



Chairman Robert Aderholt

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

FY 2017 Budget Hearing
USDA Farm and Foreign Agricultural Services
March 17, 2016
Opening Statement As Prepared

The primary goal of our hearing this morning is to examine the fiscal year 2017 budget submission from the Farm and Foreign Agricultural Services Mission Area and its respective agencies. This is the eleventh and last of the Subcommittee's FY 2017 budget hearings.

Joining us today are Ms. Alexis Taylor, the Deputy Under Secretary of the Farm and Foreign Agricultural Services mission area; Mr. Val Dolcini, Administrator of the Farm Service Agency; Ms. Suzanne Palmieri, Associate Administrator of the Foreign Agricultural Service; Mr. Brandon Willis, Administrator of the Risk Management Agency; and Mr. Mike Young, USDA's Budget Director.

To begin with, I want to welcome Ms. Alexis Taylor – it is her first time testifying before our Subcommittee in this role. I also want to commend you and your team for achieving several key accomplishments over the past fiscal year, including opening new markets for American agricultural products such as the South African market to American poultry, beef, and pork for the first time in 15 years; the continued implementation of the 2014 Farm Bill; and the reinstatement of marketing loan certificates as directed in the Subcommittee's FY 2016 appropriations bill.

I have emphasized in previous hearings four goals for this Subcommittee as we move through the fiscal year 2017 appropriations process. The first goal is increasing oversight, efficiency and the need for effective outcomes; the second is keeping rural America vibrant; the third is supporting American farmers and ranchers; and the fourth is protecting the health of people, plants and animals.

During the hearing today, we will have an opportunity to discuss topics that include the Risk Management Agency's budget proposal to use mandatory Crop Insurance funding for its Salaries and Expenses account. We will highlight significant reductions in U.S. commodities and maritime sealift capability supplied to food aid programs in recent years, and concerns this Subcommittee has expressed regarding the Modernize and Innovate the Delivery of Agricultural Systems program, otherwise known as MIDAS.

The Farm and Foreign Agricultural Service mission area plays a unique role at USDA and within the U.S. economy. It implements the essential safety net for the American farmer through crop insurance, maintains access to credit through farm ownership and operating loans, and oversees numerous disaster, conservation, and supplemental assistance programs. Simultaneously, the Foreign Agricultural Service is working in over 170 countries around the world to promote the products and commodities these farmers produce. The mission area also represents a large portion of America's humanitarian food assistance overseas, using American taxpayer dollars to send American food on American ships to feed those in need overseas.

The President's budget request for the Farm and Foreign Agricultural Services mission area is \$3.4 billion. This budget request uses a number of gimmicks and out-of-touch assumptions to achieve this funding level. For example, the budget shortchanges food aid programs, including reductions of \$116 million for the Food for Peace program and \$20 million the McGovern-Dole Food for Education Program. This comes at a time when our world is facing a global refugee crisis – one that affects us directly here at home. This budget request continues in a worrisome trend we have found in many mission areas under this Subcommittee of paying for discretionary programs with mandatory funding. The President's proposal to transfer \$20 million of mandatory Crop Insurance funding to the Risk Management Agency is simply a non-starter.

The budget also proposes to once-again open up the 2014 Farm Bill and cut the Federal Crop Insurance Program, which provides a crucial safety net for our farmers, ranchers, and producers. In 2015, USDA estimated that American producers would feel cuts of 36% in farm income – the lowest income rate in nine years. Not only is this proposal hurtful to our agricultural economy, but also it is misguided by seeking to change a mandatory spending program through the appropriations process.

With regards to food aid programs, this budget request reflects a decline in support for key constituencies that have made up the backbone of food aid programs – the American farmer and shipper. Changes to the traditions of these programs in recent legislation and the outright circumvention of the Food for Peace Act, largely led by this Administration, have eroded the participation of these groups. This decline is reflected no more starkly than in the sharp decline in the tonnage of U.S commodities and shipping activity in the Food for Peace program alone – a drop of almost 25 percent in metric tons since reforms were enacted. These reductions have been offset by the use of local and regional purchases, cash transfers, and questionable legal interpretations.

This Subcommittee has been a strong champion of our food aid programs and their 60- plus year tradition. Last year, this Subcommittee included a one-time \$250 million increase for refugees and other emerging crises around the world in the Food for Peace Program.

We will also discuss USDA's long-awaited response to the 2014 Farm Bill provision establishing an Under Secretary for Trade and Foreign Agricultural Affairs. The study required by Secretary Vilsack is in its second year of delay. The FY 2016 omnibus reinforced the Farm Bill mandate and supports the establishment of this position and new mission area. This new position would concentrate USDA's role in promoting U.S. agricultural exports, overseeing imports, and supplying food aid overseas.

In closing, I would like to say that we are grateful for your mission area's role in helping our nation's farmers and ranchers. I look forward to discussing these matters in more detail and getting input from our Subcommittee Members.

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