



## **Chairman Robert Aderholt**

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

### **FY 2019 Budget Hearing – Opening Statement (as prepared) Secretary of Agriculture Sonny Perdue April 18, 2018**

The Subcommittee will come to order.

Good Afternoon. I want to welcome all of you to today's hearing. Our primary goal this morning is to examine the Department of Agriculture's fiscal year 2019 budget while also reviewing the use of funds past and present. Our witness is the Secretary of Agriculture, the Honorable Sonny Perdue. He is joined by Dr. Seth Meyer of the Office of the Chief Economist; and Acting Budget Officer, Mrs. Diem-Linh Jones.

Before I delve into your budget request, I want to commend you for your leadership and achievements during your first year in office. Due to your Department's vast responsibility, the work of you and the employees at USDA have touched the lives of hundreds of millions of people in the U.S and abroad in one way or another. In particular, I wanted to express my appreciation for you providing assistance to cotton producers through the Cotton Ginning Cost Share Program, and for reducing the regulatory burden on the agriculture sector by withdrawing the organic livestock and poultry rule as well as the GIPSA interim final rule.

I also appreciate you providing schools with long overdue flexibility, which is similar to the flexibility the annual appropriations bill has provided in regards to whole grains, sodium, and flavored milk requirements. I look forward to USDA issuing the final rule on school nutrition standards so that schools have long-term relief.

During your first year in office, you have also had to assist producers, rural communities, and those who were hungry as they faced extreme devastation

brought about by hurricanes, wildfires, and other natural disasters. We appreciate you moving quickly to get food to those in need and working with States and the territories to establish Disaster SNAP programs. We recognize you and the employees of USDA in implementing emergency disaster programs for producers and assisting rural communities in the recovery. Lastly, we look forward to the Department's plan on implementing the disaster assistance programs Congress provided in the last Supplemental so that all producers and communities can receive financial relief.

We would also like to recognize your actions and efforts towards streamlining certain functions of the Department and engaging with customers and striving to improve service and enhance engagement. As we learned in the last Presidential election, many constituents voiced their frustration with the Federal government. You are clearly trying to repair and improve the relationship between the USDA employee and the customer – from the farmer and rancher to the recipient of a housing loan or WIC benefits. The change in processes and practices as part of the OneUSDA effort will make some uncomfortable, as not all people are comfortable with change, but I feel as if you are on the right track. The Subcommittee will need to be kept abreast of the Department's actions and planned actions as it relates to your efforts.

In turning to your fiscal year 2019 budget request, as you are aware it comes at a time where the rural economy, and in particular the agricultural economy remains under a significant amount of stress. Given the concerns of rural Americans and upon initial review, there candidly are several elements of the budget that we cannot support. While this Committee has always supported responsible investments, a 16% funding reduction from fiscal year 2017 and other proposals contained within the budget are not realistic. The Administration's use of the scalpel for several programs and the axe for others is concerning. Popular programs with proven track records received some of the steepest reductions or were outright eliminated. Similar to last year, many in agriculture and rural America are likely to find little to celebrate within this budget request. Whether the items in the budget are true policy positions or mere budget gimmicks, I look forward to listening to your thoughts and rationale for some of these reductions, especially given the challenges facing the farm economy and rural America.

As we conduct our oversight responsibilities and craft the Agriculture Appropriations bill for FY 2019, I want to outline my goals for the Subcommittee. The first goal is to Bolster Prosperity and Economic Well Being in Rural America and the Farm Economy; the second is to Conduct Fair and Transparent Oversight of Agency Activities and Public Resources; the third is to Promote Economic

Growth through Effective and Efficient Regulation and Minimization of Regulatory Overreach; and the last goal is to Protect the Health and Safety of People, Plants, & Animals.

As we move forward, we will use these goals to guide us as we consider the budget request and adequately fund critical programs. We will find resolutions to effectively meet the needs of rural Americans including, but not limited to, IT infrastructure needed by our farmers; effective, common sense regulation that does not create barriers to economic prosperity; and investments in critical infrastructure. Simply put, our objective is to craft a spending bill that is fiscally responsible, reflecting the needs of the American people while protecting the future of American agriculture.

Parts of USDA's budget request that are concerning include, but are not limited to, a nearly \$300 million reduction to research activities. Agriculture research is critical in our ability to continue to feed a growing population and compete internationally. Over \$3 billion in program level reductions to Rural Development programs, including the elimination of the Rural Business Service, which provides economic support for rural communities, and the elimination of the Water and Waste Disposal Grant program that provides small communities access to clean and safe drinking water is concerning. The budget request also proposes major changes to the SNAP program - a discussion better suited for the Farm Bill - and a termination of international food aid programs funded at over \$2 billion in fiscal year 2017, including the Food for Progress account.

I am especially concerned about the major changes proposed to crop insurance and marketing loan programs including the elimination of the cotton marketing certificates – something I worked hard to include in FY 2016 Omnibus. The budget request includes proposals that would reduce crop insurance funding by nearly \$30 billion over 10 years despite the continuing decline in net farm income of 56 percent from its recent high of \$123.3 billion in 2013. Farmers continue to experience tough economic times with sharply decreasing crop prices and a number of natural disasters.

Not only does the budget include sharp reductions for several programs, it makes numerous assumptions about staff reductions that may be premature. For example, if we reduce the size of the field staff, we had better make sure that IT systems are accessible and productive and comparable service is in place to support our farmers, ranchers and rural residents. If such staffing reductions were to occur it would seemingly make adequate operation, management, and oversight of USDA

programs challenging without improvements made in the delivery of services. We share the same vision of a smaller government, but we need to achieve that goal with much less drastic measures.

The aforementioned items just scratch the surface of the issues to discuss today and in the months ahead. As a Committee we must analyze the request and focus on allocating funds using the goals that I have outlined to target the most effective, highest priority programs.

Again, I want to thank you for being with us today, and I look forward to today's discussion.

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