

**STATE OF THE RURAL ECONOMY: SECRETARY
OF AGRICULTURE SONNY PERDUE**

HEARING
BEFORE THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

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**STATE OF THE RURAL ECONOMY: SECRETARY
OF AGRICULTURE SONNY PERDUE**

WEDNESDAY, MAY 17, 2017

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Committee met, pursuant to call, at 10:00 a.m., in Room 1300 of the Longworth House Office Building, Hon. K. Michael Conaway [Chairman of the Committee] presiding.

Members present: Representatives Conaway, Thompson, Goodlatte, Lucas, King, Rogers, Gibbs, Austin Scott of Georgia, Crawford, DesJarlais, Hartzler, Denham, LaMalfa, Davis, Yoho, Allen, Bost, Rouzer, Abraham, Kelly, Comer, Marshall, Bacon, Faso, Dunn, Arrington, Peterson, David Scott of Georgia, Costa, Walz, Fudge, McGovern, Vela, Lujan Grisham, Kuster, Nolan, Bustos, Maloney, Plaskett, Adams, Evans, Lawson, O'Halleran, Pannetta, Soto, and Blunt Rochester.

Staff present: Bart Fischer, Caleb Crosswhite, Callie McAdams, Jackie Barber, Josh Maxwell, Matthew S. Schertz, Stephanie Addison, Rachel Millard, Anne Simmons, Evan Jurkovich, Keith Jones, Kellie Adesina, Lisa Shelton, Liz Friedlander, Mary Knigge, Matthew MacKenzie, Mike Stranz, Troy Phillips, Nicole Scott, and Carly Reedholm.

**OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A
REPRESENTATIVE IN CONGRESS FROM TEXAS**

The CHAIRMAN. Good morning. This hearing of the Committee on Agriculture entitled, *State of the Rural Economy: Secretary of Agriculture Sonny Perdue*, will come to order.

I would ask David Scott to open us with a prayer. David.

Mr. DAVID SCOTT of Georgia. Sure. We will bow our heads, please. Dear Heavenly Father, we come before your throne of grace to first of all say thank you. We thank you for so many blessings that you bestow upon us; many which we don't even know. On this occasion, we ask a special blessing on our agriculture industry, and that your blessings come upon our new Secretary of Agriculture, Sonny Perdue. Dear Heavenly Father, finally, we thank you for your Holy Spirit, for oftentimes we know not what we should pray for as we ought, but your Holy Spirit intercedes for us with groanings that cannot be uttered. We thank you for that, and we ask your Holy Spirit to enter this room today. These and other blessings we ask in your son, Christ Jesus', name. Amen.

The CHAIRMAN. David, thank you.

Mr. Secretary, welcome. You and I have had several conversations before this morning, but let me officially congratulate you on becoming our nation's 31st Secretary of Agriculture. We are excited about working with you and couldn't be happier with the President's selection of you to be the current Agriculture Secretary. We are eager to work with you.

We also know you have a great heart and concern for America's farmers and ranchers. And we know that you have both the policy and political acumen to get a lot of things done at the Department. In short, I don't think there is a better man for the job of Secretary of Agriculture in these challenging times.

While it took some time to get you confirmed, I want to commend you for landing on your feet and going full throttle right from the very start. I greatly appreciate you weighing in with the Administration on the vital importance of trade to our nation's farmers and ranchers, particularly regarding NAFTA.

Your work to begin reining in the *Waters of the U.S.* regulation, by putting in place a new rule that fully respects private property rights, federalism, and no fewer than three Supreme Court rulings, is critical to helping dismantle this attempted Federal land grab.

Your successful support of the issuance of an Executive Order by the President to revisit the myriad of regulations affecting American agriculture could not be more appreciated. And again, thank you for taking on these other challenges.

Restoring some common sense into the school lunch program, and putting the brakes on harmful regulations that would threaten longstanding livestock marketing arrangements and would force organic producers to comply with overly prescriptive animal protection welfare practices are also welcome actions.

As you begin the work of implementing Federal biotech labeling requirements, I hope that you exercise the same kind of prudent judgment.

Thank you for your role in helping ensure that the United States fully enforces its trade laws, including those against Mexico's illegal dumping of sugar onto the U.S. market. I also want to underscore the importance of your leadership in working with USTR to continue building the case against China's domestic support and TRQ administration for corn, rice and wheat.

If we are to regain America's confidence in trade, we must hold our trading partners accountable for their commitments. On the topic of the importance of trade, you announced this week that you are embarking on a reorganization of the Department of Agriculture which would include an Under Secretary focused solely on trade.

I look forward to hearing more about your ideas on how to make the Department even more effective in the important work that it does every day, even as it does so within the confines of tighter budgets. As we look to the budget, it is important to point out that our current farm bill is expected to save \$23 billion over 10 years, but the most recent CBO projections show that the 2014 Farm Bill is actually now targeted to reduce spending by some \$104 billion, nearly four times the level anticipated.

This is an achievement made possible by the hard work and determination of the Members of this Committee and our counter-

parts in the Senate. Mr. Secretary, I hope and trust that you will make sure the President knows about this as he makes tough choices on the allocation of scarce budget resources.

As you know, America's farmers and ranchers have seen their net incomes cut in half over the last 4 years. Times are difficult on the farms and ranches across this country these days. And, if those who are paid to make forecasts about these things are correct, economic times in the farm and ranch industry will not be any better over the next several crop years.

It is my experience in farm and ranch country that a bad farm economy can adversely impact the entire economy, while a good farm economy can boost the nation's economy and job creation. It is also my experience that strong U.S. farm policy not only sees our farmers and ranchers through hard times, but it mitigates the adverse impacts on the national economy and jobs.

Thus far, we have had a safety net in place that is largely working as intended, with the exceptions of cotton and dairy. America's cotton farmers, and the entire industry, have rallied around a way to mend their safety net to make it more effective in mitigating the effects of China's and India's predatory trade practices.

We believe that you have the legal authority to effectuate this policy, and I would urge you with the utmost urgency to exercise that authority. As you know, Congress would have done this a couple of weeks ago but for the recklessness of a couple of folks in the other chamber. It didn't happen, and we will continue to state that over and over. It was reckless and inappropriate.

And while the dairy industry continues working on a unified approach to mending its safety net, I believe that there is ample authority for you to help them as well, as did your predecessor. If we can thread these two needles, we will be in a much better position to deliver on the President's promise of a strong farm bill passed on time.

[The prepared statement of Mr. Conaway follows:]

PREPARED STATEMENT OF HON. K. MICHAEL CONAWAY, A REPRESENTATIVE IN
CONGRESS FROM TEXAS

Mr. Secretary, welcome to you, sir.

We have visited many times before—including prior to your taking office—but allow me to officially declare this Committee's sincere congratulations on becoming our nation's 31st Secretary of Agriculture.

We are eager to work with you and are certain you will uphold the office with the utmost respect and concern for rural America's interests.

We also know you have a great heart and concern for America's farmers and ranchers. And, we know that you have both the policy and political acumen to get things done.

In short, I don't think that there is a better man for the job of Secretary of Agriculture in these challenging times.

Mr. Secretary, while it took some time to get you confirmed, I want to commend you for landing on your feet and going full throttle from the second you took office.

I greatly appreciate you weighing in with the Administration on the vital importance of trade to our nation's farmers and ranchers, particularly regarding NAFTA.

Your work to begin reining in the *Waters of the U.S.* regulation and put in place a new rule that fully respects private property rights, federalism, and no fewer than three U.S. Supreme Court rulings is critical to helping dismantle this attempted Federal land grab.

And your successful support for the issuance of an Executive Order by the President to revisit the myriad of regulations affecting American agriculture could not come soon enough.

Whether it is Department of Labor regulations that frustrate the goal of a functional guest worker program or the onslaught of EPA regulations that number too many to be mentioned by name, you have a big lift in front of you.

Thank you, Mr. Secretary, for taking on this challenge.

Restoring some common sense into the school lunch program and putting the brakes on harmful regulations that would threaten longstanding livestock marketing arrangements and would force organic producers to comply with overly prescriptive animal welfare practices are also very welcome actions.

As you begin the work of implementing Federal biotech labeling requirements I hope that you exercise the same kind of prudent judgment.

Thank you for your role in helping ensure that the United States fully enforces its trade laws, including against Mexico's illegal dumping of sugar onto the U.S. market. I also want to underscore the importance in your leadership in working with USTR to continue building the case against China's domestic support and TRQ administration for corn, rice and wheat.

If we are to regain America's confidence in trade, we must hold our trading partners accountable for their commitments.

On the topic of the importance of trade, you announced this week that you are embarking on a reorganization of the Department of Agriculture which would include an Under Secretary focused solely on trade.

I look forward to hearing more about your ideas on how to make the Department even more effective in the important work that it does every day, even as it does so within the confines of tighter budgets.

As we look to the budget, it is important to point out that the current farm bill was expected to save \$23 billion over 10 years, but the most recent Congressional Budget Office projections show that the 2014 Farm Bill is now on target to save \$104 billion—more than four times what was anticipated.

That is an achievement made possible by the hard work and determination of the Members of this Committee and our counterparts in the Senate. Mr. Secretary, I hope and trust that you will make sure the President knows about this as he makes the tough choices on the allocation of scarce budget resources.

As you know, America's farmers and ranchers have seen their net incomes cut in half in just 4 years.

Times are very, very difficult on the farm and ranch these days.

And, if those who are paid to make forecasts about these things are correct, economic times in farm and ranch country will get worse before they get better.

It is my experience as a CPA in farm and ranch country that a bad farm economy can adversely impact the entire economy, while a good farm economy can boost the national economy and job creation.

It is also my experience that strong U.S. farm policy not only sees our farmers and ranchers through hard times, but it mitigates the adverse impacts on the national economy and jobs.

Thus far, we have a safety net in place that is largely working as intended, with two exceptions: cotton and dairy.

America's cotton farmers—and the entire industry—have rallied around a way to mend their safety net to make it more effective in mitigating the effects of China's and India's predatory trading practices.

You have the legal authority to effectuate this policy and I would urge you with the utmost urgency to exercise your authority.

As you know, Congress would have done this a couple of weeks ago but for the recklessness of a couple of folks in the other chamber.

And, while the dairy industry continues working on a unified approach to mending its safety net, I believe that there is ample authority for you to help when needed just as your predecessor did.

If we can thread these two needles, we will be in a much better position to deliver on the President's promise of a strong farm bill passed on time.

With that, I recognize my friend, the Ranking Member, for any opening remarks that he may have.

The CHAIRMAN. And with that, I recognize my friend and Ranking Member for any comments that he has.

**OPENING STATEMENT OF HON. COLLIN C. PETERSON, A
REPRESENTATIVE IN CONGRESS FROM MINNESOTA**

Mr. PETERSON. Well, thank you, Mr. Chairman. And I am very pleased to welcome Secretary Perdue to the Agriculture Committee.

It took a while for you to get here but it is nice to see you have hit the ground running, and now that you are at USDA, I think I speak for all of us, when I say that we are ready to work with you.

The Administration has been in need of someone who understands farm programs and their impact on rural America. Hopefully, now that you are there, you will get them to reconsider some of the proposed \$4.7 billion in cuts to USDA that were outlined in the March budget. I know you weren't part of that, and I just don't think that anyone in the White House really understood what these cuts would mean to rural America.

This hearing is focused on the rural economy, and as you are well aware, and everybody is, the rural economy, is trending downward. We had a pretty good year last year; relatively high yields that kept things afloat, in spite of the fact that the prices aren't what they should be, but I worry that we could find ourselves in real trouble if we have an ordinary year or somewhat of a down year this summer.

This is why it is so important that the farm bill safety net be set right, so I will be looking forward to your thoughts on what you think needs to be done in the next farm bill, and what your role and what you anticipate the role of the Administration is going to be in that process.

The farm bill is just one of the many topics I expect us to cover today. I know our Members are looking forward to hearing from the Secretary, so with that, Mr. Chairman, I will yield back.

The CHAIRMAN. I thank the gentleman.

The chair would request that other Members submit their opening statements for the record so our witness may begin his testimony, and to ensure there is ample time for questions.

With that, I would like to welcome to our witness table the Honorable Sonny Perdue, Secretary of the U.S. Department of Agriculture, here in Washington, D.C. Mr. Secretary, the floor is yours.

**STATEMENT OF HON. SONNY PERDUE, SECRETARY, U.S.
DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.**

Secretary PERDUE. Well, thank you, Chairman Conaway, and thank you, Ranking Member Peterson. It is a delight to be with you this morning. And I look up there on the podium and see my good friend, Mr. Scott, who kindly showed up at my confirmation hearings, if you all are not familiar with that, but thank you again, David, for those very kind remarks there. And I see some other Georgia homeboys here with you today as well.

But my staff was a little concerned, since this was our first date and I hadn't got a chance to meet all of you, that they had about 15 pages of prepared remarks, but I am going to not do that to you all. You can read my remarks in the written record, but I just really want to share a few things with you.

You have indicated correctly that 2017–2018 is a very different economic situation for our farm community and our rural communities across this land than it was when the 2014 Farm Bill was promulgated. We have some challenges ahead, our budget situations are challenging, but together we can weather that.

I am excited about being in the Department. What I have found is a cadre of hardworking, dedicated career people over there, not ideological, but they are passionate about American agriculture, how we can make it better. My goal, and I have stated internally and externally, is to make you as the Committee on Agriculture here in the House proud of the way the USDA is run. My goal is to make it the most effective, most efficient, the best-managed, the best value agency in the United States Government.

We had an opportunity in Georgia to do some of that. We have begun already in looking at that, and I know some of your questions will want to hear about my ideas for reorg, or I really call it realignment today. I look forward to hearing those and answering those. But the challenges we face now, you know that our farm economy is down about 50 percent, a drop in net income from where it was in 2013, as you all were looking and contemplating the 2014 Farm Bill. We have several members, particularly younger farmers, have leveraged-up in this situation where the revenue is not supporting their debt structure, and they are in some dire straits that way. The safety net that you all referred to, has worked very well, that you said, without maybe a couple of situations that we can improve on, has been a safety net. Our crop insurance combined with the ARC and PLC programs have worked very well generally. But we are in some dire straits out there. And the government payments totaled almost \$13 billion in 2016, and based on those great yields that Ranking Member Peterson talked about, that we can't continue to depend on, it is going to be less than that in 2017.

The crop insurance, again, has been a good support. But the other thing is Rural Development has been a wonderful program area. What I have learned about USDA; how vast, how broad, how helpful it can be in rural America overall. That is why I was glad to see and glad to participate with the President in his signing of the Executive Order, of interagency cooperation, determining what are those barriers to American agriculture and how can we eliminate those and mitigate those for the prosperity of rural America. It is not just the producers. You know if farms aren't doing well in our rural communities, those rural communities don't do well. We are looking at how we can help those thrive as well. And I look forward to explaining my vision for Rural Development with your questions.

You also know that USDA provided approximately 243,000 loans of \$35.2 billion to farmers and ranchers. That led to a full utilization of the program level for Fiscal Year 2016, and with record loan levels at \$6.3 billion. Those are the kind of things that we think will help the safety net out here. And I look forward to engaging with you personally here today, but also in your offices and your phone calls about the issues that pertain to your constituents in the ag community, so together we can resolve their concerns, their fears, their anxieties over where the future of agriculture goes, and address those in a way that makes sense for our shareholders, the taxpayers, and the United States of America.

Thank you, Mr. Chairman.

[The prepared statement of Secretary Perdue follows:]

PREPARED STATEMENT OF HON. SONNY PERDUE, SECRETARY, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Good morning, Chairman Conaway, Ranking Member Peterson, and distinguished Members of the Committee. It is an honor to be with you today as the nation's 31st Secretary of Agriculture. I am truly humbled by the opportunity to serve the American people and our farmers, and I assure you I will work tirelessly on their behalf. I thank you for the opportunity to appear before you today, and I look forward to working with you in the coming months and years as we can continue our nation's agricultural preeminence, building the innovative progress of years gone by and growing to meet the needs and demands of customers and consumers here in America and around the world.

Given that this is my first time appearing before your Committee, I'd like to take a moment to share a little of my background with you. I have lived a blessed life, growing up in rural Georgia on a dairy and diversified row crop farm. Early on, I decided I wanted to become a veterinarian, so, after high school, I enrolled at the University of Georgia. As I entered Veterinary school in 1967, Viet Nam was roiling, so I signed up for an early commissioning program in the U.S. Air Force. As I finished my veterinary education in 1971, I began active duty service in Columbus, Ohio as a base veterinarian with primary responsibilities in food safety, public health, and sanitation.

Following completion of my active duty commitment, I joined a small veterinary practice in Raleigh, North Carolina. But I soon realized that I missed the farm and my former agricultural way of life. In 1976, my wife Mary and I and our two small girls moved back home where I partnered with my brother-in-law to build a grain elevator in my home county, which didn't yet have one. I've been in agribusiness since 1977 and was the founder and operator of three agribusiness and transportation firms serving farmers across the Southeastern United States. Farming and farmers have been my life ever since.

While I hadn't dreamed of elected politics growing up, I did understand that we all have civic rent, so I agreed to chair our local planning and zoning commission. After 10 years, a State Senate seat opened up and I was asked to run for the seat. I initially declined but a pre-planned family trip to Williamsburg, Virginia changed my mind after observing the founder's goals of citizen engagement.

In 1990, the people of District 18 elected me to serve as a Member of the Georgia State Senate. I served for 11 years and during my tenure was elected by my colleagues to be Senate President *Pro Tem*. You've probably heard, and it's interesting to note, that I served both as a Democrat and as a Republican while in the Georgia State Senate.

In 2002, I was elected the first Republican Governor of Georgia in more than 130 years. I assumed that office, believing that it was a big job, not a position. Our team worked diligently for 8 years, striving to make Georgia the best managed state in the nation. As you remember, the period from 2003 to 2011, were not the best economic times for our nation. But, we learned, with the help of a joyful state workforce, that we could continue to provide value to the citizens of Georgia, even in times of extreme budget pressures.

Even though Georgia may not compare to some of your states in some agricultural sectors, I am still proud to come from a state whose number one economic driver is agriculture. In Georgia, agriculture is one area where Democrats and Republicans consistently reached across the aisle and worked together, and I look forward to doing the same with this Committee.

Gauging the State of the U.S. Agricultural Economy

You asked me to provide an update today on the state of our agricultural economy. While I believe the farm safety net is working, we are seeing and hearing from producers that they believe it needs updates to meet the needs of the farm economy. Over the past 3 years, a strong dollar, generally weak global economic growth, and ample global production have combined to lower trade demand from the United States and to depress many commodity prices. As a result, we have seen a 50 percent drop in net farm income from the all-time record highs farmers experienced in 2013. This has squeezed some of our farmers and others who also contribute to the ag economy, and we are seeing it across the countryside in a broad range of areas from input dealers to food manufacturers.

According to our USDA economists, net farm income this year accounting for inflation will be the lowest since 2002. Of course farming is a cyclical business, and previous good times have helped some producers weather the current downturn in agricultural commodity prices and income. However, without the record levels of crop and livestock production we have seen over the past few years, farms would

be in a much worse situation today. And we know that we can't always count on a bumper crop to pay off loans and to buy inputs for next season. Looking at the flood, fire, and snow conditions we've already seen this spring reminds us of that.

It is clear that more and more producers are increasingly exposed to financial risk: bank credit is tightening, delinquency rates on both commercial and FSA loans, while still at relatively low levels, have been trending upwards since 2014, and land values are falling in many agricultural regions. All are contributing to increased uncertainty and concern in rural America. As you could expect, those producers with high costs of production, who rent a significant portion of their land base, or who have increased borrowing to cover operating costs have been most at risk as returns decline with commodity prices. About one-in-five cotton, wheat, hog, and poultry farms have a debt-to-asset ratio of more than 40 percent and more than one-in-three of our youngest farmers are in a highly leveraged position.

Nevertheless, even as falling global commodity prices continue to depress farm income, the current farm safety net that was created during the last farm bill is providing support for producers. Roughly 1.8 million farms are enrolled in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, which are helping cushion the downturn in some commodity prices. To date, the ARC and PLC programs have provided \$5.3 billion in financial assistance for crop year 2014 to one million farms and \$7.8 billion to 1.7 million farms for crop year 2015, which was paid out to producers last fall. Overall, in calendar year 2016, government farm payments totaled about \$13.0 billion in 2016 and are expected to total \$12.5 billion in 2017. On top of that, the crop insurance program offset roughly \$6.3 billion in farm losses in crop year 2015 and is expected to cover \$3.6 billion in 2016.

Yet, not all programs are functioning as producers hoped they would. For example, over 25,000 U.S. dairy farms—more than $\frac{1}{2}$ —have enrolled in the Margin Protection Program for Dairy (MPP-Dairy), which provides payments if the margin between milk prices and feed costs falls below the coverage level selected by the producer. While many dairy producers saw milk prices fall below their overall costs of production, the margin between dairy prices and feed costs remained for the most part above the levels supported by the program. Many producers said the feed ration used in the MPP program was not representative of the rations they fed their cows. As a result, most dairy producers have been paying to participate in this program meant to insure them against tightening margins without realizing any benefits though their own margins were being squeezed. This is a critical issue for our dairy producers.

As another example, cotton was taken out of the title I commodity programs. Cotton producers were allowed to participate in the ARC or PLC program on their base acres only by growing another crop. For cotton plantings, producers were allowed to participate in a new crop insurance program called the Stacked Income Protection Plan for Producers of Upland Cotton (STAX). While about 95 percent of cotton acres are enrolled in other types of crop insurance policies each year, only 25–30 percent of cotton acres have been covered by STAX since it began in 2015. Many cotton producers have found faults in STAX and assert it is not as beneficial as the assistance provided to other crops. Both the dairy and cotton examples are the types of issues that producers hope will be addressed in the next farm bill.

As I mentioned, access to credit remains a significant issue for producers, particularly as working capital on farm businesses has fallen nearly seventy percent since 2012. Demand for credit continues to be strong, particularly for farm operating loans, as farmers cope with lower commodity prices. As commercial channels become more difficult for producers, we anticipate that demand for USDA credit assistance will continue to remain high. Since 2009, USDA has provided approximately 243,000 loans totaling over \$35.2 billion to farmers and ranchers. The recent increase in demand led to full utilization of the program level for farm operating loans for Fiscal Year (FY) 2016, with record loan levels at \$6.3 billion. So far in 2017, we've seen a slight decline of six percent in loan numbers and value over the same period in 2016, but that is a small decline coming off a record year-demand for FSA financing is still strong.

Looking forward to the next farm bill, I hope we can work closely with you to identify ways to make USDA programs work better for America's farmers and ranchers. However, we have to be sure to make those programs work as a safety net that helps farmers in tough times. We don't want to see programs that encourage production choices simply to increase government payments to the farm; rather we want our producers to be responding to the market when they are deciding on what to plant for the coming year. In addition, I believe it is imperative to improve the tools the Department has to address pressing and difficult situations faced by our producers, and to react quickly and provide additional assistance if current market conditions persist or worsen. The authority of the Secretary has been limited

by Congressional action when it comes to using CCC funding, Section 32, and other authorities to provide relief, while at the same time our farmers, ranchers, and constituents are asking USDA to help. I'm not suggesting that USDA would take action in every instance where a commodity sector or group of producers is hurting—we certainly must be mindful of fiscal challenges—but it would be helpful for the Secretary to have authority to evaluate the needs of U.S. agriculture and use these tools when appropriate. As another example, while not in this Committee's jurisdiction, USDA's annual appropriations is so prescriptive that it is rivaled only by the Department of Defense. For instance, I recently learned that there is language in our appropriations act that requires the Farm Service Agency to notify Congress of relocating any county based employee if the relocation would result in an office that has two or fewer employees. Even if an employee in an office of three wants to leave for a voluntary promotion, the agency could not relocate that person until Congress is notified. This kind of limiting language is what challenges USDA's ability to be a more nimble and effective organization.

Finding Opportunities, Making Progress

As I've laid out, we have a farm economy that is facing increasing financial challenges and is not going in the direction we think it should or know it can. Like you, we want to do the best for our producers and provide critical tools and resources to help them succeed. To that end, this segues into the first of four goals I have set for my time as Secretary. First, I will maximize the ability of the men and women of America's agriculture and agribusiness sector to create jobs, to produce and sell the foods and fiber that feed and clothe the world, and to reap the earned reward of their labor. We want to remove obstacles, and give them every opportunity to prosper.

Today, we need to feed some seven billion people. By the year 2050, that population will swell to 9.5 billion, over ½ of which will be living in under-developed conditions. Also, the demographics of that population will change over time. If we examine the data available, we can see that our global population is aging, and by the year 2050, more of the population will be older than 65 than younger than 5 years of age. What this means is that as we move forward, the dietary demands of the global population are going to change. We are also going to see stronger middle classes in developing countries that will join the already strong middle classes in the developed world. This means that the demand for meat will grow exponentially as will the demand for grain production. To put the demand for food into perspective, we are going to have to double our production between now and 2050. We will have to produce more food in the next 30 years than has been produced in the last 8,000 years—a daunting task, to say the least. Rest assured it is a task that USDA is ready to take on.

That being said, we cannot feed the world if we continue to place obstacle after obstacle in front of those who produce our food and fiber. People in agriculture used to fear disease and drought as the greatest threats to their livelihoods and their mission of feeding their neighbors and the world. Those hazards remain, but now too often it is the government—through interference and regulation—that poses the most existential threat to American farmers and producers. We aim to put a stop to that. As you may know, the President recently announced the creation of the Interagency Task Force on Agriculture and Rural Prosperity. With USDA as chair, we will examine, consider and take actions to address current barriers to economic prosperity and the welfare of communities in rural America, including how innovation and modern technology and infrastructure play a critical role in fully bringing communities into the 21st century. This multi-department group will find ways to improve regulatory flexibility and provide relief for farms and small businesses. We will examine how the Federal Government does business and how that impacts rural communities, and food and fiber production. And we will, at every turn, ensure that decisions and actions are founded in principles of sound science and validated facts. The questions we are asking at USDA, and that I will be asking the task force, are fundamental to this process: How do we impact jobs and job creation; are we doing things that make sense; do the costs outweigh the benefits; and, is there better way or better place we can do it?. We have a lot to tackle. It is long overdue and must and will be done.

Another key issue that I hear about is the continued instability in the agricultural workforce. This instability often limits not only farmer's ability to grow their businesses but also consumers' access to freshly grown, local products. It is my priority to ensure farmers and ranchers have access to a legal and stable workforce and I look forward to working with the President, Congress, and with the other stakeholders to find a solution.

We must also work with our producers to expand foreign markets to sell their products. Ninety-five percent of the world's consumers live outside of our borders. That means our trade agreements open a world of opportunities for American businesses. In FY 2016, American agricultural producers achieved \$129.7 billion in exports, and FY 2017 exports are projected to reach \$136 billion. Agricultural exports totaled over \$1 trillion for the period FY 2009 through FY 2016, the best 8 year stretch in history, and agriculture has produced a trade surplus each year since the 1960s. Agricultural exports support more than one million American jobs both on and off the farm each year, a significant part of the estimated 11.5 million jobs supported by total exports all across the country. Agricultural exports support farm income, which translates into more economic activity in rural areas. Each dollar of agricultural exports is estimated to stimulate another \$1.27 in business activity.

However, the slowing global economy and appreciating dollar have put unprecedented competition on U.S. farmers. Many countries do not respect fair trading rules that have already been agreed to as part of previous agreements and many others insist on enforcing trade barriers to our products that are not based on sound science. I assure you that USDA will use all the instruments available to us to ensure our agricultural producers and products get fair treatment in foreign markets. For example, we are challenging China's trade and support measures affecting our grain exports, and we are actively engaged in addressing the discriminatory and unfair dairy policies that Canada recently implemented. This Administration will not stand idly by as other countries try to take advantage.

In addition, just last week, I directed a reorganization of USDA to focus our attention keenly on agricultural trade, consistent with direction from the 2014 Farm Bill. The Under Secretary for Trade and Foreign Agricultural Affairs will be responsible for coordinating agency efforts at opening new and protecting current markets. I believe your Committees had great forethought in including this provision in the farm bill, and this will strengthen USDA's ability to ensure a level playing field for U.S. farmers and ranchers in the global marketplace. Moreover, the Under Secretary for Trade will bring new energy and support to our interagency relationships with Commerce and the U.S. Trade Representative.

As part of that reorganization, and touching on the equally important priority of customer service, we are combining the critical functions in our Farm Service Agency, Risk Management Agency, and Natural Resources Conservation Service under a single umbrella to ensure our services to farmers and ranchers are efficient, streamlined, and deliver the results that our producers expect and need. Our customers will have a one stop shop, with common leadership and one voice, to provide the services they need. The walls are coming down, and our employees will be empowered to work together to serve USDA's customers. I am also elevating our Rural Development program to report directly to my office. The economic vitality of small towns across America is crucial to the future of the agriculture economy, and we will be leveraging USDA's expertise in rural development as the Administration works to increase investments in America's infrastructure.

Through these and other actions, USDA will prioritize customer service every day, across the mission areas. Our customers expect, and have every right to demand, that we conduct the people's business efficiently, effectively, and with the utmost integrity. Arguably, no other Federal agency has more direct interface with Americans than does the Department of Agriculture. In food and nutrition services alone, we interface with over 50 million Americans every year. This does not even count the children who benefit from school, summer, and child care nutrition programs. We touch millions of Americans through a host of other programs, as well. If we take into account our farm services, rural development, conservation, extension and education programs, we touch every single facet of American life. If we are to do the best for our producers and feed the world by 2050, we must not only continue to provide top rate customer service, but we must also develop strong partnerships so that we can face our challenges together. Together with our 100,000+ employees spread across thousands of locations around the United States and the globe, I know we can make USDA the best agency in the country.

Next, since our taxpayers are also consumers, we know they expect a safe and secure food supply, and USDA is committed to continue to serve in the critical role of ensuring the food we put on the table to feed our families meets the strict safety standards we've established. By having the best science and data, we will be able to make strong strategic decisions that will transcend generations, not just the next budget cycle or farm bill.

And, last but certainly not least, we must preserve the land—and we must relentlessly pursue clean air and water. Stewardship is not optional for farmers, producers and ranchers. American agricultural bounty comes directly from the all the resources used to produce food and fiber. Today, that land and those resources sus-

tain more than 320 million Americans and countless millions more around the globe. My father's words still ring in my ears, "Son, if you take care of the land, it will take care of you. Owned or rented, we're all stewards, and our responsibility is to leave it better than we found it." Without proper care, our resources could be squandered. Science and hard work will help us find the best ways to produce our crops, be mindful of our use of inputs, preserve the soil, keep our air and water clean, and allow us to live in a better place than we found when we started. Rather than clearing another acre of land, let's first seek out ways to produce more with what we already have. If we live by these principles, we can preserve our wetlands, our watersheds, our forests, our prairies and our ecosystems for generations to come.

In conclusion, I want to make clear that the U.S. Department of Agriculture will make sure that our interests are represented in policy deliberations, that we will advocate for agriculture at every turn, that we will seek out and open markets for our commodities, that we will be stewards of our land and that we will meet our moral obligation to feed a hungry, anxious world. We have a farm safety net that—while not perfect—is providing assistance to many, but that can be improved to be more market oriented. And, overall, I am confident in the future of the rural economy and see opportunities for us to continue to strengthen this outlook and create opportunities for Rural America in the future.

I look forward to answering your questions.

The CHAIRMAN. Well, Mr. Secretary, thank you very much.

The chair reminds Members they will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in the order of arrival, and I appreciate Members' understanding.

And with that, I recognize myself for 5 minutes.

Mr. Secretary, again, thanks for being here, and we are looking forward to working with you across the myriad of issues that we have, going forward. As I mentioned in my opening comments, I represent a lot of cotton farmers. I believe we had a very elegant fix to the issue with respect to cotton, to the STAX program, that didn't work. It should have been in the omnibus bill, but our colleagues, particularly two of them in the Senate, refused to see the wisdom of that, and for their own purposes and own benefit, didn't let that happen. Now we are left with the same wreck in cotton. I hope I can count on working with you across whatever tools that we have. Obviously, we think that cottonseed could go under the title I program, and although there could be a lot of challenges with making that happen, we would look forward to working with you either on that or other issues with respect to getting some help to offset what China and India have done to the market, that will allow our producers to compete properly.

I would like to turn now to the Trade Under Secretary that you have announced. Obviously, as authorizers of the 2014 Farm Bill, we thank you very much for seeing the wisdom of that. Can you talk to us a little bit about how you see your Under Secretary working with the other array of trade entities, whether it is the USTR, Department of Commerce, whoever that might be, and the role that that Under Secretary would play, not only in making sure the negotiations go the correct way, but also making sure that the Administration keeps a close eye on enforcement of the various trade things that we have out there. Could you walk us through your vision of that?

Secretary PERDUE. Certainly, I would be happy to, Mr. Chairman. Before I get into the answer to that question, you and I have had conversations. I was very pleased that the National Cotton Council came up with a very innovative and creative budget-neu-

tral idea over their program, and it is very disappointing that we were not able to get that done, but we can look for its resolution in the 2018 Farm Bill as you indicated.

Certainly, as I went around visiting, I visited with really $\frac{3}{4}$, 75 of your Members on the other side of the House, and trade was on all of their minds really because we are fortunate to live in a nation where we can grow more than we can consume, and that is the essence of trade; doing what we do well, and also it is a noble endeavor to feed the world. Our new motto for USDA is, "Do right and feed everyone." And that is what we want to do; we want to feed the hungry here in the United States, but we want to feed the hungry around the world. And our producers and ranchers have demonstrated a capacity to share and to do that. That is what trade is all about.

In the 2014 Farm Bill you all recognized that, and suggested very strongly for an Under Secretary for Trade. I happen to agree with you. It was not an easy thing to do. There were several components that had to come together, and we are working through those details right now. But we felt it was important because trade was almost number one on everyone's mind that I spoke with, internally, externally, in the Senate, and for those of you who commented as well. We have to sell our way out of this supply/demand situation that are depressing prices in the U.S. now, and that is what we hope to do.

We have seen some early successes of that, and we will continue. The fact is, my opinion is that people do business with people, and I want someone every day that woke up with that on their mind: where can I go to sell United States agricultural products around the world, who is hungry, who will buy, how can we do the deal. Now, our role at USDA is to provide the expertise, the content, to the Secretary of Commerce, Secretary Ross, and to our new Trade Representative, Mr. Lighthizer, in order to be a triumvirate of sales. The Secretary of Commerce has a broader portfolio than we do at USDA. But that is the blending of trade; you do what you do well, and we sell you what we do well.

I have been very impressed with Secretary Ross and his really sinking his teeth into ag issues and ag products there, and we are very pleased with the progress that we have made so far.

We believe the Secretary of Trade will be on everyone's front door as often as can be. This guy is going to be a million mile flyer around the world to be there in person, because we know that foreign interests love to see you in person. It is an honor for them, for us to come to their doorstep, and call on them and say here is my card, we want to do the deal. And that is important. We can do conference calls, we can do videos, but the presence is important. That person could not do that when they were also charged with the Farm Service Agency of having all these multiple offices around the country dealing with those customer-facing issues every day. I felt very strongly that the segregation of that; having an Under Secretary for Trade, was vitally important to get the job done of selling these bountiful products.

The CHAIRMAN. Well, again, thank you, Mr. Secretary, for being here. I look forward to working with you.

With that, I will recognize the Ranking Member for 5 minutes.

Mr. PETERSON. Thank you, Mr. Chairman.

First of all, Mr. Secretary, I want to let you know, and I think you know this, that I very strongly support the Chairman and the cotton industry, and finding a fix for them, and so whatever you can do to help, I will be there to help as well.

The Rural Development issue has caused some consternation here and there, but I take you at your word that you are going to continue to make that a priority, you are the Secretary, you decide how the Department should be run. And the only thing I would say is we are going to watch to make sure that Rural Development gets the same kind of emphasis that it always has. And you have said that, and I expect that will happen.

And another issue that I hope you and Secretary Ross, and I think you will, keep the Mexicans' feet to the fire on the sugar issue and try to get that resolved. So far you have been doing a great job with that.

