



Chairman Robert Aderholt

*Subcommittee on Agriculture, Rural Development, Food and
Drug Administration, and Related Agencies
House Committee on Appropriations*

FY 2016 Budget Hearing – U.S. Department of Agriculture February 25, 2015 Opening Statement As Prepared

Good morning. I am pleased to welcome the Secretary of Agriculture, the Honorable Tom Vilsack; the Acting Chief Economist, Dr. Robert Johansson; and USDA's Budget Director, Mr. Mike Young, to the Subcommittee. Today, we start our review of the Department of Agriculture's fiscal year 2016 budget request.

Before I begin, I did want to commend you and your team for the timely implementation of the 2014 Farm Bill programs to date. You had quite a few programs to implement and you seem to have stayed on schedule.

As I have mentioned in previous hearings, I have three goals for this Subcommittee as we move through the fiscal year 2016 appropriations process. The first goal is improving the management of the agencies and programs within our purview. Continuing to build upon oversight efforts in previous years, the goal is to enhance accountability in spending of the taxpayer's dollars through improved agency governance processes and internal controls, and ensuring transparent decision making. Specific to USDA, the agency has authorities and regulations in place to properly oversee various efforts under its jurisdiction – from nutrition to farm programs to conservation operations. USDA needs to utilize their oversight capabilities in all areas to better ensure resources are spent wisely. USDA must also tighten controls for areas subject to large expenditures with unclear results and where performance tasks or milestones are not met, such as information technology investments. Inspector General Fong testified two weeks ago that USDA has challenges with overseeing information technology security and performance, and agreed that the agency needs to strengthen its internal controls. Moreover, between fiscal years 2009 through 2013 the Office of Inspector General made 55 recommendations for improving the overall security of USDA's systems, but the agreed upon corrective actions have been implemented for only 21 of those recommendations.

The second goal is to target funds to the most important programs and functions. There is a wide range of programs in our bill and I want to be sure that we make wise decisions in allocating the funding. We should continue to invest in programs that prove effective and have broad support, such as WIC, research, and rural development programs. We should also support programs that have a clear and distinct reason for using federal funding, such as addressing emerging agricultural pest and disease threats across the nation. In order to fund these programs, we must reduce or eliminate funding for lower priorities and those programs that are less effective or duplicative.

The third goal is to promote U.S. agriculture, free and fair markets, and safe food and medicines. The United States has one of the most highly productive food and agriculture sectors in the world, and the U.S. Government plays a unique role in ensuring the sectors' vitality. For

instance, we support a vibrant rural economy by investing in infrastructure, such as water and waste and housing programs. We set the ground rules to ensure efficient trading of agricultural commodities. And, we promote a free and fair international trade regime that allows U.S. commodities and products to be sold around the world. USDA has proposed substantial changes to the programs that support these efforts and we will need to carefully evaluate them to ensure that we continue progress and not undermine these areas. Agricultural exports play a crucial part in the U.S. economy, supporting more than 1 million jobs and record levels of exports for our farmers and ranchers, valued at \$152.5 billion in fiscal year 2014. We need to be mindful of the intricate trade system if we are to remain a reputable trading partner, acting quicker to resolve issues on the rail lines and at ports of entry.

USDA's budget request includes increases for discretionary and mandatory programs that appear to disregard the debt crisis facing our nation. The agency is again proposing to establish new programs and offices using scarce discretionary resources. The justification for these actions is lacking robust data to support the request, hindering this Subcommittee's ability to adequately evaluate their merit. Data such as a clearly identified need for these additional programs or offices, the total estimated costs for the efforts, and anticipated results or intended outcomes are not provided. The issue becomes more complex as these increases are offset by questionable decreases such as large reductions attributed to "operating efficiencies". The savings are justified by a few nebulous sentences that cite decreased travel, fuel, and printing costs that will yield large savings; however, these savings have been claimed by the agency in previous years and are not likely to produce the amounts suggested in the budget request.

There are programs within USDA's request that remain a priority. USDA is requesting increased resources to assist with the implementation of the Food Safety Modernization Act. The Food and Drug Administration is also requesting additional funding for this purpose. Nevertheless, the Subcommittee and the American public need assurance that the agencies are coordinating efforts and pursuing effective means for implementation. I want to ensure proper implementation of the Act and hope that we can discuss this in more detail during our questions.

In looking at the mandatory programs, USDA is proposing to reinvest savings into new or improved efforts. While these efforts are well intended, evidence is not provided that demonstrate current efforts are effective in assisting the beneficiaries and that the resources for new efforts will result in better services for the customers. Therefore, I am hesitant to reinvest the savings into these efforts.

I am especially concerned about the major changes proposed to the crop insurance program. Farmers have endured an estimated 43% decline in net farm income over the last two years. They are experiencing tough economic times with sharply lower crop prices and a number of natural disasters. There are a number of uncertain economic factors in the future. Yet, USDA is proposing to reduce crop insurance by \$16 billion, a reduction of over 17%, and make it increasingly difficult for them to secure funding. I join my fellow colleague Mike Conaway, who is the Chairman of the Committee on Agriculture, in requesting that we not adversely change the rules of the farm bill. And I certainly do not want to do so through the appropriations process.

The Ryan Murray deal signed into law in 2013 caps overall spending as well as defense and non-defense spending. I anticipate that the Subcommittee's funding levels will remain relatively flat at best. USDA's budget request largely exceeds the 2015 enacted funding levels. Today and in the months ahead, we must analyze the request and focus on allocating the funding using the goals that I have outlined to the most effective, highest priority programs.

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