

**OPPORTUNITIES AND CHALLENGES FACING
FARMERS, FAMILIES, AND
RURAL COMMUNITIES**

HEARING

BEFORE THE

**COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY**

UNITED STATES SENATE

ONE HUNDRED SEVENTEENTH CONGRESS

SECOND SESSION

May 26, 2022

Printed for the use of the
Committee on Agriculture, Nutrition, and Forestry



Available on <http://www.govinfo.gov/>

U.S. GOVERNMENT PUBLISHING OFFICE

WASHINGTON : 2024

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

DEBBIE STABENOW, Michigan, *Chairwoman*

PATRICK J. LEAHY, Vermont

SHERROD BROWN, Ohio

AMY KLOBUCHAR, Minnesota

MICHAEL F. BENNET, Colorado

KIRSTEN E. GILLIBRAND, New York

TINA SMITH, Minnesota

RICHARD J. DURBIN, Illinois

CORY BOOKER, New Jersey

BEN RAY LUJAN, New Mexico

RAPHAEL WARNOCK, Georgia

JOHN BOOZMAN, Arkansas

MITCH McCONNELL, Kentucky

JOHN HOEVEN, North Dakota

JONI ERNST, Iowa

CINDY HYDE-SMITH, Mississippi

ROGER MARSHALL, Kansas

TOMMY TUBERVILLE, Alabama

CHARLES GRASSLEY, Iowa

JOHN THUNE, South Dakota

DEB FISCHER, Nebraska

MIKE BRAUN, Indiana

JOSEPH A. SHULTZ, Majority Staff Director

JESSICA L. WILLIAMS, Chief Clerk

FITZHUGH ELDER IV, Minority Staff Director

C O N T E N T S

Thursday, May 26, 2022

	Page
HEARING:	
Opportunities and Challenges Facing Farmers, Families, and Rural Communities	1
STATEMENTS PRESENTED BY SENATORS	
Stabenow, Hon. Debbie, U.S. Senator from the State of Michigan	1
Boozman, Hon. John, U.S. Senator from the State of Arkansas	2
WITNESSES	
Vilsack, Hon. Thomas J., Secretary, U.S. Department of Agriculture	4
APPENDIX	
PREPARED STATEMENTS:	
Boozman, Hon. John	44
Vilsack, Hon. Thomas J.	47
DOCUMENT(S) SUBMITTED FOR THE RECORD:	
Stabenow, Hon. Debbie:	
Grassley Regulation and Labeling, letter of support	62
QUESTION AND ANSWER:	
Vilsack, Hon. Thomas J.:	
Written response to questions from Hon. Debbie Stabenow	66
Written response to questions from Hon. John Boozman	70
Written response to questions from Hon. Michael Bennet	83
Written response to questions from Hon. Kirsten E. Gillibrand	87
Written response to questions from Hon. Tina Smith	88
Written response to questions from Hon. John Hoeven	90
Written response to questions from Hon. Roger Marshall	91
Written response to questions from Hon. Charles Grassley	107
Written response to questions from Hon. Deb Fischer	110

OPPORTUNITIES AND CHALLENGES FACING FARMERS, FAMILIES, AND RURAL COMMUNITIES

THURSDAY, MAY 26, 2022

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m., via Webex and in room 216, Hart Senate Office Building, Hon. Debbie Stabenow, Chairwoman of the Committee, presiding.

Present or submitting a statement: Senators Stabenow, Brown, Klobuchar, Bennet, Gillibrand, Smith, Durbin, Booker, Luján, Warnock, Boozman, McConnell, Hoeven, Ernst, Hyde-Smith, Marshall, Tuberville, Grassley, Thune, Fischer, and Braun.

STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR FROM THE STATE OF MICHIGAN, CHAIRWOMAN, U.S. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairwoman STABENOW. Well good morning. The Committee on Agriculture, Nutrition, and Forestry is called to order this morning, and we are so pleased to have everyone with us and have our Secretary of the Department of Agriculture with us. Secretary Vilsack, welcome. In addition to thanking you for being here today I want to thank you and your 100,000 staff members who undertake every day to support American farmers, small towns, and consumers alike and all your work to protect our food system, both locally and globally.

You have been very busy on a number of fronts, making sure The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) moms can get baby formula amid a national shortage. I appreciate how quickly, once you were notified, you went into gear. I also want to thank Senator Boozman and the whole Committee for us working together on a bipartisan basis to take action. That was important for our Committee to do last week.

You have been creating more opportunities for rural small businesses and strengthening opportunities for American farmers, both at home and abroad, mobilizing USDA to respond to the climate crisis and equipping our supply chain to better withstand shocks like the pandemic and Putin's war on Ukraine. Your work reflects the range of challenges facing our farmers, families, and rural communities right now.

During the pandemic, we saw how highly concentrated food supply chains left both farmers and consumers vulnerable. Essential

workers were on the front lines without adequate protection. Farmers had no choice but to destroy the crops and livestock they could no longer sell. Millions of families did not have enough to eat. The previous administration gravely mismanaged USDA's ability to address any of these crises.

Under your leadership, USDA has implemented the historic investments in the American Rescue Plan and the Consolidated Appropriations Act to support local and regional businesses and get the supply chain moving again. After four years of disastrous trade policies, putting our farmers back on solid ground with our trading partners has been no small task.

This has been even more critical as Putin's unprovoked war in Ukraine strains our global supply chain, as we know, putting the food security of millions in peril and causing prices for everything from diesel fuel to fertilizer to skyrocket. While Congress and the USDA have responded quickly with humanitarian aid and resources to grow domestic production, we know there is more we can do together.

USDA is also helping to empower small towns and rural communities through the Bipartisan Infrastructure Law. USDA has expanded high-speed internet and is investing in roads and bridges that keep Main Street moving. Mr. Secretary, I hope you can expand upon how these investments will increase the quality of life for millions of people who live in rural America.

We will not have a home for future generations if we do not tackle the climate crisis. Wildfires and droughts out West, early frosts and thaws in Michigan, and torrential flooding in the plains all pose great risks to our ability to produce and distribute food. That is costing us, quite literally.

The good news is that while farmers and foresters are directly affected by the climate crisis they are also uniquely positioned to address it, as you know. Farmers are eager to partner with USDA on cutting-edge research and innovation to increase yields, to participate in USDA conservation practices to protect the soil, and to invest in climate-friendly practices that are profitable and practical for farmers. Our Growing Climate Solutions Act that we have done together, for example, goes hand-in-hand with the work USDA is doing to help farmers lead on the climate crisis.

Finally, all of us can agree that we want to make sure we have a rural economy that helps small towns thrive, gives producers a good return on all of their hard work, and keeps food on our tables.

Again, welcome to the Committee, Secretary Vilsack, and I will now turn to my Ranking Member, Senator Boozman.

**STATEMENT OF SENATOR JOHN BOOZMAN, U.S. SENATOR
FROM THE STATE OF ARKANSAS**

Senator BOOZMAN. Thank you, Madam Chair, and we appreciate having Secretary Vilsack back at the Committee. Before I turn to today's hearing, I would like to congratulate the Chairwoman for hosting a very successful hearing in April on the campus of Michigan State University. This was the kick-off to the 2023 farm bill process. I enjoyed learning more about the issues that are important to Michigan's agriculture producers and rural communities. I share many of the goals for our next farm bill that were high-

lighted by our witnesses. It is amazing, as you get out, whether it is in Arkansas or throughout the country, farmers really do have so much in common and just share the problems that they are facing.

I am delighted that the Chairwoman will be joining me in Arkansas next month for a second field hearing. The Committee will formally notice the hearing later today, but I am pleased to share with the Committee that we will be holding our next field hearing in Jonesboro, Arkansas, on June 17th. I am excited to share the views of Arkansas' hard-working farm families with the Chairwoman and my colleagues on the Committee.

This is an unprecedented time for agriculture. As we come out of a global pandemic, we confront a war in the breadbasket of Europe, which has choked off a sizable portion of the world's grain and oilseed production. Global food insecurity has become acute. My good friend, David Beasley, the head of the World Food Program, recently told me, is now faced with the decision to take food from hungry people in order to give it to starving people. While U.S. producers are willing to help fill the gap, our farmers and ranchers face declining farm incomes and steeply higher input costs. I have got some examples of that and will put those in for the record.

USDA can play a constructive role to help American farmers and ranchers meet the challenges both here at home and globally.

Also, I applaud the nomination of Alexis Taylor to serve as the Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs. America desperately needs some laser focus on working with our partners and competitors across the globe for the benefit of U.S. agriculture at this critical moment. I would encourage USDA to stretch itself and fellow agencies to make the tough decisions necessary that will help bring down food prices and enhance global food security.

Food prices will decrease when the costs from the farm to the fork go down. The answer is more supply, more oil and gas development for lower energy prices, more participation in the labor market, more land in production, and more certainty for our farmers and ranchers. Until the Administration starts to focus on the core issues that are driving record food costs, there will be no relief and American families will continue to suffer.

I will keep making that case to the Administration and my colleagues and encourage them to work with us to help create an environment where those factors start trending in the right direction and prices start to come down.

I appreciate the announcement the USDA made this morning that will allow some additional flexibilities for those with expiring CRP contracts. I think it is a great step in the right direction, but I believe that we can do more.

One suggestion is look to the past. In the 2014 Farm Bill, landowners enrolled in the Conservation Reserve Program were given an opportunity to end their contracts early without penalty. We should give serious consideration to do this again until grain production returns to normal. I believe this flexibility would allow potentially millions of acres to return to food production. The world cannot afford for prime farmland to lie fallow.

Second, and this is more focused on the EPA than USDA, I believe that there should be a two-year pause on any regulatory changes to currently approved crop protection tools. Producers need the regulatory predictability to plan for the future, and the companies that produce these inputs need the regulatory certainty to bring these tools to the market. American agriculture can meet this unprecedented moment—Federal Government should assure it is not in the way.

With that, Madam Chair, I yield back.

Chairwoman STABENOW. Thank you very much.

Senator BOOZMAN. I look forward to the hearing.

Chairwoman STABENOW. I am very much looking forward to coming back to Arkansas. I am looking forward to it. Thank you so much.

Again, I want to welcome Secretary Vilsack back to the Committee. My first turn as Chair, from 2011 to 2014, coincided with his first term at the USDA. As Secretary for Agriculture under President Obama, Secretary Vilsack put Americans back to work by investing in the rural economy, advocating for American producers, and he helped them see record crop prices and farm exports, and made sure Americans had access to safe and nutritious food.

Prior to his current term as Secretary, he served as the CEO and President of the U.S. Dairy Export Council. Secretary Vilsack was the 40th Governor of Iowa, a former member of the Iowa State Senate, and a former mayor of his hometown of Mount Pleasant.

Thank you, Secretary Vilsack. It is a pleasure to have you before the Committee, and we look forward to your comments.

**STATEMENT THE HONORABLE THOMAS J. VILSACK,
SECRETARY, U.S. DEPARTMENT OF AGRICULTURE**

Secretary VILSACK. Thank you, Madam Chair. I appreciate the opportunity to be here and appreciate the invitation from you and the Ranking Member for the opportunity to be in front of this Committee.

I think it would be helpful if I could highlight three recent announcements from the Department in my opening statement, and then I will obviously be glad to respond to questions that the Committee has.

As we all know, we are dealing with a situation involving formula, and thanks to the quick action of Congress you all have provided the Department of Agriculture additional authority in terms of WIC that will allow us to work with those who produce formula in this country to create more supply.

We just sent a letter to all of the State health commissioners as well as to Gerber, Nestle, and Mead Johnson, indicating our willingness to work with them to provide waivers so that they can continue to expand contract brand options in terms of the WIC State agencies, allow the use of contract brand alternatives that were not previously authorized, as well as temporarily allowing them to use non-contract products to be substituted.

We will pay the rebates in the WIC budget itself so the companies will not be at risk financially for these substitutions, and I think it will help assist in expanding access to product.

We also filed today, in an effort to try to create more, new, and better markets for our farmers, the beginning of a process on our Packers and Stockyards Act. We start with the poultry tournament rule. There are two components to what we have disclosed today. The first is an effort to try to create greater transparency between integrators and producers, providing additional information to the producer before they enter into contracts. It is modeled after the FTC franchisee disclosure efforts, and it is really designed to help producers be able to better value the costs and risk that they are taking in entering into a contract with an integrator. It allows them to manage that risk by knowing a bit more about who they are doing business with.

We are requesting that the integrators provide information concerning the number of placement and the stock density; a history of payments under prior tournaments so that folks can understand and appreciate where they might be in the process; a bit of information about the background of the integrator, whether they have been in bankruptcy at any point in time, whether they are involved in litigation; and the ability of producers to be able to share that information with their financial advisors and those who are providing them legal assistance so that they are in the best possible position to understand and appreciate the risk. There will be an exemption for very small live poultry dealers in this proposal.

In addition, we also have provided additional disclosures concerning the inputs that a farmer is receiving, both at the time of placement and at the time of settlement. We want the farmer to be able to understand the breed, the facility that was breeding the stock that they are being provided, the sex, the flock age, health issues that may have cropped up, and essentially, at the time of settlement, understanding the distribution of inputs, the housing specifications, feed disruptions that may have impacted and affected the rankings.

All of this is designed to avoid deception and to provide, again, farmers with the ability to understand precisely what they are getting into.

Sixty-day comment period. We believe, from our analysis, that the benefits of transparency and additional disclosure exceed the costs. We will also be filing a study that was done on competition in the retail and seed area.

We also are announcing today a \$200 million effort to try to help our existing meat and poultry facilities. It is an intermediary loan program. It is going to provide grants to co-ops and other nonprofit organizations, public agencies to create revolving loan funds to assist and help those facilities to remain in business.

We are announcing, as well, as \$25 million effort to try to expand work force through our NIFA programs. We think this is an opportunity to expand capacity. This goes along with the additional opportunities that we announced in terms of additional processing capacity. We received 265 applications for the \$150 million grants that are available. It totals about \$895 million of interest—46 States, 111 beef applications, 33 poultry applications, 69 pork applications, 25 lamb, and 14 goat. The projected cost of all these projects is roughly \$5 billion, so there is obviously great interest in this program.

I might say, in my remaining time, we also saw great interest in the Climate-Smart Agriculture and Forestry Partnership Initiative. We received 450 applications, \$18 billion in requests, from all 50 States, a diverse pool of applicants—nonprofits, cooperatives, for-profit organizations, government entities, commodity groups, forest groups, tribes, universities, small and large corporations. A wide range of commodities involved.

This is the first of two application deadlines. June 10th is our small application deadline. About \$8 billion of additional leverage. There is tremendous interest in this program as well.

I would be happy to respond to questions from the Committee. Thank you, Madam Chair.

[The prepared statement of Secretary Vilsack can be found on page 47 in the appendix.]

Chairwoman STABENOW. Well thank you, Mr. Secretary, and I know that Leader McConnell has to go to the floor to help open the floor. Who says bipartisanship is dead? I am going to defer to Senator McConnell. Please go forward with your questions and we will continue. Thanks.

Senator MCCONNELL. Thank you, Madam Chairman and Senator Boozman. I am here today, Mr. Secretary, because I have got a particular problem that I am trying to address, but it is ultimately going to come down to you.

Here is what happened. Last December, we got hit by the biggest tornado we have ever had. It actually ended up being on the ground for over 200 miles. It hit and largely destroyed the town of Mayfield, which is the biggest grain storage facility in our State, completely wiped out.

I want to thank you for what you all have already done to help on numerous occasions as we try to recover, but as part of the destruction, with this grain storage infrastructure gone in western Kentucky, not only did we lose millions of bushels of storage, we have got a problem that has to be fixed or we are basically out of business this year.

What I did was put a provision in the appropriations bill that asks you to identify funding sources that we can address pretty quickly to not completely lose our ability to have storage for this year's crop.

I do not know if you are already familiar with this or not, but I wonder if you have any awareness of it and if you could give me any assurance that maybe we can address this issue by your decision shortly.

Secretary VILSACK. Senator, I am aware. I know that our staff has been in touch with the Farm Bureau down in your State, as well as your own staff. I understand that there is an idea for a series of pop-up storage facilities there. I think there are some concerns about precisely how cumbersome that particular solution might be. We are very committed to working as expeditiously as possible to provide an alternative and to provide the resources that will allow your farmers to have storage.

I totally understand and appreciate the challenges that this presents, and we are committed to trying to get it resolved as quickly as possible.

Senator McCONNELL. Well, I really appreciate it. It is an emergency.

The only other question I would ask, and I suppose anybody at the table could also ask, and that is this inflation issue that we are all hammered with. It amounts to well over \$5,000 of increased costs annually, including \$780 in additional cost for food. In a rural State like mine, and a lot of the members of this Committee have similar States, small business and family farms are getting hit at both ends. In every single conversation that I have had with farmers in the last year, the burden of increased input costs has been right in the forefront.

One recent study from Texas A&M estimated that despite higher commodity prices farm profits will drop by nearly 60 percent in 2022, due to these higher input costs. Since January 2021, animal feed has increased by 43 percent; diesel fuel, 115 percent; natural gas, 202 percent; fertilizer, 220 percent. Agencies like EPA, Interior, and other seem bent on driving these costs up even further.

Have you worked with your colleagues across the Administration to inform them how this regulatory onslaught is contributing to the burdens that farmers already have?

Secretary VILSACK. Senator, our focus at USDA is to try to figure out ways in which we can provide assistance and help on the number of issues that you have raised. First of all, we are looking at ways in which we can increase productive land. Going into production, obviously, as Senator Boozman indicated, supply does have a tendency—if you expand it, it has a tendency to help bring costs down and potentially increase income.

Second, in terms of the fertilizer, there are a number of things that we are doing. We are working with farmers to make sure that they are fully aligned with the right application, the right time, the right location, the right amount. We have also provided a new risk management tool that encourages split application of nitrogen to reduce the cost to farmers, with picking up the loss of productivity that may occur if they are unable to fertilize twice in a year.

We also have allocated \$500 million toward looking at a broad array of options in terms of how we might be able to expand fertilizer capacity in this country and not be as reliant as we have been on outside sources for fertilizer. We are also looking at a number of strategies in terms of ways in which we can better utilize precision agriculture to ensure that we are using fertilizer in the appropriate time and appropriate amount.

There is a series of things that we are doing. We are also—and I would only finish by saying part of our responsibility is also to provide help and assistance to the families that, as you mentioned, are struggling. That is the reason why it is important to get the SNAP program where it is. It is important to continue to promote the WIC bonus buy that we have in our budget. It is appropriate to take a look at ways in which we can help our schools deal with the consequences of all of this. It is why we ask for a continuation for one more year of universal free school meals. We think that there are a number of ways in which we can provide help and assistance to families to get through this difficult time.

Senator McCONNELL. Thank you, Mr. Secretary. Thank you, Madam Chairman.

Chairwoman STABENOW. Thank you very much.

First let me just say, Mr. Secretary, talking about fertilizer and inputs and all the costs that have gone up, we hope in Michigan to be able to help with this is a new effort to have a potash facility created. We know that is part of the ingredients, a really important part that has not been produced in the United States. We hope we are going to have more production of these materials in the United States so that we are less dependent on what is happening around the world.

The climate crisis. I would like to talk with you a little bit more about this. We know, I mean, whether it is what happened in Kentucky, whether it is what happened last weekend in northern Michigan, in a small town, Gaylord, Michigan, which I do not ever remember having a tornado, and certainly not one that went through and wiped out a very important housing project, mobile home park, and downtown small businesses and so on, and people are going to be picking up the pieces for a long time. We are seeing the climate crisis, when severe weather and what carbon pollution has been doing for us. One hundred years of carbon pollution, right in our face right now.

I encourage the efforts that you are putting forth, and I know you said you have received a tremendous response to the partnerships for climate-smart commodities pilot project. I wonder if you could talk a little bit more about what that means and also how our efforts on Growing Climate Solutions Act, you know, Senator Braun, Senator Boozman, and myself, others on the Committee, putting together something that passed overwhelmingly in the Senate. Not too often you have 92 out of 100 votes.

The effort to create some integrity around these systems and transparency and expertise and so on, I wonder if you might speak to that as well, as how that effort, which unfortunately has not moved yet in the House, but we are going to get this done and get it to you and how it will help farmers as we look at the climate effort that we are all working on together.

Secretary VILSACK. Well, that act, Madam Chair, is extraordinarily important, because it provides a vehicle through which we can provide the level of technical assistance that farmers and producers and ranchers need to be able to understand and appreciate climate-smart practices. We have been providing technical assistance to both the House and the Senate Ag Committees in an effort to try to find common ground.

In terms of the Climate-Smart Agriculture and Forestry Products Initiative, this is designed to essentially create opportunities for marketing of climate-smart commodities. We think there is a value-added proposition. We think it is an opportunity to expand income for farmers, to be able to allow farmers to also qualify for ecosystem benefits.

We are very, very pleased with the reaction from farmers and ranchers. We listened to them. They asked us to set up this pilot. They asked us to provide resources to enable farmers to aggregate their efforts. This is an effort that will result not only in adoption of climate-smart practices and an acceleration of those practices but an opportunity to measure and verify and quantify the results

from those practices that will allow us to better understand how to essentially establish the standard for climate-smart commodities.

It is also a way in which we are enhancing the notion of partnerships and leverage. Finally, it is a chance for us to really understand, to be ahead of the game, for American agriculture to lead not just our own domestic effort but internationally, to respond back and to push back a little bit on some of the other approaches to this that are occurring in other parts of the world that we think will jeopardize the ability to increase productivity. We think that there is an opportunity to increase productivity and be sustainable at the same time.

This is part of an overall strategy that not only includes this initiative but taking a look at 33 climate-smart practices and having our NRCS folks work collaboratively with farmers to adopt those practices. It is about renewable energy. It is about forestry and better forest management. It is about a work force. It is about adaptation and mitigation, and we are trying to sort of address this in a very comprehensive way.

Chairwoman STABENOW. Well, thank you so much. This is so critically important for all of us.

Then, finally, let me ask about urban agriculture. As you know, I authored several provisions in the 2018 Farm Bill, including the establishment of an Office of Urban Agriculture and Innovative Production, which we now have a new director of, which I am appreciative of, and things are moving forward.

I wonder, when we talk about resiliency and we talk about community and we talk about access to food and so on, urban agriculture is a very important part of that, and I actually am very proud of the efforts in Michigan that have been going on across the State, really started with incredible leadership in Detroit.

What specific actions is USDA taking to better serve the unique needs of urban producers, and can you describe the priorities for the new office?

Secretary VILSACK. Well, essentially there are 17 cities that have been designated, 17 counties if you will, and we are expanding that number this year. There were 11 initially and we are adding an additional six new cities.

In addition to having an office, and in addition to having a presence, we are also providing grant money to promote innovative solutions in those urban settings, whether it is vertical agriculture or it is community gardens, across the board additional resources for that purpose. Also composting and making sure that we are also addressing the food loss issues.

The exciting opportunity, as well, is to have FSA offices located in those cities. It is an opportunity for those urban farmers to understand and appreciate all the range of programs that will be available to them. We also are working on a toolkit, to refresh the toolkit on urban agriculture, so that you will have the opportunity to share with those who are interested in establishing an urban agricultural activity in their city. It is sort of a here is how you do it, here are all the issues that you can raise, here are all the programs that are available to you.

Chairwoman STABENOW. Great. Thank you so much.

Now we are going to go out of order one more time here because our distinguished Chair of the Judiciary Committee is going to have to chair a hearing, so Senator Durbin, we are going to turn it to you. Thank you.

Senator DURBIN. Thank you. Good to see you, Mr. Secretary, and thank you, Madam Chair and Ranking Member. This is a rare appearance because we scheduled Senate Judiciary Committee at the same time as Agriculture, and it is difficult. Thanks to the remarkable cooperation of Senator Grassley we got things done early this morning, and I got a chance to visit here for just a moment.

I wanted to ask one very parochial but very important question on behalf of 8,000 people in the State of Illinois. Secretary Vilsack, you probably remember from your days of trekking through Iowa how important some of these senior activities are to our rural populations. For many of them it is a chance to get together during the course of a day, and it really is the highlight of their day.

Well, for over 25 years Illinois has had a model where we have SNAP benefits available to these seniors, and they pool them in these senior living facilities, in 150 of them around the State, each day, for lunch. They get together for lunch. This has been okay for more than 20 years, but just a few years ago the Department said not okay anymore. We said, "What is the problem?" They said, "Well, fraud and abuse." They did an investigation. There is no fraud and abuse. It is just the use of these SNAP benefits in a pooled situation to pay for their lunches.

We have, thanks to the cooperation of both Senators Stabenow and Senator Boozman, each year in the appropriation bill extended the program so that they continue to pool these SNAP benefits for their lunches at the senior facilities.

On behalf of the 8,000 seniors I appeal to you. Can you fix this for us?

Secretary VILSACK. Senator, we are trying to work with the State to develop the framework of a pilot that would allow this problem to go away so you would not have to deal with it each and every year in the appropriations process.

I would also say that I think it is an invitation for us to take a look at ways in which the SNAP program can be more accessible and more meaningful. I think we have to be significantly flexible as we deal with an aging population in many of these States. We are committed to working with the State of Illinois to try to figure out how to establish the pilot in a way that does not require you to have to go through this situation every year.

Senator DURBIN. Thank you. Thank you, Madam Chair, Mr. Ranking Member. I appreciate the opportunity.

Chairwoman STABENOW. Well, we are so glad you are a part of the Committee, so thank you. Senator Boozman.

Senator BOOZMAN. Thank you, Madam Chair, and thank you again for being here with us today.

Rice farmers and some of our specialty crop growers may lose hundreds of millions of dollars this year due to increased input costs, and unlike almost every other commodity, they have stagnant prices. They simply have not increased while we have had this enormous increase, as we all know, with our input costs.

I am worried about the future of our domestic rice production, the infrastructure it supports, again, and concerned about our specialty crops. Will you commit to working with us to ensure that economic viability of our domestic rice producers and others like specialty crop growers, who may be experiencing difficulties?

Secretary VILSACK. Senator, I hope all of your questions are this easy to answer. Yes.

Senator BOOZMAN. Well, I hope all of your answers are like that, and we get a yes out of them.

[Laughter.]

Senator BOOZMAN. Thank you very much. Let me talk to you a little bit about the Conservation Reserve Program, and I think all of us appreciate the fact that you are being flexible in that regard, and that is a good thing. I do not think we really understand—and I know this Committee, and I think I can speak for Senator Stabenow, you know, we are very concerned about what we do not want to do is get ourselves in a situation like baby formula, with shortages. I do not think we really understand yet what is happening exactly, the difficulties in Ukraine, all of the stuff that is going on right now to really understand where we are going to be at.

I guess what I would ask you is, in regard to authorizing, allowing CRP contract-holders to leave the program early to open up even more acreage, this is something that has been done in the past. Can we just work really hard to get some good data to know, if we need to be doing some of those things, tinkering on the edges there? You have a little bit, but again, what we do not want is significant shortages perhaps. Looking at the inflation, what we project it going further, Americans now—and I just got through a primary campaign, and I can tell you as well as anybody, the people of Arkansas, people throughout the country, are just getting strapped. All of their discretionary dollars are being eaten up by gasoline, food, rent, and the list goes on and on.

Secretary VILSACK. Well, I would say a couple of things. First of all, we have basically taken a look at the acres that are currently in that program, and many, if not most, of those acres are really not very productive. I mean, it is not as if we are taking a significant amount of productive land out of production. We basically have been focusing on highly erodible areas, areas that are not particularly productive.

Having said that, we also trust farmers to make the right decision for their own operation, and, in fact, farmers have actually made the decision to actually take about a million acres or so, maybe a little bit more than a million acres, out of the program this year. We have not created additional incentives to try to encourage more sign-up. We are well below the cap in this program. Frankly, we have got two challenges here. We have got a global food security challenge today that you have addressed in part.

We also have a longer-term global food security challenge in terms of climate and the impact on production internationally, long-term. We are trying to make sure that we are paying attention to both of these. I think we will provide additional flexibilities when and if it is necessary, and we have done that in the past with haying and grazing, and we will continue to look for ways in which we can provide assistance.

Right now more than a million acres coming out of that program into production. We think that farmers can be trusted to make the right decisions. They always have the right, as you know, to be able to leave the program whenever they so choose.

Senator BOOZMAN. Thank you. I understand USDA plans to release a proposed rule to tighten nutrition standards this fall. I guess the question is, will USDA enforce those standards in schools? We have got a situation there where, again, they are fighting the inflation costs, labor costs, and then also just the price of these because they are in a situation where many of these are specialty products that are not made as much and not as profitable.

Are you confident that schools will have access to food that will meet the USDA's new standards, and have we done any work in really looking at what that is going to do toward increasing cost and availability?

Secretary VILSACK. This is an interim rule, Senator. It is not a full application of the nutrition standards. It is a bridge, if you will, to a longer-term recommitment to the Healthy, Hunger-Free Kids standards.

You know, we obviously, at the time we proposed this, were hopeful, and I guess I continue to be hopeful, that the Congress finds a way to provide the resources to schools with universal free meals for another year, and the additional waiver authority that we had that will expire at the end of, I think, June of this year.

In the meantime, if that does not happen we have, in the past, and we will continue to look for ways in which we can provide assistance to schools. We did \$1 billion of additional financial assistance to schools. We provided additional resources for local and regional food purchases, which we strongly support, in an effort to try to help schools manage through this difficult time. We are going to do everything we can to make it easier for these folks. They do heroic efforts, and certainly did heroic efforts during the pandemic.

Senator BOOZMAN. We are not going to tighten the standards?

Secretary VILSACK. Well, the standards, there is an increase, but it is not a full-throated increase in terms of the whole grains standard. I think the sodium standard stays where it is. As I say, this is a gradual effort to try to ultimately, over the next couple of years, get back to where we were prior to the pandemic.

Senator BOOZMAN. Okay. Thank you. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you very much, and I also want to just echo how critical it is that we move forward to help our schools, both summer programs and the additional costs that they are experiencing, you know, supply chain breakdowns and so on. We continue discussions on that, but it is critically important.

Because I understand according to your Department up to a third of the schools, if we are not able to do anything to help, may not be able to provide school meals in the school year, which is certainly not acceptable.

Let me turn to Senator Bennet and then Senator Hoeven.

Senator BENNET. Thank you, and Madam Chair, let me just echo what you just said about schools, and I want to thank the Ranking Member, Senator Boozman, for the work we have done together on school nutrition and school lunches. It is so important, and at this moment particularly. Thank you for raising that.

Secretary Vilsack, thank you for being here and thank you for coming to Colorado for the joint secretaries wildfire season briefing that we had last month. You learned there, and we all learned there, that the West is facing the worst drought in 1,200 years. Based on what we learned at the briefing, it is likely that this trend will continue, and Colorado could see an extremely active wildfire season. We have had the three worst wildfires in our State's history two years ago. Last year we had the terrible Marshall Fire the day before New Year's Eve. These are people literally getting ready for New Year's in the middle of COVID, who more than 1,000 families in Boulder County burned out of their homes as a result of fire.

This year already is the first year when we have had the shortest season without significant fire. Every single day, Mr. Secretary, I get a briefing from my staff about a fire someplace that is starting in Colorado, and my State is still facing a funding shortfall of almost \$150 million to recover from the mega-fires that swept through Colorado in 2020.