One of the things that I went through here recently, we had a High-Path AI outbreak in my district, and the Department did a great job responding to it, and the state and everybody. I have had a firsthand look at this, and it is clear that the time to start a conversation with our trade partners regarding the use of vaccines to minimize the impact of High-Path AI doesn't need to happen during the course of the outbreak. It seems like what we do, but it needs to happen at a different time. That is when the trade impacts are the most damaging.

Do you think that because of the trade impacts associated with a decision like the use of vaccines to eradicate a disease, such as a stamp-out procedure, should begin now rather than when we get into the next—

Secretary PERDUE. It is wise, obviously. Sometimes, I guess, the saying we have in Georgia, "When the mule is out the gate, it is too late to close the gate." You don't get that opportunity after an outbreak has occurred. You all are wise in considering a vaccine bank, whether it is foot-and-mouth disease, whether it is High-Path Avian Influenza.

I will comment on the fact that while the 2015 outbreak of High-Path we were a little slow to respond, both at the state and probably the Federal level, the outbreak that we have had in Tennessee and north Alabama this year, I was very, very impressed with the process there. The biosanitary processes and protocols that our producers have learned, the depopulation, in the speed with which USDA moved over the indemnification issues, and there was no confusion there. To their credit, that was confined very, very tightly. And that is the best kind of insurance we can have, although this Committee and Congress is very wise to consider a foot-and-mouth disease bank, maybe High-Path AI as well, because of the damage to the market psychologically. What happens whenever we have any of these outbreaks, you go back to BSE almost 15 years ago or longer, that is how long it has taken us to get beef back into some nations there. It damages the market, not just for that period of time, but it gives people a loss of confidence in our reputation of safety in the U.S.

We know that vaccination is effective, and you are wise to consider those efforts.

Mr. PETERSON. Thank you, and you are right that the people have learned a lot, and we are much better prepared to deal with this. But would a companion program for animal health mirroring the Plant Pests and Disease Program, administered by APHIS, be helpful in your opinion in managing these disease threats?

Secretary PERDUE. Certainly. From a food safety perspective, from the Animal and Plant Health Inspection Service, the USDA and those sub-agencies are probably second to none in the world. And that is why the USDA stamp is so valuable and revered around the world. People trust it and we want to continue to maintain those high standards in those areas.

Mr. PETERSON. I believe that you have tasked the Farm Service Agency with looking at a revamp of the CRP program. Did you give them any specific direction or are you just having them look at where things are at?

Secretary PERDUE. Well, Congressman, I am just beginning today my fourth week on the job, and while we are waiting for some of the other people to get into that, as you know, on the realignment we are talking about the FSA and NRCS and RMA being collocated and speaking with one voice and one database, frankly. But, again, the opportunity to deal with those kind of issues we have not specifically dealt with. I know a topic of interest and concern to you is CRP, I look forward to visiting with you again. I have not given specific directions. My comments about that is we can have some flexibility in the CRP program, maybe take out some of the least productive areas and use them rather than the whole-field type of philosophy we have had with CRP, give a little more flexibility in that way. With the wildfires we gave some flexibility regarding grazing on some of these areas as well. We want to be flexible while we maintain the integrity of the program, and help to train through FSA and NRCS our farmers to utilize their least productive acres; those that cost the most, and they may even have a better, higher net income if we don't try to plant wall-to-wall.

Mr. PETERSON. Thank you, Mr. Secretary.

And I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Lucas, 5 minutes.

Mr. LUCAS. Thank you, Mr. Chairman. And, Mr. Secretary, it is indeed good to see you.

And you mentioned a moment ago on some of the burning issues, let's talk about that for a moment. I think most of my colleagues are aware that in the early part of March this year, a series of wildfires burned over 1½ million acres of land in western Oklahoma, western Kansas, and the Texas Panhandle. And these fires killed thousands of head of cattle, destroyed hundreds and hundreds of miles of fence, impacted countless families, businesses, and it is hard to estimate the impact on the smaller communities.

On the 4th of April, 2017, USDA authorized emergency grazing on Conservation Reserve Program lands located in Kansas, Oklahoma, and Texas for 90 days. The flexibility to graze on CRP was, and is critical to the survival of many operations throughout my district. And that being said, it will take longer than 90 days to regrow the foliage, rebuild the facilities needed to maintain, contain, and care for the surviving livestock. And last week I, along with

Representative Marshall on this Committee, and Representative Thornberry, sent you a letter requesting extension of the emergency grazing authorization past the current 90 day authorization. Would this extension be something that you would be willing to consider, Mr. Secretary?

Secretary PERDUE. Absolutely. I think it is a reasonable request. As you know, I didn't get to the burned areas, but my first trip outside was Kansas City. I heard directly from many of those affected about that. And that is a reasonable request, certainly one that we would consider very, very seriously in a reasonable request effort, because we know that grass doesn't just necessarily grow right back on those kind of issues.

Mr. LUCAS. Absolutely, Mr. Secretary. And I have lived all my life in northwest Oklahoma, but I have never seen anything of the magnitude of these fires. Drive for 20 miles and see not one living creature.

Secretary PERDUE. Yes.

Mr. LUCAS. It is just the most amazing thing. The potential for that extension would have a tremendous impact upon my constituents.

To touch on one other point that my colleagues have talked about already, in concept, the NRCS, the FSA, and the RMA coordination could improve by being under a single mission area of farm production and conservation. And I am particularly sensitive about these issues because my district was ground zero in the Great Depression and the Dust Bowl of the 1930s. And part of why, in the drought of the 1950s, and the drought that we went through in the early part of this decade, things were so dramatically different were all of those conservation efforts properly practiced out there, encouraged by the NRCS and the predecessors of the Soil Conservation Service. How will you ensure that that conservation mission will not be diminished in any way under this new management program, and that the voluntary incentive-based conservation, which is the way we have practiced it since the 1930s, will continue to be the highest priority of the Department?

Secretary PERDUE. It is a good question. Mission has no change at all. Personnel, no change. All we are doing is trying to bring the family together where we can communicate better to serving that same customer, whether they are signing up for a farm program, an ARC, PLC, or EQIP or other things there, to come in. I view it as an economy of scale issue. If you have NRCS in one area, and you have FSA, and they have two people in the office and one of them out, our customers are suffering. If you have four people there, that is a little bit better economy of scale to serve people.

We are really talking about the same customers. Now, from a family perspective, how do we communicate, when farmers and ranchers walk into those offices I want to say, whoever greets them, how can we help you today, not, that is not my job. And that is the purpose of the realignment. We will learn better to communicate, we will learn better the real needs of the farm rancher customer that walks in the door, helping to do a farm plan for them. If they are signing up for one thing and we are right there, then we can say, well, let's do an NRCS waterway program that way, and help them be more aware of all the things NRCS can do.

I agree with you, the technology of better water, cleaner water, we are making great strides in. Our farm community is really understanding their stewardship ability, or really opportunity, better than they ever had. They now understand they are responsible for that off-flow off their farms, and they want to do the things. NRCS is critical in enabling them, teaching them, educating them how to do that.

There will be no change in the mission. We are realigning, in a closer family atmosphere where we can have a critical mass to help people better.

Mr. LUCAS. Thank you, Mr. Secretary.

I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Scott, 5 minutes.

Mr. DAVID SCOTT of Georgia. Thank you very much.

Mr. Secretary, all of Georgia is very proud of you, and this nation will soon find out why. You are a wonderful, wonderful person, and we are delighted to have you as our Secretary of Agriculture.

Mr. Secretary, we are faced with a very serious national crisis, and that national crisis is the expanding age of our farmers. The average age of our farmers is right at 60 years of age. And we in this Committee have put together a bill to address that. It is House Resolution 51. Let me just tell you, we have been on this mission for over 2 years. It gives us an opportunity to utilize the 19 1890s African American land-grant institutions, which you are familiar with. Fort Valley is a case in Georgia. And you know the whole history of that. We were able to make sure that we had these land-grants.

You have the University of Florida, you have Florida A&M, and Prairie View in Texas, and so forth. The Presidents of these universities have come before this Committee and addressed this need. We have this bill. It is House Resolution 51. What it does is this. It will allow us to utilize these 19 1890s to address this issue and get our younger generation into farming, into agriculture. And more than that, agriculture is new farming, it is far beyond the mule and the plough from past; agriculture is a very sophisticated, technology-driven, science-driven engineering. These African American institutions have curricula applied to address what we refer to as STEM; science, technology, education, and math, at these.

What we want to do with this bill is to change some language in the farm bill which would, one, right now these universities can only spend the money we give them in education, research, and extension. But we want to change and add a fourth area that they could spend it in, which would be student scholarships. We have also set aside and we are working with the CCC, which is the Commodities Credit Corporation, to make sure we have the sufficient funds available. We are offering \$1 million for each of the 5 years, for each of the 19 schools. That comes to \$95 million. It is something that these universities who have been there in the fire, and have helped to find young people a way out of no options. And we have not exactly been efficient in applying funding, but this would be the area to do it.

I want you to know that this is a bipartisan bill. We have Kevin Cramer, from North Dakota, as the sponsor on the Republican side,

myself, several on this Committee; Ms. Fudge, Mr. Lawson, Ms. Adams, another Republican, Mrs. Mia Love out of Utah.

So what I want to ask of you, and I know you have been on 4 weeks, we want to make sure, we sent the bill to your staff, and certainly we want you to really get familiar with it and help us get this bill through our Committee here where it is now, onto the floor and to the Senate, and to the White House. We have been in touch with the White House. We are working with the Senior Legislative Director there, Marc Short. Marc is very familiar with it, and our Blue Dog Democratic meeting he and I talked about it. And President Trump is interested in this type of effort. And, of course, when you read it, if they haven't already informed you, the administration of this particular bill will be through the Department of Agriculture.

So we appreciate you. We can't get it done without your help here. And so I want to ask you for your support, and to work with the Committee and help us get this through the House, through the Senate, and over to President Trump.

Secretary PERDUE. Congressman Scott, you have identified some real challenges. You talked about the age issue, but those are particularly significant and disadvantage to opportunities as well.

Mr. DAVID SCOTT of Georgia. Yes.

Secretary PERDUE. You know that I am very, very familiar with Fort Valley State University, having grown up in the county next door, and the beneficiary of one of their honorary doctorates as well. We understand the power of these land-grant universities here across the country, because our extension service is directly responsible for the productive capacity of that. If we can use some scholarship dollars to bring these young people in who have a desire. Many times they haven't had the advantage of growing up on a farm. We are seeing this in 4-H and FFA where young people understand all the science, the technology, the big business, the problem is the high capital barrier to enter agriculture.

Mr. DAVID SCOTT of Georgia. Right.

Secretary PERDUE. But if we can train more people with a passion for agriculture in these institutions, and you have heard the President affirm his commitment to that with funding, I would welcome the opportunity to utilize those kind of funds across the HBCU community and those land-grant facilities where we can use that for the betterment of agriculture. I applaud you.

I hate to tell you, your colleague, Mr. Bishop, has already beat you to the punch on that. He got me the copy of it, I am familiar with it.

Mr. DAVID SCOTT of Georgia. No wonder. Great.

Thank you, Mr. Secretary.

The CHAIRMAN. The gentleman's time has expired.

Mr. Gibbs, 5 minutes.

Mr. GIBBS. I thank the Chairman. And congratulations, Mr. Secretary, and thank you also for the willingness to take on this endeavor. It is not an easy task and I want to thank you for doing that.

I see in your bio, I am from Ohio, that you did spend a little time in Ohio as a veterinarian during the Vietnam conflict, and so you

got a little taste of the Buckeye State. I think you were just there in southern Ohio recently.

Secretary PERDUE. I did. We were in Cincinnati just recently and southern Ohio, but I was just south of Columbus at the Air Force base there and got familiar with a lot of your farmers out the south gate of that base, and they had some pretty nice pheasants at that time. I hope they are coming back.

Mr. GIBBS. Yes, I hope so too. You might not remember, but about 3 years ago I was asked to make some remarks, it was the National Council of Farmer Co-ops in Hilton Head, and I remember this, after I had made my remarks you came up and introduced yourself and we had a nice little chat. And that is my only interaction so far I have had with you, and it was a good memory so I appreciate that.

I want to mention a couple of things: I want to also thank you for re-evaluating the School Lunch Program, bring some common-sense to that, and I wish somebody, and maybe it will be you, not only talk about the nutrition aspects but let's talk about exercise and activity. School-age kids can burn a lot of calories, and I don't think they are getting the activity and exercise like we used to when we were kids. It is good that we are putting, I guess we only have two percent milk, it is one percent or skim milk in the schools, and just some common sense and reasonableness. And I know my dairy producers will appreciate that in Ohio, we are a big dairy state.

Also I want to thank you too, on the regulatory side the *Waters of the United States*, some common sense in there, and working with Administrator Pruitt and the EPA to go back to the states, and work on a rule that addresses the Supreme Court decisions.

Also I want to ask a question, first of all, on the crop insurance. Do you have any thoughts how we can make crop insurance better and make it a more essential part of the safety net program, because as a policymaker, when I talk to non-farming public, you talk crop insurance the non-farming public can understand that better. And I would argue in a 10 year budget window, it probably isn't that much cost to the taxpayers, but it really helps in the years when we have a disaster, like a widespread drought. But on the revenue side and the weather side, can you maybe give us your thoughts of what we could do to make crop insurance even better, and it would work for the producers' aspect.

Secretary PERDUE. I would be happy to, Congressman. Again, what we see, I agree with you, I think an insurance program for our producers is a much more palatable safety net program from the public shareholder perspective than direct payments were. I thought you all made a lot of progress in 2014 in transitioning to that area of ARC, PLC, backed up with crop insurance, which put some responsibility on the producers themselves.

Now, that insurance program is not perfect, we have some things we need to readjust. There is, on cotton, for instance, the Chairman is interested in, we have a quality issue that the quality degradation is not right. We hope to adjust that.

The other thing that your producers may have, if they are on ARC, may have a county payment in one county, or might farm in both counties, and it is different and they don't quite understand

those differences either as well. There is some fine tuning. Overall, the insurance program has been a great addition. We need to look at more specialty crops, how we can cover more specialty crops in that area and more. We don't want to create a program where our producers are farming for the program, and that happened in the past, and that creates some unnatural market forces that we don't want to have happen. We want a true safety net for those who are doing right, and we don't want people farming for insurance payments either, we want them farming legitimately. But the insurance ought to be utilized when there is a true revenue loss to that producer, be it be price, or be it be production, and how can we design that program.

You all had a great start, and we will look forward to working with you all as we go through the 2014 Farm Bill to make sure that the RMA program is even more effective, going forward. We know that the STAX program was not as helpful to the cotton producers as you all would have hoped, and the dairy program, certainly on some of those issues—

Mr. GIBBS. Yes. Well, I am really concerned about the dairy. We are running out of time here, but hopefully we can have time get to questions on trade and especially Asia and NAFTA.

Secretary PERDUE. Sure.

Mr. GIBBS. I have to yield back now.

The CHAIRMAN. The gentleman's time has expired.

Mr. Costa, 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman.

Again, welcome, Mr. Secretary, and we look forward to working with you. And you, like myself and many of us here, reflect generations of farm families, and we obviously welcome you to this important effort as we look at reauthorizing the farm bill.

I don't want to repeat what has been discussed already; Farm Credit, crop insurance, cotton, and dairy, but I would like to focus on some California issues specifically.

As the number one agricultural state, the diversity and the breadth and the width, we take great pride in the production in California, and I know you are aware of it. My California colleagues and I here on the dais would like to invite you sooner rather than later to come out to California where we could have a conversation with our farmers, ranchers, dairymen and women, and talk about the complexity of California agriculture.

Speaking of which, we worked very hard in the last farm bill to provide the opportunity for the California dairy industry to participate in the Federal Marketing Order. We have completed the process of the due diligence. USDA is moving on this Milk Marketing Order. I would like to get your thoughts on the current timeline, and can we tackle this final rule before the end of 2017? As you know, the quota issue, if you haven't been briefed on it, is a key part of whether or not the dairy producers will provide a $\frac{2}{3}$ vote to join the Federal Marketing Order.

Secretary PERDUE. Certainly, Congressman, I would be happy to answer as best I can. I will admit to you that even when we were in the dairy business, I am not sure I ever understood the Marketing Orders, but I hope to understand it better, going forward.

Back to your original question about diversity of agriculture in California. I had the pleasure this past week of meeting with about 30 of your Western Growers there that comprised California, Arizona, a little bit of Nevada there.

Mr. COSTA. They said you did a good job.

Secretary PERDUE. And we talked about that. They were thrilled to know that while I grew up on a diversified row crop farm, my father's first love was truck farming; melons and beans and sweet corn, and those kinds of things. We kind of got out in a brotherhood bond there with those guys. But the Milk Marketing Order, you have a very significant dairy industry in California, and the Marketing Order is important for stability and predictability in the milk prices. As I understand it, we just completed the first step in that on the 15th of May here, releasing that, and I will commit to you that we will complete that Marketing Order by the end of the year.

Mr. COSTA. All right, let me move on because we don't get a lot of time here. Obviously, this is a conversation to be continued.

Trade, obviously, is very important. I was disappointed when the President withdrew from all the work that had been done on the TPP. Nonetheless, there were a lot of elements in there that applied to both Mexico and Canada, and I want to applaud your efforts to taking that map. I would like to see that map that you took to the President and talked about the importance of our trading partners, both in Mexico and Canada.

Do you believe that some of the elements that were contained in the TPP can be the basis of moving forward, as Secretary Ross and yourself and the trade ambassador do what the President has requested, and that is to renegotiate NAFTA?

Secretary PERDUE. Absolutely. Again, many of the principles that were included in that, and actually in tandem with the renegotiation of NAFTA, you might see sort of a trilateral TPP. I am just suggesting that, but many of the principles that you all had in these negotiations are still viable, it is just a matter of fine-tuning those in a way that makes sense, I don't think this Administration is not against free trade at all, it really is more concerned to fair trade.

Mr. COSTA. Well, and to that point, it works both ways. I mean we, in 2010, dealt with the Mexican trucking issue, and last year with the Country-of-Origin Labeling. If we play that game, they can play that game with reciprocity, and then it becomes a real problem, and we need to understand that. We stand ready to work with you on that.

And then finally, agricultural labor is a big issue, and I know that Western Growers brought that to your attention. It is something we are going to have to continue to fix the broken immigration system in this country, and we would look forward to your support and efforts along those lines.

Secretary PERDUE. Absolutely. Again, I want to define my definition of *fair trade*. You don't have trade unless it is fair for all those involved.

Mr. COSTA. Right.

Secretary PERDUE. And we understand that. That is the essence of trade, actually. They have some pretty good negotiators on the

other side as well, so I don't think you have to be too concerned about us taking advantage of anyone.

Mr. COSTA. No, it is just a two-way street, that is all.

Secretary PERDUE. Right. On the labor issue, it was trade, labor, and regulation as I heard over and over again; and critically important is agricultural labor. I had an opportunity to converse with the President on that. He understands the contribution that many immigrants are making to the ag economy, and we are going to help to provide a way forward for our producers in that area.

Mr. COSTA. Thank you.

The CHAIRMAN. The gentleman's time has expired.

Mr. King, 5 minutes.

Mr. KING. Thank you, Mr. Chairman.

And, Mr. Secretary, I very much appreciate you being here.

Secretary PERDUE. Yes.

Mr. KING. I want to start out with a retraction of a statement that I made when I first heard of your name coming forward as Secretary of Agriculture, and I will say I thought it was candidly, but I said I hope it is more than about peaches and peanuts. And you came to Iowa 11 days after confirmation, and it was absolutely clear it is much, much more than about peaches and peanuts. And I was gratified to hear many of the things that you had to say there in the heart of my district. And I just wrote down a few of them here from memory. There will be a lot of colloquialisms that will come from our new Secretary of Agriculture, and it adds a lot of flavor to our rural life. For example, I am speaking of the trade that you grow it, we will sell it. I like that bumper sticker, and I have every confidence that will be the policy coming out of the USDA.

And now, one of the other things you said is an oath is stronger even than a contract. That stuck in my mind as the piece of wisdom that a lot of us can apply to our job here every single day. And let's see, the equipment might be a little different but the people are the same. That is another thing that is true all across this country, and it is something we can keep in mind here in this Agriculture Committee. And I will leave out the full story about the cow's tail, but that made it all real, Mr. Secretary.

So I wanted to welcome you to this Agriculture Committee, and I look forward to many discussions that we will have in the future years, and they will be very productive.

One of the things on my mind though as far as an issue is concerned is the fear of foot-and-mouth disease, and it is some of the things that we have been working on for I would say a year and a half or 2 years now in my district and beyond. That is the worst calamity we can imagine as far as biosecurity situation is concerned. I have been doing some work there through Iowa State, and the request that I see across the industry is for a vaccine bank that starts out at about \$150 million, and then sells off some of that vaccine and keeps always a fresh supply there. We have another way to go where we can genetically design a vaccine that is going to be cheaper and can be reproduced more quickly.

You went up the road to APHIS and I wasn't able to tag along on that stop, but I wondered if you had any fresh thoughts on FMD

and what you might be able to tell this Committee on how you would approach our preparations for potential calamity.

Secretary PERDUE. Well, as a veterinarian, I obviously understand the benefit of vaccination, and the fact that we cannot psychologically afford even a foot-and-mouth disease scare here at all. We saw what BSE did to us, and we talked about that earlier, but I want to compliment you on how well you listened in Iowa. I was delighted to be in your district, and to move up from the cows on the farm, a very innovative family farm operation there, up to the APHIS Ames facility. I was very impressed. We talked specifically about vaccine banks there. They are a repository, along with Iowa State, a USDA facility responsible for vaccination protocols as well. I am hopeful, I look at vaccine banks as insurance, and you can't have your house burn down and take out insurance after the fact and have it pay off. You have to have vaccines and you have to have a vaccine availability ahead of the time. I look at it as a wise insurance program.

Mr. KING. And I know there have been some estimates out there on what kind of a cost it might be if we have an outbreak of FMD, but do you have a sense of that? And I don't want to hold you to that on oath because those things are kind of amorphous, but could you give us a sense of the scope that your perception is?

Secretary PERDUE. I don't have any numbers right there, but it would be the antithesis of priceless.

Mr. KING. Yes, I will go with that.

Let me shift subjects just a little bit, there has been a little discussion here on crop insurance, and I want the record to show that I absolutely support crop insurance. It is the essential component for risk management. And if we don't have crop insurance, we lose perhaps generations, especially young farmers. And so it is essential to keep our family farms on the farm, the ones we have left.

I will just ask the question this way. Would it be your belief that the unsubsidized premium for crop insurance should reflect the risk?

Secretary PERDUE. Again, any valid insurance program, whether it is crop insurance or any other insurance program, has to reflect the reality of risk there. That is what insurance is all about. As I said, as we continue to perfect the insurance program, because I agree with you, and as you well know, credit in these economic times is getting more tight, lenders are requiring an insurance product, maybe forward contracting as well, so that the producers can demonstrate repayment ability. And as we go through there, yes, I agree that it ought to be commensurate with risk. That is a tough issue, how do we do that individually, or by county or by region, in a way to do that. That is why reporting is so important for our farmers. The Census is so important for our farmers and producers to make sure we have accurate data that we can make good, wise actuarial decisions on.

Mr. KING. Thank you, Mr. Secretary.

Mr. Chairman, I yield back.

The CHAIRMAN. The gentleman's time has expired.

Ms. Fudge, 5 minutes.

Ms. FUDGE. Thank you very much, Mr. Chairman. And thank you, Mr. Secretary.

Mr. Secretary, it was really good to hear you talk about feeding the world. That is very different from the President's budget which has cut almost every single feeding program, or zeroed them out. I am hopeful that you will win.

I am as well concerned, as my Ranking Member, about Rural Development. It is indicated in the reorganization plan that there would no longer be an Under Secretary; it was going to be elevated in some way. I am not sure how that is, except because the Under Secretary reports to you now, so I am not sure what that change is really going to be. But I am concerned, and certainly we will see how it goes as we move forward because, I tell you, you have been really busy in 4 short weeks. This is a major reorganization. I am just going to be watching, as is the rest of the Committee, to see how we progress with that.

Mr. Lucas raised the issue of NRCS, which I am also concerned about. And my first question to you is should we, in the future, look forward to seeing any kind of mergers within the agency or plans to close any of our NRCS offices? And my second question relates to the Office of Advocacy and Outreach, which Congress put in place so that there would be an advocate on behalf of small, beginning, and minority farmers. Last year, the USDA elevated that office to report directly to the Secretary, to you, sir. Your proposed plan now drops it back down to reporting to the Assistant Secretary for Departmental Administration. I just want to know what your thinking was on that.

Secretary PERDUE. Okay. Those are three important issues, and I would be happy to address all of them, if you don't mind. Again, from an RD perspective, I welcome the accountability. I am an outcome kind of guy. As I understand the current organizational chart, the Under Secretaries report to the Deputy Secretary, and I view the RD portion of this, particularly in limited resources, possibly with an infrastructure program from the Administration and you all. I am not a micromanager but I am a hands-on manager, and this is an area that Secretary Vilsack and I had wonderful conversations about how the potential of USDA has been used across the country in rural communities, both in water systems, both in utilities, and both in community facilities. This is something I guess I jealously wanted to be a part of. When I say *elevated*, I mean elevated to a position where that person is going to be sitting close to me, with walk-in privileges over, this is a great opportunity, this is the deal, what do you think about, how can we do better to do that.

I welcome your oversight in the RD portion. The mission is not going to diminish whatsoever. The distribution network that has been developed out here with great people all over the country is not going to be diminished at all. The people in RD are going to report to this Assistant Secretary, who will have direct access to the Secretary, and I consider that an elevation. You can think about it as a nomenclature, but there was in no way a diminishment. If you gave me the opportunity in a corporation to have direct access to the CEO on walk-in privileges over ideas *versus* a title of a VP, give me that direct access anytime. That is the influence, that is the power, the access. That is the way I view the RD, and I look forward to your accountability in that.

NRCS' mission is not going to change, people aren't going to change. Maybe some locations might change from an economy of scale perspective, as I explained earlier. If we have disparate people and maybe two per office in different places, and we can combine there to have an economy of scale that makes a difference of service to our customers, we may consider doing that. In fact, there are actually preclusions about closing any places. If there is any combination of bringing the family into one house rather than being scattered out in a compound, then we look to have better service in that way.

Third, the advocacy and Secretary Vilsack had made a lot of progress in that. I don't see that diminishing whatsoever.

Ms. FUDGE. Thanks, Mr. Chairman. I yield back.

The CHAIRMAN. The gentlelady yields back.

Mr. Austin Scott, for 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Thank you, Mr. Chairman. Governor, Mr. Secretary, Mary's husband.

Secretary PERDUE. All great titles.

Mr. AUSTIN SCOTT of Georgia. Yes. I am not sure if you would be mending fence or checking cows right now if she hadn't agreed to marry you. You probably wouldn't be here.

Great man, great family, and what you will find from Sonny Perdue is, if he can help you, he will help you, and if he tells you he is going to do something, he is going to do it, and I have always appreciated that from you.

And, Governor, just a couple of quick comments and questions maybe. I was at the USDA research station in Byron this last week. As you know, research is not something that you can simply cut on and off; it is a long-term commitment, it is a long-term investment, and that investment has to be coupled with extension for it to actually get to the fields and help the farmers and our economy. And so they brought up while I was there the hiring freeze, and certainly hope that as we go forward we are able to come out from underneath that hiring freeze, and that you have the flexibility to put the people in the most effective areas with regard to research, and that that partnership will be there with the states, I know under you for the extension to actually get that research to the field.

Your commitment to 4-H, your commitment to FFA is something that also those two organizations are extremely important to rural America, and I know that those organizations will benefit from you being in that position as well.

One of the things that has changed on the farm in the last couple of years, and is changing at an exponential rate, is the use of technology. We know that President Trump will have an infrastructure program that will be put forward. The rural broadband, as you know, we need that, quite honestly, more than we need roads and bridges in many of the counties that I represent. You know from growing up in Houston County, you have metropolitan areas and then just a few miles down the road you have areas like you grew up in, in Bonaire, and I lived in Ashburn for a long time. I tell people I live in Tifton now but I actually live in Chula, Georgia. And so if you could just speak to the rural broadband issue, and any assistance that you believe that the USDA can give us with making

sure that the rural broadband is a part of President Trump's infrastructure package. I would appreciate your comments on that.

Secretary PERDUE. I would be happy to, friend. First of all, let me talk about research just a second because you mentioned that. And you are absolutely right, the reason our producers are so productive today in the 21st century is because of the research and the foundation that has been laid. It is not something that can be cut off and on. And the other thing is the delivery system of that basic and applied research to the field through the extension service has been the wonder of the world, and we see what difference it has made in our productivity, and will continue to need to be as we have to feed nine billion people by 2050.

That is important, but you made a great point, another thing that is just as important is the technology, because you know your producers in middle and south Georgia are using technology for better water usage, better technology for precision agriculture, for monitoring crop needs; whether it is whatever adding, and the telemetry that is needed out there is dependent on wireless technology and WiFi. The other thing sociologically, Congressman, in today's world of connectivity, it might be true in your house with Wells' age, if the water goes off that is kind of a disadvantage, if your lights go off, oh, bummer, if your heat goes off you will get a blanket, but if your WiFi goes off that is a crisis. And that is kind of what happens out there in the world today is we are not sociologically, to Congressman Scott's point, we are not going to keep these young people on the farm attracted there if they don't have the connectivity they are used to when they go to college. They are not going to come back. And it is vitally important. The good news is this is square on the radar scope of the President, as well as the FCC Chairman. I have had conversations with him. He is anxiously awaiting the infrastructure plan where we can ambitiously take rural broadband ubiquitously across the country. As you know, there are places in our home state you can't even get a cell signal.

We have a lot of challenges, but I am convinced of what you hit on, it is the modern-day road, sewer, water of the 21st century is connectivity. And I look forward to promulgating as much of that as we can across the country.

Mr. AUSTIN SCOTT of Georgia. Well, Mr. Secretary, thank you. And Wells is most upset right now that it is not duck season, turkey season, and Nash Springs Fishery Services just took the snapper season away from him and only gave him 3 days, so any help with that would be appreciated. Thank you.

The CHAIRMAN. The gentleman yields back.

Mr. McGovern, 5 minutes.

Mr. MCGOVERN. Thank you. Thank you, Mr. Secretary, for being here. And I appreciated reading that your new motto at USDA is, "Let's do right and feed everyone." I think we all hopefully share that goal.

I was a little surprised in your opening statement and in your written testimony I didn't see any mention of SNAP, which is the premiere anti-hunger program in this country. We have 42 million Americans who are food-insecure, who are hungry, many of them rely on this program to be able to put food on their table for them-

selves and their kids. It is one of the most efficiently run Federal programs we have. And I want to take this opportunity to thank the men and women who work at USDA who oversee and implement this program because it has one of the lowest error rates and fraud rates of any Federal program we have. We might want to consider lending some of those staff to the Department of Defense to oversee their defense contracting. They might get it better over there. But the bottom line is this is a good program. I worry because there is lots of talk, I have a bunch of articles that appeared in the last couple of weeks of Members of this body, and some people in the Administration, looking at SNAP as a place to basically try to find money to pay for other priorities; essentially, using it as an ATM machine, and that would be a mistake. We have heard talk of block granting SNAP, we have heard talk of putting more restrictions on the program, putting more hurdles in place to make it more difficult for people to be eligible for the program, which would be a mistake. The average amount of time that people are on this program is less than a year. And the benefit, I would argue, is inadequate. It is, on average, about \$1.40 per person, per meal, which you can't buy a coffee for that nowadays.

My question to you is, and I am looking for some assurance here that; first, you are a strong defender of the program, that you are not advocating structural changes, or trying to put more hurdles in place to make it more difficult for poor people to get food, because it is a concern of a lot of people in this country. I would be interested in hearing your views on what you plan for SNAP.

Secretary PERDUE. Thank you, Congressman. I did not include that because I was hoping you would ask me the question. I thought you would. But nonetheless, I agree with all that you have said. It has been a very important, effective program. I am a continuing improvement guy; can we improve maybe the delivery and the processes and the protocols there. Yes, we have some disparity between our states of how they are implementing and executing that, and the cost over delivery, and I would like to see more unanimity in some of those delivery mechanisms, learning from the best, learning from one another about how we can deliver those programs even better. But as far as I am concerned, we have no proposed changes. You don't try to fix things that aren't broken. And when the motto is, "Do right and feed everyone," I view that as very, very inclusive.

Mr. MCGOVERN. Well, I find that reassuring. Just one other point, there has been a lot of focus on this group of people called able-bodied adults without dependents, and some have suggested that we be tougher on that population because, as you know, the rules are that if you are on the program and you are not working, or you are in a job-training program in 3 months you lose the benefit and you are not eligible to get it back for another 3 years. Bottom line is a lot of those able-bodied adults without dependents are veterans who have returned from serving our country halfway around the world. And while it may sound nice to kind of go after that population, the bottom line is it is a complicated population.

And one other thing. Ms. Fudge mentioned the issue of our commitment overseas. Again, acknowledging that you were not here when the President drafted his budget, I am worried that programs

like the McGovern-Dole International Food for Education Program, which has fed millions of kids around the world in school settings, the most vulnerable children in the world, it has been a tremendous success. I have visited these programs. It is zeroed-out in the President's budget. I worry about the future of Food for Peace. I am hoping that you will be a strong advocate to put the money back in for those programs, because I do think they represent the best of our country, and they contribute greatly to our national security.

Secretary PERDUE. I can't disagree with you again, Congressman. Again, from the perspective of veterans, I will be in South Dakota this Friday at a Vets for Ag program as we help to transition them into those jobs, because as you well know, the Supplemental Nutrition Assistance Program was a time-limited program in a tough time period to help them get a job and so we want to be part of growing the economy of help restoring these veterans to a livelihood; and, frankly, we need them in agriculture. That is the heart-beat of USDA regarding veterans in there.

We also support the states' waiver ability for veterans in that as well on those kind of restrictions.

Mr. MCGOVERN. Right.

And I hope maybe beyond veterans too, not just veterans but sometimes there are vulnerable populations in addition to that, McGovern-Dole and Food for Peace as well. Thank you.

The CHAIRMAN. The gentleman's time has expired.

Mr. Crawford, 5 minutes.

Mr. CRAWFORD. Thank you, Mr. Chairman. Mr. Secretary, thank you. Good to see you again.

Secretary PERDUE. Yes, sir.

Mr. CRAWFORD. It has been just a couple of weeks since we toured some of the devastation in my district. Let me thank you for your responsiveness, your Department's responsiveness, and your personal attention on that issue. I think our 100 year floods are coming a little more frequently than every 100 years. This is our third in 6 years, you saw that yourself. And I guess, as I mentioned before, and has been talked about here, crop insurance is an important component, no question about it, but as it applies to rice the practical to replant provision there has really added more confusion than clarity. And so I am hoping that you can, and I am certain that you will work with us on actually trying to provide some flexibility on that because, as you know, after May 15 it is strictly not practical to replant rice and expect a yield, so having some alternative would be much appreciated.

Secretary PERDUE. Congressman, I agree with you. You know that those contracts are set and it can't be changed for this incident, this tragedy that just happened, but the RMA has learned from that, and certainly on some of these dates on practical replant, makes a huge difference for guarding yield production, the quality of seed, the hybrid seed, and other things, the chemicals that are linked with that. You will see, and I will commit to you that you will see some changes in the RMA practical dates, going forward, for the 2018 contract.

Mr. CRAWFORD. I appreciate that. And I also want to thank you for your comments during your confirmation hearing with regard

to Cuba. I think that is very important, and we have had a chance to visit about that, the value proposition that presents for U.S. farmers and ranchers. And I know at this point the White House is right now undergoing a Cuba policy review, and considering whether or not to reverse course on our recent expansion of relations with Cuba. I hope that you will be a vocal advocate on that score so that when they do develop that policy, that it would be inclusive on the ag front.

Secretary PERDUE. Well, certainly, the financial policy that you all are faced is beyond my pay grade, but someone said it earlier, if our folks grow it, I want to sell it. And they eat in Cuba as well.

