

**Statement by
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Secretary of Agriculture
Before the Subcommittee Agriculture, Rural Development, Food and Drug Administration, and
Related Agencies
Committee on Appropriations, U.S. House of
Representatives
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Thank you, Chair Harris, Ranking Member Bishop, and distinguished members of this Subcommittee, for the opportunity to come before you today to discuss the Administration's priorities for the Department of Agriculture (USDA) and to provide you an overview of the 2025 President's Budget.

USDA's work touches every community, and nearly every landscape, across the entire country. Since our founding, the "People's Department" has provided safety nets to farmers, nutrition assistance to some of our country's most vulnerable citizens, support for renewable clean energy, firefighters to keep our communities safe, food safety inspections—and much, much more. It is an honor to lead this department, and I am excited to share with you some of the progress we have made to support America's farmers and ranchers, create opportunity in rural areas, and improve USDA's processes and customer service.

Through the FY 2025 Budget, 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. We are now seeing farm income mirroring the stronger economy that President Biden and his economic team have advanced coming out of the pandemic. Farm income over the 2021-2023 period represented the highest level of farm income in the last 50 years. We saw that the bulk of that income has been driven by the market, namely high commodity prices and the three highest years on record for agricultural exports, and not by farm safety net payments. And while the first farm income forecast of 2024 indicates net farm income this year will return to prior levels that are slightly below these historic levels for farm income, this forecast underscores the critical importance of USDA's ongoing work to help foster prosperity for producers and the communities they love by supporting an economy that grows from the bottom up and the middle out, and by creating new market opportunities that promote competition in the marketplace. At the end of the day, a strong farm economy inarguably contributes to a strong rural economy and makes rural communities a more attractive place to live – and we are doing everything within our control to focus our efforts on enhancing economic resiliency.

As we look forward to FY2025, USDA will continue to focus on policies that add value for farms of every shape and every size as well as ensuring the policies are designed for the real needs of rural America. This includes recognizing the undeniable challenges of climate change and addressing the need for greater equity in our food system. We will continue to draw strength from the USDA Equity Commission final recommendations¹, because they are a roadmap for ensuring USDA lives up to its name as the People's Department for everyone. There is nothing more foundational to a

¹ USDA Equity Commission. (2024). *Final Report 2024: Recommendations made to the U.S. Department of Agriculture to Advance equity for all.* <https://www.usda.gov/equity-commission/reports>

country's security and stability than its food supply; an inclusive agriculture and rural life is necessary if we want to create more opportunity in this country.

The 2025 USDA President's Budget recognizes the investment Congress has made available through the American Rescue Plan Act (ARPA), Bipartisan Infrastructure Law (BIL), and Inflation Reduction Act (IRA). This investment has allowed USDA to create, not diminish, opportunities for rural communities as well as invest in farmers, ranchers, and small businesses. USDA is delivering on these investments, and the 2025 Budget continues to confront challenges, rebuild the rural economy, and support a new, innovative approach to the future of agriculture. A strong agriculture sector is key to strong rural communities, supporting over 22 million people and 10 percent of jobs in the economy, providing access to essential services like housing, healthcare facilities, and fast reliable internet; it's how we ensure there's safe, nutritious, affordable food on the table for everyone, supporting the more than 10.2 percent of Americans that experience food insecurity²; it's how we support and protect forests, grasslands, and farms – nearly 50 percent of this nation's total land mass; and it's how we provide for the communities that depend on them. The proposals in this budget will address these challenges and spur new job creation and opportunities in rural America; support a stronger nutrition safety net; build resilience in the food supply chain and restore America's advantage in agriculture; and leverage USDA's expertise to address climate change.

The 2025 USDA President's Budget request totals \$213.3 billion, of which \$181.7 billion is mandatory funding and \$31.6 billion is discretionary funding to continue advancing the vision to create an equitable and climate-smart food and agriculture economy that protects and improves the health, nutrition, and quality of life of all Americans.