I wonder whether you could provide the Committee an update on what you expect USDA to release additional resources so that Colorado can implement the critical recovery work before another severe wildfire season begins?

Secretary VILSACK. Senator, we announced the availability of a little over \$1 billion focused on recovery efforts. I think the State of Colorado was allocated \$79 million of that resource.

We are going to continue to look for ways to provide assistance and help. In addition to those resources there will also be resources in terms of reforestation that will be available. There is also, as you well know, an effort to try to accelerate our hazardous fuel reduction efforts. There will be an effort to continue to support community resilience.

There is a series of things that we are doing in Colorado and in the West, and with the resources we now have we are going to accelerate that as quickly as we possibly can.

Senator BENNET. I really want to thank you for your broad commitment on this issue, Mr. Secretary. This is poorly understood by, I think, politicians in the East, certainly, and we are in a crisis now.

For the Committee, this is where our watershed are. You know, every single farmer and rancher in Colorado who is downstream from these rivers that start in Colorado, which is a lot of farmers and ranchers in a lot of different States, are depending on us to figure out how to deal with the ravages of climate change and the complete lack of investment the Federal Government historically has made.

I want to thank you again for the \$5 billion that is in the infrastructure package that is going to allow us to do some important work on land here. It is not enough, and as you said, Mr. Secretary, waiting to just fight fires is the most cost-ineffective way of dealing with this, \$50,000 an acre versus \$1,400 or \$1,500 an acre.

I wanted just to shift to one other thing, because you were kind enough to—it has been just over a year since you and Senator Mike Crapo and representatives from two producers and farm workers had a meeting to discuss ag labor issues. We talked about the ur-

gency of addressing farm labor needs and providing some sort of pathway for those workers who have largely sustained this country's food supply throughout the pandemic.

With both inflation and the crisis in Ukraine I am extremely worried that the H-2A program is going to be unworkable for our farmers and other employers. We should be working to fix the H-2A program so that the agriculture industry can have certainty with their labor.

I want to say just how grateful I am to Senator Crapo for hanging in there on this issue. It is not easy for him to do it. If there are others that want to join the effort we would certainly love to have you, because we have made changes to the House version of the bill and we would like to get it over the finish line here.

I wonder if you could talk about, Mr. Secretary, what you are seeing and hearing from employers around the country on the need for H-2A reform and what we stand to lose if we continue to perpetuate the system that we have.

Secretary VILSACK. Senator, it is my view that it is a crisis. It is a crisis that could result in a number of particularly small and mid-sized farming operations not being able to sustain activities, particularly in the dairy industry. There is a need for stability. There is a need for a fix. There is a need for courage, political courage, to pass immigration reform.

The Ag Modernization Act is a bill that both the industry and labor has agreed upon, which should make it relatively simple to be for it. I tell you, people are puzzled as to why this has not passed. When I travel and talk to farmers they go, "We need to do something about labor. Why can't they get 60 votes in the Senate?" I do not have an answer for that.

Senator BENNET. I will say, Madam Chair, again to my colleagues, any of you, anybody who would like to try to be part of getting this over the finish line here and helping partner with me and Mike Crapo, we would deeply appreciate it. Thank you.

Chairwoman STABENOW. Well, thank you so much for your leadership, and I would just say this is the moment where we have better opportunity than I think ever before, and frankly, I would call on everyone in the agriculture industry to lean in, as they lean in on other issues that they are concerned about. If everybody leaned in like they lean in on tax policy, I think we could get this done.

Senator BENNET. Yes, and I know my time is over, but the Secretary is absolutely right. This is something that the growers and labor have come together on, so let's try to get it approved.

Chairwoman STABENOW. No reason to. If people want to do this, if the agricultural community wants to do this, we will do it. We see their power when they really want to get something done. I know they care, so I am doing a call to everybody within earshot here that this is the moment to get it done. Thank you.

Senator HOEVEN.

Senator HOEVEN. Thank you, Madam Chair. Mr. Secretary, good to see you.

I guess the first thing I want to bring up is Senator Klobuchar, Senator Hyde-Smith, myself, all of whom are on the Ag Committee, also Senator Cramer, and then House members too, on a bipartisan basis, have sent you a letter in regard to the end date on crop in-

insurance. Because of excess moisture in North Dakota, Minnesota, and some other States, our farmers are butting up against that end date, whereby if they do not have their crops in the ground—be it corn, soybeans, whatever it is—that then they suffer discounts on crop insurance, which then, of course, causes them to go to preventive plant, because they become concerned about that discount.

Well, obviously in the time of food inflation we want as many of them as possible planting crops. The proposal to you is through CCC or one of our programs to actually offer to cover some of that discount so that they will actually go ahead and try to get those crops in the ground, even though they are going past that crop insurance end date.

I think it is something to look at because it would actually save the USDA money, save the government money, from the standpoint of you are not paying out more preventive plant. You are paying out less by covering that discount, and, at the same time, you get more crops in the ground to help with food inflation.

That is the proposal to you, but it is something you would need to move on pretty quick if you are going to do something to help there, because obviously they are getting those crops in the ground now and they have to make those decisions.

Secretary VILSACK. Senator, is this the letter that was sent yesterday?

Senator HOEVEN. Mm-hmm.

Secretary VILSACK. Okay. I have not had a chance to review it, and I am happy to talk to our team about it. I think part of the challenge that we face whenever we get into this particular area is making sure that we do not compromise the relationship between the insurers and the producers in terms of the overall crop insurance program, that we do not essentially create a circumstance where the risk is difficult for the crop insurance folks to be able to calculate. I am happy to take a look at what you all have written. As I think we have exhibited in the past we are more than happy to try to provide help and assistance where it makes sense.

Senator HOEVEN. Well, yes, we appreciate that, and I did talk to members of your staff about it as well, and that is why we have pitched in the format that we have, so that you are not dealing with your insurance contracts and you do not run into any of those issues. That is specifically why we structured it the way we have.

I appreciate your help and support and work on the disaster assistance that we call WHIP+ but you have called it ERP, Emergency Relief Program, and also the Emergency Livestock Relief Program. Under ERP, Phase 1 is out. Just a brief recap of how that is going and when you anticipate getting to Phase 2.

Secretary VILSACK. Well, on the crop side there are roughly over 300,000 applications that are prefilled that have gone out and are going out this week by Friday. All 300,000 will be in the hands of farmers. Prefilled applications, so all they have to do is check a few boxes and sign it. There have already been a number of farmers that have come into the office, and they have already received their checks. I believe it is a matter of days once you basically file your application you receive the resources.

That is the first phase, and we would expect the second phase sometime this summer. After we have gotten a better understanding of precisely who was not covered by Noninsured Crop Disaster Assistance Program (NAP), who was not covered by crop insurance, who was not covered by the Livestock Forage Program, so that we would be in a position to be able to define the universe of that second tranche. We wanted to get resources out as quickly as we could, and I think we have been able to accomplish that.

Senator HOEVEN. I appreciate your work on that and on the Emergency Livestock Relief Program, which we are working with you on as well.

My other question, though, relates to livestock indemnity, the Livestock Indemnity Program. You and I talked about, you know, where they suffer mortality due to these blizzards is really in the smaller calves, for the most part, that 250 pounds or less.

We actually worked with our FSA director out in North Dakota, Marcy Svenningsen, who is doing a fine job. One of the ideas we talked about was combining those two smallest weight categories in terms of the reimbursement rate as something that would really work. The 250 pounds or less does not work. It just does not compensate the rancher for what they lost there. If you actually combined the two bottom of the four tiers it probably would work. That was an idea she put forward, and I thought a very good one, and so I want to pose it to you as well.

Secretary VILSACK. Well, as you know there were changes made in 2020, to create a new category, and we are certainly committed to taking a look at realigning the categories if it makes sense. Happy to do that.

I would say, just as a general proposition, the questions you are asking, Senator, I think raise my opportunity to say when you are looking at farm bill, I tell you, this notion of disaster assistance, this notion of helping farmers through difficult times because of climate-related circumstances, there has got to be a real thought behind this in terms of flexibility, in terms of the capacity to adjust, depending upon conditions. Because I think we are facing a much different set of circumstances than we have in the past relative to disaster, and I think your questions basically underscore that.

Senator HOEVEN. Right. We have worked in that way to try to develop these programs, be it WHIP+ or what we do with some of the livestock programs, with the idea that we will go into the farm bill and address them as part of the farm bill.

Secretary VILSACK. It is important to understand the regional difference and the commodity differences.

Senator HOEVEN. Absolutely. Absolutely. Right on. Thank you.

Chairwoman STABENOW. Thank you very much. I believe we have Senator Gillibrand with us virtually, and then next will be Senator Ernst.

Senator GILLIBRAND. Thank you, Madam Chairwoman.

The recent mass shooting in a grocery store on Buffalo's east side left an entire community without access to fresh and nutritious food. The incident has exacerbated the food desert that already exists there.

Buffalo is not the exception, however, but more of the rule. Throughout many counties and cities across my State that are food

deserts, sadly. This is an issue that plagues the entire country and not just New York State.

Secretary Vilsack, what is the USDA doing to support communities that are in a situation in food deserts, and what are the existing resources currently available for communities living in food deserts?

Secretary VILSACK. Senator, we are administering the Healthy Food Financing Initiative, which is providing resources to communities to address the issue of food deserts.

I intend to give a fairly significant speech next week at Georgetown, laying out some additional support for local and regional food systems, and the Healthy Food Financing Initiative will be part of the announcements we will make in that speech. We have resources under the American Rescue Plan that we are going to dedicate to try to provide some additional assistance. In fact, I think one of the potential grants is actually in the area in Buffalo that you mentioned.

Senator GILLIBRAND. Thank you. The Biden administration's focus on creating economic opportunity in rural America has been very positive. USDA's Rural Development mission is focused on helping improve the economy and quality of life in rural America and will be centrally engaged in this effort.

My concern is whether the USDA's Rural Development efforts have infrastructure and staffing to meet the increased workload to provide needed resources to rural communities. What can we do to help improve outreach to our rural communities?

Secretary VILSACK. Senator, I really appreciate that question because the answer is we do not have adequate staff. It is one of the reasons why we have requested, in the President's Fiscal Year 2023 budget, additional resources to hire roughly 450 additional people in the Rural Development area.

I will tell you, there is tremendous demand. Just to give you a sense of this, our business and industry loan program is basically out of money. There is so much activity and so much opportunity that is being created in rural places that those resources have been utilized, and we still have, obviously, several more months left in the fiscal year. We are going to have to transfer resources to make sure that we can meet the demand.

It is an issue, and we hope, as Congress passes the budget, that they pay attention to this issue of personnel.

Senator GILLIBRAND. Thank you. With the cost of food increasing, school cafeterias will be stretched to provide affordable, nutritious meals. The enhanced pandemic relief funding for school reimbursement programs ends with the 2022 school year, which will compound this problem. How can we assure that the USDA's National School Lunch Program will provide adequate funding for our students to receive nutritious meals for the 2022–2023 school year?

Secretary VILSACK. Continue to have hope and faith and trust in the Congress to basically see the wisdom of continuing the Universal Free Meal Program for another year. If that does not happen then we will take a look at what we have done in the past, which is to provide additional resources, which obviously are not as significant and not as effective as the Universal Free Meal.

You are going to see a 40 percent reduction in school budgets as a result of the ending of the pandemic assistance efforts, and that is the reason why we have asked for an additional year.

Senator GILLIBRAND. Well I will support that effort. When you came back to USDA there were three major organic rulemakings pending: the Origin of Livestock rule, which was finalized recently; the Organic Livestock and Poultry Standards rule, which is at the OMB right now as a proposed rule; and the Strengthening Organic Enforcement rule. This important rule is the most significant revision to organic standards since the publication of the original organic rule in 2001. It will give the National Organic Program some more enforcement tools and responsibilities to continue to strengthen the integrity of the organic label and the organic supply chain.

The 2018 Farm Bill laid out parameters for this new rulemaking and required the rulemaking to be completed by December 2019. Comment period ended on the proposed SOE rule in October 2020. What is the update on this final rule, and will you prioritize its promulgation?

Secretary VILSACK. Senator, we expect that all three of those rules will be out by the end of the year.

Senator GILLIBRAND. Thank you. Thank you, Madam Chairwoman.

Chairwoman STABENOW. Thank you very much. Senator Ernst.

Senator ERNST. Yes. Thank you, Madam Chairwoman, and thank you, Secretary Vilsack, for being with us today. It is always good to see you.

It has been a while since you have been in front of the Committee, and there has just been so much happening across the front of agriculture, and you have heard a number of those issues coming from my colleagues.

Right now you know our farmers are hurting, and there is a multifaceted crisis happening across the Nation's ag community. There is a tidal wave of supply chain issues preventing our farmers from even getting the parts they need during the spring planting season. Farmers are paying more for fertilizer and other inputs, and they are really worried about the availability of them next year as well. With the sharp spike in a number of these input prices then, of course, we have the rise of inflation. The food that is actually grown is costing Iowa consumers significantly more.

We have seen an 11 percent increase in food costs since January 2021, and at the same time if we compare and contrast this the Administration has been pushing a pretty radical goal to conserve 30 percent of the U.S. land and water by 2030. The scope of this 30x30 Initiative is expansive. We have tried to do a dive into it, but it is littered with a lot of different buzzwords but has very little when it comes to actual details of how this will be accomplished.

One of the things that we looked for was an actual definition for conservation or what lands would be included. If we can dive into a few of those issues. I had this issue raised by an Iowan at one of my town halls just recently. He had a concern about the 30x30 Initiative, and his concern was that it would be used as a method to undermine private property rights and lock up more land. There are also concerns within recreational fishing and hunting commu-

nities that it will be used as a means to arbitrarily restrict land access for those types of activities.

Can you commit to me here today that the 30x30 Initiative will not be used to undermine private property rights or to lock up land used for recreational fishing and hunting?

Secretary VILSACK. Senator, I would be happy to commit to the fact that private property rights will be respected in connection with any activities relative to conservation. This is voluntary. It is conservation-oriented. It is farmer-led. It is basically utilizing the conservation programs that you and I have been supportive of during our entire public careers. That is what this is. We are going to continue to look for ways in which we can provide assistance and help to expand the ability of farmers and ranchers to utilize conservation tools.

Senator ERNST. Will we get additional details on how this is going to be accomplished? We have not been able to locate specifics on the initiative.

Secretary VILSACK. Well, I think the details that you are going to get are the development of an atlas, that is essentially going to keep track of the activities of farmers, ranchers, and producers relative to conservation.

For example, Robert Bonnie was out in Wyoming recently, announcing a corridor initiative, a migratory corridor that is going to be protected. It is a partnership between the State of Wyoming, a number of those conservation, hunting and angler groups, to create a conservation corridor, resources provided by the USDA, State resources, combining, leveraging, creating an opportunity for assistance. It is that type of program that I think it is collaborative, it is farmer-led, it is rancher-led, and I think, you know, we are going to continue to emphasize the fact it is voluntary, and it is by all means going to respect private property right.

Senator ERNST. Will they also maintain the rights of those hunters and fishers to engage in those types of recreational activities then?

Secretary VILSACK. Well, part of the reason we are doing this is basically to expand opportunities for hunting and fishing, because we understand and appreciate the important role that plays in a rural economy.

Senator ERNST. Okay. I do appreciate that.

Iowa farmers are really working hard right now to raise the crops and the livestock that are feeding our Nation and the world, and they are being hit hard by inflation and supply chain challenges. You are the co-chair of the President's Supply Chain Disruption Task Force. What actions has the task force taken to help lower prices and ensure supply today of those necessary inputs for farmers during this growing season and for next year?

Secretary VILSACK. Well, we have been working in terms of our ports to increase hours of operation. We are providing opportunities for pop-up facilities that will basically take some of the pressure and congestion off of the ports. Department of Labor is working on expanding apprenticeships, to be able to put folks behind the wheel of trucks that are necessary. We have worked with the Surface Transportation Board to encourage our rail system to basically make the investments necessary to have a more resilient system.

As you know, the Strategic Oil Reserve has been tapped. We have obviously provided for summer utilization of E15. There are ways in which we, as I alluded to earlier, ways in which we are, at the Department of Agriculture, assisting folks during a tough time. That gets into the TEFAP program, the SNAP program, the WIC program, things of that nature.

It is a combination of all this, and we are going to continue to work hard to find ways to bring costs down.

Senator ERNST. Yes, thank you. I appreciate it, Mr. Secretary. Hopefully with this supply chain disruption task force we can see more information broadcast widely so our citizens know exactly how the Administration is working with these problems.

Thank you very much. Thank you, Madam Chairwoman.

Chairwoman STABENOW. Absolutely. Thank you. Senator Tuberville.

Senator TUBERVILLE. Thank you very much, Madam Chair. Thank you, Mr. Secretary, for being here today.

Mr. Secretary, Alabama's hard-working farmers and producers continue to face uphill battles. As they work to feed our great nation, constant roadblocks, and government overreach are creating challenging environments for my constituents. Our producers continue to face skyrocketing input costs for fuel, seeds, equipment, fertilizer, combined with supply chain disruptions, shortages, and backlogs.

Since President Biden took office in 2021, inflation has caused prices in Alabama to increase over 10 percent. In April, Alabamians were paying \$478 more each month for everyday expenses. It is more expensive for everyone to feed their families, fuel their cars, power their homes. This is not sustainable.

Today gas prices in Alabama are \$4.30 for regular gasoline, \$5.36 for diesel. These prices are almost \$1.50 more than this time last year. Secretary, I call on you to be a partner to help relieve the regulatory inflationary burdens on our farmers so they can do what they do best—feed the world.

Now as we seek to begin farm bill discussions in the coming months, it seems that the Biden administration is only focused on two areas of the comprehensive package—nutrition and conservation. While these farm bill titles are important, so are the traditional farm programs like crop insurance, farm commodity programs that help our producers safely manage risk.

Also, we need to acknowledge and thank our farmers and foresters who have worked hard for generations, and continue to work hard to voluntarily implement practices of sustainability and conservation on their land as they see fit. They are the first conservationists and best stewards of their land, knowing it must be preserved for generations to come.

My first question, Mr. Secretary, is changes within the Administration keep bringing newly written regulations surrounding the Waters of the U.S., or the WOTUS. While know the Department of Agriculture does not have direct role with WOTUS as compared to the EPA and the Corps of Engineers, your Department clearly has direct engagements with landowners and our Nation's natural resources.

The Supreme Court plans to make a ruling surrounding WOTUS later this year. Do you commit to working with others in the Biden administration and our Nation's farmers and foresters to uphold and implement the final decision from the Supreme Court in a timely, efficient fashion, and can you elaborate on that?

Secretary VILSACK. Sure. Senator, I appreciate the question. We have a close relationship with EPA on this particular issue, wanting to make sure that as EPA promulgates and implements rules and regulations of any kind, including Waters of the U.S., that it does so with farmer input. We have encouraged Administrator Regan, and I think he has been very true to his word. He is sitting down, and he is listening, and he is making himself and his team available for farmer input.

Our second responsibility, I think, is to take a look at as rules and regulations are implemented how can USDA provide resources and assistance to enable farmers and ranchers to implement whatever the rule might be in the most efficient and effective way for them and for their operation, and we obviously will be committed to doing that.

Senator TUBERVILLE. Thank you. You know, between the publication of 2012 and 2017 Census of Agriculture report, 67,000 farms ceased operation—67,000—and over 14 million acres of land went out of farming. What is your department doing to help protect and restore our Nation's farmland and farmers?

Secretary VILSACK. Well, there are a couple of things. I think first and foremost we are trying to figure out ways in which we can expand on what I refer to as the extraction economy. Right now, Senator, essentially farmers have two ways to make money. They can sell their crops or they can feed their crops to livestock and sell the product to the livestock. The reality is they need more revenue streams, and that is one of the reasons why the Climate-Smart Agricultural Product Initiative is so important, because it creates additional revenue streams for farmers.

Also converting agricultural waste into more biobased products, another revenue stream. Increasing the number of revenue streams is one avenue.

The second avenue is making sure that farmers have access to the information about programs that are available to them. We are expanding significantly the technical assistance, particularly to historically underserved farmers, because they are the ones who are most struggling and oftentimes they are either not aware or unable to go through the process of applying for the various tools and various programs that we have to help them. With these technical assistance grants that we are making to a number of organizations we are now providing more assistance and more help so folks can get access to the programs.

Then the final thing I would say is we obviously continuously look for ways in which we can help beginning farmers and ranchers get started, and focusing on a variety of folks, including veterans. A number of things that we are doing.

Senator TUBERVILLE. Thank you. One last quick question. Are you familiar with the EQIP proposal to our farmers about cover crops?

Secretary VILSACK. Sure.

Senator TUBERVILLE. I am having problems in my State. My farmers are asking me, why would we plant these three grains when we do wheat? We have cover crops, and we need more wheat. We need more things that we can sell.

Secretary VILSACK. We essentially have recently indicated, as part of this effort to try to expand production through our conservation agreements, that wheat would be essentially treated as a cover crop, an appropriate cover crop. We just recently announced that, Senator.

Senator TUBERVILLE. That will not be a problem.

Secretary VILSACK. Should not be.

Senator TUBERVILLE. Thank you. Thank you, Madam Chair.

Chairwoman STABENOW. Absolutely. Thank you. Next is Senator Smith, and then Senator Grassley.

Senator SMITH. Great. Thank you. Welcome to the Committee, Secretary Vilsack. It is great to see you again. I want to thank you for your visits to Minnesota. I understand you were at the Crookston campus to give a commencement speech recently, and we also appreciated you visiting us last August to talk about the drought we were experiencing, and also the visit to the rural hospital that you and I made together. I appreciate that.

You know Minnesota well and you understand. I know that Minnesota is blessed because we have such a diverse agricultural economy, in really all ways. Particularly, we have Hmong, Native, Latino, Somali, Indigenous, and Black farmers that all play a really important role in Minnesota's agricultural sector.

During your confirmation hearing I asked you what you thought the USDA could do, both internally and externally, to break down some of the barriers facing farmers of color and business owners of color. I have asked this question of pretty much every nominee who has come before this Committee.

The idea, the need, of course, is to address some of the systemic and historic challenges that the Department has faced, and I know that you understand this. You and I have talked about it frequently.

I am wondering if you could give us an update, give us a sense of how you have made equity and fairness a priority at the USDA, and tell us a little bit, maybe give us some examples of the work that you have been doing.

Secretary VILSACK. Thank you, Senator. Internally, we have asked each of our mission areas to ostensibly establish a review of their programs with the use of an equity lens in everything that they do, and to put together a strategic plan to incorporate equity in all decisionmaking. Those plans have now been consolidated into a single Department-wide plan. Over 500 recommendations that are in the process of being implemented. Each mission area is going to have a chief diversity officer that will also be responsible for overseeing that operation and reporting to us results.

That is not enough to do an internal review. We also have to have an external review, and that external review is now being conducted by the Equity Commission that was formed as a result of the American Rescue Plan. We have individuals who are very serious thinkers, who are taking a look at the systemic nature of our programs, and we expect and anticipate the beginnings of a set of

recommendations on both the Farm Service programs and on the Rural Development programs during the course of this calendar year. We will certainly look for ways to implement the Equity Commission recommendations to remove those systemic barriers.

The third thing I would say is the reality is that many of those underserved populations simply either do not know about the USDA programs or are unable to access the very detailed information that is necessary to apply for some of these programs or, frankly, do not trust the USDA.

In an effort to try to build a bridge and to build a better understanding and a connection to our programs and those folks who need our programs the most, we are in the process of using American Rescue Plan resources to essentially provide grants to organizations that have a trusting relationship with historically underserved producers and creating an opportunity for those entities to help those individuals apply for and receive the benefits of programs. We are excited about that opportunity.

NRCS has also expanded on this by establishing another \$50 million initiative, and 108 organizations are now contracting, including the Hmong population in Minnesota, in an effort to try to make sure that we are getting the technical information and assistance out there to everyone who needs the programs.

That is a representative sampling. I could go on for a long time on this, but I do not want to use up all of your time.

Senator SMITH. Well, I appreciate you putting into practice your pledge to make this a priority, and I am glad to hear about what sounds to me like the sort of a navigator strategy for connecting underserved communities to USDA programs, including, I hope, language translation services, which can be really helpful for a lot of Hmong farmers and other farmers. It sounds like we are working on that, so I very much appreciate that.

Just in the short time I have left, there are many of us on this Committee who have worked a lot on issues of market concentration. I suspect that my colleague, Senator Grassley, might bring this up next. I am very happy to be supporting and working with Senator Grassley and Senator Fischer on the work that they are doing around market concentration and bringing more transparency there.

A huge issue in Minnesota, where farmers, especially beef producers, are making pennies on the dollar while the big processors are making a lot of money, and everybody is paying more at the grocery store shelves.

My question is, could you just quickly address the opportunity for the USDA to do better and more research on the impacts of market concentration? The University of Minnesota's Food Protection and Defense Institute is doing some great work to understand better how the lack of competition in the packing sector is directly impacting producers, and I wonder if you could just talk briefly about what more the USDA could be doing there on research.

Secretary VILSACK. Part of what we announced as part of our package to provide assistance and help to expand processing capacity today is a study that was required by the President's competition order, that speaks a bit to this issue.

Second, our Chief Economist's Office is obviously engaged and involved in taking a look at the market and how concentration can potentially impact, positively or negatively, capacity and income.

You know, the fact that we had 263 applications for our \$150 million, almost \$900 million in requests, \$5 billion in projects, suggests that there is a real demand and need. I am excited about the opportunity for us to use the resources that are available under the American Rescue Plan to begin creating more capacity and, therefore, more competition, which we think ultimately will lead to better prices. Obviously, the legislation that you all are working on, we look forward to, when and if it is passed, to be able to implement it in the way that you envision.

Senator SMITH. Thank you so much. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you very much. Senator Grassley.

Senator GRASSLEY. First of all I want to congratulate you on the announcement that you made about rules beefing up the Packers and Stockyards Act. I know that you are committed to that, the use of that act, and the enforcement of that act.

The first thing that I am going to ask you about is pretty simple, whether or not what I am going to describe to you was the USDA consulted in regard to this. Two weeks ago, the Solicitor General filed a brief of whether or not the Supreme Court should take a case involving widely used pesticides, in Iowa what we call Roundup, but the big classification is glyphosate.

In that brief, the Solicitor General flipped the government's long-held position that has been the position of the law since 1972, that Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) preempts State law. Then the Solicitor General argued even against the EPA authority that the law requires. Were you consulted on that in any way?

Secretary VILSACK. Senator, we were not. We continue to work with the EPA in terms of crop protection programs or products in an effort to try to make sure that farmers and ranchers have what they need.

Senator GRASSLEY. Yes. I think it is clear in the law that the EPA has this sole authority, and I think it is going to be a problem if the Supreme Court would not take this case because State law is trying to go beyond what the FIFRA law allows.

Let us just suppose that they would take this case and they would somehow say that this California law is a legitimate law. Is the USDA doing any analysis that removing these products like Roundup from the marketplace would do to U.S. grain production, because, you know, this seems to me that this has a big thing to do with the productivity of our American agriculture.

Secretary VILSACK. Senator, I am not sure that I know the answer to that question. I am more than happy to go back and ask our folks if they are in the process of reviewing that. We obviously have had a lot on our plate recently with global food security concerns, and that has been my focus. I would be more than happy to check with our folks and see whether or not they have done that. Depending upon the outcome of the case and depending upon the nature of the decision that may be forthcoming we will take a look at it.

Senator GRASSLEY. I would like to put in the record, Madam Chairman, a letter I wrote to the President on that subject.

Chairwoman STABENOW. Without objection.

[The letter can be found on page 62 in the appendix.]

Senator GRASSLEY. The next one is, because of this possibility that we are going to run short of grain worldwide, probably not in the United States but worldwide, and increased U.S. production would have something to do with the shortage, mostly caused now because of Putin's invasion of Ukraine, has USDA discussed opening up the Conservation Reserve Program so that farmers can plant on those acres under these conditions that we have now?

Secretary VILSACK. Well, first of all, Senator, we announced the fact that in terms of the general sign-up, approximately a little over 1 million acres that was in the program is coming out of the program, so that 1 million acres is going to be available.

Second, we announced an effort to try to encourage those whose acres are coming out of the program to be able to access their fields more quickly. As you know, they cannot, based on the rules, go into the fields and take activities prior to October 1st. Well, we are basically suggesting that they can now voluntarily terminate, without penalty, for those acres that are now coming out of the program so that they would be in a position to do work now on that land, to either prepare it for a crop or to potentially even think about other crops that could be grown during the course of the winter.

We have looked for ways in which we can provide help and assistance.

Senator GRASSLEY. My time is out. I may submit some questions for answer in writing on other subjects. Thank you, Madam Chairman.

Chairwoman STABENOW. Thank you very much. Senator Luján and then Senator Marshall.

Senator LUJAN. Thank you very much, Madam Chair and Ranking Member. Secretary Vilsack, good to see you sir.

As you know, New Mexico is currently facing the largest fire in our State's history, having now burned over 311,000 acres, and directly impacting farmers, ranchers, families, and rural communities across the State.

I want to thank you and the United States Forest Service for the decision this week to pause all prescribed burns for 90 days while the Department reviews the process, and also for the exemption that allows ranchers to be able to access U.S. forest lands where they have grazing permits.

As you know, this was a prescribed burn, and recognizing that, over 95 percent, 97 percent of prescribed burns do not result in this, I am more interested in the two percent that do, because this has destroyed lives.

Accessing grazing still remains a top concern with a lot of families in these communities, Secretary Vilsack. What I am hoping is that I can have your commitment that you and the Department will do all in your power to ensure ranchers in New Mexico have access to all available grazing and feed options, including allowing the emergency haying and grazing of land enrolled in CRP.

Secretary VILSACK. Senator, we will be happy to work with you to make sure that we are responsive to the needs of your pro-

ducers. It is a commitment that I make to you, and it is a commitment I made to your Governor when we met last week—I think it was last week, or the week before last. Very difficult situation. I totally understand the concerns and stress that you and the folks in New Mexico are feeling right now.

Senator LUJÁN. I appreciate that, Mr. Secretary. The other area that I have been hearing from farmers is that they are being told they are not eligible for preventive plant payments this growing season because of changes to the crop insurance program made by the Trump administration. As farmers and ranchers across the West, and especially in New Mexico, continue to deal with historic drought and now wildfires. I find it very concerning that this vital risk management tool would remain unavailable to the producers who need it most.

Mr. Secretary, has the Biden administration examined the Trump administration's change to this program, and if so, why was the decision made to keep the change in place?

Secretary VILSACK. Senator, I think you are referring to preventive planning and the 1 in 4 rule. We have looked at it, and we actually have made changes in some areas, for some commodities. I would say to you that our review is not finished. We need to continue to look for ways in which we can create flexibility, for the very reason that you have addressed.

Yes, changes have been made, and I suspect and anticipate that there will be additional changes forthcoming.

Senator LUJÁN. I appreciate that. Where there is a lot of rain and water I can understand with what the goals was, to try to phase a little bit of this out. Back west, where we do not have water, and now where families are devastated because of fire, if they were in three years of drought, the formula is kicking in, it is just a kick in the face. I appreciate the work you are doing in this space and I look forward to working with you in there as well.