Mr. CRAWFORD. Absolutely. On that note, H.R. 525 is something we have been working on for a while now. The Cuba Ag Exports Act actually removes the financial restrictions that you mentioned. Right now, we can sell ag products in Cuba, it is a cash up-front requirement that is really an impediment to fully realizing the potential of that market for U.S. producers. Many of the Members on this Committee are cosponsors of that legislation, including the Chairman and the Ranking Member. And I hope that you would be able to review that and endorse that bill because we want to try to move that forward as quickly as we can, provide greater market access.

Secretary PERDUE. As I said, that is something I would be supportive of. If folks around the world need private credit to buy our products, I am all for that. I probably would have some personal concern if we were doing public credit to the Nation of Cuba.

Mr. CRAWFORD. Absolutely. I share that sentiment. The bill is written to address that very provision, that it is strictly a private transaction with no taxpayer backstop, and that is important to note.

To go back to cotton real quick. I just want to echo the concerns of the Chairman in regards to the problems that we are facing in cotton country. We are behind you by one, we are number three in cotton and Georgia is number two, and the Chairman will claim credit for Texas being number one in cotton production, but we are all in this together. And cotton producers need relief, and they need it yesterday. And, when we start to lose our gin infrastructure, as the old saying goes, "You can cut down an oak tree in 5 minutes but it takes a long time to grow it back." And so as we start to see our ginning infrastructure disappear it is going to have an impact on our rural economies, and in the broader sense on our economy and state in general. I hope that, as you have indicated, and I am sure you will, use every tool at your disposal to help us address that issue of the cotton producers belt-wide.

Secretary PERDUE. Thank you, sir. I haven't told the Chairman yet, but our Chief Economist just said Georgia was number one in cotton.

Mr. CRAWFORD. Is that right?

The CHAIRMAN. Depends on which year.

Mr. CRAWFORD. Well, I appreciate it, Mr. Secretary, and we certainly look forward to working with you. And I congratulate you, and you certainly are the right guy at the right time, and we appreciate you.

Secretary PERDUE. Thank you.

The CHAIRMAN. The gentleman's time has expired.

Mrs. Bustos, 5 minutes.

Mrs. BUSTOS. Thank you, Mr. Chairman. Secretary Perdue, thank you for joining us today. I look forward to working with you as I represent the northwestern part of the State of Illinois.

I want to start with a quick question, I hope, and then go into something a little more in-depth. To start with, our aging locks and dam system. There is \$37 billion in agriculture and food products that flow through the Illinois ports and waterways. Upgrading aging locks and dams on the upper Mississippi and Illinois Rivers is a top priority for the growers that I represent in my region. Congress has authorized these upgrades, but the Administration has to request the funding. And what I would ask of you, if you can answer with a yes or no that would be appreciated, but can we count on you to push this Administration to invest in our water infrastructure, and specifically, will you push for 1,200' locks on the upper Mississippi and Illinois Rivers in the President's infrastructure plan.

Secretary PERDUE. Yes, in the broad answer. Specifically, on the 1,200' dam, we will look at that and see. I was at the White House yesterday for an infrastructure meeting, and let me tell you that inland waterways is right at the top of their list over the contribution to the economy. We know how important it is to the ag economy. I was on the banks of the Ohio River in Cincinnati the other day and saw some of those barge-loading facilities. It is a huge advantage for the U.S. economy, and producers especially. We have other parts in the world in South America that might compete with us production-wise, but they don't have the infrastructure. That wonderful river network that runs through your state and all through the middle of our nation is a vital resource for the world economy. If there is anything we can do, I commit to being a serious advocate for American agriculture. The logistics part is part of that, and the waterways are right at the front of that.

Mrs. BUSTOS. Yes, we have the legislation, it is just a matter of authorizing the expenditure on that. And I would like to offer an invitation to you to come see the locks and dam system along the Mississippi River. That is the entire western border of my district is the Mississippi, and seeing the locks and dams that were built in the 1930s that really need a lot of attention. But we would love to have you come and visit us, so consider that an invitation.

Quickly shifting gears, yesterday the Joint Economic Committee released a report outlining many of the economic challenges in rural America, which I would like to have entered into the record. But I would also like to acknowledge something that Congresswoman Fudge said earlier, that I am concerned about the Trump Administration budget that calls for a 21 percent cut in USDA, including eliminating Rural Development's water infrastructure programs, and the Rural Business—Cooperative Service. Just a big concern. And that can be echoed, you will probably hear some other questions from my colleagues here. But the reorganization also eliminates the Rural Development mission area entirely, as well as the Senate-confirmed Under Secretary, which you have addressed for a moment. But it is my understanding that you have already submitted the reorganization plan to Congress for the mandatory

30 day notification period, however, just today, you sought public comment through a *Federal Register* notice on the proposal. I was wondering about the formal reorganization plan sent to Congress, why that was presented to Congress before seeking feedback from the impacted stakeholders. Just your thought on kind of that order of that.

[The report referred to is located on p. 67.]

Secretary PERDUE. I am not sure I can answer that question specifically, other than that I have given my vision, and we are progressing in the protocol, as I understand it, directed by our General Counsel to implement this. I visited with your Chairman and Ranking Member here, the Chairman and Ranking Member of Ag Appropriations to let them know of my plans and to do that. I may not be as attuned to the Federal requirements of permission as they are, but all I know is my heartbeat is to make good and to do well, and to make sure USDA continues to serve [Audio malfunction in hearing room] the best way. I can't answer the specific process question that you asked.

Mrs. BUSTOS. Okay. I think your microphone might have gone out for a second there.

Secretary PERDUE. I got cut off?

Mrs. BUSTOS. We still want to hear you.

All right, well, I am hoping that you will listen to that feedback that is offered, and I am sure you will.

The other thing is, will someone in your office take on the day-to-day management responsibilities of leading Rural Development with this new structure? It is a staff of 5,000, it is a loan portfolio of more than \$225 billion, and for that to go straight up to you, the concern is just the attention that is going to be given to Rural Development. It is a big concern.

Secretary PERDUE. No, I can't handle all that myself. We are going to have an Assistant Secretary directly reporting to me that will be the go-to person. If it makes you feel better to call that person "Under Secretary" then enjoy that, but that person is going to have not only the responsibility of managing that portfolio, doing what we were doing that way, but also having direct access so we can move quickly and nimbly with a vision of improving rural America. So that is important. That person will be Senate-confirmed in that area, so you will have an opportunity to visit with that person and ask them all those questions of their commitment and passion to Rural Development.

Mrs. BUSTOS. Thank you, Mr. Secretary.

My time has expired. I yield back.

The CHAIRMAN. The gentlelady yields back.

Mr. DesJarlais, 5 minutes.

Mr. DESJARLAIS. Thank you, Mr. Chairman. Good morning, Secretary Perdue. Your presence is greatly appreciated here this morning.

I represent Tennessee's Fourth Congressional District. It is home to the National Tennessee Walking Horse Celebration, with a nationwide economic impact of approximately \$3.2 billion. The Tennessee Walking Horse industry directly or indirectly employs over 20,000 people in largely rural areas in farming communities where economic hardship is commonplace. The previous Administration

obstructed progress and refused to cooperate with the industry to develop scientific inspection methods to replace the current subjective methods that were prone to error. Can folks in Tennessee count on you to be supportive of the Walking Horse industry, and facilitate scientific and objective inspection methods to eliminate soring so that people can continue to enjoy this time-honored tradition?

Secretary PERDUE. Certainly. I would love to comment on that. As you know, we have delayed that rule in order that we can get the facts about that. Beautiful horses, beautiful animals, but we have to balance that with our humane treatment. That is what APHIS does. For the reputation of the wonderful people in the Walking Horse industry, they want the bad actors out as much as anyone does. That is what we hope to have as a regulatory protocol that will ensure how the enforcement operates in that, how that is done, best assures the public that these animals are not being treated inhumanely in order for them to perform. I welcome that.

Mr. DESJARLAIS. All right. We look forward to working with you on that.

The Tennessee Cattlemen's Association appreciates the establishment of an Under Secretary for Trade position created in the 2014 Farm Bill. How are the bilateral agreements progressing with the countries that have been part of the TPP agreement? And many of these countries, as you know, offer significant market opportunities for U.S. beef, and I hope that under your leadership we can count on you to negotiate these bilateral agreements.

Secretary PERDUE. Well, certainly, the two great wins in that area is American beef back into Brazil already, already the first shipment, and I hope we will be able to announce very soon and show you a picture of U.S. beef going into China, which is a huge market. I think your cattlemen are looking forward to that. There are technical issues to continue to resolve when dealing with some of the international buyers. It is the Yogi Berra philosophy, "It ain't over until it is over." That is what we are working on.

Mr. DESJARLAIS. Any updates on Japan?

Secretary PERDUE. Japan, again, Secretary Ross, the President obviously asked me to write him a letter that he could write a note to the President, when he met with the President of Japan, to indicate again the protocols that we need to do to get back into there as well.

Mr. DESJARLAIS. All right. And, Secretary, as you know, the nation's poultry industry has been reeling from devastating outbreaks of High-Path Avian Influenza the past several years, most recently which occurred in my district. A GAO report released last week highlighted that USDA has taken significant steps to respond to the crisis, but few ways to determine the effectiveness of these steps. In your opinion, how can our farmers enhance biosecurity and make their livestock less susceptible to the introduction of disease?

Secretary PERDUE. As indicated earlier in my testimony, I am very, very pleased with the reaction of your Tennessee State authorities in conjunction with our USDA APHIS people over the containment of the recent outbreak in south central Tennessee. I thought that was the way the system should work. There was very

timely action toward depopulation and eliminating the potential spread of that disease, and it has been long enough now that if that had not been effective, we would have seen that. I think the system is working. We learned a lot from 2015, and your State of Alabama and the State of Georgia all collaborated very, very well to make sure that the High-Path AI was contained. I think we are making progress. Can we do better? We can always do better.

Mr. DESJARLAIS. All right. Well, again, congratulations. We are glad that you are finally in place. It took too long, but we are glad to have you, and thanks for being here today.

I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back.

Mr. EVANS, 5 minutes.

Mr. EVANS. Thank you, Mr. Chairman. Good morning, Mr. Secretary. How are you today?

Mr. Secretary, you are a veterinarian by trade, and that Pennsylvania is the home of one of the greatest veterinarian schools in the nation; University of Penn. I was just visiting that school last week. Can you share the importance of veterinarian programs that you look to strengthen as it relates to our nation? I don't hear a lot about that, and obviously, I am really concerned. And also the aspect of diversity added to the element of veterinarian school.

Secretary PERDUE. Right.

Mr. EVANS. Can you speak a little bit to that?

Secretary PERDUE. Well, when it comes to food safety, Congressman, there is a zero tolerance policy, and that is what Americans expect, that is what we have come to benefit from, and the veterinary profession is intimately involved in that. When I graduated from veterinary school in 1971, I had volunteered for an assignment in the United States Air Force. I don't know that I realized that that would be a food safety and public health mission there. When I served in Ohio it was food safety and public health, and I learned a broad perspective of how important that was. The food safety industry and profession had not matured at that time in the 1970s, but I learned a lot about it, was trained in that area.

We have great veterinarians in our inspection services all over. And while you are correct, your veterinary school in Pennsylvania is one of the renowned ones, along with Iowa State, Kansas, and others, along with my alma mater, University of Georgia, have done a great job putting out professionals who are part of that food safety network. We have also got great career professionals in USDA under the guidance of veterinarians who are doing great work in that.

Much of the foodborne illness you see happens after that in the supply chain, delivery, in restaurants, and others, but we are committed to a zero tolerance policy to make sure that the food that Americans feed their families are safe.

Mr. EVANS. Mr. Secretary, in Pennsylvania, I was in the state legislature, and we dealt with the issue of Pennsylvania of food deserts and food insecurity, and came up with a program called the FFI Program, which was a public-private partnership that worked to address food deserts. How do you seek to address food insecurity and food deserts?

Secretary PERDUE. Well, again, some of the programs that you all have funded that we have the opportunity to award some grants regarding fresh vegetables and others, it is a healthy food program, FINI is one of them in that area, as well as another one that has to deal with those problems. There is very little money in that, frankly, but we have used pilot projects to understand how we can make sure that those people in the areas where food is not readily available have access, be it local farmers' markets or other ways, and certainly to be able to use their Supplemental Nutrition Assistance Program to access those. We look forward to understanding better how we can even do better in that regard.

Mr. EVANS. I have always said that food policy is foreign policy, and we know that food is a bipartisan issue that we all have to eat. What would you do to assure that everyone on the spectrum, from neighborhoods to global food economies prioritize the importance of food policy?

Secretary PERDUE. Well, we talked about, I want the motto to be more than just a motto; "Do right and feed everyone." We have an awesome opportunity in this country as abundant food suppliers for the world, and that doesn't exclude our American citizens too who have less opportunity for food safety and food nutrition. But the fact is that whether it is the P.L. 83-480 program, Food for Peace, McGovern-Dole, or others, I hope that we can see these programs sustained and be able to use the bountiful production of our American producers in order to be a weapon for peace around the world.

Mr. EVANS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back.

Mr. LaMalfa, 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman. And welcome, Mr. Secretary. It is really great to have you here, and I hope things are going well for you in your transition. And it is also very heartening to hear the colleagues that you know the best; our Georgia colleagues, that have welcomed you here today, and the nonpartisan way which everybody likes working with you. That is a really good indicator compared to some of the things going on around this town.

There are so many issues here, and I am hoping, of course, that we see a rebound in ag commodities at the farm gate there, and then we can see exports are expected to come back up a little bit from a peak of just a few years ago.

We have a lot of issues going on. I have a northern California district, top of the state, and one of the things that we are very, very, concerned about is USDA's oversight of the Forest Service and the need to be much better managing our Federal lands, and moving more into biomass using this over-inventory we have of forest products, so that really need to be managed much better, as we have wildfires every year and we need to incentivize the biomass situation.

So as we work on the Federal land issue, what do you think we can do to grow the markets for biomass, have more economic activity that would be jobs right in our own backyard, for material that needs to be moved right out of our backyard, for private land and Federal land? What do you think we can do more in that area for biomass?

Secretary PERDUE. One of the things that has not been talked about in our realignment, reorganization had to do with aligning NRCS and their mission area with FSA. That leaves NRE really with the responsibility of managing our U.S. Forest Service. That is where over $\frac{1}{3}$ of the employees in USDA are, and that is, frankly, where some of the biggest challenges have come from. We face litigation, we face NEPA challenges, and other kinds of things in order to utilize the renewable resources on all of our millions of acres out here; northern California and many other states, to do that. Actually, that means jobs as well.

The good news, the fact is a healthy forest is less vulnerable to fire, and you all know that the fire budget has kind of gotten upside down in the Forest Service. We are spending more to fight fires than we are to prevent fires. We hope to get that corrected with your help and reestablished. But I believe, again, a mission area that is focused directly on utilizing the renewable aspects; whether it is deadfall going into biomass, or recovering these trees that might be down, they have a certain period of time that you can harvest them and they would be good lumber, to get ahead of that curve. The challenge is right now so much of that budget is spent in suppression rather than prevention, and we have to get ahead of that. But that is my desire.

Mr. LAMALFA. Switch from $\frac{1}{3}$ of the budget to $\frac{2}{3}$ over the years.

Secretary PERDUE. That is right.

Mr. LAMALFA. We are trying to address that with other legislation.

Secretary PERDUE. Right. That is right.

Mr. LAMALFA. You mentioned NEPA too, that is very frustrating after a fire you have already had, the need to get in there and salvage within a short amount of time. We have to get it done. Instead, we waste sometimes a year, year and a half, and the value of the wood is pretty much shot by then. Then it is just a detriment out there.

Also, you did mention merging NRCS and others. That sounds like a great idea to have these folks be all speaking the same language.

I also have a very large rice acreage that is in my district, and in my real life I am a rice farmer as well. You talked with Mr. Crawford about that a lot.

Secretary PERDUE. Yes.

Mr. LAMALFA. California is number one in medium grade. Thank you for meeting the California folks earlier this week as well too; for rice. We just need a little more help in the exports on that, getting more of that product into Japan. There was a lot of disappointment over the TPP with only opening up another 50,000 tons, which I and about seven other growers could grow that ourselves. That didn't mean a whole lot, so maybe as that comes back around, we can see a little more entry for rice as well as other exports.

Last, I would just like to hear what you think on this. We did hear a little mention of SNAP earlier. We have had a lot of hearings on that during this last year. Very comprehensive. And it keeps coming up the issue of SNAP, which is a program this Committee very strongly supports, but the way it is targeted, and there are a lot of issues with some of the products SNAP is being used

for; soda and candy, and things like that, that aren't generally healthy, where the original intent was ag products that come from here. Could you just touch in general on what you feel the direction should be with SNAP, and what kind of products we should be using with that? Thank you.

Secretary PERDUE. Well, our desire as parents and grandparents is that the people who take advantage of SNAP would use them for healthy food products. That is the balance: on what level do we want to become a nanny state of directing how, and what, people feed their families. That is the challenge for that. And I probably lean more to the *laissez-faire* rather than a prescriptive in that area, from a perspective of not wanting, if parents and people who use the SNAP benefits are not doing that at home, I don't know that we can corral them enough with restrictions in SNAP to make them do that. It is a really dicey issue of how we do that. We try to do it through education and through examples, and allowing SNAP to be used at local farmers' markets and making sure in our school program that the free vegetables and fruits are there so our kids can get used to that, and hopefully won't ask Mom and Dad for more of the other than they would healthy things. Someone mentioned earlier, and I wanted to comment on it then, but we have a serious obesity problem in our youth. How do we not only get a good nutrition program, but how do we get a good activity program going as well. All of that is complicated, complex, but it needs to be all of our business about that.

Mr. LAMALFA. Thank you, sir.

And, Mr. Chairman, I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Soto, 5 minutes.

Mr. SOTO. Thank you, Mr. Chairman. And, Secretary Perdue, thank you for coming today.

I represent central Florida, your neighbor to the south. And we all here today have some of the great orange juice that is developed in central Florida. But I do want to say if we don't get citrus greening under control, it will be Brazilian orange juice pretty soon.

Our production is down 70 percent over the last decade, and while we are developing resistant rootstocks, I wanted to gauge your commitment on continuing the robust funding to address this crisis that could eliminate all Florida citrus if we don't get a handle on it.

Secretary PERDUE. Done. It is obviously a serious issue. It has been a tenacious pest, and research is important to get that done, but we need to build that barrier. You are well aware of how many acres have been just plowed up in Florida over in the citrus industry, so I am a great consumer of that product you have in your hand there, and I want us to have more of it.

Mr. SOTO. Well, we appreciate that.

In addition, we have a large cattle industry in and around my district, including the largest herd in the nation at Deseret Ranch, and we appreciate your commitment to help modernize the North American FMD vaccine bank. I do want to bring to your attention what you may already know, we had a small screwworm outbreak in the Keys, which was a pretty strange place for that to happen.

While that is under control, it just highlights that we still have risk to Florida cattle.

And one other thing I know my local cattle ranchers will be sending you an invite to the RAM Rodeo in Osceola County. I encourage you to come along if you can make it, or one of our others. It is part of our tradition there.

The other issue I wanted to bring up is there has been reports that foreign farmers are bringing in fruits and vegetables labeled as organic, that are not organic. And in Florida, we are working on protecting a fruit and vegetable industry that is really struggling under low wages coming through areas like Mexico and Central America.

It is a twofold question. What do you think we can do to assist in making sure *organic* means just that, particularly from foreign commodities, and what do you think we could do within the NAFTA confines to trigger higher wages under the existing provisions of NAFTA in Mexico and other areas?

Secretary PERDUE. Regarding the organic issue, certainly, that has become a valuable brand as we see the growth from consumers wanting more of that. The way the oversight works on that from USDA is we authorize or legitimize the certifiers; many times state agencies, to go out and make sure the principles and the processes and the programs that define *organic* are being carried out. As you might imagine, that is not a 24/7-type inspection. It works much like the Environmental Protection Agency authorizes state EPDs to work in that regard as well.

That is a challenge. Our goal is to have better education of these authorizing certifiers, and to maybe do some auditing out here, not only of the certifiers, but on the ground as well, to do that. We want to jealously guard the legitimate. And there is some legitimate concern regarding cheaters coming into the country with organic labels, that aren't following organic processes. It is a very important responsibility of USDA. We have to leverage that because there is no way for USDA to have enough inspectors on the ground everywhere to certify organics. But in working with our authorized certifiers, and we will just try to do a better job in making sure those people who are violating the rules are not allowed to continue to do that.

Mr. SOTO. And then on the wage disparity through NAFTA in Mexico, and then also in other trade treaties in Central and South America, how could we help make sure that our agriculture products and fruits and vegetables can be competitive under existing provisions?

Secretary PERDUE. Certainly, our vegetable and our produce section of agriculture, and your people in south Florida and the growers in Florida have maybe been the ones that have not benefitted as much from NAFTA as the rice or the grain, the grain producers, or even dairy in that way. It is a real challenge, but most of the challenge comes from the countercyclical culture of growth. I mean they are lower in the hemisphere than we are, and can grow things different seasonally in that way. But we have to make sure that the safety of those products is just what we insist on in our American producers as well.

And as regarding NAFTA negotiations, my hope and my advocacy will be that we don't go backward in that. But you see, that is one of the areas where we probably can improve our position *vis-à-vis* Mexico, with regarding fruits and vegetables.

The CHAIRMAN. The gentleman's time has expired.

Mr. Yoho, 5 minutes.

Mr. YOHO. Secretary Perdue, thanks for being here. I feel a kindred spirit being a fellow veterinarian. And I don't know whether to call you Doc, Governor, or Secretary. If you are like me, you probably prefer Doc. And I look forward to helping you achieve your mission.

The way you opened up, and everything you have said I am in alignment. And it just sounds like you have common sense. I can only feel that comes from working on the south end of a horse or a cow in your past. But what you were talking about, I look forward to helping you achieve your goal of making a realignment of the USDA to make it the most efficient agency in government. And that is such a critical thing, knowing the debt that our country is facing, we have to do more with less, and I look forward to working with you on that.

And you also talked about the USDA stamp, it should be revered and trusted, and I agree, because that stamp around the world stands for the highest quality product that you can get, and it is so important that we protect it.

And several of the things I wanted to talk about were already talked about. Your understanding of FMD, it is music to my ears. There was a point up here where it wasn't talked about much, and we know the threat. We haven't had that here since 1929. If it comes here, it would be devastating. And certainly, we know what happened with BSE with the three cases that were here, and how long it is just now taking us to recover after 15 years. And that was with no depopulation of any of the herds. And certainly, if we had an FMD outbreak, it would be devastating. It would take years and years to recover, not just our cattle herd but our trade.

And as we look forward, I look forward to working with you on the new farm bill to make continued improvements in the cotton program, as was talked, but not at the expense of other crops, *i.e.*, peanuts. I come from north central Florida, and the cottonseed program is something we talked about, to help give diversification to the cotton growers. And that is something that I hope you would consider looking at. But what we know is with these programs, you can't have one at the expense of the other one. And with peanuts, we certainly know within that one program you have discrepancy because you have the people that have generic and/or base acres, and then you have people that have neither, and they are growing peanuts right next to each other. One is at a disadvantage because they don't fall into a program. And we have seen people switch from cotton to grow peanuts because of the farm program. And there are some things that can be fixed in that, and I hope you will look at that. And not to penalize anybody, just to give that, I guess, parity on one peanut field to the next so that those farmers can stay in business, especially the young farmers that we see.

We have several things that we have put together. What I would like to do is having a meeting with you and maybe your staff, and go over some of the things.

And then coming from Florida, we have over 360 specialty crops in Florida. Florida is known for number one in the nation for melons, sweet corn, and citrus. Even with citrus greening, as Mr. Soto brought up, we went from 470 million boxes, we are down to under 70 million boxes. It is something that has to be dealt with, and we look forward to the robust funding that USDA has done.

And I guess one of my asks for you is, the research and development that we are doing is so vitally important, and again, USDA has been great on this, that we take that research and development, because we know one of the cures is probably going to be a GMO tree, to have the USDA help in marketing those products. And that is something I would like to see USDA get involved now to move to where we can start marketing that stuff.

Do you have any thoughts about that?

Secretary PERDUE. Well, you mentioned several things. Let me think of that and then I can address your final question. But certainly, from the vigilance over foot-and-mouth, as well as any other disease, Congressman, you know that we thought we were done with screwworms, and yet we have these things break out, and very quickly contained, but you have to be vigilant every day.

Mr. YOHO. Yes.

Secretary PERDUE. With your professional training, even the zoonosis that are threatening us around the world, we have to be there. The USDA inspectors and the food safety are the frontline, the safety net that we have in doing that. I look forward to discussing that with you.

Second, on the issue of peanuts and generic base, there probably needs to be looked at, some adjustments on generic base and the way they are used, going forward. That would probably be our recommendation, but that is a discussion for another time. The goal and the principle in the farm bill, whether it be crop insurance or the ARC or PLC, is let the market determine what our producers grow, not the programs. And that is my goal is to let them look at market signals and determine what they want to plant, not that I have to plant this because that is a better program crop than here.

Mr. YOHO. Exactly. Right.

Secretary PERDUE. We don't want to change people's habit of what they do well and how they do it. And we have seen some of that change, obviously, from cotton to peanuts, through the 2014 Farm Bill to do that as well.

Now, you are going to have to repeat your last question for me because I am a—

Mr. YOHO. I will send it to your office because I am out of time.

Secretary PERDUE. Okay.

Mr. YOHO. And I appreciate it, and I look forward to talking to you, and thank you for being here.

Secretary PERDUE. Thank you. Thank you, Doc.

The CHAIRMAN. The gentleman's time has expired.

Ms. Blunt Rochester.

Ms. BLUNT ROCHESTER. Thank you, Mr. Chairman. Secretary Perdue, on behalf of the State of Delaware, I would like to say con-

gratulations on your confirmation, and also to welcome you. I have a good friend who is our Secretary of Agriculture in Delaware, Michael Scuse, and he said to say hello to you, and that it will be a great pleasure to work with you. I am looking forward to that.

Secretary PERDUE. Good.

Ms. BLUNT ROCHESTER. I want to follow up on a question that Representative Bustos asked earlier. In my different roles in the State of Delaware, one of them was as state personnel director. When you talked about the reorganization and the realignment, I was interested specifically in the Under Secretary position for Rural Development. And I know that it is one that carries significant weight. You talked about it as well, the different responsibilities, and now pulling it closer to your office. And I just was hoping you could clarify, it is my understanding that there are many functions that the Under Secretary is legally able to perform, that a special assistant would not be able to perform. Is that correct?

Secretary PERDUE. I am not familiar with that. I don't know that that would have influenced my decision, had I thought that. With the Assistant Secretary reporting directly to me, I can't believe that that would be diminished. You are going to have directors in the three areas of Rural Development, with utilities service, water, and community facilities. You will still have directors in that, with the same subagency mission areas there. My expectation is that those people will continue to report to the Assistant Secretary. If their powers or influence or ability to operate are diminished, we will just have to figure out how we resolve that.

Ms. BLUNT ROCHESTER. Great. Maybe we can follow up just to clarify that after the fact.

Secretary PERDUE. Sure.

Ms. BLUNT ROCHESTER. And then the other question was, the Under Secretary was Senate-confirmed, and this would be appointed.

Secretary PERDUE. Our expectation is this Assistant Secretary will be confirmed as well.

Ms. BLUNT ROCHESTER. Confirmed as well?

Secretary PERDUE. Yes.

Ms. BLUNT ROCHESTER. Okay, great. And then the other question that I had was, I was really pleased to hear you say if they grow it, we want to sell it. And the whole focus on trade really sparked my interest, and given your high priority on enhancing trade opportunities in the U.S. agricultural products, can you share with the Committee your views on FAS programs like the Technical Assistance for Specialty Crops, and the MAP, Market Access Program? Do you support these programs remaining as critical tools in USDA's trade toolbox?

Secretary PERDUE. Absolutely. Your represented state, it is understood in your poultry industry how much export and how much trade affects that. The good news is we have a poultry ecosystem in this nation; Delaware, Georgia, Arkansas, and across the country, that is just unable to be replicated, from the feed grains and the processing and the growing, and it is a great blessing to do that.

All these tools, we have to have those tools and more available because our producers are going to challenge us. They can grow it,

they have demonstrated they can grow it, and the challenge would be to feed that hungry world with trade and export. We need all those tools available.

Ms. BLUNT ROCHESTER. Great, thank you so much.

Secretary PERDUE. Yes.

Ms. BLUNT ROCHESTER. And I yield back my time.

Secretary PERDUE. Thank you.

The CHAIRMAN. The gentlelady yields back.

Mr. Abraham, 5 minutes.

Mr. ABRAHAM. Thank you, Mr. Chairman. Mr. Perdue, certainly, as another fellow veterinarian, as Mr. Yoho said, we are glad to have you, as a fellow farmer we are glad to have you, and I am sure General Bacon, who is sitting right in front of me, as an Air Force veteran, is glad that he has a fellow Air Force veteran sitting in your chair. We are so happy.

We certainly look for a close relationship. And for a man that, as Governor, stood on the Capitol steps during a severe drought and prayed for rain, and then shortly thereafter addressed record flooding, I definitely want to be closer to you if things go south.

So you have answered certainly most of my questions. The Chairman had one on the cottonseed issue, and that is very near and dear to me in Louisiana. The Ranking Member brought up the State Director of Rural Development and FSA, when they would be filled. And then Mr. Crawford brought up the practical to replant issue, which hit us right between the eyes in Louisiana with the flooding last year. I appreciate you addressing all those issues.

The quick question I do want to ask is that, with furrow irrigation rice, your agency has allowed that to become an insured crop, and in Louisiana we certainly appreciate that. As you know, with the furrow irrigated rice they tend to use the blast resistant seed. And for those here that don't know what that is, it is a fungus that affects rice and just devastates yields. And if they use that seed; that blast resistant seed, production goes up, yield per acre, and certainly water usage goes down, so it is a great thing. My question is when can we expect final approval of this process to take place?

Secretary PERDUE. Congressman, you have me under water on your rice production right now.

Mr. ABRAHAM. Okay. Well, I will submit it to you.

Secretary PERDUE. That is something we will have to check on and to understand that, because as a non-rice farmer, I am familiar generally with the—

Mr. ABRAHAM. Okay. That is no problem.

Secretary PERDUE.—protocols, but not specifically that, and I can't give you a specific answer, but I can assure you we will get you one.

Mr. ABRAHAM. Okay, fair enough. And just one other quick question then, on my sugar farmers, RMA has kicked their crop insurance premiums up about 45 percent. And I have talked to my Farm Bureau people and they don't have any actuarial numbers to explain that increase. Does your agency yet have a reason as to why the sugar farmers got that increase and their premiums went up?

Secretary PERDUE. Again, we can get you the answer. The RMA has a board, as you know, that is responsible for setting the actuarial risk tolerances in that, and that is part of USDA, and you and

your farmers, your constituents have a right to that answer. I am hoping the answer would be that it is actuarially risk-based, and that is what has been demonstrated. If that is the case then it is hard to argue with that, but we will find an answer out for that as well.

Mr. ABRAHAM. Yes. If we have the objective data I would be good; but, talking to our Farm Bureau people, they say, "Well, the data is not there." But anyway, we will have the discussion, and I appreciate the forthrightness, and look forward to working with you.

I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman yields back.

Mr. Lawson, 5 minutes.

Mr. LAWSON. Thank you very much, Mr. Chairman. And welcome to the Committee.

Secretary PERDUE. Thank you.

Mr. LAWSON. I represent northwest Florida, but one of the things that is interesting, within my district, one in every four Floridians have been on SNAP at some point over the last 12 months; twice the national average. And so what level of commitment do you see that we can give to those of us in Congress that have this kind of food insecurity in our area to either enhance the SNAP program? And I was very interested in some of the information that you talked about earlier about education, when someone said about what do people have in their baskets in the grocery store, because growing up in a rural area in a community involved in a lot of farming, all of us as kids, wanted candy and different things in their basket, as a part of what kids actually do. How would you advise food banks to prepare for the added demand if SNAP gets cuts in the farm bill?

Secretary PERDUE. One of the ways, what you indicated in your district, what we need to educate people on is that SNAP usage is just not in urban areas, we have a huge rural utilization of SNAP as well in those areas, and the good thing about using those fresh fruits and vegetables you all grow down there is extremely helpful. Food banks, one of the things we can do in food banks is develop a wonderful, progressive food waste program where many of these foods we ought to be ashamed as a nation over our waste of some products, while some people go hungry. Developing programs where we can coordinate with our food banks in these under-served areas with safe food waste issues, policies that make sense, and maybe removing some of the things that don't make sense, maybe one of the areas we can work on together.

Mr. LAWSON. Right. And early on, Congressman Scott spoke about the 1890 institutions, and I happen to represent Florida A&M University that is one of them. And in the early years, there was quite a great deal of interest in agriculture and people returning. In fact, my father-in-law was the farm manager at the university. And it was a great deal of interest to students who were coming out. When I came up, as you say, I was in the FFA, 4-H club, and all of those areas that help you get very acquainted with farm products, growing cattle and poultry, and so forth. But they have been under-funded, and I really feel similar, and I know you have an institution in Georgia, which is right across the line, that we really can enhance that opportunity for students that are going in.

You made a statement earlier about, if you don't have these right here, these cell phones and other activities, that is what the young people really need, and the technology that goes along with it.

My question is what can we do when working on the farm bill to make sure that we engage those institutions more with the funding they need to develop more farmers? My father-in-law was at Tuskegee where they did a lot of research with the peanuts and all this other stuff. And so that sets the mould for the future of feeding everyone like you talked about, but those institutions need to get more engaged.

Secretary PERDUE. You represent the Rattlers?

Mr. LAWSON. Yes.

Secretary PERDUE. You mentioned FFA, and not only what Congressman Scott talked about with the HBCUs is that the opportunity to start earlier is helpful in these areas. And what I am really impressed about FFA and 4-H is, I had tele-town hall with FFA across the country in about six or eight places when I was in the school in Virginia, and the minority participation was amazing, and it thrilled me to see young minority students there interested in FFA projects, and not only from a production standpoint, but from the leadership it provides. And so anything you all can do, anything we all can do to encourage these young people, that is how we are going to change that old question of the aging of American agriculture and what that means. But Congressman Lawson, connectivity, we have to make it where they want to come back. And we also talked about the science and the technology. We have to help them with the capital inputs there on the front-end to let them start and understand how they can grow bigger in that way. But education is a huge part of it. Our extension agent working with 4-H is also critical to inspire them. I mean I have known some young people who would have been on the streets had it not been for 4-H and FFA, because that gave them purpose. And anything we can do on those programs is money well repaid many times over.

Mr. LAWSON. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Kelly, 5 minutes.

Mr. KELLY. Thank you, Mr. Chairman. And welcome, Secretary.

I am from Mississippi, and as you are aware, the conditions in cotton country just aren't good right now. And I know that the Chairman started out with that, but farmers in my state are telling me that they can't make it through another year without some relief from somewhere. I can't overemphasize how important this is because, as you know, Secretary, once we lose that cotton infrastructure, you just can't go back and re-get it there. And so I just want to make sure that you are going to explore all the options that you can to work with us, to take care of our cotton farmers so that we don't lose the ability to produce cotton in the future.

Secretary PERDUE. I will commit to you to do that. Certainly, the disappointment in the latest budget issues was kind of a tough slug for us because it limits my opportunities, limits my ability extremely there. But I have committed to the Chairman, you know that he is concerned about that, to do anything we can from the USDA to help relieve that.

Mr. KELLY. And I would be remiss, when Secretary Vilsack was here, I brought up to him, he ruled that cottonseed oil was not included in the *other oilseeds*. I disagree from a legal standpoint, being a lawyer. I just hope that you will re-look and make that your assessment, not his assessment. The law is not always black and white; sometimes it is gray. But I can see where reasonable minds can differ on whether or not cottonseed oil should be included in the *other oilseeds* or not, and I actually think that it should. And so I ask that you re-look at that and at least come to your own assessment on that.

Secretary PERDUE. We will. Again, certainly, cotton producers believe that the Secretary has that authority. Again, as a non-lawyer, I have to rely upon my General Counsel in that area, and will do so.

