

**Testimony of Secretary Tom Vilsack**  
**U.S. Department of Agriculture**  
**before the**  
**Senate Committee on Agriculture, Nutrition, and Forestry**

**A Transformational Opportunity**

**March 16, 2023**

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

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

We are at a pivotal moment for American agriculture and rural communities with a decision to make about if, and how, agriculture will meet the challenges of our time. One option is to maintain the status quo. This path leads towards too many producers, particularly small producers, struggling to cover their costs, too many rural communities languishing, and the outdated agricultural policies designed to address challenges of the 1930s and 1970s—that all too often reinforce systemic inequities. This path works for a few who have done what American agricultural economics has for too long required of them: to get big or get out. But there is another path, one that prompts us to recognize the undeniable challenges of climate change and the need for greater equity in our food system and recognize they are also opportunities to seize as we seek to adapt to a new course. This path draws on lessons from the COVID-19 pandemic, which exposed vulnerabilities at every point in our food supply chain – from the field to the factory to the grocery store – and compels us to take transformative action so that this vital system is more resilient, secure, and accessible to all. This path draws strength from the Interim Recommendations of the USDA Equity Commission<sup>1</sup>, because they are a roadmap for ensuring

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

USDA lives up to its name as the People’s Department for everyone. There is nothing more foundational to a country’s security and stability than its food supply; an inclusive agriculture and rural life must be part of a shift to bottom-up, middle-out system if we want to create more opportunity in this country.

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

### **A Stabilizing Force for America**

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

In the 1930s, the Great Depression and the Dustbowl brought widespread food insecurity, market failures, environmental degradation, and economic hardship to rural and urban communities alike. In response, Congress and President Franklin Delano Roosevelt created the Agriculture Adjustment Act of 1933, a centerpiece of the New Deal. Creating institutions such as the Farm Credit Administration, the Commodity Credit Corporation, and the first federal farm, conservation, nutrition, and rural electrification programs. A reflection of the economics, values and social norms of the time, this legislation and the New Deal remain the foundation for agriculture, food, nutrition, and rural policy today. Congress recognized then, as it does today, the value of a strong farm safety net, lending programs to keep farmers farming, rural development programs to enhance life for those in rural areas and small towns, and the pairing of

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

farm and nutrition programs in a single legislative package that benefits us all. The programs and policies put in place at USDA were instrumental in bringing the U.S. economy back from the brink and ensuring that many American farmers, families, and communities were more stable in the 1940s and 1950s than they were in the 1920s and 1930s.

Fast forward to the 1970s and 1980s, U.S. economic policy began to change, as advances in technology in an increasingly globalized world rewarded productivity and efficiency. As a result, the policies and programs of USDA also changed. In 1973, most supply management policies that had been in place since the New Deal came to an end, and market volatility combined with an ill-prepared agriculture policy structure led to the farm crisis of the 1980s, which devastated countless farm communities. Case in point: In 1950 there were 5.3 million farmers total and just under 560,000 Black and 14,700 Native American farmers. By 1978 those numbers fell to 2.5 million farmers total and approximately 57,000 Black and 8,350 Native American farmers and by 1997 to under 2 million farmers total and just 18,450 Black and 10,638 Native farmers. And despite these changes, production output continued to rise. Farm policy of the last half century established new commodity programs, federal purchase of excess product, food aid and support for export markets, crop insurance, and permanent disaster assistance with the intent to create a safety net to prevent such a crisis from happening again. And to a point, this has been successful: America became a more food-secure nation and our exports feed the world. There have also been often undercounted and overlooked economic, and social costs to these policies.

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

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

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

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

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

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

USDA is working to make investments that support new revenue streams for our farmers. An area of great opportunity are investments that not only support new income sources for farmers, but also position farmers to be part of the solution to climate change adaptation and mitigation. Farmers need new tools to improve their practices, and, through their purchasing power, consumers want to support these efforts. It is a false choice for farmers to have to choose between being profitable and being environmentally conscious.

USDA's Partnerships for Climate-Smart Commodities program, which is creating new markets for sustainable agricultural and forestry production practices that the market values and benefits, is case in point. With more than \$3.1 billion of investments in 141 projects, USDA is making it less-risky for farmers to embrace and adopt climate-smart production practices and linking producers to new markets that value those practices and are willing to reward them. Consumers are eager to better understand the origins of their food products, and if they have been produced sustainably. The end result will be more than 60,000 farms reached, encompassing 25 million acres of working land engaged in climate-smart production practices, hundreds of expanded

markets and revenue streams for producers and more than 60 metric tons of carbon dioxide equivalent sequestered over the lives of the projects. Coupled with the investments Congress made in USDA's conservation and energy programs in the Inflation Reduction Act, this will allow American producers to appreciably reduce emissions from their operations.