Rebuilding Rural America

The Biden-Harris Administration's historic investments in infrastructure and new market opportunities have provided USDA with a powerful set of tools for restructuring our food and agriculture economy so small- and mid-sized producers are able to access opportunities to maintain and grow, catalyzing strong rural economies where people have the opportunity and tools they need to build a good life in the communities they love.

It has been said that Rural Development (RD) can build a town from the ground up. However, over the last decade, RD's portfolio has increased 85 percent, but its staffing levels decreased by 30 percent. Recruiting and retaining staff is a critical component in our ability to meet the growing priorities in areas that have a direct effect on our ability to be sustainable, relevant, and results-oriented in delivering much-needed programs and services across rural America. USDA is committed to ensuring we have sufficient levels of RD staff to deliver these vital programs by requesting \$881 million for S&E.

Affordable housing has been a long-standing problem for low-income residents in rural communities, one that is exacerbated by low energy efficiency of the aging housing stock which means higher costs to families. The 2025 Budget requests \$1.25 billion for the Section 502 Single

² USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census, 2021 Current Population Survey Food Security Supplement.
<https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/key-statistics-graphics/>

Family Housing (SFH) Direct Loan program that will provide over 5,000 low and very-low income rural residents the dream of home ownership. The Budget also provides \$1.69 billion in budget authority for Rental Assistance (RA) to renew 270,158 existing contracts, ensuring that these very low income tenants can continue to live in decent, safe and affordable housing. In addition, the Budget continues to request the authority to decouple rental assistance from USDA financed properties to allow USDA financed properties the option to continue to offer affordable rents when projects reach loan maturity. For paid off properties that do not decouple, the Budget continues to include \$20 million within the HUD Tenant Protection Vouchers, which provides a fully portable voucher for the tenant, reduces duplication across Federal programs, and allows USDA to focus more on its priority mission of preservation.

Improved connectivity through broadband access means rural communities can offer robust business services, expand access to modern healthcare, and improve education. The Broadband ReConnect Program provides capital access for strengthening e-connectivity that broadens economic opportunities and job creation in rural America. Thanks to the President's Bipartisan Infrastructure Law, USDA has provided \$2.26 billion to deploy broadband to people living and working in rural areas across 35 States and Territories, which is expected to expand access to 137,366 households. The Budget requests \$112.4 million in budget authority for the Broadband ReConnect Program to provide service to about 56,000 households. In addition, the Budget continues to include \$35 million for broadband grants to support new or improved broadband access in communities with populations of up to 20,000.

Safe drinking water and sanitary waste disposal systems are key elements to achieving a high quality of life for rural residents. Across the country, there are millions of Americans that lack indoor plumbing and millions more that live in homes that still have poisonous lead pipes. The Budget supports nearly \$1.4 billion in regular direct loans and \$50 million in guaranteed loans to support nearly 450 direct and guaranteed loans for water and waste disposal facilities to provide safe and sanitary water services. Overall, the Budget requests \$785 million in budget authority, which supports a total program level of nearly \$2.1 billion for the water and waste disposal program. Of \$785 million in budget authority, \$639 million are for grant funding for water and waste disposal projects, including grants targeted to Colonias, Native Americans, and Alaska Native Villages.

The Farm Service Agency (FSA) Farm Loan Programs provide an important safety net for producers, by providing a source of credit to producers who commercial lenders may be unwilling to serve. USDA is committed to ensuring that as we administer the Farm Loan Programs, we can provide targeted assistance based on need, reaching everyone who is eligible, and removing the bureaucratic burden on producers. The Budget is projected to support over 32,000 loans to farmers and ranchers by financing operating expenses and providing opportunities to acquire a farm or keep an existing one. Building on efforts begun in the 2024 Budget to connect more producers with the financing they need for successful farm operations, the 2025 Budget continues to propose legislative changes to Farm Loan Programs to ensure more producers would be able to get the financial assistance they need to keep farming and keep the farm in the family. Specifically, the proposals will 1) authorize Direct Farm Ownership loans to be used to refinance debt; 2) make a technical correction to certain special program interest rate requirements; 3) require preferred lenders to obtain FSA approval prior to taking a foreclosure action; 4) expand the lifetime limitation on debt forgiveness from \$300,000 to \$600,000; 5) authorize future loans to those with previous debt forgiveness; 6) give the Secretary maximum flexibility for applicant eligibility for emergency loans; 7) increase the microloan limit from \$50,000 to \$100,000; 8) eliminate the number of years that a