The watersheds back in New Mexico, as you know, our water, for the most part, from small communities comes from watersheds up in the mountains. We depend on that snowpack, and we do our due diligence to keep it clean and keep it flowing and get it to the plants so we can it to families.

Now small, historically underserved communities in New Mexico are not only continuing to combat active fires but as monsoon season approaches, having to quickly pivot to examine the damage done to our watersheds. Concerns range from the cumbersome process of having to seek cost-share assistance waivers to fix problems the Federal Government caused to uncertainty related to administrative and technical assistance necessary to effectively deploy the resources once they are delivered.

Mr. Secretary, do I have your commitment to work with me and fellow New Mexicans to ensure that our communities have your and the agency's full support to provide the necessary financial, technical, and administrative support to recover from these fires, mainly in that water space?

Secretary VILSACK. Senator, you do.

Senator LUJÁN. I appreciate that. Will you direct all the offices under your jurisdiction to prioritize making the appropriate deter-

mination in a thorough and timely manner that allows aid to be released?

Secretary VILSACK. I think that has already been done, but I will continue to emphasize it.

Senator LUJÁN. I appreciate that. The last question I have is around PFAS and dairy cattle. Because of all the challenges that have already occurred from being able to move forward from the previous administration, who did not want to do anything—I want to thank you for immediately taking this on as soon as you took office—but now there is a question over the formula, and determining when accounts to get paid.

Now because of the reality, if you can explain to me how USDA came to the decision associated with the timing of payments for cattle versus when these cows were determined to be contaminated, it is a little different than, you know, a healthy cow, I would say, or a healthy dairy cow. This is very different. Explain why the dairy should not be paid the day the cows were deemed contaminated.

Secretary VILSACK. Senator, I appreciate the question. First of all, as you know, we inherited a rule that would not have allowed for reimbursement for the value of the cow, and, in fact, what was done was basically pay for the milk that was contaminated. We continued to do that until we finally realized that really what we had to do was to actually pay for the cow. Dairies have received a significant amount of resources, in some cases millions of dollars of resources, for the milk that was contaminated.

We are using the Livestock Indemnity Program structure which basically provides for the way in which the valuation is calculated. The difference between that and the Livestock Indemnity Program is that instead of 75 percent of the value we are awarding 100 percent of the value. We also made a decision to allow for reimbursement of cattle that were contaminated, even before the rule was in place.

We think we have taken three steps: providing compensation for the milk, 100 percent of the loss, as well as covering cows that were contaminated before the rule was put into place, which we think is a fair and reasonable allocation of resources and fairness to the dairy industry in your State.

Senator LUJÁN. I appreciate that. Madam Chair, I see my time has more than expired. There are a few others that I will submit into the record, but thank you. Mr. Secretary, thank you for what you are doing, and please, everyone, pray for our State and the people with the fires that they are being impacted with. We need your help on this, so thank you.

Chairwoman STABENOW. Thank you very much. Very serious.

Senator Marshall.

Senator MARSHALL. Thank you, Madam Chair. Mr. Secretary, it is great and we are honored to have you here in person for the first time this Congress.

You mentioned in your written testimony that under President Biden's leadership America is building back better. Mr. Secretary, I am here to fight for American Agriculture for Kansas farmers. As you know, farmers and ranchers are facing record inflation. Fertilizer prices have quadrupled. The price of diesel has doubled.

Farmers cannot find inputs, pesticide inputs. They cannot find tractor parts. We feel, many farmers feel that these supply chain issues have been exacerbated by President Biden's policies.

Parents cannot find baby formula. The hope for new ag trade deals is bleak. We do not have a USTR for ag nominee. The EPA continues to push non-science-based decisions that eliminate pesticide tools that help produce higher yields but yet decrease their carbon footprint. Based upon your written statement I do not know which producers you are talking to but they are not producers I have been seeing in Kansas.

You have been Secretary of Agriculture now for almost 10 years, on and off. We expect you to be a loud voice, a voice for farmers, for agriculture producers in the White House.

I want to followup with Senator Grassley's comment about the U.S. Solicitor General statement on Federal presumption of pesticide labels, emphasizing that glyphosate is reused in roughly 40 percent of acreage. It troubles me. I think you said you were not consulted on this issue. We expect you to be proactive. Did you not speak to the President or the EPA about this? Are you not urging them? Do they not understand how important these pesticides are to decrease the carbon footprint and increase the production of our land?

Again, you have been doing this for 10 years. We expected a loud voice. Or maybe you agree with the Administration. Maybe you agree with the EPA.

Secretary VILSACK. I am sorry. I am not sure what the question is, Senator.

Senator MARSHALL. Yes. Why are you not a louder voice? Why are you not being proactive? It troubles me that you are not willing to speak up for American agriculture with this Administration and push back on the EPA to push back on the White House's policies in regard to this glyphosate.

Secretary VILSACK. Well, Senator, in fairness let's take a look at the record. You mentioned exports and trade. We have had a record export year.

Senator MARSHALL. Can you speak to my question? Could you answer my question?

Secretary VILSACK. Yes, I—

Senator MARSHALL. Are you pushing back on the glyphosate issue?

Secretary VILSACK. Well, I have actually talked to the EPA about crop protection and encouraged the EPA to continue to follow the science. That is what American agriculture has asked me to do.

Senator MARSHALL. You testified to Senator Grassley that you were not consulted, but now you are saying you were being proactive?

Secretary VILSACK. Well, you asked me if I was consulted, and basically I have talked to the EPA about crop protection activities and products and encouraged the EPA to continue to follow the science, and encouraged them to listen to farmers and the farmers' concerns, and frankly, they have.

With all due respect, I am representing farmers. We are representing farmers on things like E15. We are representing farmers on record trade. We are representing farmers on climate-smart ag-

riculture and providing resources. We are representing farmers in terms of disaster assistance. Six billion dollars of pandemic assistance came out from this debate—

Senator MARSHALL. Thank you, Mr. Secretary. I want to go on to my next question. I want to talk about fertilizers just for a second. As you know, nitrogen-based fertilizers are dependent upon natural gas as a substrate as well as to heat the process up. Natural gas has doubled. Nitrogen-based fertilizers have quadrupled.

One of the things we could do is to maybe decrease some of the tariffs on fertilizers coming into this country. Have you spoken out as a strong voice for agriculture to the President as well as ITC chair about maybe decreasing those tariffs? This administration has done a really incredible job, I guess you would say, decreasing tariffs on solar panels. What are we doing to help lower the tariffs on fertilizers?

Secretary VILSACK. We have talked about that issue. We have also pushed back on export bans that have exacerbated the problem. I have been very vocal about that. We have created alternative risk management tools for farmers to be able to reduce the amount of nitrogen fertilizer that they need and be able to be compensated for the crops that they may not be able to produce. We have talked about conservation programs in terms of precision agriculture. We—

Senator MARSHALL. I need to get one more question in here if I can. 3030 is a big issue back home. When we spoke to you before, your plan was more CRP, but now we are talking about taking CRP out of the program. How do you balance those goals in this Administration? What does that look like going forward to you?

Secretary VILSACK. Trust in the farmers. Farmers are basically speaking to us in terms of what their needs are. We are seeing an expansion of conservation practices with the EQIP and CSP, and the Regional Conservation Partnership Program, the Climate-Smart Agriculture Product—

Senator MARSHALL. Previously you said your plan for the 30 program was more CRP, but it looks like more CRP is going to come out. How do you get to your goal of 3030?

Secretary VILSACK. The 3030 goal, Senator, includes conservation programs. It is not just simply CRP. I would also point out to you that we are making an effort, in terms of grasslands. We are seeing an increased activity in terms of CRP on grasslands. Farmers, however, we trust farmers to make the right choice and set of decisions for their operation. This year they are taking roughly a million acres out of the program and putting it into production. That is their choice. That is their decision. We respect that.

In the meantime, we are looking for ways in which we can provide more resources from conservation programs, EQIP, CSP, RCPP, the Climate-Smart Agriculture Initiatives. All of that is a significant amount of investment in conservation programs, all of which falls within the rubric of the voluntary, farmer-led 30x30 effort.

Senator MARSHALL. Thank you, Mr. Secretary. Madam Chair, I yield back. Thank you.

Chairwoman STABENOW. Thank you very much. Next we have Senator Klobuchar virtually and then Senator Fischer, and I will

say that one of two votes that we will be having has begun, but I believe we will be able to get through all of our members wanting to ask questions before the first vote is completed.

Senator Klobuchar, welcome.

Senator KLOBUCHAR. Well, thank you so much, Chairwoman, for your great work, and Secretary, it is so good to see you again. I wanted to reiterate what I told you in person, just the fantastic work the USDA has done with regard to avian flu. It is finally going down. I described it to the people in my State that the waterfowl were taking too long of a spring break in our State, hanging out before flying north, and we had a real outbreak. Your people, working with our State, were just fantastic, and we are in a better place than we were a while ago, so I want to thank you for that.

I want to focus a little on ag disaster aid. I know you know about these two separate storm systems that passed through Minnesota with heavy rains recently, on May 11th and 12th, tornadoes destroying barns and grain bins, flooded fields, left several rural communities without power.

Our FSA executive director has requested disaster designations for 62 counties. Do you have a timeline for reviewing that request? I led a letter this week with the Minnesota delegation, supporting the request, and hoping you can look at it quickly.

Secretary VILSACK. I will be happy to, Senator, and we will try to get that approved as quickly as possible.

Senator KLOBUCHAR. Thank you. Thank you. Next up, late planting flexibility. I know that Senator Hoeven raised this with you. It is really along the same lines because the storms have created significant challenges for farmers who are already behind on spring planting. In Minnesota, completed planting for corn is at 60 percent, soybeans 32 percent, wheat 11 percent, sugar beets 27 percent, are all significantly behind our five-year average. Hoping that you will review the suggestions that Senator Hoeven and I have made and work with us to provide certainty and support to our farmers during this time of delay.

Secretary VILSACK. We will certainly take a look at the correspondence we received yesterday and make a decision as quickly as we can.

Senator KLOBUCHAR. Okay. Thank you very much. I also want to thank you for all your work on climate change. As we know, part of what we are seeing, it is not just serendipity that this is going on, these strange weather events. It is exactly what was predicted. Of course, in the area of ag that means everything from conservation to cover crops on, and I want to thank you for that.

I thought I would end here by focusing some on some supply chain issues with ocean shipping. We have seen vulnerabilities for U.S. exporters, including our ag exporters, who have seen the price of shipping containers increase four-fold.

Senator Thune and I passed our Ocean Shipping Reform Act of 2022 through the Senate. The House has a similar version, led by Representatives Garamendi and Johnson. It looks like we are going to be able to reach some agreement so that our goods are actually taken by these international shipping conglomerates and that we get some fair prices by some rules that we are going to push through with the Maritime Commission.

Can you talk about the impact of shipping container disruptions particularly on ag exports and whether or not you think cracking down on some of these international shipping conglomerates' rates and practices would be helpful?

Secretary VILSACK. Well, I had an opportunity yesterday to speak to four of the major shippers about this very issue, asking them to create and provide a greater consistency in terms of access to containers and the ability of empty containers that currently leave our ports to be filled with agricultural exports. I received commitments from all four of them to basically take a look at doing a better job.

This has been a difficult challenge for American agriculture. We have seen some improvement recently by virtue of the resources that we have put in play to create a pop-up site in Oakland. We have also provided incentives to move empty containers, financial incentives. We also recently opened up another pop-up opportunity in Seattle.

We are going to continue to work on this, and obviously I think the legislation that is going through the process is sending a strong message that we are not satisfied, we are frustrated with the progress up to this point.

Senator KLOBUCHAR. Thank you. Just quick last, can you talk about the biofuel infrastructure investments that USDA has made. I am continuing to push on some of these issues, and I know you are an ally.

Secretary VILSACK. Well, we anticipate in the very near future announcing the availability of another \$100 million to expand access to pumping systems and distribution systems that would allow for E15 and B20 to be more readily available. That is going to continue.

Senator KLOBUCHAR. Okay. Thank you so much, Secretary.

Chairwoman STABENOW. Thank you very much. All right. Next we have Senator Thune, then Senator Warnock, Senator Fischer, Senator Booker, and then Senator Hyde-Smith. Senator Thune.

Senator THUNE. Thank you, Madam Chair. Mr. Secretary, welcome. It is nice to have you here. I appreciate the Committee turning its focus to the challenges that our farmers and ranchers and rural communities are facing, among those high inflation, rising food and energy costs, commodity market volatility, and supply chain constraints—I think all of which have been referenced at some level today—coming at a time when producers are working to ramp up production to address global food shortage concerns.

We have got, in South Dakota, I think as you know, producers who are dealing with difficult weather conditions this spring, including, depending on where you are in the State, drought, severe drought, excess moisture, and significant storm damage. I would urge USDA to provide expedited assistance to those affected producers.

Mr. Secretary, many of the commodity prices are high. Inflation has sent farm production expenses skyrocketing. As a result, net farm income is expected to decline this year. To make matters worse, some producers in my State recently had significant weather-related storm damage to their property, including farm equipment, buildings, and grain bins. There is a deep concern about re-

placing these critical elements of their operations and how expensive it will be, given the soaring costs that we are experiencing.

What is USDA doing to address inflation and its effect on agriculture and what can USDA do to help producers mitigate the sharply increasing costs of these weather-related damage repairs?

Secretary VILSACK. I would say, Senator, that our primary focus is trying to make sure that the disaster assistance programs that are in place, that have been funded and financed by Congress, are made available as quickly as possible.

An example of that is the WHIP+ program that folks refer to. We basically redesigned the way in which that program operates so we could get resources out to farmers as quickly as possible, making it much easier and much simpler for them to apply for those resources. That is going to continue, as is in terms of getting pandemic assistance out, over \$6 billion of resources provided.

We will continue to look for ways in which we can utilize the Livestock Forage Program and the Livestock Indemnity Program, Crop Insurance, NAP, all of those programs, to basically make sure that we are doing everything we possibly can to provide assistance and help.

You know, in terms of some of the challenges, the fertilizer issue, I think there is an opportunity here for us to begin the process of being more self-reliant when it comes to the ingredients that go into fertilizer, which is why the \$500 million is going to be allocated. We think there is going to be great interest in that effort, which we hope to be able to launch this summer.

We think there is an opportunity for us to use the conservation programs effectively and efficiently to advance precision agriculture, that will help to reduce costs. We think there is research that is suggesting that perhaps some of our acres are potentially over-fertilized, and to the extent that we can give farmers that information they can make more informed decisions about their operation. There is a wide variety of things that we are attempting to do.

Senator THUNE. Well, and a lot of those programs you mentioned are programs in previous farm bills that I and others have been involved in creating, and hopefully they will work effectively in times when we really need them, like right now.

I want to hit on the Black Hills National Forest and other forests which provide recreational opportunities and contribute significantly to local and regional economies. In the last few years we have seen enormous wildfires across the West. Those fires were, in many cases, devastating to local communities and have lasting effects on water quality, wildlife, recreation, and tourism.

Proper forest management is as important now as it has ever been, and it plays a critical role in maintaining forest health and reducing the threat of catastrophic fires. In the Black Hills, the forest products industry has been a reliable partner in the proper management of the forest.

Unfortunately, last year we had a sawmill in the Black Hills that closed due to a lack of timber availability, and I am concerned that more mill closures could be imminent if the Forest Service does not take action to maintain the forest timber sale program.

Numerous concerns have been raised with the Forest Service's publication of a general technical report on the forest timber sale program and the agency's failure to uphold its commitment to work collaboratively with industry and State and local officials through consideration of the science-based recommendations from the formal Black Hills National Forest Advisory Board and State foresters.

Following the Grain Transportation Report (GTR), we have seen a drastic reduction in timber sales and loss of milling infrastructure that is critical in meeting the goals outlined in the Forest Service's 10-year wildlife reduction strategy.

What steps are you taking to make sure the Forest Service upholds its commitment to collaborate and to avoid additional mill closures?

Secretary VILSACK. Well, one thing we have done, Senator, is to establish a NEPA strike team directed to the Black Hills to make sure that we are determining the appropriate volume estimates for the next three years. We also have a national team working on a timber pilot transfer program, basically bringing in potential timber from the West for processing in South Dakota.

As you know, you have asked—not you—the folks have asked for a reconsideration of the GTR report, and we are in the process of completing that reconsideration. I anticipate decisions on that in June.

Senator THUNE. Yes, and you are right. We have asked for that, so thank you.

Madam Chair, my time has expired. Thanks.

Chairwoman STABENOW. Thank you very much. Senator Warnock.

Senator WARNOCK. Thank you so very much, Chair Stabenow. Mr. Secretary, before I start with my questions about farmers in Georgia I want to ask a brief question about the baby formula crisis facing Georgia families. My question is simple. From USDA's perspective when will families in Georgia who are searching for formula start to see more products on the shelves?

Secretary VILSACK. Senator, our hope and belief is that we are beginning the process of turning the corner on this. I announced yesterday, or today rather, the opportunity for Gerber and Nestle and Mead Johnson to basically be able to have the ability to work with State health commissioners to provide greater flexibility, to substitute product, whether it is contract brand product, whether it is unauthorized contract brand product, or whether it is a competitor's brand, to be able to access and expand in the WIC program more product.

As you well know, we are also bringing more product in from overseas through a series of flights that are currently being financed, in part, by USDA. We had one in Indianapolis over the weekend, which I attended. Yesterday there was one in Dulles. We also have been encouraging the FDA to continue to work with providers who have not yet been authorized to do business in this country, to be able to expand the capacity of imports.

All of that, I think, together with bringing the Sturgis plant back online, hopefully in the next couple of weeks, we should begin to

see some progress on this, and hopefully over the course of several weeks we will see more product on the shelves.

Senator WARNOCK. Good. The next couple weeks they will start to see more product aid—

Secretary VILSACK. The next couple of weeks. Now it is not going to solve the problem. There are still going to be issues.

Senator WARNOCK. Right.

Secretary VILSACK. There are still going to be areas where there are going to be challenges. There are still going to be places where people are going to have to use the social media and the networks that they have created to try to identify where product is and be able to make sure that product gets delivered where it needs to be. I think we are going to begin to see some progress on this, and hopefully, as the spring and summer wears on, that we are in a much different circumstance.

The Sturgis plant is important. The imports are important. The ability to substitute product in the WIC program is important. All of those are important.

Senator WARNOCK. Thank you. Obviously, for folks who are trying to feed their children it cannot come soon enough.

Secretary VILSACK. Understand.

Senator WARNOCK. Thank you for traveling with me to Georgia earlier this year to hear directly from farmers who have been left behind by the USDA. Those farmers spoke to the two of us about the need for urgent debt relief, debt relief which I remain committed to delivering. They also spoke of the need for USDA to do more to support farmers who have faced historic discrimination and to protect them from adverse actions.

I appreciate that the USDA responded to my call to suspend past due debt collections and foreclosures for these farmers, but many farmers who stopped making payments, because Congress promised them relief, are now considered delinquent, through no fault of their own. It is estimated that over 24,000 borrowers have deferred payments or are currently considered economically distressed.

What is the plan, Secretary Vilsack? What are you going to do to ensure these farmers are not forced out of their business or off of their land?

Secretary VILSACK. Well, currently there is no capacity to force them off the land. There is no ability to foreclose. We have basically got a moratorium in terms of adverse actions for farmers, No. 1. No. 2, we continue to obviously going through the courts process on the 12 cases that are pending against Section 1005 of the American Rescue Plan, and we will continue to vigorously support and defend that action by Congress.

There are ways in which the definition of those who are able to get debt relief could be adjusted by Congress, and we have provided technical assistance on how that might happen.

Senator WARNOCK. The farmers I am hearing from in Georgia who are very worried about being forced off their land, you are saying there is no need for them to worry.

Secretary VILSACK. There is no need for them to worry at this point in time. Then finally I would say we also are encouraging folks to take a look, in the long term, there is an opportunity for

loan servicing. Depending upon how all this shakes out, depending on what the courts ultimately decide, depending upon what Congress can or cannot do relative to the definition of those who are covered for debt relief, depending upon our ability, at USDA, to provide help and assistance there are also debt servicing opportunities, ways in which we can help farmers stay on the land, and that is the goal.

Senator WARNOCK. One other question. I know I am running out time here, Madam Chair. I sent a letter on December 10th, raising the concerns of farmers who are concerned about the lack of transparency at the USDA. It took three months for me to get a response, and I am still very concerned about the Department's outreach and engagement plan for these farmers. These farmers often hear about funding opportunities well past the application deadline, or when a funding announcement is made they feel consistently left out.

Secretary Vilsack, your response to my letter acknowledged that USDA still has work to do here, and I appreciate that acknowledgment. What will USDA do differently to address systemic discrimination, and specifically, how have you improved outreach and engagement to historically underserved farmers?

Secretary VILSACK. Well, the first thing that we did is to take resources from the American Rescue Plan and invest them with community-building organizations that are trusted by those producers, to be able to provide the technical assistance, the information about the programs, and the ability to work with those producers to be able to successfully access the programs. Sometimes it can be difficult and complex to be able to get into our programs, and the reality is, I think, with technical assistance we are going to see more participation. That is the first thing.

Now that was 20 organizations received \$75 million to provide that level of assistance over the course of the next couple of years. We also recognize that there are smaller organizations that deal with smaller groups of these disadvantaged and historically underserved producers, and so there is currently a minimum of \$25 million available under the American Rescue Plan for agreements with those organizations as well.

The Natural Resources Conservation Service (NRCS) has an additional \$50 million which they allocated to 108 organizations to expand outreach. That is the first thing. The second thing is each mission area of USDA has put together an equity plan in an effort to try to create an equity lens for everything we do. They have come up with over 500 recommendations. Each mission area is going to have a chief diversity office.

This is really important, Madam Chair.

Chairwoman STABENOW. I realize that. Absolutely.

Secretary VILSACK. Also the Equity Commission. The Equity Commission is an outside look at trying to reduce systemic barriers, and we expect and anticipate recommendations coming from the Equity Commission sometime this summer.

There is a lot more I could say but time.

Chairwoman STABENOW. This is very, very important, and we certainly want to followup with that. We have four members left. There is a vote open and four members who have been patiently

waiting as well, so I just want to make sure everybody gets a chance to ask questions.

Senator WARNOCK. Thank you for your indulgence, Madam Chair.

Chairwoman STABENOW. Senator Warnock, obviously this is critically important and we are going to followup together on this, so thank you very much.

Senator FISCHER and then Senator Booker.

Senator FISCHER. Welcome, Mr. Secretary. Senators Grassley, Tester, and I had the opportunity to visit with you in March about the Cattle Price Discovery and Transparency Act. I have appreciated the more than 40 hours of technical assistance that you and your staff at USDA have provided on that legislation.

This bipartisan legislation is co-sponsored by half of the members of this Committee. Our legislation is focused on two main policies: price discovery and transparency in the market.

Do you agree that a robust, competitive, negotiated market is essential to ensuring price discovery takes place in the cattle market?

Secretary VILSACK. Yes.

Senator FISCHER. Some folks have expressed concern about this, so briefly can you reassure us that when implementing the bill USDA would conduct a notice and comment rulemaking and a cost-benefit analysis when setting the regional minimums as explicitly required by the legislation?

Secretary VILSACK. We will follow whatever Congress directs us to do.

Senator FISCHER. Thank you. At our legislative hearing exactly 1 month ago, USDA officials testified that our bill would make the cattle markets more competitive, transparent, and fair. Do you agree with that statement?

Secretary VILSACK. I do, and I think it is important as well for us to increase capacity, to have more competition as well. I think there is a combination of both legislation and increasing capacity.

Senator FISCHER. Thank you. International trade is critical for my State's economy. We exported \$7.1 billion in agricultural products in 2020. I have heard continuously from Nebraska's ag producers who are frustrated about the lack of trade agenda from this Administration. We have seen no push from the Administration to work with Congress on trade promotion authority. We have seen no push for the Administration to pursue new agreements that provide market access. That is true just this week with the announced Indo-Pacific Economic Framework, and we have seen no push to name a qualified nominee to be USTR's chief ag negotiator.

With that said, I would like to ask about a specific trade issue impacting Nebraska corn growers. I have concern about Mexico's policy on ag biotechnology which is set to bank biotech corn for human consumption as soon as January 2024. This policy is out of step with their commitments under the United States-Mexico-Canada Agreement (USMCA). It will restrict Nebraskans' access to innovative agricultural tools and increase costs for consumers on both sides of the border, something we do not need with current out-of-control inflation.

Mexico is the top export destination for Nebraska's corn. We are the top producer of white corn, used in corn chips, tortillas, and

other food products. Planting decisions will begin soon for the 2023 corn crop that will be exported in 2024. That means that Nebraska farmers need certainty from this important trading partner right now.

Secretary Vilsack, how is the Administration working with Mexico to ensure continued market access, in particular for white corn used in food products? Is the Administration prepared to use all relevant bilateral and multilateral policy mechanisms at its disposal, including dispute resolution if Mexico does not make any progress in fulfilling its commitments under USMCA?

Secretary VILSACK. I recently had a conversation directly with the President of Mexico about this issue of corn, and I am confident that exports of corn that your farmers and farmers across the country are relying on are going to continue. We will continue to work with our trading partner. You know, the fact is we have finally got potatoes across the border after 15 years, and I think we are going to continue to focus on developing a strong, confident relationships with the Mexicans, and I am confident that is going to result in us continuing to have very, very strong exports with Mexico.

Senator FISCHER. Thank you, and I hope you will be able to use the tools at your disposal with current trade agreements in order to be stern and resolute with Mexico on this white corn issue.

Secretary VILSACK. We have not shown a reluctance to do that with our Canadian friends on dairy, so—

Senator FISCHER. Thank you. I appreciate it.

Chairwoman STABENOW. Thank you very much. Senator Booker.

Senator BOOKER. Thank you, Madam Chairwoman and Ranking Member. Mr. Secretary, we have talked a lot about the terrible history of discrimination amongst Black farmers. We know the discrimination within the USDA Farm Assistance and Lending Programs caused Black farmers to lose millions of acres of farmlands and rob farmers and their families of hundreds of billions of dollars of intergenerational wealth that land really represented.

We know that one of the main sources of USDA discrimination against Black farmers, historically and still today, is discrimination in the county committee system. Can you talk about the actions you have taken or that you intend to take to root out and bring to an end, finally, the discrimination in the USDA county committee system?

Secretary VILSACK. Senator, the thing I can do is to make sure that there is minority representation on all those county committees. When I was Secretary before I exercised that power for the first time ever, to make sure that in 300 counties where there was not minority representation that we had a minority representative.

The Equity Commission that I alluded to earlier is in the process of taking a look at all of the issues, and I know the county committees is one of the areas that they are looking at. I am encouraged and hopeful that they will make a set of recommendations relative to the county committee structure that we can then utilize as a basis for going forward. In the meantime we will make sure that there is minority representation on every one of those county committees.

Senator BOOKER. You are waiting for your strategy to come from the commission that you have created?

Secretary VILSACK. Well, I think it is important. We have asked them to take a look at the systemic barriers that have existed and make a set of recommendations concerning—well, actually, the Equity Commission was a result of the American Rescue Plan. You all basically directed us to put this Equity Commission together. In respecting the serious thinkers that are on that committee I am looking forward to their recommendations.

We started first with FPAC. We started first with the Farm Service Agency review, because we knew that was the area of most concern. We are looking forward to the recommendations that they will make.

Senator BOOKER. Thank you, Mr. Secretary. A recent inspector general report found that in 2019, the average time for a civil rights complaint to be processed by the USDA was 799 days. Justice delayed is justice denied. What steps are you taking to address this issue?

Secretary VILSACK. It has been cut in half since we took back control of the Civil Rights Office, Senator. I get a report on this every month. We are seeing more timely investigations, more timely reviews, and more timely decisionmaking at the Office of Civil Rights. I am very, very concerned about this, and we actually have seen that cut in half.

Senator BOOKER. Could your staff reach out to mine and just let us know—

Secretary VILSACK. Sure.

Senator BOOKER [continuing]. a little bit deeper in the things that you are doing?

Secretary VILSACK. You bet.

Senator BOOKER. I appreciate your attention and I appreciate that.

We know that the Amazon rainforest is being burned down primarily for animal grazing, and beef that is being produced out of Brazil, big companies like JBS then take that meat, ship it into the United States, and repackage it here, and then sell it in our stores labeled as “Product of the USA.” That is outrageous, and it is a fraudulent practice that hurts our consumers, hurts ranchers here in the United States. “Product of the USA” label claims should only be allowed on meat that comes from animals that were born, raised, and slaughtered in the United States.

A petition, I think you know, has been pending at the USDA for four years, asking for the USDA to look into the issue. When do you anticipate taking action on this?

Secretary VILSACK. We are in the process of conducting a rather extensive survey, Senator, on this very issue. We are asking consumers across the United States two questions, essentially: What do you think this means when you see “Product of the USA”? What do you think this means? Do you place value on it?

That would basically form the basis for us to be able to utilize the power that we have to avoid misrepresentation and deception in labeling, and to make sure that the standard for use of that label, on a voluntary basis, is consistent with what people’s expectations are. I would anticipate and expect, hopefully sometime this

fall, we will have the results of the survey, and from that we will then begin to look at how we might be able to strengthen significantly the “Product of the USA.”

Senator BOOKER. Thank you. Again, I would really appreciate you keeping in touch with my team on this as well.

Finally, the last question. I know the USDA is working on a new proposed rule on organic livestock and poultry standards that will clarify outdoor access requirements for organic livestock. Organic farms with high animal welfare standards in New Jersey and around the country have been waiting a long time for this rule, and they are being hurt by competitors with animal welfare standards that are lower than the public expects from an organic product.

In the final rule that you released during the Obama Administration in 2017, the implementation period for egg producers was five years. I assume that the new rule coming more than four years later will take effect very quickly, much more so.

When do you anticipate the new rule to be released, and can you confirm that this rule will have a very short phase-in period?

Secretary VILSACK. Senator, we want to make sure that whatever we do is able to withstand legal challenge, and so that is going into the process. It is currently at OMB, and obviously it is not finalized until it gets through the process. Our hope is that it gets done sometime this summer.

In terms of the time, you know, I think we are looking at making sure that we are structuring it in a way that is the most defensible, from a legal standpoint. Honestly, as I am sitting here, I do not remember what the timeline is, but I know that it is a timeline that we think is more defensible.

Senator BOOKER. You will followup with us on that as well?

Secretary VILSACK. Sure.

Senator BOOKER. Thank you, sir. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you. Senator Hyde-Smith.

Senator HYDE-SMITH. Thank you, Madam Chairwoman, and thank you, Mr. Secretary, for being here today, and I certainly appreciate your willingness to serve. I enjoyed our relationship when I was Commissioner of Agriculture in Mississippi.

I want to talk about poultry production in Mississippi and processing in Mississippi, because it supports thousands of jobs and generates billions in economic output annually. It consistently ranks at the top of Mississippi’s diverse list of agriculture commodities, No. 6 nationwide.

It is my understanding that today, this morning, USDA announced a proposed rule titled “Poultry Growing Tournament Systems: Fairness and Related Concerns.” I have not read all 150-something pages of it yet, but the industry stakeholders in Mississippi, they have been quick to share their concerns with me over this.

My question is concerning the poultry growing tournament system’s fairness and related concerns. Is it possible that what USDA is proposing could push billions in additional cost onto poultry companies at a time of record inflation and sky-high input costs, which would further threaten food security and raise food cost?

