based reevaluation of the TFP using the latest available data, as directed by Congress.

FNS completed peer review of the scientific methods used to calculate the 2021 TFP. The methodology of the reevaluation was provided for peer review to colleagues at USDA's Agricultural Research Service (ARS) and Economic Research Service (ERS), who have the expertise necessary to conduct such a review. Additionally, FNS also engaged a technical panel in a discussion of the TFP reevaluation, including the optimization model.

Question 4. Office of Management and Budget guidance states that information with "a potential impact of more than \$500 million in any 1 year on either the public or private sector" should be designated "highly influential," and subject to a more rigorous peer review. The Thrifty Food Plan reevaluation clearly met that threshold, as it increased the cost to the taxpayer of more than \$20 billion per year. Why did the Department not heed this guidance? Who initiated that decision, and subsequently, who approved it?

Answer. Through the Food and Nutrition Act of 2008, Congress provides USDA with the authority to set the TFP, and that authority has been in place for decades. The Food and Nutrition Act also links SNAP benefit levels to the cost of the TFP. The TFP was introduced in 1975, and each of the subsequent TFP updates over the next 45 years have been cost neutral as a matter of Administrative policy. Previously, the timing and frequency of updates were done at the Secretary's discretion. In the 2018 Farm Bill, Congress *directed* USDA to re-evaluate the TFP on a specific timeline—by 2022 and at 5 year intervals thereafter—based on four specific elements. USDA conducted a careful, considered re-evaluation of the TFP based on these four factors, consistent with the timeframes directed by Congress.

Fundamentally, USDA took a conservative approach to the TFP reevaluation. As directed by the bipartisan 2018 Farm Bill, USDA reevaluated the TFP based on four specific factors: current food prices, food composition data, consumption patterns, and dietary guidance. In conducting the re-evaluation, USDA utilized the same TFP model used in all previous updates and only made updates to the model's data sources and constraints consistent with the four specified components. Where there was insufficient evidence to support changes to the existing assumptions, USDA kept the model as it was in 2006 (when the TFP was last reevaluated), and those assumptions carried forward to the 2021 edition.

The most significant methodological change driving the increased cost of the TFP was updating the source for food price data to the strongest available data—moving from food price data reported by households to retailer-provided scanner data. Another driver was the incorporation of updated dietary guidance from the *Dietary Guidelines for Americans, 2020–2025* and the National Academies of Sciences, Engineering, and Medicine (NASEM or National Academies). For example, the 2021 TFP includes more fish and red and orange vegetables to reflect the latest *Dietary Guidelines*.

Additionally, USDA met the farm bill directive to reflect current "consumption patterns," by ensuring the model inputs reflected the forms of foods households typically purchase. For example, the price of beans considers all forms of beans. Most households purchase canned beans rather than dry beans, so the amounts and prices for beans in the model reflect that.

¹ <https://www.usda.gov/directives/dr-1074-001>.†

* **Editor's note:** references annotated with † are retained in Committee file.

² https://www.usda.gov/sites/default/files/documents/USDA_Peer_Review_Guidelines.doc.†

USDA also changed the dietary constraints of the model to reflect the most recent *Dietary Guidelines*, which affected the foods in the final food packages.

Question 5. Secretary Vilsack, as you know, the Dietary Guidelines Advisory Committee’s evidence review will focus on the scientific questions as identified by HHS and USDA. Do you support the two agencies dictating the questions, and in essence, outcomes that have long resulted in a one-size-fits-all approach for a society rife with diet-related, chronic disease? And if you do, how can you support such rigorous science and process for one policy arena but disregard it in another, as the Department demonstrated in the 2021 reevaluation of the Thrifty Food Plan? Additionally, knowing diet-related, chronic disease is at an all-time high, why does the Department continue to grandstand these “guidelines” through insisting they underpin nearly every nutrition-related rulemaking?

Answer. The *Dietary Guidelines for Americans* is crucial in helping to improve the health of Americans. USDA and HHS remain committed to keeping scientific integrity and equity at the forefront in the development of nutrition guidance. HHS and USDA solicited public comments on the proposed scientific questions from April 15–May 16, 2022. Approximately 1,400 public comments were received, and HHS and USDA considered all comments relevant to the criteria listed below to inform revisions and to prioritize the questions to be examined by the Committee. The same criteria were used to identify the list of questions that were posted for public comment:

- **Relevance**—Question is within scope of the *Dietary Guidelines* and its focus on food-based recommendations, not clinical guidelines for medical treatment.
- **Importance**—Question addresses an area of substantial public health concern, uncertainty, and/or knowledge gap.
- **Potential Impact to Federal Programs**—There is a high probability that the question will provide the scientific foundation for guidance that would inform Federal food and nutrition policies and programs.
- **Avoiding Duplication**—Question is not addressed through existing or planned evidence-based Federal guidance (other than the *Dietary Guidelines*).

The availability of research is also being considered to help determine which scientific questions the Committee will address. If sufficient research is not available to inform consideration of a question, the question will be identified as an area needing more research.

The *Dietary Guidelines* is based on scientific evidence on health-promoting diets for healthy individuals, as well as for individuals living with diet-related chronic conditions or at risk for diet-related diseases. Sixty percent of adults in the United States currently live with one or more diet-related chronic conditions; the majority of those adults have a condition that is included in the evidence base for the *Dietary Guidelines*.

The *Dietary Guidelines* is not intended to be clinical guidelines for treating diet-related chronic diseases. However, *Dietary Guidelines* has served as a reference for Federal, medical, voluntary, and patient care organizations as they develop clinical nutrition guidance tailored for people living with a specific medical condition. Health professionals can adapt the *Dietary Guidelines* to meet the specific needs of their patients with chronic diseases, as part of a multi-faceted treatment plan.

In this way, the *Dietary Guidelines* serve as a foundational piece of America’s larger nutrition guidance landscape.

Congress structured both WIC and school nutrition programs, including the National School Lunch Program, to reflect the latest nutrition science. Specifically, the National School Lunch Act requires USDA to develop school nutrition standards that are consistent with the goals of the most recent *Dietary Guidelines* and that consider the nutrient needs of children who may be at risk for inadequate food intake and food insecurity. Similarly, the Child Nutrition Act requires USDA to conduct a comprehensive scientific review of the WIC food packages at least every 10 years. Guided by the nutritional science presented in the *2020–2025 Dietary Guidelines*, the NASEM report, and in recognition of the importance of nutrition security, FNS in 2022 proposed revisions to the WIC food packages that prioritize participants’ supplemental nutrition needs.

Question 6. Secretary Vilsack, alcohol consumption and health outcomes are complex and serious policy issues, and there is an abundance of science related to this topic that must be objectively reviewed and deliberated by multiple experts at the National Academies of Sciences, Engineering, and Medicine (NASEM). More importantly, consumers deserve dietary guidelines based on independent, robust, and unbiased review of the current scientific and medical literature. As you know, the Consolidated Appropriations Act, 2023, included language and funding for review of the

outstanding eight research questions related to alcohol, with an 18 month timetable attached. Three months later, there has been no movement on this initiative. My understanding is the Department has yet to issue the contract to NASEM to commence the review; if true, why the delay? Do you commit to moving more expeditiously, as the clock is ticking, and we deserve this information prior to the release of the next iteration of guidelines?

Answer. Alcoholic beverages and health remain a high priority topic. HHS and USDA are addressing this topic through efforts separate from the 2025 Dietary Guidelines Advisory Committee.

The *Interagency Coordinating Committee on the Prevention of Underage Drinking*³ (ICCPUD), led by the HHS Substance Abuse and Mental Health Services Administration (SAMHSA), will support a technical subcommittee with expertise on adult alcohol consumption to review evidence on adult alcohol intake and health. Additionally, in the 2023 Appropriations Act, Congress mandated USDA to enter into a contract with the NASEM to conduct a series of systematic reviews on alcoholic beverages and health. USDA has been in planning discussions with the National Academies and the NASEM study is expected to begin in the summer of 2023.

The SAMHSA technical subcommittee will consider the findings from the NASEM study as part of their evidence review and make recommendations on adult alcohol consumption. The SAMHSA subcommittee report will be published and available to the public in 2025. This timeline will allow for the topic of alcoholic beverages and health to be considered in the development of the next edition of the *Dietary Guidelines*.

Question 7. Secretary Vilsack, the *Dietary Guidelines* have long fallen short of meeting adequacy goals for basic nutrients recognized as essential for human health. In the 2020 iteration, the nutrients that did not meet recommended dietary allowance or adequate intake goals included Iron, Vitamin D, Vitamin E, Choline and Folate. What is the Department's plan for remedying these shortfalls?

Answer. As described in the 2020 Dietary Guidelines Advisory Committee's Scientific Report and stated in the 2020–2025 edition of the *Dietary Guidelines*, food group and subgroup recommendations are based on nutrient and *Dietary Guidelines* standards. Standards for nutrient adequacy aim to meet the Recommended Dietary Allowances (RDA), which are designed to cover the needs of 97 percent of the population, and Adequate Intakes (AI), which are used when an average nutrient requirement cannot be determined. The food group and subgroup recommendations meet these standards for almost all nutrients. For a few nutrients (vitamin D and vitamin E for all ages, and choline for ages 2 and older), amounts in the Patterns are marginal or below the RDA or AI standard for many or all age/sex groups. In most cases, an intake of these nutrients below the RDA or AI is not considered to be of public health concern.

Nutrient adequacy of the *Dietary Guidelines* food group and subgroup recommendations is examined using an approach known as food pattern modeling. To prepare for the establishment of the 2025 Committee, HHS and USDA collaborated on Continuous Quality Advancement (CQA) efforts for food pattern modeling, focusing on methods to better reflect the complex interactions involved, variability in intakes, and range of possible healthful diets. Federal staff evaluated the analytic methods and development of data inputs and constraints for food pattern modeling and compared them to methods used in the development of guidance in other countries, as well as other modeling exercises described in scientific publications. This effort is part of HHS and USDA's commitment to drive continuous process advancements and adopt best practices. More information about advances in food pattern modeling analyses to support the work of the 2025 Committee will be provided during the Committee's review.

Question 8. Despite the recent global pandemic, record inflation and broken supply chains, both USDA and FDA seem to instead be focusing on a flurry of altruistic and inconsistent nutrition policies and regulations. Given the *Dietary Guidelines for Americans* are expected, by statute, to be the foundation for all nutrition policies, how are you working with FDA and across Department mission areas to ensure the influx of new, agency-driven nutrition policies are aligned with the DGAs?

Answer. The *Dietary Guidelines* have been and continue to provide healthy eating patterns that are adaptable frameworks that can be customized to individuals. This framework approach purposely provides recommendations by food groups and subgroups—not specific foods and beverages—so people can “make it their own.” The current *Dietary Guidelines* emphasize that people can customize their food choices to fit their preferences, cultural traditions, and budgets. USDA is committed to

³<https://www.samhsa.gov/iccpud>.†

working with its Federal partners to ensure scientific integrity and equity are at the forefront in developing nutrition guidance.