Mr. KELLY. Okay. And then the final thing is, several stakeholders are contacting me about your reorganization plans for replacing the USDA Under Secretary for Rural Development, and what can you do, and are you listening to their fears, are you listening to them, and what are you doing to alleviate some of those fears?

Secretary PERDUE. The fears are that the proof is in the pudding, and will it be held accountable. We have talked about it a good bit in here this morning about how I view it as an elevation with influence and access in Rural Development, rather than just a title. It is unfortunate that the media chose to portray it as a diminishment of the importance of Rural Development, and that is not the case. We are doing everything we can to persuade people and, again, we are willing to be shown, I am an output kind of guy, so wait and watch and see what I do. And that is what I would tell your producers is that I have brought this up, and I am convinced the fellow wants to do more, not less.

Mr. KELLY. I am very proud that you are here, Secretary. We have high expectations from you, but most importantly, I am glad because you don't have an accent like most of these people up here.

And with that, I yield back.

The CHAIRMAN. The gentleman yields back.

Mr. Panetta, 5 minutes.

Mr. PANETTA. Thank you, Mr. Chairman. Mr. Secretary, congratulations on your confirmation, and thank you very much not only for your past service to the State of Georgia, but for your future service to our nation as Secretary of Agriculture. It is an absolute pleasure to have you here. Thank you for taking the time to come here, and it is an honor to be in front of you to ask you these questions, to have this opportunity.

Secretary PERDUE. Thank you.

Mr. PANETTA. Once again, my name is Jimmy Panetta. I represent the Central Coast of California; what my colleagues know as, based on my advertising, and I will tell you, the salad bowl of the world. We have plenty of specialty crops in that area. And this point I will be so brash as to personally invite you out to the Central Coast of California so that you can reinforce your understanding of specialty crops, and also what it takes to harvest these specialty crops. And what I mean by that, and what you know and what you have heard, is labor, and that has been an issue. Obvi-

ously, California, like Georgia, experienced some droughts, especially one in the past few years, excluding this year, thankfully. But even during that drought, the number one issue for our people in agriculture, especially on the Central Coast, was immigration, was labor force. And now, based on the political atmosphere in this country, based on the changing socioeconomic atmosphere in Mexico and southern Central America, and based on Congress' failure to do anything on immigration since 1986, it is not just an issue, it is an emergency. And I tell you, every single person that I speak to in agriculture, farmer to farmworker, they will tell you that the lack of labor force is the number one most pressing issue that they are facing right now, and it is an emergency situation.

I appreciate your statement during confirmation to Senator Gillibrand when she asked if you had a commitment to making sure that producers have access to farmworkers, and your response was, "I will commit that to you, Senator." And then right away today, to Representative Costa, you said, "I will help to provide a way forward when it comes to immigration and making sure that there is labor there to help us harvest our crops."

If I could, Mr. Secretary, could you please elaborate what your commitment is and how you will help provide a way forward?

Secretary PERDUE. Certainly. I smile because with your Western Growers the other day, we were talking about produce and melons and those kind of things, and we were talking about this very issue. And I said, well, when I grew up, we were a diversified row crop farm, but he loved truck farming, he loved melons, watermelons, cantaloupes, beans, and sweet corn, but I was his labor right there handling those watermelons, so I know what it takes to harvest them, and I know that it is very, very difficult to get domestic labor to do that any longer. And it is not really a matter of taking American jobs at any cost. We had a situation in Georgia where the legislature felt like they needed to have a tough immigration bill, and it really flushed out a lot of the harvest labor that we had there in Georgia. And there was an example where the Governor said we will let probationers do this, and so they did that for a day or so, but after about half a day the guys said can we go back to prison, because they just weren't willing to do that work. We understand it.

The good news is the President understands as well. This roundtable that we had, I think he understands the contribution that immigrant labor has made to our fields and farms, in processing and other things. We know from poultry processing and other things, there is a lot of immigrant labor.

When I said a way forward, I don't know that I can elaborate on the path today, but I have specifically hired a young woman who is a lawyer from Nebraska, who worked with Farm Bureau, whose expertise is in the farm labor. And what we want to do is to give to my boss in the Administration an opportunity and to thread the needle over this issue of how we utilize immigrant labor in this nation.

I believe the heart is there, the how-to and the process right now is what we have to figure out, but I can tell you, trade, labor, regulations are job one, two, and three.

Mr. PANETTA. Great. Great. I appreciate that. Thank you.

And briefly, in order to make up for the lack of labor, does the USDA plan on any sort of investment in agriculture technology and ways forward?

Secretary PERDUE. Yes. It is interesting, I gave those guys the same example of that. While we have the wonderful land-grant institutions that Congressman Scott talked about, we have also got some technology schools that are using great processing technology, harvest technology, and preserving technology that make a lot of sense. We are going to look at where our research dollars go. If it makes sense to have a processing, harvesting part of the whole supply chain to benefit agriculture, we will do that. Our example in Georgia, as Congressman Scott knows, is that while our primary land-grants; University of Georgia as well as Fort Valley State, Georgia Tech Engineering School does a lot of work with poultry processing, and how to make that more efficient and better.

Those are the types of things we want to look at to make sure that we use those research dollars wisely, not just maybe in the basic production or applied production sides, but how we get that product in a safe, palatable way to the consumer.

Mr. PANETTA. Great, thank you.

I yield back.

The CHAIRMAN. The gentleman's time has expired.

Mr. Comer, 5 minutes.

Mr. COMER. Thank you, Mr. Chairman. And, Mr. Secretary, I am so glad to see that you are now the Agriculture Secretary. And everything I have read about you was excellent, and just hearing your testimony is really reassuring to me. I have always said it should be a prerequisite that the U.S. Secretary of Agriculture should have a farm background. I know you have an excellent track record in farming and agribusiness, and I am looking forward to working with you.

I represent 35 counties in Kentucky, 35 rural counties, and there are six Congressional districts in Kentucky. And when you look at the total agriculture sales in Kentucky, the overwhelming majority of those sales come from the First Congressional District of Kentucky. We have poultry, we have beef cattle, corn, wheat, horses, and a lot of tobacco. Tobacco is still a very important crop in Kentucky.

My question is, in many instances the previous Administration promulgated regs that were unachievable. For example, the FDA pushed forward a proposed rule at the very last minute that would limit NNN, I am going to say it, N-Nitrosornicotine, in smokeless tobacco to levels lower than growers could achieve. Will you commit to use sound, scientific data in rulemaking, and work with farmers and ranchers in drafting regulations to ensure that they are realistic and practical?

Secretary PERDUE. I will, Congressman. Again, my mantra has been sound science, fact-based, data-driven, customer-focused decisions. And that is what we hope to do. That is a balance, obviously. As you know, today, we have used science in a way that sometimes comes from an ideological perspective, and the *sound science* definition is in the eye of the beholder. We have to make sure at USDA we have an agenda-less investigation, and things that come out without a predetermined conclusion over our scientific discovery

that help us lead. I am not smart enough to create, intuitively, programs and policies without data, without science, without facts to do that. I agree with you.

The other part about that, when you talked about the agency that promulgated that, Secretary Price and I served in the state Senate. We have already talked about some interagency working between delineating FDA's role and USDA's role in some of these areas. The good news about the President's interagency task force over rural prosperity was, we get to talk about with different people how your rules affect my people, and how my rules may affect your people in that regard. We want to collaborate in a holistic approach to government, I think like I have not seen before; that is the Secretary of the Interior, FDA, HHS, Commerce and Energy, and those working together, the EPA Administrator. I told Scott Pruitt, I said my guys are much more excited about you than they are me, those folks are interagency.

Mr. COMER. We like you both.

Secretary PERDUE. Well, that is very reassuring, and I appreciate that and, again, look forward to working with you on that.

Mr. COMER. Back on that, the FDA's proposed rule on NNN invites the USDA, pursuant to the Tobacco Control Act, to submit an economic impact statement on growers for the record. Does the USDA intend to submit such a report?

Secretary PERDUE. If that is what the requirement is on this rule, again, I am not knowledgeable specifically about that. We will get you the specifics on it. But if that is what we are asked to do, our economists certainly will talk about the impact of that rule. And that is where we need to look at risk rewards on here, irrespective of how we feel about tobacco.

Mr. COMER. Yes.

Secretary PERDUE. My father convinced me it was unhealthy when I was in the sixth grade, but nonetheless, we know it is an industry and it is important to your district.

Mr. COMER. Well, and thank you. One quick question. When I am back in Kentucky, one question that always comes up in talking with the ag groups is when will we have a state FSA director. Do you have any idea of a timeline for the nomination of state FSA directors?

Secretary PERDUE. I would love to say as soon as possible. Obviously, we are collating and collecting all those names now.

Mr. COMER. Right.

Secretary PERDUE. You all have an awesome role in helping to recommend who those people are, because you know your people in your state better than we do. And as we start to roll those out, as soon as possible, we understand those state offices and Rural Development, and the FSA, we need those as quickly as possible. And we will commit to doing it as expeditiously as we possibly can.

Mr. COMER. Great. And I will close with this. You don't have to reply to this, my time is about out, but when I was the Kentucky Ag Commissioner, we had two new crops come online in Kentucky because we had processors. We had canola, which you are familiar with, and another one which you may not be as familiar with, industrial hemp. After the last farm bill, Kentucky implemented an industrial hemp program that has been a great success, and I am

looking forward to working with the House to advance policies that continue to grow on that and bring industrial hemp forward as a legal, viable commodity. I am working with Senator McConnell on that. I look forward to working with you and the USDA to find a reasonable, responsible path forward for industrial hemp to give our farmers another tool in the toolbox. And I just wanted to—

Secretary PERDUE. Both of your Senators have made sure I knew about the industrial hemp, and we have just got to figure out the policies of how that is corralled in a way that it doesn't get abused.

Mr. COMER. Exactly. Thank you, Mr. Secretary.

The CHAIRMAN. The gentleman's time has expired.

Mr. O'Halleran.

Mr. O'HALLERAN. Thank you, Mr. Chairman. And thank you, Secretary, for being here today.

First, a couple of comments. Mr. Kelly brought up the issue of cotton. You have heard that a number of times today. I would be incorrect by not making sure that I highlighted that Arizona grows a lot of cotton also, and some of the best in the world, and that my farmers are having the same problems as have been expressed here across this Committee today. And the other issue with a lot of them is they want to be able to pass their farms on to their children, and current conditions might not allow that to occur. And the immigration issue has been brought up in each and every one of the roundtables I have had with the agriculture community within the state.

Getting to a couple of other issues though, broadband technology is so critical to rural Arizona. My district is about 1,000² miles smaller than Georgia, so I have a lot of small towns in there. I have a lot of Native American Tribes, actually, 12 of them. The Navajo Nation is the largest in landmass in the country. We are not going to be able to compete, unless we have broadband, high-capacity broadband, we have to be able to compete with those sectors that are outside of rural Arizona to be able to create an opportunity for a knowledge-based economy.

The other area that I have real concern in is rural economic development, and some of the programs that are going on there. The water and the infrastructure issue is critical. The skinny budget calls for elimination of water and waste water programs. I would like to hear from you how we are going to address these issues in a meaningful way, because they have been issues decade after decade, and we still aren't making sure that rural America and our Tribal Nations, just to give you an idea, the Navajo have 48 percent unemployment, the Hopi have 60 percent unemployment, and my White Mountain Apaches, where I can't get a cell signal in the middle of their town, has an unemployment rate of 80+ percent.

And so, Mr. Secretary, I would just like to get a rounded opinion of how you are going to get there.

Secretary PERDUE. Well, again, I am a former Governor, and sometimes I didn't like what the revenue estimates were but we dealt with it. Now, the other thing I learned as Governor was, I proposed a budget but there was another group that had some input into what the budget was going to finally be. They were called the appropriators. I understand that very well. I think you all have a collective wisdom regarding from your constituents over

where these things need to be placed. And my commitment to you is whatever comes out of that, I am going to make it work to the best of our ability. I hope you all have the wisdom to know where those needs are, and I trust that you will, but at this point, I am not a proposer, I am an administrator, and I am going to take what comes out, and we will see what the President's budget is next week. You all will have your shot at it, and whatever you determine, I am going to make sure we get as much value from that budget as we possibly can.

Mr. O'HALLERAN. Thank you, Mr. Secretary.

My constituents expect leadership out of me, in the Executive Branch of government it is necessary to find that leadership. I believe you have the capability to have that leadership, and have proven that in the past, so I will look forward to working with you on these issues.

The last issue I have is forest fires and the type of funding that is coming out and being dealt with from forest fires. It takes a huge amount of money away from the ongoing maintenance of our forests, and the preventative issues that will help us out in not only maintaining a critical natural resource, but in clearly identifying the need, going forward, of lessening the impact of forest fires. If you can give me an idea of what direction you might be going in there.

Secretary PERDUE. We want to get the Federal fire budget corrected, and not from being upside down, as soon as possible. I know that its appropriators are in a different section than the ag appropriators, but we are working with them on the House and the Senate side to help get that corrected, because for renewable resources, we have a great asset out here in the U.S. Forest Service lands out there that ought to be productive, revenue-generating, jobs-creating, and that is my goal is to get the U.S. Forest Service right sized, where we are in the prevention business and not the suppression business. And the prevention part of that means economic activity, it means jobs. That means we have to have the money to restore roads and make sure that loggers can get in here and get that out. That means we have to do some regulatory work over getting the litigation issues out. And the ultimate goal is to be good neighbors. I would love for our U.S. Forest Service to manage our public forestlands just as well as our private landowners are across the land.

So that is my goal. It is a big challenge. It requires your help in the fire budget, and maybe policy-wise in getting forest fires treated like natural disasters, like floods, hurricanes, tornadoes. That may be one part of the solution. It is a challenge I look forward to, and I hope that in 2 to 3 years you will see we have a much more productive U.S. forests than we have now.

Mr. O'HALLERAN. Thank you, Secretary.

Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired.

Mr. Marshall.

Mr. MARSHALL. Mr. Secretary, welcome.

Secretary PERDUE. Thank you.

Mr. MARSHALL. And on behalf of all the hardworking farmers and ranchers that make the big First District of Kansas the largest agriculture-producing district in the country, welcome.

As Congressman Lucas mentioned, Kansas has faced more than her fair share of natural disasters this year. Early in March we lost about 600,000 acres of grass, 10,000 head of cattle, and hundreds of miles of fence to the biggest wildfire on record. We thought we had enough, and then Mother Nature gave us 15" to 20" of snow on that laid headed wheat fields flat. Disasters like these are prime examples of the need for a strong farm safety net, and I greatly personally appreciate all your Department has done to help work with us in an efficient manner. They were gentlemen, professionals, every one of them, and we appreciate their help.

One hole in the safety net that we have seen is the challenge though of current payment limits and their impact on average-size Kansas family farms. I understand that most of these payment limits are statute, and I am interested what authority the USDA might have to modify its limits on the Emergency Conservation Program. ECP is the primary program producers are used to, to replace fences and the watering facilities destroyed by the fire. Replacement of fence costs \$10,000 a mile, making a \$200,000 payment limit a major barrier to families trying to recover. Raising that to match the Emergency Forest Restoration program of \$500,000 would go a long ways in helping our producers rebuild.

Secretary PERDUE. Thank you very much. And whenever you see these kind of tragedies it is heartbreaking to know these are people, they are families, their livelihoods, and that matters. The problem as you mentioned, most of it is statutory regarding those limits. I can assure you we will use the resources of USDA. I appreciate your kind comments about the indemnity program, how quickly that was done. Oftentimes in some of these programs we have said, the government is here to help you, and it is a year or 18 months later, and they are out of business by then. I appreciate the work of our FSA people there on the ground, and the indemnity providers, both from fencing and from livestock replacement and others.

There are limits, and that is in your bailiwick to address. The ECP program, it is my understanding that we have exhausted the revenue in that as well, but I will commit to you any flexibility we have in helping restore these people and mitigate their loss, we will execute.

Mr. MARSHALL. Thank you, Mr. Secretary.

We are excited to hear your tone about trade, and making an Under Secretary dedicated to trade is a critical step. I want to echo that I feel like we have very successful Market Access Program and the Foreign Market Development program, that they are doing a great job, and we want to accentuate the positive that the government is doing. To that end, several of us have authored a program called the CREATE Act, which will also help fund that even further.

In the meantime, we are hoping, and based on your words, you are going to be a champion for these programs as well. And I am sure you are familiar with them. What can we do in Congress to

help you do your job better to help promote trade? What do you need from us to work with you side by side?

Secretary PERDUE. I have some ideas, but we are formulating that right now. Specifically, I don't know that I am prepared to go there this morning, but I can assure you by the time the budget comes around, the farm bill comes around, we will have specific requests over that, and looking at the barriers that we feel are to international trade. The ability to have this Under Secretary for Trade is one step that we can go, and travel and be on their doorstep, knocking on their door saying what can we sell you today. We will have a better, as I get into it, we will have a better idea of where the specific areas that we need help in, and we are not going to be very bashful about asking for it.

Mr. MARSHALL. I am sure that all your jobs you have done before, you are pretty familiar with the Market Access Program and the Foreign Market Development Program, and I just want to know what your assessment of them is. I know you are very early, so I apologize for asking that so early in the process.

Secretary PERDUE. No, they are important, and that is one area where the Foreign Agricultural Service, our acting Deputy Secretary there now has been immensely helpful in the sugar negotiations, and our Secretary of Commerce would love to hire him away. He has been really helpful in the beef issue and other things, because he has just been like a right arm for them and helping them understand these markets on trade. I am really proud that we have people like that, career people there who understand that, know that, the Market Access Program and helping people otherwise in the AMS is really important as well.

I will have more specific ideas about the needs and what we can ask for later on.

Mr. MARSHALL. Thank you, Mr. Secretary.

I yield back.

The CHAIRMAN. The gentleman's time has expired.

Ms. Plaskett, 5 minutes.

Ms. PLASKETT. Thank you, Mr. Chairman. And thank you, Mr. Secretary, for being here, and congratulations on your confirmation last month.

Secretary PERDUE. Thank you.

Ms. PLASKETT. We are very pleased to have you working with us on the issue of agriculture.

First, of course, I have to touch on a local issue, since I only have 5 minutes, I want to make sure that I take care of my people first.

Secretary PERDUE. Thank you. That is what representative of the government is all about.

Ms. PLASKETT. Well, let me, of course, first let you know. Everyone has invited you to their districts, but I have the best district to invite you to; the Virgin Islands. And we have extended that invitation as well to the Chairman. Chairman Conaway, with your additional responsibilities, I am sure you need a field trip now to the Virgin Islands more than ever.

Mr. Secretary, one of the things that our local farmers are concerned with, and I spoke with our Commissioner of Agriculture just recently about this, the USDA has many offices that service the Virgin Islands, but not in the Islands themselves. For example, the

Farm Service Agency support is funded and administered through Florida, and our NRCS services depend on the USDA staff housed in Puerto Rico. That is of particular concern to us because we are having a growing and burgeoning agriculture sector, and we want our farmers to have the technical support and the assistance that are needed. We rely heavily on staff from Puerto Rico to travel to the Virgin Islands to provide that assistance. And we have had problems getting them to come to the Virgin Islands often enough, due to travel restrictions, budget shortages, and for other reasons. For example, one of the key irrigation engineers has not been in the Virgin Islands in over 2 years, and there are others who have not been to the Island of St. Thomas in over 3 years.

If NRCS' Puerto Rico budget is further cut, the Virgin Islands stands to be set back even further from where we are in our rural economy and our rural growth. And I am asking for a commitment from you and your office to work with me and our local agriculture office on issues of deficiencies and where we can meet the needs of access to USDA services for our farmers, and also for our cooperative extension services at our university, which does an amazing job but also lacks that support.

And so I would love to be able to call on you and those within your office to assist us in that.

Secretary PERDUE. I hope we can learn more about the specific issues and how we can maybe build a team to come and to assess that.

Ms. PLASKETT. Yes.

Secretary PERDUE. I can't commit right now to redeploying assets there, not knowing where they are currently, but I can assure you that the burgeoning agriculture in Virgin Islands is really just as important as it is Puerto Rico or other places, and the technical expertise that you know is needed there, whether it be irrigation technology or other things, we look forward to providing. I would love to get more specific information about those specific needs, and look at deploying a team there to maybe hear from your people about how we can do a better job that way.

Ms. PLASKETT. Great. I would appreciate that.

I know that there has been much discussion about the position in terms of Rural Development and how it is going to be administered. When you say, this is probably the lawyer in me asking for specifics, if you say that the Assistant Secretary who is going to be dealing with Rural Development, that it will be a Senate-confirmed, will that be below the Under Secretary or is that reporting directly to you? How would that structurally be done?

Secretary PERDUE. Right. It is a good question. An Assistant Secretary will be a direct report to me. It will manage the three mission areas of Rural Development, both utilities and community facilities, water, and other areas there. They will report up to here. It will not be reporting to an Under Secretary. The reason I wanted to elevate that because, as I indicated earlier, I don't consider myself a micromanager, but I do consider myself a hands-on manager.

Ms. PLASKETT. Got you.

Secretary PERDUE. And this was an area of Rural Development with a lot of resources, the ability to leverage a lot of resources out to communities, with, frankly, a good deal for the American tax-

payer. It is negative subsidies in most of these cases. I am very, very impressed with the banking experience of our Rural Development people in that regard.

Ms. PLASKETT. Excellent.

Secretary PERDUE. I am just curious enough and jealous enough I wanted to be involved in that, and that was the best way I knew how to do that.

Ms. PLASKETT. Excellent. And will that Assistant Secretary have other areas in their portfolio outside of Rural Development?

Secretary PERDUE. No, just that Rural Development piece.

Ms. PLASKETT. Okay.

Secretary PERDUE. That is a pretty big chunk and a big responsibility. I am just going to be their assistant.

Ms. PLASKETT. Thank you. And then the last thing was regarding rural broadband. When we talk about the Minority Leader in the Senate talking about an allotment for rural broadband deployment, and under the Senate proposal rural broadband funding is going to be available to projects currently eligible under existing programs in the Department of Agriculture. Is your office going to be advocating for inclusion of supplemental rural broadband in the infrastructure package, or do you see an area in which we can support that?

Secretary PERDUE. Well, as I indicated, in the infrastructure meeting we had yesterday rural broadband is at the top of the list, inland waterways, ports. They know that broadband enhances economic development. The connectivity out here in rural areas, and the Executive Order the President signed for rural prosperity. That is just as important as roads, water, sewer, and other things for economic development in today's society. Plus the sociological impact of just keeping kids there where they are connected.

Ms. PLASKETT. Yes. Thank you so much. And thank you for your indulgence, Mr. Chairman.

The CHAIRMAN. The gentlelady's time has expired.

Ms. PLASKETT. I yield back.

The CHAIRMAN. Mr. Bacon.

Mr. BACON. Thank you, Mr. Chairman. Mr. Secretary, thank you for being here. Congratulations on your confirmation, and we look forward to your leadership. And I am not only a fellow veteran with the Air Force, I am a fellow veteran picking watermelons, sweet corn, all that on the farm as a kid, too. It is a great upbringing. It was a good way to grow up.

Secretary PERDUE. It is a great way to grow up.

Mr. BACON. If I had to put the top issue in Nebraska for economic is trade. We are very dependent on our soybean trade, beef cattle, pork, and so forth. And with prices down 50 percent, supply high, and demand being suppressed, the best thing we can do is open up those doors in China, Japan, perhaps Great Britain, after Brexit, getting a trade deal with them.

I do hear a lot of concern talking to our agriculture community in Nebraska with some of the statements that have come out of the Administration, whether it be NAFTA, TPP, and so forth. And I know there is a commitment to bilateral trade, but can you just give some confidence to the Nebraskans that our Administration is

boresighted on this, that they know the importance of agriculture and the trade of our agriculture products overseas. Thank you.

Secretary PERDUE. I really hope that has already been demonstrated with the President's decision on NAFTA, knowing that NAFTA is very important to Nebraska and that middle part of the country, and how agriculture has benefitted from that NAFTA agreement, as well as the agreement with China. You grow a few cows in Nebraska.

Mr. BACON. We have a lot.

Secretary PERDUE. They are going to benefit from opening that market as well. Hopefully, we are on the right end. And as Secretary Ross likes to say, we have just only just begun.

Mr. BACON. Yes.

Secretary PERDUE. I take him at his word on that. And we have a lot of things that we do very well, and I hope we can get those things done as well. I am an outcome kind of guy, again, show me rather than tell me kind of thing, so hopefully we are showing.

Mr. BACON. Well, thank you on that. And I do believe that is our number one economic issue for Nebraska.

If I had to put a top three issue for like our cattlemen and our pork producers, it is foot-and-mouth disease. I want to thank you for your commitment here today already, saying that you want to make sure that we have the right safety plan in place, and a precaution that could prevent a catastrophe if that breaks out. That would put us back for years if that happened. And I hear a lot about it from our cattlemen and our pork producers.

But the last thing I just want to ask you is concerning the SNAP program. I probably know about 100 different employers of different industries in the Omaha area, and their top concern is to be able to hire full-time employees. They get a lot of part-time requests, but they are having a hard time filling their employment rolls with full-time work. And they think, or many of them think it is the cliff effect with a lot of the programs that we have that, if you earn over a certain amount all of a sudden you lose all of your benefits. They would like to see a more tapered decline as you earn.

Do you think our SNAP program has that built in, or do we need to do more work on that to ensure a more gradual decline as you earn more? Is there more work that we could do there, in your opinion?

Secretary PERDUE. I think that is a good point, and many people have talked about that. We know that the SNAP benefits are not that large anyway, but what we tried to do in Georgia was get people to step out with using some of our resources over training and transportation, childcare, in order for them to get a job. But, I would welcome the consideration of a tiered pathway down, rather than jumping off a cliff in that way. And that could have the effect of being more encouraging for people looking for work and doing that, knowing we have had some anecdotes about people not wanting to take a job because they would lose benefits, and if we had a tiered approach of doing that it would make more sense.

Mr. BACON. Well, thank you. As I mentioned, I have had three different roundtables with probably around 100 employers, and

that was the consensus as being the number one issue that they are facing, at least in the urban area.

Secretary PERDUE. Right.

Mr. BACON. I appreciate your consideration on that.

Secretary PERDUE. Okay.

Mr. BACON. With that, I just want to commit to you that this Committee and I, we look forward to working with you.

Secretary PERDUE. Thank you.

Mr. BACON. Your position and what you do has a tremendous impact on our state, and we thank you for your leadership.

Secretary PERDUE. Thank you, sir.

Mr. BACON. Mr. Speaker, I yield back.

The CHAIRMAN. The gentleman yields back. I appreciate the promotion, but I am the Chairman.

Ms. Adams, 5 minutes.

Ms. ADAMS. Thank you, Mr. Chairman. And congratulations, Mr. Secretary, and thank you for being here.

Secretary PERDUE. Thank you.

Ms. ADAMS. I want to get back to HBCUs. I am a proud graduate twice of North Carolina A&T, and taught for 40 years on the campus of Bennett College in Greensboro, and so I know that we have a unique relationship with the Department of Agriculture with the 1890 land-grants. And in the next farm bill and through other legislation that comes through Congress, I want us to focus on the things that we can do to help prepare these universities, which in many of the places where they are located, they are the economic engines in their communities. And one issue I want to raise with you today is a level of state-matching funding that 1890s receive for grants from USDA. Currently, North Carolina A&T, which is an 1890 institution, receives less state-matching funding for grants from NIFA than their fellow 1862 institutions in the state, like North Carolina State University. And so while North Carolina State University receives well above a one to one match from the General Assembly, I served there for 20 years, A&T receives .8 to 1 in funding that it needs to meet the Federal matching requirements. It is my understanding, Mr. Secretary, that the states have to submit a work plan to NIFA that outlines how 1890s and 1862s will use the funding that they receive from USDA and from the state.

My question is, would you support your Department publicly disclosing how much total funding by state that 1890s and 1862s receive, so that we can determine what state governments are doing to match the Federal commitment and hold them accountable for the level of funding that is provided to the land-grant schools?

Secretary PERDUE. I think that constituency has done a good job promoting their issue to the President, and I have heard his commitment as well, and obviously from USDA's perspective we believe in transparency if you are going to be facts-based data-driven, you need to share those information and let people know what facts and data you are making decisions on. Certainly, we would be happy to disclose that. That is within every person's right to know.

Ms. ADAMS. Okay, thank you. Let me ask a question about SNAP. And so as we approach the next farm bill, we have had continuous discussion from key Congressional leaders that the SNAP

program could be reauthorized separately from the farm bill. Do you support a 5 year farm bill that includes the SNAP program in its current form, and does not convert SNAP to a block grant program?

Secretary PERDUE. It would be very unwise for Congress to try to promote a separate farm bill without SNAP included. I just think that the coalition between advocates for food nutrition as well as agriculture is a strong coalition to do that, and it would be unwise to do otherwise.

Ms. ADAMS. Thank you. I support that.

Hurricane Matthew was devastating to cotton farmers in North Carolina last fall, who were already struggling from losses in 2015. What is the status of proposed changes by the Risk Management Agency for the quality loss adjustment standard for cotton?

Secretary PERDUE. In my opinion, that is one of the areas they missed the mark on. As I have told you, those 2017 contracts are already issued and we can't change that because that is an insurance product, and you are dealing with other people's money, but I can assure you I will have my voice heard in the 2018 contracts regarding the quality loss on crops.

Ms. ADAMS. Okay.

Secretary PERDUE. Cotton being treated like other crops are with degradation of quality.

Ms. ADAMS. Great. And one last point. A strong rural economy is necessary for healthy economic growth in urban communities like Charlotte. I represent Charlotte. Should we be expecting additional cuts to rural programs, specifically those that promote food access?

Secretary PERDUE. I missed that. If that was a question, please restate.

Ms. ADAMS. Well, in terms of should we be expecting additional cuts to rural programs, specifically those that promote food access.

Secretary PERDUE. I hope not.

Ms. ADAMS. I hope not too. Thank you, sir. I appreciate it.

And I yield back, Mr. Chairman.

The CHAIRMAN. The gentlelady yields—

Secretary PERDUE. You and I have a bond, Congresswoman. My grandmother's name was Alma.

Ms. ADAMS. All right. That means *soul*. Good woman. Thank you very much.

Thank you, Mr. Chairman, I yield back.

The CHAIRMAN. The gentlelady yields back.

John Faso, 5 minutes.

Mr. FASO. Thank you very much, Mr. Chairman. Governor, congratulations. I look forward to working with you.

I represent a district in upstate New York in the mid-Hudson Valley in the Catskills. Goes from Hyde Park to Cooperstown, from Vermont to Pennsylvania. It is a large rural area. And I very much appreciate your nomination and confirmation, and I hope that you won't forget places like upstate New York. Sometimes folks from other parts of the country think New York, and they think New York City and urban, well, we have a lot of rural areas in upstate New York.

Secretary PERDUE. It is beautiful upstate.

Mr. FASO. And your agency has been helpful to us on certain flood mitigation projects and rehab projects with the Natural Resources Conservation Service, and also your recent issuance of a guideline on food nutrition allowing flavored milk in school lunch programs. Vitally important in a part of the country where our dairy farmers look perplexed at the fact that the USDA will restrict certain milk products in school lunch programs. And I have always thought it is unusual that the same USDA that says you can't sell whole milk or flavored milk, or have it in a lunch program, allows us to purchase \$3 billion of soda in the SNAP program. I have yet to hear anyone say that soda has any nutritional benefit, and yet we do that.

My farmers keep, and many of the apple growers and other farmers, keep raising with me is the difficulty in getting the seasonal agricultural workers into the country. And there are a lot of complaints about the time and the effort and the expense of dealing with the Labor Department, and I am wondering if you have an opinion on how we could expedite these H-2A visas and that process because my farmers trying to harvest apples in the fall this year are not going to be able to hire locals because locals, as you alluded to previously, will not do that work. And it is vital that we are able to bring seasonal agricultural workers who have experience and knowledge to work on these farms throughout our region. Could you respond to that?

Secretary PERDUE. I would be happy to. I am aware, obviously, personally and through my briefing here that the H-2A program has been essentially unworkable with recent additions in that way. We are familiar. We have a lot of H-2A utilization in Georgia, and I know from growers that it has become much more burdensome, much more expensive to comply with that. This person I mentioned earlier that we had hired with farm labor experience has been directed by me to look at the H-2A program, see if that is the vehicle we need to go through currently before we can get maybe a broader farm labor resolution. We are going to be working on that, presenting the Administration and you all some ideas on, from a regulatory perspective, how we can streamline H-2A to be a more dependable source, a more reliable source, of immigrant labor to harvest those crops.

Mr. FASO. Thank you, Mr. Secretary, because this is truly vital. I talked to an apple grower in my area in Columbia County, in Kinderhook, my hometown, just yesterday, who told me that the prospects of a great harvest this year are looking well and they are very encouraged, but if they can't get the workers to help harvest this crop, it is going to be for naught. And so I hope you will take this back to the Administration and to the President and tell them it is vitally important that we have a stream of workers who can come into the country and perform these seasonal tasks. It is critical to our economy in my district, and I know in districts all across the country.

Secretary PERDUE. I agree wholeheartedly. And the good news is I do think that is the President's heart, and we will continue to be very strong, voracious advocates in that regard.

Mr. FASO. Right. Thank you so much. And if we can just remind folks here in Washington, D.C., that September and October are

just around the corner. We need these workers here in this country. We can't wait until the last minute. We have to give certainty to our farmers.

I very much appreciate your service as Governor of Georgia, and your service now to our country as Secretary of Agriculture, and I look forward to working with you and your Department. Thank you so much.

Secretary PERDUE. Thank you.

Mr. FASO. I yield back, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired.

Ms. Kuster.

Ms. KUSTER. Thank you very much, Mr. Chairman. And I want to echo the words of my colleague, welcome. Thank you very much for your service to our country. I hope you will find this to be one of the bipartisan committees on Capitol Hill, and in particular, so many of the things that both of my colleagues have mentioned on both sides of the aisle, I echo in my district in New Hampshire.

I want to focus in, I see that in this skinny budget a 21 percent funding reduction to USDA, so I imagine a lot of the discussion today has been taken up by that. In particular, one program was eliminated that has been very, very effective in northern New England, and the name of that is the Northern Border Regional Commission. Are you familiar with that, Mr. Secretary?

Secretary PERDUE. Does that have to do with the restoration projects or northern, I am not sure that I am.

Ms. KUSTER. It is, frequently we use it in my district, communities do in conjunction with Rural Development funding, and it has the same kind of leveraging impact. It is a grant program for primarily economic development. I represent in the northern part of my district a region that was heavily dependent on paper mills, furniture, that kind of thing, manufacturing, that has left the area. And just to give you a sense of this, the former Groveton Mill in a very small town called Northumberland, received funding from the Northern Border Commission to repurpose the mill into an industrial park that is now attracting new manufacturing jobs; many of them companies from Canada moving to the United States to make products in America, and help the middle-class make it in America.

I would just ask you if you would go back and talk to your team about the Northern Border Regional Commission, and urge you to support funding. The leveraging impact alone is really extraordinary. I am just looking at the awards in 2016, \$1.8 million awarded, \$19.5 million in matching funds. A small amount of money goes a long way, and I know you are frugal with our tax dollars, as I am.

Secretary PERDUE. I do understand more now. I didn't recognize the name, but it is very similar to what we have done in the South with the Appalachian Regional Commission.

Ms. KUSTER. Yes. Yes.

Secretary PERDUE. I have been very involved, and I chaired that Governor part of that issue and I can tell you the good it has done through that area. I am not familiar with the northern, but it sounds like a very similar commission.

Ms. KUSTER. Very similar.

Secretary PERDUE. I am very familiar with the impact and effect of it.

Ms. KUSTER. It is modeled after the Appalachian—

Secretary PERDUE. What states are impacted by the northern border?

Ms. KUSTER. Maine, New Hampshire, Vermont, and New York State.

Secretary PERDUE. Well, I am very familiar with the good that can be done through those commissions.

Ms. KUSTER. It has really been an incredible program, so I urge your support.