Secretary VILSACK. Senator, that is surprising to me because what we are asking the integrators to do is to provide information,

to provide information to producers before they sign a contract on flocks, on density, on the expectation from previous tournaments, what the farmer could potentially expect in terms of a return, the ability to share that information with their financial advisor. We are asking them to give information concerning the stock that they are providing, the age, the gender, the facility where it was raised.

I do not think that you are talking about a significant increase in expense to integrators, but what you are providing is greater transparency and more information so as farmers make that decision to incur debt, to go into a contract, that they have a sense that they are actually going to be able to pay that debt off.

Now we did ask a series of questions as part of this, and it may very well be that what you are reacting to are the questions that we are asking in terms of whether or not the system, as it is operating, is fair, and that is why we are asking the questions. We want to get input from people.

Senator HYDE-SMITH. Okay. We are still, like I said, trying to fully assess and understand these rules, because it is my understanding today's rule is the first of three.

Secretary VILSACK. That is correct. That is correct.

Senator HYDE-SMITH. The concern is could it end up costing farmers and companies and American consumers, and is USDA planning to conduct a thorough economic analysis on the tournament system rule or other Packers and Stockyards Act rules pertaining to the poultry industry?

Secretary VILSACK. We have done an analysis of this particular rule that we have announced today and believe that the benefits far outweigh the costs. We will continue to do that because it is obviously part of the regulatory process.

Senator HYDE-SMITH. Okay. I have a moment left that I want to switch to glyphosate. As you know, glyphosate is a widely used, proven, safe herbicide that combats weeds and grasses that threaten agriculture productivity. I certainly remember when it came on the market in the form of Roundup.

The U.S. Department of Justice recently took a new, unprecedented position on glyphosate that could cripple the effective use of this very important ag product that we count on. If our farmers cannot use safe, common-sense, and effective products what would happen to U.S. crop yields if we had to go back to till instead of no-till?

Secretary VILSACK. Well, I think it would obviously impact and affect production, and I think it would obviously affect and impact our ability to deal with climate. One of the strategies for dealing with climate is, obviously, no till activities.

You know, this is a personal injury case that they are involved with, and as I said earlier, I do not know precisely the reasoning and rationale behind the Solicitor General's decision. I would say that we have been very clear with the EPA in our conversations about these crop protection tools that we have to follow the science. Whatever the science says, that is what we should follow.

Senator HYDE-SMITH. Is it your opinion that it could have an impact on domestic food prices?

Secretary VILSACK. Well, there are a lot of things that go into food prices. The reality is that farmers, unfortunately, as you well

know from your days as commissioner, gets so little of the food dollar, roughly 16 cents of every food dollar. I am not sure that it necessarily results in food cost increases in the same way that we are seeing with some of the supply chain challenges, but it may have an impact on it.

Senator HYDE-SMITH. What might the long-term impact be on our ongoing challenge to meet the growing global demand for food?

Secretary VILSACK. Well, the challenge would be for American agriculture to innovate, and what we have to do is we have to continue to look for ways in which we can invest in and encourage additional research and development on a wide variety of initiatives, including crop protection. We need to continue to work with our industry to make sure that we invest in innovation.

Chairwoman STABENOW. On that note, Senator, I am going to thank Senator Vilsack. They are calling us on the floor, because if we are going to make this vote we are going to have to go now. The meeting is adjourned.

[Whereupon, at 12:11 p.m., the Committee was adjourned.]

A P P E N D I X

MAY 26, 2022

**Statement of Hon. John Boozman,
U.S. Senator from the State of Arkansas,
U.S. COMMITTEE ON AGRICULTURE, NUTRITION,
AND FORESTRY**

Good morning. I thank Chairwoman Stabenow for holding today's hearing. I am especially glad to welcome Secretary Vilsack back to the committee. This is the first oversight hearing we have had with Secretary Vilsack since he returned to USDA under President Biden 15 months ago.

Before I turn to today's hearing, I would like to congratulate the Chairwoman for hosting a very successful field hearing in April on the campus of Michigan State University. This was the kickoff to the 2023 Farm Bill process. I enjoyed learning more about the issues that are important to Michigan's agricultural producers and rural communities. I share many of the goals for our next Farm Bill that were highlighted by the witnesses.

I am delighted that the Chairwoman will be joining me in Arkansas next month for our second field hearing. The Committee will formally notice the hearing later today, but I am pleased to share with the committee that we will be holding our next field hearing in Jonesboro on June 17th. I am excited to share the views of Arkansas' hard-working farm families with the Chairwoman and my colleagues on the committee.

This is an unprecedented time for agriculture. As we come out of a global pandemic, we confront a war in the breadbasket of Europe, which has choked off a sizeable portion of the world's grain and oilseed production. Global food insecurity has become acute. My good friend David Beasley, the head of the World Food Program, recently told me he is now faced with the decision to take food from hungry people in order to give it to starving people. While U.S. producers are willing to help fill the gap, our farmers and ranchers face declining farm incomes and steeply higher input costs. Since January 2021: farm machinery is up 24%, if you can find it; grains used for animal feed are up as much as 30%; farm diesel fuel is up 122%; natural gas is up more than 230%; anhydrous ammonia fertilizer is up more than 220%, and land prices are up sharply. Several months ago, when USDA provided their first farm financial outlook,

production costs were projected at a record \$412 billion, while inflation-adjusted net farm income was expected to decline by nearly \$10 billion. That was months ago. The situation is likely more dire today.

And it is not just farmers and ranchers who are facing headwinds. Since January 2021, inflation in Arkansas has reach nearly 12%. In April, Arkansas families paid \$50 more per month to put food on the table, \$42 more a month to keep a roof over their head, and hundreds of dollars more on transportation. Inaction on inflation is costing the average Arkansas family \$5,400 more per year in living expenses compared to before this administration took office. In fact, this is the highest overall inflation of any President since Jimmy Carter. and inflation hits our low-income and rural communities the hardest.

USDA can play a constructive role to help American farmers and ranchers meet the challenges both here at home and globally. I applaud the nomination of Alexis Taylor to serve as the Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs. America desperately needs someone laser-focused on working with our partners and competitors across the globe for the benefit of U.S. agriculture at this critical moment. And while I believe people are policy, I would encourage USDA to stretch itself and its fellow agencies to make the tough decisions necessary that will help bring down food prices and enhance global food security. Food prices will decrease when the costs from the farm to the fork go down. The answer is more supply. More oil and gas development for lower energy prices, more participation in the labor market, more land in production, and more certainty for our farmers and ranchers. Until the administration starts to focus on the core issues that are driving record food costs, there will be no relief and American families will continue to suffer. I will keep making that case to this administration and my Democratic colleagues and encourage them to work with us to help create an environment where those factors start trending in the right direction and prices come down. One suggestion is to look to the past. In the 2014 Farm Bill, landowners enrolled in the Conservation Reserve Program were given an opportunity to end their contracts early without penalty. We should give serious consideration to do this again until grain production returns to normal. I believe this flexibility would allow potentially millions of acres to return to food production. The world

cannot afford for prime farmland to lie fallow. Second, and this is more for the EPA than USDA, I believe there should be a two year pause on any regulatory changes to currently approved crop protection tools. Producers need the regulatory predictability to plan for the future, the companies that produce these inputs need the regulatory certainty to bring these tools to market. American agriculture can meet this unprecedented moment—the federal government should ensure it is not in the way.

Madam Chairwoman, that concludes my statement. I look forward to hearing from Secretary Vilsack.

For release only by the
Senate Committee on Agriculture,
Nutrition, and Forestry

**Statement by
Thomas J. Vilsack
Secretary of Agriculture
Before the Senate Committee on
Agriculture, Nutrition, and Forestry**

May 26, 2022

Thank you, Chair Stabenow, Ranking Member Boozman, and members of this Committee, for inviting me here today to discuss the Administration's work to address opportunities and challenges for farmers, families, and rural communities and to provide you with an overview of the President's Fiscal Year (FY) 2023 Budget for USDA.

Under the President's leadership, America is building back better. We have begun to turn the tide on the pandemic and our country has made historic progress in the face of unprecedented challenges. With Putin's price hike affecting American families at the pump and at the grocery store, we are pulling out all stops to tackle inflation and supply chain challenges, be it with infant formula shortages where USDA is partnering across the Federal government to import much needed formula or through our work to increase domestic production of fertilizer. We are also working to make historic and transformational investments in our food system to address the fact that the current food system is too rigid, consolidated and fragile. Our focus on more, new and better markets and our forthcoming Food System Transformation Initiative are intended to build a food system that is more fair, competitive, distributed and resilient.

While Americans are facing many challenges and trials today, we are still seeing many positive economic indicators. From the creation of more than 6.5 million jobs in 2021, the most our country has ever recorded in a single year. We also saw our economy grow at 5.7%, the strongest growth in nearly 40 years. The unemployment rate has fallen to 3.6%, the fastest decline in recorded history. This progress was not an accident. It is a direct result of President Biden's strategy to combat the pandemic and grow our economy from the bottom up and the middle out.

The FY 2023 Budget details the President's vision to expand on this Administration's progress and commitments to the American people and recognizes the historic investments that Congress has made through the American Rescue Plan and the Infrastructure Investment and Jobs Act. This Budget begins to reinvest in USDA's long overlooked workforce through investments in staff and technology, as well as the foundations of our country's strength: education, research, food security, safe and affordable housing, and productive lands. These are all areas that for far too long their funding has been stagnant or nearly level. The work proposed by this budget will spur new job creation and opportunities in rural America; help build resilience in the food supply chain and restore America's advantage in agriculture; leverage all of USDA's expertise to address climate change; focus on risk-based wildland fire management; appropriate compensation of our wildland firefighters; and support a stronger nutrition safety net.

The President's Budget for 2023 for USDA programs is \$196 billion, of which approximately \$165 billion is mandatory funding and \$31 billion is net discretionary funding, of which the Forest Service Budget request for discretionary appropriations is \$6.74 billion. It gives USDA a new set of tools and builds on our existing capabilities to address the urgent challenges of our time—responding to the nutrition insecurity crisis, investing in research, rebuilding the rural economy, strengthening and building markets for farmers and producers, and addressing the impacts of climate change. This Budget is not a wish list, it is a to do list. The challenges of our time and our ability to address those, require serious investments in USDA agencies and operations, non-action or continued underinvestment has significant and immediate implications for the United States of America.

Rebuilding Rural America

It is no surprise when I say the United States' prosperity and well-being are intrinsically tied to rural America's ability to thrive in the new global economy. The President's Budget proposal enables USDA to work closely with rural America and empower communities to take the reins as they rebuild their economies, workforces, and infrastructure to create more opportunities for a circular economy where wealth is created and stays in rural areas.

It has been said that Rural Development can build a town from the ground up. The essence of that statement is that USDA Rural Development, when well-resourced and well-staffed, provides support that is critical to improving quality of life in rural America – whether it is through increased access to broadband service, affordable housing in underserved

communities, or resilient wastewater infrastructure. Beyond improvements to the quality of life, these investments attract new businesses, create a greater sense of pride in the community, and allow rural America to prosper.

To bring these outcomes to reality, the Budget proposal increases funding for Rural Development by \$935 million, including critical increases for combatting climate change. Funding includes \$1.773 billion for USDA multifamily housing programs, an increase of \$256 million over the 2022 enacted level. This significant investment would start to reverse chronic defunding of these programs and help address housing insecurity and rent burdens in rural communities. This funding will be prioritized for projects that improve energy or water efficiency or facilitate climate resilience. Additionally, the Budget proposes \$1.5 billion in loan level for low-income single family housing loans, an increase of \$250 million, and proposes a critical increase of \$204 million for Rural Development to revitalize its staffing and technological capacity. The Budget also increases USDA's investment in expanding rural broadband service to put rural America on a long-term path to economic success. The Budget includes \$600 million for ReConnect, an increase of \$200 million in new competitive funding over the 2022 enacted level, to provide flexible loans and grants to deploy broadband to unserved areas. This investment also builds on the \$2 billion of funding provided by Congress in the Infrastructure Investment and Jobs Act.

The President's Budget proposes \$727 million in budget authority and \$1.5 billion in loan level for USDA's Water and Wastewater Grant and Loan Program. This includes a new \$100 million in set aside funding for lead pipe replacement in rural households, and \$140 million in loan level for the most economically distressed communities with borrower interest rates offered at one and zero percent. This is an increase of \$73 million over the 2022 enacted level and is a key investment in safe drinking water and sanitary waste disposal systems, which are vital to achieving a high quality of life and are essential to rural residents. The proposed increase would create good-paying jobs and help thousands of communities across rural America gain much needed access to clean drinking water.

Supporting Nutrition for the Nation

USDA's core nutrition programs are the most far-reaching, powerful tools available to ensure that all Americans, regardless of race, ethnicity, or background, have access to healthy, affordable food. Building on these programs, the Budget makes strategic investments to ensure

that those in need can access nutrition programs that are run efficiently and effectively; to advance nutrition security through education and evidence-based interventions; and to support the purchase of nutritious and local foods. I want to highlight just a few priorities.

We know that the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) drives better health for infants and more nutritious diets for children, and it is a key tool to address disparities in maternal and child health outcomes. Continuing the bipartisan commitment to full funding, the Budget requests \$6 billion for WIC to serve an estimated 6.25 million moms, infants, and young children per month in FY23. It also proposes to continue the enhanced Cash Value Benefits (CVB) through 2023 to provide participants with increased benefits to buy fresh fruits and vegetables. This ensures that all participating women and children have access to the scientific-based recommended level of fruits and vegetables.

SNAP is the primary source of nutrition assistance for many low-income people and research has shown that participation in SNAP reduces food insecurity and allows families to have healthier diets. Healthier diets are known to lead to better health outcomes and, in the long-run, lower health care costs. In 2023, participation is estimated to increase to an average level of 43.5 million participants per month from 42.3 million in 2022. While participation is expected to increase, the overall cost of the program is actually expected to decrease by more than \$29 billion. The decrease is primarily due to the expected expiration of emergency allotment (EA) payments that have been provided during fiscal years 2020 through 2022. Those EA payments and other program waivers are anticipated to continue for the length of the Public Health Emergency, likely through the majority of FY 2022.

Child nutrition programs, such as the National School Lunch Program, School Breakfast Program, Summer Food Service Program, and Fresh Fruit and Vegetable Program, play a crucial role in ensuring that children receive nutritious meals and snacks that promote health and, educational readiness. When students participate in school meals programs, their behavior, comprehension, and attendance improve. The meals children receive prepare them for learning and shape their food choices and health outcomes as adults. Providing healthy, nutritious, and appropriate food choices can decrease obesity rates, and result in better health outcomes. To better support this work this Budget funds the Child Nutrition Programs, through new appropriations and prior year balances, at a level that will allow for the anticipated increases in participation and food cost inflation. The Budget projects serving 5.6 billion lunches and snacks (an increase of about 350 million over the current estimate for 2022) and 2.7 billion breakfasts in

schools, 2.2 billion meals in child and adult care programs, and 145 million meals through the Summer Food Service Program.

Mounting evidence supports the effectiveness of USDA nutrition education and promotion efforts to improve knowledge and catalyze healthier behaviors. Still, USDA faces multiple challenges in our efforts to deliver effective and cohesive nutrition education across programs. The Budget seeks funding for a new initiative to build and broaden Food and Nutrition Service' (FNS) capacity to deliver effective nutrition education and promotion to all Americans within existing program structures by supporting research and evaluation of effective strategies; leveraging partnerships with States, local, and nongovernmental organizations; targeting underserved communities with culturally appropriate resources and interventions; and improving public access to USDA's nutrition education resources.

The Budget also invests in the vital functions of FNS to deliver on this ambitious agenda. While federal funds managed by FNS have increased dramatically, as much as 70 percent in recent years, the staffing levels have decreased. The Budget proposes significant investments in FNS to ensure the agency can provide the appropriate level of oversight and stewardship, pursue its crucial mission to address food and nutrition security, and innovate and modernize to best serve those in need.

Supporting Research

USDA research influences every program that we implement, and it is incredibly important to deepen our support for the organizations that conduct and synthesize USDA studies and information. The share of total food and agriculture research conducted by the U.S. government was relatively stable at around 50 percent from 1970 to 2008. But, by 2013, that share had fallen to under 30 percent. That's a significant difference since private R&D tends to focus on commercial applications (and only a few major crops and livestock markets) while the public sector is still responsible for much of the fundamental research that creates the building blocks for major agricultural innovations. Fundamental work conducted by public R&D, in areas like food safety, animal health, specialty crops, water quality and human health, benefit society more broadly but may offer potentially lower monetary returns or nonmarket benefits.

Between 1948 and 2019, total agricultural output in the United States grew by 142 percent. This rise was not due to increases in agricultural land or labor—in fact, both inputs declined over the period. The productivity stemmed from the adoption of a whole suite of

innovations and technology transfer in crop and livestock breeding, nutrient use, pest management, farm practices, and farm equipment and structures. These innovations are the fruits of publicly funded agricultural R&D.

That is why this Budget proposes an increase of over \$355 million for a total of \$4.05 billion for USDA's research, education, and economics programs. This investment is critical to addressing the mounting hunger and nutrition insecurity crises, strengthening and building markets for farmers and producers, and addressing the impacts of climate change. This Budget includes increasing the National Institute of Food and Agriculture's (NIFA) Agriculture Food Research Initiative (AFRI) to \$564 million, an increase of \$119 million over 2022 enacted to include broad emphasis on rural circular economies through clean energy technologies and climate-smart agriculture and forestry. These investments complement proposed increases for the Agricultural Research Service (ARS) to expand research to fully understand the myriad aspects of climate change drivers and impacts, and to strategically develop approaches that can help mediate climate change and its impacts on agriculture, our rural economy, ecosystem services, and the quality of our natural resources.

Finally, the Budget proposes investments in USDA's research agencies to rebuild both capacity and credibility after years of staff losses. In FY 2021, the Research, Education, and Economics Mission Area was successful in hiring above their FY 2020 staffing levels, but they are still significantly understaffed to address the current and emerging challenges noted above.

Combating Climate Change

Climate change presents real threats to U.S. agricultural production, forest resources, and rural economies. Producers and land managers across the country are experiencing climate impacts on their operations through shifting weather patterns and increasingly frequent and severe storms, floods, drought, and wildfire. This Budget underscores the Biden-Harris Administration's commitment to address the impacts of climate change with a comprehensive approach that's inclusive of science and on-the-ground investments to support our producers and land managers across the country.

Farmers, ranchers, and foresters can lead the way with tackling the climate crisis through the adoption of voluntary and farmer friendly incentive-based climate-smart agricultural and forestry practices. Earlier this month we saw just how eager farmers, ranchers, and foresters are to do their part to implement climate-smart agriculture and forestry production practices when

the first application deadline closed for the landmark Partnerships for Climate-Smart Commodities pilot that is focused on creating market opportunities for commodities produced using climate-smart practices. A diverse group of nonprofit, for-profit, and government entities including commodity and forestry groups; farmer cooperatives; conservation organizations, energy and environmental groups; state, tribal and local governments; universities (including minority serving institutions); small businesses and large corporations came together to submit over 450 project applications, representing all 50 States, for this first funding pool of the pilot. My staff are still completing the pre-screening process to determine completeness and some basic information about these applications, but as of earlier this week the requested amount from the applications is over \$18 billion requested, with over \$8 billion estimated in private match.

In addition to our work on the Climate Smart Commodities pilot, USDA is also focused on how we can better support producers and forestland owners across the country who are interested in undertaking voluntary conservation and climate-smart practices on agricultural lands that will improve their profitability and resilience, while reducing emissions. To support those producers who want to voluntarily implement those practices on their operations, our FY2023 Budget proposes \$1 billion for Conservation Operations. While this Committee has provided important mandatory funds for the Farm Bill Conservation programs, it is NRCS' Conservation Operations, including Conservation Technical Assistance (CTA), which depends on discretionary appropriations to allow for comprehensive conservation planning across all conservation programs, to empower and support our dedicated NRCS offices to provide effective on-the-ground conservation technical assistance to producers, and to allow sufficient funding for enforcement of conservation compliance.

The Budget proposes \$20 million for the Healthy Forests Reserve Program to enroll private lands and acreage owned by Indian Tribes for the purpose of restoring, enhancing, and protecting forestland to enhance carbon sequestration, improve plant and animal biodiversity, and promote recovery of endangered and threatened species under the Endangered Species Act.

The Budget proposes to enhance the Equity Conservation Cooperative Agreements, begun in 2021, with an additional \$50 million, bringing total funding for this initiative to \$100 million. The Agreements are two-year projects that expand the delivery of conservation assistance for climate-smart agriculture and forestry to farmers and ranchers who are beginning, limited resource, historically underserved and/or veterans. This will allow for important outreach and promotion of inclusive outcomes in a collaborative approach. Another critical investment in

the Budget is \$21 million to support and expand NRCS's greenhouse gas measure, monitor, report, and verify efforts as well as efforts to increase internal capacity related to climate change science. The budget also includes additional funds for the Natural Resources Conservation Service (NRCS), to increase the delivery of science-based conservation planning and technical assistance that supports the needs of producers seeking to implement voluntary conservation practices that can have technical, climate, financial, and economic benefits for their farms.

The Budget also provides \$300 million in new funding to support de-carbonization of the electric grid to meet the Administration's goal of zero carbon electricity by 2035. Specifically, grants and loan modifications will be used to encourage rural carbon pollution free electricity, with the greatest benefit going to the optimal combination of carbon reductions and need.

Increasing annual funding for the Rural Energy for America grant program will assist agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements, as well as funding to State, Tribal, or local governments, institutions of higher education, rural electric cooperatives, and public power entities or councils for energy audits or renewable energy development assistance to rural small businesses or agricultural producers.

In addition to combatting climate change, this Budget also helps us react to the implications of a changing climate as we respond to the prevalence and spread of chronic wasting disease (CWD) as well as the spread of invasive plants, pests, and other diseases which are moving at an unprecedented speed. The Budget calls for an investment of \$6 million for the Civilian Climate Corps within our Animal Plant Health Inspection Service (APHIS) to address issues related to invasive species control and climate change and an increase of \$3 million to research the implications of climate change on the pervasiveness of CWD.

Protecting our Nation's forests

As we sit here today, our rural communities across the west and our wildland firefighters are on the front lines of climate change as they work in an arduous and stressful environment that is increasing in both the severity and frequency of wildfires. Our traditional fire seasons of the past have now extended to year-round events, with wildfires occurring outside of historic fire season timeframes in different parts of the country. That is why our FY 2023 Budget request prioritizes critical investments to address threats from wildfire, tackle climate change, protect communities, provide economic relief through job creation, advance racial equity, and further

improve our work environment. To address these challenges for FY 2023, the Forest Service proposes significant investments for wildfire risk management and continuing implementation of the Administration's climate and innovation agenda. Together with the historic investments provided from the Infrastructure Investment and Jobs Act, (P.L. 117-58), the Forest Service will increase and build new capacity for working with partners to improve the resilience of landscapes and watersheds across boundaries, reduce wildfire risk by treating the right acres at the right scale, restore infrastructure, support outdoor recreation, and invest in reforestation of impacted landscapes.

As I have seen firsthand, the impacts of these devastating wildfires have far-reaching effects on human health, the economy, community well-being, and the environment, including to areas important for water, carbon, and wildlife. This is a national emergency, and it calls for decisive action. To guide our actions, earlier this year USDA released a 10-year strategy for the Forest Service, and we are now developing a comprehensive implementation plan for working with partners across jurisdictions to reduce wildfire risk to people, communities, and natural resources while sustaining and restoring healthy, resilient fire-adapted forests.

Thankfully through the Infrastructure Investment and Jobs Act congress provided essential financial resources we need to perform this work. Those investments are helping to accomplish important hazardous fuels and forest health, ecosystem restoration, community preparedness, and postfire recovery and reforestation work called for in the 10-year strategy and described in this implementation plan.

USDA is committed to close coordination with the Department of Interior and working with States, Tribes, local communities, private landowners and partners in the public and private sector, including conservation organizations, forest industry, utilities, and academia. Implementing our strategic plan will also require a continued focus and work with partners to ensure equity and environmental justice are built into the design and implementation of this plan.

Focus on Equity

Building a better America means bringing people of all backgrounds and lived experiences to be a part of a healthy, safe, and inclusive workplace – from ensuring we are recruiting the best and the brightest across our great country to investing in our employees through recognition, wellness programs, and support to our employees, including LGBTQI+, veterans, employees with disabilities and employees from historically underserved communities,

ensuring they have the equipment they need, and access to promotions, learning and development and retirement with a great sense of achievement. We are also actively recognizing opportunities within the Department that ensure historically underserved groups, including Tribes, more fully access and participate in USDA programs and services. One such example at USDA is how the Forest Service has taken significant steps to improve policies, raise accountability, upgrade reporting systems, and conduct ongoing training focused on workplace environment to stop harassment, bullying, and retaliation. And building a better America is about ensuring all people have equal access to USDA opportunities, which demands that we design and implement our policies and programs with our diverse customers at the center. The FY 2023 Budget focuses on building a USDA that is a model employer and a great place to work, proposes investments that remove barriers to accessing USDA programs, and addresses historic gaps with respect to who benefits from USDA programming.

USDA is keenly focused on confronting the hard reality of past discrimination and its lingering harm to our customers and staff. This is an issue that USDA staff at all levels are working hard to address so we can ensure that our customers, be they farmers, communities, families, or businesses, have fair and equitable treatment and access to USDA's programs and services. I am heartened by the progress we are making to do so and proud to share with the Committee that we are approaching equitable opportunities for all the communities we serve at USDA with a more systematic view, from our work on the Equity Commission, Internal Diversity Equity, Inclusion and Accessibility, and Program Equity. These key pillars – are undergirded by are our obligations to uphold civil rights and our trust and treaty responsibilities with tribes. Without these foundations, we know that equity cannot be realized and sustained at USDA. Moving forward, it is my commitment to ensure a stronger Office of the Assistant Secretary for Civil Rights (OASCR), one that is trusted, accountable, and can provide top-notch policies and support at all levels so agencies and programs are able to protect civil and constitutional rights of our employees and the individuals and communities we serve. I will also add that it is my sincere hope that the Senate will soon take up and vote on the President's nominee to be the Assistant Secretary of Agriculture for Civil Rights, who the Committee advanced in January and is still awaiting a vote by the full Senate.

I also hope that this Committee will closely follow the important work of our new Equity Commission. The Commission has a diverse array of external stakeholders who hail from across the country, including members from both the Chair and Ranking Member's states, as well as

others from this Committee, who are working hard to lend their voice and experiences as farmers, ranchers, and farmworker groups, people of color, women, Tribal and Indigenous communities, individuals with disabilities, with limited English proficiency, rural communities, and LGBTQI+ communities, among others. As authorized and funded by the American Rescue Plan Act and launched in February of this year, the independent Equity Commission is working hard to deliver on President Biden's commitment to identify solutions that will address historical discrimination at USDA. The Commission is co-chaired by Deputy Secretary Jewel Bronaugh – USDA's first Black woman to serve as Deputy Secretary. As authorized by the American Rescue Plan, the Commission will provide me with their recommendations on policies, programs, and actions needed to address equity issues, including racial equity issues, within the Department and USDA programs, including strengthening accountability and providing recommendations on broader and more systemic equity issues at USDA. Their first report will be delivered to me before the end of the calendar year and I look forward to reviewing and building on the work we have been doing since day one.

As the Committee focuses on the FY 2023 budget process, I would also like to highlight one long-standing barrier preventing farmers from benefitting from USDA programs, which is heirs' property. This refers to when family land is inherited without a will or legal documentation of ownership. Heirs' property has historically been challenging to heirs because of their belief that they cannot get a farm number without proof of ownership or control of land. Though those affected are in all geographic and cultural areas, many Black farmers and other groups who have experienced historic discrimination, have heir's property. This Budget requests \$62 million for the Heirs Property Relending Program to assist heirs in resolving ownership and succession issues on farmland with multiple owners. Examining barriers to heirs' property owners is a part of a broad USDA effort to revising policies to be more equitable.

To better use the research and development capacity at Minority Serving Institutions (MSIs), this Budget proposes nearly \$315 million with almost \$227 million going toward Historically Black Colleges and Universities, which includes the 1890 Land Grant Institutions. The Budget also supports preparing more Hispanic Americans for careers in agricultural science and agribusiness through important investments in the Hispanic Serving Institutions Education Partnerships Grants Program. The Budget includes a 120 percent increase above 2022 enacted levels for Federally Recognized Tribes Extension Program, to allow the program to serve the demand from 1994 Land-grant Institutions more fully and effectively.

Ensuring that all rural communities are made aware of and encouraged to participate in USDA programs, this Budget proposes \$39 million to sustain and expand the Rural Partners Network (previously known as StrikeForce). The Rural Partners Network will provide targeted training, technical assistance, and outreach to distressed communities including energy communities in rural America through an all-of-government approach and support more strategic community engagement, facilitate regional coordination among federal agencies to share best practices, braid federal resources, and foster collaboration with local and State partners. This work follows through a commitment the President made when he came to office – we must invest in America’s heartland in a meaningful way.

Making USDA a Strong, Modern Organization and a Best Place to Work

Nearly 100,000 strong and with a budget of more than 200 billion, you would expect—and hope—that USDA has a robust operational core: An operational core that has top notch human capital and administrative staff and offices that can support and provide critical guidance given the anticipated retirements, need to hire and hire in a vastly competitive climate, and focus on having cultures and workplaces that demonstrate a commitment to the employees. I have made it a priority to make USDA a Best Place to Work. We have prioritized creating a diverse, inclusive, equitable and accessible workplace; engaging and supporting our employees in meaningful ways; recruiting the next generation of USDA staff and leaders. However, we are challenged because more often than not USDA’s ‘staff offices’ operate on shoe-string budgets and with staffing levels that dwarf the responsibility USDA offices bear.

An analysis of staffing levels since 2008 indicates that the communications shop, for example, has been whittled down from 85 to fewer than 50 people today – and the work as well as the importance to message to the American people about services, benefits and programs as well as to rebuild trust in our federal institutions is more important than ever. Our Office of Contracting and Procurement is a fraction of the size it needs to be to oversee the contracting offices throughout the Department. USDA obligates \$10 billion on contracts annually, and this Budget requests funds to ensure a larger staff and sound succession plan are in place to provide strong leadership over contracting and procurement throughout USDA. You might expect an agency of the size and scale of USDA to have a robust training division – a team focused on workplace wellness, employee engagement and recruiting the next generation of USDA staff and leaders in rural America. But you’d be wrong. Our Budget proposes to increase USDA’s Office

of Human Resource Management by 31 positions, compared to the current staff of just 87 staff. These increases will help us leverage the HR work that we do with the Mission Areas and build a best-in-class operation for our nearly 30 agencies and offices that employ about 100,000 people.

Year after year, USDA staff have taken on more and more work to meet our complex mission and new directives from Congress. But without commensurate increases in staff support, it positions us for greater risk and creates a culture of siloes where we must find ways internally to fund these necessary functions. While our mission areas, agencies, and specific programs have often drawn greater interest and funding increases from Congress through the appropriations process and past Farm Bills, the FY23 budget proposes an initial set of steps to build back a robust operational core within USDA. Doing this right will take time and focus over the course of multiple years, but it is critically important. In addition to the programs that the public relies on and Congress generously fund, I implore you to also concentrate on the critical needs of organizational abilities and operations management that ensure our staff are properly supported and our programs are delivered efficiently, effectively, and with integrity.