USDA recently proposed changes to the WIC Food Packages. By law, USDA is required to conduct a comprehensive scientific review of the WIC Food Packages at least every 10 years and update them, as needed, to reflect nutrition science, public health concerns, and cultural eating patterns. In developing the proposed revisions, FNS considered several factors, including the *Dietary Guidelines for Americans, 2020–2025*, which included new recommendations, specifically for pregnant women, infants, and children under the age of 2 years, for the first time.

Additionally, the current *Dietary Guidelines* recommend reducing overall sodium intake, and in October 2021, the Food and Drug Administration published voluntary sodium reduction goals. Building on that development, USDA's proposed rule, "Child Nutrition Programs: Revisions to Meal Patterns Consistent with the 2020 *Dietary Guidelines for Americans*," proposes weekly sodium limits informed by the FDA's voluntary sodium reduction goals. FDA's goals were developed to reflect reformulation in targeted foods, where an actionable reduction could occur. The proposed limits are also informed by USDA's stakeholder engagement efforts; based on input from schools, industry, and other partners.

Question 9. You have prescribed complicated and narrow nutrient recommendations in both your WIC and School Meals proposals. However, I am concerned that you have ignored the American Academy of Pediatrics guidance recommending against the consumption of artificial sweeteners in children's diets. Can you tell us how you will address this important advice in your implementation?

Answer. USDA and the Biden-Harris Administration are committed to setting children up to be healthy and thrive—and WIC and school meals are proven tools to give kids access to the nutrition they need for a bright future.

USDA recently proposed changes to the WIC Food Packages to align with the current *Dietary Guidelines for Americans* and recommendations in the NASEM 2017 report: "Review of WIC Food Packages: Improving Balance and Choice." The proposed rule was published on November 20, 2022, with a 90 day comment period, during which USDA encouraged all interested parties to submit public comments. USDA is currently considering approximately 17,000 comments received to inform development of the final rule.

Based on feedback from our school meal partners and the latest nutrition science, USDA also recently proposed updates to the school meal standards in a few key areas to align with the goals of the most recent *Dietary Guidelines* and support children's health. The proposed rule was informed by thousands of public comments received on a transitional or "bridge" rule published in 2022, as well as extensive stakeholder engagement with state agencies, school food professionals, industry partners, Tribal stakeholders, and experts in children's health and nutrition.

We are currently reviewing tens of thousands of public comments received on the proposed rule to help us refine the final rule, with the goal of updating meal standards in a way that moves the needle for children's health and is workable.

Question 10. Mr. Secretary, USDA has had a tremendous influx of funding for conservation, \$20 billion over 4 short years from the Inflation Reduction Act. Do you feel confident USDA can effectively administer that tremendous influx of money or do you think Congress should bring that money into the farm bill baseline to be spent over a longer period of time?

Answer. USDA is confident NRCS can implement its IRA authorities along with its regular authorities. The NRCS is positioned to bring on new staff, utilize existing partners and develop new partnerships to provide services to new and existing customers that desire to address these climate challenges through the use of our voluntary programs. The need is great as our programs have been oversubscribed for many years. NRCS is using our locally-led delivery system to fully implement IRA using the program authority frameworks of CSP, EQIP, RCPP and ACEP.

Question 11. Mr. Secretary, as you know, the Inflation Reduction Act authorized \$8 billion for EQIP. However, the law also removed the existing requirement that at least 50% of EQIP funding support livestock producers. Can you commit to the Committee today that livestock producers will be given fair consideration and will receive contracts through this funding?

Answer. It is USDA and NRCS' expectation that livestock producers will receive fair consideration related to their conservation resource concerns as nutrient management, and other livestock related practices, are recognized as climate-smart mitigation practices.

Question 12. Mr. Secretary, the conservation funding in the Inflation Reduction Act has restrictions on how those dollars can be spent. We have heard from stakeholders that are displeased that popular and effective practices and programs aren't

being used to their full potential. Should that funding go to a broader set of practices, specifically to build upon other climate benefits like improving efficiency, wildlife habitat, water quality, and other natural resource concerns?

Answer. NRCS conservation practices provide multiple benefits. In addition to opportunities through regular EQIP, producers may select practices from the Climate-Smart Agriculture and Forestry mitigation list with IRA funding. We received a lot of feedback from stakeholders and customers that has resulted in an assessment of additional practices that, based on science, meet the intent of the IRA authorizing language, and could be added to the list. We anticipate having a fuller slate of practices for Fiscal Year 2024 than were available in Fiscal Year 2023.

Question 13. Mr. Secretary, USDA has awarded nearly \$3.1 billion for 141 Climate-Smart Partnership projects. You first announced those over 6 months ago, how many of those agreements have been finalized and what agency is leading the effort to finalize these agreements?

Answer. The Partnerships for Climate-Smart Commodities tentative selectees were announced in September and December of 2022. This is a Departmental effort, and the program is housed in NRCS. Since announcement, the tentative selectees are working to finalize their agreements. Implementation began in late Spring 2023. Through Partnerships for Climate-Smart Commodities, USDA is delivering on the promise of positioning American agriculture as a global leader in delivering voluntary, incentives-driven, market-based climate solutions.

Question 14. Mr. Secretary, of the \$3.1 billion in Climate-Smart Partnership grants, how much of that money will go directly to farmers and ranchers? Also, what do you anticipate will be the non-Federal investment in the Climate-Smart Commodities pilot?

Answer. Expanding climate-smart markets for producers is the core goal of these grants, and the “direct” financial assistance to producers varies by project. Each project has a different breakdown of assistance to producers for climate-smart practices, measurement, monitoring, reporting and verification, marketing incentives and other activities necessary to support those markets. The non-Federal investment is anticipated to be over \$1B and likely about 50 percent of the Federal investment.

Question 15. For the Climate-Smart Commodities Partnerships Program, what science was provided in the application process and what criteria did the USDA use to decide which projects to award?

Of the awarded projects, are you on track to reach the stated goal of an emissions reduction of 60 million metric tons of CO₂?

Answer. All projects are required to include plans to (1) quantify greenhouse gas (GHG) benefits and (2) monitor/verify those benefits over time. Projects are starting the implementation phase and measurements have not been provided. For quantification, projects are employing a variety of innovative approaches and technologies. These include numerous crop and livestock models and other tools. Additionally, to help ensure comparability of project results, funded projects are using COMET-Planner where applicable to determine comparable estimates of the GHG impacts of production activities. For monitoring and verification, proposals are testing a range of innovative, rigorous, and cost-effective approaches. These include satellite imagery and remote sensing, in-field measurement using innovative technologies, testing new mobile apps, and using advanced data collection and reporting tools. As an example of verification, a row crop project may compare COMET-Planner and another tool as part of estimating GHG impacts of climate-smart practice implementation, and then uses a combination of remote sensing and in-field measurements to verify GHG benefits over time.

Question 16. Your testimony states the Climate-Smart Commodities program will cost \$3.1 billion and altogether, the projects will sequester 60 million metric tons of carbon. However, when I look at the projects awarded, there is no information posted regarding each of the 141 projects’ sequestration or emissions reduction potential. Mr. Secretary, by the Committee’s math, \$3.1 billion spent to sequester 60 million metric tons equals roughly \$51 per metric ton sequestered. It seems convenient that the Department’s estimate of the program’s sequestration perfectly aligns with the Administration’s estimate of the social cost of carbon—\$51. Given that the academic community of scientists and economists widely acknowledge the difficulty in estimating social cost and sequestration this figure appears to be the Department creating the data necessary to make its programs a net benefit to the economy, despite the \$3.1 billion cost to the taxpayer. With all of this being said, were you aware of the Administration’s Social Cost of Carbon and where did you come up with the 60 million metric tons?

Answer. The preliminary estimate for Partnerships for Climate-Smart Commodities GHG reductions were made considering the acreage and practices in the tentatively selected proposals.

Question 17. During your time under the Biden Administration, how many times have you used CCC authority to fund programs, projects, or initiatives, and what is the total spending? Are you willing to make this information more accessible and transparent?

For each of the five CCC-funded programs mentioned in your testimony program mentioned in your testimony—the Climate-Smart Commodities Program, the Organic Transition Initiative, the Fertilizer Production Expansion Program, the Local Food Purchase Assistance Program, and the Local Foods Schools Cooperative Agreement Program—can you share wherein the CCC Charter Act the authority lies?

Answer. About \$10.3 billion has been transferred under the Biden Administration. This is reported in the annual Appendix to the President's Budget.

Partnerships for Climate-Smart Commodities was authorized by Section 5(e) of the CCC Charter Act; under the Organic Transition Initiative, the Organic Market Development Grants Program (OMDGP) was authorized by Section 5(e) and the Organic Certification Cost-Share Program (OCCSP) was authorized by 7 U.S.C. 6523(d) (national program) and 7 U.S.C. 1524 (certain certifications for certain states); the Fertilizer Production Expansion Program was authorized by Section 5(b); the Local Food Purchase Assistance Program was authorized by Section 5(c); and the Local Food for Schools Cooperative Agreement Program was authorized by Section 5(c).

Question 18. Mr. Secretary, when you announced the Climate-Smart Commodities Program at COP27, you also announced USDA will establish an International Climate Hub. Can you provide more details on this initiative and more specifically, will it be funded through the Commodity Credit Corporation, as well? If so, under what CCC Charter Act Authority will this be created? If not, how do you intend to fund it without further Congressional Authority?

Answer. The International Climate Hub will not be funded through the Commodity Credit Corporation. The USDA Climate Hubs program was established in 2014 to develop and deliver science-based, region-specific information and technologies to agricultural and natural resource managers, and communities, that enable climate-smart decision-making, and to provide assistance to implement those decisions. The network of regional Climate Hubs supports USDA Agencies in carrying out their missions and responsibilities. Funding for the International Climate Hub is being provided through annual appropriations.

The International Climate Hub will not be funded through the Commodity Credit Corporation.

As USDA implements domestic programs for new products produced using climate-smart agricultural practices, it is important to ensure that there are markets for these new products and that overseas market standards mirror U.S. standards so that U.S. products are not shut out by foreign market barriers. USDA's FAS is positioned to assist other countries in implementing production practices that meet the same criteria as the U.S. The International Climate Hub will complement USDA domestic and international commitments to promote climate-smart practices. The International Climate Hub (*International Climate Hub* | *USDA Climate Hubs*)⁴ is a platform to share research, tools, collaborative efforts, and best practices on a global scale to improve the world's ability to adapt to climate change and mitigate its impacts. This new portal will enable science-based, climate-informed agricultural decision making by providing information and resources tailored to specific regions and needs, including a focus on the countries and producers most vulnerable to the effects of global climate change.

The International Climate Hub website is not funded through the use of CCC funds. Foreign Agricultural Service (FAS) personnel created the International Climate Hub content, which is hosted as a module of the domestic climate hub page. The USDA Fiscal Year 2024 budget requests \$2.3 million to support International Climate Hub efforts led by FAS to promote acceptance of U.S. climate-smart agricultural products and production practices. In addition, FAS Foreign Service Officers will work to promote the International Climate Hub resources and tools, and present possible use cases for them to foreign governments and stakeholders. Without the requested funding, USDA's ability to preserve current markets and to develop new markets for U.S. climate-smart commodities will be compromised, as will the ability to efficiently share technical capacity with a global audience.