I also wanted to focus and continuing that line on the USDA Rural Development program, and I note in my briefing that this is being moved around somewhat in your organization, and I won't spend a lot of time on it because I need to get to two other questions, but I would urge you that the Rural Development program is critical. And right now, I am the bipartisan co-chair of what we call the Heroin Task Force. We have 85 Members of Congress working in a bipartisan way. Rural America is just being slammed by loss of manufacturing jobs, by this influx of heroin and opioids, and we cannot do without the economic development, the health care, all of the different types of development from Rural Development, including an amendment that I was able to get on the farm bill that those funds can be used for community colleges. I can get back to you offline with that because my time is very limited.

I am going to submit a letter to the record in support of the Organic Livestock and Poultry Practices rule, signed by 334 certified organic beef, pork, dairy, and poultry producers, representing \$2 billion in sales. We made great progress in the last farm bill for organics in a bipartisan way, and I hope we can work with you.

[The letter referred to is located on p. 72.]

Secretary PERDUE. Certainly. The question?

Ms. KUSTER. Just I hope we will be able to work with you, going forward, in the farm bill in support of organic trade.

Secretary PERDUE. No question. It has been a great consumer win for a lot of people, and the smaller organic farmers have given them an opportunity to get in the marketplace. And sometimes now we may see, and that is the issue over making sure they are certified, we see some of them maybe crowded out with larger operations as well.

Ms. KUSTER. Well, I look forward to working with you.

I will yield back, but I do want to submit that letter for the record. Thank you very much.

The CHAIRMAN. The gentlelady's time has expired.

Mr. Arrington.

Mr. ARRINGTON. Thank you, Mr. Chairman. Congrats, Mr. Secretary—

Secretary PERDUE. Thank you.

Mr. ARRINGTON.—on a distinguished career in public service, and thank you for your willingness to serve our country and make the sacrifices. I noticed you have 14 grandchildren, so you do have other things you could do.

Secretary PERDUE. That is right.

Mr. ARRINGTON. Thanks for choosing to continue to serve and being the chief advocate for the ag industry in the United States. And I am proud of our President who has put the overarching philosophy on his decision-making of America first. American manufacturers, American producers.

And I was giving my colleague a hard time in the hallway, I said if he enjoys the Virgin Islands, he is going to love west Texas. There is just an ocean of cotton out there, as you know. And thank you for being so gracious about taking my call the other day.

Secretary PERDUE. Yes.

Mr. ARRINGTON. I am just going to repeat some things, because it is too important. It is life and death for my region, and that is our cotton producers. West Texas and agriculture is life, it is our identity, but cotton is king. And all ag producers are struggling, you know that, for all the reasons that you already know, but cotton is the only commodity out of title I, just completely exposed to the market risks and volatility, and market manipulation that we have seen from China and others. And it is a crisis, and I am just asking you and pleading with you, Mr. Secretary, move with the speed of the crisis and the sense of urgency that our producers, our economy, cotton ginneries, farm implement dealers, ag lenders. It is devastating. Devastating.

One of the most sobering and enlightening experiences I have had is when we had a panel here of experts, ag policy, ag economists, and I asked the question, could you use the same rationale that the World Trade Organization, with the Brazil case, could you use the same rationale, or could someone make the case for other commodities using the same rationale, that would ultimately lead to pulling corn or sorghum or wheat, and the answer was unequivocally yes. Someone could make the same case on how we support other commodities in this country, and could cause us to pull them from title I. If we are not willing to do that to all commodities, we shouldn't be willing to do it to one.

And I apologize because I had another hearing, I would like to hear your thoughts about cotton and the devastation and the crisis, and what you can do, and I know that there are different avenues, and I implore you to look at all strategies to save cotton production as we know it in America.

Secretary PERDUE. Thank you very much. As I told you on the phone the other day, we are well aware of that. Certainly, the best thing is that cotton prices continue upward. That is the ultimate solution. The good news is supply and demand is improving, with more consumption and production recently. All those are good news, but that doesn't necessarily negate the fact that producers are already hurting.

I know that as I understand it there was a decision among the integrated cotton industry based on the WTO adjudication earlier that they would prefer not to poke that in the eye regarding being in title I. Unfortunately, the STAX program was not as successful as Congress had hoped it would be, and that brought some issues.

The disappointing part is the final deliberations of the budget reconciliation bill limited my options severely. But I will commit to you that within the statutory authority, within the budgetary authority of the USDA Secretary, I am going to do everything I can.

The problem is I don't want to give false hopes because those options are really limited, and we talked about those.

Mr. ARRINGTON. Yes. Yes. Thank you for that response. And if I achieve anything as the representative from west Texas, District 19, I hope it is working with you to find relief for our cotton farmers, and equity in the treatment of cotton as a commodity relative to the others.

I was at a Texas and Southwest Cattle Raisers event the other day when China announced they were opening up their markets to our U.S. beef. Could you comment on that and kind of the next steps please?

And I yield back, Mr. Chairman.

Secretary PERDUE. Yes, sir.

The CHAIRMAN. Go ahead.

Secretary PERDUE. We are obviously optimistic and excited about the potential of getting our beef back into China. That is important to Texas as well and much of the Southwest. We don't want to exalt too much just yet, exalt in that we have still some work to do from a protocol perspective, we have some work to do from technical, but I believe that we and they are very serious about this, and we will do the victory dance hopefully pretty soon.

Mr. ARRINGTON. Thank you.

The CHAIRMAN. The gentleman's time has expired.

Mr. Davis, 5 minutes.

Mr. DAVIS. Thank you, Mr. Chairman. And welcome, Mr. Secretary.

Secretary PERDUE. Yes.

Mr. DAVIS. As we know, there is never any geographical turf battle when it comes to agriculture, but as somebody who comes from the Midwest, I have heard nothing but compliments about your appointment as Secretary of Agriculture. There is a lot of optimism, a lot of hope out there that your experience and what you can bring to the position is going to be very beneficial for our farmers in the Midwest, and also agriculture as a whole.

I want to say thanks again. And as the Subcommittee Chairman of the Biotechnology, Horticulture, and Research Subcommittee, I am especially interested in the research title among the other issues that we deal with on that Subcommittee, because I represent the land-grant university, I call it the best land-grant university ever, the University of Illinois, but also non-land-grant universities like the Illinois State University that rely upon a very robustly funded ag research program.

It is my belief too that investing in research today will save us cost tomorrow, especially when it comes to agriculture. And I saw that the President's 2018 budget blueprint indicates that it supports farmer-focused research and extension partnerships at land-grant universities, and requests \$350 million for AFRI. And furthermore, it indicates that the Agricultural Research Service's funding should be focused on high priority agriculture and food issues.

Mr. Secretary, I know that my colleague, Austin Scott, and my other colleague, Jimmy Panetta, mentioned ag research earlier in the hearing. Can you expand on your responses there and give us

even more perspective of how you feel research should be funded when it comes to agriculture?

Secretary PERDUE. Well, as an advocate for agriculture generally, and I am also aware that research, extension, the transfer of applied and basic research to the field has been the reason for the wonderful productivity in Illinois and other parts of the nation regarding that. We have produced our way into a surplus that we are suppressing prices, now we have to sell it. But the fact is we can't stop research because the challenge of feeding nine billion people by 2050 will be insurmountable if we don't have the new technology, the genetics, and other things it will take to feed a hungry world.

We are going to be an advocate for research, basic research, applied research, the applied extension of those best practices out in the field to help preserve the environment and help to produce more.

I don't know how else to expand on it to let you know that as a product of public education, from the high school to the public land-grant university, I am a big believer.

Mr. DAVIS. Well, thank you. And I know that you have been here a long time. I have shuttled back and forth between two different hearings today, and you have sat there answering every question, and I know how difficult that is and I appreciate that and I appreciate your candor.

I am glad you mentioned biotech. It is another one of the areas that my Subcommittee has jurisdiction over. Technology is approved in the United States but not approved internationally. As we know, they face serious risk and uncertainty when we try and operate in agriculture in the global marketplace, and that sometimes prevents some of my farmer in Illinois from gaining access to that global marketplace.

Last week, the Administration released a statement detailing the priorities of the 100 day action plan with China, and it contained a commitment to review pending agriculture biotechnologies. And many of these pending applications have been waiting for more than 5 years for Chinese approval. Is there anything you can do or anything you are planning to do to ensure that China is held accountable when they review these products in this 100 day plan?

Secretary PERDUE. Well, the biotech issue is right up there with beef, and working out these issues that we are looking for clearance into that. We have demonstrated on our part the science that confirms these are safe products, and beef and biotech go hand in hand. For the assurance our U.S. producers can have that these are exportable, they won't be embargoed, they won't be denied, as we are having right now, into some markets. When we get that done with China we can persuade other markets over the safety and the efficacy of these products into their food chain supply.

Mr. DAVIS. Well, I look forward to working with you to address these very important issues in the next farm bill. And obviously, the Midwest is very concerned about who is going to be the administrator at the RMA, so I look forward to working with you there too.

I yield back.

Secretary PERDUE. Thank you.

The CHAIRMAN. The gentleman yields back.

Mr. Allen, 5 minutes.

Mr. ALLEN. Thank you, Mr. Chairman. And first, Secretary, congratulations. It is great to have a fellow Georgian sitting here at this table. And, of course, we go way back. I was with you in Georgia, I was working in a small business environment, under your leadership as Governor. And, boy, all I can say is you like a challenge, because from my colleagues' benefit, Georgia lost, in 2008, something like 360,000 jobs, because we were very dependent on the homebuilding industry, we lost over 41 banks. It was a critical, critical economic time in Georgia, much like we have in this country today, and we have in agriculture today.

Now, Georgia has been named as the best state to locate your business for 4 years in a row, and we have had a growth of about 500,000 jobs. Because of your leadership, that is why Georgia is where we are today. We do have a number of challenges, I mean we have all talked about that, but you are certainly up to the challenge.

You and I had a good time at the airport while we were waiting for a flight, to talk a little bit about why we were doing this. I have 12 grandchildren, so I know what you are missing. And I may get to 14, I don't know, but I hope so. I know the great sacrifice that you are making. And also, you, like me, we are still in the business. You have to have good folks back home taking care of that. But thank you for what you are doing for this country.

Agriculture, and to talk about the 12th District, the 12th District we can't have peanuts without cotton. I mean one is totally dependent on the other. We have a great program in peanuts, PLC program. Everybody likes that program. We have nothing in cotton. And we have some real challenges that you know well, I don't need to, and we have talked about that at length here today. Obviously, thank you for your help as far as the freeze with our blueberry crop, and also with some of the storm damage we have had down there and the USDA. And, of course, we have talked about the importance of rural broadband, and those are probably similar in every district.

But the one thing I thought I might share with you is a couple of things that our office has been working on here is the BARN Act, which would move the H-2A program from the Department of Labor to the Department of Agriculture. And you might comment on that as far as what your thoughts are. We have also introduced legislation on the WOTUS rule, although the President has rescinded that and it has been tied up in the courts. We want to codify that in a law so that that law is understood exactly what a *navigable waterway* is. And the other thing I have observed, and, frankly, I didn't realize, I mean when you walk in a grocery store, it is just like turning on the light switch, you just expect the food to be there. And we have this tremendous tension in the country between our metro, urban, and really our rural areas, particularly among taxpayers, particularly when it comes to helping sustain our farmers.

And so we have the farm bill coming up. It is always contentious. It divides a lot of the country. And somehow from an education standpoint, people need to understand that that food just doesn't

appear, and that quality of food doesn't appear. I mean the strides that this country has made in what we have done in agriculture is enormous, and, frankly, the farmers have very little influence because they are such a small part of the population now. One hundred years ago we were 97 percent of the population, today we are two percent.

So your thoughts on that. And, again, thank you for taking on this challenge.

Secretary PERDUE. Well, thank you, Congressman. I appreciate your patience, and sitting here and listening to the conversations. But all these things are important certainly, and trade is important. You mentioned the difference between the different programs. We will have to address that in the next farm bill. But food safety, all those things are important. This is an awesome opportunity that we are looking forward to, and how we do, you represent a lot of educational opportunities in your district as well, and we want to make sure that research continues. But these are all challenging things, but the education part that you talked about between urban and rural, we are really all in this together, and the more we can help people understand that food literally is a national security issue, the insurance program helps it to be more palatable to the public out there as an insurance rather than a direct payment, the mantra of, "Being paid not to farm," that does away with that. I think we have made progress in the 2014 Farm Bill. Can we do better? Yes. Will we do better? Yes.

Mr. ALLEN. Great.

Secretary PERDUE. Thank you.

Mr. ALLEN. Thank you, and please know that you have my full support. Any way that I can help you, I would be glad to do it.

And I yield back.

The CHAIRMAN. The gentleman's time has expired.

Ms. Lujan Grisham, 5 minutes.

Ms. LUJAN GRISHAM. Thank you, Mr. Chairman. And, Secretary, it is an honor to have you here, and I am lucky to have a gracious Chairman who makes sure that I always have an opportunity to weigh-in, and I am grateful for that. Thank you.

Secretary PERDUE. Thank you.

Ms. LUJAN GRISHAM. I want to talk about a bill and an issue. The issue is lunch shaming. It has gotten lots of national attention, Mr. Secretary, and it may be something that you are already aware of. And last week, I introduced a bill in Congress with my colleague and good friend, the Chairman of the Biotech Subcommittee, Rodney Davis. And I am the Ranking Member, and so we have great opportunities to work together. And in a nutshell, basically, it is getting at schools who are having trouble, clearly, with the number of students whose families can't afford the lunch, and instead of figuring that out and working with the parents, or looking at programs, or making sure that it is a SNAP benefit, or whatever else it is, many districts around the country engage in lunch shaming, which means they throw away those lunches for those kids, and I will just do it, actually, right now. I have an article, Mr. Chairman, in *The New York Times*, and a photo of a stamp placed on one such student's arm that says I need lunch money, and the school was

stamping all of these kids. I would move that we put this into the record, Mr. Chairman.

The CHAIRMAN. Without objection.

[The article referred to is located on p. 74.]

Ms. LUJAN GRISHAM. Thank you. And there are other and very similar, very draconian practices around the country. New Mexico is the first state in the country to now ban lunch shaming at a state level. I certainly want to ban lunch shaming at a Federal level. And given that I know that your desire, based on your earlier testimony, even though I wasn't in the hearing, paying attention to the hearing, so thank you, that you are concerned about poor Americans and making sure that the SNAP program is available, and really looking at strategies that shore those up, and others. I am interested in what your personal opinion is and/or knowledge about lunch shaming in this country.

Secretary PERDUE. I would be very interested, Congresswoman, to work with you over maybe some technology that we can help with our lunch programs around the country to figure out how the reasonable expectation of payment *versus* the inability to pay could be dealt with, rather than confronting kids in a line or else humiliating them in some way. Middle school is tough enough as it is that we want to make sure our adults, or those in authority in particular, are not contributing to those issues in that way.

I don't know if there is a technological answer or what the ultimate answer is to balance the, again, the expectation of whatever contribution is, rather than being confronted in a public way, in a shaming or humiliating way to do that.

Ms. LUJAN GRISHAM. And I don't know—

Secretary PERDUE. I look forward to—

Ms. LUJAN GRISHAM.—whether there is direct authority at USDA. I would encourage you to look at it. I would love to have the Department's support on the Lunch Shaming bill, and I don't disagree that making sure that schools are better equipped to look at what their lunch program costs, and to look at what is occurring with families who aren't paying or can't afford, which is a combination. But to make it the students' problem, and to do two things, I mean two things occur in this environment that are very troubling to me. One, that you would force these kids to work in the cafeteria, that you would throw away their food, that you would stamp them, that you would highlight that they are kids who aren't paying for their lunch, who are poor, and then you don't give them a lunch. Both things happened to these kids in school. There is no reason, it seems to me, that we should allow any school to make this the problem of the child. We are just creating more problems in our school system. I understand that we have to deal with the money aspects, but I agree with you, that seems to me to be completely and entirely separate. And what is really shocking for me is that it is such a prevalent problem. I am embarrassed to admit to my colleagues on this Committee that in addition to my own state that was engaged in lunch shaming, I had no idea that it was a national phenomenon. And part of it is we are so strict, I guess, in terms of making sure that schools account for the lunch program in a way that, instead of dealing with parents and finding creative solutions, that they feel perfectly justified in treating their students

in this way. And, in fact, it has led to the loss of jobs where food workers have refused to come to work and have quit because they are told they have to lunch shame.

I would love a partnership to say we are not going to stand for that as a country.

Secretary PERDUE. Well, again, as no respect to persons with our motto of do good and feed everyone, I think that also means you treat everyone with respect, irrespective of their economic ability. How we figure out direction to our lunchroom professionals over technology of things that work, I would welcome the opportunity to work with you on solutions about that.

Ms. LUJAN GRISHAM. Thank you, Mr. Secretary.

I yield back, Mr. Chairman.

The CHAIRMAN. The gentlelady's time has expired.

Well, Governor, you survived your first one. I don't remember a full Committee hearing in which every single Member showed up for some period of time, and almost everybody used up their 5 minutes. Thank you. Your stamina is well admired.

We are going to have, hopefully, a long time together working on a variety of issues that we have all talked about this morning, *ad infinitum*.

G.T. Thompson was here. He has a couple of questions submitted for the record. I will submit those.

Secretary PERDUE. Sure.

The CHAIRMAN. If you could get back to G.T. on those.

I am also looking forward to the 180 day window on your rural task force. All of us are anxious to see that report as you begin to draw all those other agencies together to take a look at things that can be done to affect positively, or things we can do to address the negative effects that are out there. Clearly, Jodey, Rick, and I have an issue with cotton. Thank you very much. I would like to take one last shot across the bow at our Senate colleagues. We had an elegant solution for cotton. It should have been in the omnibus bill. And just because you don't represent cotton farmers in Michigan and Vermont, there is no reason for you to have taken them hostage to get something that you knew would never work, and that was a dairy solution that was unpaid for to the tune of \$800 million. I don't know what it is in the Senate, but in the House Agriculture Committee you are required to represent all of agriculture, not just the folks who directly vote for you. And while that is happening right now with Jodey and I, that did not happen when the Senate stabbed our cotton farmers in the back, because they couldn't come up with their own solution for dairy. And pitting one segment of our industry against the other has never worked, except when you want to use it as a tool to get your own way, which is what happened in the Senate with Senators Stabenow and Leahy. Shame on them. But other than that, I don't have any real strong feelings about that issue.

But, Governor, thank you so very much.

Secretary PERDUE. Well, Mr. Chairman, from my perspective, our first date went very well, splendidly, as a matter of fact. And you have my number, I hope you will call again.

The CHAIRMAN. Well, I do have one thing. You sent me an emoji message, and I don't savvy emoji, so I am going to have to get with you and ask you so I can figure out what you were sending me.

Under the Rules of the Committee, today's hearing will remain open for 10 calendar days to receive additional materials and supplementary written responses from the witness to any questions posed by a Member.

This hearing is adjourned. Thank you.

[Whereupon, at 1:18 p.m., the Committee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED REPORT BY HON. CHERI BUSTOS, A REPRESENTATIVE IN CONGRESS FROM
ILLINOIS

Understanding Economic Challenges in Rural America



U.S. Congress Joint Economic Committee
Ranking Member MARTIN HEINRICH
Minority Staff Report, May 2017



The 2016 presidential election brought renewed and welcome interest in the social and economic challenges facing rural communities.ⁱ Additional awareness of the unique challenges facing communities in rural and remote locations can help support policies that promote economic growth and generate new opportunities in these communities.

In recent years, rural and urban communities experienced developments in the U.S. economy in vastly different ways.ⁱⁱ For example, the Great Recession hit harder and lasted longer in rural communities, and many predominately rural states still have yet to recover from the depths of the recession nearly 8 years after the country entered into recovery. Since the 2007–2009 Great Recession, economic recovery in rural communities has not matched that in urban areas.ⁱⁱⁱ Employment in rural communities still has not returned to its pre-recession levels while metro area employment surpassed its pre-recession peak in 2013.^{iv} As rural job growth lagged behind urban areas, rural residents looked increasingly outside their communities to

ⁱ See, for example, Sorgel, Andrew, “In America’s Rural-Urban Divide, Age, Earnings and Education are Prominent.” U.S. News and World Report, December 8, 2016.

ⁱⁱ For the purposes of this report, we use metropolitan and non-metropolitan breakdowns in the data to refer to rural and urban trends. Metropolitan counties are defined by the U.S. Department of Agriculture as counties with one or more urbanized areas (densely settled areas with 50,000 or more people) and outlying counties that are economically tied to counties with urbanized areas. Non-metropolitan areas are defined as all other counties. For more information, see <https://www.ers.usda.gov/topics/rural-economy-population/rural-classifications/what-is-rural/>.

ⁱⁱⁱ U.S. Department of Agriculture, “Rural America at a Glance (file:///JECD/Share/Reports/Rural%20Economy/,%20),” 2016 Edition.

^{iv} U.S. Department of Agriculture, “Rural Employment and Unemployment (<https://www.ers.usda.gov/topics/rural-economy-population/employment-education/rural-employment-and-unemployment/>),” accessed May 2, 2017.

find new work and opportunities.^v Moreover, the education gap between urban and rural America widened substantially over the past fifteen years.^{vi}

Declining population, limited employment opportunities, and lack of public investment pose significant challenges to the economic vitality of rural communities. Rural communities face a variety of structural challenges constraining growth. The geographic remoteness of rural areas makes routine economic interactions more difficult and costly. Rural economies are more likely than urban ones to heavily rely on a single industry or employer, which leaves them vulnerable should the employer leave town. Insufficient rural infrastructure—roads, water systems, and access to broadband—limits growth in countless ways. Even opportunities to access Federal funds can be more difficult for rural communities since often they do not have professional staff to prepare and submit competitive grant applications.

Addressing the economic challenges facing rural communities requires a comprehensive strategy that takes stock of the existing assets and needs in rural America.

Addressing the challenges facing rural communities requires a comprehensive strategy that takes stock of the existing assets and needs in rural America. Congress's work on economic development, infrastructure, and education must tailor approaches to meet the unique challenges facing rural communities.

Economic Obstacles for Growth in Rural America

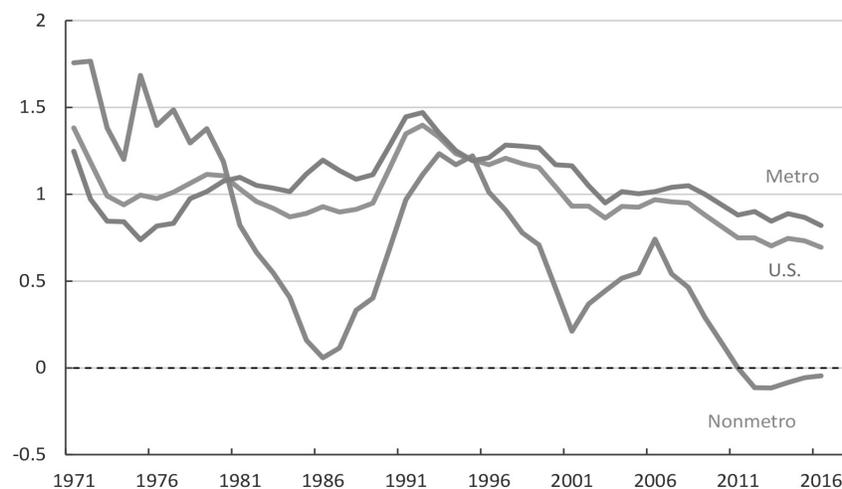
On their own, any one of the factors described below would present a major problem for economic recovery in rural America. Taken together, they present serious constraints on economic growth in rural America.

Little To No Population Growth

Rural America's population has been declining since 2011 (*Figure 1*), both an effect and cause of the lack of employment opportunities in rural communities. America's population in rural counties stood at 46.1 million in 2016, a reduction of 0.4 percent since 2010. In contrast, metropolitan counties experienced a five percent population increase over the same period.^{vii}

Figure 1: Annual Population Growth, by Metro and Non-Metro Residence

Percent



Source: USDA ERS calculations based on data from Census Bureau.

Note: Metro and Non-metro designations are based on the 1974 USDA designations.

^vU.S. Department of Agriculture, "Rural America at a Glance (<https://www.ers.usda.gov/webdocs/publications/eib162/eib-162.pdf>)," 2016 Edition.

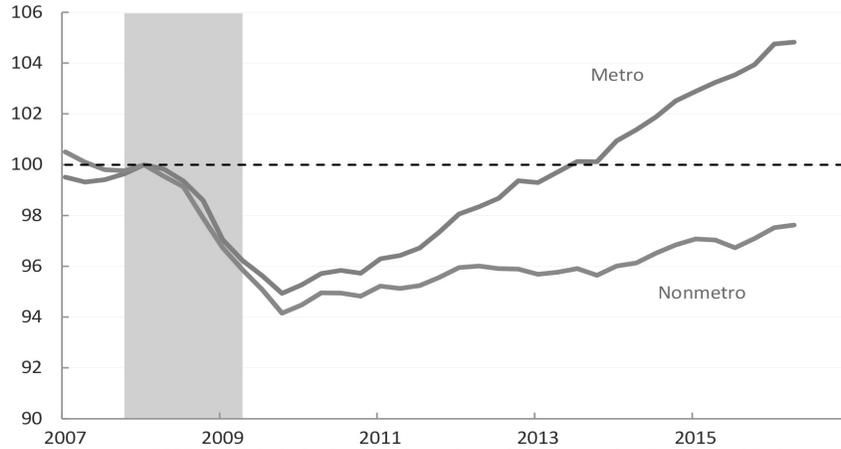
^{vi}JEC Democratic staff calculations based on data from the Current Population Survey, Annual Social and Economic Supplement, 2000–2016.

^{vii}JEC Democratic staff calculations based on data from USDA on populations of metro and non-metropolitan communities.

Catastrophic Job Losses for Those At the Lower End of the Pay Scale

The recession hit rural workers particularly hard. Not only did the recession hit non-metro counties harder than their metropolitan counterparts, with rural employment falling a whole percentage point more than urban employment, but employment growth since 2010 has also remained weak (*Figure 2*). Moreover, nominal weekly wage growth in rural communities has been sluggish, at only 3.8 percent over the past year, compared to growth of up to 5.5 percent in metropolitan communities (*Figure 3*). Seven years out from the Great Recession, rural areas still have not benefitted from the recovery in the same way as their urban counterparts.

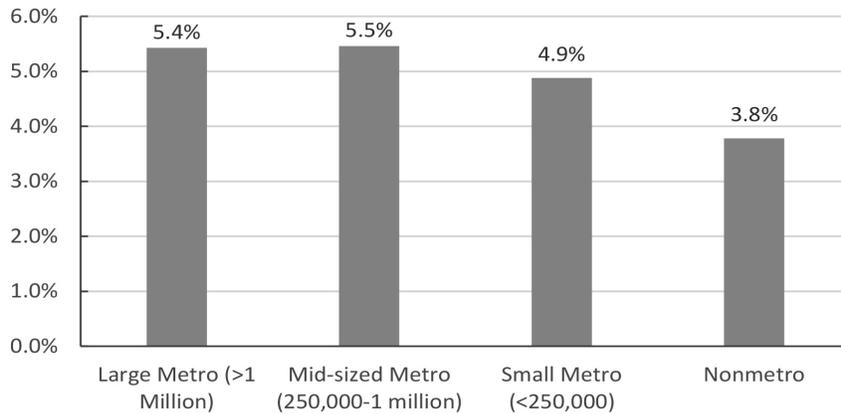
Figure 2: United States Employment, Metro and non-metro Areas
100=2008 Q1



Source: USDA ERS Calculations based on data from the Bureau of Labor Statistics Local Area Unemployment Statistics.

Note: Gray shading denotes recession. Data are indexed to the first quarter of 2008. Data is measured quarterly.

Figure 3: Weekly Wage Growth by Residence, 2015
Q3-2016 Q3



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics.

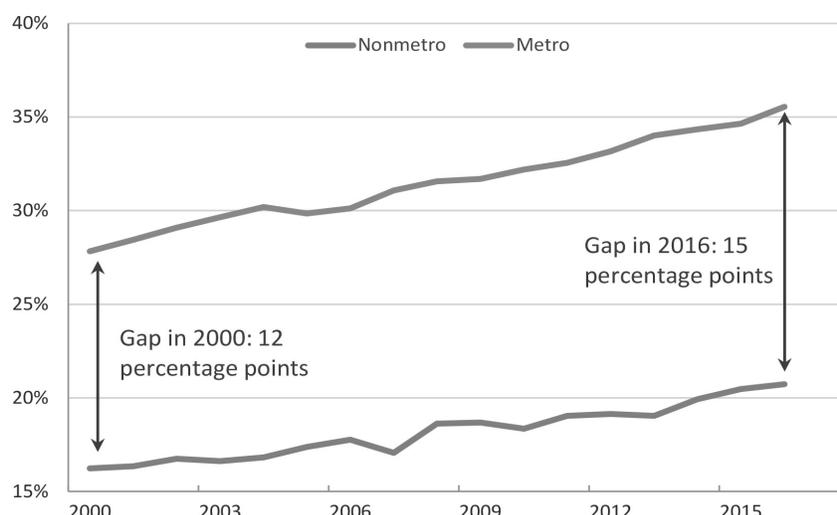
Note: Metro and non-metro delineations based on the USDA 2013 Urban-Rural Continuum Code.

A Growing Education Gap

In the 21st Century economy, a college education is increasingly necessary for achieving economic prosperity. Rural America consistently lags behind urban communities in educational attainment, and this gap has increased in the new century. Even while the share of individuals with a bachelor's degree or higher has increased in both rural and urban communities, the gap between the two has increased by 25 percent from 2000 to 2016 (*Figure 4*).

In an environment where there exists a growing higher education gap between rural and urban populations, Congress should support policies that ensure rural populations receive preparation and have equal access to opportunities for post-secondary education.

Figure 4: Percent with Bachelor's Degrees or Higher, by Metro and non-metro Residence



Source: JEC Democratic Staff calculations based on CPS ASEC, 2000–2016.

Note: Data are for individuals 25 years or older.

Structural Challenges to Long-Term Prosperity

Rural America's economic difficulties in the new century are rooted in the role that rural communities have traditionally played in the broader economy.^{viii} In order for Congress to adequately address the issues that rural America faces, it must understand how many of rural America's problems differ from those of urban America.

Geographic Remoteness

By definition, rural communities are located far from, and are not closely connected with, dense population centers.^{ix} Routine economic interactions are more frequent, carry lower costs, and leads to more economic activity when individuals live closer together.^x Rural communities are disadvantaged in this regard. Currently 39 percent of Americans in rural areas lack access to broadband, compared to just four percent of urban Americans.^{xi}

Technological innovations that promise increased information and communications have the potential to bridge this divide. Efforts are underway to help rural communities take advantage of the instant communications facilitated by the Inter-

^{viii} John M. Quigley, *Rural Policy and the New Regional Economics: Implications for Rural America*.

^{ix} Michael Ratcliffe, Charlynn Burd, Kelly Holder, and Alison Fields; *Defining Rural at the U.S. Census Bureau*.

^x Joseph Cortright, *Making Sense of Clusters: Regional Competitiveness and Economic Development*.

^{xi} Federal Communications Commission, "2016 Broadband Report (<https://www.fcc.gov/reports-research/reports/broadband-progress-reports/2016-broadband-progress-report>)," January 29, 2016.

net, including through the use of telehealth programs, which bring patients and doctors together through smart phones and computers to provide immediate access to medical advice and care.^{xii}

Limited Economic Diversification

Some rural economies were built around one or a few industries, often reflecting the wealth of natural resources or agricultural potential in a given area.^{xiii} This limited economic diversification makes these communities especially vulnerable when economic shocks adversely affect specific industries.^{xiv} Across the United States, once vibrant rural communities are now struggling to survive because an anchor employer left town or are facing structural change in the industry forcing a dramatic reorganization of business practices.^{xv}

While additional entrepreneurship can help bring economic diversity to rural communities, in many of these places entrepreneurship alone can't solve the problem. Rather, limited opportunity brought on by a lack of competitive or financially viable economic options present a larger hurdle for economic development in rural communities. Congress has the ability to utilize direct investment to match private industry with specific communities through the use of tax credits, training programs, and grant funding designed for rural economic development.

Underinvestment in Rural Infrastructure

Rural America is in need of infrastructure investment and development in other critical areas. Small rural communities desperately need money to fund wastewater projects, new roads, and other infrastructure needs. Specifically, rural leaders, in testimony before Congress, identified the following areas as their areas of greatest need for infrastructure investment:

- Lane widening and repairs for the highways that connect distant towns and makes cross country trucking shipping safer and more efficient.
- Repairs for bridges that have begun to show the signs of age and wear.
- Water infrastructure necessary to meet rural community needs while maintaining requirements under clean water laws.
- Conservation funding to preserve natural habitats for hunters and fishers.
- Public transportation that helps the elderly and disabled in rural communities.^{xvi}

Rural Barriers To Accessing Federal Funding Opportunities

While there are often numerous Federal grant opportunities aimed at spurring rural economic development, many small rural communities do not have staff on hand that can draft and submit competitive applications. As a result, leadership in small rural communities may find difficulty meeting the requirements for proposals due to a lack of time, resources, and expertise.

In order to help rural communities become stronger players in the economy, Congress must continue to support efforts to ensure that every rural community has the ability to access the Internet and the opportunities interconnectivity creates.

^{xii} Madore A., Rosenberg J., Weintraub R. *Project ECHO: Expanding the Capacity of Primary Care Providers to Address Complex Conditions* (<http://www.globalhealthdelivery.org/case-studies/north-america/project-echo-expanding-capacity-of-primary-care-providers>). HARVARD BUSINESS PUBLISHING. 2017.

^{xiii} Michael Porter, *Competitiveness in Rural U.S. Regions: Learning and Research Agenda*.

^{xiv} Office of Sustainable Communities, Smart Growth Program, U.S. Environmental Protection Agency, "Framework for Creating a Smart Growth Economic Development Strategy: A Tool for Small Cities and Towns."

^{xv} J.R. Logan and Elizabeth Cleary, *Shutdown of molybdenum mine hits Questa hard* (http://www.santafenewmexican.com/news/business/shutdown-of-molybdenum-mine-hits-questa-hard/article_1bc7fca2-178b-5222-bee6-30c8a219ce53.html), SANTA FE NEW MEXICAN; compare Office of Sustainable Communities, U.S. Environmental Protection Agency, "How Small Towns and Cities Can Use Local Assets to Rebuild Their Economies: Lessons from Successful Places" (https://www.epa.gov/sites/production/files/2015-05/documents/competitive_advantage_051215_508_final.pdf), May 2015, (demonstrating that communities must use innovative strategies in overcoming the loss of a central employer).

^{xvi} Witness written testimony, "Oversight: Modernizing our Nation's Infrastructure" (<https://www.epw.senate.gov/public/index.cfm/hearings?ID=82518667-E24B-4CB5-BAFC-35B3FAE0D372>), Committee Hearing, U.S. Senate Committee on Environment and Public Works, February 8, 2017.

Call for Congressional Action

Many complicated forces are weighing down on the economy in rural America. Congress has the opportunity to play the defining role in how rural communities develop and thrive.

In order to help rural communities become stronger players in the economy, Congress must continue to support efforts to ensure that every rural community has the ability to access the Internet and the opportunities interconnectivity creates. Likewise, Congress should support programs that direct workforce development to rural communities that are still struggling to recover from the Great Recession.

Infrastructure renewal in small rural communities is must be a top priority for Congress. Public-private partnerships—focused on generating a significant profit for their private investors—will not deliver the infrastructure so urgently needed by sparsely populated rural areas.^{xvii}*

Small rural communities must be able to compete on a level playing field for Federal grant opportunities, particularly for programs specifically designed to generate economic activity in rural America. To do that, Congress must promote measures to allow the smallest rural communities to compete for competitive grants. Further, Congress must invest in developing the next generation of grant writers and civil servants to serve in small rural communities.

SUBMITTED LETTER BY HON. ANN M. KUSTER, A REPRESENTATIVE IN CONGRESS FROM
NEW HAMPSHIRE

April 28, 2017

Hon. SONNY PERDUE,
Secretary,
U.S. Department of Agriculture,
Washington D.C.

