

**TO REVIEW THE STATE OF THE RURAL
ECONOMY WITH AGRICULTURE SECRETARY
TOM VILSACK**

HEARING

BEFORE THE

**COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES**

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CONTENTS

	Page
Baird, Hon. James R., a Representative in Congress from Indiana, submitted letter	84
Brown, Hon. Shontel M., a Representative in Congress from Ohio, prepared statement	4
Cloud, Hon. Michael, a Representative in Congress from Texas, submitted articles	87
Hartzler, Hon. Vicky, a Representative in Congress from Missouri, submitted letter	83
Kuster, Hon. Ann M., a Representative in Congress from New Hampshire, submitted letter	79
Letlow, Hon. Julia, a Representative in Congress from Louisiana, submitted letter	102
Scott, Hon. David, a Representative in Congress from Georgia, opening statement	1
Prepared statement	2
Submitted letter	79
Hon. Glenn Thompson, a Representative in Congress from Pennsylvania, opening statement	2
WITNESS	
Vilsack, Hon. Thomas “Tom” J., Secretary, U.S. Department of Agriculture, Washington, D.C.	4
Prepared statement	5
Supplementary material	126
Submitted questions	146
SUBMITTED MATERIAL	
Nussle, Jim, President and Chief Executive Office, Credit Union National Association, submitted letter	129
Ogsbury, James D., Executive Director, Western Governors’ Association, submitted letter	130
Turner, Jessica, President, Outdoor Recreation Roundtable, submitted letter ..	144

**TO REVIEW THE STATE OF THE RURAL
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TOM VILSACK**

THURSDAY, JANUARY 20, 2022

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

The Committee met, pursuant to call, at 9:00 a.m., in Room 1300 of the Longworth House Office Building and via Zoom, Hon. David Scott of Georgia [Chairman of the Committee] presiding.

Members present: Representatives David Scott of Georgia, Costa, McGovern, Adams, Spanberger, Hayes, Delgado, Brown, Rush, Pingree, Kuster, Bustos, Maloney, Plaskett, O'Halleran, Carbajal, Khanna, Lawson, Craig, Harder, Axne, Schrier, Panetta, Bishop, Thompson, Austin Scott of Georgia, DesJarlais, Hartzler, LaMalfa, Davis, Allen, Rouzer, Kelly, Bacon, Johnson, Baird, Hagedorn, Jacobs, Balderson, Cloud, Mann, Feenstra, Miller, Moore, Cammack, Fischbach, and Letlow.

Staff present: Lyron Blum-Evitts, Prescott Martin III, Anne Simmons, Ashley Smith, Parish Braden, Caleb Crosswhite, Josh Maxwell, Patricia Straughn, Jennifer Tiller, and Dana Sandman.

**OPENING STATEMENT OF HON. DAVID SCOTT, A
REPRESENTATIVE IN CONGRESS FROM GEORGIA**

The CHAIRMAN. The Committee hearing will come to order.

I want to welcome everyone, and I want to thank you for joining us today to have our hearing, which is entitled, *To Review the State of the Rural Economy with Agriculture Secretary Tom Vilsack*. After brief opening remarks, Members will receive testimony from our witness today, and then the hearing will be open to questions. Without objection, the chair may recess the Committee, subject to the call of the chair at any point during this hearing.

And now, I just want to give my brief opening statement. I want to welcome everyone who are watching this hearing today, and I would like to start by, first of all, extending a warm greeting to my dear friend, Secretary Vilsack. And we are delighted to have you with us today, Secretary.

Now, a key function of our House Agriculture Committee is to conduct oversight and ensure that the Executive Branch is implementing Congressionally authorized programs as they are intended. One other thing, the Secretary has a hard stop at 2:00 p.m., and also, when we return after our work period, we will begin to take up the 2023 Farm Bill.

[The prepared statement of Mr. David Scott follows:]

PREPARED STATEMENT OF HON. DAVID SCOTT, A REPRESENTATIVE IN CONGRESS FROM
GEORGIA

Good morning, and welcome to all who are watching the hearing today. I would like to start by extending a warm welcome and return to my friend and our witness today, Secretary of Agriculture Tom Vilsack.

A key function of our House Agriculture Committee is to conduct oversight and ensure that the Executive Branch is implementing Congressionally authorized programs as intended. Today, I hope to hear critical updates on the implementation of pandemic relief programs, including the American Rescue Plan, and the status of disaster assistance, as well as updates on the implementation of the 2018 Farm Bill.

With that, I yield to the Ranking Member for any opening remarks he may have.

The CHAIRMAN. Secretary, with that, we are going to hear from our Ranking Member with any opening remarks he has.

**OPENING STATEMENT OF HON. GLENN THOMPSON, A
REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA**

Mr. THOMPSON. Well, Mr. Chairman, thank you very much.

Mr. Secretary, good to see you. Welcome to Capitol Hill. Glad to have you here.

Mr. Chairman, thanks for holding today's hearing and thank you, Secretary Vilsack, for traveling to Washington, D.C. to join us.

This Committee is well overdue for a general audience with you, and I want to mention in advance that I appreciate your willingness to appear before us to respond to each Members' questions and concerns.

Mr. Secretary, I was pleased and hopeful when President Biden asked you to join his team. Your experience during President Obama's Administration, and quite frankly, the years in between was appreciated, and like that of your predecessor, would continue to cultivate and execute the policies necessary to make rural America thrive.

As I travel the country, those who produce the food, the fiber, and the energy that keeps this country running are telling me a different story. Unfortunately, I am also seeing it firsthand throughout my home State of Pennsylvania.

Now, President Biden has fostered an agenda that is kind of rife for executive overreach and regulatory uncertainty, and a far-left ideology that just doesn't align with the hardworking men and women who enrich our nation and our world. Mr. Secretary, our constituents want a government that works for them as an advocate for their businesses, their products, their livelihoods, and I will tell you at this stage, folks do not believe this Administration is in their corner.

Farmers, ranchers, foresters, and consumers are battling significant supply chain disruptions and rising energy and input costs, increasing inflation, and longstanding labor shortages, and these strains exacerbate the ongoing challenges of production agriculture.

As you know, Mr. Secretary, our communities are looking for solutions, and they don't need onerous Federal regulatory burdens and mounds of new red tape from WOTUS and NEPA to controversial livestock rules and other regulatory action. That is what they and we are witnessing. Our nation's ability to provide its citizens and the world with the safest, most affordable, and abundant food

and fiber supply is our fundamental mandate. I know all of us in both parties realize and are motivated by this tremendous responsibility.

Unfortunately, there remains a disconnect between our shared mandate and what is coming out of Washington. In Congress, trillions in ideological new spending was contemplated and signed into law when instead, we needed targeted fixes to supply chain bottlenecks and labor shortages. And now, it appears further funding is under discussion that fails to address the frail Biden economy, including the massive labor shortfalls.

Under this Administration, we see a Clinton Era Swine Inspection Program rolled back, despite being grounded in science and designed enhanced processing capacity, efficiency, and food safety. We need greater certainty and supply chain resiliency for both producers and consumers.

On other fronts, domestic productivity relative to resource use for agriculture is up a whopping 287 percent since the 1940s—I think that is something we all should be very proud of—while the total farm inputs remain mostly unchanged. Our producers have spent decades showing the world that they are the answer to reducing global greenhouse gas emissions, and they are not the problem. Activists with little knowledge of production agriculture are winning the day, and I hope this Administration and Department rethink their alliance with these coalitions and ideologues.

Mr. Secretary, I want to be your partner. Makeshift responses to Congressional inquiries, and in many cases, no response at all, have made it extremely challenging for my colleagues on both sides of the aisle, myself included, to maintain a meaningful dialogue with the Department. Policy briefings and Administration updates with little to no notice for Members further strain our partnership. There is an opportunity to work together. I believe that wholeheartedly, and we stand ready. A critical part of doing so is beginning our 2018 Farm Bill implementation and oversight process and working towards the next reauthorization. That is putting politics aside. That is what we tend to do here on the Agriculture Committee: and beginning an earnest, deliberative process of what is working and what is not for producers, rural communities, and consumers.

I look forward to starting that process with our Members and with you, Mr. Secretary, but in the meantime, we must stabilize our economy and supply chains, improve labor force participation, deliver commonsense regulatory action, and better understand the needs of our shared constituency. I think that starts with this hearing, so I am very appreciative of the Chairman for this hearing. And again, I thank the Secretary for coming before this Committee, and I look forward to more productive and consistent discourse.

And with that, Mr. Chairman, I yield back.

The CHAIRMAN. Thank you, Ranking Member.

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

[The prepared statement of Ms. Brown follows:]

PREPARED STATEMENT OF HON. SHONTEL M. BROWN, A REPRESENTATIVE IN
CONGRESS FROM OHIO

Thank you, Chairman Scott and Ranking Member Thompson, for holding this hearing. And thank you, Secretary Vilsack for joining us today to review the state of the rural economy and the operations of the Department of Agriculture.

As we know too well, COVID-19 has taken a heavy toll on many of our communities and deepened the hunger crisis. USDA's Economic Research Service found that, while the number of Americans who are food-insecure remained level throughout 2020, hunger increased for Black and Latino families and the food-insecure household rate was significantly higher than the national average—21.7 percent *versus* 10.5 percent. Unfortunately, the pandemic's impact on hunger was felt quite inequitably.

Food insecurity is an unconscionable, crippling reality for far too many Americans. Our communities cannot flourish when many of their residents, especially our students, still lack basic, regular access to nutritious food.

That is why I introduced the Afterschool Meals Act (H.R. 6357). My legislation will alleviate hunger among the most vulnerable students by enabling schools to provide healthy and nutritious meals to children in afterschool care. I am also a co-lead of Congresswoman Alma Adams' coming legislation that seeks to combat college hunger by providing enrolled students with access to information about SNAP benefits.

The CHAIRMAN. Our witness today is our 32nd Secretary of Agriculture, and a great ally of our nation's farmers and ranchers, Secretary Tom Vilsack. We are so pleased to welcome you back to our Agriculture Committee, and Mr. Secretary, please begin when you are ready.

**STATEMENT OF HON. THOMAS "TOM" J. VILSACK, SECRETARY,
U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.**

Secretary VILSACK. Mr. Chairman, thank you very, very much. I appreciate the opportunity to be here today, and also to Representative Thompson, thank you for the opportunity to appear before the Committee, and I thank the Members for this opportunity.

I suppose I could focus on the fact that our farm income is as good as it has been in the last 8 years that we have had record exports, but I would really like to focus on one phrase of my testimony on page four, because I think it explains the heart of the challenge that farmers and rural America faces and has faced for a considerable period of time.

I want to focus on the phrase, *extraction economy*. I make this reference on page four of my testimony in order to set the stage for discussion, hopefully over the long haul as you begin your process of the farm bill reauthorization.

Our extraction economy is an economy that essentially, we take things from the land and off the land, and unfortunately, rather than converting them in, value-adding, in and close to the rural areas where the natural resource is, they are transported long distances where they are value-added in some other location where opportunities and jobs are created elsewhere. I think it is going to be important for us as we look forward to try to develop what is called a *circular economy*, in which the wealth is created and stays in rural areas.

Let me give you a couple of examples of how that could happen. There has been a focus on local and regional food systems. We learned during the pandemic that our system, our food system was not as resilient as we hoped it would be. One of the ways of making it more resilient is to create local and regional opportunities. That

is one of the reasons why we are focused on expanding processing capacity, something that I hear all the time when I travel around the country. The need for our cattle producers, our livestock producers, our hog producers to have choice and opportunity for a local processing facility that creates local jobs that allows that revenue and wealth that is created from processing to stay in the community.