⁴<https://www.climatehubs.usda.gov/hubs/international>.

Question 19. Mr. Secretary, in your testimony before the Senate Agriculture, Nutrition, and Forestry Committee last week, you told Senators the cumulative data shared as part of the Partnerships for Climate-Smart Commodities Program would be protected and that producers would be made aware of the sharing process. You said the responsibility for tracking and protecting this data would fall under the FPAC umbrella, naming NRCS and the Farm Service Agency specifically. How will USDA work with the project leaders—of which you noted there are 141—and producers to compile this data that spans across different practices and regions? How will you distribute it across not only the USDA agencies, but EPA, the White House's Council on Environmental Quality, and others?

Answer. USDA's robust data and learning strategy for Partnerships for Climate-Smart Commodities will include requirements for grantees to submit the following information as part of their quarterly reporting:

- Progress reports and updates on farm, tract, and field data including, but not limited to, producers enrolled, acres, crops, and livestock covered, climate-smart practices implemented and related incentives.
- Updates on project summary data including geographic data, partner activities, and marketing activities as well as financial and budget information.
- MMRV methods, modeled and measured GHG benefits, and environmental co-benefits including, as applicable water, air, and habitat-related benefits.

Other periodic updates on supplemental data, including information related to the MMRV plan and direct field measurement results will also be required. Additional reporting and data sharing requirements may apply at time of award. Certain reporting elements will be required to be geo-referenced. Financial reporting will also be required consistent with 2 CFR 200. Spot checks may be required upon review of reporting documents or other USDA analyses. Data will be submitted through a secure portal where producer privacy will be protected according to applicable laws.

All Partnerships for Climate-Smart Commodities projects will be required to participate in a Partnerships Network, which will bring partners together virtually or in-person on a regular basis to share learnings. The inaugural meeting of the Partnerships Network was April 27th. USDA will summarize and publish important information from these gatherings, as well as consolidated data from required project reporting. Project findings—including summary data—will be shared publicly to further this goal.

Question 20. The USDA \$500 million, CCC funded, Fertilizer Production Expansion Program is meant to “increase American-made fertilizer production, spur competition and combat price hikes on U.S. farmers caused by the war in Ukraine.” I have heard from stakeholders that USDA has not been clear on program eligibility or objectives. Even a recent article by DTN Progressive Farmer questioned the effectiveness of this program finding that the first awardees will do little to boost overall fertilizer production. Mr. Secretary, is this program sufficient to move the needle here? What other steps is your agency taking to encourage the Biden Administration to source fertilizer inputs at home?

Answer. There was significant demand for the \$500 million Fertilizer Production Expansion Program with \$3 billion in applications received from more than 350 independent businesses from 47 states and two Territories for the two rounds of the new grant program. This demonstrates significant interest from producers in adding to domestic fertilizer production capacity. The support provided to the producers receiving grants will contribute to increased competition in the fertilizer industry and help address demand, key factors contributing to recent high fertilizer prices. The FPEP expansion of domestic capacity was just one part of a multipronged strategy for USDA to use its programs and authority to fertilizer supply and prices. On March 11, 2022, USDA announced plans for a \$250 million investment in grants to support additional fertilizer production for American farmers to address rising costs and spur competition. These grants are part of a *broader effort to help producers*⁵ boost production and address global food insecurity.

USDA's Natural Resources Conservation Service is also *improving opportunities for nutrient management*.⁶ This includes targeting funding, increasing program flexibilities, launching a new outreach campaign to promote nutrient management's economic benefits, and expanding partnerships to develop nutrient management plans.

⁵ <https://www.farmers.gov/global-food-insecurity>.

⁶ <https://www.farmers.gov/conservation/nutrient-management>.

Meanwhile, USDA's Risk Management Agency *expanded crop insurance options for double cropping*⁷ to reduce risk for producers raising two crops in the same year.

The Department is also considering a variety of programmatic and policy actions, informed in part by the recent Request For Information on Access to Fertilizer: Competition and Supply Chain Concerns which highlighted a variety of concerns about the limited competition and dependence of foreign sources for significant amounts of fertilizer.

Question 21. Last Congress, Chairman Thompson, along with 20 other GOP original cosponsors, introduced the “*Reducing Farm Input Costs and Barriers to Domestic Production Act*,” which would have required the Biden Administration to reverse the regulatory barriers harming domestic agriculture production. This bill included an evaluation of phosphate and potash, specifically, to be designated as critical minerals. Secretary Vilsack, is this a policy Congress should consider when addressing the lack of domestic fertilizer production?

Answer. The proposed review and report in the legislation would be conducted by the Department of the Interior, but USDA stands ready to provide expertise and input should such a review occur.

Question 22. The IIJA provided the Forest Service with a new categorical exclusion (CE) under the National Environmental Policy Act (NEPA) for fuel breaks up to 3,000 acres. It's been over a year and a half since this law was passed, but to my knowledge the Forest Service has only used the CE eight times during that period and on very limited acreage. Why hasn't the Forest Service used this fuel break CE more often? Can we expect this CE to be used more as the agency identifies more projects that are being funded by the IIJA and IRA?

Second, the IIJA also authorized the Forest Service to take “emergency actions” post fire, but the agency hasn't even issued guidance on that new authority. The West is truly facing a wildfire crisis, so when can we expect guidance on the emergency authority?

Answer. The Forest Service is committed to using all of the authorities provided by Congress to accelerate the wildfire crisis strategy and post-fire recovery. The Agency has 27 active projects using the Fuel Breaks CE category (16 projects in environmental compliance and 11 projects in implementation). As of May 23, 2023, there are a total of 23,428 acres treated with this CE. The agency is pursuing robust utilization of all authorities that Congress has provided, including this one regarding fuel breaks, and it is expected that this robust utilization will continue.

In December 2022, Secretary Vilsack issued the Western Fireshed Emergency Action Determination under Section 40807 of IIJA. The designation invokes emergency authority across the 250 high risk firesheds and specific post-fire recovery areas addressing the wildfire crisis on 27.7 million acres of high-risk firesheds, mostly in the west, as well as specific post-fire recovery areas. As of May 23, 2023, seven projects are approved to use this authority with over 226,000 acres currently planned for treatment to reduce hazardous fuels and the risk of catastrophic wildfires. Treatment acres are expected to increase as the projects become more defined.

Question 23. The Forest Service is moving forward with a plan to define and identify “old growth” and “mature forests.” With over half of the National Forest System already under some kind of protected status, this proposal is counter-productive, and it seems to me that it will do little more than prevent management on forests that are urgently in need of restoration, hazardous fuels reduction and other fire prevention activities. In your view, how is this old growth protection proposal compatible with the 10 Year Strategy and the need to better manage tens of millions of acres of Federal lands?

Answer. The Forest Service has been clear that many mature and old-growth forests are threatened because of climate-induced stressors and are in need of science-based restoration. Through a recently released Advance Notice of Proposed Rulemaking, we have asked the public to provide input on how we can best address these threats using a climate-informed forestry approach. The Infrastructure Investment and Jobs Act (IIJA), Inflation Reduction Act, and Executive Order (EO) 14072 (which called for the mature and old-growth inventory) all recognize the need to continue to manage across all forest successional stages to address major causes of disturbance. EO 14072 lists these threats as: “climate impacts, catastrophic wildfires, insect infestation, and disease . . .” and instructs the Forest Service and Bureau of Land Management to “. . . seek opportunities, consistent with the IIJA, to conserve our mature and old-growth forests on Federal lands and restore the health and vibrancy of our nation's forests by reducing the threat of catastrophic wildfires

⁷ <https://rma.usda.gov/News-Room/Press/Press-Releases/2022-News/USDA-Makes-It-Easier-for-American-Farmers-to-Grow-Food-Ease-Burdens-for-American-Families-Next-Year>.†

through ecological treatments that create resilient forest conditions using active, science-based forest management and prescribed fires. . . .”

Question 24. As you know, the Forest Service is under attack by radical environmental activists over the use of fire retardant essential for fighting wildfires. What will happen if the Forest Service is forced to stop using fire retardant and/or be required to acquire permits for its continued use? It's my understanding that if the Forest Service is required to get National Pollution Discharge Elimination System (NPDES) permits under the Clean Water Act, the agency will have to acquire them from each individual state, which will take years and will cost valuable resources and staffing. How important is fire retardant for the Forest Service to protect lives, homes, and communities from wildfire?

Answer. On May 26, 2023, Judge Dana L. Christensen issued an order in the case of *Forest Service Employees for Environmental Ethics v. United States Forest Service* (case 9:22-cv-00168-DLC). The order states that the “USFS is not enjoined from utilizing the aerial deployment of fire retardant as a tool to fight wildfires.”

Aerial application of fire retardant is part of the Forest Service's integrated fire-fighting strategy and is an essential tool that the Forest Service uses in various situations in support of ground resources. Fire retardant is intended to slow the rate of fire spread by cooling and coating fuels, depleting the fire of oxygen, and slowing the rate of fuel combustion as the retardant's inorganic salts change how fuels burn. Retardant has a lasting capability and continues to be effective when dry to slow or reduce fire behavior. This gives firefighters time to get in place, safely and effectively engage a fire, and meet the goals and objectives for the incident. When the Forest Service deems the use of retardant appropriate, firefighters strategically place retardant in locations that give ground resources and other aerial resources time to engage, which gives them a much higher probability of success. The Forest Service prioritizes the use of retardant to keep new fires small (initial attack fires) and to protect high values at risk (communities and high value lands).

We are working with the U.S. Environmental Protection Agency to develop a National Pollution Discharge Elimination System general permit which is expected to take over 2 years.

Question 25. The 2018 Farm Bill maintained \$50 million in mandatory funding per year for the Rural Energy for American Program (REAP), plus an additional discretionary funding authorization of \$20 million per year, making it a \$350 million program over 5 years. However, the Inflation Reduction Act provided REAP with over \$2 billion. How does USDA's Rural Development office plan to administer a 479% increase in this program?

Answer. The immense increase in funding for the Rural Energy for America Program presents an enormous opportunity for farmers and rural small business owners to reduce their energy costs and decarbonize their operations. Recognizing that REAP is consistently oversubscribed and the need to act quickly, Rural Development announced \$250 million in Inflation Reduction Act funds alongside \$50 million in farm bill funding in December of 2022. The deadline for this funding was March 31, 2023. Rural Development received well over \$300 million in applications and is processing them now. The agency is also taking the following steps to ensure efficient processing and obligation of funds:

- Hiring additional energy coordinators across state offices using IRA administrative funds
- Supporting state offices with environmental review contracts to speed up obligations, also using IRA administrative funds
- Announcing \$1.055 billion in additional REAP funds across six quarterly cycles to ensure applicants can apply at any time
- Building an online application portal to provide applicants with easy access to apply for the program, and be informed about the status of their application

Question 26. Mr. Secretary, as you know, the Rural Partners Network is almost a year old and now covers 31 communities. The idea here is that communities will receive full-time Federal staff on-the-ground who provide technical assistance. However, I often hear that USDA, especially USDA's Rural Development Office, experiences its own challenges staffing here in D.C. What is your strategy to deliver full-time, Federal staff where it's needed, both in DC and the Rural Partners Network?