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

Both Climate-Smart Commodities and organic markets serve as new profit opportunities for producers. They also create the opportunity to generate income through ecosystem service markets. There are more than 20 of these markets around the country today, and they include water, carbon, wildlife, and biodiversity markets. They are markets in which farmers will be paid for the environmental results they are able to obtain from sustainable practices. For example, the organic market has grown to \$52 billion in 2021. The combination of these efforts will also allow us to use resources to monitor, measure, report, and verify these results. Continued support from Members of this Committee, coupled with the resources from the FY2023 Consolidated Appropriations Act and the authorities from the Growing Climate Solutions Act, will allow USDA to advance and foster opportunities for producers to participate in these markets.

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

Another incredible opportunity for American farmers is the future market for sustainable aviation fuel. Unlike electric vehicles, airplanes can't pull over and recharge. By some estimates, we will

need 36 billion gallons of sustainable aviation fuel – fuel that can be produced from agricultural waste and woody biomass. This presents an entirely new industry opportunity for farmers – a new revenue source that can simultaneously reduce operating costs and allows them to put renewable resources on the grid for other small businesses and homes in rural areas.

The Inflation Reduction Act provides once in a generation investment in renewable energy through the Renewable Energy for America Program (REAP), in biofuels infrastructure and the largest single investment in rural electrification since the passage of the Rural Electrification Act in 1936. Rural Development is excited to combine its deep experience in working with rural communities, and long, trusted partnerships with rural electric cooperatives and producers to provide opportunities to accelerate the transition to clean, affordable, and reliable energy. With these investments, we are positioning farmers to be part of a transformation of our economy to be bio-based and renewable, and for wealth creation and investment in rural communities.

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

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

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

Another important way to increase producer income and to build stronger rural communities is to return market power to farmers and consumers. The food and agriculture sectors are

overwhelmingly concentrated where just a handful of corporations dominant – raising prices and decreasing options for American families, while also squeezing out small businesses and entrepreneurs.

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

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

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

For instance, USDA recently invested an additional \$10 million to the Farm to School Grant Program. This a relatively small amount in the scheme of things, but it has helped to finance applications from 5,000 schools – schools that will now be able to negotiate and contract with local producers so that they will reap the benefit of locally produced food and farmers will reap the benefit of another new market. We have 19,000 school districts in this country that run school nutrition programs. Imagine the possibilities to ensure that schools and local producers can work together so children benefit from higher-quality foods on their plates and program operators have stable sources for the products they need. Thanks to the resources from the American Rescue Plan, USDA was able to continue to invest in this program and others that are helping to build infrastructure required to facilitate robust local and regional food systems that go well beyond farm to school.

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

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

### **Advancing Nutrition Security**

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

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

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

In addition to serving as an economic engine, SNAP is particularly important for the millions of workers in this country who deal with the challenges of hunger in their households that is often episodic in nature. Impacted individuals are often those dealing with low wages, particularly for those living in the 20 states without a state minimum wage and earning just \$7.25 an hour (or



even less in two states), no benefits such as paid sick leave, high childcare and housing costs that create difficult trade-offs related to basic needs. SNAP is a critical support that addresses immediate needs by reducing poverty and food hardship; it has long-term impacts as well – participation by young children has been linked to better long-term health, education, and employment. Of course, SNAP is by no means a cure-all, but is a key instrument beside others in our broad safety net. That is why the President's vision calls for an array of investments that support low-wage workers, seniors, and families.

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

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

### **An Opportunity for Rural and Tribal Prosperity**

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

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

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

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

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

Finally, a word on research and new challenges. Federal investment in public research and development (R&D) in agriculture is foundational to ensuring we maintain our role as a global leader in agricultural competitiveness and continuing to see the tremendous productivity growth we have enjoyed and meet the challenges ahead. To be clear: it will require far greater investments than current levels provided by Congress. When adjusted for the rising cost of conducting research, U.S. public agricultural R&D expenditures have declined by about one-third since peaking in 2002.<sup>3</sup> At one point in time, agriculture research represented

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

approximately 4.3% of the overall non-defense research allocations and appropriations for the federal government. Today it has dropped to 2.3%. Given that public R&D investment is the primary driver of long-term productivity growth in U.S. agriculture, this is a trend that must be reversed if we hope to maintain our competitive advantage.

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

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

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

We have also seen that our disaster and risk management programs must be flexible, nimble, and have sufficient resources to support our nation's producers as they face an increased frequency

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

Unfortunately, there continues to be many farms and types of disasters that simply are not adequately protected due to authorities being designed for one-type of farming instead of specialty crops and diverse systems or primarily focused on short term natural disasters instead of the severe prolonged drought or man-made or input challenges. USDA has sought out new ways to reach underserved producers and improve equity in USDA programming by addressing constraints that impede access to crop insurance or risk management tools and knowledge, but for some producers and production systems it may take a shift from a crop-by-crop approach to looking at the overall health of the operation and targeting assistance based on the operation's overall losses and need.

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

## **Conclusion**

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

creating thriving rural communities. And a strong rural America is important and critical to our democracy.

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

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

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