

**Statement by
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Before the Subcommittee on Agriculture, Rural Development, Food and Drug
Administration, and Related Agencies
Committee on Appropriations, U.S. House of Representatives
April 28, 2022**

Thank you, Chairman Bishop, Ranking Member Harris, and members of this Subcommittee, for inviting me here today to discuss the Administration's priorities and to provide you an overview of the President's Fiscal Year (FY) 2023 Budget for USDA.

Under the President's leadership, America is building back better. We have begun to turn the tide on the pandemic and our country has made historic progress in the face of unprecedented challenges. With Putin's price hike affecting American families at the pump and at the grocery store, we are pulling out all stops to tackle inflation. At the same time, economic indicators are overwhelmingly positive. We created more than 6.5 million jobs in 2021, the most our country has ever recorded in a single year. Our economy grew at 5.7%, the strongest growth in nearly 40 years. The unemployment rate has fallen to 3.8%, the fastest decline in recorded history. This progress was not an accident. It is a direct result of President Biden's strategy to combat the pandemic and grow our economy from the bottom up and the middle out.

The FY 2023 Budget details the President's vision to expand on this Administration's progress and commitments to the American people and recognizes the historic investments that Congress has made through the American Rescue Plan and the Infrastructure Investment and Jobs Act. This Budget begins to reinvest in USDA's long overlooked workforce through investments in staff and technology, as well as the foundations of our country's strength: education, research, food security, safe and affordable housing, and productive lands. These are all areas that for far too long their funding has been stagnant or nearly level. The work proposed by this budget will spur new job creation and opportunities in rural America; help build resilience in the food supply chain and restore America's advantage in agriculture; leverage all of USDA's expertise to address climate change; and support a stronger nutrition safety net.

The President's Budget for 2023 for USDA programs within this Subcommittee is \$189 billion, of which approximately \$165 billion is mandatory funding and \$24 billion is net discretionary funding. It gives USDA a new set of tools and builds on our existing capabilities to address the urgent challenges of our time—responding to the nutrition insecurity crisis, investing in research, rebuilding the rural economy, strengthening and building markets for farmers and producers, and addressing the impacts of climate change. This Budget is not a wish list, it is a to do list. The challenges of our time and our ability to address those, require serious investments in USDA agencies and operations, non-action or continued underinvestment has significant and immediate implications for the United States of America.

Rebuilding Rural America

It is no surprise when I say the United States' prosperity and well-being are intrinsically tied to rural America's ability to thrive in the new global economy. The President's Budget proposal enables USDA to work closely with rural America and empower communities to take the reins as they rebuild their economies, workforces, and infrastructure to create more opportunities for a circular economy where wealth is created and stays in rural areas.

It has been said that Rural Development can build a town from the ground up. The essence of that statement is that USDA Rural Development, when well-resourced and well-staffed, provides support that is critical to improving quality of life in rural America – whether it is through increased access to broadband service, affordable housing in underserved communities, or resilient wastewater infrastructure. Beyond improvements to the quality of life, these investments attract new businesses, create a greater sense of pride in the community, and allow rural America to prosper.

To bring these outcomes to reality, the Budget proposal increases funding for Rural Development by \$935 million, including critical increases for combatting climate change. Funding includes \$1.773 billion for USDA multifamily housing programs, an increase of \$256 million over the 2022 enacted level. This significant investment would start to reverse chronic defunding of these programs and help address housing insecurity and rent burdens in rural communities. This funding will be prioritized for projects that improve energy or water efficiency or facilitate climate resilience. Additionally, the Budget proposes \$1.5 billion in loan level for low-income single family housing loans, an increase of \$250 million, and proposes a

critical increase of \$204 million for Rural Development to revitalize its staffing and technological capacity. The Budget also increases USDA's investment in expanding rural broadband service to put rural America on a long-term path to economic success. The Budget includes \$600 million for ReConnect, an increase of \$200 million in new competitive funding over the 2022 enacted level, to provide flexible loans and grants to deploy broadband to unserved areas. This investment also builds on the \$2 billion of funding provided by Congress in the Infrastructure Investment and Jobs Act.

The President's Budget proposes \$727 million in budget authority and \$1.5 billion in loan level for USDA's Water and Wastewater Grant and Loan Program. This includes a new \$100 million in set aside funding for lead pipe replacement in rural households, and \$140 million in loan level for the most economically distressed communities with borrower interest rates offered at one and zero percent. This is an increase of \$73 million over the 2022 enacted level and is a key investment in safe drinking water and sanitary waste disposal systems, which are vital to achieving a high quality of life and are essential to rural residents. The proposed increase would create good-paying jobs and help thousands of communities across rural America gain much needed access to clean drinking water.