borrower can apply for Direct Operating Loan or Direct Farm Ownership loan; 9) revise beginning farmer definition to require individuals of an entity to be beginning farmers without regard to relationship; 10) reduce required farming experience for Direct Farm Ownership Loans from 3 years to 1 year, with a waiver of experience for those who have an established mentorship; 11) correct the historical linkage for Farm Ownership down payment direct loan limit to match the direct Farm Ownership loan limit; and 12) revise beginning farmer lending targets required "to the extent practicable." This suite of changes expands access to farm loans to strengthen agriculture while remaining budget neutral.

To improve equity in rural America, the Budget proposes \$10 million to expand the Rural Partners Network (RPN) initiative, improve leveraging of USDA's extensive network of county-based offices, and continue to help people and communities in high poverty counties. Through RPN and collaboration with other USDA and Federal agencies, RD has been able to improve its connection with rural stakeholders. 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. It is critical that we ensure that our rural and Tribal communities can benefit from federal investments as the Biden-Harris Administration delivers unprecedented resources provided through ARPA, BIL, and IRA. We can only expand this innovative work of RPN into more rural communities and additional states if Congress builds on the progress made over the last year and provides additional funding for RPN.

Supporting Nutrition for the Nation

USDA's core nutrition programs are the most far-reaching, powerful tools available that ensure all Americans, regardless of race, ethnicity, or background, have access to healthy, affordable food. Across America, one in four individuals is served by one of USDA's 16 nutrition assistance programs over the course of the year. The Budget makes strategic investments to advance nutrition security through education and evidence-based interventions, and to support the purchase of nutritious and local foods.

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 for addressing disparities in maternal and child health outcomes. WIC serves about half of all babies in the United States. The Budget includes \$7.7 billion for WIC in 2025 to serve nearly 7 million low-income women, infants, and children each month in 2025, up from 6.6 million in 2023. This funding request reflects the longstanding bipartisan commitment to serve all projected participants seeking WIC benefits. WIC participation rose rapidly in 2023 across all eligible categories – women, children and infants and further growth is expected in 2025. The Food and Nutrition Service (FNS) is continuing to work to modernize the program through outreach, improving the shopping experience, modernizing technology and service delivery, expanding access to farmers' markets and investing in the workforce.

The Supplemental Nutrition Assistance Program (SNAP) stretches the food budget for many low-income people and research shows that participation in SNAP reduces food insecurity and allows families to have healthier diets. The Budget requests \$123.3 billion for SNAP, which will serve an estimated average of 41.9 million participants. The Budget also includes \$95 million for The Emergency Food Assistance Program (TEFAP) administration to support soup kitchens and food banks and \$242 million for the Food Distribution Program on Indian Reservations (FDPIR) to improve participant nutrition and provide culturally appropriate foods for an estimated average of

80,000 participants.

Child Nutrition programs, including National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Summer Food Service Program, the Child and Adult Care Food Program (CACFP) Fresh Fruit and Vegetable Program, and Special Milk Program assist State and local governments and private non-profit organizations in ensuring that meals provided to children in schools and child and adult care programs meet their nutritional needs, foster healthy eating habits, and safeguard their health with a goal of reducing the number of overweight and obese children. Summer is perhaps the most challenging time of the year for children at risk of food insecurity because they lose access to daily school meals, and some face structural barriers to accessing summer meals through the traditional programs. To meet the nutritional needs of children during the summer, this Budget requests nearly \$3.3 billion in funding to provide Summer EBT to the approximately 21.5 million children that will participate in 2025. In addition to Summer EBT, USDA administers a suite of child nutrition programs that provide reimbursement to State and local governments for nutritious meals and snacks served to children in schools, childcare institutions, summer sites, and after school care programs. The Budget also requests nearly \$29 billion to serve a projected 5 billion lunches and snacks and 2.7 billion breakfasts in schools, 1.9 billion meals in child and adult care food programs, and 281 million meals through the Summer Food Service Program. The increases will strengthen integrity controls, modernize food ordering and inventory management systems, and provide critical staffing to enhance FNS's ability to provide technical assistance and oversight of child nutrition programs.