Dear Secretary Perdue,

We the undersigned, 334 certified organic beef, pork, dairy, and poultry producers representing approximately \$1.95 billion in annual organic sales, express strong support for the recently published Organic Livestock and Poultry Practices rule and urge you to let it become effective, *in its entirety*, on May 19, 2017 without further delay. The industry-developed standard enshrined in the rule represents over a decade of discussion, feedback and support from our industry and ensures that we operate on a level playing field and meet a consistent standard, regardless of our operation size.

The organic industry overall has experienced double-digit growth annually over the last 5 years, achieving over \$43 billion in sales in 2015. The organic livestock and dairy sector represents over 17% of total organic sales and the organic dairy sector alone represents the second-largest and fastest-growing food segment in the industry. Consumer demand for our products still outpaces domestic production, creating opportunities for continued expansion of our farms.

As organic farmers, our very survival is dependent upon the trust that we have built with the American consumer. We are proud to be delivering a product that meets the highest standards possible and is in line with consumer expectations of what the USDA organic label means. A recent Consumer Reports survey found that 83% of consumers who frequently purchase organic products believe that organic eggs should come from hens that have access to the outdoors.

The decision to become certified organic is voluntary, if consumers lose confidence in the organic seal it will have catastrophic impacts throughout the industry. We believe that the rule strikes the right balance between meeting consumer expectations and the reality of commercial scale food production. We look forward to working with you on implementation of the rule and are available to answer any questions you or your staff may have.

Sincerely,

Holcroft Farm, Summers, AR
Roy Hostetler, Clarksville, AR
Vernon Hostetler, Clarksville, AR
Pleasant Pastures Poultry, Pechonotas, AR
Alexandre EcoDairy Farms, Crescent City, CA
Chino Valley Ranchers, Colton, CA
Doodlebug Ranches, Paicines, CA
Harvest Fields Organic Farm, Fresno, CA
Leavitt Lake Ranches, Vina, CA

Matthew Hostetler, Buffalo, MO
Marion Hostetler, Buffalo, MO
Ernest Schwartzentruber, Buffalo, MO
Brian Blosser, Buffalo, MO
Jeff Blosser, Buffalo, MO
Shane Blosser, Buffalo, MO
Pete Blosser, Buffalo, MO
Chad Headings, Buffalo, MO
Maynard Eigsti, Buffalo, MO

Elam Horning, Leola, PA
Wilmer Horst, Mt. Pleasant Mills, PA
Doug Hotenstein, Elizabethtown, PA
Carl Hurst, Robesonia, PA
Lavern Kauffman, Millerstown, PA
Mike Kurtz, McClure, PA
Terry Lehman, Myerstown, PA
Wanda Lehman, Willow Hill, PA
Wayne Martin, Bernville, PA

* **Editor's note:** there was no corresponding endnote numbered xvii in the submitted report. The report has been reproduced as submitted.

- Sol Seeker Farm, Salinas, CA
Aurora Organic Dairy, Boulder, CO
Henry Miller, Cisne, IL
Jeff Wuebels, Germantown, IL
Sam Zook, Geff, IL
Ulrich, Harmon, IL
Blosser, Tampico, IL
Hostetler, Tampico, IL
Nelson Blosser, Tampico, IL
Baker Brothers, Tampico, IL
John Hostetler, Tampico, IL
Ernest Blosser, Tampico, IL
Dennis Kropf, Tampico, IL
Doug Baker, Tampico, IL
Edwin Blosser, Tampico, IL
Elmer Ulrich, Harmon, IL
Eric Hostetler, Avoca, IL
Darwin Hostetler, Harmon, IL
Lynn Kropf, Tampico, IL
Virgil Garretson, Sheffield, IL
Theresa Westaby, CR View Organic Dairy, Delmar, IL
Marlin Kauffman, Creston, IA
Maynard Hostetler, Creston, IA
Tim Maibach, Bloomfield, IA
John Brunquell, Egg Innovations, Warsaw, IN
Chris Beechy, Dillsboro, IN
Dan Bontrager, Shipshewana, IN
Lavern Eash, Middlebury, IN
DeWayne Eash, New Paris, IN
Joe Gingersich, Shipshewana, IN
Mahlon Graber, Woodburn, IN
Matthew Graber, Grabill, IN
Alvin Graber, Macy, IN
Amos Hochstetler, Topeka, IN
Jay Dee Lehman, Shipshewana, IN
Mike Lehman, Middlebury, IN
Tod Lemier, Bourbon, IN
David Lengacher, Harlan, IN
Earl Lengacher, Woodburn, IN
Jonas Lengacher, Grabill, IN
Paul Lengacher, Harlan, IN
Amos Lengacher, Spencer, IN
Anzie Martin, Rochester, IN
Everett Martin, Goshen, IN
Marlin Miller, Dillsboro, IN
John Miller, Middlebury, IN
Rufus Kamer, Rochester, IN
Chad Ramseyer, Poneto, IN
Kevin Ramseyer, Poneto, IN
Albert Schrock, Pennville, IN
Stephen Stalter, Wakarusa, IN
Sam Stalter, Wakarusa, IN
Laverne Stutzman, Elma Green, IN
John Wenger, Geneva, IN
Daniel Yoder, Topeka, IN
Lonnie Yoder, LaGrange, IN
Miller, Goshen, IN
Schlabach, Goshen, IN
Beechy, Topeka, IN
Freeman Fry, Topeka, IN
Kevin Packnett, Afton, IA
Larry Nightingale, Pulaski, IA
Arlyn Kauffman, Weldon, IA
Gary Kauffman, Lorion, IA
Jacob Klassen, Stanton, IA
Ake Kropf, Spragueville, IA
Dennis Headings, Lorion, IA
Duane Headings, Bellevue, IA
Ronnie Kauffman, Creston, IA
Stacy Bushman, Fort Atkinson, IA
Royal Hostetler, Spragueville, IA
Blake Family Farm, Waukon, IA
James Frantzen, Elma, IA
Tom Frantzen, New Hampton, IA
Ron Rosmann, Harlan, IA
Ryan Wangness, Decora, IA
Rick Hellman, Burt, IA
Mark Kruse-Lansing, IA
Andy Bishop, Willisburg, KY
Justin Dorris, Morgantown, KY
Darren Gordon, Clarkson, KY
Austin Hostetler, Auburn, KY
Colton Hostetler, Auburn, KY
Rich Pemberton, Beaver Dam, KY
Larry Ryker, Bonneville, KY
Marvin Sauder, Owenton, KY
Leon Sauder, Liberty, KY
Roy Sauder, Liberty, KY
Norman Schlabbach, Auburn, KY
Keith Taul, Cecilia, KY
Kenny Thomas, Morgantown, KY
Elmwood Stock Farm, Georgetown, KY
Martin, Brownfield, ME
Douglas Hartkopf, Hart to Hart Farm, Albion, ME
Joe Bontrager, Holden, MI
Aaron Keiken, Potosi, MI
Fred Callens and Family, Minnesota, MN
Loretta and Martin Jaus, Jaus Farms Inc., Gibbon, MN
Montana Organic Producers Cooperative, Bozeman, MT
Willie Shreck, Buffalo, MO
Kent Hostetler, Buffalo, MO
Jeremy Bosser, Buffalo, MO
Jake Hostetler, Buffalo, MO
Ervin Hoover, Mifflinburg, PA
Carl Hoover, Myerstown, PA
Frank Blosser, Buffalo, MO
Gaylord Hostetler, Buffalo, MO
Lester Hostetler, Buffalo, MO
Clark Hostetler, Buffalo, MO
Matt Rogers, Mtn. Grove, MO
Dwayne Scharntztruber, Buffalo, MO
Jesse Hostetler, Buffalo, MO
Dave Blosser, Buffalo, MO
Andrew Hoover, Downing, MO
Hillcrest, El Dorado Springs, MO
Hominy Creek, Halfway, MO
Hoover Farm, El Dorado Springs, MO
Lost Valley Farms, El Dorado Springs, MO
M&S Farm, Seymour, MO
Mockingbird Hill, El Dorado Springs, MO
Riverside, El Dorado Springs, MO
Sandy Top Farm, El Dorado Springs, MO
Scenic View, El Dorado Springs, MO
Schneider Farms, Walker, MO
Scrambled Acres LLC, Versailles, MO
Darin Hostetler, Buffalo, MO
Kevin Blosser, Buffalo, MO
Shady Lane, El Dorado Springs, MO
Sunnyside Up, Seymour, MO
Sunset Acres, El Dorado Springs, MO
Triple Z Farm, Tunas, MO
John Weaver, Knox City, MO
Jonathan Diller, Rutledge, MO
Kenneth Hoover, Gorin, MO
Valley View, Collins, MO
Wild Rose Hills, Buffalo, MO
Windmill Acres, El Dorado Springs, MO
Rocking M Ranch, El Dorado Springs, MO
Clayton Garretson, Shelbina, MO
Curvin Nolt, Hurdland, MO
David Hostetler, Shelbina, MO
Nevin Horning, Arbela, MO
Seth Garretson, Hunnewell, MO
Leonard Burkholder, Edina, MO
Vernon Brubaker, Arbela, MO
Hickory Creek Poultry, LLC, Jamesport, MO
Floyd Hostetler, Jamesport, MO
Jonas Hostetler, Jamesport, MO
Joseph Hostetler, Jamesport, MO
Nate Powell-Palm, Bozeman, MT
Casey Bailey, Fort Benton, MT
Mark Smith, Lavina, MT
Bob Herdgen, Chinoak, MT
Clay McAlpine, Valier, MT
Jody Manuel, Havre, MT
Rob Knotts, Lambert, MT
Jess Alger, Stanford, MT
Dave Anderson, Belt, MT
Wes Heathorne, Big Timber, MT
Audra Parker, Ogalala, NE
Jesse Laflamme, Pete & Gerry's Organics, LLC, Monroe, NH
Giavagnoli, Bosconen, NH
Ward, Monroe, NH
Applegate Natural and Organic Meats, Bridgewater, NJ
Art Schaap, Native Pastures Dairy, Clovis, NM
Latremore, Chazy, NY
Burkholder, Fort Covington, NY
Sensening, North Bangor, NY
Reiff, North Bangor, NY
Paul & Maureen Knapp, Cobblestone Valley Farm, Preble, NY
David Hardy, Hardy Family Farm, LLC, Mohawk, NY
Doug Burbaugh, Harpster, OH
Perry Clatts, Circleville, OH
C.W. Harting, Convoy, OH
Doug Poling, Convoy, OH
Raber, Baltic, OH
Piskac, Medina, OH
Petersheim, Mt. Vernon, OH
Troyer, NW Sugarcreek, OH
King, Rushsylvania, OH
Raber, Sugarcreek, OH
Mast, Walhonding, OH
David R. Ring, Shiloh Acres Dairy, Conneaut, OH
Alvin Bowman, Fredericksburg, OH
Scott Stoller, Stollers' Organic Dairy, Ltd., Sterling, OH
David Osterloh, Iv-Ann Farms, Maria Stein, OH
Menno Farm, Welch, OK
Suzanne Willow and Lanita Witt, Willow-Witt Ranch, Ashland, OR
Common Treasury Farm, Alsea, OR
David Breckbill, Willow Street, PA
Dick Burchfield, Port Royal, PA
Jay Burkholder, Peach Bottom, PA
Jeff Cook, Selinsgrove, PA
Tim & Joel Crouse, Myerstown, PA
Jeff Daniels, Halifax, PA
Matt Dersham, Milford, PA
Randy Dunkelberger, Middleburg, PA
James Eby, Gap, PA
Nevin Ehat, Bernville, PA
John Fisher, Loganton, PA
Allen Glick, Elizabethtown, PA
Darren Good, Litzitz, PA
Dale Greiner, Maheim, PA
Gerald High, Richfield, PA
Lester Hoover, Millersburg, PA
Keith Wilson, Wilson Organic Farm, Cuba City, WI
Max Flaig, Flaig Farms LL, Sparta, WI
John Martin, Elizabethtown, PA
Lamar Martin, Elizabethtown, PA
Gary Musser, Bethel, PA
Mike Musser, Bethel, PA
Harold Nolt, Mifflinburg, PA
Dennis Nolt, Millerstown, PA
Justin Oberholzer, Litzitz, PA
Darrell Ranck, Strasburg, PA
Landis Reiff, Mifflinburg, PA
Daryl Sensenig, Newmanstown, PA
Nelson Sensenig, Newmanstown, PA
Neal Sensenig, Newmanstown, PA
Bill Shepperson, Sunbury, PA
Mark Siegrist, Fredericksburg, PA
Dale Slaymaker, Washington Borough, PA
Mervin Stauffer, Mifflinburg, PA
Jonathan Stauffer, Elizabethtown, PA
Duane Swanger, Bainbridge, PA
Alvin Weaver, Myerstown, PA
Clyde Wenger, Manheim, PA
Chris Willhide, Dincannon, PA
Maynard Zimmerman, Milmont, PA
Lee Zook, Middleburg, PA
Chris Pierce, Heritage Poultry Management Services, Annville, PA
John G. Stoltzfus, Willowstreet, PA
Ephraim Beiler, Bird in Hand, PA
Ron Bennick, Sunbury, PA
Jay Bomgardner, Ephrata, PA
Benjamin E. Kauffman, Gratz, PA
Daniel Kauffman, Spring Glen, PA
Jerry L. Lay II, Muddy Water Farm
Madisonville, TN, Matt O'Hayer
Vital Farms, Austin, TX
Miller, Lyndonville, VT
Leon L. Corse, The Corse Farm Dairy LLC, Whitingham, VT
Henry and Allison Pearl, Hill View Farm, Danville, VT
Tyler and Melanie Webb, Stony Pond Farm, Fairfield, VT
Yshire Farm, Upperville, VA
Jubilation Farm, Purcellville, VA
Mt. Gap Farm, Leesburg, VA
Andy Wilcox, Wilcox Farms, Roy, WA
Maynard Mallonee, Mallonee family farm LLC, Curtis, WA
Andrew Dykstra, Dykstra Farms
Burlington, WA, Dean Wesen
Wesen Organic Dairy, Bow, WA
Organic Valley/CROPP Cooperative,* La Farge, WI
Gary Achenbach, Eastman, WI
Tony Bonkamp, Muscoda, WI
Kevin Hall, Livingston, WI
Loras Kilburg, Cuba City, WI
David Martin, Bloomington, WI
Jerry Nolt, Boscobel, WI
Randy Nolt, Boscobel, WI
Michael Shirk, Thorp, WI
Matt Teunissen, Cedar Grove, WI
Edwin Weaver, Loyal, WI
Nelson Weaver, Curtiss, WI
Dan White, Mt. Hope, WI
Ammon Zimmerman, Stitzer, WI
Miller, Blue River, WI
Betsy Babcock, Handsome Brook Farm, Franklin, WI
David Bontrager, Sparta, WI
Ervin Miller, Hillsboro, WI
William Yoder, La Farge, WI
Melvin Yoder, Ontario, WI
Dennis Bontrager, Cambria, WI
Allan Miller, Cashton, WI
Andy Kauffman, Cashton, WI
Andrew Schwartz, Ontario, WI
Chester Kauffman, Cashton, WI
Daniel Yoder, Ontario, WI
Henry Hochstetler, Hillsboro, WI
Joe Kauffman, La Farge, WI
John Troyer, Cashton, WI
Joseph Schwartz, Pardeeville, WI
Levi Miller, La Farge, WI
Michael Miller, Wonewoc, WI
Ben Miller, South Wayne, WI
Norman Miller, Pardeeville, WI
Bryan Kauffman, Blue River, WI
David Packnett, Boscobel, WI
Jeff Eigsti, Blue River, WI
Eric Miller, Blue River, WI
Morris Zimmerman, Muscoda, WI
Randy Kauffman, Monroe, WI
Trent Hostetler, Avoca, WI
Marissa Taylor, Lonetree, WY
Kevin Mahalko, Mahalko Dairy, Gilman, WI
Douglas Delling, Ontario, WI
Jeff Galstad, Coon Valley, WI
Lucky H Acres, Coon Valley, WI
Michael G. McCarty, Stoddard, WI
Paul & Judy Olson, Taylor, WI
Donna & Larry Mikshowsky, Bangor, WI
Bear Creek Organics, La Farge, WI
Alan Seelow, Chaseburg, WI
Jane Siemon, Virequa, WI
Joel Goede, Genoa, WI
Roger Peters, Peters Farm, Chaseburg, WI
Arne Trussoni, Genoa, WI
Dan Pearson, River Falls, WI

* An 1,800 member organic farmer owned cooperative.

SUBMITTED PHOTO AND ARTICLE BY HON. MICHELLE LUJAN GRISHAM, A REPRESENTATIVE IN CONGRESS FROM NEW MEXICO



Jon Bivens' son after being stamped (Photo courtesy of Jon Bivens) (Ivana Hrynkiw ihrynkiw@al.com).*

The New York Times

Shaming Children Over School Lunch Bills

The Opinion Pages *Editorial*

By The Editorial Board.

May 5, 2017



Students filling their trays at an elementary school in Kingston, N.Y., where all meals are now free under the Federal Community Eligibility Provision. Credit Mary Esch/Associated Press.

***Editor's note:** the article, *I need lunch money,* Alabama school stamps on child's arm, is retained in its entirety in Committee file; it is also available at: http://www.al.com/news/birmingham/index.ssf/2016/06/gardendale_elementary_student.html.

The humiliation inflicted on children whose parents are late paying school lunch bills—or are too poor to pay them at all—is a national disgrace. Cafeteria workers berate the children for being unable to pay, rather than allowing them to eat, or stigmatize them by stamping their arms with messages like “I need lunch money.” An article in *The Times* (<https://www.nytimes.com/2017/04/30/well/family/lunch-shaming-children-parents-school-bills.html>) on Monday recounted the painful experience of one student whose meal was dumped in the garbage.

The Department of Agriculture, which oversees the school lunch program, drew attention to this *last year* (<https://www.fns.usda.gov/sites/default/files/cn/SP46-2016os.pdf>) when it required school districts to establish a written policy for dealing with children who are unable to pay for food. It encouraged districts to work out payment plans with families and to find ways to continue providing meals, but did not explicitly bar them from humiliating children over outstanding bills. Three-quarters of school districts ended the 2015–16 school year with outstanding meal bills, some totaling millions of dollars. The districts argue that shaming is necessary to force families who can afford to pay to do so.

Federal data shows that nearly ½ of school districts employ shaming policies— from substituting a cold sandwich for a hot meal to even worse forms of humiliation. The problem is that many families struggling with outstanding bills are in fact eligible for free or reduced-price meals but either don’t know it, because of language barriers, or have fallen through the cracks of the registration process for some other reason.

The Food Research and Action Center, a national nonprofit group that works on policies to combat hunger, has proposed *stronger recommendations* (<http://www.frac.org/research/resource-library/establishing-unpaid-meal-fee-policies-best-practices-ensure-access-prevent-stigma>). It calls on schools to reach out to families who qualify for free or reduced-price meals to make sure they get certified to receive them.

It rightly urges schools that serve poor students to register for the Federal Community Eligibility Provision program, under which schools serve free breakfast and lunch to all children and are reimbursed by the government based on the poverty level of its students. Beyond that, districts need to make payment arrangements with struggling families directly, instead of turning to collection agencies that push them toward financial collapse with onerous fees.

States across the country are finally taking steps to end the stigmatization of hungry children. New Mexico, for one, *outlawed* (<https://www.nytimes.com/2017/04/07/well/family/new-mexico-outlaws-school-lunch-shaming.html>) the use of shaming and directed schools to sign up for Federal meal assistance and work with families to pay debts.

Schools have to find ways to collect meal debts without stigmatizing vulnerable children who have nothing to do with the debt and no means of paying it off.

SUBMITTED QUESTIONS

Response from Hon. Sonny Perdue, Secretary, U.S. Department of Agriculture

Questions Submitted by Hon. Glenn Thompson, a Representative in Congress from Pennsylvania

Question 1. Mr. Secretary, congratulations on your recent confirmation. Thank you for your early action to help get flavored milk back into schools that has long been a priority of mine as a senior Member of the Education and the Workforce Committee. Here on this Committee, we’re very eager to get to work on the next farm bill for the benefit of all of agriculture. As you mentioned in your testimony dairy farmers have been struggling and we need to make some improvements to the Margin Protection Program.

In the near-term, I’m interested in an idea that some in the dairy industry have floated to see if we can develop some additional risk management products that would recognize milk as an agricultural commodity that is separate and distinct from coverage developed for livestock. Current law does not indicate that Congress intended for livestock products like milk to fall under the same category as livestock, so we’re hopeful that USDA can look closely at this and see if this may be a way to provide some interim options for dairy farmers. I’m interested in any comments you have and I’d be grateful if you can commit to working with us to get this problem solved for our dairy producers

Answer. We are exploring all options to provide relief to America’s dairy farmers and I am committed to working with the Committee and stakeholders in finding so-

lutions. We are fully engaged on the issue of whether milk should fall outside of the livestock cap on crop insurance, and I hope to have an answer in the near future.

Question 2. America's family woodland owners—tree farmers—supply over ½ of the timber used to make forest products here in the U.S. These landowners put in their own hard work-sharing in the stewardship of our nation's great forest resources. Just like we help farmers with technical assistance to supply us with food, USDA has tools to help forest owners supply us with fiber that fuels a significant domestic industry. These tools, found in both the U.S. Forest Service and NRCS and often implemented in partnership with state agencies like the Pennsylvania DNR, help landowners learn how to produce timber while also managing water and wildlife habitat. Will you work with me and other Members of the Committee to ensure that both NRCS and USFS State and Private Forestry programs work better for these Tree Farmers—providing them with technical assistance and financial help where necessary to keep our nation in timber while conserving other important natural resources?

Answer. Yes, I will commit to working with you to provide assistance to our private tree farmers, in order to ensure that we are being good stewards of our forests while providing the timber used to make forest products here in the U.S.

Question 3. Even while the nation's agriculture markets are struggling, we see opportunities in the forest industry, as home starts on the rise, and other market indicators show improvement. I introduced, along with several of my colleagues, the Timber Innovation Act, to ensure that we have the research and technical support to drive innovation in the forest sector—just like we help our farmers and ranchers with innovation. The Forest Products Laboratory—within the U.S. Forest Service—is a huge asset when it comes to this research and is also working very closely with the industry to leverage their investments in research—a true public-private partnership. Will you support the Timber Innovation Act and work with me to ensure the Forest Service focuses on such research?

Answer. I agree that the Forest Products Lab conducts important research that helps promote new uses and markets for wood. In addition, the Forest Service currently manages a Wood Innovation Grant program that supports wood products and wood energy markets throughout the United States to fund forest management needs on National Forest System and other forestlands. USDA is still in the process of reviewing the mentioned legislation.

Question 4. Mr. Secretary, this Administration through several Executive Orders, has made the responsible use of our domestic energy resources and the development of energy infrastructure a major priority. Untying the bureaucratic knots that have stalled energy projects while complying with permitting rules and regulations will provide consumers with lower cost, cleaner energy and will create thousands of jobs.

One such project that holds great potential for our economy is the Atlantic Coast Pipeline which will bring needed natural gas from the Marcellus shale region to states in the Southeast. Because this project must cross two National Forests, there has been active engagement with the Forest Service for over 2 years in an effort to secure the necessary permits to move forward. I am concerned about reports of the Forest Service local and regional offices continually changing requirements and conflicting requests for information.

I would ask respectfully that you look into this matter and have your staff provide the Committee with a response and prompt update on this important project.

Answer. I share your concern with meeting our domestic energy goals and ensuring the environmental review process moves efficiently. At this time, the Forest Service is meeting the Federal Energy Regulatory Commission timeline for all project submissions and environmental review. The Forest Service issued a draft record of decision on July 21, 2017 to authorize the use and occupancy of National Forest System lands for the Atlantic Coast Pipeline, and approve project-specific amendments for the Monongahela National Forest and George Washington National Forest Plans. The draft decision, jointly issued by the Forest Service's Eastern and Southern Regional Foresters, would allow Atlantic Coast Pipeline LLC (Atlantic) to construct and operate 21 miles of the pipeline route that would cross National Forest System lands. Keeping this project moving forward efficiently is a top priority for the Department, and the Forest Service continues to hold regular meetings with Dominion Resources and the Federal Energy Regulatory Commission to discuss and understand information requests, document review and timelines. The work should be completed according to the published timeline.

Questions Submitted by Hon. Vicky Hartzler, a Representative in Congress from Missouri

Question 1. School Lunch—I appreciate the recent steps USDA has taken to provide flexibility in the school lunch program, and I believe this is a good step in the right direction but more needs to be done. Maintaining the Washington-based sodium and whole grain, and caloric requirements continues to be a problem for my local schools. I support their desire to regain control over decisions on what food is served in their schools. Can you tell me the steps USDA is taking to return decision making control to local schools and your willingness to support full control to local school officials?

Answer. For the upcoming school year (SY) 2017–2018, based on appropriations actions and consistent with my proclamation signed on May 1, 2017, USDA offered flexibility for sodium, whole grains and flavored 1% milk. To affirm Congress' ongoing direction, USDA is also in the process of issuing a rule to provide flexibilities consistent with those currently available to Program operators participating in the Child Nutrition Programs beginning in School Year 2018–2019. These flexibilities include: (1) providing operators the option to offer flavored, low-fat (one percent fat) milk in the Child Nutrition Programs; (2) extending the state agencies' option to allow individual school food authorities to include grains that are not whole grain-rich in the weekly menu offered under the National School Lunch Program (NSLP) and School Breakfast Program (SBP); and (3) revising the sodium reduction timeline for the NSLP and SBP.

USDA will be accepting public comments on these actions. After taking those comments into account, we will move to provide clarity for future school years. Further, I am reaffirming my commitment to work with school districts, school leadership, and school food service professionals to ensure the program meets its central goal of offering nutritious meals that students want to, and actually will, consume.

USDA will also continue to offer a number of other opportunities for local schools and districts to operate a school meal program that works best in their communities. For instance, schools and districts continue to have full discretion over their menu planning decisions, food product purchasing, and recipes. USDA will continue to develop and provide numerous technical assistance resources to support menu planning, including the Food Buying Guide, standardized recipes, and sample menus that help schools meet the broad general requirements of the meal components while allowing for flexibility in offering items tailored to local or cultural preferences, seasonal considerations, and student input.

Question 2. SNAP Tax—Recent state and local moves to levy various food and beverage taxes at the wholesale level could lead to Federal nutrition funding through the SNAP program being diverted from feeding hungry people to funding local communities through various tax schemes. I know SNAP law prohibits the collection of any sales tax on SNAP program benefits. Is the USDA currently working with municipalities or state governments to address these concerns? Is there any additional statutory authority the department needs to ensure all Federal funding through the SNAP program goes to its intended purpose of feeding hungry people?

Answer. USDA works with state and local governments to address concerns as these tax issues arise. If a store is required to charge sales or a distributor's tax on SNAP-eligible food items, and that tax is normally charged at the point-of-sale or it appears separately on the receipt, then stores cannot include the charge in sales to SNAP clients. If stores are instead required to pay a distributor's tax for beverages or other SNAP-eligible food items, and that tax is included in the shelf price of the beverage or food item, then stores can charge the full shelf price (including the distributor's tax) to SNAP clients at the point-of-sale. Currently, USDA is not seeking additional legislation on this issue.

Question 3. Meat Processing—In recent conversations with meat processing businesses in my district, I have heard of a variety of concerns ranging from conflicts in USDA–FDA labeling requirements to confusing humane handling standards to business limiting overtime regulations. These onerous regulations and unclear guidance is stifling their ability to grow their business and create jobs in rural America. What is the USDA doing to streamline FSIS regulations to ensure high standards of food safety that U.S. consumer demand in a way that still provides the flexibility processors need to thrive in a competitive global market?

Answer. As directed by the President under Executive Order 13777—Enforcing the Regulatory Reform Agenda—we are examining regulations across USDA to identify rules that, among other things, inhibit job creation, are ineffective, impose costs that exceed benefits, or create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies. As part of this effort, I am committed to

modernizing our FSIS inspection system to streamline regulations, while continuing to ensure the safety and wholesomeness of meat, poultry and egg products.

Question 4. ECP Funding & Waiver—Recent flooding in Missouri has caused much devastation to agriculture lands and personal property in my district. I want to ensure that all Federal resources are available to those in need following major severe weather events. The Emergency Conservation Program (ECP) is a very useful tool for returning ag lands back to productive use following major disasters. I understand there is an ECP backlog even after the most recent appropriation bill passed last month included an additional \$28 million in funding. Can you provide to me the current level of funding necessary to address the backlog and what it would take to provide certainty to any Missouri farmers who may qualify and need this type of assistance? In addition, a few regions in the state have received multiple major flood events in the past 5 years. I understand ECP rules may prevent farmers in these areas devastated areas from participating in the program. Can I get a commitment from you to look at the data and determine if additional flexibility is warranted in these circumstances?

Answer. The request for ECP implementation by Missouri was made and approved in May 2017 with an estimated need of \$8 million. The start of signup was delayed to May 30th because of the need for water to recede before producers could assess the extent of damage. Because of the number of producers impacted, signup does not end until July 30th. At that time, we will have a clearer view of how much funding is needed and work to provide available funds quickly. We believe that the available funds will be sufficient funds to cover Missouri farmer needs related to this event unless signup results are much higher than anticipated, but we do still have a growing backlog, which currently totals \$42 million nationally as of July 21st and changes daily due to unforeseen natural disasters. FSA Headquarters Office is working with the Missouri State office and has encouraged the state to submit any applications that need to be reviewed due to frequent damage provisions.

Additionally, the provision associated with frequently damaged areas being eligible for ECP funds is specific to the actual area, or land unit damaged and not applied generally to a county or community. Therefore, even if a particular Missouri county has been impacted by recurring damaging floods, specific areas within that county may still qualify for ECP funding, as the rule is applied to site-specific land. FSA is currently evaluating waiver options to the frequent damage policy in response to the request from the Missouri State FSA Office.

Question 5. USDA Policy Statement on Free Speech and Right to Free Religious Exercise—In 2015, the U.S. Department of Agriculture (USDA) threatened to shut down the family-owned West Michigan Beef Company for religious materials on marriage found in the company's breakroom. The owner, Donald Vander Boon, had included an article supporting marriage between a man and a woman amongst other materials available to employees. USDA inspectors immediately alerted Mr. Vander Boon of USDA's anti-harassment policy that prohibits communications USDA considers disrespectful or insulting based on sexual orientation. The owner was forced to remove the materials or close his doors. USDA's actions were an affront to free speech and the ability of individuals to exercise their faith unhindered.

I appreciate your timely May 8, 2017 policy statement upholding First Amendment protections for all Americans and ensuring "the right to free speech *and* the right to free religious exercise." I am particularly encouraged by USDA's commitment to "continue to uproot and eliminate discrimination, harassment, and retaliation and ensure our employees and customers work in an atmosphere of dignity and equality—a place where the rules are known, respected, and fair to all."

The meat inspectors treatment of the West Michigan Beef Company was intolerant and counterproductive to First Amendment protections. Is USDA preparing agency guidance to implement the May 8, 2017 statement? Will this guidance protect all companies from future harassment and retaliation based on marriage or religious beliefs?

Answer. The Food Safety and Inspection Service issued guidance to its District Managers on June 16, 2017, providing further guidance to implement my Policy Statement on the First Amendment. We will also follow any future guidance provided by the Department of Justice on the President's Executive Order promoting free speech and religious liberty and how those rights are implemented along with existing anti-discrimination laws.

Question Submitted by Hon. Doug LaMalfa, a Representative in Congress from California

Question. Mr. Secretary, we have in the past year heard of several instances in which school food authorities purchased foreign peaches and other foreign products rather than domestic products, as is required by current Buy American require-

ments. Would you agree that USDA could do more to ensure that the Buy American requirements are strengthened?

Answer. Yes, USDA should do more to ensure that we Buy American first. We are currently reviewing the options to reinforce the Buy American provisions. We also will continue to work with states to ensure school compliance with these requirements.

Questions Submitted by Hon. Mike Bost, a Representative in Congress from Illinois

Question 1. Mr. Secretary, in your written testimony, you mentioned natural challenges producers are facing such as damaging floods. My district is along the Mississippi River and we are still waiting for the waters to recede so producers assess the damage and replant. I would like to invite you to my district to tour the flood damaged areas and see how vitally important USDA services and Crop Insurance is to Southern Illinois producers.

I have heard from my producers, especially younger ones, about Guaranteed and Direct Loan limits not being in line with the current cost of production. Previous witnesses in front of this Committee have echoed the same.

Do you believe there is sufficient funding in the FSA loan programs in order to modernize the program and do you believe that there is adequate staff and technology at FSA to administer the loan programs?

Answer. FSA has completed analyses showing that increasing the limits to the extent that many have proposed would increase the demand for funding. Increasing the loan limits without a commensurate increase in funding would reduce the number of producers that may be assisted through FSA's farm loan programs. Although FSA's loan portfolios have increased by over 40 percent since 2012, loans continue to be processed within established guidelines. I will prioritize customer service every day.

Question 2. Do you feel that it is necessary for prime and productive farm ground to be enrolled in CRP as compared to more environmentally sensitive areas along waterways that need continuous dredging? Also, do you see CRP payment rates competing with the next generation of producers who are looking for quality ground to rent?

Answer. CRP has unarguably provided agricultural landowners an incredible opportunity to voluntarily protect vital natural resources with various enrollment options suitable to their farming operation. All land enrolled in CRP is environmentally sensitive and must meet the statutory eligibility criteria. USDA announces general sign-up periods—typically no more frequently than once a year—where landowners submit bids and compete for entry. In contrast, continuous sign-up, which was initiated in 1996, is not based on competitive entry (if a landowner and the land offered for enrollment qualifies, the land is enrolled) and focuses on high priority conservation practices like filter strips, riparian buffers, and wetland restoration.

Lands enrolled under the general signup (currently 16.1 million acres) must be: highly erodible (HEL), located in a conservation priority area, or be under an expiring CRP contract. A limited enrollment period is typically announced every year or 2; bids are competitively selected based on an environmental benefit index (EBI). The EBI captures the wildlife value of covers selected; water, air, and soil quality; and cost in determining the score and consequent ranking for enrollment. Even though many offered lands may meet the eligibility criteria, they may not be accepted if the EBI score is too low.

Lands enrolled under continuous signup (currently 6.2 million acres) targets the most environmentally sensitive lands and includes the Conservation Reserve Enhancement Program (CREP), wetland, conservation buffer, and wildlife initiatives. If land meets eligibility requirements, landowners can enroll at any time of the year without competition.

Annual rental rates vary by county based on dryland soil rental rates and are typically updated every other year using NASS survey data. They are set to reflect what a producer would pay in cash rent for non-irrigated cropland. Contract-specific rates are further adjusted by the relative productivity of the soils offered; thus, marginal lands—such as those targeted by CRP—receive a lower payment compared to more productive lands. There is an inherent lag in these rates. As land prices go down over time, rates may be temporarily higher than the market, and conversely, as land prices go up, rates may be temporarily lower than the market. We try to minimize this lag by updating rates as soon as better data is available.

We have an opportunity in the next farm bill to re-examine the CRP program. At that time, we will offer our thoughts to Congress on the best way ahead for CRP and other conservation programs. That analysis will be based on the best science and data available.

Question 3. Secretary Perdue, sustainability, the need for American farmers to compete on a world export stage, and the task of feeding nine billion people are all critically important problems this Committee can help address. In your view, how important are working lands conservation programs to achieving each of these goals?

Answer. Working lands conservation programs are critical to achieving both important environmental benefits and producing food for our growing population. NRCS' suite of working lands conservation programs help our producers remain the most productive and competitive in the world without sacrificing the land and water resources we all depend on. Working lands programs put conservation practices on the ground by providing planning, technical solutions, cost-sharing assistance and agricultural use retention. While the practices available within our programs may require some initial investment, they tend to increase long-term productivity and contribute to profitability down the road.

By ensuring that our nations' producers are not forced to choose between sustainable agriculture and profitable, productive agriculture, working lands programs are uniquely designed to address the twin goals of sustainability and productivity at the same time. NRCS's working lands programs ensure farmers and ranchers can do right and feed everyone.