Supporting Nutrition for the Nation

USDA's core nutrition programs are the most far-reaching, powerful tools available to ensure that all Americans, regardless of race, ethnicity, or background, have access to healthy, affordable food. Building on these programs, the Budget makes strategic investments to ensure that those in need can access nutrition programs that are run efficiently and effectively; to advance nutrition security through education and evidence-based interventions; and to support the purchase of nutritious and local foods. I want to highlight just a few priorities.

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 to address disparities in maternal and child health outcomes. Continuing the bipartisan commitment to full funding, the Budget requests \$6 billion for WIC to serve an estimated 6.25 million moms, infants, and young children per month in FY23. It also proposes to continue the enhanced Cash Value Benefits (CVB) through 2023 to provide participants with increased

benefits to buy fresh fruits and vegetables. This ensures that all participating women and children have access to the scientific-based recommended level of fruits and vegetables.

SNAP is the primary source of nutrition assistance for many low-income people and research has shown that participation in SNAP reduces food insecurity and allows families to have healthier diets. Healthier diets are known to lead to better health outcomes and, in the long-run, lower health care costs. In 2023, participation is estimated to increase to an average level of 43.5 million participants per month from 42.3 million in 2022. While participation is expected to increase, the overall cost of the program is actually expected to decrease by more than \$29 billion. The decrease is primarily due to the expected expiration of emergency allotment (EA) payments that have been provided during fiscal years 2020 through 2022. Those EA payments and other program waivers are anticipated to continue for the length of the Public Health Emergency, likely through the majority of FY 2022.

Child nutrition programs, such as the National School Lunch Program, School Breakfast Program, Summer Food Service Program, and Fresh Fruit and Vegetable Program, play a crucial role in ensuring that children receive nutritious meals and snacks that promote health and educational readiness. When students participate in school meals programs, their behavior, comprehension, and attendance improve. The meals children receive prepare them for learning and shape their food choices and health outcomes as adults. Providing healthy, nutritious, and appropriate food choices can decrease obesity rates, and will reduce food insecurity and result in better health outcomes. To better support this work this Budget funds the Child Nutrition Programs, through new appropriations and prior year balances, at a level that will allow for the anticipated increases in participation and food cost inflation. The Budget projects serving 5.6 billion lunches and snacks (an increase of about 350 million over the current estimate for 2022) and 2.7 billion breakfasts in schools, 2.2 billion meals in child and adult care programs, and 145 million meals through the Summer Food Service Program.

Mounting evidence supports the effectiveness of USDA nutrition education and promotion efforts to improve knowledge and catalyze healthier behaviors. Still, USDA faces multiple challenges in our efforts to deliver effective and cohesive nutrition education across programs. The Budget seeks funding for a new initiative to build and broaden Food and Nutrition Service' (FNS) capacity to deliver effective nutrition education and promotion to all Americans within existing program structures by supporting research and evaluation of effective strategies;

leveraging partnerships with States, local, and nongovernmental organizations; targeting underserved communities with culturally appropriate resources and interventions; and improving public access to USDA's nutrition education resources.

The Budget also invests in the vital functions of FNS to deliver on this ambitious agenda. While federal funds managed by FNS have increased dramatically, as much as 70 percent in recent years, the staffing levels have decreased. The Budget proposes significant investments in FNS to ensure the agency can provide the appropriate level of oversight and stewardship, pursue its crucial mission to address food and nutrition security, and innovate and modernize to best serve those in need.

Supporting Research

USDA research influences every program that we implement, and it is incredibly important to deepen our support for the organizations that conduct and synthesize USDA studies and information. The share of total food and agriculture research conducted by the U.S. government was relatively stable at around 50 percent from 1970 to 2008. But, by 2013, that share had fallen to under 30 percent. That's a significant difference since private R&D tends to focus on commercial applications (and only a few major crops and livestock markets) while the public sector is still responsible for much of the fundamental research that creates the building blocks for major agricultural innovations. Fundamental work conducted by public R&D, in areas like food safety, animal health, specialty crops, water quality and human health, benefit society more broadly but may offer potentially lower monetary returns or nonmarket benefits.

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 R&D.