Another example is obviously the biobased manufacturing. Biofuels are one example, but there are a multitude of ways in which we can convert agricultural waste product into a wide variety of things beyond renewable energy and fuel, to include chemicals, materials, fabrics, and fibers, again, creating opportunity for farmers, and additional income sources as well as rural jobs.

Climate change creates an opportunity for us. As we look at ways in which rural lands can be used to sequester carbon, as we embrace climate-smart agricultural practices, it opens up a whole new vista of opportunity for farmers to essentially be paid for the carbon sequestration that they are currently doing and will do in the future.

These are all examples of a circular economy where the wealth basically stays. The opportunity is created. The jobs are created in rural areas. We at USDA are focused on trying to insert and encourage that type of circular economy to be more prevalent in rural areas across the United States.

Mr. Chairman, I know that there are a variety of questions that will be posed today, but I hope as this Committee begins its serious work on the farm bill, that you will take some time to work with us to take a look at how we might be able to do a better job of maintaining and creating wealth in rural communities, and making sure that historically underserved populations and communities also get a fair amount of attention. We at USDA are committed to working with you in partnership to use the resources that are available from Congress in a way that helps to create those kinds of opportunities.

With that, I will yield back the balance of my time and look forward to the questions that you all have.

[The prepared statement of Secretary Vilsack follows:]

PREPARED STATEMENT OF HON. THOMAS "TOM" J. VILSACK, SECRETARY, U.S.
DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Thank you, Mr. Chairman, Ranking Member, and Members of the Committee, for the opportunity to come before you today to discuss the state of the rural economy in the United States. The COVID-19 pandemic has been incredibly difficult on Americans in urban, rural, suburban and Tribal communities alike. Throughout the nation, the pandemic has exposed economic, racial, and geographic disparities that call us to action. In rural and Tribal communities especially, COVID-19 has exposed decades of underinvestment in the infrastructure and institutions that make a rural place a vibrant, thriving community. It has also exposed that aspects of both U.S. and international food systems are rigid, consolidated, and fragile. Concurrently, drought, wildfire, and severe weather have exposed the perils of climate change for agriculture, people, and the planet.

Despite the challenges of the past 2 years, rural and Tribal communities, and American farmers, ranchers, and farmworkers have remained resilient. Rural businesses, schools, and health care providers have harnessed technology in new ways to access new markets, educate their children and deliver healthcare. Farmers and ranchers have continued to produce and deliver the fruits of their labor and are seizing the opportunity that consumer interest in supporting local producers and

businesses provides. Farmworkers, meat processing workers, and grocery workers have risked health and safety on the frontlines to keep our communities fed. Producers and communities have weathered storms and drought with resourcefulness, creativity, and a renewed understanding of the implications of climate change. Amidst the tremendous challenges of our time, in rural America there is opportunity and there is also a sense of urgency.

That's why, the past year, the Biden-Harris Administration worked with Congress to get the American Rescue Plan passed and deliver Pandemic Assistance to help farmers and families recover. And that's why President Biden secured bipartisan support for historic investments in infrastructure. These investments will rebuild the physical infrastructure of our country, grow the economy for decades to come, create good-paying, union jobs, and help close the digital divide in rural areas—all of which will better position our agriculture and rural communities to compete in a global economy. My vision has been—and will continue to be—to deploy these new resources in ways that will enable rural communities to build back better, with increased resiliency and equity.

Building Back Better in Rural America

Small towns and rural communities provide the food, water, energy, nature, and culture that benefit people everywhere. Everyone benefits when rural communities thrive. Unfortunately, as I imagine many of you know well, we continue to see persistent challenges in rural America—from access to broadband to declining numbers of rural hospitals—that have exacerbated the difficulties facing rural residents during the pandemic.

We have a dichotomy in rural America. On one hand, the agriculture economy is strong. Net farm income jumped in 2021 by 23% to \$116.8 billion¹ and after 2 years² of being a net-importer, the United States is back to its rightful place as a significant contributor to our trade balance by driving exports to record high levels in 2021. The United States exported a record \$172.2 billion in farm and food products in fiscal 2021, up 23 percent from 2020. Preliminary estimates of export levels for calendar year 2021 suggest that the United States will set an all-time record, and the outlook for 2022 looks optimistic for continued growth of agricultural exports. Demand for American agricultural products, here and abroad, has rebounded and has remained strong and growing. USDA will continue to focus on maintaining and expanding access to export markets for American producers through rebuilding trust with our partners and also holding them accountable.

On the other hand, we know that rural communities, including farmers and ranchers, still face challenges from the pandemic, many of which are seeded in challenges that have existed for far too long. COVID-19 exposed a rigid, fragile, and consolidated food system that led to bottlenecks and supply constraints. We have witnessed how the structure of food systems have resulted in higher consumer prices while the value to producers is constrained or even declined in many cases. And for decades rural America faced the headwinds of an extraction economy. Big businesses and corporate power in our food systems have undercut locally owned businesses and family-owned farms leaving little opportunity for rural people and places to retain the wealth they create and get ahead.

These are systemic challenges that have failed rural communities and the rural economy for decades, resulting in continued population decline and a persistent higher rate of poverty overall than metro areas since poverty rates were first officially recorded in the 1960s.

And now, we also see emerging, new and unprecedented challenges related to drought, wildfire, and climate change. To truly build back better and stronger, we must seize the moment to address these challenges across the board rather than simply returning to the way things were before the pandemic and economic downturn. The stakes couldn't be higher. This is a critical moment to make clear the value proposition that rural America provides. We must recognize the full contributions of rural communities and harness the innovative nature of our farmers and ranchers and our rural communities. Armed with the right tools and resources, this is the moment to build back better with a more resilient, equitable and circular economy that ensures wealth sticks and truly benefits the people and places that create it.

That's why at USDA we are focused on the following key priorities:

- *Creating more and better market opportunities for producers and consumers alike.* The food systems of the future needs to be fair, competitive, distributed,

¹ https://www.ers.usda.gov/media/tzjlfctz/farmsectorindicators_december2021.xlsx.

² <https://www.ers.usda.gov/webdocs/outlooks/102735/aes-118.pdf?v=964>.

and resilient. The success of American agriculture hinges on innovation and the development of new markets.

- *Addressing climate change via climate-smart agriculture, forestry and energy.* Our comprehensive climate-smart strategy will help position the agricultural sector and rural America as leaders in helping tackle this challenge.
- *Advancing racial justice, equity, and opportunity.* We are taking bold, historic action to reduce barriers to access and advance opportunity for underserved communities.
- *Tackling food and nutrition insecurity.* We are focused on ensuring Americans have consistent access to safe, healthy, affordable food essential to optimal health and well-being.

More and Better Markets

Over this last year, USDA has worked to deploy every resource available to help support our rural communities build a better future together. We know that the gains we are seeing in the agricultural economy have been extremely uneven across the country and across commodities. Meanwhile, producers are navigating supply chain disruptions as well as short- and long-term challenges with access to markets for their products. That's why we worked hard to address gaps and disparities in the assistance that the Administration provided producers. A year ago, we briefly paused implementation of the prior Administration's CARES and CAA programming so that we could evaluate what types of commodities and which types of agricultural producers had received significant support and who had been left out. We then created the Pandemic Assistance Initiative to ensure that USDA support would reach a broader set of producers, workers, and businesses. Over the course of the year, we've made over \$13 billion available in Pandemic Assistance, of which almost \$9 billion has been outlaid, in ways that align with on-the-ground needs of producers of all stripes.

Additionally, we've committed more than \$4 billion in American Rescue Plan funds towards our Build Back Better food system transformation effort. This funding will help build a food system of the future that is fair, competitive, distributed, and resilient; supports health with access to healthy, affordable food; ensures growers and workers receive a greater share of the food dollar; and advances equity as well as climate resilience and mitigation.

Through Pandemic Assistance and our Build Back Better Food System Transformation Initiative we have aided in the historic economic recovery from the pandemic, helped families put food on the table, and are ensuring producers and rural businesses have the resources and tools to thrive longer-term. We are ensuring American agriculture is part of addressing food and nutrition insecurity and building strong rural economies, including by standing up cooperative agreements with state and Tribal governments to procure and distribute local and regional foods and by supporting the purchases of agricultural commodities to help schools across the country make sure students have access to healthy meals.

The pandemic exposed a food system that is rigid, consolidated, and fragile. The reduction in meat processing capacities is just one example of the systemic failures that hurt producers and consumers alike. Fifty years ago, ranchers received over 60¢ of every dollar a consumer spent on beef, compared to about 39¢ today. Hog farmers got 40¢ to 60¢ on each dollar spent 50 years ago, down to about 19¢ today. Producers all across the country for too long have faced a marketplace that benefits a few large companies over those who are growing, harvesting, and processing our food. With more capacity and competition, we can level the playing field for producers.

Thanks to the funding provided by Congress and this Committee, particularly in the American Rescue Plan Act, as part of the Build Back Better Food System Transformation Initiative, USDA is making important investments in U.S. food systems that will allow us to create more and better markets for producers and consumers alike. The investment of \$1 billion in American Rescue Plan funds we announced earlier this month to expand independent processing capacity will help move us towards a fairer, more competitive, and more resilient meat and poultry supply chain.

We are also working closely with the Department of Justice and the White House to strengthen the rules that protect farmers, ranchers, and consumers. USDA will issue new, stronger rules under the Packers and Stockyards Act that will seek to increase competition and strengthen the fairness and resiliency of livestock and poultry markets on behalf of farmers, ranchers, and growers.

I look forward to working with Congress on these important issues as you look for additional ways to ensure that our farmers and ranchers have better access to processing capacity and consumers have more choices in the marketplace.

Climate-Smart Agriculture and Forestry

As this panel is keenly aware, our farmers, ranchers, and foresters are on the front lines when it comes to dealing with the impacts of climate change. We've seen unprecedented droughts, wildfires, and other weather-related challenges increase in recent years and USDA has provided much-needed relief to those affected by these disasters. However, while agriculture is uniquely vulnerable to a warming climate, the sector is also uniquely positioned to help address the problem. Policies that drive climate solutions across the agricultural sector and rural America can both help tackle this challenge, while also creating new revenue opportunities for producers and rural communities. That approach, where rural communities can be leaders in clean energy, and where farmers, ranchers, and foresters can access new market opportunities, while also doing right by the climate, is the approach of the Biden-Harris Administration.

We expect that markets in both the U.S. and around the world are continually going to demand more climate-smart commodities. USDA has a long history of market facilitation and development for agricultural and forestry producers and climate-smart commodities represent a new and potentially growing market opportunity. At USDA, we are on the cusp of providing significant help to encourage the growth of these commodities through the Partnerships for Climate-Smart Commodities Program. With this approach, we will fund pilots and demonstration projects that will encourage farmers to come together, deploy climate-smart practices, and produce climate-smart commodities. This approach will be voluntary, incentive based and available to producers of all sizes, all methods, all locations, and all types of production. Importantly, our work through this program will complement and build on activities and transactions that are already starting to occur in the private marketplace, making those opportunities to add value and create new revenue streams available to more American producers. Of course, at the same time we will also work with our research mission area, land-grant universities, and others to measure, quantify, and verify the climate benefits of the program based on sound, peer-reviewed science. At the end of the day, this new commodity program is about creating new revenue streams for farmers while helping to combat climate change. It's an exciting opportunity and over the course of the next several months we're looking forward to sharing additional details surrounding this effort.