The FY 2023 Budget lays out a plan for USDA to build on the early progress and commitments of this Administration, build back our workforce, and implement the historic legislation passed in the past year while tackling critical issues within the food supply chain, the impacts of climate change, support our efforts to combat wildfire, and the pressures on our public and private lands. As I stated at the beginning of my testimony, the work we propose in the USDA Budget is not a wish list, it is a to do list and USDA needs the support of this Committee and of Congress to make the much-needed investments called for in the President's FY 2023 Budget. I look forward to working with this Committee and to answering any questions you may have about our Budget proposals and our broader ongoing work to support America's farmers, families, and rural communities.

**DOCUMENTS SUBMITTED FOR THE
RECORD**

MAY 26, 2022

May 23, 2022

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear President Biden:

We write to express our grave concern with a recent change in long-standing policy regarding the regulation and labeling of pesticide products relied upon by farmers and other users. At a crucial time when American farmers are striving to feed a world threatened by food shortages and insecurity, the likes of which we have not seen in decades, this reversal of policy greatly risks undermining the ability of U.S. agricultural producers to help meet global food needs. This policy also poses significant risks to farmers and other herbicide users for whom these tools are essential to combat climate change and other environmental challenges. With so much at stake, it is vital that we have durable, predictable, science-based policy on this matter that does not fluctuate between administrations. We strongly urge you to withdraw the brief establishing this new policy, fully considering the implications it holds for global food security, environmental sustainability, and the future of science-based regulation.

On May 10, 2022, Solicitor General Elizabeth Prelogar submitted a brief to the U.S. Supreme Court advising the Court against hearing a case, arguing that federal pesticide registration and labeling requirements do not preclude states from imposing additional labeling requirements, even if those requirements run counter to federal findings. This position, a stunning reversal from numerous past administrations, Democratic and Republican alike, poses great risks to our science-based regulatory system and global food systems. The product label at issue in this case involves the herbicide glyphosate. Nearly every pesticide regulatory body in the world, including the U.S. Environmental Protection Agency, has conducted robust scientific evaluations of glyphosate and reached the conclusion it is not a carcinogen and can be safely used.

The Solicitor General's brief adopts a position that permits states to mislabel glyphosate – or any pesticide – with cancer warnings despite overwhelming scientific evidence that it does not pose a cancer risk. The Federal Insecticide, Fungicide, and Rodenticide Act, the primary statute governing pesticides, is quite clear that “a pesticide is misbranded if its labeling bears any statement... which is false or misleading in any particular.” The dangerous reversal in position defies this federal statute, decreases access for farmers and other users to much-needed tools to produce food, fiber, and fuel safely and sustainably, and presents threats to science-based regulation and international trade.

Science-based regulation has always been a central tenant of U.S. trade policy. This new position undermines this standard and has already drawn criticism from our trade partners and foreign customers. Some U.S. trade partners resort to protectionist measures, including setting unjustifiable pesticide residue limits based on poor science, to limit market access to U.S. goods. The Administration adopting its own unscientific approach to pesticide labeling will only serve

to weaken the position of U.S. trade negotiators and bolster those seeking to use unscientific, protectionist policies to prevent U.S. access to foreign markets. These potential trade implications will likely not be limited to just crops in which glyphosate is used, but also for other pesticides.

Moreover, the Solicitor General's conclusion risks undermining how herbicide tools help farmers to produce more and do so sustainably. By opening the door to an impractical patchwork of state pesticide labeling requirements, farmer and user access to these tools would be threatened. Such action would reduce crop yields at a time when lives depend on us producing every bushel possible. It would also reduce the use of conservation practices that help to fight climate change, such as cover crops and decreased soil tillage.

We are concerned this monumental change in the federal government's policy will not just threaten science-based regulation, but it risks undercutting food production and important environmental practices at a time when we cannot afford to hinder either. We strongly urge your Administration to withdraw the brief and to consult with the U.S. Department of Agriculture regarding the implications of this decision for food production, environmental sustainability, and science-based regulation.

Sincerely,

Agricultural Retailers Association
 Alabama Farmers Federation
 Aquatic Ecosystem Restoration Foundation
 Aquatic Plant Management Society
 AmericanHort
 American Farm Bureau Federation
 American Soybean Association
 American Sugar Alliance
 Arizona Farm Bureau Federation
 California Citrus Mutual
 California Farm Bureau
 California Specialty Crops Council
 Cherry Marketing Institute
 CropLife America
 Far West Agribusiness Association
 Florida Fertilizer & Agrichemical Association
 Florida Fruit and Vegetable Association
 Georgia Agribusiness Council
 Golf Course Superintendents Association of America
 International Fresh Produce Association
 Iowa Farm Bureau Federation
 Missouri Farm Bureau
 National Agricultural Aviation Association
 National Alliance of Independent Crop Consultants
 National Alfalfa & Forage Alliance

National Asparagus Council
National Association of Landscape Professionals
National Association of State Departments of Agriculture
National Association of Wheat Growers
National Barley Growers Association
National Black Growers Council
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Onion Association
National Pest Management Association
National Sorghum Producers
National Sunflower Association
North Central Weed Science Society
North Dakota Grain Growers Association
Northeastern Weed Science Society
Oregonians for Food & Shelter
RISE (Responsible Industry for a Sound Environment)
South Carolina Farm Bureau
Southern Weed Science Society
Southwest Council of Agribusiness
Tennessee Farm Bureau Federation
USA Rice
U.S. Canola Association
U.S. Peanut Federation
Washington Friends of Farms & Forests
Weed Science Society of America
Western Growers Association
Western Society of Weed Science

QUESTIONS AND ANSWERS

MAY 26, 2022

U.S. Senate Committee on Agriculture, Nutrition, and Forestry
Opportunities and Challenges Facing Farmers, Families, and Rural Communities
 May 26, 2022
 Questions for the Record

The Honorable Thomas J. Vilsack

Chairwoman Debbie Stabenow

1. **In 2018, I commissioned a GAO report on college student food insecurity that found that there were almost 2 million at-risk students who were potentially eligible for SNAP but did not report receiving benefits in 2016. One of the recommendations from that report was for the Department to review and collect information about states' best practices for assisting eligible college students in accessing SNAP. According to GAO, this is something that the Department has started to work on.**

- **Can you provide an update on how USDA is approaching the recommendation?**

USDA is collecting best practices for SNAP student outreach from States and higher education stakeholders through regular engagements. USDA will review and use this information to develop a resource and webinar for States to share those best practices. FNS led a session on student SNAP outreach at the 2021 Economic Mobility & Well-Being Conference, hosted by the American Public Human Services Association (APHSA), to engage State agencies in best practices conversations. In addition, USDA hosted targeted webinars in Spring 2022 to provide technical assistance for State agencies on the sunset of the temporary student exemptions Congress enacted during the pandemic. Finally, USDA included student outreach as a priority area in both the FY22 and FY23 SNAP Outreach Priorities memo, which identifies groups for State agencies to consider targeting in their SNAP outreach plans. We are currently working to finalize the best practices resource and will continue to facilitate the sharing of information across States.

- **Are there any barriers that states have indicated that keep them from best reaching college students?**

In our ongoing conversations with State agencies and higher education stakeholders, FNS has learned that SNAP access for college students varies across States for a number of reasons. For example, State SNAP agencies that have strong partnerships with their State agencies responsible for higher education are better able to develop coordinated policies, address operational challenges, and conduct outreach to college students. State SNAP agencies without such a partnership in place have fewer tools available to reach students.

States with thorough screening procedures during the SNAP application process can better identify students that meet exemptions that may allow them to qualify for benefits. However, SNAP student eligibility policy is complex, and USDA has learned that some State agencies do not fully understand some aspects of student policy. To ensure that States can properly screen students for exemptions and determine student SNAP eligibility, USDA is drafting several policy memos to clarify areas of confusion. USDA published the first such memo, focused on eligibility of individuals with partial meal plans, in June 2022.

- **Are statutory or regulatory changes required to address these barriers?**

The Food and Nutrition Act strictly limits student eligibility for SNAP. It also enumerates the exemptions that can allow students to qualify for the program. The Consolidated Appropriations Act, 2021 created two new, temporary student exemptions, which will remain in effect until 30 days after the COVID-19 Federal public health emergency is lifted. Statutory changes would be required to create additional exemptions permanently, extend the temporary exemptions currently in effect, or otherwise expand student eligibility. However, some students who are eligible under the current rules do not participate in SNAP because they do not know that they qualify or understand how to apply. USDA is working to ensure that State SNAP agencies, institutions of higher education, and students better understand how SNAP eligibility works so that eligible individuals get connected to the program. As part of this effort, USDA – in collaboration with the U.S Department of Education – issued guidance in February 2021 to postsecondary institutions encouraging coordination with campus stakeholders to notify eligible students about the temporarily expanded SNAP eligibility for low-income students. USDA hopes to build upon this promising partnership with the Department of Education to ensure students are informed and receive the assistance they need.

2. Please provide an update on the implementation of the Community Compost and Food Waste Reduction pilot projects.

In 2020, the Office of Urban Agriculture and Innovative Production (OUAIP) received 78 Composting and Food Waste Reduction applications and funded 13. In 2021, OUAIP received 52 applications and funded 24. Total funds obligated to date: \$3,012,298 across 21 states.

Collectively, the projects selected address the CFWR priorities identified in the 2018 Farm Bill, including:

- anticipates or demonstrates economic benefits;
- Incorporates plans to make compost easily accessible to agricultural producers, including community gardeners;
- integrates other food waste strategies, including food recovery efforts; and
- provides for collaboration with multiple partners.

In 2022, OUAIP released a Notice of Funding Opportunity and completed targeted outreach to school districts in collaboration with the Food Nutrition Service - Farm to School Program and other media. The projects funded in 2020 are completing the final year of their cooperative agreements and OUAIP expects to receive final reports and lessons learned that will inform the implementation of the program moving forward.

- **Of the proposals received, how many projects sought funding for food waste reduction methods outside of composting?**

Out of 130 applications, 76 sought funding for food waste reduction efforts.

- **If any existed, what were the various reduction methods, outside of composting, that were supported through this program?**

This program supported reduction methods outside of composting, including: food recovery efforts and donations to food pantries; food gleaning to harvest edible food from local farms and provide to those in need; and outreach and education to reduce food waste at the source (e.g., households, businesses).

3. The COVID pandemic exposed greater demand for local food and local and regional food infrastructure. It also changed the way many local producers sell their products, shifting away from retail markets to more on-farm and direct-to-consumer sales.

- **How has the role of local and regional food systems in the supply chain changed over the last couple of years?**

The COVID-19 pandemic caused unprecedented changes in where, how, and what food U.S. consumers purchased and consumed. A USDA-funded consumer survey shows that 35% of consumers tried at least one new market channel in 2020. USDA expanded its research on consumer behavior with a follow up survey in 2022 to examine more recent purchasing patterns. While pandemic impacts were extensive, COVID-19 also highlighted the strengths of local and regional food systems. Research from a USDA AMS Local and Regional Food Systems Response to COVID-19 project found that demand soared for local and regional markets and producers faced challenges in increasing product and meeting that demand. Local food businesses such as co-ops and farmers markets saw a rise in popularity and filled gaps in the middle of the supply chain. While schools faced unique challenges such as decreased participation leading to decreased funding and prioritization of local food purchasing, several state agencies stepped in and found ways to support farm to school initiatives with emergency funding, such as the CARES Act. For example, Iowa's Local Produce and Protein Grant Program awarded schools, child care, and universities funding for equipment and purchasing local foods. Sales for small and mid-scale meat processors grew and these businesses were able to pivot more easily than large meat packers. However, the pandemic worsened the processing bottleneck that many ranchers experience. Many food hubs supply restaurants had to quickly find new markets. While many hubs were not setup for online sales, particularly to individual households, adapting to customizable online orders helped many food hubs reach new markets and grow sales.

- **Will the Department be evaluating how producers are engaging with markets differently since the pandemic?**

USDA's National Agricultural Statistics Service 2020 Local Food Marketing Practices Survey found that the number of farms selling locally produced food decreased by 12% nationally between 2015-2020. Despite this decrease, the demand for local food persists, USDA and external partners will be doing further analysis on this data to understand how producer behaviors are shifting.

To ensure that producers can meet the strong demand for local foods and the middle of the supply chain can support producer access to markets, especially during crises such as a pandemic, USDA is developing new programs through the Food Systems Transformation Framework that will support and build regional resilience into food systems, and will also provide insights into ongoing producer engagement with markets. One such program, the USDA Regional Food Business Centers, will provide coordination, technical assistance, and capacity building support to small and mid-size food and farm businesses, particularly focused on processing, distribution and aggregation, and market access challenges. The Regional Food Centers will target support to underserved communities in a particular region as identified by the applicant. Food and farm businesses will be beneficiaries of this program, which will include evaluation to assess impact and producers' market practices. The Department plans to publish a Request for Applications shortly.

4. As I outlined in a letter to you in February 2022, I remain committed to improving the BioPreferred Program. I appreciated your response, which outlined the steps you are taking to improve the program.

- **Please provide an update on the steps USDA is taking to improve BioPreferred as outlined in your April 25, 2022 response letter.**

In our previous response, USDA outlined four steps to improving our BioPreferred program. Each action is listed with a progress reporting beneath.

Action #1: Review current service and construction solicitations to ensure biobased product purchasing and reporting requirements are included. If the solicitation is non-compliant, the Contracting Officer receives a communication requesting an amendment to correct the error.

Reviews of solicitations is an ongoing activity and will continue being done on a regular basis. Our findings have been that in general, contracts do include the procurement requirement clause. There will be continued outreach and training to encourage contract and procurement officials to exercise the requirement and adopt active reporting practices.

Action #2: Post a new web-based training program for Contracting Officers which will be available on the USDA BioPreferred website.

Training resources for Federal procurement and contracting officials are available on the website. Additionally, a curriculum has also been developed for the AgLearn platform. Education and training is an ongoing activity and resources continue to be developed and updated when needed.

Action #3: Conduct outreach with events such as GSA Smart Pay for purchase card managers, the Federal Environmental Symposium, and the AgOutlook Forum.

The program looks to engage in all types of outreach activities – in-person and virtual. Program staff have engaged in multiple program stakeholder and industry events and this has, and will continue to be, an ongoing activity. The program also continues to have visibility within the Federal contracting and procurement community and regularly participates in meetings, webinars, etc., to communicate on the program.

Action #4: Launch a newsletter directed to Federal Government employees called BioBuzzGov which focuses on information for procurement and sustainability professionals in the Federal Government.

The program continues to participate in the sustainable acquisition working group that includes representation from across the Federal government and continues an ongoing conversation with EPA in an effort to collaborate and cross-promote programs. The program team has met with senior Department officials to discuss broader support and program participation in USDA and other Federal agencies. This remains an ongoing process. The latest *BioBuzzGov* newsletters from January and March can be found at these two web addresses:

January 2022: <https://content.govdelivery.com/accounts/USDARD/bulletins/3042546>

March 2022: <https://content.govdelivery.com/accounts/USDARD/bulletins/31022d8>

5. **Specialty crop insured liabilities rose from \$1 billion in 1990 to \$20 billion in 2020, but crop insurance coverage of specialty crops continues to lag behind row crops. The 2018 Farm Bill required the USDA-Risk Management Agency Specialty Crops Coordinator to designate a Specialty Crops Liaison for each RMA regional office to increase RMA outreach to specialty crop producers.**

- **How are the Specialty Crop Liaisons working to increase crop insurance access to specialty crop growers and what additional steps can USDA take to support their efforts?**

The Liaisons serve as the local point of contact for specialty crop producers to identify their particular risk management needs. They work with the Specialty Crops Coordinator to obtain information and data on those needs to determine suitable crop insurance options and where to expand existing policies. These producer interactions are vitally important, and USDA continues to promote these Liaisons as a way for local producers to provide feedback to the Risk Management Agency.

- **How is USDA's Risk Management Agency working with stakeholders to research and develop new policies for specialty crop growers?**

RMA continually meets with stakeholders to solicit recommendations to increase effectiveness of and access to the program. RMA has also implemented the new Production and Revenue History policy for strawberries in California and Florida in response to producer requests for revenue coverage that accurately covers the price.

- **How is USDA working with specialty crop growers to improve existing policies, such as Whole Farm Revenue Protection, to increase adoption?**

RMA is closely monitoring the Whole Farm Revenue Protection program and will continue to make program improvements, based on feedback from specialty crop growers. Also, in response to stakeholder requests for a more streamlined Nursery program, RMA implemented the new Nursery Value Select policy for the 2021 crop year that removes onerous paperwork burdens from both producers and the insurance industry.

Ranking Member John Boozman

1. **Recently, USDA published a proposed rule to amend the Agriculture Acquisition Regulation (AGAR). Parts of this rule are concerning, specifically Part 452, 452.222-70 Labor Law Violations and 452.222-71 Past Labor Law Violations. This rule would require all government contractors to report all labor law violations for their subcontractors and suppliers, as well as report past violations. Unsuccessful similar rule makings have been attempted in the past. I am troubled about the reconsideration of this rule and the considerable increased regulatory burden contractors and subcontracts will experience in effort to comply. Many of the businesses that engage with the federal government are small, family-owned, and often times underserved, businesses. The increased regulation and compliance cost could discourage many of these small entities from working with USDA.**
- **While my staff has been in communication with your office, can I count on your continued commitment to work together and address these concerns?**

Yes, you have my commitment to work together on this issue.

2. **There is no doubt farmers and ranchers are the best stewards of their resources – land, crops, livestock, inputs, water, and the environment, just to name a few. Under your direction, the USDA is pursuing climate smart initiatives and an enhanced focus on stewardship of natural resources. I often hear from farmers, ranchers, producers, and stakeholders about their eagerness to participate, but frustration with the Administration prohibiting use of the very tools needed to steward our resources well.**

- **Given many of these tools and developments are under the purview of the Food and Drug Administration (FDA) or (EPA), what efforts are you pursuing for interagency coordination on issues affecting agriculture and climate change?**

Regulatory oversight for animal health products in the United States is divided between FDA, USDA, and the Environmental Protection Agency (EPA). USDA's Animal and Plant Health Inspection Service Center for Veterinary Biologics (APHIS CVB) oversees the regulation of veterinary biologics; EPA oversees products deemed pesticides, while FDA's Center for Veterinary Medicine (FDA CVM) governs the regulation of animal drugs. USDA is available to consult with FDA as it carries out its responsibilities. In general, to receive approval for an animal drug from FDA CVM, the product's sponsor must file information on, at a minimum, the drug's chemistry and composition, the proposed labeling, and evidence demonstrating three things. First, the drug must be effective in doing what it proposes to do on its label. Second, the sponsor must be able to consistently manufacture the product in accordance with good manufacturing practices. Finally, the drug must be safe for the animal when used as directed on the label and food from treated animals must be safe for people to eat.

- **Will you actively advocate to get these tools in the hands of the producers so they may continue to be sustainable?**

Where appropriate, USDA will continue to work with FDA to support the consideration of products that could reduce methane emissions. Enteric fermentation is a natural digestive process in animals where anaerobic microbial populations in the digestive tract ferment feed and produce methane. Ruminants have greater rates of enteric fermentation because of their unique digestive systems. Energy content and quantity of feed also affect the amount of methane produced, with lower quality and higher quantities of feed leading to greater emissions. Changes to diet composition and the use of certain products can reduce methane emissions from enteric fermentation. In particular, increasing dietary fat, providing higher quality forage, increasing protein content of feed, increasing dry matter intake, and decreasing the forage-to-concentrate ratio can reduce emissions from enteric fermentation. Emerging research also is providing evidence that products such as tannins, monensin, and 3-Nitrooxypropanol (3NOP) reduce enteric emissions.

3. **Right now, as you know very well, we are enduring another devastating outbreak of high path avian influenza (HPAI). While the number of infected birds has slowed in recent weeks, we've seen HPAI impact 36 states and over 38 million birds. The National Animal Disease Preparedness and Response Program, created in the 2018 Farm Bill, was very important for so many livestock and poultry producers, including my home state of Arkansas which is one of the nation's top producers of broilers. Though that program has received very important resources to improve our national laboratory capacity for animal disease testing and develop important vaccine stockpiles, we are witnessing another extreme outbreak of HPAI.**
 - **In light of this most recent animal disease challenge, where do you continue to see improvement needed in our nation's surveillance, monitoring, testing, disposal, and restocking efforts?**

I agree that the National Animal Disease Preparedness and Response Program (NADPRP) has been an incredibly helpful tool for protecting animal health. NADPRP gives APHIS additional resources to work with its partners to expand the reach of its animal health programs and to identify and fill in gaps. Under

NADPRP, APHIS provides funds to States, universities, industry organizations, Tribal partners, and other eligible entities to support projects that help prevent and prepare for the most serious animal diseases that threaten U.S. livestock, poultry, and related industries. Collectively, NADPRP projects boost the nation's capacity and capability to detect, respond to, and recover from animal disease outbreaks that may impact all livestock and poultry sectors and all livestock and poultry operation types and sizes. We will continue to use this program to identify the kinds of challenges you describe and work with our partners to address those. Already, we have seen where the projects funded through this critical program have had an effect, such as projects that have identified and shared biosecurity best practices and animal health training exercises that helped us build relationships and strategies for responding to outbreaks.

- 4. As the U.S. surveys, monitors, tests, and responds to HPAI, there is a large network of people involved such as the producers and integrators, along with a host of government agencies and offices, contractors, industry associations and so on. As USDA APHIS takes the lead on coordinating these efforts, from a federal level, I want to underscore the importance of our state departments of agriculture. They are often the boots on the ground and the first at the scene. They play a crucial role, having earned the trust of producers and integrators, along with having advanced monitoring and testing capabilities that shorten the time of confirmation.**
- **Will you commit to regular communication and updates with our state departments of agriculture and include them as a valuable partner as we fight HPAI and any other animal disease outbreak we may face now or in the future?**

We cannot do what we do without the strong partnerships we have with states. During the HPAI outbreak, we held biweekly calls with state animal health officials and had joint response teams working closely with each state, day-in, day-out. Additionally, APHIS holds monthly calls with the National Association of State Departments of Agriculture and the National Assembly of State Animal Health Officials to provide regular updates and hear from states about their issues and concerns.

- 5. Several states have yet to see a full Farm Service Agency State Committee appointed and some are still missing a State Executive Director. These roles are integral in ensuring farm programs operate efficiently and effectively for producers.**
- **Can you please share an update on these appointments and when states can expect to have full committees in place?**

As of May 27, 2022, there are 45 of the 51 State Executive Director (SED) in place or appointed, and we are working as expeditiously as possible to fill all remaining SED positions. With respect to the State Committees, those positions stand at various stages of the appointment process. Where there are still vacancies for positions that have not been nominated yet, FSA is working as swiftly as it can to seek out nominees and fill those committees as soon as possible.

- 6. On May 25, USDA and OMB listed a "pre-rule" titled "Poultry Growing Tournament Systems: Fairness and Related Concerns" in its pending review list in addition to the proposed rule titled "Transparency in Poultry Grower Contracting and Tournaments." An advanced notice of proposed rulemaking focused on the poultry tournament system was also recently announced. I've heard concern from poultry growers that with these forthcoming rulemakings, the tournament system appears under scrutiny and could undergo radical reforms that are not**

widely supported by poultry contract growers. The tournament system has offered a means to be compensated for superior business and management practices that translates to improved efficiencies and natural resource management and better health and welfare of the poultry they raise. Coupled with historic inflation and extremely high farm input costs, it is very likely these regulations, if not carefully drafted, may ultimately hurt our producers who raise poultry.

- **Can you identify any evidence USDA has received as well as any analysis USDA has conducted that supports the need for additional regulatory parameters targeting the poultry tournament system?**

The purpose of the Advanced Notice of Proposed Rulemaking (ANPRM), “Poultry Growing Tournament Systems: Fairness and Related Concerns,” was to solicit comments from a broad swath of growers, integrators, and other stakeholders, to inform USDA’s policy development and any future potential rulemaking proposals regarding the issues set forth in that Advanced Notice of Proposed Rulemaking. During the 2010 joint USDA/DOJ workshops and since, numerous growers have gone on the record to share real life tournament system experiences including those about contract structure, hold up problems, input disparities, feed outages, payment inequity, additional capital investments, among other issues. The USDA Packers and Stockyard Division has received hundreds of complaints and conducted an abundance of investigations. The ANPRM, which can be found at this link - <https://www.federalregister.gov/documents/2022/06/08/2022-11998/poultry-growing-tournament-systems-fairness-and-related-concerns>, was intended to allow for broad additional stakeholder feedback on these important issues.

7. **USDA is spending hundreds of millions of dollars to expand meat packing capacity to, in part, ensure all consumers have access to affordable, nutrient dense meat and poultry products that help fill the protein gap.**
 - **In light of the significant federal investment, how will USDA engage with the White House’s Conference on Hunger to ensure the nutritional benefits of meat are highlighted, especially for specific populations like those identified in the Dietary Guidelines for Americans, 2020-2025?**

USDA is pleased to be a part of the upcoming White House Conference on Hunger, Nutrition, and Health. USDA is working closely with the Department of Health and Human Services, the White House, and our other Federal partners to elevate our actions to promote nutrition security, reduce hunger, and improve health. The Conference will be a unique opportunity to bring together stakeholders from across the government and across sectors to accelerate progress and drive transformative change in the U.S. to end hunger, improve nutrition and physical activity, reduce diet-related disease, and close the disparities around them. I expect the Conference to set out the goals of ending hunger and increasing healthy eating and physical activity in the U.S. by 2030, so fewer Americans experience diet-related diseases like diabetes, obesity, and hypertension. Leading up to the Conference in September, the White House plans to host virtual listening sessions that will be open to the public so we can hear from every region of the country—including the territories—and Tribal Nations. A national, Federal strategy will be announced at the Conference to catalyze the public and private sectors to address the intersections between food, hunger, nutrition, and health. We want to hear ideas and stories to help inform the national strategy, and we appreciate you sharing your views on the nutritional benefits of meat. It will take all of us to end hunger and reduce diet-related diseases. USDA will work with other Federal departments and

governments at the local, State, tribal, and insular levels, external partners, and other key stakeholders to amplify and bolster our efforts to move the needle ever closer to nutrition security for all Americans.

- 8. In October 2021, USDA announced “a stronger, more comprehensive effort” to address *Salmonella* in poultry, because, as USDA Deputy Under Secretary for Food Safety Sandra Eskin said, “Time has shown that our current policies are not moving us closer to our public health goal.**
- **It’s time to rethink our approach.” Given the Under Secretary’s statement, why has USDA decided to release a proposed *Salmonella* standard in pork using the old, demonstrably ineffective approach rather than offering a new approach and an opportunity for pilot projects as was done for beef and poultry?**

USDA is taking steps toward developing a stronger and more comprehensive framework to address Salmonella in poultry. Once that is being implemented, FSIS will reevaluate its pork performance standards based on changes that are made for poultry.

- 9. In the latest round of funding for the ReConnect broadband program, USDA made several changes to the requirements from earlier rounds that are likely to favor one technology solution over another. Worse, the third round of funding allows grantees to receive government funding to provide service in areas where high-speed broadband service already exists. Notably, through report language that accompanied the FY 22 Consolidated Appropriations Act, Congress raised concerns stating, “the most recent funding announcement dictates build out speeds that are not technology neutral and could inflate deployment and consumer access costs. Furthermore, Congress “reminds USDA to avoid efforts that could duplicate existing networks built by private investment or those built leveraging and utilizing other Federal programs [...]”.**
- **Will USDA commit to following Congress’s instructions to make sure that future rounds of funding are technology neutral and avoid duplicating services in areas where high-speed reliable broadband already exists?**

The ReConnect Program is technology neutral and welcomes all technologies and fixed network configurations that meet our standards. Various technologies, wireless and wired, such as fiber, cable, and fixed wireless have the capability to meet the 100/20 Mbps sufficient broadband access and the 100/100 Mbps construction standard in the fourth funding round of the ReConnect program. In the previous two rounds of the ReConnect Program, even though our construction standard was 25/3 Mbps, the vast majority of projects awarded proposed to use fiber-to-the-home, which has the capability to offer 100/100 Mbps. This let us know that rural communities are already building networks capable of meeting our updated standards. Networks can be constructed with a single technology or incorporate a mix of technologies. For example, a network can use fiber technology for backhaul but use wireless technology to offer last-mile service.

- 10. I have heard from multiple lenders in Arkansas concerned about reports that the popular Business and Industry Loan Guarantee Program is quickly running out of money. It is my understanding you have the ability to transfer money into this program using your interchange authority. I have been told it would take about \$15 million in budget authority to create \$700 million in lending authority – enough to fund the program through the end of the year. You used the same authority back in 2012 to transfer \$400 million from SNAP to WIC, so it would**

not be unprecedented. Furthermore, based on the Department's COVID spending reports, there is more than enough unobligated CARES funding within RD to cover the cost.

- **Will you exercise your authority to provide this critically needed funding?**
The budget authority (BA) provided by Congress for the B&I Guaranteed Loan Program along with carryover BA will support the authorized lending level for FY22 of \$1.4 billion. As in any fiscal year, the discretionary appropriation provides a specific funding level for loans and grants. These levels are meant to provide a specific amount of assistance for the program. These are not mandatory programs, and, as such, not funded to meet the annual demand. There are many programs across government where the annual demand is greater than the funding amount available, and the government does not routinely increase these programs mid-year when demand is higher than expected. We consider the program delivery to be successful in carrying out the will of Congress if we are funding the full loan level provided by Congress in the annual appropriation bill. However, given the unanticipated demand for B&I loan guarantees, USDA is investigating options for transferring resources that will allow additional loan level within FY22 to address this. We are hopeful that our efforts prove successful, but caution that there is no guarantee that the additional funding will be sufficient to meet the demand for the year, since it is not possible to know what that amount is with any precision.

11. Section 2509(a) of the Food, Agriculture, Conservation, and Trade (FACT) Act of 1990 (21 U.S.C. 136a) authorizes the Secretary of Agriculture to prescribe and collect user fees sufficient to cover the cost of providing AQI services. The Agricultural Quarantine and Inspection (AQI) program plays a critical role in facilitating the safe trade of agricultural commodities while protecting U.S. agriculture and the environment from invasive plant and animal pests and diseases. However, the last time USDA published a rule instituting a new fee schedule was in 2015 with a five-year phase-in completed in 2020.

- **Does the current AQI fee structure provide USDA adequate funding and agricultural inspector staffing levels necessary to protect U.S. agriculture and the environment from invasive plant and animal pests and diseases while facilitating the safe trade of agricultural commodities?**

The current AQI program user fee structure has created challenges, particularly during the pandemic when passenger travel dramatically decreased and since conveyance size and types have changed since the fees were last adjusted. To ensure we can continue to adequately fund this program, APHIS has begun an internal evaluation of the program to study the potential need for fee adjustments and has given notice of proposed rulemaking via the Spring 2022 Regulatory Agenda

Any future fee adjustment will consider the resources required to achieve and sustain staffing levels to mitigate known and emerging phytosanitary and sanitary risks.