Answer. The Rural Partners Network is a year old and covers 36 community networks. It was important to ensure the staffing support was provided at the community level and we are happy that every network is receiving specialized support from our team of Community Liaisons in the states. While the team at the national level is a small one supported by four full-time staff and a team of detailed support staff, it has truly been a team effort through the collaboration with Federal agency part-

ners and the interaction with the RPN state teams. It is true that Rural Development is undergoing some difficult strategic decisions regarding budget, we are thankful to have the funding necessary to continue this effort and will continue to fill vacant staff supporting RPN as the opportunities arise.

Question 27. Mr. Secretary, according to a GAO report from May 2022, there are more than 100 programs administered by 15 agencies that fund broadband deployment and development throughout the United States. From 2015–2020, the Federal Government invested \$44 billion into internet connectivity and, in 2021 alone, Congress authorized and appropriated another \$65 billion for broadband through the Infrastructure Investment and Jobs Act, totaling the investment to \$109 billion in less than 10 years. What is the Department's strategy to coordinate with the various Federal agencies to ensure USDA broadband programs do not duplicate deployment efforts?

Answer. USDA meets regularly and on an *ad hoc* basis with the FCC/NTIA/Treasury to ensure that Federal dollars are spent in the most efficient way possible. Additionally, USDA shares information with our Federal partners regarding the awards made under our programs to enable other agencies to take those awards into consideration to ensure projects do not overlap or overbuild existing services already made available.

Question 28. Mr. Secretary, the 2018 Farm Bill made significant improvements to the Department's authorities under the Strategic Economic Community Development program to encourage communities to work together on regional economic development activities. How are rural communities using this program, and how is the Department making communities aware of the importance and value of regional cooperation when accessing assistance through the covered programs?

Answer. USDA Rural Development (RD) promotes and supports regional economic development projects through the Strategic Economic and Community Development (SECD) process. SECD, while not an authorized loan or grant program, is the process through which RD covered programs set aside funding annually for regional projects and score applications seeking SECD-related priority points. Covered programs for FY 2023 are Community Facilities, Community Connect, Rural Business Development Grants and Water and Waste Disposal loan and grant programs. Applicants must qualify for the underlying program and meet SECD requirements. Those who do are scored and prioritized for SECD reserved funds under covered programs. The applications are for a variety of project purposes, ranging from water and waste infrastructure to public safety equipment and facilities, business incubators, maker spaces, downtown development, community facilities such as senior centers, childcare centers and multi-purpose centers; city halls and other public use buildings and broadband deployment. Over 90% of SECD applications are supported by Comprehensive Economic Development Strategies (CEDS).

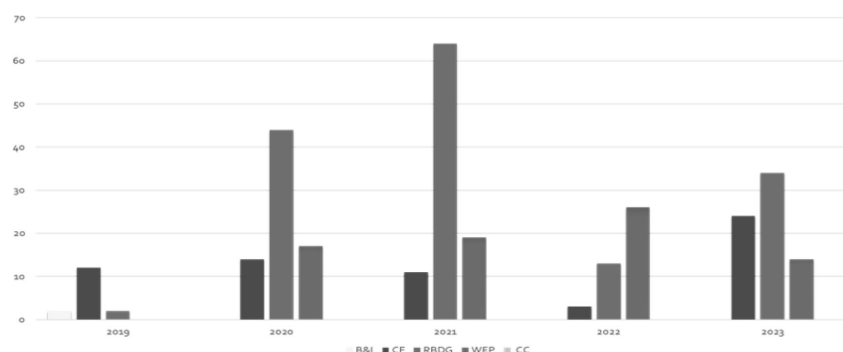
Use of SECD

Over the past 5 fiscal years USDA Rural Development has invested \$341 million through Strategic Economic and Community Development (SECD) set asides and program funds.

SECD Obligations FY 2019 to FY 2023 (as of 5/8/23)

Fiscal Year	# Applications	\$ Requested	# Obligated	\$ Obligated
2023 as of 5/8/23	72	\$108,849,031	9	\$44,862,120
2022	42	\$250,997,370	31	\$85,207,477
2021	94	\$138,537,711	43	\$107,169,134
2020	76	\$170,654,141	44	\$91,445,252
2019	18	\$32,582,650	15	\$12,241,650
Total	302	\$701,620,903	142	\$340,925,633

SECD Applications Filed by Program—FY 2019 to FY 2023 (as of 5/8/23)



SECD Awareness and Outreach Efforts

RD employs a number of strategies to promote awareness of SECD and promote regional economic development.

- RD actively seeks SECD applications through the publication of an annual Notice of Solicitation of Applications (NOSA) that identifies covered programs, funds reserved, SECD requirements and filing instructions.
- RD promotes SECD through its nationwide field network, local and regional partners and state and local agencies. These include community and economic development organizations and governmental membership organizations including the National Association of Development Organizations (NADO) and to the National Association of Counties NACo.
- RD also promotes SECD through our Federal partners, such as the Economic Development Administration (EDA) and Housing and Urban Development (HUD).
- SECD is included in an EDA and USDA—Rural Development (RD) Joint Planning Resource Guide that is available on both agency web sites.
- RD hosts SECD webinars to provide guidance and assistance to potential applicants. The Fiscal Year 2023 external webinar can be accessed here, *SECD FY23 Webinar for Stakeholders—YouTube*.⁸ SECD was also highlighted in FY23 on RD's Community Connect applicant training webinars.
- SECD is also highlighted in *Innovation Matters*, a USDA—Rural Development Innovation Center publication with more than 25,000 subscriber entities.
- In FY 2023 RD produced and published online a SECD video that highlights three successful SECD projects. *Investing in Rural Communities Through Strategic Economic and Community Development*.⁹
- The SECD National Coordinator promotes SECD in regular funding workstream meeting attended by the Departments of Agriculture, Commerce, Education, Housing and Urban Development and Labor. Other agencies include Economic Development Administration (EDA), National Telecommunications and Information Administration (NTIA), Federal Communications Commission (FCC).
- SECD is also promoted through USDA's new Rural Partners Network.

Question 29. Mr. Secretary, the 2018 Farm Bill established the Rural Innovation Stronger Economy (RISE) Grant Program, which offers grant assistance to rural areas to create high-wage jobs, accelerate business, and support industry clusters. How effective is this program? What examples can you provide that show this grant funding is creating a strong workforce and supporting the needs of industry in rural America?

Answer. The Rural Innovations Stronger Economy program has seen very strong applications for the \$2 million in funding. For example, the University of Missouri will use their \$729,919 grant to target the agribusiness, food processing, and technology industry cluster in the five-county region. This Show-Me Jobs project will col-

⁸<https://www.youtube.com/watch?v=m8DuzyeOycA>.

⁹<https://www.youtube.com/watch?v=9MB0VnEUAI>.

laborate with other community and business support organizations to develop a regional support system that creates and expands rural business ventures in this region and expects to create 20 business starts and 150 jobs in this north central region. In Ohio, the Appalachia Ohio Manufacturers Coalition will use a \$16,843 grant to provide technical assistance to microloan customers of a revolving loan fund through classes and by offering personal support in subjects such as marketing, business planning, strategy, and financial management, among other activities. The RISE program is highly oversubscribed with many high scoring projects unable to be funded by the \$2 million available. The rural jobs accelerator partnerships funded by RISE are well positioned to make meaningful, sustainable impact on their targeted rural economies.

Question 30. Mr. Secretary, the 2018 Farm Bill established the Council on Rural Community Innovation and Economic Development to enhance the efforts of the Federal Government to address the needs of rural areas in the United States by coordinating Federal programs directed to rural communities. The Council is tasked with maximizing the impact of Federal investment, promoting economic prosperity and quality of life in rural communities in the United States, and using innovation to resolve local and regional challenges faced by rural communities. What work has the Council undertaken to further its mandate this past year, and do you have any plans to convene the Council in the coming year? What issues do you believe the Council should be working on?

Answer. The activities of the Council on Rural Community Innovation and Economic Development is being implemented through the Rural Partners Network (RPN) which focuses on enhancing the efforts of the Federal Government to address the needs of rural Americans. USDA is leading the Rural Partners Network as an all-of-government program coordinated through a Federal-wide multi-agency body known as Rural Prosperity Interagency Policy Council that helps rural communities access resources and funding to create jobs, build infrastructure, and support long-term economic stability on their own terms. Through RPN, USDA is on the ground working with those in rural America and responding with technical assistance to access funding and resources. RPN has more than 800 Federal, state, and local partners that collaborate to address specific needs in communities that have long struggled to access government programs and funding. These collaborations are designed to provide rural communities a single front door to the broad array of Federal programs, tools, and expertise, available to them both at the *RURAL.gov* website and through direct community assistance; increase access to technical assistance and build capacity to plan and develop projects; improve delivery of Federal funding in rural areas and ensure lasting outcomes for local people; inform program leaders and policymakers about rural opportunities and priorities; and provide a blueprint for how Federal agencies can better serve rural communities everywhere.

Question 31. Mr. Secretary, we've heard repeated testimony from stakeholders about incessant and arbitrary delays in the rural development programs, including delays in approving applications, permits, and environmental or historic reviews. What is even more frustrating is actual Federal dollars are being slowly rolled out to rural communities who need them most. We've heard testimony about USDA Rural Development staff in different states demanding different standards for permit reviews and reaching different conclusions on substantially similar projects. What can you do to standardize and streamline the reviews of applications to ensure entities receive similar treatment no matter which USDA Rural Development staffer reviews the application? Does Congress need to provide additional authorities to reach this goal?

Answer. The USDA Rural Utilities Service has been working to standardize the environmental review practices across all RUS programs. In the past year we have hired a new National Office Environmental Director; conducted audits of the program's review process; and formed working committees that are developing recommendations for a long-term reorganization of our environmental review process as well as for updating our current environmental regulations and training efforts. Our current budget constraints, however, have left our National Environmental Office short staffed, which is a contributing factor to delays in project reviews and approvals. To combat this and meet the needs of our rural communities, over the past 7 months our National Environmental Office at RUS has been conducting an internal audit of operations. We are working diligently to standardize our processes and increase efficiency, develop better methods to track projects, drafting programmatic agreements, and identify and implement additional streamlining measures.

Question 32. Farmers and ranchers in my state continue to be extremely concerned that the new "waters of the U.S." rule (WOTUS) greatly expands the Federal Government's jurisdictional reach far beyond the limit that Congress intended

under the Clean Water Act. I've also heard that the exemptions, particularly the Prior Converted Cropland (PCC) exclusion, are incredibly confusing and difficult to apply. The agencies have said that the changes they made are to keep the understanding of PCC consistent with how it is used under the Swampbuster program.

Answer. The Federal Government is currently reviewing the recent Supreme Court ruling in *Sackett v. EPA* and determining how it will impact the recently promulgated WOTUS regulation, including the PCC exclusion.