USDA is also focused on how we can drive tangible benefits to those communities disproportionately impacted by climate change, including underserved communities. To achieve this, we will prioritize equitable access to the assistance and incentives intended to help producers and land managers address the causes and consequences of climate change. Additionally, USDA agencies are working to find new ways to prioritize investments in forestry, clean energy, energy efficiency, and infrastructure in underserved communities that will mitigate against climate change, increase climate resilience, and to measure and track the benefits those vital investments provide. We're also redoubling our efforts to protect rural communities from the ravages of climate-driven wildfires. Earlier this week I rolled out a new comprehensive strategy to mitigate wildfire risk to communities and infrastructure, a significant paradigm shift in forest management that I look forward to working with you all to implement in the coming years.

I would also like to extend my appreciation for the resources that the Infrastructure Investment and Jobs Act is making available to USDA for wildfire risk reduction and watershed protection and rehabilitation, and reforming wildland firefighter compensation, among other important programs. As I have stated before, however, we cannot comprehensively and effectively reduce the serious risk that catastrophic wildfires pose to many communities around our nation without substantial additional funds. The Infrastructure Investment and Jobs Act provides an important down payment on these resources and the Build Back Better Act includes transformative investments that would do even more to help us address this crisis and enable our long-standing conservation programs to do double duty in service of combating climate change, which poses an existential threat to our farmers and ranchers, and to all of us.

Food and Nutrition Insecurity

As USDA builds back better and with a recognition that food and health are inherently intertwined, we are focused on ensuring Americans have consistent access to the safe, healthy, affordable food essential to optimal health and well-being.

While keeping the food supply safe, as USDA does each day, we must also tackle both food insecurity and nutrition insecurity. USDA's nutrition programs are the most far-reaching tools available to ensure all Americans have access to healthy, affordable food. Over the past year, USDA has taken steps to support the millions of families who have struggled to make ends meet and keep food on the table during

the pandemic with increased benefits through the host of programs available to assist those in need, expanded access to those programs, and outreach to those that have been historically underserved.

In the coming year, we will build on the innovation required by our COVID-19 pandemic response, as well as the historic investments in nutrition and food assistance we made this previous year, which helped to reduce the prevalence of hunger nationwide. The number of households reporting that they sometimes or often did not have enough food dropped by 32 percent in 2021 and experts estimate the U.S. had the lowest child poverty rate ever in 2021. This is profound progress that we will build upon as we invest in bold solutions that enhance food safety, reduce both food and nutrition insecurity and, ultimately, improve health and well-being.

Recommitting Ourselves to Equity and Inclusion

For much of the history of USDA, policy design and implementations have rewarded those who own land, who have collateral, who have greater access to USDA programs, and communities with more resources to leverage, while others have faced discrimination and inequities.

Over the last year, USDA has worked tirelessly to address historical inequities in how we deliver programs across the board for rural communities and how we promote diversity and inclusion within our own workforce. The Department has taken bold and historic actions to reduce barriers to access to USDA's programs, advance opportunity for underserved communities, and root out generations of systemic racism and discrimination. To further bolster this work, USDA is focused on delivering on the Justice40 Initiative and ensuring that underserved communities can equitably benefit from USDA resources and funding.

Soon, USDA will also announce the members of USDA's new Equity Commission, which will hold its first meeting in February. This Commission, which was authorized by Congress as part of the American Rescue Plan Act, offers an historic opportunity to root out barriers to access and improve the Department for the benefit of underserved communities, the overall American farm and agriculture sector, and our economy. The Equity Commission is tasked with providing USDA with recommendations on policies, programs, and actions needed to advance equity and address racial equity issues within the Department of Agriculture and its programs, including strengthening accountability at the Department. The Equity Commission will play a key role in identifying the root causes—systemic and systematic—of existing inequities and will assist USDA in centering equity and justice as it develops and strengthens policies and approaches to truly serve all people regardless of their background or experience. I know that the work of the Equity Commission will also prove invaluable to this Committee as you consider ways to remove barriers to our programs and ensure equal opportunity to individuals and communities.

I want you to know that we are doing everything we can to ensure that all farmers and communities can benefit from USDA investments and that we are working to ensure equity is at the center of our programming in rural communities and across the Department. I particularly want to thank the Chairman and other Members of this Committee for their steadfast commitment on this issue and for the input many of you have provided to me on how we can work to ensure that all programming is equitable and how USDA can better represent the diversity of America.

Conclusion

Mr. Chairman, Ranking Member, and Members of the Committee, thank you for the opportunity to speak to you today about the current state of the ag and rural economy in the United States and this Administration's commitment to a prosperous rural America. Throughout the course of this past year, I've had the opportunity to travel across this great country and meet with many of the people we serve. I've visited states in every region of the country. I've been to many of your districts and met with your constituents. I've met with farmers, ranchers, farm workers, processors, foresters, and families living in our rural communities. I have been able to hear their concerns and their optimism about the future. I too am optimistic about the future, especially today as we celebrate this first year of the Biden-Harris Administration and look ahead to continuing to fight for rural communities, and the farmers, ranchers, and foresters, who sustain them.

At the end of the day, my vision for rural America is a place where people want to stay and raise their children because they have access to good-paying jobs, or they have enough revenue coming in to make a decent living on the farm—no matter the size—without having to work other jobs. It's where families have access to quality healthcare and education, clean drinking water, broadband internet and the infrastructure needed to build and maintain vibrant communities. We must seize this moment to reimagine and rebuild an economy that invests in rural America and

works for our rural families. It is not acceptable for us to fail our rural communities. We have a responsibility to work together, across the aisle to address these challenges. The Biden-Harris Administration has been working hard to build back better, stronger, and more resilient and equitably than ever before. I look forward to working with this Committee on this mission.

The CHAIRMAN. Thank you, Mr. Secretary, for your important testimony.

At this time, Members will be recognized for questions in order of seniority, alternating between Majority and Minority Members, and you will be recognized for 5 minutes in order to allow us to get to as many questions as possible. And, I will certainly hold each Member to that strict 5 minutes, because I want to be able to make sure every Member has a chance to ask the Secretary questions. Please keep your microphones muted until you are recognized in order to minimize any background noise.

And now, I recognize myself for my questions.

Mr. Secretary, as you may know, our cotton industry is suffering in a very particular area with our cotton merchandisers, and they have had great impact and effect from our COVID-19 crisis. As you may recall, I wrote you a letter and asked for your help, and what we could do to help our cotton merchandisers, because Mr. Secretary, they are very critical to the risk management and liquidity for our cotton farmers.

So, Mr. Secretary, I want to help them. I know you do, too. And so, what can we do? Can we use some of your authority with the COVID-19 funds to be able to get help to them? What can we do to help our cotton merchandisers?

Secretary VILSACK. Mr. Chairman, we have been in consultation with a number of representatives of the cotton industry and cotton and textile user industry in an effort to try to determine how best to help. The FSA is, in part, drafting a notice of funds availability that we hope to be able to make available sometime in the early spring that would provide some additional resources, and we are trying to structure this in a way based on our conversations with the industry to be able to provide some assistance and help to the industry.

This is one of many programs that we have inserted and adopted as a result of the resources that have been made available under the American Rescue Plan (Pub. L. 117-2) and under the CARES Act (Pub. L. 116-136), and a variety of pandemic assistance programs designed to make sure that we have a significant amount of effort at USDA to provide assistance and help to those who were not adequately helped in the previous Administration with these resources.

The CHAIRMAN. Thank you for that.

And now, I would like to recognize the Ranking Member for his questions.

Mr. THOMPSON. Thank you, Mr. Chairman.

Mr. Secretary, thanks again. I really appreciate you being here. Mr. Secretary, as you know, and I know this is an issue important to you—dairy. Dairy has long been a priority of mine, and it is also our largest commodity in Pennsylvania. And, as I talk with dairy farmers actually all across this country, I know it is important throughout our dairy states. I am glad that dairy stakeholders are having serious discussions about the potential reforms to the Fed-

eral Milk Marketing Order system, and I think the system has long needed some improvements for dairy farmers. I don't think we can keep doing what we have been doing and expect different results when you look at the attrition, the loss of dairy farms.

But the COVID-19 pandemic has really put a spotlight on some of those deficiencies. Conversations are still going on within the industry to reach consensus, which I think is critically important. But can you comment or commit that your Department will work with us and the dairy sector to help this process along?

Secretary VILSACK. Representative, thanks very much for the question, and certainly, I hear, as you have heard, concerns about the Marketing Order. And I think it is important and necessary for the dairy industry to develop a consensus opinion. I think as you travel around the country and as I do, what you hear in Pennsylvania may be a little different than what you hear in Vermont, maybe a little different than what you hear in Idaho, maybe a little bit different in New Mexico, and certainly different from what you hear in California in terms of the needs of this industry.

But I think the industry is serious about this effort, and we will work collaboratively with the industry to try to improve. That is one of the reasons why we recently announced the Supplemental Dairy Margin Assistance, the dairy payment through the Pandemic Market Volatility Assistance Program, and why we created the Dairy Donation Program. We are trying to find ways to use existing tools to provide help to this industry.

Mr. THOMPSON. I do think the consensus is out there, maybe not on exactly what to do, but there is a need for change, and that is helpful to be able to bring people together. And so, I look forward to working with you in that arena.

Mr. Secretary, in March of 2021, you made reference in a press release to gaps and disparities at USDA concerning COVID relief, and in statements with the press since then, you have implied that funding in many program areas has been disproportionate or skewed by race, and that same phrase, *gaps and disparities*, was in your written testimony today.

Now, following your initial press statement last year, my staff reached out to USDA numerous times requesting to see the data that supports that comment, that consistent comment you have used. And after no response, I wrote to you personally asking for a response to these inquiries. This week, 9 months after first engaging on this issue, my office received a letter acknowledging this request. The response I received, though, was merely a regurgitation of preexisting USDA press releases that I already had on hand, and not the data I sought, which was disappointing. The timeline of the response is equally disappointing.

So, Mr. Secretary, I know that we both agree that this plague has been devastating to all stakeholders and communities, and this Committee has a responsibility to meet the needs of all producers that require us to work together, and that does require us to work together. I look forward to us doing better. So, I believe this also highlights the need for increased oversight, Mr. Chairman, from this Committee, not only on the farm bill implementation, but also the COVID relief, and I hope to see a greater responsiveness from our USDA partners. I think we are all part of a great farm team,

and when we are working together, every American family benefits, and the rural economy benefits.

And so, I am just hopeful that we can work in a more responsive, and just a better way going forward.

Secretary VILSACK. Well, Congressman, I think what I said and what I intended was to focus on the fact that the existing assistance under the Trump Administration was focused in a number of geographic areas and a number of commodities. And I think a recent GAO study suggested exactly that, and that is one of the reasons why we used the resources under the CARES Act and under the pandemic assistance resources to spread out and to try to provide help and assistance to those who hadn't received as much help. Dairy was one area; biofuels industry is another area. The spot market for hogs, the folks who were selling hogs on a cash market, that is another area. The pandemic needs of specialty crops, that is another area. So, we have made an effort to try to make sure that we were providing assistance and help in a comprehensive way as opposed to focusing in on a specific geographic commodity, or specific area.

Mr. THOMPSON. Right. I think that data would just be helpful to—

The CHAIRMAN. The gentleman's time has expired.

The gentleman from California, Mr. Costa, who is also the Chairman of the Subcommittee on Livestock and Foreign Agriculture, is now recognized for 5 minutes.

Mr. COSTA. Thank you very much, Mr. Chairman, for bringing us together and support and the opportunity to have a conversation with our Secretary of Agriculture. It is good to see you back, Mr. Secretary.

We could spend the whole day talking about the rural economy and the challenges we face across the country regionally and the different impacts this pandemic has had in terms of closing restaurants and schools, and impacting our food supply chain in ways that we could never imagine. And obviously, we are still working on that effort with our ports in Long Beach and Los Angeles.

But I would like to focus on a couple of areas, and continue this effort as we set the table for the farm bill next year that I know the Chairman and all of us are very interested in doing.

