



Chairman Robert Aderholt

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

**FY 2016 Budget Hearing - USDA Farm and Foreign Agricultural Services
March 19, 2015
Opening Statement As Prepared**

Good Morning. I want to welcome all of you to today's hearing. The primary goal of our hearing this morning is to examine the fiscal year 2016 budget submission from the Farm and Foreign Agricultural Services Mission Area and its respective agencies.

Joining us today are Mr. Michael Scuse, the Under Secretary of the Farm and Foreign Agricultural Services mission area; Mr. Val Dolcini, Administrator of the Farm Service Agency; Mr. Phil Karsting, Administrator of the Foreign Agricultural Service; Mr. Brandon Willis, Administrator of the Risk Management Agency; and, USDA's Budget Director, Mr. Mike Young.

To begin with, I did want to commend you, Mr. Scuse, and your team for the timely implementation of the 2014 Farm Bill programs to date. While a handful of critical programs are in the process of being implemented, the Agencies before us today have generally stayed on schedule and implemented the new 2014 Farm Bill programs as planned.

During the hearing today, we will have an opportunity to discuss everything from RMA's risk management duties and FSA's production-related programs to FAS's focus on promoting America's productive agricultural capability in the international markets and the in-kind food aid from U.S. producers.

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. Inspector General Fong testified several weeks ago that USDA has challenges with overseeing information technology security and performance, and agreed that the agency needs to strengthen its internal controls. While she did not specifically mention the Department's management of the Modernize and Innovate the Delivery of Agricultural Systems (otherwise known as MIDAS) program, the fact that the OIG and the Government Accountability Office are both studying this investment is an indication of potential problems. During the hearing, we will delve into the unfortunate circumstances surrounding this system and how USDA might avoid such mistakes in the future.

The second goal is to target funds to the most important programs and functions. There are 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. This will include examining the Administration's proposals to shift more of USDA's popular in-kind food aid programs into cash programs. My concern is that these cash programs already exist - to the tune of almost \$3 billion - across the Federal government. Implementing these changes would be duplicative. We must also ask - what is wrong with using American taxpayer dollars to buy American food and send it overseas on American ships to feed those in need? In order to fund any new programs or initiatives, we must reduce or eliminate funding for lower priorities as well as 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 farm operating or ownership 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. 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.

The President's FY16 budget proposal for the Farm and Foreign Agricultural Services mission area includes a request for approximately \$3.47 billion in discretionary funds, including the discretionary resources for loan subsidies to cover the cost of \$6.4 billion in farm loans. This compares to \$3.4 billion appropriated in FY15.

While all of us on the Subcommittee are proponents of efficiencies, many of us here are not convinced that FSA has fully developed these plans and the savings associated with the proposals. On its face, a net decrease of \$58 million across the Mission area or 1.6 percent below FY15 would be commendable in light of the Nation's ever growing debt crisis. Such savings would be especially impressive when compared to the proposed increases in most other USDA programs. Many of us are skeptical of the proposed funding decreases yet again.

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 producers 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.

Lastly, I have to question the timing of yet another authorizing proposal for PL 480, Title II, Food for Peace grants that would allow up to 25 percent of emergency funds to be used for cash assistance when the recently passed 2014 farm bill purposely chose not to make such a change to the program.

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.

In closing, I would like to express my belief that most American taxpayers believe that sensible farm policies are a wise investment in our nation's health and the future of American-grown food, fiber, and feed. Prudent investments we make in farm programs in the upcoming fiscal

year will benefit all Americans, from the farmers and ranchers in the fields to consumers in the U.S. and abroad.

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