Question 33. EPA has adopted USDA's "change in use" policy and unfortunately, it has come to my attention that when stakeholders ask EPA and the Corps to clarify its meaning, they were provided conflicting answers. EPA stated that a farmer could change the use of their land and keep their PCC status, as long as wetland characteristics had not returned. However, the Army Corps asserted that a farmer will lose their PCC status if they change the use of the land out of agricultural production, regardless of returning wetland characteristics. It is incredible that two government agencies are reading identical language and coming to two different conclusions. I realize that this is an EPA/Corps rule, but USDA was part of the interagency review process, and this exemption is critical to farmers. With that in mind, can you tell me how you think the PCC "change in use" policy is workable for farmers?

Additionally, how is a farmer supposed to use this exemption when the government agencies have conflicting interpretations of how it works?

Answer. USDA has and will continue to work with EPA and the Department of the Army to ensure that clear and consistent information is provided to agricultural stakeholders about the WOTUS regulation and how it is applied to agricultural lands, including the "change in use" policy.

Question 34. The new EPA and Corps of Engineers' "Waters of the U.S." rule (WOTUS) scales back the 2020 Navigable Waters Rule's exclusion for "prior converted croplands" (PCC). Was USDA consulted on this change? How might this change impact landowners when PCC determinations are being made?

Answer. USDA was involved during the rulemaking process and communicated about the potential impacts of the regulation on U.S. agriculture. After the Supreme Court decision in *Sackett v. EPA* on May 25, 2023, the Federal Government is reviewing the decision and how it impacts their regulations. The EPA and U.S. Army will determine how that court decision impacts the exclusion for "prior converted croplands."

Question 35. It is expected that the Supreme Court in the coming months will rule on the pending *Sackett v. EPA* case, which could have significant ramifications on the definition of "Waters of the U.S." Do you believe that it is wise that the EPA and the Corps are moving forward with its new WOTUS rule before the Supreme Court rules on the *Sackett* case?

Answer. The U.S. Supreme Court issued its decision *Sackett v. EPA* on May 25, 2023. The Federal Government is reviewing that decision and determining its impact on the rulemaking that was published in the *Federal Register* on January 18, 2023.

Question 36. Mr. Secretary, how much were you involved in the rewrite of the WOTUS rule?

Penalties for non-compliance with the Clean Water Act can be severe and extremely expensive. It's my understanding that such penalties can cost a landowner anywhere from \$2,500 to \$25,000 to \$50,000 or more per day if EPA assesses such penalties. Outside of the long-standing agriculture protections in the WOTUS rule—which many of my constituents do not believe are protection enough—how are you coordinating with EPA to ensure no farmer is unfairly penalized?

Answer. As the Federal agency that represents farmers and U.S. agriculture, USDA communicated with EPA and the Department of the Army to ensure those agencies were aware of the potential impacts their regulatory system and the WOTUS rule might have on U.S. agriculture.

USDA has and will continue to work with EPA and the Department of the Army to ensure that accurate and helpful information is provided to agricultural stakeholders about the WOTUS rule and its implications for agricultural lands. USDA works to provide farmers with information so they are aware of their responsibilities under the regulation and can comply.

Question 37. Mr. Secretary, on March 17, 2022, USDA issued a Request For Information (RFI) on "Access to Fertilizer: Competition and Supply Chain Concerns." In January of 2023, USDA released a "summary of comments" received through the RFI. Is the RFI "summary of comments" intended to inform or influence USDA's "Fertilizer Production Expansion Program"? Is there any connection?

Answer. Yes. USDA's Fertilizer Production Expansion Program is designed to help new, sustainable, domestic-made, independent fertilizer producers scale up production. We used the RFI comments, including those from small and independent fertilizer businesses, to help us understand the needs of the competitive landscape, identify risks, and develop new ideas and to inform program design. We received more than \$3 billion in funding requests, showing how much America's businesses want support to boost domestic fertilizer production. Our program will push out shovel-ready products as soon as possible and invest in long term capacity for American fertilizer producers and farmers.

Question 37a. It is the Committee's understanding that such summaries are historically used to provide a factual overview and organization of the key messages or themes from the RFI comments and to respond to comments related to specific questions.

This summary is not responding to any questions. Rather, USDA appears to cherry-pick comments without context and give disproportionate weight to the sheer number of comments submitted, only in footnotes acknowledging form letter campaigns. A review of the RFI comments indicates that close to 90% of the comments come from just two organizations.

Answer. Multiple staff completing this comment review followed standard practices. They read each comment, analyzed key themes, and produced a summary that is consistent with the factual overview of comments submitted.

We received over 1,400 comments. These comments typically included farmers' unique stories that we thought were relevant and therefore were referenced in the document.

Question 38. The purpose of USDA's summary of comments on "Access to Fertilizer: Competition and Supply Chain Concerns" remains unclear. The apparent selective manner in which certain comments are highlighted raises questions. Is there any precedence for this process and how will this summary be used moving forward?

Answer. Multiple staff completing this comment review followed standard practices. They read each comment, analyzed key themes, and produced a summary that is consistent with the factual overview of comments submitted.

Questions Submitted by Hon. Doug LaMalfa, a Representative in Congress from California

Question 1. Mr. Secretary, according to an Environmental Impact Statement from the United States Forest Service, "it is estimated that less than 1/2 of 1 percent of fire retardant drops may reach the 300' or larger buffer" for restricted zones of aerial fire retardant use. Despite the minuscule amount of fire retardant that goes near waterways, and it's safety record, fire retardant is under attack by radical activists who, through the courts, are attempting to force the Forest Service to obtain NPDES permits per the Clean Water Act and/or stop its use altogether. It is my understanding that the Forest service is working with EPA to develop a general permit for aerial fire retardant; but it will take 2 to 3 years to develop, and 47 states would issue their own permits, which would add another year to the process. The West is facing a true wildfire crisis. We no longer have a fire season, rather than a fire year; and wildfires have only gotten worse in recent years. We simply don't have years to wait for the Forest Service to acquire Federal permits for continued use of this critical tool, when lives, homes, and our forests are at severe risk of devastating wildfire.

Mr. Secretary, can you comment on fire retardant and the Forest Service's use of this important tool? How does USDA and the Forest Service plan to ensure the continued use of fire retardant when EPA is indicating it will take years to develop a permit? What will happen if the Forest Service is forced to stop using fire retardant and/or be required to acquire unnecessary permits for its continued use?

Answer. Aerial application of fire retardant is part of the Forest Service's integrated firefighting strategy and is an essential tool that the Forest Service uses in various situations in support of ground resources. Fire retardant is intended to slow the rate of fire spread by cooling and coating fuels, depleting the fire of oxygen, and slowing the rate of fuel combustion as the retardant's inorganic salts change how fuels burn. Retardant has a lasting capability and continues to be effective when dry to slow or reduce fire behavior. This gives firefighters time to get in place, safely and effectively engage a fire, and meet the goals and objectives for the incident. When the Forest Service deems the use of retardant appropriate, firefighters strategically place retardant in locations that give ground resources and other aerial resources time to engage, which gives them a much higher probability of success. The Forest Service prioritizes the use of retardant to keep new fires small (initial attack fires) and to protect high values at risk (communities and high value lands).

On February 16, 2023, the Forest Service and the U.S. Environmental Protection Agency entered into a Federal Facility Compliance Agreement. The purposes of this agreement are to address the Forest Service's discharge of pollutants during aerial fire-retardant applications, the requirement for Forest Service to obtain or seek National Discharge Elimination System permit coverage for these discharges, and to further the goals of the Clean Water Act. It is the objective of all provisions and obligations of this Federal Facility Compliance Agreement to cause the Forest Service to come into and remain in full compliance with all applicable Federal, state, and local laws and regulations governing the discharge of pollutants into waters of the United States. On May 26, 2023, Judge Dana L. Christensen issued an order in the case of *Forest Service Employees for Environmental Ethics v. United States Forest Service* (case 9:22-cv-00168-DLC). The order states that the "USFS is not enjoined from utilizing the aerial deployment of fire retardant as a tool to fight wildfires."

In January 2023, the Forest Service requested that the U.S. Environmental Protection Agency (EPA) develop a general permit for the aerial discharge of fire retardant into *Waters of the United States*. On February 17, 2023, the Forest Service submitted requested information to the EPA. The agency continues to work with EPA on the permitting process. On May 26, 2023, Judge Dana L. Christensen issued an order in the case of *Forest Service Employees for Environmental Ethics v. United States Forest Service* (case 9:22-cv-00168-DLC). The order states that the "USFS is not enjoined from utilizing the aerial deployment of fire retardant as a tool to fight wildfires."

The Forest Service relies on fire retardant as an essential tool to enable safe deployment of ground-based firefighting resources. While we cannot precisely predict the impact of not being able to use retardant, we can say that without retardant, our firefighting capability would be diminished due to safety concerns. As a result, we are likely to have more severe and larger wildfires and the potential for more impacts to communities, critical infrastructure, and natural resources. We are working with the EPA to develop a National Pollution Discharge Elimination System general permit which is expected to take over 2 years. As noted above, the Court in *FSEEE v. Forest Service* declined to enjoin the Forest Service from continuing to drop retardant so the Forest Service will continue to drop retardant while it seeks the required permits from the EPA.

Question 2. Mr. Secretary this Committee sent a letter to the House Budget Committee 3 weeks ago which notes, "Due to the ineffectiveness of the existing farm bill safety net, Congress has returned to the cycle of providing unbudgeted *ad hoc* assistance for both weather and market related disasters, totaling \$93.3 billion over 6 years." In addition to breaking this system of *ad hoc* support, would you agree to work with us to find a way to include vital supply chain processing to our basket of risk management options?

Answer. Farm policy of the last half century established new commodity programs, Federal purchase of excess product, food aid and support for export markets, crop insurance, and permanent disaster assistance programs with the intent to create a safety net to prevent such a crisis from happening again. And to a point, this has been successful: America became a more food-secure nation and our exports feed the world.

Insurance has been and will always be the best protection for producers against financial losses in the face of natural or man-made disasters. We need to continue to develop programs like the RMA Hurricane Wind indemnity program to better respond following incidents and ensure that producers continue to have access to the insurance protection they need. In addition, we need to ensure that our producers have access to tools to mitigate the impacts of natural disasters, including our working lands conservation programs, our emergency conservation programs, and our full suite of livestock and crop disaster assistance programs.

I would be happy to work with this Committee as it examines the *ad hoc* programs that USDA has stood up in recent years, along with the full suite of disaster assistance options at USDA. I will also continue to stress the importance of providing USDA with the flexibility needed to best serve all producers impacted by new and emerging natural disasters. No disaster is the same as the last, but as the impacts of climate change have an even more intense impact on our agricultural communities, we must recognize the need to craft unique and targeted solutions. USDA strives to always find better ways to serve all producers, and flexibility in program implementation helps us ensure we reach everyone.

Question 3. Mr. Secretary, I wanted to thank the USDA for their quick response regarding my inquiries on disaster declarations due to drought, Section 32 purchasing of tree nuts, and low interest loans. Besides FSA's Emergency Relief Pro-

gram, what avenues are available to deliver direct payments to tree nut growers this growing season to ensure their operations stay afloat for the next?