We touched upon the effort of the challenges regionally of milk production, by the way, I want to commend you and Ambassador Tai on that resolution with Canada on the recent decision that was made. That is helpful, I believe, to ensure we have a level playing field with our neighbors to the north. But that limitation on the program, the Pandemic Market Volatility Assistance Program that you implemented to reimburse dairy farmers for their losses obviously impacts producers differently around the country, and the limitation that 5 million pounds per producer obviously doesn't reflect one-size-fits-all. I am wondering, we are trying to figure out in areas of the country where it doesn't, how we might provide an effort to cover the losses that they sustained during that time.

Mr. Secretary, do you care to comment?

Secretary VILSACK. Congressman, the reason why we established that limitation was the fact that during the course of the previous Administration, the way in which COVID relief was provided and

helped as it relates to the food box program resulted in somewhat of a distortion in the market that created a situation where there was a significant difference between Class I and Class III. Now, many producers, many small producers were hurt, and so, this was designed to provide assistance and help to the small producers that were hurt because of that circumstance.

I am happy to work, and we did work and are working on a variety of other ways to help the dairy industry across the board, and would be happy to work with you on any ideas or thoughts that you have to provide assistance and help to the dairy industry.

Mr. COSTA. Good. We will follow up on that.

The trade issue that has been discussed before is critical to American agriculture, as well as California agriculture, the number one ag state in the nation. Forty-four percent of California's agricultural production is exported, and I am wondering as we look to having a level playing field not only with our consumers that we export to: Asia, but also to Europe as well. And I am wondering what kind of oversight the Department intends to follow with in regards to the new agreement we have with the U.S.-Mexico-Canada agreement?

Secretary VILSACK. Well, you alluded to the fact that we supported the U.S. Trade Representative's Office in connection with the Canadian dairy situation. Certainly pleased to see that that tariff rate quota will be implemented the way in which it was intended. We are working with our colleagues and our friends in Mexico on a variety of issues, not the least of which is glyphosate, biotech approvals for corn—the ability for us to be able to continue to sell corn for feed into Mexico. We received assurances from the Mexican Secretary Villalobos that that, in fact, will continue to take place.

So, there are ongoing conversations. I probably have spoken to the Secretary in Mexico at least six times, seven times since I took office, and I have had a number of responses and communications with my Canadian counterpart as well. So, there is a constant effort to ensure enforcing, and this is really designed to create a sense of trust about trade agreements, not just in Mexico and Canada, but also in China. We obviously have some unfinished business with reference to Phase 1, and we continue to press China to increase their purchases, and also to address many of the important—

Mr. COSTA. Do you believe China has kept their commitments under the previous agreement?

Secretary VILSACK. No. They are \$13 billion short on purchases, and there are seven key areas where they have yet to perform. Biotech approvals, DDG sales, tariffs on ethanol, a variety of other sort—

Mr. COSTA. We will follow up on that, Mr. Secretary. My time is running down. I just want to commend your efforts, because you and I have talked about it on forestry and the horrific fires and our ability to manage our forests the way that really we have been neglecting. And we want to support your efforts there. There is a lot to be done. This 10 year program that you unveiled earlier this week is something that we want to work with you on.

The CHAIRMAN. The gentleman's time has expired.

The gentleman from Georgia, Mr. Austin Scott, is recognized now for 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Thank you, Mr. Chairman.

Secretary Vilsack, I have talked with some of my chemical distributors about the crop protection products. They are telling me that the raw materials are in the country, but the labor shortage is what is creating the backup and the challenges with actually getting the product to the warehouses for the farms. Is that consistent with what you are hearing from the people at USDA?

Secretary VILSACK. Well, we are certainly concerned about the lack of truck drivers, which is why we are working with the Department of Labor and are encouraged by their efforts to create an apprenticeship program and to speed up the process to get people behind the wheel, and to work with states to issue CDL licenses as quickly as possible. So, it is an area that we are concerned about.

Mr. AUSTIN SCOTT of Georgia. I think they are talking about shortages in labor at the manufacturers as well as trucking shortages and other things.

It does concern me that in many cases, I feel like people don't recognize how important the timeliness is with regard to the application of crop protection and crop promotion, fertilizer products to get the yields that our farmers depend on and we all depend on for our food supply in this country. And so, I hope you and USDA will stay on the Department of Transportation and the Department of Labor, making sure they understand that when we have to have these crop protection products in the field, putting it on 2 or 3 weeks late doesn't work.

You were given an additional \$10 billion this past fall for disaster assistance for extreme weather in 2020 and 2021. Can you give us an update or any details on where the distribution of those funds stands?

Secretary VILSACK. Yes. Let's talk about the \$750 million that was allocated for the livestock industry. We are going to take a look at a process by which we can use existing data from the Livestock Forage Program to facilitate payments, and the hope is that those payments will be made to livestock producers sometime this spring. The expectation is that there may be additional need, a second tranche of resources that will be made available with a more detailed application, but we are trying to simplify the process so we can get resources to these farmers as quickly as possible.

On the grain side, we hope to use NAP data and RMA crop insurance data to essentially create a pre-filled out application which will speed up the process of a first tranche of resources to those producers, and then a second tranche for shallow losses in areas that weren't covered, folks who didn't have NAP coverage or who didn't have crop insurance coverage.

So, the goal here is to try to get these payments out this spring.

Mr. AUSTIN SCOTT of Georgia. This spring. So, hopefully by the end of April then?

Secretary VILSACK. April, May, sometime in that timeframe. The key here, Representative, is to make sure that we get it done as quickly as possible, which is why we are simplifying the process and trying to use existing data to speed up the process.

Mr. AUSTIN SCOTT of Georgia. Okay. One last question. The Commodity Credit Corporation. I know there is a tremendous amount of discussion about climate-smart agriculture and the Commodity Credit Corporation. It is my understanding that \$1 billion in CCC funds are being used for climate-smart agriculture and forestry. How does this fit under the pretty specific enumerated purposes of the CCC? What specific authority in the Charter Act will be used, and can you give us more details on this initiative?

Secretary VILSACK. As you well know, the Commodity Credit Corporation in part is designed to provide for the promotion of commodities. And what we are hearing and seeing from the industry is, the food industry is the need for climate-smart commodities for sustainably produced commodities in which they can ensure their consumers that what they are purchasing is not harmful to the environment.

So, we want to be able to help producers create those climate-smart commodities. It falls under, it is either Section 4 or Section 5 of the CCC, and we are very confident that we have the capacity and ability to use this without jeopardizing any of the other needs or reasons for the CCC. This will give, and actually farm groups and food groups have basically proposed and suggested this, and the Food and Farm Alliance document on climate-smart agriculture suggesting the need for demonstration and pilot projects funded through the CCC, and we are following the prescription of groups like the American Farm Bureau in their advocacy for this.

So, we feel very confident we have the legal grounds based on the fact that we will be promoting climate-smart commodities.

Mr. AUSTIN SCOTT of Georgia. Mr. Chairman, my time has expired.

The CHAIRMAN. Thank you.

The gentleman from Massachusetts, Mr. McGovern, who is also the Chairman of our House Committee on Rules, is recognized for 5 minutes.

Mr. MCGOVERN. Well, thank you, Mr. Chairman, and thank you for your leadership. I want to thank Secretary Vilsack for his service and for his team at USDA. I have found them always to be very responsive, and I appreciate that.

I want to start off by saying that I am currently working with Congressman Grijalva to organize a roundtable on Tribal farming and indigenous food systems. And while we all must do more to honor and learn from the experiences of indigenous people, I want to thank you, Mr. Secretary, and your team at USDA for all the work that you have done so far in this space.

As I have pushed for a White House Conference on Food, Nutrition, Health, and Hunger, I have had the opportunity to see a wide range of places that are working to ensure access to culturally appropriate foods for people. For example, I was in New York City recently at a place called the Met Council that focuses on providing access to kosher and Halal foods for those who would otherwise be forced to choose between their faith and having food on the table. Many of the programs that I saw when I was in San Francisco specialize in providing culturally appropriate foods for Asian and Latinx communities. At the St. Mary's Food Bank in Phoenix, Arizona, which is the oldest food bank in America, they have made it

a mission to provide culturally appropriate native foods for elders to eat.

And so, as we discuss more at the upcoming roundtable, indigenous people know the power of sovereignty and the power of making decisions that encompass your own values on behalf of your people. And we will hear about how self-government means very clearly being able to feed your people.

The U.S. Federal Government has much to learn from the indigenous peoples of this land, and that priority of feeding your own people is one that I know I will certainly carry with me.

My questions are, with that, Mr. Secretary, I would like to know more about what USDA is doing to ensure access to culturally appropriate foods, and what do you need from Congress to ensure that our food programs are meeting the needs of all who use them? And then second, can you tell me a little bit more about the efforts to incorporate regional purchasing in the Food Distribution on Indian Reservations Program?

Secretary VILSACK. Congressman, several points here. We have entered into eight demonstration projects with eight Tribes through our Office of Tribal Relations to begin to incorporate more fully indigenous foods into the foods that are available under the Federal food program for Tribes and under our SNAP Program. We are trying to figure out ways in which we can incorporate more fully and completely the availability of indigenous foods. It is not just the ability of meeting the food security and cultural needs of populations, it is also about creating opportunity and economic opportunity. And to the extent that you create a local and regional food system, one that is designed to produce those culturally appropriate foods, you are also creating jobs and you are creating what I referred to earlier as that *circular economy*. We are continuing to work with Tribes to try to do more of this.

I would say one of the challenges in this space we are also trying to address, and that is the fractionated ownership of land, particularly in Tribal areas, as well as African American farmers, and this is an issue we are trying to address with the Heirs Property Rule that we instituted. There is roughly \$120 million that is going to be made available for sort of a revolving loan fund that will create the opportunity for people to consolidate land title, which in turn will allow them to exercise and to be able to access resources from USDA. And so, these are integrated parts.

In terms of what Congress can do, obviously one thing you can do is to have a budget. That is the first thing we would like to see, because that would allow us the ability to have sufficient resources to be able to provide the technical assistance that is needed to institute many of these programs.

Mr. MCGOVERN. And a general question about access to more culturally appropriate foods, which seems to be an issue that I hear a lot about, as I mentioned my visit to New York City with the Met Council. Is the USDA doing anything to try to address that issue?

Secretary VILSACK. Well, one of the things we are trying to do is to make sure that we have available processing capacity that creates that culturally appropriate food. And as we look at the various programs that we have announced recently to try to expand capacity and expand competition, bear in mind that part of those

resources need to be done to make sure that the kosher and Halal foods are available, and that they are produced and processed in the appropriate way.

Mr. MCGOVERN. Well thank you, and I look forward to working with you.

The CHAIRMAN. The gentleman's time has expired.

The gentleman from Tennessee, Mr. DesJarlais, is recognized for 5 minutes.

Mr. DESJARLAIS. Thank you, Mr. Chairman.

Secretary Vilsack, it is great to see you here again. Last time we spoke, I introduced you to the issue of the black vultures, which apparently, we are going to be talking about some more again this year, because it is getting worse again. But that is not what I want to focus on today.

Obviously, protecting the health and safety of USDA employees and farmers, customers, is of critical importance. However, as it stands today, farmers are not getting an acceptable level of service from FSA field offices that they deserve. Before COVID, farmers were able to come to the office at a time convenient for them on their often strict schedules, but now they are having a hard time getting an appointment at all. Meanwhile, signup for crop year 2022 programs is imminent. When do you expect USDA field offices to return to normal operating levels?