- **Has USDA conducted a recent review of the impacts COVID-19, and subsequent international travel and trade disruptions, has had on the AQI program, staffing, inspections, interdictions, and effectiveness?**
 - **If so, will USDA provide a copy of that review to the Committee?**
 - **If not, when does USDA intend to conduct such a review to ensure the AQI program is adequately fulfilling its mission?**

APHIS developed a financial model based on actual monthly trade and travel data provided by its AQI partners, U.S. Customs and Border Protection (CBP), to project user fee collection shortfalls. This model accurately informed discussions about the level of appropriated funding needed to sustain the program when user fee revenue from airline passengers declined. APHIS and CBP have conducted passenger, conveyance pathway, staffing, cost and workload analysis to quantitatively evaluate the program's resource needs to address current and near-future phytosanitary and sanitary risks, and although APHIS has not adjusted the user fees for the program since 2015, it is in the advanced stages of developing a proposal to adjust the fees based on these assessments. We will keep this committee informed of that proposal.

12. USDA has taken a novel approach to addressing climate change, one of the major priorities of the Biden administration, by tapping \$1 billion from USDA's CCC to support the Partnership for Climate Smart Commodities pilot program. You suggested before the Senate Agriculture Committee on May 26 that the amount of funding requested in just the first phase was approximately \$18 billion, far exceeding the \$1 billion set aside for this pilot. You've been quoted saying it's possible USDA could fund additional applications with funds from NIFA or Farm Bill Conservation programs, which we know are oversubscribed. Recently, at the North American Agricultural Journalists meeting, you commented on future rounds for this pilot suggesting "we'll see where the applications take us." This was your quote. I'm concerned that \$1 billion has been obligated for these unproven pilots, and potentially more USDA funds will be considered to support additional applications, while at the same time my interpretation of your comments is that there doesn't seem to be, and maybe never was, a plan in place for how to utilize these CCC resources or what the goal was for these grants that ensured long term return on investment.

- **Can you commit to Congress that you will not use the CCC or funds provided by Congress for other purposes to fund additional Climate Smart applications or similar climate-related initiatives that aren't explicitly directed by Congress?**

Partnership for Climate Smart Commodities (PCSC) is funded in accordance with the CCC Charter Act, section 5(e), as it supports the development of markets for agricultural commodities, in this case, climate-smart agricultural commodities. USDA is committed to ensuring that its use of CCC funds continues to comply with the CCC Charter Act, and any other applicable law.

13. Regarding the Partnership for Climate Smart Commodities pilot program, how does USDA intend to use the information gathered from these grants? Can you describe plans under development that may impact or alter existing programs related to conservation, commodity programs, crop insurance, etc. in response to the information gathered under these grants?

USDA is establishing a Partnerships for Climate Smart Commodities Learning Network (Network), which will create a forum regarding the Partnerships for Climate Smart Commodities projects. The Network will ensure that valuable lessons related to climate-smart commodity market development; greenhouse gas mitigation, quantification, and verification strategies; approaches to supply chain tracing; outreach and technical assistance mechanisms; and more, are captured. Through the Network, USDA will document best practices and lessons learned, and where appropriate will utilize and incorporate these lessons within the broad spectrum of our programs.

14. Last September USDA announced several initiatives that were newly created using \$3 billion dollars that originated from the CCC. There were four different investments outlined—focusing on preventing the spread of African Swine Fever, support for drought recovery, relief for agriculture market and supply chain disruptions and school supply chain disruptions.

- **What level of funding under each priority remains unobligated?**

After thoroughly assessing the best ways to stabilize, support, and protect farm income and prices I made the decision to make the transfer of \$3 billion in fiscal year (FY) 2021 for domestic food purchases, animal diseases response (African Swine Fever), drought recovery and efforts to support the adoption of water-smart management practices, and efforts to facilitate the marketing of agricultural commodities.

Of the \$1.5 billion that was designated for assisting schools that were responding to supply chain disruptions, \$1 billion was transferred to the Food and Nutrition Service (FNS) to procure agricultural commodities to meet domestic requirements under the school meal programs USDA announced in December, and as authorized by Section 5(c) of the CCC Charter Act (15 U.S.C. 714c(e)). I expect the FNS funds to be fully obligated before the end of this summer. The remaining \$500 million was transferred to the Agricultural Marketing Service (AMS). AMS designated \$200 million of the \$500 million to be used to procure agricultural commodities for the Local Foods for Schools Cooperative Agreement Program (LFS) as authorized by Section 5(c) of the CCC Charter Act. The remaining \$300 million is being used for existing procurement mechanisms for purchases of agricultural commodities for the FNS National School Lunch Program for delivery to schools at the end of the last school year and for purchases for delivery in the fall of 2022 for the next school year, as also authorized under Section 5(c) of the CCC Charter Act. I expect that AMS should be able to obligate those funds prior to the end of Fiscal Year 2022.

With respect to the \$500 million transferred to support control of African Swine Fever (ASF) in the Western Hemisphere and prevent its spread to the United States, USDA has been taking significant steps to assist with the full eradication of infected and exposed swine in the Dominican Republic and Haiti, all while bolstering domestic efforts to protect against further spread. At this point though, only a small portion of the funds have been obligated, as of the end of May 2022 the exact amount for ASF is \$29,927,157. If an outbreak were to occur in the U.S., the remaining funds would serve as a strategic reserve to allow for rapid response and would be quickly exhausted.

In regard to the \$500 million transferred for drought efforts, shortly after this transfer occurred Congress approved \$10 billion in emergency relief funding via the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43) to assist producers impacted by natural disasters in 2020 and 2021, including drought. Since many of the same staff and resources for designing and implementing the CCC drought and water-smart efforts were required to design and deliver the Congressionally-mandated ad-hoc disaster program, no funds have been obligated to date and the programs are still under development for how to support drought recovery and the adoption of water-smart management practices.

For the remaining funds transferred for market disruption assistance relief, which will be obligated through a new Fertilizer Capacity Initiative and the Commodity Container Assistance Program, limited funds have been obligated as USDA is still negotiating partnership opportunities with ports and working to stand up the new fertilizer program to accept applications, which we hope to accept applications at the end of the summer or in early fall.

15. Regarding the \$3 billion dollars that was released from the CCC in September 2021 to focus on preventing the spread of African Swine Fever, supporting drought recovery, and providing relief for agriculture market and supply chain disruptions, what flexibility does USDA have to use these funds for purposes outside of the priorities announced in September, so long as they can be justified under the CCC charter act priorities?

Under the Commodity Credit Corporation Charter Act, the CCC is authorized to determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid. The transfer to APHIS to respond to African Swine Fever, however, occurred pursuant to the Animal Health Protection Act under 7 U.S.C. 8316(b), and such funds are not available for other CCC purposes.

16. Within USDA's \$3 billion Comprehensive Investment Package announcement announced in September 2021, four investment priorities were outlined including preventing the spread of African Swine Fever, support for drought recovery, relief for agriculture market and supply chain disruptions and school supply chain disruptions.

- **What level of funding has been spent under each priority?**

With respect to the level of funding that has been spent under each priority, please refer back to the USDA response to Question #14. Once funds are obligated USDA works to ensure those funds are spent as expeditiously as possible, however those timelines can vary based on the program and funding mechanism.

17. USDA stated the funding for the Comprehensive Investment package focusing on investments regarding African Swine Fever, drought recovery, market and supply chain disruptions as well as school supply chain disruptions would be made available via the Commodity Credit Corporation (CCC).

- **When does USDA plan to expend the totality of these set aside funds?**

As was stated in question #14 for the FNS and AMS funds, those are expected to be fully obligated and expended by the end of the summer and end of the Fiscal Year, respectively. Again, due to the staff and resources having to be utilized for the design and implementation of the Congressionally-mandated \$10 billion ad-hoc disaster program, USDA does not have a clear timetable for when the program to support drought recovery and the adoption of water-smart management practices will be developed and funds spent. The timeline for the full expenditure for the Fertilizer Capacity Initiative and Commodity Container Assistance Program will be influenced by the number of applications and the response to the request for applications, so at this point it is difficult to say when those funds will be expended in totality. The intention for the Fertilizer Capacity Initiative is to accept applications at the end of the summer or in early fall and proceed as quickly as possible to select projects and make those awards. For African Swine Fever (ASF), the on-the-ground situation continues to evolve and the majority of those funds will likely remain in strategic reserve.

18. On March 11, 2022, USDA announced it would be using \$250 million from the market disruption portion of Comprehensive Investment Package (CIP) funding for fertilizer production grants. In May, on a call with Congressional staff, USDA announced plans to move

a portion of this drought recovery funding announced in September to increase the fertilizer production funding under the market disruption portion of the CIP.

- What plans does USDA have for the remaining CIP funding outlined in the press release dated September 29, 2021?

Besides the plan that was discussed with your staff to shift \$100 million from the funding to support drought recovery and encourage the adoption of water-smart management practices to the market disruptions funding in order to increase the fertilizer capacity grant funding to \$500 million, the plans remain unchanged for the funds. As specific programs are developed and announced USDA will continue to brief the Committee.

19. What additional funds does USDA plan to use from the Commodity Credit Corporation (CCC) for Fiscal Year 2022 and for what purpose?

USDA has not made any further decisions for Fiscal Year 2022 but will continue to monitor the situation for what challenges producers are facing due to market disruptions and supply chain issues, along with the barriers producers have faced in order to stay competitive and expand their market opportunities. USDA will continue to provide appropriate notice to the Committee prior to the announcement of any such additional uses under the general and specific powers of the CCC.

20. Secretary Vilsack, the administration has voiced their support for an Office of the Special Investigator within the Packers and Stockyards Division. This office would be responsible for monitoring the business transactions and procurement practices for over 970 livestock or poultry processing facilities – including 50 facilities in Arkansas. According to USDA’s Agricultural Marketing Service, which also administers the Packers and Stockyards Division, there are currently 300 regulated processors of milk who purchase milk from farmers. The dairy industry is similarly situated to the livestock and poultry sectors.

- Do you believe the Special Investigator proposal should be expanded to cover dairy processors to review milk pricing and competition practices like what is currently being proposed for poultry and livestock processors?

I welcome the chance to work with you to examine challenges relating to milk pricing and competition practices and ways USDA can more fully deploy relevant authorities to promote fair and competitive markets for producers, and whether additional enhancements from Congress may be appropriate.

21. Following a 2018 farm bill change to milk pricing formulas, and a recently-released USDA Dairy Programs 2021 Cost of Processing study, there is renewed interest in reforming Federal Milk Marketing Orders. Any producer, handler, or other interested party may submit a proposal for consideration and request a hearing to establish a new Federal order or amend one or more provisions of an existing Federal order. However, in your, and the Department’s conversations with dairy industry stakeholders you’ve urged them to reach consensus prior to advancing any effort to reform FMMOs. This is effectively asking to guarantee the result of a referendum (approval or rejection of potential FMMO modification) before starting the formal rulemaking process that includes testimony and evidence submitted to the record, the holding

of a public hearing, the issuance of a recommended decision, open comment period, and the issuance of a final decision.

- **How do you define consensus, e.g., number of farmers and cooperatives that are supportive, or the volume of milk that is supportive, and is there a requirement or precedent that consensus must be reached among stakeholders before advancing to a FMMO hearing?**

The Agriculture Marketing Service (AMS) administers the rulemaking process to amend the FMMO program. Under this process, when petitioned to amend FMMO provisions, AMS conducts an analysis to determine whether a proposed change would tend to effectuate the declared policy of the authorizing legislation. The analysis determines whether an issue or issues should be further evaluated through the rulemaking process. The Federal Milk Marketing Orders impact a complex and diverse set of dairy producers and processors. While a general rough consensus amongst dairy stakeholders on what issue(s) needs to be addressed is not required, it does assist USDA in ensuring a robust and productive hearing process for all involved.

22. In March, USDA announced that hundreds of SNAP retailers who had been under investigation for indirect trafficking would be reinstated as authorized retailers under the program. This decision followed a review that sampled retailers suspected of indirect trafficking between 2018 and 2021, which led to USDA rescinding actions against the retailers and restoring their qualification.

- **Why did USDA rescind these charge letters and disqualifications of SNAP retailers?**

Starting in 2018, the Department expanded its efforts to investigate SNAP retailer trafficking to provide stronger monitoring and enforcement against those seeking to undermine the program. This included pursuing more cases of indirect trafficking, or the illegal act of intentionally purchasing products that were originally bought with SNAP benefits.

Through reviewing a sample of administrative indirect trafficking cases, we identified some weaknesses in the process for how these cases were handled between 2018 and 2021. USDA took immediate actions to rectify these weaknesses moving forward.

Out of an abundance of caution, USDA also rescinded all actions taken against retailers whose indirect trafficking investigations may have been adversely impacted by the process weaknesses, including reinstating those that were disqualified. FNS is deeply committed to maintaining fairness and program integrity in SNAP, and are committed to continually improving our approach to SNAP retailer oversight and to safeguard all our programs.

- **Will USDA release the report or any additional information that led to this decision?**

USDA takes the protection of the taxpayer dollars that fund SNAP very seriously. We are not disclosing further details about our methodology in the interest of maintaining the confidentiality of our investigative techniques and monitoring processes.

- **For retailers who were charged civil money penalties, will USDA consider any refunds of fees to retailers?**

Yes, USDA has processed refunds for those impacted retailers who paid or were paying civil money penalties associated with these actions.

- **How many retailers were no longer in business and have any been reinstated?**

Approximately 750 retailers were automatically reinstated; 111 retailers could not be automatically reinstated because store ownership had changed. Retailers who were not able to be automatically reinstated may nonetheless return to SNAP as authorized retailers should they so choose. Their applications will be accepted without prejudice, meaning FNS will not hold the rescinded actions against them. They will then be subject to the same monitoring and oversight as all SNAP authorized retailers.

23. USDA has devoted \$650 million to revitalizing the meat and poultry processing sector through a number of initiatives, including the Meat and Poultry Processing Expansion Program that was first announced in June 2021. Applications for the first round of grants, with a maximum award of \$25 million, closed nearly a month ago. I have heard from interested parties who have provided comment and feedback to USDA over the last year on how to administer the grant funds, and who subsequently submitted grant applications, that the delays in making awards under this program is have negative consequences on their business plans. Many of these projects are on hold pending a response to the application they submitted to USDA. In the meantime, quotes received from contractors and specialized trades who will construct these facilities only continue to creep up, in some instances 20% increases every 60 days are occurring, due to inflation increasing the and rising prices for construction inputs, fuels, transportation, labor and so on. In these instances, financiers of these projects are being asked to increase their investment, while the prospects for the MPPEP remain static. I am concerned that several of these new projects may falter and never get off the ground due to these financing and construction challenges.

- **Will you consider expediting review of these applications to announce awards by August 1? Or, can you consider providing confidential, preliminary notification to applicants that their application is under final consideration?**

USDA recognizes the importance of building a fairer, more competitive, and more resilient meat and poultry supply chain and developed the Meat and Poultry Processing Expansion Program (MPPEP) as one of suite of programs to address existing needs, gaps, and barriers in the sector. Preliminary MPPEP award selections will be made in Fall 2022, with first awards are expected, at the very earliest, in mid- to late-Fall 2022 with the intent of making all (if not most) awards by the end of this calendar year, as required environmental review processes are completed.

24. The Infrastructure Investment and Jobs Act (IIJA) of 2021 (PUBLIC LAW 117-58—NOV. 15, 2021) authorizes the Forest Service to make emergency determinations for emergency actions that can be used for an entire landscape either prior to or after an emergency event has occurred. USDA representatives recently stated the Forest Service would be issuing procedures and guidance for this emergency determination authority in the near future.

Given the active state of the 2022 fire season and the urgent need to initiate and complete many of these projects, when does USDA anticipate publishing the procedures and guidance for these new authorities?

The Agency has drafted implementation guidance and completed an initial review with the USDA Office of General Counsel (OGC). This is a high priority for the Agency and all efforts are being made to expedite review and clearance such that the guidance can be issued as soon as possible.

25. The IIJA of 2021 provided the Forest Service with \$160,000,000 for implementing Good Neighbor Authority (GNA) agreements entered into under section 8206 of the Agricultural Act of 2014 (16 U.S.C. 2113a). Previously, the GNA program has delivered numerous successful projects working through state and local governments.

- **Given the Forest Service already had an established GNA framework for identifying and delivering these projects, when does USDA anticipate dispersing the IIJA funds designated under GNA to the Forest Service Regions for project implementation?**

By August, USDA expects that all FY22 IIJA funds for good neighbor agreements (GNA) will be disbursed to the regions. In total we anticipate that a total of \$9 million dollars of the FY 2022 funds, \$1 million per region, will be allocated for project implementation through GNA. Another \$3 million dollars from the same IIJA Provision (Division D Title VIII Sec. 40804 (b)2- GNA and TFPA Restoration Projects) will be made available for Tribal Forest Projection Act (TFPA) projects. The Forest Service anticipates disbursing FY23 funds early in the fiscal year in support of the 10-year strategy, increased collaboration with States, tribes, and counties.

26. Active forest management, including prescribed fire and mechanical treatments, is critical to decreasing the frequency and intensity of catastrophic wildfires on National Forest System (NFS) lands. Active management enhances the overall health of our forests, timber resources, wildlife habitat, carbon sequestration, and the rural communities around them. In the 2014 and 2018 Farm Bills, Congress provided the Forest Service additional authorities for more Categorical Exclusions, Designation by Prescription, Good Neighbor Authority, and other tools to expedite the National Environmental Policy Act (NEPA) process and facilitate critical management work needed on NFS lands.

- **Do you believe the Forest Service has the appropriate statutory authorities and regulatory flexibilities to conduct the appropriate management work on the right number of acres needed to prevent and mitigate the catastrophic impacts of wildland fire on NFS lands?**

Our issue remains one of capacity. We greatly appreciate the significant investment Congress made through the IIJA and other efforts to conduct this work; however, we continue to have a need to rebuild the capacity in the agency.

- **If so, what impediments are preventing the Forest Service from conducting and completing the appropriate management work on the right acres?**

Again, our issue remains one of capacity.

- **If not, what additional statutory authorities and/or regulatory flexibilities does the Forest Service need to conduct and complete the appropriate management work on the right acres?**

We have sufficient statutory authority and regulatory flexibility to conduct and complete the appropriate management work. As stated above, the agency challenge is the capacity to simultaneously respond to wildfire and conduct the management work.

27. My office has heard anecdotal reports that some Forest Service Regions may lack access to essential equipment and information necessary for wildland fire fighting.

- **Does USDA have the appropriate satellite phones and corresponding infrastructure to successfully operate and communicate in the upcoming fire season?**

The Forest Service has the ability to acquire satellite phones as needed and are updating and replacing phones as requested. FirstNet capabilities are being added for Fire and Aviation Management (FAM) leadership on an as needed basis.

- **Does USDA have access to the necessary mapping information in and around National Forest System Lands to provide accurate and informed decision making in the upcoming fire season?**

We do have access to mapping information via our Enterprise Geospatial Platform (EGP) and various other tools for decision support around fire response. Efforts continue to refine and enhance these capabilities.

- **How will USDA identify the appropriate resource needs and coordinate delivery and availability of those resources across Forest Service Regions for the upcoming fire season?**

USDA works closely with the interagency community to continually monitor fire activity as well as fire risk across the nation, and collaboratively preposition critical assets as necessary based on current and predicted fire activity. We will continue to hire and maintain our benchmark of 11,300 wildland firefighters, capacity that is supplemented by contractors, emergency hires, and State, local, and Tribal governments. In addition to 67 Forest Service Type 1 Hotshot crews available to support suppression activities across the country, the agency has access to 41 Type 2 Initial Attack (IA) crews, and over 400 Type 2 contract crews. On average, Hotshot crews and Type 2 crews have approximately 20 personnel per crew, while the Type 2 IA crews can range between 10-20 personnel per crew. This national capacity can supplement the needs of any Region with incident activity on a year-round basis.

Senator Michael Bennet

1. **Nutrition providers across Colorado have worked quickly transforming systems to be responsive to our kids and communities during the COVID-19 pandemic. They have been able to successfully expand access to healthy meals and afterschool programming for underserved families, serve the whole child through learning-connected resources, and ensure safe and efficient food delivery outside of a congregate setting. Colorado's children and families have been and continue to be greatly affected by the COVID-19 pandemic, and it is critical that their nutrition lifeline is not abruptly halted. School nutritionists serving students in schools across my home state continually tell me that the reality of what the school meal programs face is nowhere close to normal due to supply chain and labor issues.**

Furthermore, as nutrition providers plan budgets and menus for the next school year, while responding to the current needs of their community, they need certainty as to requirements and eligibility criteria for the school meal program.

- **What is USDA doing to address food insecurity among families that depend on food and necessities provided by one of five food banks serving the state, or those families that depend on the healthy meals provided by school meals, or the fresh fruit and vegetables available at farmer's markets across the state?**

The pandemic has had devastating impacts on our nation's food systems and economy, and millions of Americans turned to the emergency food network for aid. Food banks, food pantries, and other community organizations have stepped up to meet the increase in need while simultaneously ensuring staff and recipient health and safety. These emergency food providers have been vital partners in USDA's fight against food and nutrition insecurity throughout the pandemic. The Administration, with help from Congress, has equipped them with additional resources to continue serving their communities despite the dynamic and challenging circumstances. These investments focus on additional food purchases, improving infrastructure, supporting health and nutrition, bolstering local food systems, and promoting access and equity to continue to drive toward a stronger tomorrow.

USDA applauds food banks, food pantries, and other community organizations for their extraordinary efforts to fight food and nutrition insecurity, while also recognizing that the pandemic exposed some inequities within our nation's broader emergency food network – especially in remote, rural, Tribal, and low-income communities. In Fiscal Year (FY) 2022, USDA plans to provide more than \$2 billion in food and financial support for emergency feeding programs. This includes an additional \$1 billion made available through USDA's Build Back Better Initiative, authorized by the American Rescue Plan Act, including \$500 million for additional food purchases for The Emergency Food Assistance Program (TEFAP), \$400 million for the Local Food Purchase Assistance Cooperative Agreement Program (LFPA), and \$100 million for Reach and Resiliency Grants to improve TEFAP's reach in rural and remote areas. USDA anticipates in June being able to award over \$39 million in TEFAP Reach and Resiliency grants to a number of TEFAP State agencies and USDA plans to make a second round of TEFAP Reach and Resiliency grant funding available later in the year. For the LFPA, a large number of cooperative agreements have been signed by States, Territories, and Tribal governments, including the Colorado Department of Human Services in April 2022. The agreements allow for the procurement and distribution of local and regional foods and beverages that are healthy, nutritious, and unique to their geographic area while supporting local, regional, and underserved producers through the purchase of domestic local foods.

The USDA Agricultural Marketing Service is also establishing the Local Food for Schools Cooperative Agreement Program (LFS), which will help States deal with the challenges of supply chain disruptions brought on by the pandemic. With funding made available through USDA's Commodity Credit Corporation, USDA will award up to \$200 million to States for food assistance purchases of domestic local foods for distribution to schools. The LFS Cooperative Agreement Program is currently accepting applications from eligible organizations through August 31, 2022.

USDA also took the lessons learned from the pandemic to develop a framework to transform the food system to benefit consumers, producers and rural communities by providing more options, increasing access, and creating new, more, and better markets for small and mid-size producers.

One of the primary goals of USDA's Food System Transformation framework is making nutritious food more accessible and affordable for consumers. The framework includes the following investments in healthy school meals and increasing access to fresh fruits and vegetables, as follows:

- An additional \$50 million in the Senior Farmers Market Nutrition Program, which supports nutrition security for seniors by increasing access to locally grown fruit and vegetables.
- An additional \$40 million in the GusNIP Produce Prescriptions Program, which funds projects that demonstrate and evaluate the impacts of fresh produce prescriptions to increase fresh fruit and vegetable consumption, improve health, and reduce food insecurity.
- \$100 million to create a new Healthy Food Incentive Fund, which will support school food authorities to innovate and accelerate their efforts to improve the nutritional quality of school meals to children.
- Investing \$60 million to leverage increased commodity purchases through Farm-to-School. Farm to School programs are a proven model of increasing markets for farmers via child nutrition programs while also providing children healthy, fresh food. These grants to States and Territories administering farm to school programs will support increased procurement and use of local foods in child nutrition program meals.

Additionally, later this summer USDA expects to announce more than \$10 million in FY 2022 [Farm to School Grants](#) to projects across the country to help more kids nationwide eat healthy, homegrown foods.

USDA shares your concerns, and we are continuing work to strengthen our programs based on the lessons we have learned during this extraordinary time.

2. Baby formula shortages have caused needless stress for Colorado parents and guardians trying to keep their kids fed and healthy.

- **In addition to Operation Fly Formula, what is USDA doing to ensure that families in Colorado are able to find the infant formula they need to feed their children?**

USDA takes seriously our role in safeguarding the health of infants served by FNS programs, including WIC. In February, when FDA initially announced the voluntary recall of certain Abbott powdered infant formula, FNS proactively and immediately took action to ensure WIC State agencies had much-needed program flexibilities and waivers. FNS has granted Colorado all of the four main waivers provided to State agencies – ([Medical Documentation for Infants in Food Packages I and II](#), [Maximum Monthly Allowance for Food Packages I and II](#), [Maximum Monthly Allowance for Food Package III](#), and [Vendor Exchanges](#)).

FNS has taken additional measures since the *Access to Baby Formula Act* became law. USDA issued a nationwide waiver allowing States to authorize formula imported as part of Operation Fly Formula, in the context of the recall, so that States can provide WIC participants the same ability to purchase these products as anyone else. Colorado has opted into this flexibility ([Imported Infant Formula under FDA's Infant Formula Enforcement Discretion](#)).

Colorado holds their WIC contract with Reckitt Mead Johnson. On May 24, 2022, Food and Nutrition Service's Deputy Under Secretary Stacy Dean, sent a letter to the Colorado Health Commissioner, encouraging Colorado to speak with Reckitt Mead Johnson as soon as possible to discuss any flexibilities that could be implemented under the State's current contract, modification to that contract, or separate agreement. Additionally, FNS has taken action to temporarily pay for the cost of non-contract formula (without a manufacturer rebate) provided through these flexibilities.

These are some of the numerous actions that FNS has undertaken to help State agencies, including Colorado, to help serve their WIC participants during this time. FNS will continue to work beyond this current shortage to help State agencies prepare for future situations such as these.

- **How is USDA quickly sharing information about where families can find infant formula and for those parents able to find formula, how are you helping ensure that safe products can be imported and promptly clear customs?**

The Department of Health and Human Services (HHS) has taken the lead in communicating the availability of formula. HHS has set up a [website](#) that provides contact information for formula manufacturers, United Way, and other Community Action Organizations that are helping families find formula. This website also contains information on signing up for WIC.

To supplement HHS' efforts, FNS has been working closely with State agencies to understand what issues they are facing and how they are communicating with WIC participants.

- **How is USDA working with local community organizations, early education providers, parents, and caregivers to make sure that they have the information they need to find infant formula, and with states to provide maximum flexibility, information, and support to WIC participants?**

USDA's FNS has collaborated with HHS, and others across the Biden-Harris Administration, as part of the whole-of-government response to the formula shortage.

FNS is providing technical assistance and working closely with WIC State agencies as part of the ongoing response. FNS continues to issue waivers across the country and consistently encourages State agencies to apply for appropriate waivers. The *Access to Baby Formula Act* was passed last week and should make this process easier by allowing USDA to issue Nationwide waivers for WIC State agencies, meaning that a State agency would only have to opt into a waiver and not go through an application process. Waivers, combined with the flexibilities USDA has allowed for State agencies to provide infant formula outside of their contracts (in coordination with their contracted manufacturers), have made it easier for WIC participants to access any appropriate infant formula that is available to them during the shortage.

3. **Title VIII, Subtitle G, section 8705, of the 2018 Farm Bill, as amended by Division D, Title IV, section 416, of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94, directed the Secretary of Agriculture to issue regulations establishing and governing a new administrative fee for issuing and renewing communications use authorizations "based on the cost to the Forest Service." However, public broadcasters in my state have strong concerns with the proposed rulemaking on annual programmatic administrative fees for communications use authorizations by the U.S. Forest Service (RIN 0596-AD44). The proposed rulemaking would implement a new annual programmatic administrative fee of \$1,400 per communications use authorization for wireless uses and \$400 per communications use authorization for wired uses on National Forest Service lands. This proposed rule, if adopted, could impose great financial hardships on public radio and television stations in Colorado, and the rural communities they serve.**

- **Will you commit to reviewing and consider revising the proposed fee structure and adopt a final rule that includes a discretionary waiver for non-profit and governmental organizations modeled after the special use authorization rental fee waiver in 36 CFR § 251.57(b)?**

The Forest Service recognizes and values the critical infrastructure and services provided to the American people from National Forest System lands. The 2018 Farm Bill does not expressly authorize or include criteria for waivers or exemptions from the programmatic administrative fee; however, in reviewing comments received on the proposed rule, the Forest Service is carefully considering all options, including a fee exemption for governmental and noncommercial entities.

Senator Kirsten Gillibrand

1. In January 2022, a United States-Mexico-Canada Agreement (USMCA) panel agreed with the United States that Canada's allocation of dairy tariff-rate quota (TRQs), specifically the set-aside of a percentage of each dairy TRQ exclusively for Canadian processors, is inconsistent with Canada's commitment in Article 3.A.2.11(b) of the USMCA not to "limit access to an allocation to processors."

- **What will this mean to New York's dairy farmers?**

Canada continues to implement tariff-rate quota (TRQ) allocation measures that undermine the market access Canada committed to in the United States-Mexico-Canada Agreement (USMCA). Our priority remains ensuring that U.S. workers, farmers, and exporters, including those from New York, realize the full benefits from this market access. On May 25, 2022, USTR requested new dispute settlement consultations with Canada over TRQ allocation measures for dairy products under the USMCA.

2. Is USDA tracking microplastics in the food chain, including the effect of the microplastics on plant and animal growth, food safety and ultimately human health?

- **If USDA is tracking these microplastics, what are the trends USDA is seeing?**

The Agricultural Research Service (ARS) research unit in Maricopa, AZ has a National Institute of Food and Agriculture (NIFA) funded project on microplastics. They are researching the effects of microplastics on plant growth in hydroponic systems, the focus of the research is to understand the role that microplastics can play as a sink and source of pharmaceuticals adsorbed to the plastics during wastewater treatment and then desorbed when released to the environment. Microplastics have also been shown to reduce plant growth in these situations. Microplastics also can adsorb a significant mass of pharmaceuticals, including antibiotics, that can be released at a later time. This adsorption phenomenon may lead to microsites where antimicrobial resistance can develop.

ARS researchers in Florence, SC were involved in a project investigating the potential of using both earthworms and plastichar (char made from manure and plastic wastes). They concluded that plastichar along with earthworms have a good potential to remediate soils contaminated with pollutants including microplastics. They hypothesized that microplastic poses more problem than the macro plastic wastes found in ocean. Microplastics from domestic source end up in wastewater treatment plants' biosolids, which are applied to soil as amendments. The microplastics in the soil may be transported to plants and to our food chain eventually. The use of plastichar along with earthworms may remediate the soil microplastic problem and prevent the transmission to our food chain.