Question 4. Mr. Secretary, Foot-and-Mouth Disease is one of the most devastating diseases of livestock. A FMD outbreak in the U.S. would be disastrous to our livestock industry with serious implications to our whole agriculture economy. I continually hear from our producers that the Animal and Plant Health Inspection Service is not prepared to effectively deal with a FMD outbreak due to shortage of vaccines and other resources. Will you commit to working with Congress to improve the Department's preparedness to handle an FMD outbreak?

Answer. I can assure you that USDA takes the threat of FMD very seriously, and we will work with Congress, states and industry to ensure that we are all prepared for this disease or any other foreign animal disease.

Questions Submitted by Hon. David Rouzer, a Representative in Congress from North Carolina

Question 1. Mr. Secretary, this Administration through several Executive Orders, has made the responsible use of our domestic energy resources and the development of energy infrastructure a major priority. Untying the bureaucratic knots that have stalled energy projects while complying with permitting rules and regulations will provide consumers with lower cost, cleaner energy and will create thousands of jobs. One such project that holds great potential for our economy is the Atlantic Coast Pipeline which will bring needed natural gas from the Marcellus shale region to states in the Southeast. To do so, this project must cross two National Forests and has been actively engaged with the Forest Service for over 2 years in an effort to secure the necessary permits. I am concerned about reports of the Forest Service local and regional offices continually changing requirements and conflicting requests for information. I would ask respectfully that you look into this matter and have your staff provide the Committee with a response and prompt update on this important project.

Answer. I share your concern with meeting our domestic energy goals and ensuring the environmental review process moves efficiently. At this time, the Forest Service is meeting the Federal Energy Regulatory Commission timeline for all project submissions and environmental reviews. The Forest Service issued a draft record of decision on July 21, 2017, to authorize the use and occupancy of National Forest Systems lands for the Atlantic Coast Pipeline, and approve project-specific amendments for the Monongahela National Forest and George Washington National Forest Plans. The draft decision, jointly issued by the Forest Service's Eastern and Southern Regional Foresters, would allow Atlantic Coast Pipeline LLC (Atlantic) to construct and operate 21 miles of the pipeline route that would cross National Forest System lands. Keeping this project moving forward efficiently is a top priority for the Department, and the Forest Service continues to hold regular meetings with Dominion Resources and the Federal Energy Regulatory Commission to discuss and understand information requests, document review and timelines. The work should be completed according to the published timeline.

Question 2. Would a companion program for animal health mirroring the Plant Pest and Disease Program administered by APHIS be helpful in managing disease threats?

Answer. I will direct APHIS to undertake a study of this proposal and will report back on the findings.

Question 3. Mr. Secretary, there is a regulation that dates back to 1982, and it is the source of great concern among many who care about charter schools. At that time the Department of Agriculture adopted the Title IX “Common Rule”, as did most agencies, except that USDA added an additional provision to the rule that prevents discrimination based on appearance. This specific provision has been used as the hook for the ACLU to sue charter schools due to their dress code requirement of students. Specifically, the ACLU has brought lawsuits against charter schools that participate in the free and reduced price lunch program because they require students to wear uniforms. These lawsuits have cost charter schools in my district more than \$315,000 in legal fees over the course of the last 3 years. Would you be willing to take a look at this particular provision and let me know if the Administration would be willing to repeal it, or at least modify it to clarify that this particular provision does not apply to charter schools?

Answer. The USDA Office of the Assistant Secretary for Civil Rights is in the process of updating our regulations to harmonize its provisions with the Title IX common rule issued by the Department of Justice in 2000. Thus, USDA will bring its regulations in line with other Federal department regulations.

Questions Submitted by Hon. Ralph Lee Abraham, a Representative in Congress from Louisiana

Question 1. I have been hearing reports from my Sugar farmers that RMA is imposing a 45% premium rate increase over 3 years on Sugar. This massive increase is costly to our growers, and will suppress participation in the crop insurance program. Our Farm Bureau can find no actuarial reason for such a large increase and I was wondering if you help me understand what has happened here and why such a large jump is warranted?

Answer. Although the average premium per acre has decreased since 2014, premiums are expected to increase for 2017 due to several factors. For 2017, new coverage has been added to the sugarcane policy that addresses overwinter damage. Also, the method used to measure production for loss adjustment purposes has been revised in a manner that is likely to increase insurance payments. These changes were privately developed and proposed by the sugarcane industry, and then approved by the Federal Crop Insurance Corporation Board of Directors. To maintain actuarial soundness, an increase in premium rates was recommended to account for the added coverage. Other factors that affected premium rates for 2017 were regular updates of the premium rates to reflect recent loss history and an increase in the insured price of sugarcane.

Question 2. I wanted to thank you for your Agency’s work towards permitting Louisiana’s rice farmers to take advantage of planting furrow irrigated rice as an insured crop. Furrow irrigation using blast resistant seed produces competitive yields while saving water and drastically reducing harvest costs. Approval of this practice will provide Louisiana’s farmers and producers yet another tool to provide strong and reliable harvests. Can you give me an idea of how long this approval process will take?

Answer. RMA has engaged in numerous discussions regarding the furrow irrigated rice growing practice that Louisiana and other rice growing areas are beginning to utilize and looks forward to working with Louisiana’s rice producers in providing insurance coverage for these rice growing practices. RMA is aware that some groups may be interested in developing furrow irrigation practice coverage under the authority provided by Section 508(h) of the Federal Crop Insurance Act. Once a complete submission is received, the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) and the RMA will work expeditiously through the FCIC Board approval process. Once the private entity completes its developmental work and submits the private submission under Section 508(h) to the FCIC Board, the approval process can vary depending on the complexity and issues that may arise during the FCIC Board’s statutorily required review process.

Questions Submitted by Hon. Collin C. Peterson, a Representative in Congress from Minnesota

Biotech

Question 1. The Administration’s announcement of the 100 Day Action Plan of the U.S.-China Comprehensive Economic Dialogue and the inclusion of their commitment to address the current backlog of new biotechnology traits for import into China is welcomed news. However, there’s concern that China’s National Biosafety Committee may be looking to use EU approval of varieties as a factor in determining approval. This is troubling news. What assurance can you provide that the Administration will find ways to hold China accountable to the agreement they made to use only safety-based criteria in determining the approvals?

Answer. Your question underscores the importance and value of the new Under Secretary for Trade and Foreign Agricultural Affairs that I announced last month. As directed by Congress under the 2014 Farm Bill, this newly created position will bring unified high level representation for agriculture to key trade negotiations with senior, foreign officials and within the Executive Branch. It will also allow the Administration to recruit an Under Secretary who has extensive experience in international trade negotiation and policy issues. USDA's Under Secretary for Trade and Foreign Agricultural Affairs will work tirelessly to hold other countries to their trade commitments, including those addressed with China in the 100 Day Action Plan.

Conservation

Question 2. Under the President's budget outline, encouraging private-sector conservation planning is recommended. What does private-sector conservation planning look like to you? Do you think this can be accomplished without conflicts of interest and adequate oversight?

Answer. I do believe that private-sector conservation planning can be successful. The Technical Service Provider (TSP) program, authorized by the 2002 Farm Bill, and the authority to fund the Conservation Activities Plan (CAP), established by the 2008 Farm Bill, have already provided many opportunities for the private-sector to assist in conservation planning activities through NRCS conservation programs, especially the Environmental Quality Incentives Program (EQIP). NRCS has also utilized TSPs through agreements to accomplish specific conservation planning projects.

We encourage the expanded engagement from the private-sector in conservation planning, enabling the Agency to provide increased leadership to ensure NRCS and partner staff technical efforts are concentrated where they are most needed by our customers. With the proper resources, standards, guidance, and oversight in place, NRCS can enhance plan quality, increase the number of conservation plans being developed, and boost the acres covered by conservation plans.

Question 3. There is concern that Members' priorities for conservation will be put on the backburner given the new restructuring of USDA and with NRCS moving under the Under Secretary for Farm Production and Conservation. How will you ensure that Conservation and NRCS remain a priority? Will you have a Deputy Under Secretary for Conservation?

Answer. At this time, we do not have plans for a Deputy Under Secretary for Conservation. I am still in the process of evaluating USDA's reorganization but fully intend to notify Congress if we decide to take such a step. I feel as though conservation and NRCS will actually be elevated in the reorganization as it becomes housed within the Farm Production and Conservation mission area with FSA and RMA, which are farmer-focused agencies that provide critical customer service in the field. In addition to my personal assurances, this is the first time one of our mission areas has included "conservation" in the title, and nobody should be able to forget where NRCS is now housed.

Question 4. Have you already been briefed on the requirement for conservation program participants to sign up for DUNS nos. and get SAM registrations? Hopefully you will do what you can administratively to eliminate this requirement that is frustrating program participants through requirements that were never meant for conservation title payments.

Answer. The requirements you identify are pursuant to the Federal Funding Accountability and Transparency Act (the Transparency Act) implementing regulations at 2 CFR part 25, which includes the government-wide requirement that entities meet two basic conditions in order to receive any award of Federal financial assistance, including NRCS conservation program assistance. First, the entity must have a Dun and Bradstreet Data Universal Numbering System (DUNS) number and have a current registration with the System for Award Management (SAM) at the time of fund obligation in order for there to be a valid conservation program agreement. Second, the entity must maintain an active registration in SAM for the duration of the conservation program agreement.

NRCS does not have authority to waive these government-wide requirements under the Transparency Act, and thus NRCS cannot eliminate the requirements administratively. However, NRCS continuously works with affected program participants to explain the mandates and, if issues arise at the time of payment, assist participants to resolve their compliance issues.

Question 5. The Department recently shut down the enrollment of acres into the Conservation Reserve Program. Given that there are 2.5 million acres coming out of the CRP at the end of September, is there a reason why you aren't allowing land-

owners to continue to sign up for contracts that would be enrolled after October 1st of this year?

Answer. We temporarily paused FY 2018 contract approvals in order to evaluate what types of offers—continuous, general, or grasslands—should be prioritized and accepted to best utilize the limited number of available acres. Enrollment in CRP is currently at 23.5 million acres, just below the 24 million acre enrollment cap established in the 2014 Farm Bill. Decisions on how to manage the strong demand for CRP acres given the limited acreage availability under the cap must be made. On September 30, 2017, 2.5 million acres of CRP will expire. Counting against the 2.5 million acres that will expire at the end of FY 2017 are CRP-Grasslands and continuous signup offers that have an October 1, 2017 (FY 2018) start date. Currently, we anticipate only about ½ million acres will be available for CRP enrollment in FY 2018, depending on final CRP-Grasslands and continuous signup enrollment numbers in FY 2017. I am considering options regarding the distribution of future CRP acreage enrollment, and look forward to working with Congress in developing a path forward.

Crop Insurance

Question 6. We know the positive impacts provided by cover crops. There is an important opportunity to streamline and improve NRCS and RMA rules. The last Administration left office before solving the problems around RMA's overly burdensome guidelines on cover crops or making changes to the Good Farming Practices list. How do you plan on addressing this issue?

Answer. I am committed to ensuring that rules make sense for both America's farmers and taxpayers. We will look at this issue as part of our larger effort to streamline and create more efficiencies throughout the Department.

Dairy

Question 7. During your confirmation process, you spoke with interest, about a proposal by industry, on the need to develop crop insurance options for dairy producers, both through changes to the LGM program and through the normal insurance submission process. What are your thoughts today and what actions has USDA taken to this end?

Answer. We are actively exploring all avenues available to provide more crop insurance options for dairy farmers. We are committed to working with any submitter to expand risk management options to dairy farmers and will work to make sure the review process moves as expeditiously as possible. In addition, we will work with private submitters to improve already existing products and will explore internal development of policies as well.

Department Administration

Question 8. Have you been briefed on the status of claims in the Office of Civil Rights, including those under the Equal Credit Opportunity Act? Hopefully you will avoid what has taken place during other changes in Administrations, which is a walking away from the processes in place to ensure that farmers and employees are treated fairly and have a system in place if they feel they have not been.

Answer. With regard to Civil Rights at USDA, my goal is that all customers will receive fair treatment and high quality service, no matter their gender, race, religion, or other personal characteristics. In saying that the Department should "Do Right and Feed Everyone," I expect that the Department and its employees will do right by everyone. The Office of the Assistant Secretary for Civil Rights issued a memorandum on June 23, 2017, to the Acting Deputy Under Secretary for Rural Development and the Acting Administrator for the Farm Service Agency providing data and explanations for complaints and "non-complaints" filed under the Equal Credit Opportunity Act. The memorandum details the status and disposition for 1,101 program discrimination complaints filed with the Department between 1998 and 2009 which comprised the Statute of Limitations list for administrative closure.

Question 9. The Office of Advocacy and Outreach was created to serve a varied, but growing—and increasingly important—sector of agriculture. Do you believe that there is a need for an effort to coordinate and ensure that the needs of small, beginning, veteran, and minority producers are being addressed, especially given the increasing budget pressure on USDA?

Answer. Improving customer service, whether those customers are small, beginning, veteran, minority, or another category, is a primary focus for me. We are reviewing the effectiveness of service delivery and the role that the Office of Advocacy and Outreach plays in ensuring that USDA customers receive the information and support they need. USDA will continue to develop tools that help small, beginning, veteran, and minority producers access our services and programs.

Question 10. The President has made it a priority to limit Federal hiring. Could you provide a general outlook on the state of USDA's workforce? What is the percentage breakdown between age divisions, how many employees are approaching retirement age, and what steps are being taken to educate new hires and prepare for retirements in order to ensure a high level of customer service for farmers and ranchers?

Answer. In USDA's current permanent workforce, our highest concentration of employees is in the age group 51–60 years of age (32%). This is followed by employees in the age group 41–50 (25%), 31–40 (22%), 61–70 (12%), 21–30 (9%), 71 and older (1%) and 20 and under (less than 1%). Of these employees, 21% are eligible to retire in 2018, 25% in 2019, and 29% in 2020. However, our overall attrition representing people who are leaving USDA, including those who are retirement eligible, is 7%. USDA has a very robust training and development program to ensure that employees recognize that the Agency is committed to their growth and development at all stages of the career life cycle. USDA has a policy, resources, and tools that help every employee and their supervisor annually develop an individual development plan to ensure employees are continually learning and growing in their careers. Additionally, USDA has development programs that are open to all employees designed to build the pipeline of leadership at every level, including the Team Leader Program, the Aspiring Leader Program, and the Leadership Essentials Certificate Program. In December 2016, USDA was ranked 5th out of 19 large agencies in the category of training and development, demonstrating that employees are highly satisfied with the training they receive at USDA.

Regulatory Reform

Question 11. You recently named a "Regulatory Reform Officer" on your staff. What's on your list of regulations that you believe are impacting agriculture and rural America in a negative way?

Answer. I wanted to make removal of barriers and unworkable regulations a top priority for the Department as it was named a top priority for President Trump's Administration. USDA is committed to operating efficiently, effectively, and with integrity, while minimizing the burdens on individual businesses and communities who participate in and comply with USDA programs. Shortly after my confirmation, and at the direction of Executive Order 13777—Enforcing the Regulatory Reform Agenda, I appointed a Regulatory Reform Officer (RRO) to lead the planning, coordination and ultimate implementation of the regulatory reforms and operational improvements at USDA. The RRO has already brought together leaders from the mission areas and staff offices inside USDA to form the Regulatory Reform Task Force required by EO 13777. This internal group is well into identifying reforms and opportunities for the department—regulatory, policy-based and operational—for the dual purpose of easing the regulatory burden on the American people and improving service delivery to USDA customers. USDA also just announced the request for public input into this reform effort and will review those submissions and take action where appropriate.

Reorganization USDA

Question 12. If the Rural Development agencies will now report directly to the Secretary, who within the Secretary's office will be the main point of contact/advocate for Rural Development?

Answer. The Assistant to the Secretary for Rural Development will be the primary point of contact within the Secretary's office.

Question 12a. Will this individual have the same influence as an Under Secretary when it comes to making key decisions within the Department? For example, who will represent the RD programs when the budget is formulated? Doesn't this have implications for the RD program budgets—and if not, why not?

Answer. The Assistant to the Secretary for Rural Development has the same influence, if not more, than the previous Under Secretary for Rural Development position in making Departmental decisions. There are no budget implications associated with the creation of the new position.

Question 12b. Who will testify for the RD programs at budget hearings?

Answer. The Assistant to the Secretary for Rural Development will be the senior policy official to testify on behalf of Rural Development.

Question 12c. To whom will the State Directors of the RD programs report?

Answer. The State Directors will report to the Assistant to the Secretary for Rural Development.

Question 12d. Will the RD programs continue to have the same kind of staffing needed to carry them out effectively?

Answer. USDA's reorganization plan does not call for changes in the staffing levels for Rural Development.

Question 13. The new USDA organization chart showing Rural Development reporting directly to the Secretary leaves off listing Rural Utilities Service, Rural Housing Service and Rural Business—Cooperative Service compared to the old organization chart. Are RUS, RHS and RBS being eliminated, consolidated or is this an oversight?

Answer. The organizational chart previously provided to the Committee did not appropriately portray the alignment of the RD agencies to the Assistant to the Secretary. As a result, the chart has been updated to accurately reflect the three agencies within Rural Development reporting the Assistant to the Secretary for Rural Development. A corrected version of the report was distributed to the House Agriculture Committee and posted online on June 16, 2017.

Question 14. State RD directors currently report to the Under Secretary for RD. Access to the Under Secretary can be important for them in helping break into the USDA bureaucracy. Who will the state directors report to, going forward?

Answer. The State Directors will report to the Assistant to the Secretary for Rural Development.

Research

Question 15. During a hearing earlier this year, the Subcommittee on Biotechnology, Horticulture, and Research learned that the United States is being outpaced with regards to investment in agricultural research. China has increased its research investments exponentially while India and Brazil are making significant investments as well. This in turn has potential implications on the U.S. food supply and availability of qualified agricultural scientists and researchers. How is USDA responding to this trend given the current fiscal forecast and what is this Administration doing to close this investment in the research delta?

Answer. New discoveries, new technologies, and new skill sets (*e.g.*, precision agriculture, artificial intelligence, machine learning, robotics, photonics, remote sensing, computational biology, *etc.*) applied to agriculture and forestry, are needed to greatly increase agricultural productivity and profitability sustainably in order to provide for a population expected to expand to 9.7 billion people worldwide by 2050. Further, another challenge is attracting the brightest minds to sustainably increase food and fiber production and to solve tough problems. Despite these challenges, USDA is looking towards the future to meet the demands of providing food, fiber, and fuel to a growing population. This will require focus on the growth and development of the physical infrastructure, human capital, and big science capabilities within USDA and the agricultural research enterprise.

Through NIFA, we are focusing on a comprehensive Education and Literacy initiative to address the shortfall between professions with food and agriculture degrees and the available jobs in the United States. This approach will enhance agricultural literacy by supporting secondary schools through institutional grants for in-service training to develop and improve curricula that will enhance agricultural literacy; and to community colleges to retrain rural workers needed to enhance value-added enterprises in the agricultural sector. In addition, NIFA will support efforts in workforce development by offering institutional grants that will enable development of technical knowledge in the agricultural disciplines along with critical thinking skills, problem solving, digital competency, international experience, agricultural technology and communication skills via domestic and global internships, externships, and practicums in research and extension.

Outcomes from this program will eventually bridge the current 40 percent annual gap in available workforce with more graduates possessing the exceptional skills and expertise in agriculture or allied disciplines needed for entering employment and/or higher education. NIFA also supports graduate and post-graduate education in agriculture and related disciplines. The NIFA Graduate and Post Graduate Fellowships programs will continue to train pre- and post-doctoral scholars, and offer opportunities to interested trainees to obtain international experiences on issues relevant to U.S. agriculture. A new training grant program will offer disciplinary or theme-based training priorities to recruit and retain cohorts of talented new graduate students in disciplines where acute shortages of expertise exist. These well thought out education and training programs, which span across K through 20 educational pipeline, will provide a talented workforce and visionary leadership that will be crucial in maintaining agricultural preeminence of America in food, agriculture, natural resources, and human science dimensions.

In addition, USDA's Science Council facilitates cross-Department coordination and collaboration among all USDA agencies to ensure that science informs policy and program decisions as well as to advance the scientific discovery, technological break-

throughs and innovation required to achieve the Secretary's science and technology priorities. The Council's Education Coordinating Committee cultivates the robust partnerships across the Department needed foster the next generation of workers in university teaching and research; meeting the needs of the private-sector; addressing societal and scientific challenges through citizen science and crowdsourcing; and improving public awareness of the important role that the food, agricultural, and natural resource sectors play in promoting our country's physical and economic health and security.

Rural Development

Question 16. One way it's clear you and the President intend to reduce the rural development workload is by flat out cutting rural development programs. The President's budget recommends eliminating the Rural Business—Cooperative Service because this program is, "duplicative and under-performing." However, these programs are important in many rural areas. Can you explain the duplicative and under-performing reasoning for eliminating these programs? Or is this Administration against business development and job training for our rural communities?

Answer. Rural Development is an exceedingly important mission area at USDA, which is why I have elevated the agency to report directly to me, through an Assistant to the Secretary for Rural Development. I look forward to working with you to identify innovative, more effective policies that ensure the unique needs of rural communities are met.

Question 17. In the President's budget proposal, the Water and Wastewater Loan and Grant program is eliminated. Do you support this proposal?

There is currently around a \$2 billion backlog for this program for projects that rural communities need so people can have clean and safe drinking water. How is eliminating this program in the benefit of any of these communities? Do you have another plan for them, some that may even be facing regulatory action if they can't get new systems?

Answer. Thank you for your interest in this issue. The Administration is in the process of taking a closer look at the proper role and size of Federal Government. As Secretary of Agriculture, it is important to me that rural communities have clean and safe drinking water, and I will continue to work with Congress and others in the Administration to identify how best to serve our rural communities.

Question 17a. The skinny budget proposal from the President says that these communities can be served by the private-sector or by other programs like the EPA's State Revolving Funds. Do you think if these were reasonable alternatives they already would have been used by these communities? How do you suggest these communities move forward with these projects with this program being eliminated?

Answer. As I previously noted, it is important to me that rural communities have clean and safe drinking water, and I will continue to work with Congress and others in the Administration to identify how best to serve our rural communities.

Question Submitted by Hon. David Scott, a Representative in Congress from Georgia

Question. It is important to me and many of my colleagues on this Committee that the office of the Assistant Secretary for Civil Rights has all the resources it needs to be effective, as not to repeat the errors of the past that resulted in unequal access to staff and programs by minority groups and minority farmers. What are your goals for the office of the Assistant Secretary for Civil Rights under your leadership?

Answer. With regard to Civil Rights at USDA, my goal is that all customers will receive fair treatment and high quality service, no matter their gender, race, religion, or other personal characteristics. In saying that the Department should "Do Right and Feed Everyone," I expect that the Department and its employees will do right by everyone.

Question Submitted by Hon. Ann M. Kuster, a Representative in Congress from New Hampshire

Question. Mr. Secretary, I wanted to ask you about trade relations and the impact on our farmers. From past experiences, is it fair to say that any time there are disputes at the WTO and the United States loses, that our farmers are the first ones to face retaliation? If the proposed Border Adjustment Tax goes through and is found to be non-compliant with the WTO, which of our ag groups would be hardest hit?

Answer. I am confident that as Congress moves forward on tax reform, that Congress, and in particular the leadership of the House Committee on Ways and Means and the Senate Committee on Finance, will carefully develop tax legislation with consideration for WTO obligations. If legislation were advanced that were non-WTO compliant, it would likely be harmful to a number of agricultural commodities and

producers, not any one in particular. Exports are important across the board for U.S. commodities so I encourage policies that will increase our sales and not those that may put our markets in jeopardy.

Question Submitted by Hon. James P. McGovern, a Representative in Congress from Massachusetts

Question. As you may know, Cranberries are Massachusetts' number one agricultural food product, and the cranberry industry is a vital part of the environment and economy of southeastern Massachusetts comprising over 13,000 acres. However, over the past 5 years, the U.S. cranberry industry has struggled with an oversupply of cranberries and low prices resulting from consistently high yields across major production areas and the expansion of the cranberry industry in Quebec, Canada. Consequently, following the record 2016 harvest, cranberry inventories are at an all-time high and farm prices are very depressed. Significant new plantings in the U.S. and particularly eastern Canada have now come into full production and the 2016 crop exceeded any previous harvest by 10%.

It is my understanding that the Cranberry Marketing Committee has requested that USDA consider a USDA Section 32 purchase to allow ongoing marketing and health promotion efforts to create additional demand. With the large number of cranberry producers in Massachusetts struggling to sustain their farms at the current pricing, I am hopeful that you will expeditiously and carefully review the industry's request and continue to work with me as well as bipartisan Members of the Congressional Cranberry Caucus to address the oversupply. I along with other Members of the Congressional Cranberry Caucus support appropriate actions to fully utilize Section 32 purchase to reduce the current cranberry over supply in cranberry concentrate. Can you provide the Committee with a status of USDA's review of this request as well as any other actions being considered to address the oversupply?

Answer. USDA is currently conducting an economic assessment to determine whether additional support is warranted. In addition, USDA has also been actively assisting the cranberry industry as it seeks to develop new markets in the school lunch program and expand the product forms and packaging available to schools, food banks and other markets. The introduction of dried cranberries to the school lunch program is one example of these efforts.

Questions Submitted Hon. Cheri Bustos, a Representative in Congress from Illinois
Department Reorganization

Question 1. In the hearing, you indicated that Rural Development programs would be headed by a Senate Confirmed Assistant Secretary. Later, you clarified that the position in fact would be led by an Assistant to the Secretary who would not require Senate Confirmation. Can you explain how eliminating a position that requires Congressional input to fill with an unconfirmed appointee will improve Congressional oversight of the programs or improve program delivery?

Answer. By eliminating the Under Secretary for Rural Development and creating an Assistant to the Secretary for Rural Development I have not only reduced an additional layer of government bureaucracy but I have provided a direct link to my office. The Assistant to the Secretary has walk-in privileges to my office with my direct oversight over all of the Rural Development programs. As this individual will represent Rural Development as the senior policy official during interactions with Congress, I fully believe that the oversight process will be enhanced due to their direct interactions with me.

Question 2. Understanding that reorganizations are designed to better deliver programs and services, what type of analysis or metrics were used in evaluating options for reorganization?

Answer. The National Academy of Public Administration (NAPA) produced a report in 2015 outlining potential options for a reorganization that would result in the creation of an Under Secretary for Trade for USDA. Based upon that report and other internal analyses, several reorganization options were considered based on their potential costs and benefits and were thoroughly vetted by me and my team. At the conclusion of this process, it was determined that the proposed reorganization would better align USDA program activities while limiting the disruption that could result for broader organizational changes. As a result, the reorganization that we announced on May 11th will improve service to USDA customers and agricultural stakeholders throughout the nation.

Question 3. Specifically, how will Rural Development program delivery be improved under the new structure?

Answer. The Assistant to the Secretary for Rural Development is already on board and has already begun to work directly with the Secretary on issues affecting rural America. This includes working with the Secretary to host the inaugural meeting of the Interagency Task Force on Agriculture and Rural Prosperity on June 15, 2017. The Task Force is working to improve the quality of life for people living in rural areas, develop a reliable workforce, spur innovation and technology development, and roll back regulations to allow communities to grow and thrive.

Question 4. The Department only sought comments on the proposal after the proposal had been formally submitted to Congress. For what purpose did you seek comment on a proposal that was already submitted to Congress? Will you consider changes to the proposal based on comments received from stakeholders?

Answer. The Department met its statutory requirement contained in our annual appropriations Act to notify Congress of our intent to reorganize the Department. We have received comments from the public as a result of the notice published in the *Federal Register* and from the public comment opportunity provided by the White House on its website. The Department will consider those comments as we continue to implement the reorganization announced on May 11, 2017, and with the development of the USDA Reform Plan that will be released with the Fiscal Year 2019 Budget next year.

Question 5. Are there current responsibilities or activities currently undertaken by the Under Secretary for Rural Development that the new “Assistant to the Secretary” will not have the authority to assume?

Answer. Generally, authorities provided to the Secretary by Congress are all provided to the Secretary and almost all are re-delegated through the Under or Assistant Secretaries down to the agency or staff office heads. Accordingly, the Secretary will exercise all the authorities of the Under Secretary for Rural Development. The few exclusive authorities of the Secretary that have not been previously delegated to the Under Secretary for Rural Development or that have not been previously re-delegated by the Under Secretary for Rural Development to the Rural Development agency administrators (see 7 CFR 2.17(b), 2.47(b), 2.48(b), and 2.49(b)) will be exercised by the Secretary. The 31 authorities that have been re-delegated can be found in the statute, here: <https://www.gpo.gov/fdsys/pkg/CFR-2017-title7-vol1/pdf/CFR-2017-title7-vol1-sec2-17.pdf>. [See Attachment.]

Question 6. Can you confirm there is not a statutory requirement that limits you to seven Under Secretaries?

Answer. There is not a statutory requirement limiting the number of Under Secretaries.

Rural Infrastructure Fund

Question 7. The FY18 President’s budget included the creation of a new Rural Infrastructure Fund that is, as I understand it, designed to add additional flexibility to program funds to target projects that will have the most impact on the communities. What particular flexibilities are needed to fund these types of projects and can you provide examples of projects that could receive funding under the new program that cannot already receive funds from any of the programs eliminated to support the new Rural Infrastructure Fund?

Answer. The Budget proposes \$162 million for this new program to support initiatives under the following program authorities: Distance Learning and Telemedicine, Broadband, Community Facilities, and housing repair for very-low-income residents. The combined account provides the flexibility to place resources where significant impact can be made for economic infrastructure development. Priority for funding projects will be based on what will provide the best return on investment.

FY18 Budget

Question 8. During the hearing you repeatedly assured the Committee of your personal support for Rural Development programs. In fact this was cited as part of the basis for eliminating the Under Secretary for Rural Development. However, the FY18 budget included significant cuts to the existing programs, including the near complete elimination of RBCS, and an elimination of nearly 1,000 staff years. How do you envision the Department increasing or maintaining the same level of service to Rural America with these proposed cuts and reductions?

Answer. President Trump promised he would realign government spending, attempt to eliminate duplication or redundancy, and see that all government agencies are efficiently delivering services to the taxpayers of America. To ensure that all of the Federal Government’s resources are achieving the high results, the President established the Agriculture and Rural Prosperity Task Force. The Task Force will strengthen interagency cooperation to achieve a broad range of goals aimed at improving the quality of life for people living in rural areas, develop a reliable work-

force, spur innovation and technology development, and roll back regulations to allow communities to grow and thrive. I am confident in the future of rural America and see opportunities for us to continue to strengthen this outlook and create opportunities for rural America.

Question 9. The FY18 budget included a proposal to close 17 Agricultural Research Service locations, including the National Center for Agricultural Utilization Research in Peoria, Illinois. Innovation has been a key driver of the rural economy; do you believe the research undertaken by these facilities is no longer necessary or useful? And how do you think this lost capacity at Federal labs will be made up elsewhere within the research community?

Answer. I recognize that agricultural research is the basis of our agricultural productivity today. I look forward to working with Congress to ensure that we have a research program that is focused on developing solutions and providing state-of-the-art technologies to improve management decisions on farm and on forest lands. In reality, priorities must be established when resources are tight. Tough decisions have to be made about facilities and staffing.

Questions Submitted Hon. Dwight Evans, a Representative in Congress from Pennsylvania

Question 1. HFFI was a public-private partnership that worked to address food deserts. How do you seek to address food insecurity and food deserts?

Answer. Adequate access to food, especially healthy food, is a national problem. Working together with Federal, state, local and private partners, USDA is committed to addressing the issue of food deserts. Our programs support the development of not only physical grocery and other food delivery stores, but the entire food chain.

The Department will utilize the funds allocated directly to HFFI through its agreement with our National Fund Manager, the Reinvestment Fund, for HFFI, and will continue to utilize our other grant and loan programs to support HFFI objectives.

Question 2. Research has shown that you are what you eat, and that the neighborhood you live in has a profound impact on the food choices you make. In partnership with PolicyLink, The Food Trust published a report that provides an up-to-date review of the research, a report that illustrated the lack of access to healthy food and the grocery gap. Can you share how you intend to improve healthy food access in low-income communities and communities of color?

Answer. USDA, through the Food Insecurity Nutrition Incentive (FINI) Grant Program, funds and evaluates projects intended to “increase the purchase of fruits and vegetables by low-income consumers participating in SNAP by providing incentives at the point of purchase.” FINI projects focus on low-income communities, with many of the applications from nonprofits that ensure FINI reaches low access areas. These projects bring together stakeholders from the distinct parts of the food system to foster understanding of how they might improve the nutrition and health status of participating households receiving incentives to purchase fruits and vegetables.

With regard to food access, the Section 6015 of the 2008 Farm Bill created a set-aside in Rural Development’s (RD) Business and Industry Loan Guarantee program of at least five percent of budget authority for local and regional food systems, with priority for projects benefiting under-served areas.

The USDA Healthy Food Financing Initiative (HFFI) provides funding for multi-year healthy foods, healthy neighbors initiative that will increase the availability of affordable, healthy foods in under-served rural communities to create and preserve quality jobs and revitalize low-income communities, particularly through the development or equipping of grocery stores and other healthy food retailers. Through loans, grants and technical assistance, RD can provide assistance to low- and moderate-income communities to support market planning and promotion as well as infrastructure and operational improvements designed to stimulate consumer demand, enhance marketing, expand demand and retail outlets for farm products, and increase availability of locally and regionally produced foods.

Question 3. In your testimony, you mention the 50 million Americans that the USDA interfaces with every year in food and nutrition services alone, stating that it is not even counting the children who benefit from school, summer and child care nutrition programs. What are your plans to strengthen and continue school, summer and child care nutrition programs?

Answer. The central goal of the Child Nutrition Programs is to provide healthy food to children through the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, Summer Food Service Program, Fresh Fruit and Vegetable Program, and Special Milk Program. These programs help fight

hunger and obesity by funding healthy meals for kids in the places where they spend “away-from-home time”—including schools, child care centers and homes, after-school programs, and summer recreation or enrichment programs. Going forward, USDA will continue to work with our state and local partners to provide strong oversight and program integrity, technical assistance and up-to-date resources, and, where possible, identify program efficiencies and opportunities for streamlining program requirements, and provide the flexibilities needed for food service operators to provide meals that are both nourishing and appealing to children.

Question 4. I always say that Food Policy is Foreign Policy. We know that food is a bipartisan issue because we all have to eat. What will you do to ensure that everyone on the spectrum—from neighborhoods to the global food economy—prioritize the importance of food policy?

Answer. As Secretary, I will maximize the ability of the men and women of America’s agriculture and agribusiness sector to create jobs, to produce and sell the foods and fiber that feed and clothe the world, and to reap the earned reward of their labor. We want to remove obstacles and give them every opportunity to prosper. The United States is blessed to be able to produce more than its citizens can consume, which implies that we should sell the bounty around the world. The work of promoting American agricultural products to other countries will begin with those relationships and will benefit us domestically, just as it will fulfill the moral imperative of helping to feed the world. As Secretary, I commit that USDA will be guided by our new motto “Do Right and Feed Everyone.”

Question 5. I know that you are a veterinarian by trade and Pennsylvania is home to great rural agriculture and farmers across the state. We also have one of the leading veterinary schools in the nation in the University of Pennsylvania Veterinary School. Can you share the importance of veterinarians and programs that you look to strengthen as it relates to our nation’s veterinarians?

Answer. Having an adequate number of veterinarians in rural America is vital to safeguard the health of agricultural animals and in directly supporting the viability of our rural communities (including jobs), as well as our nation’s food security, food safety, public health, and emergency preparedness against foreign animal diseases. I will work to support and strengthen USDA programs that aim to help educate veterinarians and improve veterinary services, especially in those areas where there is currently a veterinary shortage.

Question 6. How do you plan to strengthen our land-grant colleges?