Secretary VILSACK. Congressman, you and I have obviously a difference of opinion on this, because we keep track of the level of work that is being done at Farm Service Agency offices to try to see whether or not the pandemic has negatively impacted the ability to get work done. And in fact, as we see, we are continuing to work at pre-pandemic levels.

Let me give you a sense of this. In Fiscal Year 2021, those folks at the Farm Service Agency did 21,833 direct loans, 7,218 guaranteed loans, 12,244 ownership loans, 12,528 operating loans, and 4,270 micro loans. I mean, there was a lot of work done in addition to CRP, in addition to over \$7 billion of pandemic assistance provided.

So, the work is getting done, and it is getting done because folks are working online. They are working with email. They are working on the phones, and they are working in offices.

Mr. DESJARLAIS. Well, I will just say that—

Secretary VILSACK. We are going to be—

Mr. DESJARLAIS.—we have the largest Farm Bureau office in the country in my district in Columbia, Tennessee, and this question came directly from them. So, maybe I will have someone from your staff, if you don't mind, get in touch Tennessee Farm Bureau, because they are saying that people don't have access to the FSA office, and a lot of it is staffing issues due to the COVID restrictions and vaccination mandates. I think supposedly there is about 80+ percent compliance, 88 percent compliance, but those were people who had gotten one vaccine. What is the current status? Are people going to still be restricted from going to work if they are not fully vaccinated? Even the CDC, I think yesterday, said that natural immunity was more effective against Delta than the vaccine. So, we are in a changing process, this whole process of the vaccine has kind of mutated as we have gone along, and I think we need to get

up with the times. Main street businesses are getting back and running. You are saying the work is getting done, but that is not what we are seeing in Tennessee.

Secretary VILSACK. Well, there are a lot of loans and a lot of activities done.

Let me just simply say that 88 percent, almost 89 percent of our employees are vaccinated, and that compliance rate—

Mr. DESJARLAIS. With one vaccine though, correct?

Secretary VILSACK. I am answering your question, sir. Ninety-seven percent of the workforce actually is either vaccinated or has requested an accommodation, and we are working through those accommodations. If they continue to work when they request an accommodation, they just simply have to be masked. They have to have social distancing and things of that nature. So, 97 percent of the workforce is currently covered, and we are working through the remainder of the workforce, encouraging them to either get vaccinated or to request accommodation, and they still have time to do that.

Mr. DESJARLAIS. Okay. Well, my understanding was that USDA had the highest number of exemption requests in all the agencies, but that those won't be available. So, I am getting double information here from what you are telling me. You are saying that is not the case?

Secretary VILSACK. That is not the case.

Mr. DESJARLAIS. Okay. Well, that is good to know because the main thing is, at least in Tennessee, I don't know about my colleagues, but they are having issues getting appointments with FSA. So, we would hope that could be addressed.

Let me finish. The farmers and ranchers feel like the EPA and this Administration are attacking them. From not defending the Trump *WOTUS* definition to revoking tolerances of approved crop protection tools, and skyrocketing input costs, I certainly understand why they have these concerns, Mr. Secretary. Can you tell me how you are serving as an advocate for production agriculture and defending agriculture throughout the Biden Administration?

You have 45 seconds. You can have them all.

Secretary VILSACK. Thank you.

Encouraging the EPA to do what they are currently doing, which is to reach out to farm groups and farmers across the country to listen to concerns that they may have about the implementation and formation of the rule, and I appreciate the relationship that I have with Administrator Regan on that score.

We are also taking a look at ways in which we at USDA can provide help and assistance once the rules are determined, in terms of providing assistance and help through our conservation programs to make sure that folks are in compliance. Those are our two principal responsibilities, I think is to encourage outreach and to make sure we are using all the tools to help farmers implement as accurately as possible.

Mr. DESJARLAIS. Thank you, Mr. Secretary.

The CHAIRMAN. The gentleman's time has expired.

The gentlewoman from North Carolina, Ms. Adams, who is also the Vice Chair of the Committee on Agriculture, is now recognized for 5 minutes.

Ms. ADAMS. Thank you, Chairman Scott and Ranking Member Thompson for hosting the hearing today, and Secretary Vilsack, good to see you again.

Rural communities continue to face unique challenges that must be addressed to achieve growth. Our farmers need key resources to be successful and our socially disadvantaged and small- to mid-size farmers must receive special attention, because they are more vulnerable to outside factors. Farmers continue to experience challenges presented by COVID-19, supply chains, labor market shortages, access to resources, *et cetera*.

At the same time, issues with climate change and the management of carbon on farms must be considered. So, as co-chair of the bipartisan HBCU Caucus, I have to note that our 1890 land-grant institutions play an important role to contribute to research and extension and teaching in food and agricultural sciences. These institutions do extensive work that supports their surrounding communities, including those located in hard-to-reach areas. But as you know, Mr. Secretary, these institutions can work more closely with USDA across the entire Department. So, can you speak to any collaboration on rural development, rural health, climate change, and nutrition programs like WIC where USDA can better support the work and contributions of land-grant institutions to their communities and our country?

Secretary VILSACK. I appreciate the question. I had a great meeting with the Council of Presidents representing all the HBCUs a month or so ago, and we talked about the opportunities within Rural Development.

First order of business is to make sure that there is an understanding in the HBCUs of the extraordinary scope of the programs that we have at USDA, and to encourage greater collaboration. We are already beginning to see a number of projects, additional resources being provided, \$21.8 million provided to HBCUs on 58 projects to try to expand their reach into the community. We will continue to look at Sec. 2501 funding. We continue to look at ways in which we can encourage both HBCUs and other cooperators to be able to provide the technical assistance and connection between underserved communities and underserved producers and USDA.

We recently announced \$75 million of resources under the American Rescue Plan to create that bridge, that connection between producers and the USDA, and we look for expansion of that cooperative effort. Our NRCS just recently announced a \$50 million initiative with over 118 cooperators now being contracted to provide information and assistance in terms of conservation programs. Our RMA is spending several million dollars to expand outreach so people understand the wide range of crop insurance tools that are available.

So, there is a concerted effort here to make sure that we are doing a better job of connecting, and certainly HBCUs are at the center of it.

Ms. ADAMS. Thank you, sir.

I helped sponsor the Centers for Excellence in the 2018 Farm Bill. It is important that we work to ensure their success, but broadly speaking, how can NIFA better support land-grant institutions as it relates to the Centers of Excellence?

Secretary VILSACK. We recently announced an Ag Center of Excellence, Ag Business Innovation Center, \$2 million commitment for that purpose, and we are also seeing additional resources requested in the budget to be able to expand Centers of Excellence at HBCUs. So, that work continues. It is somewhat dependent on our ability to get the 2022 budget through the process.

Ms. ADAMS. Great, thank you.

As you know, many of our states where the 1890 land-grant institutions are located do not receive their 1:1 matching grant. We have had some issues here in my State of North Carolina. So, what steps could USDA take to ensure that states provide 1:1 matching funds for these institutions?

Secretary VILSACK. Continued advocacy with governors, and making sure that they are fully aware and appreciate the opportunities in their communities, in their states, from having an active and engaged HBCU, the Federal resources that can be leveraged.

I would also say that I think it is important for us to continue to work—this is a little bit afield of your question—but the need for us to do a better job of connecting with minority-serving institutions across the board to encourage more internships, fellowships, and scholarships so that we, again, create a closer connection. And the reason for this is simple. Eight percent of the workforce at USDA is under the age of 35, and so, we are going to face a significant workforce shortage at some point in time in the near future. We have to make sure we have the brightest and best coming to USDA.

Ms. ADAMS. Thank you, Secretary Vilsack. That was going to be my next question about supporting Centers of Excellence in the 2023 Farm Bill. Based on what you said, you are in support of that.

Thank you very much. Mr. Chairman, I am going to yield back. My time is up.

The CHAIRMAN. The gentlelady from Missouri, Mrs. Hartzler, is now recognized for 5 minutes.

Mrs. HARTZLER. Thank you, Mr. Chairman, and it is good to see you, Mr. Secretary. Thank you for all that you do for agriculture. I am very excited and appreciative of what you are doing to try to promote more meat processing plants nearby in our rural communities, and I know that has been a focus of yours.

I did send a letter last July asking for some clarification of what the criteria was going to be for distribution of that first \$375 million for independent processors. So, could you give me an update on the criteria for those monies, and more specifically, will processors who began operating or conducted any expansions since or during the beginning of COVID be able to qualify for these monies?

Secretary VILSACK. We provided some additional resources for existing facilities to expand under our Food Supply Chain Guaranteed Loan Program that was announced several weeks ago. In addition, as you mentioned, the grant program is going to be broken down into two tranches. The first \$150 million is going to be made available. We hope the framework of that and the structure of that will be disclosed in the next few weeks, and it is designed primarily to jumpstart projects that are ready to go, that are shovel ready. They just need a little encouragement. They could be an expansion of an existing facility, or they could be new construction. Either one

will qualify. And the hope is that we get 10, 15, 20 projects that are funded through that process, and then in the summer, another \$225 million of grant resources and \$275 million of additional low interest financing will become available. That will also be available for both existing facilities wishing to expand, and for new facilities.

And the goal here is to make sure that we are addressing the wide array and range of needs from very, very small processing operations to mid-size operations. We are hopeful that we see farmer-owned cooperatives take a look at the possibility of accessing some of these resources so that we expand capacity and obviously competition, and the belief is that when we do that, producers will benefit and so will consumers.

Mrs. HARTZLER. Sure. Well, there are some entities that stood up because they saw a need, and they went in debt. And now they can't qualify because they are already up and running. They are not expanding, they started from fresh, but I would encourage you, maybe we could talk offline, to not forget those people who put everything on the line and went to the bank and mortgaged everything in order to set up a plant, but now they don't qualify just because of the timing.

Anyway, I would appreciate if we could talk further about that, and we don't leave anybody out who has stood up and really tried to help in that regard.

There also is some recent news regarding, and it is exciting, there was a successful transplant of a heart of a genetically engineered pig into a human, and that is something certainly in advancements that we can be pleased about of biotechnology. But unfortunately, it is also a stark reminder of the lack of a clear path to commercialization for animal biotechnology products intended for agriculture rather than medical purposes. For example, the University of Missouri in my district has been a leader in developing PRRS-resistant hogs, and because of the current process and jurisdictional mayhem between USDA and FDA, this technology is not yet available for producers, and yet, China and other countries are moving forward very rapidly to get to this point, but we already have that technology.

Mr. Secretary, as we move closer to having a confirmed FDA Commissioner, how do you plan to engage with your counterparts at HHS to finalize the work started on the advanced notice of proposed rulemaking and MOU on the genetically engineered animals?

Secretary VILSACK. Well, Congresswoman, we actually thought we had done that work with the assigned MOU, but there is some indication from the FDA and Department of Health and Human Services that they don't believe that there was authority for the folks who signed that on behalf of FDA. So, we obviously would, as soon as the FDA Commissioner is confirmed, we will work very closely with that individual to make sure that there are ongoing discussions and negotiations to complete that MOU. We understand and appreciate the necessity of having clarity, and we are anxious to have that.

Mrs. HARTZLER. That is good. That would be great.

Reuters reported that the Biden Administration is considering lowering the 2022 ethanol blender mandate, below the proposed 15 billion gallons potentially hamstringing the biofuels industry. Are

you aware of these reports, and do you agree that cutting biofuel blended would only serve to hurt rural communities?

The CHAIRMAN. The gentlelady's time has expired. Mr. Secretary, you may follow up on that.

Secretary VILSACK. I would just mention, the biofuel levels for 2021, 2022 are the highest in the history of the program, which indicates a projected growth. And in addition, the Department of Agriculture is providing \$700 million of additional assistance to the biofuel industry to encourage it to get it through the pandemic situation, as well as \$100 [million] to expand access to higher blends. So, I think I can make the case that the Administration is supporting this industry. Sixty-five waivers that were denied by the EPA that might very well have been granted during the previous Administration.

