

For Release

Chairman Robert Aderholt
Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and
Related Agencies
House Committee on Appropriations
Secretary of Agriculture Tom Vilsack
USDA's FY 2015 Budget Request
March 14, 2014
Opening Statement As Prepared

Good morning. I am pleased to welcome the Secretary of Agriculture, the Honorable Tom Vilsack; the Chief Economist, Dr. Joe Glauber; and USDA's Budget Director, Mr. Mike Young, to the Subcommittee. Today, we start our review of the Department of Agriculture's fiscal year 2015 budget request.

I have three goals for this Subcommittee for fiscal year 2015. The first goal is robust oversight. As stewards of the taxpayer's dollar, we are all responsible for ensuring these funds are wisely invested and properly used. Through oversight, we can detect and eliminate fraud, waste and abuse.

Sometimes we are criticized for focusing on fraud in the Supplemental Nutrition Assistance Program. However, this is USDA's largest program. According to a December 2013 New York Times article, it has an overall loss percentage of 4.07 percent per year, which is about \$3 billion, when fraud and erroneous payments are combined. In addition, SNAP fraud undermines support for this and other federal nutrition programs.

Let me be clear though, I support oversight and the elimination of fraud in each and every USDA program, including farm programs and crop insurance.

Oversight also is about promoting strong program management. For example, USDA has had trouble for years securing its IT systems. Inspector General Fong testified last week that USDA continues to have significant problems with this. This is disappointing. She also suggested that USDA's agencies should rebalance their work and focus on managing their programs instead of just delivering benefits.

My second goal is to ensure the appropriate level of regulation to protect producers and the public. This is about how USDA implements laws, including the new farm bill and the 2010 Healthy, Hunger-Free Kids Act. At times, USDA appears to pick and choose when it will be flexible to suit its agenda. Unfortunately, we have seen the administration go beyond congressional intent at times. I am closely following the implementation of these laws and will explore specific issues in my questions.

My third goal is to ensure funding is targeted to vital programs. There are two sides to this: one is about the decisions the Subcommittee will make to allocate funding in our bill; the other is about the Administration's priorities.

As you know, we cannot fund and do everything. So we must focus on programs that are most effective and broadly supported and those that address imminent threats.

For example, WIC is effective and broadly supported. We will scrutinize the fiscal year 2015 request to ensure sufficient funding is provided to meet current caseloads. However, we cannot provide excessive funding that will then unnecessarily limit funding for other high priority programs.

Regarding rural housing programs, frankly, I do not understand why USDA proposes to dramatically reduce funding for them. These programs have broad support in Congress as they help low-income and often elderly Americans to have decent homes. I hope we can discuss this in detail during our questions.

Turning to USDA's budget request, at first glance, it would appear to be modest and straightforward. It is \$228 million below the fiscal year 2014 enacted level. However, there are several new programs and significant increases in funding for others. Some of these increases are offset by questionable decreases, such as closing 250 Farm Service Agency offices or the reduction of 815 staff years without any real background on how you arrive at this savings. There are major increases, including three new innovation institutes costing \$75 million and hundreds of new staff for the Rural Development mission area.

In addition, the budget proposes major changes to the crop insurance program with the goal of saving \$14.3 billion over ten years. This is clearly an authorizing issue, and the 2014 farm bill just spoke on it. While many believe that this program could be improved, it is not realistic to pay for increases based on proposals that at a minimum have to be addressed by the authorizing committee.

In closing, I must mention the President's separate and additional \$56 billion request – the Opportunity, Growth and Security Initiative. While it would provide \$277.2 million for USDA, it cannot even be considered as it is above the agreed-upon discretionary spending cap for fiscal year 2015. Chairman Rogers has definitively stated that the House will write its appropriations bills to the established cap of \$1.014 trillion.

The additional request also is irresponsible given our debt, deficit and economic situation. While the federal budget deficit has fallen sharply during the past few years, the Congressional Budget Office estimates that under current law, the deficit this year will be \$514 billion. So even after all of the tough battles to reform spending, deficit spending this year will still exceed spending on all non-defense discretionary dollars by \$22 billion. CBO also projects that under current policies, public debt will reach \$21 trillion, which is 79 percent of our gross domestic product, by 2024. This is staggering.

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