That is why this Budget proposes an increase of over \$355 million for a total of \$4.05 billion for USDA's research, education, and economics programs. This investment is critical to addressing the mounting hunger and nutrition insecurity crises, strengthening and building markets for farmers and producers, and addressing the impacts of climate change. This Budget

includes increasing the National Institute of Food and Agriculture's (NIFA) Agriculture Food Research Initiative (AFRI) to \$564 million, an increase of \$119 million over 2022 enacted to include broad emphasis on rural circular economies through clean energy technologies and climate-smart agriculture and forestry. These investments complement proposed increases for the Agricultural Research Service (ARS) to expand research to fully understand the myriad aspects of climate change drivers and impacts, and to strategically develop approaches that can help mediate climate change and its impacts on agriculture, our rural economy, ecosystem services, and the quality of our natural resources.

Finally, the Budget proposes investments in USDA's research agencies to rebuild both capacity and credibility after years of staff losses. In FY 2021, the Research, Education, and Economics Mission Area was successful in hiring above their FY 2020 staffing levels, but they are still significantly understaffed to address the current and emerging challenges noted above.

Combating Climate Change

Climate change presents real threats to U.S. agricultural production, forest resources, and rural economies. Producers and land managers across the country are experiencing climate impacts on their operations through shifting weather patterns and increasingly frequent and severe storms, floods, drought, and wildfire. This Budget underscores the Biden-Harris Administration's commitment to address the impacts of climate change with a comprehensive approach that's inclusive of science and on-the-ground investments to support our producers and land managers across the country.

Farmers, ranchers, and foresters can lead the way with tackling the climate crisis through the adoption of voluntary and farmer friendly incentive-based climate-smart agricultural and forestry practices. That is why this Budget proposes \$1 billion for Conservation Operations to support producers and landowners in undertaking voluntary conservation and climate-smart practices on agricultural lands that will improve the profitability and resilience of producers and reduce emissions.

The Budget proposes \$20 million for the Healthy Forests Reserve Program to enroll private lands and acreage owned by Indian Tribes for the purpose of restoring, enhancing, and protecting forestland to enhance carbon sequestration, improve plant and animal biodiversity, and promote recovery of endangered and threatened species under the Endangered Species Act.

The Budget proposes to enhance the Equity Conservation Cooperative Agreements, begun in 2021, with an additional \$50 million, bringing total funding for this initiative to \$100 million. The Agreements are two-year projects that expand the delivery of conservation assistance for climate-smart agriculture and forestry to farmers and ranchers who are beginning, limited resource, historically underserved and/or veterans. This will allow for important outreach and promotion of inclusive outcomes in a collaborative approach. Another critical investment in the Budget is \$21 million to support and expand NRCS's greenhouse gas measure, monitor, report, and verify efforts as well as efforts to increase internal capacity related to climate change science. The budget also includes additional funds for the Natural Resources Conservation Service (NRCS), to increase the delivery of science-based conservation planning and technical assistance that supports the needs of producers seeking to implement voluntary conservation practices that can have technical, climate, financial, and economic benefits for their farms.

The Budget also provides \$300 million in new funding to support de-carbonization of the electric grid to meet the Administration's goal of zero carbon electricity by 2035. Specifically, grants and loan modifications will be used to encourage rural carbon pollution free electricity, with the greatest benefit going to the optimal combination of carbon reductions and need.

Increasing annual funding for the Rural Energy for America grant program will assist agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements, as well as funding to State, Tribal, or local governments, institutions of higher education, rural electric cooperatives, and public power entities or councils for energy audits or renewable energy development assistance to rural small businesses or agricultural producers.

In addition to combatting climate change, this Budget also helps us react to the implications of a changing climate as we respond to the prevalence and spread of chronic wasting disease (CWD) as well as the spread of invasive plants, pests, and other diseases which are moving at an unprecedented speed. The Budget calls for an investment of \$6 million for the Civilian Climate Corps within our Animal Plant Health Inspection Service (APHIS) to address issues related to invasive species control and climate change and an increase of \$3 million to research the implications of climate change on the pervasiveness of CWD.

Focus on Diversity, Equity, and Inclusion

Building a better America means bringing people of all backgrounds and lived experiences to be a part of a healthy, safe and inclusive workplace – from ensuring we are recruiting the best and the brightest across our great country to investing in our employees through recognition, wellness programs, and support to our employees, including LGBTQ+, veterans, employees with disabilities and employees from historically underserved communities, ensuring they have the equipment they need, and access to promotions, learning and development and retirement with a great sense of achievement. And building a better America is about ensuring all people 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 FY 2023 Budget focuses on building a USDA that is a model employer and a 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.