[The information referred to is located on p. 126.]

The CHAIRMAN. The gentlewoman from Connecticut, Mrs. Hayes, who is also the Chairwoman of the Subcommittee on Nutrition, Oversight, and Department Operations is recognized now for 5 minutes.

Mrs. HAYES. Good morning, Mr. Chairman, and thank you, Secretary Vilsack for being here today.

The first thing I would like to discuss is food access in rural areas through the SNAP Online Purchasing Pilot. Since the creation of the pilot program in 2019 and the onset of the COVID-19 pandemic, SNAP online purchasing has expanded into 48 states and over 75 SNAP retailers. In Connecticut, SNAP recipients can buy groceries online through five different grocery stores, though none are small, independent businesses. However, the eligibility to actually utilize the program is not equitable across the country. Although most states have SNAP online purchasing retailers, the retailers do not always serve all ZIP Codes within a state. According to a 2019 study, online purchasing and delivery services were available to only 31 percent of Census tracts considered in rural food deserts. In comparison, online food purchasing and delivery services were available in 94 percent of Census tracts considered urban food deserts.

Secretary Vilsack, Congress has provided \$30 million for the USDA to invest in SNAP online purchasing and other SNAP technological modernizations throughout the pandemic. How has the USDA used the funds Congress has provided to make SNAP online purchasing a reality in all rural areas, and how can Congress assist the USDA in making the programs more accessible in these areas?

Secretary VILSACK. Well Congresswoman, the information that I have is that today, 97 percent of households have the opportunity for online purchasing. Obviously, I will be happy to go back and make sure those numbers are accurate.

But to the extent that there is a need for a continued focus on rural remote areas, I would say a couple of things. First of all, we are looking forward at some point in time early in 2022 in announcing a Healthy Food Financing Initiative by using resources from the American Rescue Plan to begin aggressively addressing the issue of food deserts. Part of the issue here is not just the access to online, but also the ability of having facilities to basically

provide the food to folks, so that is one thing that we expect to do, and a focus of that effort will obviously be on rural and remote areas.

Second, we are also making sure that we are helping food banks who also help to service those same individuals be able to have access to resources to be able to figure out ways in which they can more easily and more completely—

Mrs. HAYES. I can't hear anymore. Stop the timer.

STAFF. We will address the technical issue. Please bear with us. Thank you.

Mrs. HAYES. Thank you.

The CHAIRMAN. We have three engineers on the way up, and so, we will pause until they can get here.

I think you are on. Bravo. Please continue.

Secretary VILSACK. Mr. Chairman, let me, if I could finish the last comment, and it has to do with the role of the food banks in trying to respond to rural and remote food needs.

We have also provided \$100 million of what we refer to as reach and resiliency resources for food banks across the country, encouraging them to look for ways that they can address the need for food security in rural and remote areas, and also to have the infrastructure that will allow them to store fresh produce, dairy products, and so forth, refrigeration and storage capacity. So, hopefully we are addressing in a multitude of ways the need for access to food in those rural remote areas.

Mrs. HAYES. Thank you. I appreciate that answer.

My second comment is that Members of the NODO Subcommittee have been working diligently to address veteran hunger. The USDA's Economic Research Service released a report last year finding that more than 11 percent of working age veterans lived in food-insecure households, and that veterans have a 7.4 percent greater risk of food insecurity than the general population.

To address this deeply concerning reality, how is the USDA working with the VA to target food assistance to veterans, and how is the USDA working to ensure eligible veterans know about their eligibility to take advantage of these types of programs?

Secretary VILSACK. We are working with Veterans Affairs to make sure that as individuals leave service—and Department of Defense, as they leave service, that they are fully and completely aware of the resources that are available to them, including the ability to access SNAP benefits. We will continue to work with both the VA and the Defense Department to make sure that we are doing the very best job we possibly can to make sure that those resources are available.

This is a sad state of affairs that folks who have served our country are in need of this kind of assistance, and we need to make sure that they get it.

Mrs. HAYES. Thank you, Secretary Vilsack. We had a hearing in our subcommittee and heard from veterans, and it is tragic that this is happening here in this country, and we have a responsibility to do better. So, I look forward to working with you to make sure that we close those gaps and support our veterans.

I am coming to the end of my time, and I will leave you with one last question that perhaps if you don't have time, you can follow up on.

Between 2016 and 2020, the number of full-time employees at the USDA decreased from nearly 94,900 to approximately 86,400. Has this decrease affected USDA's ability to communicate with states and producers about new programs and the process to participate in them, and how can Congress assist USDA in ensuring you have adequate staffing levels that you need to take on the responsibilities we have tasked you with, especially as we work towards this upcoming farm bill?

Secretary VILSACK. I think one of the areas where we have dealt with the decline of workforce is in the Natural Resources Conservation Service and in our Forest Service, and in our ability to maintain—

[The information referred to is located on p. 126.]

The CHAIRMAN. The lady's time has expired.

The gentleman from Illinois, Mr. Davis, is now recognized for 5 minutes.

Mr. DAVIS. Thank you, Chairman Scott and Ranking Member Thompson for holding this hearing, and also to my friend, Secretary Vilsack, for coming to testify again today. It is great to see you. I get to ask questions a little sooner than when we first met a few years ago when you were sitting at that same table.

Mr. Secretary, back in November we held a hearing on the supply chain crisis, and the consensus was that every sector is actually being crushed by this Administration's rampant spending agenda that is really driving high costs and inflation. These impacts are being felt by our constituents everywhere. They see it in the empty grocery store shelves, they pay more at the pump, and at their local businesses, and as you just mentioned, in USDA's case, struggling to find employees. There are approximately 11 million work ready adults certified by their state workforce agencies that are receiving SNAP benefits but could start working immediately to fill the approximately 10.6 million open jobs that we have. We have an entire intact workforce that could be moving products, stocking shelves, and filling jobs. But that is if we prioritize employment and training programs to train these individuals. We could immediately solve a huge piece of the puzzle of our supply chain crisis.

Mr. Secretary, I know the Administration has issued several funding announcements to address the supply chain crisis, but how can we get America back to work after 2 years of paying people to stay home?

Secretary VILSACK. I had a little hard time understanding the question, but I think I will try to respond to it.

One of the things that we are doing is obviously individual states have the ability to make decisions concerning the administration of SNAP and the ability to encourage folks who are able-bodied to get back into the workforce. Some states have exercised that power; other states are still in the process of deciding whether to exercise that power. So, part of this is that it is important for states to analyze their current circumstance and make a decision about what to do.

In the meantime, I think we are looking at ways in which we can provide help and assistance at USDA. One of the areas that we are concerned about, frankly, is the fact that there are agricultural products that are available and ready for export, but for whatever reason, there are empty containers that are leaving our ports because shippers are making the decision that it is more profitable for them to have empty containers moved back to Asia than it is to fill them with agricultural products. So, we are looking for ways in which we can utilize resources to fill those containers. Now, as we do, I think that is going to create opportunities not only for agriculture, but potentially for additional job efforts.

Nobody anticipated, I don't think, Congressman, the number of people who made the life decision to retire. This obviously is a challenge, and it is one that we are going to have to take a look at creatively to try to address.

Mr. DAVIS. It is a challenge, and I agree, but I also think there may be some ways to utilize the SNAP Education and Training program to get our SNAP beneficiaries the training that they need to go fill jobs that are available to replace those who retired. So, I would urge you—

Secretary VILSACK. I am sorry. We just finished a rule on improving the employment and training under the SNAP Program, and it is important to talk about this because, again, it is the state's responsibility to take the resources we are providing them, millions of dollars. In many cases, states don't spend those resources, and that is unfortunate, and in many cases, they don't do a particularly good job. They know who the SNAP beneficiaries are, and they know where the workforce needs are, because they have workforce development offices. And what this new rule is requiring states to do is to do a better job of marrying that information and data so that they can create the opportunities for folks to be gainfully employed.

So, hopefully this new rule will address some of the concerns that you are raising.

Mr. DAVIS. Great. That is great. I would love to continue to work with you and the agency on ensuring that our states do the right thing and use the program to their benefit.

I don't have a lot of time left, Mr. Secretary. I do want to make sure, obviously prioritizing higher blends of ethanol and biodiesel fuels we believe are going to help reduce emissions and help lower prices at the pump. I just wanted to get your response on USDA's Higher Blends Infrastructure Incentive Program. It has been successful at increasing the availability. Do you have any further plans to bolster the HBIIP Program?

Secretary VILSACK. I think we just announced about \$100 million to encourage expansion of higher blended fuels. I would point out in the 9 seconds left that there is also a tremendous opportunity in aviation fuel. The grand challenge that was recently announced creates a tremendous opportunity for the biofuel industry for expansion.

Mr. DAVIS. Great.

The CHAIRMAN. The gentleman from New York, Mr. Delgado, who is Chairman of the Subcommittee on Commodity Exchanges, Energy, and Credit, is recognized for 5 minutes.

Mr. DELGADO. Thank you, Chairman Scott, for holding this hearing, and I want to thank Secretary Vilsack for testifying before the Committee today.

Secretary Vilsack, one issue I have to raise relates to milk consumption, a priority that I know you and I both share, as we have spoken about it previously. Including when you came to my district and met with my in-district Agriculture Advisory Committee.

Ranking Member Thompson and I have offered bipartisan legislation to allow schools to serve all varieties of milk, including whole milk. I know that we are limited by current law which stipulates that milk offerings in schools must align with the most recent *Dietary Guidelines*, but I am concerned that when the guidelines were last updated in 2020, the Dietary Guideline Advisory Committee, DGAC, didn't appear to consider some recent science that pointed toward positive or neutral effects of dairy fat. With the whole milk being the preferred choice when compared to skim or low-fat milk options, we know it has a clear track record for improving milk consumption. We also know that the DGAC wants to increase milk consumption. So, accordingly, I do hope the next go-round the DGAC will at least more carefully consider the full body of science.

I also appreciate that when you visited my district last summer, you spoke about examining ways to encourage whole milk in schools, possibly even through a pilot program, and I would love to have you, if possible, elaborate on what specific actions your Department is considering and what we can do on our end to help make that happen?

Secretary VILSACK. Well, Congressman, one of the key problems with the issue of whole milk is cost. If you talk to school nutrition folks out there in the countryside, they operate on a very difficult and tight budget, and part of the issue is cost.

One thing we can do in terms of additional consumption of milk is to take a look at ways in which the current supply of milk is being made available, and whether or not it is a barrier to consumption. If you look at the research, you are going to find that the containers that are used in schools are a barrier. They are difficult to open and so, kids oftentimes just pass on the milk. Oftentimes the temperature of the milk is not what it needs to be. So, we are looking at ways in which we can provide resources to schools to basically create a way in which the milk can be distributed at a very cold temperature, and in containers that are less cumbersome as a way of increasing milk consumption.

I would point out that while milk consumption is down in this country, dairy consumption is not down. It is actually up. We may not drink as much as we used to, but we certainly eat more than we used to in terms of cheese and yogurt and things of that nature, and we have instituted those products into the school lunch and school breakfast programs.

Mr. DELGADO. I appreciate that.

I do have one other question, but just to follow up in terms of the cost. I know you mentioned the manner in which the containers are presented could be helpful, but is there any thought being done or any thought being given to the ways costs can be addressed from the agency?

Secretary VILSACK. Well, you all have the opportunity to make a determination and to provide the budget and resources that would enable the reimbursement rate and the resources available to schools could be increased to provide additional resources.