Creating More, New, and Better Markets

USDA works to create more options for producers and consumers and improve the resiliency of our food supply chain. As we invest in new solutions, we must create new and better markets for all producers and consumers and promote a safe, healthy work environment for agricultural workers. USDA is working to transform the food system, from how food is produced to how it is purchased, in a fairer, more competitive, and more resilient system. These investments will benefit consumers, producers, and rural communities by providing more options, increasing access, and creating new, more, and better markets for small and mid-sized producers. The success of American agriculture hinges on innovation and the development of new markets, both at home and abroad, to ensure everyone has access to affordable nutritious food.

Despite record-breaking farm income in recent years, typically about 7 percent of U.S. farms receive 85 percent of overall farm income, which means 93 percent of our farms share only 15 percent of farm income. We also know that over half of farm households had negative farm income, and 84 percent of farm families obtain most of their income from off the farm. On top of this, farmers are receiving less of the food dollar today than ever before. It's obvious that the system needs to be revisited to find a way to create a system that benefits small and mid-sized farms, expands opportunity, and values their products.

To do so, USDA is increasing market opportunities for producers to sell their products. We are strengthening local and regional food systems and providing producers with more options to market their products. The Budget invests over \$383 million in supporting new supply chains and markets that uplift small and mid-sized farmers through programs such as the Local Agriculture Market Program, Farmers Market and Local Food Production, and Transportation and Market Development, through Agriculture and Food Research Initiative (AFRI) grants and the Gus Schumacher Nutrition

Incentive Program at the National Institute of Food and Agriculture (NIFA), as well as through Farmers Market Nutrition Programs at FNS. Investments will also help strengthen supply chain resiliency by improving access to and encouraging consumption of locally grown foods, shortening the food supply chain by supporting direct farmer-to-consumer transactions.

Last year marked the 10th anniversary of the Farm to School Grant Program at FNS, which has awarded more than 1,100 projects totaling more than \$85 million and reaching more than 28 million students in nearly 63,000 schools. These grants play an important role in expanding USDA's farm to school efforts across the country and strengthening the school meal programs. Funded projects increase the amount of local foods served through child nutrition programs and help educate children about where their food comes from. These efforts make school meal programs more resilient in the face of recent supply chain disruptions by building connections within local communities while also creating healthier school food environments and improving student health behaviors. This program also allows producers, large or small, to have additional market opportunities in their own backyard and a chance for their commodities to nourish children in their community. The Budget requests \$12 million in the Farm to School Grant funding in addition to \$5 million in permanent funding to assist in making local food and agricultural education available to child nutrition program participants.

The Budget supports investments to assist in transitioning away from fossil fuels while creating manufacturing jobs across rural America by creating market opportunities in the bio-based economy. The Sustainable Aviation Fuel (SAF) Grand Challenge, in partnership with Department of Energy and Department of Transportation, is meeting the demand to reduce cost, enhance sustainability, and expand SAF production which currently has a high demand. USDA is committed to continuing investments and building expertise in sustainable crop and other biomass production system and supply chains; investing in biomanufacturing capability, workforce development, and community and individual education; and providing outreach and technology transfer to producer's processors. USDA ensures farmers, foresters, small businesses, and rural economies benefit from these opportunities with attention to cost, quality, and quantity of agricultural-based feedstock for producing SAF.