- **What can be done to reduce their presence in our food chain?**

Certain techniques such as fostering earthworm populations or converting the microplastics to plasticar can effectively isolate or remove these pollutants from the soil, water and food system. There is an opportunity to explore these and other innovative alternatives for remediation or interruption of transport of microplastics in the environment and food supply

3. **Secretary Vilsack, I am awaiting the release of the new proposed rule on Organic Livestock and Poultry Standards that will clarify outdoor access requirements for organic livestock. In the final rule you released during the Obama administration in 2017 the implementation period for egg producers was 5 years. It appears that this new rule is considering an implementation timeline of 15 years which is inordinately long.**

- **Can you explain why USDA has taken this approach?**

USDA anticipates that the Organic Livestock and Poultry Standards (OLPS) Proposed Rule will be published in the Federal Register later this summer with proposed standards for organic livestock and poultry health care, living conditions, transportation, and slaughter. While the proposed rule is still under consideration by OMB USDA is not able to share the specifics about the rule but once published, USDA will encourage all interested stakeholders to comment on the proposed rule, including any options for an implementation period. All public comments will be considered during drafting of a final rule.

Senator Tina Smith

1. **By USDA continuing to allow schools to serve low-fat flavored milk for the next two school years, it will help make sure that kids in schools consume the nutrients that milk offers. As the USDA works toward issuing a long-term rule to determine school meal standards, it is important to maintain low-fat flavored milk flexibilities.**

- **Do I have your assurance that the USDA will properly consider including low-fat flavored milk in the long-term rule?**

School meals help give children a foundation for healthy, successful lives—and for many children, the food they receive at school, including milk, makes up about half of their dietary intake each school day. The *Dietary Guidelines for Americans, 2020-2025*, recommend consuming low-fat or fat-free milk. USDA is committed to its statutory obligation to develop school meal nutrition standards that are consistent with the goals of the latest *Dietary Guidelines*. We recognize milk is a nutrient-dense food that can play a valuable role in children's diets and is the only food item required by law to be served with school meals.

As you note, in February 2022, USDA published the [Transitional Standards for Child Nutrition Programs rule](#) that will allow schools to serve flavored low-fat milk with meals through School Year 2023-2024. USDA expects the rule will balance the needs of schools as they recover from supply chain and other pandemic-related challenges, while taking measured steps toward improving the nutritional quality of school meals. USDA has undertaken extensive stakeholder engagement to develop future school meal nutrition standards in a way that is workable for schools and industry that serves them, and to promote children's health in the long term. USDA anticipates holding multiple listening sessions with a wide range of stakeholders—including the

dairy industry—and we will continue to listen to stakeholders to learn what they need from USDA to be successful.

USDA recognizes that for some children, flavored milk is a palatable option that improves consumption of important nutrients provided in milk. However, flavored milk also includes added sugars. While there is currently no standard for total sugars or added sugars in meals served through the school meal programs, the *Dietary Guidelines for Americans, 2020-2025* recommends limiting added sugar to less than 10 percent of calories per day.

We need to find the right balance between standards that give our kids the best chance at a healthy future based on the latest nutrition science, and ensuring those standards are practical, built to last, and work for everyone. We expect to finalize a rule in time for the 2024-2025 school year.

2. **Communities across the U.S. are increasingly impacted by extreme weather and changing climate conditions. In 2021 alone, there were 20 weather disasters that each had losses over \$1 billion dollars. Together, this is a total cost of \$148 billion. Extreme weather impacts agriculture and crop growth as well as the physical infrastructure and ports that get products to market. Climate changes also impact health and social outcomes. To help rural economies thrive, we need to think across systems to build resilience.**

The Federal government continues to provide significant investment in research, development and deployment of technologies that will help communities prepare, respond, and adapt to changing climate conditions. But, to truly benefit communities, these investments need to reach people where they are at. The information, practices, and strategies need to be understood and integrated into decision-making. Agriculture extension network is a powerful “boots-on-the-ground” network in every county in the US, and well-poised to fill this role.

- **What is the USDA doing to support agricultural extension in sharing interdisciplinary climate information to mitigate future changes and build adaptation/resilience? Are there ways to incentivize this work to move faster?**

In mid-January, USDA announced a \$9 million investment in new Cooperative Extension and USDA Climate Hubs partnerships to bolster climate research and connect and share climate-smart solutions directly with the agricultural community. This investment is part of the National Institute of Food and Agriculture’s Agriculture and Food Research Initiative (AFRI), the nation’s leading competitive grants program for agricultural sciences. NIFA will also invest \$6 million in Rapid Response to Extreme Weather Events Across Food and Agriculture Systems. This AFRI program area priority is designed to rapidly deploy strategies and fill knowledge and information gaps to protect the nation’s food and agricultural supply chains, from production through consumption, during and after extreme weather and disasters. In addition, the Critical Agricultural Research and Extension (CARE) is a program designed to support integrated activities based on rigorous research combined with effective extension and involvement of stakeholders to develop and rapidly apply new knowledge or practices resulting in improved well-being of the people, communities, plants, and animals involved in, and affected by, agriculture and food-production systems.

- **How do the USDA Climate Hubs work with extension and other federal regional climate centers to develop solutions to build climate resilience not just in agriculture but across the whole rural economy?**

The AFRI investments mentioned in response to the question above provide effective, translatable, and scalable approaches to address climate change through regional partnerships, including the USDA Climate Hubs, and further extends outreach through organizations such as the Cooperative Extension System. These new NIFA-funded projects will strengthen climate research efforts and accelerate the development, adoption and application of science-based, climate-smart practices that benefit everyone.

Senator John Hoeven

1. **Sugarbeet farmers in my state are facing real challenges. Beet growers are not benefitting from the rise in prices seen by other crops; however, they are experiencing the same steep increases in input costs, creating a serious squeeze on their bottom lines. On top of it all, spring planting has been incredibly difficult due to late season moisture.**

This makes it even more critical that U.S. sugar policy is administered in a manner that does not lower prices received by farmers. Decisions should be made entirely on supply, which at this point is adequate by USDA's own measure. There is ample time for North Dakota farmers to get a good crop in the ground and do what they always do – provide a stable supply of sugar to Americans.

- **Will you commit to managing U.S. sugar policy for supply and in a manner that does not lower prices received by farmers?**

USDA's statutory mandate is to assure an adequate supply of raw and refined sugar to meet the needs of users in the U.S. market while maintaining raw and refined prices above forfeiture levels. When monitoring U.S. sugar supplies, USDA reviews a variety of market indicators and information, including the World Agricultural Supply and Demand Estimates (WASDE) of stocks, consumption, production, and imports, Sweetener Market Data (SMD), Economic Research Service tables, and other market indicators, in evaluating whether supplies are adequate. In addition, based on the historical relationship between stocks and prices, USDA has generally attempted to maintain the sugar market within a 13.5 to 15.5 percent stocks-to-use range (S/U ratio) as a rule of thumb. USDA monitors the domestic sugar market closely and will continue to make decisions regarding additional sugar imports consistent with our obligations under agreements governing international trade, the U.S.-Mexico Sugar AD/CVD Suspension Agreements, and U.S. law.

2. **In August of 2021, the Environmental Protection Agency (EPA) revoked food tolerances for the pesticide Chlorpyrifos. This was devastating news to U.S. farmers and ranchers, who are already struggling with record inflation and supply chain issues.**

It is my understanding that prior to the EPA's decision to revoke food tolerances, the agency's own science supported continued, safe, and limited uses of Chlorpyrifos on 11 high-benefit crops. Four major North Dakota crops – alfalfa, soybeans, sugarbeets, and wheat – were among those that the EPA said are high benefit, safe uses of Chlorpyrifos. Unfortunately for growers, the EPA chose to ignore this data.

- **Will you work with the EPA and your colleagues across the administration to preserve the use of Chlorpyrifos for those 11 crops?**

We understand that EPA is in litigation around these 11 uses. USDA will absolutely continue to advocate for key uses of crop protectants that meet safety standards and that help ensure continuity of the food supply chain.

- **Will you urge the EPA to allow for continued, limited use of Chlorpyrifos in 2022 and beyond?**

As with any chemical uses determined to meet the safety standard, we will encourage EPA to allow for continued, limited uses. As an example, we actively coordinated with EPA on clarifications around non-food use sites that remain legal and are highly important to farmers: non-bearing tree fruit orchard and tree nursery uses. Retaining these uses also allows some growers to exhaust existing stocks of product rather than requiring disposal.

3. **I am deeply concerned about the Justice Department's recent decision to change its position on pending Supreme Court litigation regarding glyphosate. Farmers across this country rely on glyphosate to produce their crops.**

The Solicitor General's decision to reverse long-standing policy regarding pesticide regulation poses huge risks for all of U.S. agriculture. This reversal comes at the same time that the world is relying on American farmers to ensure global food security.

- **As the administration's chief advocate for farmers and ranchers, will you work to educate your colleagues, including other cabinet members, about the serious implications of this action?**

Yes. USDA has a full and complete appreciation for the vital role that glyphosate plays in the success of farming and food security – not only in the United States but around the globe. We will continue to engage with colleagues in the Executive Branch as well as regulatory counterparts both domestically and internationally regarding the scientific, economic, and global supply chain factors at stake.

Senator Roger Marshall, M.D.

1. **During your testimony on Thursday, you stated that the Department of Justice did not consult with USDA before filing its brief before the Supreme Court in Monsanto Company v. Hardeman (No. 21-241). That brief disavows years of bipartisan agreement that the Federal Insecticide, Fungicide, and Rodenticide Act preempts conflicting state laws. The Biden Administration's legal position has the potential to destroy America's science-based regulatory regime governing crop protection tools and take the most effective and widely used chemical away from American farmers -- a chemical you recognized in your testimony was vital to expanding climate conscious, no-till agricultural practices.**

Contrary to your testimony, it is standard practice for the Solicitor General to solicit the legal views of all cabinet departments that may be affected by a legal position the government will take before the Supreme Court. Furthermore, it is also standard practice for the Department of Justice to circulate such legal briefs to affected cabinet departments for their review and comment before those briefs are filed with the Court. At USDA, this process is generally handled by the Office of General Counsel, specifically the General Law Division headed by Assistant General Counsel Benny Young, with input from political leadership of the Office of General Counsel and the Department. Given the conflict between your testimony Thursday and the very well-settled and longstanding practice of the Department of Justice, it is important that the Committee know whether the Department of Justice followed its standard procedures or whether Solicitor General Prelogar violated those procedures in order to prevent American agriculture from having its voice heard.

- **Did you or anyone else at USDA provide views, formal or informal, written or not, to the Department of Justice regarding the position taken by the Solicitor General in her brief to the Supreme Court in Monsanto Company v. Hardeman?**

We are not in a position to discuss the substance or existence of privileged communications with the Department of Justice.

- **Please provide any and all communications between USDA and the Department of Justice regarding the Monsanto case, including any memoranda or emails between USDA, including its Office of General Counsel, and DOJ. If you claim legal privilege with regard to any communication or any part of any communication, including any memoranda from USDA to the DOJ, please provide a detailed privilege log listing each document over which legal privilege is claimed, the total number of pages of the document, and the reasons supporting your assertion of legal privilege with regard to that specific document. Any portion of any communication over which you do not claim privilege should be segregated and provided as part of the response to this question.**

We are not in a position to discuss the substance or existence of privileged communications with the Department of Justice.

- **Given the severity of the violation of procedures you allege, is the Department willing to provide a statement, under oath, from Assistant General Counsel Benny Young confirming the Secretary's account that USDA was never consulted by DOJ on this case nor allowed to review the Monsanto brief before it was filed? If so, please provide such a declaration made under penalty of perjury. If not, please explain why the Department refuses to provide any evidence to corroborate the Secretary's serious allegations**

We are not in a position to discuss the substance or existence of privileged communications with the Department of Justice

- **Given the severity of the Secretary's allegations against the DOJ, has the Secretary had any conversations with Attorney General Merrick Garland to ensure USDA's views will not be ignored in the future? Has the Secretary informed the Attorney General of the devastating effects DOJ's brief will have for American agriculture? If the Secretary has not spoken with the Attorney General, will he commit to have such a conversation and to inform the Committee of any results therefrom? If the Secretary does not intend to talk to the Attorney General, please provide an explanation as to why the Secretary refuses to advocate on behalf of American agriculture to the Department charged with representing USDA in court.**

We are not in a position discuss the substance or existence of privileged communications with the Department of Justice or discuss any potential future communications with the Attorney General.

- **Given the Secretary's allegation that USDA was not consulted, has the Secretary asked the Solicitor General to withdraw her brief in the Monsanto case and file a new brief following proper consultation with USDA? If not, why is the Secretary allowing the DOJ to ignore the Department charged with representing the views of the American farmer?**

We are not in a position to discuss the substance or existence of any previous or potential future communications with the Department of Justice.

2. **Since last September, USDA has made a series of announcements involving the expenditure of funds by CCC to carry out activities “authorized” by the CCC Charter Act. In February, I sent you a letter with several questions related to these announcements. To date, you have not responded which has prompted me to ask GAO for its opinion on this matter. Section 5 of the CCC Charter Act clearly states that use of CCC funds must be submitted to and approved by congress.**

- **How has CCC complied with the Congressional notification and approval provisions of section 5 of the CCC Charter Act:**

We have provided notifications of these activities to Congress where required under the CCC Charter Act.

- **When will CCC be issuing a final rule for submission to Congress under the Congressional Review Act?**

We have provided notifications of these activities to Congress where required under the CCC Charter Act.

- **Did the transfer last September of CCC funds to other agencies of the Department of Agriculture prior to the necessary Congressional notification and approval process violate any Federal statutes such as the Anti-Deficiency Act?**

We have provided notifications of these activities to Congress where required under the CCC Charter Act.

- **Has the Department of Justice approved the manner in which CCC has avoided the Congressional notification and approval process set forth in section 5 of the CCC Charter Act?**

As previously stated, we have provided notifications to Congress where required under the CCC Charter Act.

- **Title XII of the Food Security Act of 1985 (Title XII) sets forth a large number of conservation programs that are funded by CCC and under provisions that limit the use of CCC funds to specified levels. What procedures are in place to ensure that the general authority under the CCC Charter Act are not used to carry out the same practices otherwise authorized under the more specific provisions of Title XII**

Section 1241 of the Food Security Act of 1985 authorizes annual funding for four specific conservation programs: the Conservation Reserve Program, the Agricultural Conservation Easement Program, the Environmental Quality Incentives Program, and the Conservation Stewardship Program.

Section 5(g) of the CCC Charter Act authorizes CCC to use its general powers to “carry out conservation or environmental programs authorized by law.” The phrase “authorized by law” only appears in section 5 of the CCC Charter Act. Because of this qualifier, 5(g) does not provide independent authority for CCC to “use its general powers” to “carry out conservation or environmental programs.” Instead, those conservation or environmental programs must be otherwise authorized by law. By contrast, none of the other subsections contain the language “authorized by law.” Accordingly, with respect to all other authorities in section 5, the CCC Charter Act gives CCC independent authority to use its general powers to take the enumerated actions, including to stabilize, support, and protect farm income and prices, assist

in the maintenance of balanced and adequate supplies of agricultural commodities, and facilitate the orderly distribution of agricultural commodities.

The CCC is used both by this administration and prior ones to support the prices of agricultural commodities through loans, purchases, payments, and other operations, to support the production and marketing of agricultural commodities, and to procure agricultural commodities to meet domestic requirements and for foreign or international relief efforts, as clearly laid out in the Charter Act. With respect to procedures, there are many layers of review, both internally within USDA and also by the Office of Management and Budget to ensure that all authorities of the CCC are followed carefully.

- **Regulations are in place for the Title XII programs. If the same practices can be carried out under the proposed CCC Charter Act program as can be carried out under Title XII why are there no regulations needed for the CCC Charter Act activities?**

This question assumes a comparability that does not exist between the conservation programs authorized in Title XII of the Food Security Act of 1985 and the commodity-based programs for climate smart commodities authorized under the CCC Charter Act.

- **Can you provide me copies of all informal memorandums written by USDA attorneys and formal legal opinions that were issued in the development of these proposed activities and for all other programs that are within the September 29, 2021 press announcing CCC initiatives and Climate-Smart Agriculture and Forestry Partnership Initiative?**

We are not in a position to provide privileged attorney client communications

- **Will you also provide me with the transcript and meeting notes of the most recent CCC Board meeting approving funding for this program?**

No, such Board approval is not required.

3. **2023 CCC Budget is included in the President's 2023 Budget. On page 106 of the Budget Appendix, under the CCC Budget you will see a series of transfers that are not identified but it appears the one from last September is listed as a FY21 transfer of \$3.539B. It's important to note, the CCC 2022 Budget did not have any such item listed in it when the budget went to Congress in the spring of 2021, they nonetheless show a similar transfer of \$3.639B for this year which they look to do before the end of the fiscal year. Also, they show a \$4.014B estimate for FY2023.**

- **What will be the specific use of each of these transfers?**

The transfers you referenced [on page 106 of the Budget Appendix](#) are not associated with the ad hoc programming funded by a transfer from the Commodity Credit Corporation at the end of fiscal year 2021. They are reporting on Farm Bill mandated transfers out of the Commodity Credit Corporation to the Natural Resources Conservation Service for the Environmental Quality Incentives Program, Conservation Stewardship Program, Farm Security and Rural Investment Act Program Technical Assistance, Regional Conservation Partnership Program, Education and Risk Management Assistance, Agriculture Management Assistance, and the Agricultural Conservation Easement Program.

4. **Our farmers and ranchers are charged with delivering global food security under unprecedented circumstances. The key to that is access to affordable fertilizer and I think we can all say fertilizer is far from affordable right now. This administration has discouraged or**

outright banned natural gas production. This administration has failed to recognize key Agricultural nutrients as critical minerals. A vast majority of the global tradable supply of phosphate fertilizers are subject to U.S. duties or tariffs. And the US is in the process of imposing additional duties on nitrogen fertilizers. This administration seems to be more concerned with carbon that it is about people starving around the world.

- **Have you visited with the Commerce Secretary or the ITC chair about the tariffs and duties that we have on fertilizer?**

USDA appreciates and understands input challenges facing our producers as they continually meet U.S. and global food security needs. Agencies have heard from stakeholders regarding the market situation, and stakeholders have provided their views on the price and availability of fertilizer, including traditional and innovative bio-based fertilizers.

USDA does not generally express opinions to the Department of Commerce or USITC about specific antidumping or countervailing duty determinations undertaken in accordance with their authorities under U.S. trade remedy laws. USDA does not have a formal role in conducting antidumping or countervailing duty investigations.

- **President Biden recently said it was his goal to "to increase fertilizer supplies globally and identify how we can work together to prevent export restrictions on food and agricultural inputs and bring more global production to market." Can you explain how placing tariffs on fertilizer imports helps to achieve the President's stated goal of preventing export restrictions?**

As uncertainty builds about future supplies, some countries have implemented export bans or restrictions that further tightened global availability of commodities, adding upward pressure on prices. During the food price crisis of 2007/08, some countries exacerbated the problem by imposing export bans on key commodities. We need to be careful not to repeat this error. USDA encourages all countries to refrain from trade restrictive measures and excessive stockpiling, which can exacerbate supply challenges and price inflation.

The United States continues to conduct extensive diplomatic engagements to convince countries not to implement trade-restricting measures amid global food security challenges arising from Russia's invasion of Ukraine, among other things. In July 2021, China imposed quotas on fertilizer exports, particularly phosphates. China's suspension of fertilizer exports significantly diminished the global supply. These ill-advised export restrictions can not only suppress domestic production, they can add to the food insecurity of some of the world's more vulnerable populations.

- **The Biden Administration bent over backwards to dilute solar panel tariffs, why isn't the president doing all he can to waive tariffs on fertilizers?**

USDA anticipates that later this summer the USITC will make determinations in its final investigations concerning UAN from Russia and Trinidad and Tobago. That will determine whether the Department of Commerce next steps related to any countervailing duty orders or antidumping duty orders on imports of UAN from Russia and Trinidad and Tobago. Any USITC decisions that are made will take immediate effect and this administration will continue to do all it can to help to ease shortages and price increases for fertilizers brought on by Russia's invasion of Ukraine.

- **What's your plan to address the long term fertilizer needs of our country?**

USDA has a \$500 million investment in grants to support fertilizer production that is a) independent to increase competition in a concentrated market, b) made in America, reducing reliance on foreign supplies, c) innovative, jump starting the next generation of fertilizers, d) sustainable, using renewable energy sources or feedstocks, and e) farmer-focused, providing support and opportunities for U.S. agriculture. Details on the application process will be announced in the summer of 2022, with the first awards expected before the end of 2022. Additionally, to address growing competition concerns in the agricultural supply chain, USDA will launch a public inquiry seeking information regarding seeds and agricultural inputs, fertilizer, and retail markets.

USDA also works with stakeholders and foreign partners on nutrient stewardship, known as the 4 Rs – the 1) right fertilizer source, at the 2) right rate, at the 3) right time, and in 4) right place. The 4R Nutrient Stewardship provides a framework to achieve cropping system goals, such as increased production, increased farmer profitability, enhanced environmental protection, and improved sustainability.

5. **Under the Obama administration, the USDA/FSA implemented Bridges To Opportunity, which was the precursor to Farmers.Gov. Currently there are over 18,000 unique farmers accessing that portal every month. Through Farmers.gov they have better access and visibility into FPAC programs, can view their farm and loan data, and have better customer service from FSA. The feedback we have received is that farmers would like to see expanded capabilities in Farmers.gov and more self-service added, like the ability to schedule appointments with their local service center, complete their acreage reporting, and be able to actually apply online for FPAC programs through their customer portal.**

- **Given this feedback, is USDA committed to expanding the use of Farmers.gov to simplify access to FPAC services for farmers?**

USDA continues to use farmers.gov as an important hub for our customers. It continues to have dedicated areas for new efforts, including the various pandemic assistance for producers programs. We will continue to consider all available tools to serve our customers more effectively and reduce the paperwork burden both on them and our field office staff. For example, we have gone a step further than providing a portal for submitting information with the recent releases of the Emergency Livestock Relief Program and the Emergency Relief Program. In the first phase of each program we have sent 225,200 forms to our customers using the data already available in our systems, eliminating or reducing the paperwork burden to a handful of certifications and details on shares. \$6 billion in disaster assistance for 2020 and 2021 losses has flowed into eligible producers' bank accounts under these programs much faster and with less burden on county offices and customers already.

- **It is our understanding that the ERP program could have been supported and delivered through Farmers.gov months ago, but FPAC personnel made a decision to support this program outside of Farmers.gov and due to this decision, the program has still not been delivered and producers are not able to apply or receive much needed funding. Why is this?**

FSA does not predetermine the software platform or vendor for a new program and looks for ways to innovate and improve programs based on experience. Phase 1 of the Emergency Relief Program was delivered with significant improvements for producers and county offices by using data that USDA already had in our files. Producers received pre-filled forms starting in May and have already received over \$6 billion in assistance through the program, a pace that is much faster than other previous disaster

programs like the Wildfire and Hurricane Indemnity Program (WHIP) and the Quality Loss Adjustment Program (QLA) that started taking applications in a similar timeline, but took many more months before making significant payments to producers. USDA is proud of our success in administering this much needed assistance through a less burdensome process to help producers recover from disaster more quickly and with less red-tape. Following a process that would have required duplicative data submissions and paperwork from producers and FSA employees through Farmers.gov would not have served USDA's customers or employees well.

- **Why were programs like ERP and CFAP developed outside of Farmers.gov and how will this better enable the USDA mission and goal of a common view for our producers and FSA employees that support them?**

FSA does not predetermine the software platform or vendor for a particular program and has ways to integrate information from a variety of systems to feed into a common view or landing page such as FSA's use of Farmers.gov to share information on all of our programs.

- **How is USDA preparing and executing on the upcoming loan modernization within the vision of a single point of engagement with producers?**

The customer-facing features in the Farm Loan Programs modernization initiative will have the flexibility to integrate to a single point of engagement.

- **How is USDA/FPAC engaging in improving the county office experience, and how do they expect to connect that into Farmers.gov?**

Our landing page at Farmers.gov is not tied to a specific IT vendor and continues to be an important part of our multifaceted approach to serving our customers and supporting the county office employees. The significant improvements for both customers and county office staff through the streamlined approach to the Emergency Relief Program is an example of the efforts we will strive to replicate.

- **How is USDA/FPAC utilizing existing investments in farmers.gov to meet the president's management agenda to deliver better customer experience?**

Farmers.gov is not a static investment and will continue to be an important part of our coordinated effort. But as detailed already, the improvement in customer experience is not through just providing a website; it is through rethinking the approach and eliminating the need for data submission and simplifying program rules and procedures as FSA has accomplished through ERP and ELRP.

- **Will USDA commit to modernization and the funding required to create the best customer experience and support that our nation's producers deserve?**

USDA is committed to improving both the customer and field office employee experience within the funding levels provided by Congress as demonstrated by our improvements through ELRP and ERP.

6. **During the early stages of the pandemic, the Trump Administration issued a series of waivers in response to requests by Governors for flexibility in administering various nutrition programs, most notably the School Lunch Program. You have continued to issue such waivers.**
 - **Can USDA provide to us a comprehensive list of those parts of the statutes authorizing the nutrition programs where amendments should be made to provide greater waiver authority in order for Governors to respond to State specific situations not only during the pandemic**

but also in the day-to-day administration of these programs?

Section 12(l) of the Richard B. Russell National School Lunch Act (NSLA) gives USDA the authority to waive Child Nutrition Program statutory or regulatory requirements on a state-by-state basis but is statutorily limited in what the waiver may relate to and outlines requirements that State agencies or eligible service providers must follow when submitting a waiver. Prior to approving a State or eligible service provider's waiver request, USDA must determine that the waiver meets the requirements in, and complies with the restrictions of, Section 12(l) of the NSLA, including that the waiver will not increase the overall cost of the program to the Federal Government.

By contrast, Section 2202(a) of the Families First Coronavirus Response Act (FFCRA, P.L. 116-127, as amended) allowed USDA to issue nationwide waivers of program requirements, which was crucial to the agency's response to the public health emergency. This authority greatly reduced administrative and paperwork burden typically associated with the Section 12(l) waiver process. Instead, USDA could proactively issue nationwide waivers which applied automatically to all State agencies that elected to be subject to the waiver without further application. Local operators could then implement the waivers immediately, so that children could receive nutritious meals with appropriate safety measures.

Additionally, unlike Section 12(l) of the NSLA, Section 2202(a) of FFCRA did not include significant restrictions including what the waiver may relate to or that the waiver will not increase the overall cost of the federal government. Instead FFCRA provided USDA the flexibility to issue nationwide waivers that generally supported continued meal service with appropriate COVID-19 safety measures. Further, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided additional funding for Child Nutrition Programs, which allowed USDA to issue waivers that increased costs to the Federal Government. For a full list of all the Child Nutrition Program waivers issued during the COVID-19 pandemic, please visit FNS' web site at: <https://www.fns.usda.gov/coronavirus>

For the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Access to Baby Formula Act of 2022 (ABFA, P.L. 117-129) amended Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786). ABFA provides USDA with permanent, nationwide, legislative and regulatory waiver authority to address certain emergencies, disasters, and supply chain disruptions impacting WIC. Therefore, legislation to provide waiver flexibilities to address disaster and emergency situations for WIC is no longer needed.

USDA's Food and Nutrition Service is available to provide technical assistance to Congress on legislative changes to our waiver authorities that would be helpful in administration of nutrition assistance programs in disasters and other circumstances.

7. The Administration appears to be heading towards the implementation of an across the board debt forgiveness program for student loan borrowers.

- **What are the authorities that the Secretary of Agriculture has to unilaterally forgive debts without regard to an individual's ability to repay a loan issued by USDA?**

The Secretary has been given specific authorities by Congress to provide debt forgiveness on farm loan debts up to a certain cap under the Consolidated Farm and Rural Development Act for USDA's Farm Loan Programs. In addition, there are other authorities that permit the Secretary to forgive debt in other USDA programs. We would be happy to discuss this question further with your staff.

8. USDA's Office of Pest Management Policy was created in 1998 to, among other activities, coordinate with EPA on pesticide regulatory policy and ensure EPA has the most accurate data

available to assure EPA's pesticide regulatory decisions are based on modern, realistic agricultural practices (those are USDA's own words). However, it's come to my attention EPA historically does not always use that data.

- **Do USDA OPMP scientists feel EPA adequately integrates its data into pesticide regulatory decisions on a routine basis? Including on user rates?**

EPA solicits USDA/OPMP input frequently. EPA regularly relies on USDA's agricultural and pesticide usage information. Additionally, EPA also relies on data received from public comments, including those received from USDA and others, publicly available agricultural information and privately purchased pesticide data to inform their regulatory risk assessments and decisions.

We are aware that, in some cases, information provided by OPMP has not been used by EPA in its risk assessments and regulatory decisions. OPMP's and USDA's relationship with EPA is continually improving. We are actively working to ensure that the information provided by OPMP to inform regulatory decisions is fully considered by EPA by emphasizing the importance of our role in representing growers at the table, and the critical need for grower voices to be considered in order for EPA's decisions to be sound; substantiating the information we provide; and building trust with EPA. In addition, recent access to funding stemming from the 2018 Farm Bill allow OPMP to conduct scientific surveys of usage, which will support collection of quantitative information by OPMP. This approach has shown successes, but there is still work to be done to incorporate fully OPMP into the pesticide regulatory decision-making process.

- **Since EPA historically neglects OPMP data and input, do you think certain pesticide decisions and tolerance changes should be subject to the OMB Interagency Review process, which should be happening regardless for pesticide regulatory actions costing \$100 million or more?**

In OPMP's role as the voice of the grower and as a respected, reliable source of information on pesticide usage and use practices. By building trust, OPMP is working to increase collaboration between organizations so that information is shared and input considered.

- **The Biden EPA in its Office of Chemical Safety and Pollution Prevention (OCSPP) has stood up a Science Policy Council to "provide advisory perspective on matters related to scientific integrity, identify scientific questions of broad interest within OCSPP for informal and foster scientific collaboration within OCSPP." To your knowledge, has this council consulted with USDA OPMP scientists to date?**

No, OPMP has not been directly contacted by the Science Policy Council formed and referenced in your question. OPMP supports EPA's efforts to form this internally-focused council and foster scientific collaborations both within OCSPP and OPMP as the need arises.

9. **The Biden EPA recently announced additional step in the process for evaluating new active ingredients (AIs) through the Endangered Species Act (ESA). As of January 11, 2022, the EPA will look at new effects of AI's and initiate an ESA consultation with the Services, pre-registration. EPA claims this will diminish legal risks and prevent registration vacatur in the future. However, I'm skeptical this is the case.**

Does the USDA have a role in this new consultation process on new active ingredients?

USDA is a member of the Interagency Working Group established by the 2018 Farm Bill. USDA's role in the ESA consultation process for any given pesticide decision is informal; however, through OPMP, USDA is working to actively participate in conversations around actions needed to ensure durable pesticide regulatory decisions. It's critical to have grower voices at the table in these discussions.

Will you commit to pressing EPA to incorporate USDA pesticide use data in this new policy and when evaluating potential AI effects on federally threatened or endangered species?

Yes. We commit to pressing EPA to incorporate usage data for pesticides. Specific to new active ingredients, this can be accomplished by considering usage data for on-market pesticides with similar uses and target pests and projected usage data to support the approval of new registrations.