Answer. Most tree nut producers have access to Federal crop insurance. This includes specific programs for almonds, pecans, pistachios, and walnuts. Federal crop insurance also has a Whole Farm Revenue Protection, which can cover almost all crops within a single policy. The programs are reasonably popular with many producers, but for those unfamiliar, producers can contact a crop insurance agent or the Risk Management Agency Regional Office in Davis, CA. After a disaster, producers with crop insurance coverage contact their crop insurance company to start the claims process and get paid based on their coverage.

Additionally, for the loss of the tree crop (nuts), producers with NAP coverage may receive assistance when meeting the loss threshold and eligibility criteria. FSA expanded NAP by deeming a CCC-860 on file by underserved producers by applicable NAP filing deadlines to qualify as a NAP application for basic coverage. This provided NAP coverage for 2022 to underserved producers with a CCC-860 on file by applicable filing deadlines. Beginning in 2023 crop year, producers filing, or who have previously filed a CCC-860, by applicable NAP filing deadlines can automatically receive NAP coverage for eligible crops at no cost for basic coverage without needing to file a separate NAP application. Interested producers should contact their local FSA service center. For losses of the actual tree, FSA administers the Tree Assistance Program, where a cost-share opportunity exists to replant or rehabilitate the trees.

Questions Submitted by Hon. Mike Bost, a Representative in Congress from Illinois

Question 1. I represent over 10,000 producers across 34 counties in southern Illinois. Ensuring that we have a strong and reliable farm safety net is absolutely crucial. Throughout the winter, my producers have gone into their local Farm Service Agency (FSA) office to make their election between the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) commodity programs, coinciding with the crop insurance sales closing date. However, there hasn't been any improvement in the customer service they receive from FSA. Rather than just saying you need more money to staff FSA, are there ways that we can reduce burdens on producers and county office staff during these types of enrollment and election periods?

Answer. The Farm Service Agency is committed to continued efforts to streamline application processes for both producers and county office staff. During the pandemic, FSA was able to quickly adapt policies and implementation strategies to increase access to programs through the utilization of digital technologies to communicate with producers securely, capture digital and e-signatures, and receive automated applications from producers participating in select programs.

Through the implementation of Emergency Relief Program (ERP) and Emergency Livestock Relief Program (ELRP), we were able to timely distribute funding by breaking down agency barriers. More specifically, in the implementation of ERP Phase 1, we leveraged existing data across USDA to send producers pre-filled applications that saved staff and producers over a million hours of work to expediently provide relief to producers. This represents a 90% reduction in time spent by FSA field staff relative to the predecessor program. Similarly, ELRP Phase 1 issued automatic payments to eligible participants for feed losses resulting from drought or wildfire, leveraging data already on file from the Livestock Forage Disaster Program (LFP).

FSA will use these strategies deployed during emergency relief implementation where applicable to continue to reduce the burdens on producers and county office staff during the election and enrollment periods.

Question 2. While your testimony had an emphasis on providing resources for small producers, in my opinion the current U.S. Department of Agriculture (USDA) seems to focus too much of its energy and time focusing on the small farmer. With today's cost of fuel, fertilizer, and rising inflation; it's difficult for any farm, regardless of size to make a profit. As we all know, it will take farms with adequate economies of scale and efficiencies to feed nine billion people on the planet in the next 25-30 years. How do we make sure that not only small farms, but medium-sized family farms are supported by your Department?

Answer. This is not a small *versus* large situation. There is nothing that precludes medium- or large-scale producers from participating in our programs. This is a situation where 90 percent of our farmers make more money off the farm than they make on the farm, and the Department is committed to creating new market and income opportunities to help producers of all sizes remain on the farm. This is an issue that has been with us for a while; fortunately, because of the passage of the American Rescue Plan, the Bipartisan Infrastructure Law, and the Inflation Reduction Act, we now are in a position to create seed money to establish multiple ways

for farmers to profit that will provide more opportunity for both small- and mid-sized producers.

I look forward to working with you and your colleagues as we draft the next farm bill to create more revenue streams beyond the traditional role of farmers benefiting from the sale of crops and livestock.

Question 3. I'm hearing from agriculture groups in Illinois about certain stipulations on funding being distributed by the USDA, via the Partnerships for Climate-Smart Commodities (PCSC) program. While the agency has been reaching out to ag partners to help offer opportunities for farmers to initiate conservation practices like no till, cover crops and reduction of nitrogen inputs, it's my understanding that the agency is now requiring the Natural Resources Conservation Service (NRCS) practice standards on USDA and private matched funds—making new restrictions on the stacking of practices in the program. How is the agency looking to encourage innovative ideas for farmers to adopt and scale conservation practices, while also keeping legacy standards in place that reduce flexibility, discourage innovation, and reduce the overall impact that PCSC funds could have on promoting the adoption of voluntary conservation practices?

Answer. USDA continues to meet with tentative selectees and partners as appropriate to understand their concerns and help us all to move forward with a strong agreement that includes a good strategy to benefit producers; each project proposes the practices and associated rates. Consistent with the original Partnerships for Climate-Smart Commodities Funding Opportunity, “practices and enhancements to existing practices are not limited to those under existing USDA practice standards; however, compliance and reporting activities will likely be more complex for practices without existing standards.” This language applies to the project applicant as they need to provide to us a clear description of the alternative standard that is planned to be applied, and we need to evaluate if any separate reporting or additional analysis is needed.

Questions Submitted by Hon. Trent Kelly, a Representative in Congress from Mississippi

Question 1. Mr. Secretary, my home State of Mississippi, has been a big user of the Conservation Stewardship Program, or CSP. In the 2018 Farm Bill, statutory changes made to the program impacted the way the program is delivered in my state. Can you update the Committee on how the Department plans to utilize the conservation dollars received in the Inflation Reduction Act to better accommodate producers that can't get a CSP contract under the current constraints?

Answer. We are focusing IRA dollars not only on past performance, but promoting outreach to new customers who want to address GHG and carbon concerns using CSAF practices. We also use a locally led process to incentivize those concerns of greatest interest based on local input.

Currently, NRCS is evaluating all 2018 Farm Bill programs in order to resolve these statutory constraints so that producers who desire to participate in the Conservation Stewardship Programs (CSP) are afforded that opportunity. The conservation dollars through the Inflation Reduction Act have allowed us to reach additional producers that were impacted by the farm bill's limited amount of CSP funding. We are able to increase the number of climate-smart conservation practices that are available under our financial assistance programs. Within CSP, we also authorized use of climate mitigation enhancement bundles providing additional program flexibilities to further increase program participation. We continue to make adjustments to increase program participation and increase our conservation outcomes across the country.

Question 2. Mr. Secretary, in September 2021, Congress appropriated \$10 billion of *ad hoc* disaster assistance for crop losses, which occurred in 2020 and 2021. USDA developed a program called the ERP or Emergency Relief Program that was rolled out in two separate portions, Phase 1 and Phase 2. While producers in my district were pleased with the process for the Phase 1 sign up, I have heard a good bit of concerns from my constituents over the complexity for Phase 2 sign up. In December of 2022, Congress approved another infusion of \$3.7 billion of *ad hoc* disaster assistance to cover 2022 losses. Mr. Secretary, can you give the Committee an update on the implementation of the 2022 *ad hoc* disaster and assure the Committee that the design of this future program will be less complex to understand than that of the ERP Phase 2 design?

Answer. USDA is committed to continued efforts to streamline application processes for producers and utilizing the lessons learned from prior implementation. Enrollment for ERP Phase 2 for disasters that occurred in 2020 and 2021 is currently open until June 2, 2023, and is focused on providing assistance to producers who either did not purchase risk management protection or for whom the existing op-

tions did not take into account the full value of their operations. ERP Phase 2 for 2020 and 2021 also streamlines the process for producers to access assistance by using tax-year-based certification that utilizes revenue information readily available from most records. In an effort to assist producers in their understanding of ERP Phase 2, we expanded our outreach efforts by working with partner organizations who can support and assist producers with program applications. We also developed some robust communication materials and online tools that walk producers through the program process step by step. We will continue to build upon our outreach efforts, communications materials, and training for our field office staff for 2022 *ad hoc* disaster programs.

The passage of the Consolidated Appropriations Act, 2023, included more than \$3.7 billion for necessary expenses related to losses of revenue, quality, or production due to adverse weather events that occurred in calendar year 2022. USDA estimates that, using the same parameters of ERP for the 2020 and 2021 losses, the cost would be \$10 billion for calendar 2022 losses. The Consolidated Appropriations Act, 2023 provided approximately $\frac{1}{3}$ of that amount to cover all potentially eligible crop and livestock losses. Therefore, USDA will cover less of the losses relative to the previous ERP, and a factor of payments is likely. USDA will be deploying lessons learned from its development and implementation of ERP to expedite assistance for 2022 losses and carryover the streamlined process to reduce the paperwork burden based on existing available data. Specifically, the Farm Service Agency (FSA) and Risk Management Agency (RMA) are once again partnering to develop and announce the next steps for program implementation.

Question 3. Mr. Secretary, in your testimony you addressed the robust efforts that the Department has made in addressing the local meat processing capacity. One thing that I hear from small processors in my district is the issue of workforce and workforce development for meat processing facilities. I've had small processors tell me that their business opportunity is strong and demand for their services has tripled since the pandemic. However, this strong demand and unique business opportunity is hindered by the issue of labor in these facilities. They simply can't find and retain people to work in these jobs. In addition to the work the Department has done for expansion of capacity for processors and brick and mortar, what is the Department doing to create incentives for processors to recruit and retain the needed workers in these facilities?

Answer. Under the Agricultural Marketing Service's recently announced \$75M *Local Meat Capacity*¹⁰ grant program, funds are available to support meat and poultry processing facilities with certain workforce related needs such as the purchase of equipment to improve worker safety and training for workers on new processing equipment or facilities procedures and processes supported through the program. Providing a safe, productive working environment for employees is a first step in ensuring workers are engaged and retained in their jobs.

Question 4. Mr. Secretary, throughout your testimony you focus a lot of emphasis making sure that USDA resources are available for small producers. I certainly appreciate the fact that we need to make sure adequate resources are available to small farms, but in my opinion the current USDA seems to focus too much of its energy and time focusing on the small and urban farm. With today's cost of fuel, fertilizer, and rising inflation; it's difficult for any farm, regardless of size, to make a profit. As we all know, it will take farms with adequate economies of scale and efficiencies to feed nine billion people on the planet in the next 25–30 years. How do we make sure that not only small farms, but medium-sized family farms are supported by your Department?

Answer. This is not a small *versus* large situation. There is nothing that precludes medium- or large-scale producers from participating in our programs. This is a situation where 90 percent of our farmers make more money off the farm than they make on the farm, and the Department is committed to creating new market and income opportunities to help producers of all sizes remain on the farm. This is an issue that has been with us for a while; fortunately, because of the passage of the American Rescue Plan, the Bipartisan Infrastructure Law, and the Inflation Reduction Act, we now are in a position to create seed money for the establishment of multiple ways of farmers to profit that will provide more opportunity for both small and mid-sized producers.