One way USDA promotes the creation and expansion of rural businesses, by providing additional access to capital, which helps to diversify the rural economy, is through the B&I Guaranteed Loan Program. The Budget supports \$2.3 billion in Business and Industry (B&I) loan guarantees, which bolsters the availability of private credit by guaranteeing loans made by lenders to rural businesses. At the average loan level of \$7 million, this request will support more than 300 loans. This program improves the economic health of rural communities by increasing access to business capital through loan guarantees that enable commercial lenders to provide affordable financing for businesses in eligible rural areas.

Research and Innovation

This pivotal moment calls for additional investment in research and innovation that influence every program we implement at USDA. Agricultural research has a return on investment of \$17 for every \$1 invested. 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

research and development that often have a less-told story, but we live and reap the benefits of these investments every single day. Production agriculture requires constant innovation and adaptation as farmers and ranchers pursue climate-smart solutions to extreme weather, rural businesses seek new markets, and underserved communities seek trusted partners to tackle systemic concerns.

The Budget proposes a \$3.8 billion investment in our research, education, and economics programs. The Budget includes discretionary funding of \$1.7 billion for NIFA of which \$475 million is for the Agriculture and Food Research Initiative (AFRI). Demand for AFRI's competitive funds grows annually and the awards focus on promoting enhanced profitability and productivity in U.S. agriculture, food and nutrition security, and boosting rural prosperity through a circular economy with support for clean energy technologies, climate-smart agriculture and forestry, and education and workforce development. An additional \$1.8 billion for the Agricultural Research Service (ARS) includes increases from 2023 of \$17 million in support of the Cancer Moonshot, \$13 million for the operations and maintenance of the new National Bio and Agro-Defense Facility, \$13 million for climate science and monitoring greenhouse gas emissions from agriculture, and \$17 million for additional high priority investments. These funds enable ARS to find solutions to agricultural problems that affect Americans every day from field to table. This is done through the delivery of cutting-edge, scientific tools and innovative solutions for American farmers, producers, industry, and communities to support the nourishment and well-being of all people; sustain our nation's agroecosystems and natural resources; and ensure the economic competitiveness and excellence of our agriculture.

Science and research are our best defenses to protect our resources against the climate crisis. The changes in our environment have allowed invasive plants, pests, and diseases to move around the world more easily and become established in new areas. Without the tools and sufficient resources to protect ourselves against invasive species and safeguard the health, welfare, and value of American agriculture and natural resources, our farmers and our economy will suffer.

Tackling the Climate Crisis

Producers and land managers across the country are experiencing real and increasing threats from climate change that have serious implications—not just for farmers, ranchers, and forest landowners—but also for surrounding communities and all Americans. In 2022, nearly 80 percent of the western region experienced extreme drought, wildfires burned over 7.6 million acres of our forestland, and communities across the country are dealing with the impacts of severe flooding and record snow fall exacerbated by climate change. Agriculture has a critical role in delivering climate change solutions and our nations farmers, ranchers, and foresters are already leading the way through the adoption of voluntary and farmer friendly incentive-based climate-smart agricultural and forestry practices.

Through the Conservation Technical Assistance (CTA) Program, the Natural Resources Conservation Service (NRCS) provides landowners and managers with the knowledge and tools they need to develop conservation plans to implement specific conservation practices needed to improve farm operations and conserve, restore and maintain the natural resources on their lands. The Budget requests \$985 million for Private Lands Conservation Operation, of which almost \$870 million is for the CTA program. An additional \$30 million in CTA funding will be used to continue Equity Conservation Cooperative Agreements, which support historically underserved farmers and ranchers with climate-smart agriculture and forestry, will bring in additional new customers to work with

NRCS. In 2022, NRCS offered \$50 million in funding for Equity Conservation Cooperative Agreements. Two-hundred fifty applications were received requesting \$202 million, of which 117 agreements were funded for \$49 million. In 2023, NRCS offered \$70 million in funding. Three hundred applications were received requesting \$210 million, of which 139 were selected for funding for \$69.2 million.