10. The Ninth Circuit's April 29, 2021 decision directing EPA take some action on Chlorpyrifos would have allowed several uses in Chlorpyrifos, including for Kansas alfalfa, soybeans and wheat.

- **Are you aware that USDA career scientists, consistent with EPA's own science in its December 2020 PID for Chlorpyrifos, recommended that EPA continue limited uses of Chlorpyrifos in response to the Courts**

EPA has a history of engaging with OPMP to ensure that the agency has high quality information regarding pesticide use and use practices when making pesticide regulatory decisions. EPA and OPMP meet on a regular basis to ensure that the agency understands the perspective of USDA when making individual regulatory decisions.

**11. A 2020 Democratic National Committee Platform Position states "Democrats oppose the Trump Administration's reckless and scientifically unsound decision to reverse a proposed ban on chlorpyrifos, a potent neurotoxin proven harmful to children and farmworkers. We will invest to help farmers reduce pesticide and chemical fertilizer use." Page 53-
<https://democrats.org/wp-content/uploads/sites/2/2020/08/2020-Democratic-Party-Platform.pdf>**

- **Are you aware EPA's decision to instead ban all uses of Chlorpyrifos was consistent with the 2020 Democratic National Committee platform position on pesticides?**
- **In your view is this really EPA following the science or rather a political policy position?**

USDA-OPMP understands that EPA's 2021 decision to cancel all food tolerances was based on the fact that the aggregated risk of all chlorpyrifos uses combined does not meet the safety standard. Prior to that decision, in March 2021, OPMP provided comments to EPA in response to the chlorpyrifos PID that includes a rationale for retaining some of those uses.

12. Secretary Vilsack, thank you for your leadership involved with the Administration's recent announcement permitting the use of E-15 year round and supporting additional infrastructure for biofuels. This action has been long awaited and will help bolster the biofuels sector and the rural economy.

While the biofuels industry welcomed the President's statements regarding the critical role biofuels play to help lower fuel prices and cut carbon emissions, there remains some uncertainty for the industry that should be addressed in the next 30 days by the Administration.

To date, EPA has failed to finalize Renewable Volume Obligations (RVOs) for compliance years 2021 and 2022. In response to ongoing litigation, EPA entered into a consent decree which was recently approved by the U.S. District Court for the District of Columbia, that effectively established a June 3, 2022 deadline for EPA to finalize delayed administrative action on RVOs for 2021 and 2022. EPA finally submitted the long awaited RVO rule to the Office of Management and Budget (OMB) where it is undergoing review and awaits interagency clearance.

The President has explicitly touted on the record the integral role that biofuels can contribute not only to lowering gasoline prices for Americans, but also to cutting carbon emissions.

- With that commitment and sentiment in mind, can we expect the Administration to finalize delayed actions like the RVO rule currently at OMB by no later than June 3, 2022?

Yes, it is my expectation that this will be completed and announced by the EPA by June 3, 2022.

13. In addition to the need to finalize this proposal, it is critical that no adverse policy changes to the blending requirements be incorporated at the final stages of the interagency review process and that necessary corrections be made. For example, EPA's proposal right now sets the 2021 volumes BELOW what was actually blended. This makes no sense.

- What commitments can you provide this sector that the Administration will finalize these necessary requirements not only in a timely manner but also in a way that meets your vision and President Biden's vision as to the important role that biofuels will play in meeting our nation's climate goals?

The blending requirements and timeliness thereof are under the jurisdiction of the EPA, but USDA anticipates and is preparing for significant growth in the bioeconomy, with opportunities in the aviation industry to more than double current demand for biofuels. Biofuels are and will remain an essential industry for rural prosperity and our energy infrastructure.

14. Secretary Vilsack, after the President's announcement to permit the sale of E15 year round, some opponents raised the preposterous air quality claim is that E15 increases the potential for higher levels of evaporative emissions, due to the volatility of E15 blends. It is simply a scientific fact that E15 does not have a higher volatility than regular or premium gasoline. EPA specifically addressed this question in 2011 when the agency approved the use of E15, saying: "E15 is likely to result in somewhat lower evaporative emissions compared to fuel currently sold in much of the country (E10) as a result of the lower volatility of E15."

- Can you set the record straight for us on this simple scientific data point that the EPA has already studied and confirm today, on the record, that E15 does in fact NOT have a higher volatility than regular or premium gasoline?

The Renewable Fuels Standard (RFS) is under the jurisdiction of the EPA, as is any clarification of statements made in 2011 by the EPA. USDA is a strong supporter of the bioeconomy, and has committed more than \$700 Million in relief funding for biofuels producers adversely impacted by the pandemic. An additional \$100 million is being made available later this summer for new biofuels infrastructure.

15. Secretary Vilsack, thank you for your May 9 response to Senator Thune providing an update on the USDA's Office of Chief Economist's efforts to update the lifecycle analysis of soy-based

clean fuels. The Argonne National Labs' GREET model indicates that biodiesel and renewable diesel reduce carbon emissions by 74% on average.

- **What else can USDA do to help soy farmers and clean fuels contribute even more to the nation's efforts to address climate change?**

Biofuels are an essential part of a clean energy transition in America, and an important driver of economic growth in the heartland. USDA anticipates soon being able to disburse \$700 million in payments to producers in the biofuels industry and later this year being able to make \$100 million available in grants for higher blends fueling infrastructure to support demand for biofuels. Biofuels are positioned to help reduce our dependence on foreign oil and bring down the price for consumers at the pump while supporting a critical market for commodities. For those reasons, USDA has and will continue to support the soy, corn, and grain farmers who fight climate change every day by producing clean fuels.

16. **Last summer, USDA announced in a press release it would begin a rulemaking process to change how it enforces the Packers & Stockyards Act (PSA). This was followed by an Executive Order from President Biden with similar content. These actions were announced despite the Trump Administration completing a rulemaking last year that was widely supported by most major livestock groups. In USDA's announcement, I was concerned to see the Biden Administration plans to try and eliminate the requirement to "demonstrate harm, or likely harm, to competition" in order to establish a violation of section 202 (a) and (b) of the PSA. To date, however, eight federal circuit courts of appeal have upheld the requirement that a litigant prove harm, or likely harm, to competition, with no dissenting circuits, and the U.S. Supreme Court has denied review of this topic multiple times. Each time, the courts have found that plaintiffs must show harm to overall competition, rather than injury to an individual. Essentially, the courts have said the law is meant to ensure equal opportunity, not equal outcomes among producers.**

- **Based on the multiple court decisions stating that harm to competition is a requirement of the PSA, why does USDA think it can subvert the intent of Congress, as interpreted by multiple federal courts, through the rulemaking process?**

As with everything we do, USDA will conduct our rulemaking under the authority of, and in full compliance with, the Packers & Stockyards Act, as it has been and may continue to be amended by Congress.

- **When does the USDA plan to propose these new PSA regulations, and do you promise to conduct a full economic analysis of any proposed PSA rules?**

USDA announced in its May 2022 report on agricultural competition that our next PSA rule will focus on discrimination, retaliation, and deception. We are aiming to publish a proposal soon. Our third rule will cover unfair practices, undue preferences, and matters relevant to the harm to competition standard. We are aiming to propose that rule later this year. All proposed and final rules will be issued in accordance with the Administrative Procedure Act, Paperwork Reduction Act, and all relevant Executive Orders and will include economic analyses.

17. **Would you agree that part of healthy competition is the ability to distinguish yourself or your products from that of your competitors to capture profit?**

Certainly, yes.

- **If yes, and USDA is successful in allowing individual harm as a basis for a violation under section 202, do you believe eliminating the requirement to demonstrate harm, or likely harm, to competition will prevent cattle producers from differentiating themselves or their products because the packer will no longer negotiate individual arrangements for fear of prosecution by USDA/DOJ or a lawsuit from a producer who did not receive the same terms?**

Without prejudging the specifics of a rule not yet published, we have every intention to ensure that any rules we publish under the PSA fully enable cattle producers to obtain the full benefits of the value they add to their products. Our goal is to enhance competition and integrity in the marketplace.

18. Mr. Secretary, recently during a hearing on S. 4030, the Cattle Price Discovery and Transparency Act of 2022, Andy Green and Bruce Summers did not make clear USDA's position on Section 7 of the bill that requires mandatory minimum negotiated purchases of fed cattle. For the record, does USDA support Section 7 of S. 4030?

- **If no, please explain USDA's opposition.**

USDA remains encouraged by the bipartisan efforts to promote fair and competitive markets through enhanced transparency and related reforms.

- **If you decline to take a position, please explain in detail why USDA is refusing to establish a position on Section 7 of S. 4030.**

USDA has been providing technical support to Congress as it considers these matters. USDA remains encouraged by Congress's sustained bipartisan efforts.

- **If yes, does USDA have concerns that allowing the packer to decide which cattle producers must sell in the negotiated market and be denied an alternative marketing arrangement will have a disproportionate effect on smaller producers? If not, why not?**

Cattle markets are highly concentrated especially at the local level, and producers have highlighted their concerns about market access, transparency, and fairness. USDA's efforts to enhance fair and competitive markets are to promote choice for producers. The specific effects of the legislation are heavily dependent on how it is implemented. If the legislation became law, USDA would implement it in a manner to promote choice and transparency for producers.

19. Secretary Vilsack, I understand the important role that the agriculture sector can play in addressing climate change. Often times, the conversation is solely focused on carbon sequestration and I firmly believe that an important component of this issue should also focus on avoided emissions. Currently, there are new technologies on the market for farmers that further reduce emissions through practices and applications related to reducing fertilizer use.

- **Secretary Vilsack, can you share how the Department is approaching avoided emissions with regard to climate change mitigation efforts and what potential role do biologics and biofertilizers have in addressing resource concerns like avoided emissions?**

Nitrous oxide emissions from agricultural applications of nitrogenous fertilizer can vary significantly depending on their formulation, and how, where and when a fertilizer is used. Modifying farm systems and making changes to management practices, such as timing, amount, rate and location of fertilizer application, has been shown to dramatically influence the amount of nitrous oxide emitted. "Enhanced

Efficiency Fertilizer” (EEF) is a term for new formulations that control fertilizer release or alter reactions that reduce nutrient losses to the environment. EEFs and other next generation fertilizer product technology innovations, including biologics, can help reduce nitrous oxide emissions from row crop agriculture, while maintaining or increasing agricultural productivity and profitability.

USDA continues to offer nutrient management assistance to producers through its existing programs, and is focused on better understanding the efficacy and potential of innovative fertilizer technologies in mitigating nitrous oxide emissions. As an example, in 2020, USDA and EPA launched the Enhanced Efficiency Fertilizer Challenge. This competition includes two challenges which aim to accelerate the development and use of (1) existing and (2) new fertilizer product technologies that can improve environmental impacts of agricultural production, including reduced nitrous oxide emissions. NRCS also recently announced targeted efforts to support nutrient management through existing program delivery, supporting innovation and new strategies to reduce nutrient inputs.

20. The U.S. Environmental Protection Agency (EPA) recently announced a new policy memorandum entitled, “Accelerating Nutrient Pollution Reductions in the Nation’s Waters.” This action from the agency reaffirms EPA’s commitment to working with federal agencies, state co-regulators, Tribes, water stakeholders, and the agricultural community to advance progress in reducing excess nutrients in our nation’s waters. In this memo, it specifically references that EPA will support innovation and pursue science-based and data-driven strategies to reduce excess nutrients in our nation’s waters.

- **Can you share what involvement or role USDA has with regard to carrying out action items from this memo?**

Through voluntary, incentive-based conservation programs, USDA helps agricultural producers improve the timing and application method of nutrients, which supports food and fiber production while also reducing the impacts on the environment. Effective nutrient management not only improves plant health and productivity, but also reduces excess nutrients in surface and ground water as well as emissions of greenhouse gases that contribute to climate change.

USDA’s Natural Resources Conservation Service also works with farmers to develop nutrient management plans that optimize plant yields while reducing the amount of nutrients lost to the environment, where they can impact greenhouse gas emissions and air and water quality. USDA can play an important role to promote nutrient management’s economic benefits and expand partnerships to develop nutrient management plans. This is part of USDA’s broader effort to address future fertilizer availability and cost challenges for U.S. producers.

USDA will continue to work with EPA and state water quality agencies on a National Water Quality Initiative that protects and restores water bodies, including sources of drinking water, in communities across the country.

21. In FY 2019, FDA and FSIS announced a formal agreement to jointly oversee the production of human food products derived from the cells of livestock and poultry. On September 3, 2021, FSIS published an advance notice of proposed rulemaking (ANPR) relative to the labeling of meat and poultry products comprised of or containing cultured cells derived from animals subject to the FMIA or the PPIA. Comments submitted in response to this ANPR are intended to inform USDA’s future rulemaking to establish labeling requirements for these products.

- **What is USDA’s anticipated timeline on this rulemaking?**

FSIS is currently analyzing comments on the ANPR and discussing them with the Food and Drug Administration (FDA) and will be issuing proposed labeling requirements specific to cell-culture meat and poultry products in the future. Should any establishment be ready to produce and distribute cell-culture meat or poultry products in commerce before our cell-culture labeling requirements are finalized, FSIS will review and approve these labels under our general labeling regulations to ensure they are not false or misleading. During label review, FSIS will ensure the labels clearly differentiate cell-cultured products from slaughtered meat and poultry products and that they bear all mandatory labeling features required by the regulations for all meat and poultry products.

22. The formal agreement stipulates that during the cell harvesting stage, when cells are removed from a sealed growth environment and prepared for traditional food processing, the FDA and FSIS will work together to coordinate the transfer of regulatory oversight to USDA. FSIS will then be required to carry out inspections at establishments where cells derived from livestock and poultry are harvested.

- **Given that FDA will be responsible for regulating all live animals to be used as food up until processing, how does USDA intend to guarantee these products are “not adulterated” and thus eligible to bear the mark of inspection?**

Cell cultured meat and poultry products will be subject to the same food safety, sanitation, and inspection regulations as conventional products to ensure that only safe and wholesome products enter U.S. commerce. Under the agreement, FDA is committed to sharing all necessary and relevant information from the live cell culture biomanufacturing process that it oversees to ensure that USDA can fulfill its responsibilities.

23. Not requiring cell collection from a USDA “passed” animal conflicts with FSIS’s HACCP regulations, which require inspected establishments to conduct a hazard analysis that considers “food safety hazards that can occur before, during, and after entry into the establishment” and have a HACCP plan with “critical control points designed to control food safety hazards introduced outside the establishment, including food safety hazards that occur before, during, and after entry into the establishment.”

- **How will USDA address this conflict to ensure cell-cultured meat and poultry products are held to appropriately stringent food safety standards?**

Establishments producing cell-cultured meat and poultry products will need to conduct a hazard analysis that considers food safety hazards that can occur before, during, and after the cells enter the establishment. They must also have a HACCP plan with critical control points designed to control all of the identified food safety hazards.

24. In response to actions by other exporting countries placing embargos on agricultural commodities you were quoted as saying, “These export bans have a tendency to distort the market and it’s precisely the wrong thing that should happen at this point in time. What we need is transparency in the market. What we need is a market that is helping to get goods in the most efficient way possible to those who are in need.”

- **Can you describe any legal basis for such restrictions in the U.S.?**

As set forth in the Food Security Act of 1985, it is the policy of the United States not to restrict the export of agricultural commodities and products “except under the most compelling circumstances,” and that “any prohibition or limitation on the export of such commodities or products should be imposed only in

time of a national emergency declared by the President under the Export Administration Act.” 7 U.S.C. 1736y. Generally, restrictions on exports may be imposed by the President under the Export Control Reform Act of 2018 (50 U.S.C. 4801 *et seq.*) and the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*). Subject to certain exceptions, the Trade Sanctions Reform and Reporting Enhancement Act of 2000 prohibits the President from imposing unilateral agricultural sanctions against a foreign country or foreign entity unless approved by Congress. 22 U.S.C. 7202.

- **And further, would you be able to reassure our customers around the world that the US agriculture supply store will always remain open?**

Part of USDA’s core mission is to expand and maintain access to foreign markets for U.S. agricultural products. We work closely with the Office of the U.S. Trade Representative to establish international standards and rules to improve accountability and predictability for agricultural trade. U.S. farmers, ranchers and exporters rely on accessibility to the global marketplace, and it remains our priority to ensure our overseas customers maintain existing and obtain new access to our agricultural goods.

25. Mr. Vilsack, thank you for your department’s past statements in support of rail shippers concerns with service delays. I’d like to call attention to a recent letter I sent along with my colleagues to the Service Transportation Board (STB), which highlighted the need for additional work by the STB. I am keenly interested in how the USDA, especially the AMS transportation staff, may be able to support the STB in identifying solutions for rail shippers.

- **How can we better advocate for shippers and find solutions for the problems they are facing?**

USDA, through consultation with AMS transportation staff, regularly participates in STB proceedings by providing comments to represent the interests of agricultural producers and shippers and advocate for solutions that would create both an efficient and fair rail transportation system. When rail transportation is not working efficiently for shippers, USDA proactively encourages STB to shed more light on the issues and take action to incentivize railroads to perform optimally. For example, as rail service increasingly deteriorated by March, I wrote a letter to STB that highlighted the problems agricultural shippers were facing and encouraged them to work with the railroads to improve service. STB Chairman Oberman later publicly stated that USDA’s letter was an important impetus to STB’s subsequent actions, including holding a two-day hearing on rail service issues, in which we provided oral testimony advocating for shipper concerns. In addition, USDA AMS performs and publishes analysis of transportation issues—including rail—in an array of weekly, quarterly, and annual reports. As part of this work, we make a variety of agricultural transportation data more usable and accessible to the public on our open data platform. We also conduct and fund transportation research to illuminate the issues shippers are facing and to develop and propose solutions to those problems. For example, a recent study, funded by AMS and led by former STB Acting Chairman Frank Mulvey, explored railroads’ requirement—or common carrier obligation—to provide reasonable service at a reasonable rate, which has been a growing issue of concern among shippers.

- **Shippers play a key role in transporting agriculture products, so how we need to ensure their role is being done?**

Indeed, transportation is critical to agriculture for producers and growers to reach end markets. Agriculture is the biggest user of freight transportation in the United States and is included among the top commodities transported by rail. Ensuring shippers receive satisfactory service and pay reasonable rates requires an effective regulatory backstop to incentivize an efficient market. USDA has encouraged STB

to move forward with Final Offer Rate Review, which would provide shippers with low-cost, timely, and effective rate review—something which is currently unavailable to them. USDA has also supported the recent proposal to enable shippers to charge railroads fees for inefficient use of privately-owned cars—fees that would incentivize railroads to provide better service. Effective regulation also requires sufficient data—data that is granular and timely enough—to monitor, report on, and research issues and trends. STB does regularly collect and publish some rail service metrics, which we appreciate, but—as we and the Transportation Research Board have indicated—the data are too coarse for meaningful insights. For example, we have suggested that STB collect and provide service data by corridor and over specific lanes, which would be more granular and relevant than general averages. In addition, we encouraged STB to keep moving forward in their work to address a key data gap regarding first-mile/last-mile (FMLM) service. Collecting this data is crucial because FMLM is where shippers and railroads intersect and where shippers experience the brunt of poor service. USDA has used STB’s existing data to create a public interactive dashboard that enables agricultural shippers to get an overview of rail service quickly and easily and to dive into the aspects of rail service that are relevant to them. To the extent that we and STB have the authority and means of collecting and publishing necessary data, the more we can ensure good outcomes for shippers.

26. **Mr. Secretary, from where we sit, it appears that FDA has plenty to do, and that USDA, both historically and in general, has safely and successfully regulated livestock used to produce food. With a new emphasis on science and innovation it is critical that we find a way for livestock developers and producers to access biotechnology after some 30 years of frustrating delay. The promise of improved animal health and productivity, with reduced environmental impact, are imperative to sustainably double meat production by 2050. Our animal biotechnology is already behind Argentina, Brazil, and China. I appreciate that no agency wants to yield bureaucratic turf, even if it is in the public interest, but based on their previous record, gene editing in farm animals will wither on the vine if regulated as an animal drug or at FDA.**
- **While looking at this question of regulatory jurisdiction, and looking beyond the parochial preference of the possessive FDA, what is USDA actively doing to ensure this technology will be regulated in a way that is best for science, innovation, animal care, sustainability, and food security?**

Both USDA and FDA have skills that are relevant for animal biotechnology, and we must coordinate effectively regardless of who leads. USDA’s experts are integral to every aspect of livestock production, from research to trade, including protection of herd health, animal health, and food safety.

We know that all stakeholders seek clarity, transparency, and finality regarding oversight of agricultural animal biotechnology and we are committed to delivering a predictable, transparent, and science-based regulatory process. I believe that the United States must act swiftly to reaffirm our nation’s status as a leader on this important technology.

Senator Charles Grassley

1. **Families are already experiencing inflation at a 40 year high. And now they are going to the grocery store and finding no infant formula on the shelves. The WIC Program purchases more than half of all infant formula supply in the United States, with about 1.2 million infants receiving formula supply through WIC.**
 - **When did the USDA know that there was going to be a shortage of formula for families?**

On February 11, the Food and Drug Administration notified USDA of the developing situation that could impact the infant formula supply, and on February 17, FDA announced the voluntary recall of certain Abbott powdered infant formula. Within 24 hours of the recall announcement, FNS was in touch with states about the flexibilities and waivers they needed to respond to the recall. FNS issued more than 100 waivers within three days of the announcement, to make it easier for WIC families to purchase whatever formula was available to them. FNS has now issued nearly 500 waivers nationally for WIC State agencies.

- **Congress has now given USDA new flexibility in the WIC program to respond to the current situation. As the majority purchaser of infant formula, why was there not more action earlier, either administratively or asking Congress for flexibility?**

USDA has provided WIC State agencies with programmatic flexibilities and waivers since the start of the recall, and continues to work with State agencies to ensure WIC families have access to infant formula. Within 24 hours of the FDA's February 17 recall announcement, USDA FNS communicated with states about available flexibilities and waivers and provided guidance on how to respond to the recall. FNS approved more than 100 waivers within three days of the announcement, making it easier for WIC families to purchase whatever formula was available.

The *Access to Baby Formula Act* was signed into law on May 21, 2022 and requires WIC contracts between WIC state agencies and infant formula manufacturers to address remedies in the event of a product recall to ensure WIC participants can continue to access formula. The *Access to Baby Formula Act* also provides USDA with authority to waive program requirements during certain emergencies, disasters, and supply chain disruptions to ensure WIC participants can continue to access the food and formula they need. FNS immediately deployed the authority provided by the Act. We anticipate that in the coming weeks USDA will also use the authority from the *Access to Baby Formula Act* to issue nationwide waivers to ensure that WIC participants can begin using WIC benefits to purchase imported formula coming in through Operation Fly Formula. FNS is also preparing guidance about the new requirement for state agency infant formula cost containment contracts to include protections against disruptions for WIC participants in the event of a future recall.

Before the President signed the *Access to Baby Formula Act* into law, USDA had swiftly responded to the situation. Within 24 hours of the Food and Drug Administration's February 17 recall announcement, FNS was in touch with states about the flexibilities and waivers they needed to respond to the recall. FNS approved more than 100 waivers within three days of the announcement, to make it easier for WIC families to purchase whatever formula was available. FNS has now issued nearly 500 waivers across every state.

2. **We also saw the President take up Operation Fly Formula and deliver formula to the United States from Europe. However, the largest WIC provider in Iowa wants access to this formula but no one has been in touch with them on how to get it from the distribution center in Indianapolis.**

- **Can you provide any details to the committee on how the formula will be distributed?**

Formula brought in under Operation Fly Formula falls into two categories: those that are already sold in the U.S. and those that are not currently sold in the U.S. The formula that is currently sold in the U.S. will be released by the manufacturers under existing methods for distribution and payment, with orders being fulfilled as product is brought in on an expedited timeline. Manufacturers seeking to import infant

formula under the FDA's enforcement discretion (i.e., formulas not currently sold in the U.S.) are required to include a distribution plan with their submission to the FDA.

Hypoallergenic formulas for children with severe allergies or medical conditions are released by the manufacturer into existing healthcare and retail channels under the direction of the Department of Health and Human Services (HHS) with particular emphasis on children's hospitals reporting a particular need for this product to ensure that the formula is reaching the most at-risk infants, including those served by WIC.

To ensure new infant formulas entering the U.S. marketplace are available to WIC participants, WIC State agencies may opt into the nationwide waivers allowing imported formulas, ensure an appropriate agreement is in place with their contracted formula manufacturer to allow, and add, the products to their authorized product list. Iowa WIC has taken advantage of these flexibilities, adding at least one imported formula to the authorized product list.

3. As the top hog producing state in the nation, I hear from countless Iowans hog producers who were completely missed in receiving any aid from what USDA provided throughout the pandemic. My concern is that if some producers were left behind by USDA payments that will lead to an unfair advantage by producers who were able to benefit.

- **Do you have any plans to ensure equality for all producers who were negatively impacted by Coronavirus supply chain disruptions?**

Since the start of the Biden-Harris Administration, USDA has been focused on understanding and filling gaps in previous pandemic assistance. Part of this effort to fill gaps included the development and implementation of the Spot Market Hog Pandemic Program (SMHPP).

As you and your constituents may know, USDA's Farm Service Agency (FSA) paused SMHPP payments when applications far outpaced the estimates that had been used to set up the program. The pause in payments allowed the Agency to work with stakeholders to better define which sales constitute spot market sales and qualify for the program. On March 18, 2022, USDA published a revised SMHPP NOFA to clarify hog eligibility (including expanded direct and third-party intermediary sales, documentation requirements, and payment factoring). Due to producer confusion related to the eligibility of sales and related supporting documentation, FSA included a provision requiring all producers to provide verifiable or reliable documentation of their eligibility of sales to confirm SMHPP payment eligibility and to prevent erroneous payments.

Once FSA County Committees had finished considering SMHPP applications, we had to decide whether to apply a payment factor or add funding to the original \$50 million allotted from Pandemic funding. We decided to allocate additional funds to this program so that we would not have to factor the payments, and eligible producers received the full \$54 payment per hog.

The increase in SMHPP funding supported robust program subscription and provided critical assistance to hog producers who faced the greatest reduction in market prices because of the COVID-19 pandemic. To date more than \$62.7 million in payments have been issued to eligible participants.

4. A constant message I hear from farmers in Iowa is the growing concern about the rising price and availability of inputs affecting a producer's bottom line, including fertilizer. I know the

Administration recently announced to invest \$500 million to support sustainable fertilizer production, but it remains unclear on how this investment will help alleviate the current situation. I'm also concerned about the amount of concentration in the fertilizer industry and that this money will just end up in the hands of a few corporations.

- Can you provide the Committee with more details for this funding?

The initial announcement at Commodity Classic in March laid out the high-level goals and guidelines for the new effort to expand innovative domestic fertilizer capacity:

- Independent – outside the dominant fertilizer suppliers, increasing competition in a concentrated market;
- Made in America – produced in the United States by domestic companies, creating good-paying jobs at home and reducing the reliance on potentially unstable or inconsistent foreign supplies;
- Innovative – improve upon fertilizer production methods to jump start the next generation of fertilizers;
- Sustainable – reduces the greenhouse gas impact of transportation, production, and use through renewable energy sources, feedstocks, formulations, and incentivizing greater precision in fertilizer use;
- Farmer-focused – like other Commodity Credit Corporation investments, a driving factor will be providing support and opportunities for U.S. agriculture commodity producers.

Additional details and instructions on how to apply to the opportunity will be released later this summer.

- **When you are conducting outreach – are you only talking to fertilizer companies who maintain large market share and who are often part of the concentration issue the industry currently faces?**

As laid-out in the initial announcement, a core element of the new effort is to support new independent fertilizer capacity and reduce the current concentration in the fertilizer industry. USDA took comments and input from all stakeholders and expects the program to have elements similar to those in the meat and poultry processing capacity investments to ensure the program is adding capacity outside the dominant firms in the market.

Senator Deb Fischer

1. As part of the bipartisan infrastructure law, I added an amendment to establish a broadband deployment locations map. This interagency mapping tool will create more oversight so that all government-funded broadband projects can be looked at clearly in one place.

The amendment passed unanimously, showing that lawmakers are united in the goal to ensure more transparency and avoid duplication in broadband funding. However, the success of this mapping tool will hinge on cooperation with the Federal Communications Commission from all federal agencies that provide funding for broadband deployment.

In March, Senator Cortez Masto joined me in writing to key agencies – including USDA – to check up on progress made so far. Though I have heard from several agencies by the April date requested, I still have not heard back from USDA.

- **Would you please provide an update on the status of the agency's response to the letter we sent?**

USDA staff are currently working on that response.

- **On what date can we expect to receive a response from our letter to the agency?**

I anticipate that you will receive your response by early July.

2. **As part of the FY21 omnibus, Congress provided USDA the authority to make payments to biofuel producers for unexpected market losses as result of the pandemic. USDA announced \$700 million in funding would be available through the Biofuel Producer Program. I have heard concern from some biofuel producers in Nebraska about delays with delivering the assistance from this program.**

- **When can biofuel producers expect to receive payments from this program?**

By early June USDA anticipating being able to have made payments to 195 biofuel production facilities to support the maintenance and viability of a significant market for agricultural producers of products such as corn, soybean or biomass that supply biofuel production. These biofuel producers experienced unexpected market losses on a combined 3.7 billion gallons as a result of COVID-19.

3. **I appreciate the continued work between USDA ARS and the University of Nebraska Lincoln to create a National Center for Resilient and Regenerative Precision Agriculture. As you likely know, Congress appropriated \$11.2 million in FY21 and \$20 million in FY22 for this facility.**

- **Can you discuss how this facility would help ARS efforts to deliver precision agriculture and data-driven decision-making tools to U.S. farmers and ranchers?**

The new Agricultural Research Service (ARS) building is slated for the Nebraska Innovation Campus at the University of Nebraska Lincoln (UNL) and is an incredible opportunity for partnership between UNL and the USDA to fuel the future of agriculture and food production. The building will allow ARS to expand scientist and support staff and provide next-generation lab and greenhouse space to increase research capacity on precision crop and livestock management technologies, operational models, and decision-support tools so producers can use on-farm data to be more productive with less time, inputs and resources, and have customized knowledge to make the best decisions for their unique operations in sustainable, resilient, and highly efficient ways.

The Center can serve as a 'central node' of a national network of USDA facilities and public and Land-grant universities committed to addressing the most critical science gaps and innovations in American agriculture. The fiscal year 2023 President's budget for ARS also includes a proposal for a Climate Science Center of Excellence (CoE) to be located in Lincoln to expand research capacity on urgent needs to implement climate-smart agriculture technologies and practices on the landscape. The Climate Science Center of Excellence will be a national climate and agriculture data integrator and synthesizer that collaborates with researchers across the nation to ensure relevant and impactful models, decision support tools, technologies and information. The CoE will also work closely with the USDA Regional Climate Hubs to transfer data, tools and information to users and customers.

- **Can you discuss what specific steps USDA is taking to bring the facility online?**

USDA and UNL planning for building construction is proceeding rapidly. Design funds were received in FY21, a facility functional statement was finalized in July 2021, and a joint UNL and ARS Working Team developed a program of requirements. ARS will use the \$20 million received in fiscal year 2022 for construction of greenhouses as the first phase of the facility. A Land lease draft is in review, and a joint ARS and UNL Design/Planning meeting is being planned.