I look forward to working with you and your colleagues as we draft the next farm bill to create more revenue streams beyond the traditional role of farmers benefiting from the sale of crops and livestock.

¹⁰https://www.ams.usda.gov/sites/default/files/media/2023_LMCG_RFA.pdf.†

Questions Submitted by Hon. Brad Finstad, a Representative in Congress from Minnesota

Question 1. Across Minnesota's First district, we are seeing CRP rates compete with or exceed land values per acre of farm ground, making it difficult for farmers to secure new ground and maintain current leases for land.

This issue particularly affects new and beginning farmers, creating a barrier to entry for those seeking to enter the agricultural profession and forcing them to compete with the Federal Government for farmland.

Secretary Vilsack, do you believe the reforms made to CRP in the 2018 Farm Bill are achieving their goal of limiting competition against farmers for productive farmland?

Answer. The 2018 Farm Bill limited CRP's County average soil rental rates to 85 percent of the estimated rental rate for general sign-up which has contributed to lower interest in the program and discouraged producers and landowners from offering their most productive land. USDA used discretionary policy to manage enrollment including a maximum rental rate which applies to both general and continuous sign-up and a 25% cropland limitation in each county to ensure that all cropland is not enrolled into the program. USDA is continuously taking action to encourage and facilitate the transition of land to the next generation. Through CRP, TIP continues to be a tool to incentivize landowners to work with beginning farmers and ranchers. Outside of CRP, USDA has worked diligently to improve the speed of Farm Loan approvals to lessen the financial burden of new and beginning farmers and ranchers.

Question 1a. Do you believe the ten percent inflationary adjustment USDA added to both General and Continuous CRP contracts to, quote: "increase program payments to encourage more land enrollment" incentivizes farmers to take high-quality farmland out of production?

Answer. The inflationary adjustment is just that—an inflationary adjustment that is meant to support continued strong program participation. It is also important to note that Continuous CRP practices specifically target land that provides the greatest threat to the environment and natural resources, including water quality and wildlife habitat and often consists of buffers and small strips that leave the majority of the field available for production. Similarly, the most significant increase in CRP acreage in recent years has been in the working lands grasslands program, which keeps all of the land in production.

Question 2. Mr. Secretary, throughout your tenure as Secretary of Agriculture, two main areas you and your team have focused on are innovation and competition. So much so that in your remarks at the 99th USDA Agricultural Outlook Forum, you said, "I think we have to ask ourselves a serious question. Whether we want a system that continues to see further consolidation, and the impact that that has on farmers and on rural communities, or whether we're innovative enough to figure out a different way and expand opportunity."

No one benefits more from competition and innovation than our farmers working to feed and fuel the world. To meet the demands of today and the goals of tomorrow, the development of new and innovative products that address farmers' productivity challenges, consumer demands, and increased weather concerns is critical. However, it seems that this Administration is more concerned about who makes these products rather than addressing the process of how these products are made.

Secretary Vilsack, in your March 6 USDA Report on seed competition, one of the key topics is around enhancing innovation and promoting competition. On average, in order to bring a seed trait to market, it costs north of \$100 million and 10–15 years of rigorous review throughout the regulatory process, and that is just in the U.S. Coupling the process to get approvals in countries like Mexico, Europe, China, the R&D costs and timelines increase exponentially. After looking through the report, the goals focus more on increasing government oversight and adding layers of bureaucracy rather than addressing regulatory burdens that result in higher capital costs which directly limits opportunities for small/venture capital/startups. Do you agree that addressing regulatory costs will benefit small/venture capital/startups and bring more competition? Additionally, how big of a market does USDA see for these types of companies?

Answer. USDA is committed to promoting competition and innovation in seeds markets. The report you mention, and our subsequent follow-up actions were informed by significant engagement with stakeholders. On March 17, 2022, we requested input from the public on 25 multi-part questions about competition and market power, intellectual property, and other business practices in the seed industry that might be affecting the American farmer's ability to participate in a fair and competitive market. In addition to that 90 day comment period, we also hosted a

public listening forum to ensure as many perspectives as possible were represented in our report. Many commenters expressed specific concerns about applicability of intellectual property rights and seed technologies, the need for publicly-supported and accessible research on seed varieties, and support for maintaining robust domestic supply chains to support the seed sector.

As a result of this work, USDA announced that we would create a new Farmer Seed Liaison role to help farmers, seed breeders, and the seed industry navigate issues related to competition in seeds markets; form a working group with the U.S. Patent and Trademark Office to enhance understanding of farmer and seed breeder issues and support further collaboration; and enhance transparency for farmers by requiring the disclosure of kind and variety on seed labels.

Additionally, USDA also recently published its revised plant biotechnology rule (7 CFR part 340), SECURE rule. The revised rule capitalizes on experience, science, and advances in technology and risk-proportionate oversight to provide a clear pathway to commercialization for products of agricultural biotechnology. By eliminating the one-size-fits all data package requirements and right-sizing requirements based on the characteristics of the modified plant, USDA's regulatory approach has opened the door to innovative agricultural products and small- and medium-sized developers.

APHIS built its regulatory framework in a way that allows USDA to keep pace with advances in science and technology to ensure regulatory requirements do not grow antiquated.

This process has also opened the door to novel crop types that previously could not absorb regulatory costs associated with the legacy regulations, such as specialty crops. So far, USDA has received product submissions for 13 novel plant types (like teff, poplar and loblolly pine trees, mustard, hemp, pennycress, and blackberry).

Question 2a. As a follow-up, the report spends a great deal explaining how the seed industry protects its investments via patents, plant variety protection certificates (PVPs), license agreements, and others. However, the report paints a picture that large seed companies benefit from the current structure and calls for stricter conditions in order to obtain germplasm patents, and that USDA will work with USPTO on recommendations. I think we both agree that an effective intellectual property regulatory system reinforces the value and importance of scientific and technological innovations while balancing dynamic markets and the competition within the markets. With that, if USPTO makes processes like obtaining germplasm patents much harder to obtain, how does this help small/venture capital/start-ups protect their investments and actually compete?

Answer. I agree that an effective intellectual property regulatory system reinforces the value and importance of scientific and technological innovations as well as promoting competition. The report defined three key topic areas in which the Executive Order's "whole of government" approach to promoting competition can be used to address these challenges:

1. ensure robust and reliable Intellectual Property (IP) rights that enhance innovation and promote competition
2. ensure that IP owners exercise their rights within the scope of fair competition provided by law, and
3. rebuild critical national infrastructure for variety development and the provision of seed and other planting stock to create resilient seed supply chains.

The report made recommendations for the U.S. Government to promote fair competition and innovation, focused on actions available to the executive branch and leaders of involved Federal agencies, including USDA, the Patent and Trademark Office, the Department of Justice, and the Federal Trade Commission. Our goal is to improve fair competition in the seed industry, enhance the resiliency of America's food and agricultural supply chains, and provide economic opportunity and choice for America's agricultural communities. USDA will continue working with our Federal partners on these issues.

Smaller companies and start-ups are best served by a system that appropriately balances patents and open competition. These companies need access to the elite seed germplasm so that any innovations on traits they may develop can be competitive in the market. And, those companies also need appropriately robust patent protections on their innovations. This is a balance that is best served by staying true to the purposes and design of the patent system: Patents promote innovation and competition when they are robust—that is, they reward genuinely new and useful products. As a government-granted time-limited monopoly, care must be taken that they not be granted improvidently. I am pleased that USDA, with our knowledge resources and access to agricultural stakeholders, is able to partner with the

USPTO to bring transparency and the farmer's and plant breeder's voices into the patent process. The goal is to support USPTO's patent examiners access to the prior art necessary for them to conduct an appropriately comprehensive patent examination, and in doing so help ensure that USPTO can be successful in recognizing genuinely new, useful, and non-obvious innovations deserving of protections in the complex and extremely important area of seeds.

Question 3. Secretary Vilsack, the EPA has proposed a "Set" rulemaking that is required by consent decree to be finalized by June 14, 2023. Unfortunately, the EPA proposed to set biomass-based diesel and advanced biofuel volumes that are lower than current blending levels AND lower than increased capacity that is coming online in 2023 alone. The EPA's volumes are inconsistent with every credible estimate of production capacity and would put about \$5B of announced investments to increase crush capacity at risk. At the heart of EPA's thinking there appears to be a failure to acknowledge current market data on the availability of feedstock to support significant increases in the proposed volumes for advanced biofuels and biomass-based diesel fuels.

USDA is the repository of the Federal Government's expertise on agricultural markets. What actions is USDA taking to provide EPA with more accurate information regarding feedstock availability for advanced and biomass-based diesel fuels? Is USDA input being considered by EPA in the rulemaking process?

Answer. The Office of the Chief Economist in conjunction with the Food and Agricultural Policy Research Institute authored a white paper containing an empirical analysis using the latter's commodity market modeling system of how increasing the biomass-based diesel mandate beyond the proposed rule may impact agricultural markets. The analysis indicates that increases in biomass-based diesel production could occur without significant disruptions on agricultural commodity markets. USDA sent the white paper to EPA for their consideration and has responded to follow-up questions from EPA regarding the analysis.

Question 5. Over the last year, \$5 billion in investments in rural America to increase crush capacity for soybeans have been announced, driven by the EPA's implementation of the Renewable Fuel Standard as Congress intended since President Biden took office. Additionally, ethanol producers continue to invest in new technologies to increase their yields of distillers corn oil, another important low-carbon feedstock for biomass-based diesel fuels. Unfortunately, the EPA has diverted from its strong record in the last several years with its "Set" proposal for advanced biofuels and biomass-based diesel—by proposing volumes lower than current blending levels and lower than increased capacity coming online in 2023 alone. If these numbers stand, the \$5 billion in crush capacity investments will be at significant risk.

How would an increase of this magnitude in crush capacity increase feedstock availability? Do you believe the EPA took these announced investments in crush capacity and enhanced corn oil recovery into account when putting together its Set proposal? Can you speak to what it would mean for rural communities across the country to see an influx of this type of investment and conversely, what the consequences would be of losing this investment?

Answer. The American Soybean Association states that U.S. crushing capacity was 2.2 billion bushels per year as of November 2022. If all announced projects are completed, capacity will increase by 753 million bushels per year by the end of 2026. This is enough to produce an additional 1.1 billion gallons of renewable diesel, which would generate 1.8 billion additional D4 RINs. Through the 2022 compliance year, EPA has preferred to reduce the advanced biofuel requirement by the same amount that it has been obliged to reduce the cellulosic biofuel requirement, which limits the opportunity for growth in non-cellulosic advanced biofuels. If these capacity investments do not move forward, rural communities will lose potential construction jobs and operations jobs at completed facilities.

Questions Submitted by Hon. John W. Rose, a Representative in Congress from Tennessee

Question 1. Mr. Secretary, in addition to record inflation and crippling input costs facing the cattle producers of my district, depredation by predatory birds likes black vultures has taken a real financial toll on our producers. According to USDA-APHIS, nearly 1/3 of calf loss to predators each year in Tennessee is attributable to predatory birds, vultures being chief among them. These scavengers are a nuisance to livestock producers, and they take a significant chunk out of agriculture's bottom line each year. What tools and flexibilities does USDA provide to farmers and ranchers to deal with this issue?