Right now as a result of the pandemic, we are doing what we can to increase access to resources, as school districts are faced with some serious challenges. One of the reasons there is a challenge is that not only—food is—we are changing the way in which and where we eat food, about ten percent more in-home consumption today than pre-pandemic, and that has created a need for a shift away from supplying to restaurants *versus* supplying it to a grocery store. Different packaging, different sized containers, *et cetera*, all of which the supply chain is working through as we hopefully, at some point in time, return to whatever the new normal is.

Mr. DELGADO. I appreciate that. I see that I am bumped up against my 5 minutes, so I will circle back to you at a later date. But I will yield back the rest of my time.

Thank you.

The CHAIRMAN. The gentleman from Georgia, Mr. Allen, is recognized for 5 minutes. Mr. Allen, you may want to unmute.

Mr. ALLEN. There we go. Can you hear me okay?

The CHAIRMAN. Yes, I can.

Mr. ALLEN. Great. Thank you, Mr. Chairman, and thank you, Mr. Secretary. We have been wanting to hear from you. We are almost 1 year into this Administration, and we have been wanting to hear from you, particularly now, we are a nation in crisis. You go to the gas pump. You may get gas, you may not. But, we have a war on fossil fuel. We also seem to have a war on agriculture. In my district, we have farmers trying to export cotton, peanuts, pecans, you name it, and we can't get containers loaded for whatever reason. China and their situation, containers are going back empty. So, we have just crisis after crisis after crisis on the supply chain issue, and I am sure you are going to hear a lot more about that.

One issue that is specific to my district is, as you are aware, the EPA banned the food tolerance of a critical pesticide, chlorpyrifos, and right now, EPA's decision is in conflict with actually what USDA pointed out that our science supports the continued safe use of this chemical. Typically in these situations, USDA would go to OMB and there would be some kind of ruling there. Where are we with the situation on this particular chemical, and what are you doing about it?

Secretary VILSACK. That is a good question, Congressman, and I will tell you that we have ongoing conversations and discussions with EPA. I don't know that we have necessarily reached a consensus, but those discussions are ongoing.

Mr. ALLEN. Well, we are getting close to planting season here, so there is a sense of urgency as you might understand.

As far as the situation with the cost of food at the grocery store, I am getting hammered with that in the district. Where are we with that, and what are you doing as far as investigative work, and what might happen to relieve some of that pressure?

Secretary VILSACK. Well, I think there are a couple, first of all, there has been, in some of the areas where we have seen increased

prices, the good news is there has been some deceleration in the last couple of months. Hopefully that continues. Meat in particular has gone down just a bit.

This is basically strong demand, and as I indicated earlier, strong demand globally and nationally, and essentially, we are changing our patterns of how we eat and where we eat, and the supply chain is in the process of adjusting to the fact we are eating more at home and less out at restaurants. We are trying to address the issue of ports by encouraging longer hours at the ports. I mentioned the efforts to try to get more drivers in trucks with apprenticeship programs and CDL licenses being issued. We have pop up ports that are being encouraged to create movement of those containers and getting them into the stream of commerce. We are continuing to look for ways in which we can provide help and assistance to families that are struggling. That is why we have the SNAP Program and the review of the Thrifty Food Program. That is why we provided additional assistance to schools in the form of additional cash as well as additional food products that we are purchasing. We have the summer EBT Program and encouraging states to, again, apply for or to provide their plans. So, there are a variety of things we are doing to try to help folks through this difficult period, while we are trying to balance supply and demand.

Mr. ALLEN. Also, recent attacks on our packaging industries—of course, we talked—you are taking action as far as the meat industry, but our chicken folks are very concerned about production as far as line speeds and things like that. Obviously, have you been on the front lines and talked to these folks about the issues they are dealing with, obviously workforce? I mean, we got workforce problems in agriculture.

I have about 18 seconds. Tell me what you are doing there.

Secretary VILSACK. Well, we are working through on the pork side a Federal case that basically denied our rule. We are working with nine entities, nine businesses. Five have applied for a waiver. We are in the process of reviewing those waivers. We have created a waiver system.

On the poultry side, we have asked for the court to remand the litigation back to USDA so we can try to create a similar waiver process in the poultry area. So, we are focused on that.

The CHAIRMAN. The gentleman's time has expired.

The gentleman from Illinois, Mr. Rush, is recognized for 5 minutes.

Mr. RUSH. I want to thank you, Mr. Chairman, for this hearing.

Secretary Vilsack, I am so delighted that you once again are with us here today before this Committee, and I want you to know that I really appreciate your continued commitment to working with me and the other Members of this Committee.

Mr. Secretary, we really want to work with you. We really do, and I am delighted that this feeling is mutually felt.

I recently mentioned to you there is too much potential agriculturally in my City of Chicago, and its immediately surrounding areas. Chicago was at one time and still is a hub for railroads that connect our nation to more purposes of agriculture. It is indeed a place where there are a lot of bigger companies, bigger land that can be used specifically for vertical farming.

Mr. Secretary, I think I might have shared with you that for decades, Chicago was the nation's flower capital, the pickle capital, and the lettuce capital for our nation, and celery capital for our nation. And I think the one thing that Chicago has the potential to be significant in the agricultural sector.

With that said, Mr. Secretary, I want to discuss the prognosis for Black farmers under your leadership. As you well know, our nation's Black farmers are in desperate need of assistance. In 1920, there was almost one million Black farmers, of which my grandfather was one, accounting for 14 percent of farmers at that particular time. In 2017, there were less than 50,000 Black farmers, making up only 1.4 percent of the farming population.

Mr. Secretary, without action, this situation will only get worse. It was recently reported that direct loan applications are significantly more likely to be rejected for Black farmers than for White farmers, and even when approved, the loans for the Black farmers are far less than loans for White farmers. Moreover, Black farmers all too often still feel as though they are unwelcome in these local USDA field offices.

I know that you are working hard, your Department is working hard at your direction to reverse the injustice once and for all. And my question to you, Mr. Secretary, is will you please outline exactly how USDA is working to help minority farmers and particularly Black farmers?

Secretary VILSACK. Congressman, thank you very much for the question.

When I saw the statistics concerning the declining rate of African American farmer applications, I asked the team to take an in depth look at the reason. And what we found was that it oftentimes in some cases the application was withdrawn. In some cases, the application was incomplete. In some cases, the application just simply didn't have the cash flow that made sense. A lot of different reasons. But I think the fundamental concern and the fundamental challenge is that folks do not have the technical assistance to be able to understand precisely how to access USDA programs.

And for that reason, under the American Rescue Plan, we are using resources to provide assistance to create cooperating groups that can connect with those African American farmers, those Black farmers, to provide the technical assistance, the financial planning, the business planning, the development of applications so that there is more success.

So, the first order of business here is to get folks the kind of technical assistance they need, and the USDA has expanded significantly efforts in that regard, and we are going to continue to expand efforts. There is a lot more I can say, but I see my time is up.

The CHAIRMAN. The gentleman from North Carolina, Mr. Rouzer, is recognized now for 5 minutes.

Mr. ROUZER. Well, thank you, Chairman Scott, and Mr. Secretary, always good to see you. I appreciate you being here today.

I want to follow up on this inflation aspect. Certainly, supply and demand is obviously a key component, but government policy, particularly bad government policy, affects supply and demand. Lack of labor is a big issue. When you pay folks not to work, that exacer-

bates that problem. Excessive spending that is not needed, you got too many dollars facing too few goods. The easy money policies of the Fed, your restriction of oil and natural gas development in this country, all that plays a part in this inflation crisis that we are seeing.

I note that the Administration and you went after the meat and poultry industry pretty strong not long ago, and I know also that the Administration is pursuing additional GIPSA rules on these industries, which will only further drive risk, which increases cost, which increases inflation for consumers. And so, I just really push back on these new GIPSA rules as strongly as I possibly can, and note that multiple Congresses have rejected these proposals in the past. Are you still intent on moving forward with these, given the inflation crisis that we have in this country?

Secretary VILSACK. Well, Congressman, I don't think the GIPSA rules are connected to inflation. I think the strong demand that we are seeing and a growing economy and an economy that is growing at a record rate is in part a response.

Let me just simply say about GIPSA. Farmers deserve a fair shake in the marketplace, and they don't get a fair shake. They do not get a fair shake in the marketplace. Poultry producers are not given a fair shake in the tournament system. It is not transparent. They have very little rights. They have the rug pulled out from them on multiple occasions, terrible stories of investments they make only to find that the integrator basically pulls business from them. So, this is about fundamental fairness. It is about giving farmers a fair shake, and you know what, I think that is the Department's business. That is our role is to make sure that we are giving farmers a fair shake, number one. Number two, it is important to expand capacity. When 85 percent of beef processing is in the hands of four companies, when 70 percent of pork processing is in the hands of four companies, when over 50 percent of poultry processing is in the hands of four companies, it is simply too concentrated. There is not enough capacity and there is not enough competition. And frankly, if we had more competition, we would give consumers choice. And if consumers have choice, I guarantee that is also going to impact and effect price in a positive way. So, we are going to continue to do this.

Mr. ROUZER. Mr. Secretary, new rules and regulations only add to cost and drive further consolidation.

Secretary VILSACK. It is about fairness.

Mr. ROUZER. Moving forward here.

As you probably know—I hope that you know—Appropriations Subcommittee Chairwoman DeLauro has included a provision in the House-passed Fiscal Year 2022 approps bill to reduce line speeds in poultry plants, which all that is going to do is reduce supply. You reduce supply and you have high demand, you are driving up costs. What are we going to do about that?

Secretary VILSACK. Well, I think it is important for us to understand that there are three dynamics here. There is a need for continued farmer productivity and profit; there is a need for worker safety; and there is a need for the processors as well. And the goal here is not necessarily to pit worker safety against farmer profits,

or farmer profits against processor. The goal here is to try to figure out how to balance.

I think there is a way forward. I think we found this with a pilot program that we have in the pork industry where we are encouraging folks to look at worker safety and also to look at line speed, and I think there is a way to find a common ground here. And that is what we are going to try to continue to try to do at USDA. I am encouraged by the fact that five of the nine pork processors are looking for a line speed waiver so that they can have a higher line speed, but at the same time, protecting their workers. That seems to me to be the way we ought to approach this.

Mr. ROUZER. Mr. Secretary, I only have about 20 seconds left.

Real quickly switching gears. African Swine Fever, I know you are concerned about that and I am sure the Department is doing everything possible to keep it out of this country. Can you provide us a quick update on that front?

Secretary VILSACK. Significant investment of time and resources in the Dominican Republic, working with them to put together a plan. Dr. Shere has spent literally weeks in the Dominican Republic—

[The information referred to is located on p. 127.]

The CHAIRMAN. The gentleman's time has expired.

And now, I recognize the gentlewoman from Ohio, Ms. Brown, for 5 minutes.

Ms. BROWN. Thank you, Chairman Scott and Ranking Member Thompson, for holding this hearing, and thank you, Secretary Vilsack for joining us today to review the state of the rural economy and operations of the Department of Ag.

As we know too well, COVID-19 has taken a heavy toll on many of our communities, and deepened the hunger crisis. USDA's Economic Research Service found that while the number of Americans who are food-insecure remained level through 2020, hunger increased for Black and Latino families, and the food-insecure household rate was significantly higher than the national average, 21.7 percent *versus* 10.5. Unfortunately, the pandemic's impact on hunger was felt quite inequitably.

Food insecurity is an unconscionable, crippling reality for far too many Americans, and our communities cannot flourish when so many people, especially our students, still lack basic regular access to nutritious food.

That is why I introduced the Afterschool Meals Act (H.R. 6357). My legislation will alleviate hunger amongst the most vulnerable students by enabling schools to provide healthy and nutritious meals to children in afterschool care. I am also a co-lead of Congresswoman Alma Adams' coming legislation that seeks to combat college hunger by providing enrolled students with access to information about SNAP benefits.