One long-standing barrier preventing farmers from benefitting from USDA programs is heirs' property, which refers to when family land is inherited without a will or legal documentation of ownership. Heirs' property has historically been challenging to heirs because of their belief that they cannot get a farm number without proof of ownership or control of land. Though those affected are in all geographic and cultural areas, many Black farmers and other groups who have experienced historic discrimination, have heir's property. This Budget requests \$62 million for the Heirs Property Relending Program to assist heirs in resolving ownership and succession issues on farmland with multiple owners. Examining barriers to heirs' property owners is a part of a broad USDA effort to revising policies to be more equitable.

To better use the research and development capacity at Minority Serving Institutions (MSIs), this Budget proposes nearly \$315 million with almost \$227 million going toward Historically Black Colleges and Universities, which includes the 1890 Land Grant Institutions. The Budget also supports preparing more Hispanic Americans for careers in agricultural science and agribusiness through important investments in the Hispanic Serving Institutions Education Partnerships Grants Program. The Budget includes a 120 percent increase above 2022 enacted levels for Federally Recognized Tribes Extension Program, to allow the program to serve the demand from 1994 Land-grant Institutions more fully and effectively.

Ensuring that all rural communities are made aware of and encouraged to participate in USDA programs, this Budget proposes \$39 million to sustain and expand the Rural Partners Network (previously known as StrikeForce) authority. The Rural Partners Network will provide targeted training, technical assistance, and outreach to distressed communities including energy communities in rural America through an all-of-government approach and support more strategic community engagement, facilitate regional coordination among federal agencies to share best practices, braid federal resources, and foster collaboration with local and State partners. 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.

Making USDA a Strong, Modern Organization and a Best Place to Work

Nearly 100,000 strong and with a budget of more than 200 billion, you would expect—and hope—that USDA has a robust operational core: An operational core that has top notch human capital and administrative staff and offices that can support and provide critical guidance given the anticipated retirements, need to hire and hire in a vastly competitive climate, and focus on having cultures and workplaces that demonstrate a commitment to the employees. I have made it a priority to make USDA a Best Place to Work. We have prioritized creating a diverse, inclusive, equitable and accessible workplace; engaging and supporting our employees in meaningful ways; recruiting the next generation of USDA staff and leaders. However, we are challenged because more often than not USDA’s ‘staff offices’ operate on shoe-string budgets and with staffing levels that dwarf the responsibility USDA offices bear.

An analysis of staffing levels since 2008 indicates that the communications shop, for example, has been whittled down from 85 to fewer than 50 people today – and the work as well as the importance to message to the American people about services, benefits and programs as well as to rebuild trust in our federal institutions is more important than ever. Our Office of Contracting and Procurement is a fraction of the size it needs to be to oversee the contracting offices throughout the Department. USDA obligates \$10 billion on contracts annually, and this Budget requests funds to ensure a larger staff and sound succession plan are in place to provide strong leadership over contracting and procurement throughout USDA. You might expect an agency of the size and scale of USDA to have a robust training division – a team focused on workplace wellness, employee engagement and recruiting the next generation of USDA staff and

leaders in rural America. But you'd be wrong. Our Budget proposes to increase USDA's Office of Human Resource Management by 31, compared to the current staff of just 87 staff. These increases will help us leverage the HR work that we do with the Mission Areas and build a best-in-class operation for our nearly 30 agencies and offices that employ about 100,000 people. Year after year, USDA staff have taken on more and more work to meet our complex mission and new directives from Congress. But without commensurate increases in staff support, it positions us for greater risk and creates a culture of siloes where we must find ways internally to fund these necessary functions. While our mission areas, agencies, and specific programs have often drawn greater interest and funding increases from Congress, the FY23 budget proposes an initial set of steps to build back a robust operational core within USDA. Doing this right will take time and focus over the course of multiple years, but it couldn't be more important. In addition to the programs that the public relies on and Subcommittee and Congress generously fund, I implore you to also concentrate on the critical needs of organizational abilities and operations management that ensure our staff are properly supported and our programs are delivered efficiently, effectively, and with integrity.

The FY 2023 Budget lays out a plan for USDA to build on the early progress and commitments of this Administration, build back our workforce, and implement the historic legislation passed in the past year while tackling critical issues within the food supply chain, the impacts of climate change, and the pressures on our public and private lands. As I stated at the beginning of my testimony, the Budget is not a wish list, it is a to do list and USDA needs the support of this Subcommittee and of Congress to make the much-needed investments called for in the President's FY 2023 Budget. I look forward to working with this Subcommittee and to answering any questions you may have about our Budget proposals.