Answer. USDA's Wildlife Services staff help producers by providing technical information on how to reduce damage or keep birds off their property. They also work

directly with producers to complete U.S. Fish and Wildlife Service Migratory Bird Depredation Permit applications, and document vulture damage. Agricultural producers can also have APHIS staff conduct operational damage control on their farms and ranches on a reimbursable basis.

Question 2. If more legislative flexibility was given to USDA's Wildlife Services to address this issue, would you direct the agency to expand their efforts to control and take species that are currently listed under the Migratory Bird Treaty Act, including the black vulture?

Answer. The U.S. Fish and Wildlife Service (USFWS) is the management authority for implementation of the Migratory Bird Treaty Act and is responsible for ensuring that everyone complies with these international obligations. APHIS' role is mainly to assist producers with completing the proper permit applications and providing technical assistance to producers. Any additional work that the Wildlife Services program would perform would have to comply with these regulations and would require funding. In response to producer concerns, USFWS has developed additional permit flexibilities to shorten permit issuance timeframes and provide additional support for producers, which have seemingly worked well.

Questions Submitted by Hon. Mary E. Miller, a Representative in Congress from Illinois

Question 1. Mr. Secretary, as you know there has been a growing concern about foreign purchases of farmland, especially when it comes to the Chinese Communist Party. Can you tell me what USDA is currently doing to enforce the Agriculture Foreign Investment Disclosure Act and what you are doing to investigate foreign purchases that have not been reported?

Answer. USDA is using its available authorities under the Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA). Section 3 of AFIDA provides authority to impose civil penalties and section 4 provides the authority to monitor compliance with the requirements of AFIDA. In addition, USDA undertakes numerous activities to ensure that foreign persons (individuals and entities) required to file are aware of their reporting obligations. These activities occur at both the local and at the Headquarters levels.

The Farm Service Agency's AFIDA handbook (1-AFIDA) requires local USDA offices to periodically send an informational letter to remind local real estate agents, real estate attorneys, and mortgage lenders of reporting requirements. In addition, these local offices annually publicize reporting requirements in local news media and include information about reporting requirements in newsletters or via other communications.

Staff in the Headquarters office responsible for AFIDA in the Farm Production and Conservation (FPAC) Business Center review business publications, including the *Wall Street Journal* and, the *New York Times*, for situations where foreign companies have made acquisitions that may involve the purchase or long-term leasing of U.S. agricultural land. These companies, who we may also learn about by other means, are sent a letter to inform them of AFIDA filing requirements. Foreign companies who have been informed of their requirements by AFIDA Headquarters staff and subsequently filed include ShuangHui (now WH Holdings and associated with the Smithfield acquisition); Harvest Texas LLC (a Chinese-owned company); Brazos Highland LP (a Chinese-owned company); Fufeng USA (a Chinese-owned company); and Fondomonte LLC.

Given that many long-term leases associated with the energy industry are foreign-held, the Headquarters office has worked to identify companies in this sector. Companies that we can identify in the wind and solar industries which are not in our AFIDA database will be sent letters informing them of AFIDA reporting requirements. Not all of these companies may be foreign-held to the third tier of ownership; our approach aims to capture as many potential filers in this industry as we can identify and provide them with information.

Question 2. Secretary Vilsack, on March 2nd, I sent you a letter outlining concerns with Brazil's beef imports after they were late to report an atypical case of BSE. Given Brazil's repeated history of failing to report diseases and failing to meet international standards, what steps are you taking to ensure beef from Brazil does not pose a risk to U.S. consumers?

Answer. I appreciate your concern, but I am confident that Brazilian beef does not pose a risk to U.S. consumers.

The World Organisation for Animal Health (WOAH) requires member countries to report listed diseases within 24 hours of confirmation, not sampling. Brazil sends its samples to Canada for confirmation and consistently reports its testing results within the timeframe of its international obligations.

In 2022, the U.S. Chief Veterinary Officer reached out to her Brazilian counterpart to discuss the importance of this issue and to urge them to reduce the time between sample collection and confirmation. Since that time, Brazil has reduced their reporting timeframe. Another important consideration is that these cases of BSE are atypical, which is a spontaneously occurring form of the disease that is not believed to be infectious but is associated with advanced age in cattle. WOAHP guidance indicates that atypical BSE cases should not affect a country's risk status recognition. Like Brazil, the United States has also reported atypical BSE cases. We would not expect other countries to impose trading restrictions for those detections either.

Question 3. My constituents are concerned with Mexico's import ban of GM corn from the U.S. I was happy to hear that the U.S. Trade Representative requested technical consultations earlier this month. Can you talk more about what happens after the technical consultations and if USDA would encourage the White House to bring a dispute?

Answer. The United States Department of Agriculture continues to press Mexico to follow a science-based approach to all biotech products and to avoid any disruption in trade. The United States continues to consider all options, including taking further steps to enforce U.S. rights under the USMCA. We continue to work with the Office of the United States Trade Representative (USTR) on these issues. Please refer further questions to USTR, including questions related to next steps.

Question 4. The EPA continues to create overburdensome regulations for farmers especially as it relates to pesticides. What is your message and the message of USDA towards the EPA when it comes to over-regulation of crop protection tools?

Answer. EPA regulates pesticides as part of its mission, and our job at USDA is to help make sure those decisions have as little impact on farmers as possible. USDA's Office of Pest Management Policy represents the voice of growers in discussions with EPA around pesticides and pesticide policy. OPMP's goal is to ensure that risk assessments and decisions are based on real-world use practices and that all options for mitigation are considered so that final regulatory decisions have the least possible impact on growers while still allowing EPA to meet its mission.

Question Submitted by Hon. Max L. Miller, a Representative in Congress from Ohio

Question. Agriculture is one of Ohio's largest industries, and a top contributor to our state's. Volatile commodity markets, rising fertilizer and crop inputs, regulatory uncertainty, threats from animal disease, instable trading markets, and other issues continue to pressure the farm safety net, impacting Ohio agriculture. I look forward to working with you, Mr. Secretary, as well as Members of this Committee on the upcoming farm bill policies to provide an opportunity to address the broad range of challenges to the farmers and livestock producers in my Congressional district and throughout the country.

While international trade is a critical market component impacting Ohio agricultural producers, I understand the U.S. Department of Agriculture forecasts U.S. agricultural exports to be \$5.5 billion less than had been forecasted back in November. (USDA, Economic Research Service, February 23, 2023) Ohio ranks 7th in the nation in pork production and with 25 percent of pork goods exported, threats relating to foreign animal diseases are a constant concern. USDA's Animal and Plant Health Inspection Service's detection, prevention and rapid response tools remain critical to address any potential animal disease outbreak such as African Swine Fever and others. Please share how USDA is working with state, veterinary and industry partners to ensure resources and processes are in place to address Foreign Animal Disease outbreaks, which have capacity to cripple the agricultural sector if not prepared?

Answer. State and industry partners play a key role in USDA APHIS's foreign animal disease prevention and response efforts. For example, during the current outbreak of highly pathogenic avian influenza, we have worked closely with our state partners in affected states to rapidly detect and respond to the virus. We have worked hand-in-hand with our industry partners, sharing information about the outbreak and enlisting their help in spreading the importance of biosecurity.

The farm bill's animal health programs have further strengthened these partnerships. The National Animal Disease Preparedness and Response Program (NADPRP) provides funding to states, universities, industry organizations, Tribal partners, and other eligible entities for projects to help identify and fill in gaps in our existing preparedness and response capabilities and help prevent and prepare for the most serious animal diseases. And the additional support for the National Animal Health Laboratory Network helps us partner with states and universities in building diagnostic capacity and technical knowledge so that we can rapidly detect foreign animal diseases.

Question Submitted by Hon. Alma S. Adams, a Representative in Congress from North Carolina

Question. Can you explain why USDA's conservation programs incentivize the use of manure lagoons and biogas production at Concentrated Animal Feeding Operations despite growing evidence of their impacts on the environment, public health, and local communities?

Answer. USDA conservation programs offer resources to help farmers environmental and public health footprint of lagoons. For instance, lining lagoons can lead to water quality improvements. Biogas production is typically associated installing an anaerobic digester. Anaerobic digesters can help reduce several environmental impacts of CAFO's, including methane emissions, odor, water quality, and pathogens.

Each farm has a site-specific evaluation to identify resource concerns; this evaluation is used to identify the best conservation practices for that site. Lagoons can be an effective component of a manure management system. For those manures that are more liquid, like dairy or swine manures, a liquid manure management system is typically more efficient. Drying manure takes a lot of energy, much of which would come from fossil fuels. Adding an impermeable cover to an anaerobic lagoon can help reduce greenhouse gases and odors and allow for the production of biogas, which offsets the use of fossil fuels. Lagoons don't all have to be anaerobic. There are aerobic lagoons that can reduce emissions of methane, hydrogen sulfide, and odors, but they have their own design challenges, including additional energy input for aerated lagoons. USDA realizes that an anaerobic lagoon by itself may not always be the best option, but we do have the ability to mitigate some of the issues associated with lagoons and provide an additional revenue stream for producers while reducing greenhouses gases and addressing our climate issues at the same time.

Questions Submitted by Hon. Donald G. Davis, a Representative in Congress from North Carolina

Question 1. Do you believe that the total Fertilizer Production Expansion Program funding is sufficient to bring fertilizer production back home so that our farmers can feed and clothe Americans without breaking the bank? If not, what other tools do we have at our disposal?

Answer. There was significant demand for the \$500 million Fertilizer Production Expansion Program with \$3 billion in applications received from more than 350 independent businesses from 47 states and two Territories for the two rounds of the new grant program. This demonstrates significant interest from producers in adding to domestic fertilizer production. The support provided to the producers receiving grants will contribute to increased competition in the fertilizer industry and help address demand, key factors contributing to recent high fertilizer prices.

The Department is considering a variety of programmatic and policy actions, informed in part by the recent Request For Information on Access to Fertilizer: Competition and Supply Chain Concerns which highlighted a variety of concerns about the limited competition and dependence of foreign sources for significant amounts of fertilizer.

Question 2. Mr. Secretary, can you give me a sense of what criteria are used to determine these cost-share requirements and what, if any, procedures are in place at USDA to regularly review these requirements?

Answer. The design of the Fertilizer Production Expansion Program, including match requirements, was informed by the more than 1,500 comments in response to the Request for Information on Access to Fertilizer: Competition and Supply Chain Concerns. These resulted in differing match requirements based on project size. Specifically, grant requests of less than \$5 million had a matching fund requirement of 40 percent of the total eligible project cost; requests between \$5 million and \$15 million had a 75 percent match requirement. These requirements will be reviewed in the event of additional funding for another FPEP application round.

- <https://www.ams.usda.gov/about-ams/fair-competitive/rfi>
- <https://www.regulations.gov/document/AMS-AMS-22-0027-0001> †
- <https://www.usda.gov/media/press-releases/2022/03/11/usda-announces-plans-250-million-investment-support-innovative> †