The Budget supports the USDA Climate Hubs, a cross departmental effort to provide technical assistance in tackling the climate crisis, expanding USDA's ability to develop and deliver science-based, region-specific information and technologies. The Budget requests an additional \$14 million from 2023 for the Climate Hubs to support the adoption of climate-smart practices. Investments will assist farmers, ranchers, and foresters make region specific climate-informed decisions and provide technical assistance to implement those decisions.

Rebuilding USDA through Diversity, Equity, and Inclusion

Building a better USDA means bringing people of all backgrounds and lived experiences to be a part of a healthy, safe, and inclusive workplace. This includes ensuring we are recruiting the best and the brightest across our great country, and investing in our employees through recognition, wellness programs, and support to our employees. Building a better America is about ensuring all 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 2025 Budget focuses on building a USDA that is a model employer and 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.

It's an honor and a privilege to have the dedicated and talented staff of over 100,000 employees supporting USDA. However, the historic lack of investment throughout the Department over the years has resulted in a decline in staffing that we still struggle to recover from and has meant that we have not had the necessary resources to modernize critical IT systems or make other improvements to the way we do business here in USDA in support of rural Americans. USDA appreciates that Congress broadened the purpose of the Department's Non-recurring Expense Fund to address both facilities and information technology needs. For IT systems alone, USDA is projecting a FY 2025 need of at least \$190 million for modernization of our platforms to best serve the public accessing USDA programs. As USDA reimagines and transforms the way it delivers its mission and services to the American public, it must also invest in IT modernization to address vulnerabilities in government legacy systems to ensure those services are provided in an effective, efficient, and secure manner.

USDA is committed to not only hiring, developing, and advancing a workforce that truly reflects America's rich and diverse characteristics, but also to creating an inclusive workplace environment so that everyone can rise to their highest potential and flourish in supporting our mission. We are committed to making USDA the best place to work so that we can attract and train the best and the brightest in the field of agriculture. The need for growing the next generation of professionals is timely and important and this funding is aimed at attracting, inspiring, and retaining diverse and talented students at eligible minority-serving institutions for careers in food, agriculture, and related disciplines, with an emphasis on federal government sector employment. The Budget requests \$365 million directly invested in Minority Serving Institution (MSI) programs to fight against the historic inequity in access to higher education. Partnerships with MSI programs support capacity building

initiatives, education, and pathways to employment for students and faculty and help develop a strong pipeline of talented individuals for USDA and USDA partner jobs. These capacity-building funds will bolster the impact of the recently announced Inflation Reduction Act program “From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals (NextGen)”. This historic \$262.5 million investment supports 33 projects across 24 states and competitively established six HBCUs as NextGen lead institutions. NextGen projects are led by HBCUs, TCUs, Alaska Native-serving Institutions and Native Hawaiian-serving Institutions, HSIs, or institutions of higher education located in the Insular Areas. Working with 60+ MSI partners, projects will provide training and support to more than 20,000 future food and agricultural leaders. These investments in future agricultural leaders will help USDA attract the best and brightest to face the growing challenges of the agricultural economy.

Conclusion

If we are going to create an agriculture system that works for the many and the most, I believe the answer is a holistic approach. Not one focused just on bushels per acre, but one that also measures success as rural families being able to pay their bills, preserving our lands, and making their communities a place our children and grandchildren can call home. Producers of all kinds should be able to make a living and support their families through farming, not just those with the biggest operations. As decision makers in USDA and Congress, we should use the market, climate-based tools, and food systems to create new income opportunities and value for producers and rural communities. This budget is not a wish list; rather, it is a to do list to fulfill the items that Congress and USDA have been talking about fixing for decades. It is a plan for what we need to do to continue to get USDA back on track and to help the U.S. outcompete the rest of the world. USDA needs the support of this Subcommittee and of Congress to make the much-needed investments called for in the President’s FY 2025 Budget. I look forward to working with this Subcommittee and to answering any questions you may have about our budget proposals.