Answer. I believe partnerships are integral to USDA’s mission. Within USDA, the National Institute of Food and Agriculture (NIFA) is the Federal partner in a vast network of scientists, educators, and extension staff that address critical issues about agriculture, food, the environment, and communities. NIFA’s key partner is the nation’s Land-Grant University (LGU) System, which includes the 1862 universities; the 1890 historically black land-grant institutions; and the 1994 tribal land-grant colleges and universities. I will ensure that NIFA will look for innovative new ways to partner and continually strengthen collaboration with land-grant universities and other institutions across the nation to ensure that USDA’s resources extend to all Americans.

Question 7. What is your plan for diversity in agriculture?

Answer. Throughout my career in the public and private-sectors, I have learned the importance of getting different opinions and perspectives when making decisions that affect the lives of customers and constituents. As Secretary, I will continue to value those differences and intend for the Department to benefit from the diversity of a workforce that represents the people and places that we serve every day in USDA.

Questions Submitted by Hon. Al Lawson, Jr., a Representative in Congress from Florida

SNAP Benefits

Question 1. In my District, one in every four Floridians has been on SNAP at some point over the last 12 months. That is twice the national average. Almost 70 percent of SNAP participants are in families with children; more than ¼ are in households with seniors or people with disabilities; and many of these individuals work in low wage jobs, or turn to SNAP during spells of unemployment or fluctuating pay. Given these facts, could you describe the impact that cuts to SNAP in the farm bill would have on beneficiaries? Also, please elaborate on how you plan to respond to food banks such as the Second Harvest of the Big Bend and Feeding Northeast Florida, which rely on the Emergency Food Assistance Program, when they have an increased demand if SNAP benefits are cut?

Answer. Both the House and Senate Agriculture appropriations bills under consideration fully fund SNAP for Fiscal Year 2018 based on current law and anticipated needs for all eligible people who wish to participate. Participation is expected to continue to decrease due to economic factors. The 2018 Budget makes legislative proposals aimed at targeting SNAP benefits to the neediest households, and encouraging work among able-bodied adults without dependents. More specifically, these proposals will target benefits to households most in need. I look forward to working with Congress as you consider these and other proposals to strengthen SNAP during the reauthorization of the farm bill.

USDA's food assistance programs are intended to provide nutritious foods to supplement the diets of eligible participants. They are not designed to provide for total dietary needs. Some individuals and families experiencing food hardship are referred to various nutrition assistance programs to ensure they are receiving adequate benefits to help them reduce hunger and have access to a well-balanced diet.

USDA is committed to continuing support for food banks, food pantries, and other charitable organizations through The Emergency Food Assistance Program, or TEFAP, and other USDA food assistance programs. TEFAP is designed to serve low-income people in need of short-term hunger relief through food providers like food pantries, food banks, soup kitchens, and shelters across the country. The President has requested \$288.75 million for FY 2018 budget for the purchase of TEFAP food alone. TEFAP has also historically received bonus foods through USDA's agricultural marketing programs. USDA purchased \$306 million in bonus foods for distribution through TEFAP in FY 2016. To the extent practicable by law and as needed, USDA will continue to make bonus purchases through our marketing programs. As much as possible, USDA will direct these foods to TEFAP.

Question 2. The fifth District has benefitted a great deal from the Food Insecurity Nutrition Incentive (FINI) grants. We are encouraged by your comments at the hearing indicating support for incentive programs like FINI. We have four Fresh Access Bucks markets: Frenchtown Heritage Market (2014) in Tallahassee, and Berry Good Farms On the Go (2015), White Harvest Farm & Market (2016), and Riverside Arts Market (2016) in Jacksonville. Since these markets' involvement, SNAP recipients have been incentivized to purchase healthy and local produce to the tune of \$20,462. Statewide, the program is responsible for over 24,000 SNAP transactions and it increased the income of more than 440 farmers. Will you continue to support the use of SNAP and SNAP incentives at farmers' markets and other farm-direct healthy food retailers?

Answer. Yes, I will continue to support SNAP and SNAP incentives, such as the Food Insecurity Nutrition Incentive (FINI) Grant Program, which provides locally or regionally produced and culturally appropriate fruits and vegetables.

Food Access and the Healthy Food Financing Initiative

Question 3. In north Florida, access to food is a real concern. Food deserts often leave vulnerable families shopping in convenience stores or resorting to fast food options. For instance, Winn Dixie is set to close stores in Jacksonville and Tallahassee, in neighborhoods that already struggle with easily accessing healthy foods. The Healthy Food Financing Initiative (HFFI) is a program critical in food insecure areas. In FY 2016, HFFI provided the Northwest Jacksonville Community Development Corporation with an \$800,000 grant to invest in the development of the North Point Two Grocery store in Jacksonville, Florida. In the hearing, you mentioned that USDA has very little money to operate the HFFI program. What is your plan to eradicate food deserts and what is your level of commitment to programs like the HFFI?

Answer. Adequate access to food, especially healthy food, is a national problem. As I have said, the Department should do right and feed everybody. USDA is committed to being a part of that solution.

Question 4. We are excited to see that USDA has finally designated a National Fund Manager to manage the HFFI at Rural Development. How does your agency plan to support this new program and integrate its efforts into the suite of important rural financing programs such as the Rural Business—Cooperative Service, which will go a long way in serving the rural stretches in my district?

*Answer.**

Trade and Dumping by Mexico

Question 5. In my district and much of Florida we have a serious issue with Mexico's dumping into our country's agriculture market. This problem of dumping is with

*There was no response from the witness to *Question 4* by the time this hearing was published.

both specialty crops and sugar, causing some Florida farmers to go out of business. With the newly created Under Secretary of Trade, how will you work to help solve this problem?

*Answer.**

Florida Peanut Farmers and Inclusion in USDA Programs

Question 6. In north Florida, there is a serious concern among some peanut farmers who would like to have base acres in order to be more competitive in the peanut market. What are your plans to address this issue in the broader peanut policy?

*Answer.**

Able-Bodied Adults Without Dependents (ABAWDs) and Florida's Commitment to Uphold Work Requirements

Question 7. ABAWDs are individuals between the ages of 18 and 49 without dependents, who are not disabled. ABAWDs are only eligible for SNAP for 3 months out of 3 years, if they are not working or in a training program for at least 20 hours a week. The challenge in Florida is that in the state's FY 2016 and FY 2017 Employment and Training Plans, state have not pledged to guarantee that all ABAWDs are offered placement in qualified training. In the latest data that is available from the USDA, as of 2015, the State of Florida had 521,000 individuals who fall under the ABAWD designation; that is over ½ million Floridians who either are not receiving the training they need, or are not aware that they need to take it. In the hearing, referencing SNAP, you noted that there are some disparities in how states are implementing and executing the program, going as far to say that there is some room for unanimity in various aspects of the program. Can you promise my constituents that you will work with each state, particularly Florida, to make sure that states are holding up their end of the bargain when enforcing this requirement by making every effort to properly notify individuals that it exists, and that states will have the support and resources from your agency to offer sufficient employment training?

Answer. Yes, USDA will work with states to ensure they make efforts to connect SNAP recipients with meaningful work; including ABAWDs facing time limits. SNAP provides important benefits to help families get through tough times. SNAP enrollment grew to historic levels during the recession, but despite the improvements in the economy, participation is declining slowly. I look forward to working with Congress in the coming months as you consider ways to strengthen the program to target benefits to those in need, support work by SNAP recipients, and improve SNAP through reauthorization of the farm bill.

Questions Submitted by Hon. Tom O'Halleran, a Representative in Congress from Arizona

Question 1. Many rural, Native American Reservations are behind the curve on the deployment of broadband Internet. In fact, on Tribal lands in the lower 48 states 72% of people lack access to broadband, sometimes even lacking access to Internet, phone and electricity all together. How do you plan to use USDA's rural utility experience to address this disparity?

Answer. As part of the efforts of the Agriculture & Rural Prosperity Task Force (ARPTF), for which I am the chair, the Department, along with partners from across the Federal Government will be identifying opportunities for improving the quality of life in rural America. One such opportunity that is receiving significant attention at this time is the development of and investment in robust, modern infrastructure. Through the ARPTF and the President's call for an infrastructure plan, the Department will utilize all of its existing authorities to make investments that create reliable and available broadband networks for the benefit of rural areas, especially those in Tribal areas that are under-served.

Question 2. The skinny budget calls to eliminate the water and wastewater loan and grant program. This program is designed to help rural Tribes and towns build the critical infrastructure necessary for clean water, the most basic need. On the Navajo Nation, the water and wastewater funds have helped the communities of Ganado, Dilkon and Lower Greasewood drill new wells and run new pipelines, so the residents of these communities have access to safe water: 43% of Navajos live below the poverty line and \$8 of the \$14 million invested were USDA grants. If the USDA does away with the water and wastewater loan and grant program, where in USDA should small, rural communities turn to find funding for systems for safe drinking water?

*There was no response from the witness to *Questions 5 and 6* by the time this hearing was published.

Answer. The Administration is in the process of taking a closer look at the proper role and size of Federal Government. As Secretary of Agriculture, it is important to me that rural communities have clean and safe drinking water, and I will continue to work with Congress and others in the Administration to identify how best to serve our rural communities.

Question 3. Arizona's First Congressional District includes four National Forests. The skinny budget calls for funding of forest fire operations based on an average of the past 10 years. What do you intend to do if this fire season is worse than the past 10 years and more fire expenditures are needed? How will this impact the Forest Service's other mission areas?

Answer. The Forest Service has total budget authority for wildfire suppression in this fire season of over \$1.8 billion. This resource level is well above the 10 year average and is projected to be sufficient. This budget authority includes resources appropriated to the Wildland Fire Management account and to the FLAME Act account. If conditions warrant additional resources, the Forest Service will transfer funds from non-fire programs to support wildland fire suppression operations. Although these transfers do not occur every year, both expected and actual transfers cause uncertainty in planning and implementing projects. Notably, the type of work delayed by the rising cost of suppression can include the restoration work needed to reduce the risk of wildland fire on National Forest System lands.

Question 4. The run-away 10 year average wildfire costs are draining the budget year after year for all other Forest Service programs. You and I both know that what needs to happen is Congress needs to pass a comprehensive budget fix to address the run-away costs and uncertainty for the agency year after year. Do I have your support and commitment in working to help a comprehensive wildfire funding fix get passed through Congress? If so, does the Administration have a preferred wildfire funding fix?

Answer. I share your concerns regarding the impacts the rising cost of fire suppression places on the Forest Service to carry out the breadth of its mission.

The ongoing erosion of the agency's non-fire budgets due to the increasing 10 year average cost of fire suppression, causes an ongoing shift in resources from land management to fire management. We are committed to working with Congress to develop a solution that addresses the growth of fire programs as a percent of the agency's budget, and also ends the practice of transferring funds from non-fire programs when suppression funds fall short before the end of the fiscal year.

Question 5. The 2014 Farm Bill includes the Extra-Long Staple (ELS) Competitiveness Program and gives the Secretary of Agriculture the authority to determine which foreign growths of ELS cotton are used to determine competitiveness. Currently, the largest producer of ELS cotton in the world is China, and it has not yet been included in the USDA price calculation. To date, USDA has indicated that they believe they lack the authority to use the Chinese quote. Would you commit to working with the industry and those of us who represent ELS producers to ensure that the program is working as intended by Congress?

Answer. Although China is a large producer of ELS cotton, specifically the Chinese Variety 137, it is not traded internationally according to Chinese government trade statistics, there is no export price quote, and the cotton does not "compete" in the international market. Currently, Israeli Pima is the only competing quote used in calculations for the ELS Competitiveness Program. These prices are quoted daily by the publication Cotton Outlook—the only widely-accepted source for the prices at which ELS cotton is traded globally. Additionally, in contrast to the Egyptian long staple cotton that was dropped from the Competitiveness program calculations due to quality concerns, the quality of Israeli ELS cotton is not in question. If accurate and consistent trades and prices for Chinese ELS cotton, or ELS from other origins, become available, USDA will be in a better position to consider additional competing quotes.

Questions Submitted by Hon. Jimmy Panetta, a Representative in Congress from California

Question 1. Mr. Secretary, the organic agriculture industry has grown from a niche program to a \$47 billion industry where demand often outpaces supply. In 1990, the National Organics Standards Board (NOSB) was given the responsibility to advise the Department on issues important to the industry and to propose recommendations to the National Organic Program (NOP), potentially leading to Federal regulations. I am concerned that, over time, the growth of the organic sector has left the NOSB unable to adequately provide views of a mature industry and is often not geographically representative of the industry. For example, while California is home to 40 percent of organic production, only three of the members are

from California and none are actual growers. Will you commit to examining best practices for utilizing the NOSB moving forward? Please share with the Committee your goals for strengthening the NOSB to fully reflect the growth of organic production and the challenges organic farmers face.

Answer. Appointing people to the National Organic Standards Board (NOSB) with diverse perspectives that represent the growing organic industry is important to me. NOSB diversity comes in many forms, including a diversity of experience in organic production and handling, a diversity in geographic representation, and diversity in the sizes and types of farms and businesses represented. We are currently inviting applications for the seat designated for someone with expertise in the areas of environmental protection and resource conservation. Applications are due to USDA on August 7, 2017, we hope for a strong set of applicants for consideration.

Question 2. Mr. Secretary, the recently announced Interagency Task Force on Agriculture and Rural Prosperity is charged with ensuring that “regulatory burdens do not unnecessarily encumber agricultural production, constrain economic growth, hamper job creation, or increase the cost of food for Americans and our customers around the world.” I am concerned that a proposal from the National Organics Standards Board (NOSB) could be working counter to those goals. The proposal would seek to exclude currently approved hydroponic, aquaponic, and other innovative growing techniques from organic certification. This could hurt farmers and producers around the country who are currently certified organic producers while also driving up prices for consumers whose demand is rapidly growing for this produce. Please examine this NOSB proposal to ensure that it does not hurt farmers, producers, and consumers around the country, and report back to the Committee on how the Department will address these concerns.

Answer. The National Organic Standards Board (NOSB) Crops Subcommittee is currently studying the issue of hydroponics, aeroponics, and aquaponics. The NOSB has explored this topic for the last few meetings, and it may again be discussed at its fall 2017 meeting. We look forward to carefully reviewing any recommendation that the NOSB passes, and will evaluate next steps accordingly. Any changes to the regulations would require a rulemaking and public comment process. USDA will keep you updated on any further developments.

Question Submitted by Hon. Lisa Blunt Rochester, a Representative in Congress from Delaware

Question. As the Member of Congress from Delaware, one of the largest economic drivers in my state is the poultry industry—coming from Georgia, I know this is an industry you are very familiar with.

One of the issues I hear most about from my constituents is the potential impacts, both positive and negative, of the Department’s proposed GIPSA rule. I understand you have extended the implementation date on this rule.

Could you give me an update on where things stand and what direction you may take this policy issue?

Answer. I appreciate your concern regarding the Grain Inspection, Packers and Stockyards Administration’s (GIPSA) Interim Final Rule (IFR) and the impact this rule could potentially have on the poultry industry. The U.S. Department of Agriculture (USDA) delayed the effective date of the IFR, also referred to as the GIPSA rule, until October 19, 2017. USDA also requested additional comments from stakeholders on the disposition of the IFR—whether the IFR should become effective, indefinitely suspended, delayed further, or withdrawn. Interested persons were invited to submit comments on or before June 12, 2017, and GIPSA is currently analyzing the comments received to determine the rule’s disposition.

I look forward to working with you on developing sound policy for all of agriculture, including in the 2018 Farm Bill. Future policy must have a sound factual, economic, and scientific basis. It must consider all segments of the agriculture industry and consumers. While these decisions may be difficult, USDA will do its very best to make sure we are making the best possible policy decisions for all of agriculture.

[ATTACHMENT]

Code of Federal Regulations Title 7—Agriculture**Subtitle A—Office of the Secretary of Agriculture***Part 2—Delegations Of Authority By the Secretary of Agriculture and General Officers of the Department***Subpart C—Delegations of Authority to the Deputy Secretary, Under Secretaries, and Assistant Secretaries****§ 2.17 Under Secretary for Rural Development.**

(a) The following delegations of authority are made by the Secretary of Agriculture to the Under Secretary for Rural Economic and Community Development:

(1) Provide leadership and coordination within the Executive Branch of a Nationwide Rural Development Program utilizing the services of Executive Branch departments and agencies and the agencies, bureaus, offices, and services of the Department of Agriculture in coordination with rural development programs of state and local governments (7 U.S.C. 2204).

(2) Coordinate activities relative to rural development among agencies reporting to the Under Secretary for Rural Economic and Community Development and, through appropriate channels, serve as the coordinating official for other departmental agencies having primary responsibilities for specific titles of the Rural Development Act of 1972, and allied legislation.

(3) Administer a national program of economic, social, and environmental research and analysis, statistical programs, and associated service work related to rural people and the communities in which they live including rural industrialization; rural population and manpower; local government finance; income development strategies; housing; social services and utilization; adjustments to changing economic and technical forces; and other related matters.

(4) Work with Federal agencies in encouraging the creation of rural community development organizations.

(5) Assist other Federal agencies in making rural community development organizations aware of the Federal programs available to them.

(6) Advise rural community development organizations of the availability of Federal assistance programs.

(7) Advise other Federal agencies of the need for particular Federal programs.

(8) Assist rural community development organizations in making contact with Federal agencies whose assistance may be of benefit to them.

(9) Assist other Federal agencies and national organizations in developing means for extending their services effectively to rural areas.

(10) Assist other Federal agencies in designating pilot projects in rural areas.

(11) Conduct studies to determine how programs of the Department can be brought to bear on the economic development problems of the country and assure that local groups are receiving adequate technical assistance from Federal agencies or from local and state governments in formulating development programs and in carrying out planned development activities.

(12) Assist other Federal agencies in formulating manpower development and training policies.

(13) *Related to committee management.* Establish and reestablish regional, state, and local advisory committees for activities under his or her authority. This authority may not be re-delegated.

(14) *Related to defense and emergency preparedness.* Administer responsibilities and functions assigned under the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061, *et seq.*), and title VI of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5195, *et seq.*), concerning rural development credit and financial assistance.

(15) *Related to energy.* (i) Provide Department-wide operational support and coordination for loan and grant programs to foster and encourage the production of fuels from agricultural and forestry products or by-products.

(ii) Participate as a Department representative at conferences, meetings and other contacts including liaison with the Department of Energy and other government agencies and departments with respect to implementation of established Department energy policy.

(iii) Serve as Co-Chairperson of the Energy Coordinating Committee of the Department.

(16) Collect, service, and liquidate loans made, insured, or guaranteed by the Rural Utilities Service, the Rural Housing Service, the Rural Business—Cooperative Service, or their predecessor agencies.

(17) [Reserved]

(18) With respect to land and facilities under his or her authority, exercise the functions delegated to the Secretary by Executive Order 12580, 3 CFR, 1987 Comp., p. 193, under the following provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("the Act"), as amended:

(i) Sections 104(a), (b), and (c)(4) of the Act (42 U.S.C. 9604(a), (b), and (c)(4)), with respect to removal and remedial actions in the event of release or threatened release of a hazardous substance, pollutant, or contaminant into the environment;

(ii) Sections 104(e)–(h) of the Act (42 U.S.C. 9604(e)–(h)), with respect to information gathering and access requests and orders; compliance with Federal health and safety standards and wage and labor standards applicable to covered work; and emergency procurement powers;

(iii) Section 104(i)(11) of the Act (42 U.S.C. 9604(i)(11)), with respect to the reduction of exposure to significant risk to human health;

(iv) Section 104(j) of the Act (42 U.S.C. 9604(j)), with respect to the acquisition of real property and interests in real property required to conduct a remedial action;

(v) The first two sentences of section 105(d) of the Act (42 U.S.C. 9605(d)), with respect to petitions for preliminary assessment of a release or threatened release;

(vi) Section 105(f) of the Act (42 U.S.C. 9605(f)), with respect to consideration of the availability of qualified minority firms in awarding contracts, but excluding that portion of section 105(f) pertaining to the annual report to Congress;

(vii) Section 109 of the Act (42 U.S.C. 9609), with respect to the assessment of civil penalties for violations of section 122 of the Act (42 U.S.C. 9622), and the granting of awards to individuals providing information;

(viii) Section 111(f) of the Act (42 U.S.C. 9611(f)), with respect to the designation of officials who may obligate money in the Hazardous Substances Superfund;

(ix) Section 113(k) of the Act (42 U.S.C. 9613(k)), with respect to establishing an administrative record upon which to base the selection of a response action and identifying and notifying potentially responsible parties;

(x) Section 116(a) of the Act (42 U.S.C. 9616(a)), with respect to preliminary assessment and site inspection of facilities;

(xi) Sections 117(a) and (c) of the Act (42 U.S.C. 9617(a) and (c)), with respect to public participation in the preparation of any plan for remedial action and explanation of variances from the final remedial action plan for any remedial action or enforcement action, including any settlement or consent decree entered into;

(xii) Section 119 of the Act (42 U.S.C. 9119), with respect to indemnifying response action contractors;

(xiii) Section 121 of the Act (42 U.S.C. 9621), with respect to cleanup standards; and

(xiv) Section 122 of the Act (42 U.S.C. 9622), with respect to settlements, but excluding section 122(b)(1) of the Act (42 U.S.C. 9622(b)(1)), related to mixed funding agreements.

(19) With respect to facilities and activities under his or her authority, to exercise the authority of the Secretary of Agriculture pursuant to section 1–102 related to compliance with applicable pollution control standards and section 1–601 of Executive Order 12088, 3 CFR, 1978 Comp., p. 243, to enter into an inter-agency agreement with the United States Environmental Protection Agency, or an administrative consent order or a consent judgment in an appropriate state, interstate, or local agency, containing a plan and schedule to achieve and maintain compliance with applicable pollution control standards established pursuant to the following:

(i) Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, as further amended by the Hazardous and Solid Waste Amendments, and the Federal Facility Compliance Act (42 U.S.C. 6901, *et seq.*);

(ii) Federal Water Pollution Prevention and Control Act, as amended (33 U.S.C. 1251, *et seq.*);

(iii) Safe Drinking Water Act, as amended (42 U.S.C. 300f, *et seq.*);

(iv) Clean Air Act, as amended (42 U.S.C. 7401, *et seq.*);

- (v) Noise Control Act of 1972, as amended (42 U.S.C. 4901, *et seq.*);
- (vi) Toxic Substances Control Act, as amended (15 U.S.C. 2601, *et seq.*);
- (vii) Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136, *et seq.*); and
- (viii) Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. 9601, *et seq.*).

(20) *Related to rural utilities service.* (i) Administer the Rural Electrification Act of 1936, as amended (7 U.S.C. 901, *et seq.*) except for rural economic development loan and grant programs; (7 U.S.C. 940c and 950aa, *et seq.*): Provided, however, that the Under Secretary may utilize consultants and attorneys for the provision of legal services pursuant to 7 U.S.C. 918, with the concurrence of the General Counsel.

(ii) Administer the Rural Electrification Act of 1938 (7 U.S.C. 903 note).

(iii) Designate the chief executive officer of the Rural Telephone Bank.

(iv) Administer the following sections of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921, *et seq.*):

- (A) Section 306 (7 U.S.C. 1926), related to water and waste facilities.
- (B) Section 306A (7 U.S.C. 1926a).
- (C) Section 306B (7 U.S.C. 1926b).
- (D) Section 306C (7 U.S.C. 1926c).
- (E) Section 306D (7 U.S.C. 1926d).
- (F) Section 306E (7 U.S.C. 1926e).
- (G) Section 309 (7 U.S.C. 1929) and 309A (7 U.S.C. 1929a), relating to assets and programs related to watershed facilities, resource and conservation facilities, and water and waste facilities.
- (H) Section 310A (7 U.S.C. 1931), relating to watershed and resource conservation and development
- (I) Section 310B(b) (7 U.S.C. 1932(b)).
- (J) [Reserved]
- (K) Administrative Provisions of subtitle D of the consolidated Farm and Rural Development act relating to rural utility activities.
- (L) Section 379B (7 U.S.C. 2008p).

(v) Administer section 8, and those functions with respect to repayment of obligations under section 4 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a, 1004) and administer the Resource Conservation and Development Program to assist in carrying out resource conservation and development projects in rural areas under section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(e)).

(vi) Administer the Water and Waste Loan Program (7 U.S.C. 1926–1).

(vii) Administer the Rural Wastewater Treatment Circuit Rider Program (7 U.S.C. 1926 note).

(viii) Administer the Distance Learning and Medical Link Programs (7 U.S.C. 950aaa, *et seq.*).

(ix) Administer Water and Waste Facility Programs and activities (7 U.S.C. 1926–1).

(x) [Reserved]

(xi) In coordination with the Assistant Secretary for Administration, issue receipts under section 2501A(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279–1(e)).

(xii) Administer section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a), relating to a rural energy savings program.

(xiii) Administer section 6210 of the Agricultural Act of 2014, Public Law 113–79, relating to funding of pending rural development loan and grant applications.

(21) *Related to rural business—cooperative.* (i) Administer the Rural Economic Development Loan and Grant Programs under the Rural Electrification Act (7 U.S.C. 940c and 950aa, *et seq.*).

(ii) Administer the following sections of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921, *et seq.*):

- (A) Section 306(a)(110(A)) (7 U.S.C. 1926(a)(11)(A)), relating to grants for business technical assistance and planning.
- (B) [Reserved]
- (C) Sections 309 (7 U.S.C. 1929) and 309A (7 U.S.C. 1929a), relating to assets and programs related to rural development.

(D) Section 310B (7 U.S.C. 1932), relating to various Rural Development programs, except for subsection (b) of that section.

(E) Section 310H (7 U.S.C. 1936b), relating to an intermediary relending program.

(F) Administrative Provisions of subtitle D of the Consolidated Farm and Rural Development Act relating to rural business—cooperative activities.

(G) Section 378 (7 U.S.C. 2008m) relating to the National Rural Development Partnership;

(H) Section 379E (7 U.S.C. 2008s) relating to the Rural Microentrepreneur Assistance Program.

(I) Section 379F (7 U.S.C. 2000t) relating to the Expansion of Employment Opportunities for Individuals with Disabilities in Rural Areas Program.

(J) Section 379G (7 U.S.C. 2008u) relating to Health Care Services.

(K) Section 382A, *et seq.* (7 U.S.C. 2009aa, *et seq.*) relating to the Delta Regional Authority.

(L) Section 383A, *et seq.* (7 U.S.C. 2009bb, *et seq.*) relating to the Northern Great Plains Regional Authority.

(M) Section 384A, *et seq.* (7 U.S.C. 2009cc, *et seq.*) relating to the Rural Business Investment Program;

(N) Section 385A, *et seq.* (7 U.S.C. 2009dd, *et seq.*) relating to the Rural Collaborative Investment Program.

(iii) Administer Alcohol Fuels Credit Guarantee Program Account (Pub. L. 102-341, 106 Stat. 895).

(iv) [Reserved]

(v) Administer loan programs in the Appalachian region under sections 203 and 204 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 204).

(vi) Administer section 601 of the Powerplant and Industrial Fuel Use Act of 1978 (Pub. L. 95-620).

(vii) Administer the Drought and Disaster Guaranteed Loan Program under section 331 of the Disaster Assistance Act of 1988 (7 U.S.C. 1929a note).

(viii) Administer the Disaster Assistance for Rural Business Enterprises Guaranteed Loan Program under section 401 of the Disaster Assistance Act of 1989 (7 U.S.C. 1929a note).

(ix) Administer the Rural Economic Development Demonstration Grant Program (7 U.S.C. 2662a).

(x) Administer the Economically Disadvantaged Rural Community Loan Program (7 U.S.C. 6616).

(xi) Administer the assets of the Alternative Agricultural Research and Commercialization Corporation and the funds in the Alternative Agricultural Research and Commercialization Fund in accordance with section 6201 of the Farm Security and Rural Investment Act of 2000 (note to 7 U.S.C. 5901 (repealed)).

(xii) Administer programs authorized by the Cooperative Marketing Act of 1926 (7 U.S.C. 451-457).

(xiii) Carry out the responsibilities of the Secretary of Agriculture relating to the marketing aspects of cooperatives, including economic research and analysis, the application of economic research findings, technical assistance to existing and developing cooperatives, education on cooperatives, and statistical information pertaining to cooperatives as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627).

(xiv) Work with institutions and international organizations throughout the world on subjects related to the development and operation of agricultural cooperatives. Such work may be carried out by:

(A) Exchanging materials and results with such institutions or organizations;

(B) Engaging in joint or coordinated activities; or

(C) Stationing representatives at such institutions or organizations in foreign countries (7 U.S.C. 3291).

(xv) Administer in rural areas the process of designation, provision of monitoring and oversight, and provision of technical assistance for Empowerment Zones and Enterprise Communities pursuant to section 13301 of Public Law 103-66, Omnibus Budget Reconciliation Act of 1993 (26 U.S.C. 1391, *et seq.*)

(xvi) Work with Federal agencies in encouraging the creation of local rural community development organizations. Within a state, assist other Federal

agencies in developing means for extending their services effectively to rural areas and in designating pilot projects in rural areas (7 U.S.C. 2204).

(xvii) Conduct assessments to determine how programs of the Department can be brought to bear on the economic development problems of a state or local area and assure that local groups are receiving adequate and effective technical assistance from Federal agencies or from local and state governments in formulating development programs and in carrying out planned development activities (7 U.S.C. 2204b).

(xviii) Develop a process through which state, sub-state and local rural development needs, goals, objectives, plans, and recommendations can be received and assessed on a continuing basis (7 U.S.C. 2204b).

(xix) Prepare local or area-wide rural development strategies based on the needs, goals, objectives, plans and recommendations of local communities, sub-state areas and states (7 U.S.C. 2204b).

(xx) Develop a system of outreach in the state or local area to promote rural development and provide for the publication and dissemination of information, through multi-media methods, relating to rural development. Advise local rural development organizations of availability of Federal programs and the type of assistance available, and assist in making contact with Federal program (7 U.S.C. 2204; 7 U.S.C. 2204b).

(xxi) Administer the Value-Added Agricultural Product Market Development Grant program (note to 7 U.S.C. 1621).

(xxii) Administer the Agriculture Innovation Center Demonstration program (note to 7 U.S.C. 1621).

(xxiii) Administer the renewable energy programs authorized in sections 9003, 9004, 9005, 9007, and 9009 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103, 8104, 8105, 8107, and 8109).

(xxiv) Implement the information disclosure authorities of section 1619(b)(3)(A) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8791(b)(3)(A)).

(xxv) In coordination with the Assistant Secretary for Administration, issue receipts under section 2501A(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279-1(e)).

(xxvi) Administer the Healthy Food Financing Initiative under section 243 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6953).

(xxvii) Administer section 6209 of the Agricultural Act of 2014 (7 U.S.C. 2207b), relating to the collection and reporting of program metrics.

(22) *Related to rural housing.* (i) Administer the following under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921, *et seq.*):

(A) Section 306 (7 U.S.C. 1926), except with respect to financing for water and waste disposal facilities; or loans for rural electrification or telephone systems or facilities other than hydroelectric generating and related distribution systems and supplemental and supporting structures if they are eligible for Rural Utilities Service financing; and financing for grazing facilities and irrigation and drainage facilities; and subsection 306(a)(11).

(B) Section 309A (7 U.S.C. 1929a), regarding assets and programs relating to community facilities.

(C) Administrative Provisions of subtitle D of the Consolidated Farm and Rural Development Act relating to rural housing activities.

(D) Section 379 (7 U.S.C. 2008n) relating to the Rural Telework program;

(E) Section 379A (7 U.S.C. 2008o) relating to the Historic Barn Preservation program; and

(F) Section 379C (7 U.S.C. 2008q) relating to the Farm Workers Training Grant program.

(ii) Administer title V of the Housing Act of 1949 (42 U.S.C. 1471, *et seq.*), except those functions pertaining to research.

(iii) [Reserved]

(iv) Administer the Rural Housing Disaster Program under sections 232, 234, and 253 of the Disaster Relief Act of 1970 (Pub. L. No. 91-606).

(v) Exercise all authority and discretion vested in the Secretary by section 510(d) of the Housing Act of 1949, as amended by section 1045 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, Pub. L. 100-628 (42 U.S.C. 1480(d)), including the following:

(A) Determine, with the concurrence of the General Counsel, which actions are to be referred to the Department of Justice for the conduct of liti-

gation, and refer such actions to the Department of Justice through the General Counsel;

(B) Determine, with the concurrence of the General Counsel, which actions are to be referred to the General Counsel for the conduct of litigation and refer such actions; and

(C) Enter into contracts with private-sector attorneys for the conduct of litigation, with the concurrence of the General Counsel, after determining that the attorneys will provide competent and cost effective representation for the Rural Housing Service and representation by the attorney will either accelerate the process by which a family or person eligible for assistance under section 502 of the Housing Act of 1949 will be able to purchase and occupy the housing involved, or preserve the quality of the housing involved.

(vi) Administer the Rural Firefighters and Emergency Personnel Grant program (7 U.S.C. 2655).

(vii) Implement the information disclosure authorities of section 1619(b)(3)(A) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8791(b)(3)(A)).

(viii) In coordination with the Assistant Secretary for Administration, issue receipts under section 2501A(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279-1(e)).

(23) *Related to hazardous materials management.* (i) Serve on the USDA Hazardous Materials Policy Council.

(ii) Recommend actions and policies that enable USDA agencies under his or her authority to comply with the intent, purposes, and standards of environmental laws for pollution prevention, control, and abatement.

(iii) Consult with the United States Environmental Protection Agency and other appropriate Federal agencies in developing pollution prevention, control, and abatement policies and programs relating to agencies under his or her authority.

(iv) Recommend actions and policies of the loan and grant programs under his or her authority concerning compliance with the Asset Conservation, Lender Liability, and Deposit Insurance Protection Act of 1996, Subtitle E of Public Law No. 104-208.

(24)-(25) [Reserved]

(26) *Related cooperative agreements.* Enter into cooperative agreements with other Federal agencies, state and local governments, and any other organizations or individuals to improve the coordination and effectiveness of Federal programs, services, and actions affecting rural areas, including the establishment and financing of interagency groups, as long as the objectives of the agreement will serve the mutual interest of the parties in rural development activities (7 U.S.C. 2204b(b)(4)).

(27) Exercise the authority in section 10101 of the Disaster Relief and Recovery Supplemental Appropriations Act, 2008, Public Law 110-329, div. B., regarding the Rural Development Disaster Assistance Fund.

(28) [Reserved]

(29) Implement section 14218 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 6941a).

(30) *Related to biomass research and development.*

Administer section 9008 of FSRIA (7 U.S.C. 8108) with respect to biomass research and development, including administration of the Biomass Research and Development Board and Biomass Research and Development Technical Advisory Committee, and submission of reports to Congress, except for the authority delegated to the Under Secretary for REE in § 2.21(a)(1)(cci) to carry out the Biomass Research and Development Initiative; consult and coordinate, as appropriate, with the Under Secretary for REE and other mission areas within the Department as deemed necessary in carrying out the authorities delegated herein; and serve as the designated point of contact referenced in 7 U.S.C. 8108 for the Department, except for purposes of administering the Biomass Research and Development Initiative as provided in § 2.21(a)(1)(cci).

(31) Carry out prize competition authorities in section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3719) related to functions otherwise delegated to the Under Secretary for Rural Development, except for authorities delegated to the Chief Financial Officer in § 2.28(a)(29) and authorities reserved to the Secretary in paragraph (b)(2) of this section.

(b) The following authority is reserved to the Secretary of Agriculture:

(1) *Related to rural business—cooperative.* Submission to the Congress of the report required pursuant to section 1469 of Pub. L. No. 101-624.

(2) Approval of prize competitions that may result in the award of more than \$1,000,000 in cash prizes under section 24(m)(4)(B) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3719(m)(4)(B)).

[60 FR 56393, Nov. 8, 1995, as amended at 65 FR 12427, Mar. 9, 2000; 66 FR 31107, June 11, 2001; 68 FR 27436, May 20, 2003; 74 FR 3402, Jan. 21, 2009; 75 FR 43368, July 23, 2010; 76 FR 52851, Aug. 24, 2011; 78 FR 40937, July 9, 2013; 79 FR 44106, July 30, 2014; 80 FR 58336, Sept. 29, 2015]