My first question is on September 16, 2015, the Federal Government announced the U.S. 2030 Food Loss and Waste Reduction Goal, the first Federal goal of its kind that seeks to cut food loss and waste in half by the year 2030. What is the USDA doing to advance the United States 2030 Food Loss and Waste Reduction Goal?

Secretary VILSACK. We are working with what we refer to as champions, an extended group of industry leaders that are working with us to try to identify ways in which food waste can be reduced. We are working with schools, we are working with universities, we are working with the food industry, we are working with grocery stores, we are working with restaurants, we are working with food processing companies, all designed to find creative ways to deal with the issue of food waste.

Roughly 30 percent of what we grow and raise in this country is wasted, and it is an unfortunate circumstance and one in which we are very serious about reducing. We are looking for a set of conferences and webinars in 2022 to raise the awareness of this issue. We are going to take a look at what other countries are doing. I know that there are some innovative and creative opportunities for food waste reduction in Asian countries in particular, so there is an opportunity for us to learn from that as well.

Portion sizes are critically important, and we are obviously encouraging folks, especially in restaurants, to think about that and to give people choices in terms of portion sizes.

Ms. BROWN. Thank you so much.

My second question is as mandated by the 2018 Farm Bill, in December 2021, USDA completed a report that assesses the progress of food loss and waste efforts. The report concludes that there is a lack of overall funding for these programs. Can you outline these programs for us?

Secretary VILSACK. I am sorry, Congresswoman, which programs?

Ms. BROWN. In the farm bill, the USDA completed a report of the progress of food loss and waste efforts. There is a lack of overall funding, I understand. Can you outline the issues around the funding for these programs?

Secretary VILSACK. Well, I will have a better understanding of that when we utilize a portion of the American Rescue Plan resources to create more incentives and more resources available for food waste efforts.

One of the things that we are doing with reference to urban agriculture is expanding the compost opportunity with grants, and there is a potential opportunity for us to significantly increase our investment in compost, which obviously would begin to address food waste.

One additional way is to encourage, obviously, I mentioned portion size reduction, and then, of course, there is the issue of recycling as well. So, there are a multitude of strategies, and with additional resources from the American Rescue Plan, we should be able to provide additional incentives to advance those strategies so that people become more aware of them.

Ms. BROWN. Thank you, and I yield back the balance of my time.

The CHAIRMAN. The gentleman from South Dakota, Mr. Johnson, is now recognized for 5 minutes.

Mr. JOHNSON. Thank you, Mr. Chairman, and thank you, Mr. Secretary.

We have talked a lot about livestock issues in the past year, sir. Obviously a great source of interest to you and me. I mean, the Administration has had some rhetoric suggesting a fair amount of

wrongdoing or perhaps anti-competitive behavior among the large four, and there is so much frustration out in cattle country about these DOJ investigations or about Packers and Stockyards activity that takes place, and we don't really get any resolution. And I understand there are some reasons for that, but I just wanted to pick your brain, sir. I mean, if we have concerns about the marketplace and we announce an investigation seemingly every year and we never drive to a conclusion, does that actually benefit the marketplace at all? Your thoughts?

Secretary VILSACK. Well, I think there is action by the Department of Justice on a number of cases that are going through the process, and so, you have to let them go through the process before you can make a determination of whether or not they were legitimate or not. We recently announced a joint effort between the Department of Justice and USDA providing an area and an opportunity for people to report anti-competitive activities so that we can learn more of what is going on, on the ground. In the meantime, obviously what we are doing at USDA is to try to focus on three things: first, creating more competition and capacity; second, creating more price discovery to the extent that we can get more information on cash sales and more studies to do that—we are obviously interested in that so we have a better understanding of what the market is; and third, making sure that farmers get a fair shake and that they have the ability if they are not being treated fairly to basically raise issues, and that goes to the Packers and Stockyards.

And finally, we also want to make sure that consumers get the right information on the country of origin in the grocery store. If there is a label on ground beef, a pound of ground beef that says, "Product of the U.S.," we want to make sure that consumers understand precisely what that means. So, we are in the process of doing a fairly extensive survey to find out if consumers understand what that means, and whether they place value on it.

Mr. JOHNSON. Well, I think all of that is very well said, and I applaud your efforts in many of those areas. And I would agree. The current "Product of the USA" label, right now, I think it is misleading. I think it provides inaccurate information to consumers, and we have had, listen. I am not going to hold you fully accountable or accountable at all for promises the last guy made, but we have heard for years now that we were going to reform the "Product of the USA," and I hope you can get it done, sir, in a way that maybe others couldn't.

I want to get back to these investigations, though. You are right. We need to let them run their course, but we had USDA conduct an investigation that really some sort of an interim report long after the Holcomb fire, but it didn't really drive to ground some of these accusations about anti-competitive behavior. Can we expect an update, or what is the status of that investigation?

Secretary VILSACK. I will have to get back to you on that, Congressman, because I am not prepared today to tell you exactly what the status of that is. I would be happy to get back, our staff will get back to your staff on that.

I would say that I have talked to the Attorney General. He and his team is very sincere about this. They want to make sure that the playing field is level, and I think we should all be in for that. [The information referred to is located on p. 128.]

Mr. JOHNSON. You mentioned price discovery is critically important to a functioning marketplace, and I think you are most certainly aware that last month the House passed out 410 yes votes to 11 no votes, the Cattle Contract Library. I think the White House has done a good job of calling out support for a number of different legislative proposals. Are there any discussions internally with your team, sir, with the White House about doing what you can to see that the Cattle Contract Library (H.R. 5609) also gets through the Senate? It would provide the much-needed transparency you talked about.

Secretary VILSACK. We are very supportive of that effort, and very supportive of trying to get information so people know what a legitimate contract is, and what reasonable contract provisions are.

Mr. JOHNSON. And then finally, sir, I know that there are concerns about confidentiality with the data that is released currently. I think there is some belief that maybe confidentiality issues stand in the way of price discovery, can there be some flexibility in those provisions, going forward?

Secretary VILSACK. You have to—smart enough people ought to be able to figure this out. To be able to get the kind of information you need to make sure that your market is fair, while at the same time making sure that you are not going overboard, and that is the goal here. We will certainly work towards that goal.

Mr. JOHNSON. Looking forward to working with you.

The CHAIRMAN. The gentleman's time has expired.

Mr. JOHNSON. And with that, I yield back.

The CHAIRMAN. The gentlewoman from Maine, Ms. Pingree, is recognized for 5 minutes.

Ms. PINGREE. Thank you very much, Mr. Chairman. Thank you for holding this hearing. Secretary Vilsack, it is wonderful to have you in front of us, and great to hear your answers to all of our questions today.

I want to particularly commend you on speaking as favorably as you did around the issues related to GIPSA, the lack of fairness in the tournament system, line speeds. These are just such critically important issues to address, both for our farmers, and also the health and safety of people who work in our production facilities. So, thank you for that.

I will get on to my questions. You know all too well that Danone recently announced that they will be pulling out of the Northeast, terminating the contracts of 89 organic dairy farms in the region, including, unfortunately, 14 farms in Maine. So, in response to this, there has been a stakeholder taskforce that was convened, and they have submitted a list of over 30 recommendations to you last month, to both support the farms who are losing their contracts, and to ensure the long-term success of the organic dairy sector in our region, which has been so important to our dairy farms.

These recommendations encompass everything from building more regional processing capacity to developing new markets, ad-

dressing transportation and distribution challenges, a lot of things that could be done.

So, could you talk to me a little bit about the steps that the USDA is taking to evaluate and act on those recommendations?

Secretary VILSACK. Well, immediately following Danone's announcement, we basically put together a meeting of commissioners and secretaries of agriculture, and encouraged the development of that report. I am certainly pleased to see the comprehensive nature of it addressing a multitude of issues, issues that not only does the Federal Government have to be serious about, but also state governments as well, and also the dairy industry. Certainly glad to see that Stonyfield has stepped forward and made a commitment to provide help and assistance, and that Danone has also extended the deadline, if you will.

I have seen the report. I have seen the recommendations. I asked for a meeting of our team so that we can go through those recommendations and find out what we can essentially do in terms of providing help and assistance. I think we will be able to help on some of the recommendations. I think other recommendations are probably more appropriately done at the state and local level and the industry level, but we will be getting a response back to the task force in the very near future with what we think we are able to do. And the good news is I think we have some resources that we can bring to bear to provide help and assistance, as we are deeply concerned about that, and it is reflective, frankly, of some of the challenges that we have in other regions of the country.

Ms. PINGREE. Well, thank you for that. I am pleased to hear that you are going to come out with some of those responses soon, and I do agree that some of the money that has been made available to deal with the issues that we are dealing with in the supply chain and with farmers around the country should be helpful to this.

And I just want to reiterate, since I know you have made both climate change and the issues related to consolidation in agriculture top of mind, and an important priority for the Department. The importance of protecting organic farms when we are thinking about issues related to climate change is so critically important. We do not want to lose that capacity, so keeping them operating is a high, high priority for our New England delegation.

I also wanted to ask you about climate-smart agriculture. I really appreciated your comments in the testimony about ensuring that the USDA's climate-smart agriculture and forestry partnerships will be available to producers of all size, all methods, all locations, and all types of production, which we care deeply about.

So, even though I know you are working out some of the details, can you help us understand how you will structure the program to ensure this commitment is met?

Secretary VILSACK. The goal here, obviously, and hopefully soon, is to announce the framework and the application process. And the hope is that we are able to make some decisions on applications in mid-2022. And again, I think we are structuring this in a way that small-sized operators, different types of operations, different production methods will be respected. Different geographic challenges will also be addressed, and so, it is going to be a concerted effort here to try to respond to all of agriculture's need to participate in

this effort and to take full advantage of the resources that are available. And we are going to make sure that underserved producers and underserved communities are also not forgotten in this process. That is the commitment, and I can guarantee to you that we will make sure that we live up to that commitment.

Ms. PINGREE. Great. Well, I really do appreciate the commitment. I know from dealing with so many programs it is one of the biggest issues we hear from our region to make sure that as we implement these programs, they meet the needs of our farmers.

I am out of time, but I greatly appreciate your time here, and I will submit a couple other questions for the record. Thank you.

The CHAIRMAN. The gentleman from Indiana, Mr. Baird, is recognized for 5 minutes.

Mr. BAIRD. Thank you, Mr. Chairman, and you and the Ranking Member for holding this hearing today. And I want to congratulate the Secretary for serving once again as our Secretary of the U.S. Department of Agriculture, and I really appreciate him being here today.

I will say to you, Mr. Secretary, the first part of my comments you can take a brief breather, because you have already answered the question, but I wanted to comment just to reinforce that. And that deals with biotechnology, because I really think it is going to play a major role in our ability in agriculture to be able to feed the number of growing populations around the world.

Even last fall, Representative Plaskett and I sent a bipartisan letter that was signed by 37 Members of the Committee to you and the FDA acting Administrator, Janet Woodcock, urging the Administration to make progress on implementing a more efficient science and risk-based regulatory system that will allow a path to the market for animal biotechnology products. I was really glad to hear that you are working on an MOU, Memorandum of Understanding.

And to emphasize the importance of biotechnology, the pig's heart that Representative Hartzler mentioned that was going into a human being was somewhat genetically modified to make it less resistant by human bodies.

I just think that we think that the USDA needs to take a lead in developing a regulatory framework for animal biotechnology, that encourages agriculture innovation and provides access to valuable new technologies. One of the things I am thinking about there, for example, is that we have feed ingredients that we can reduce the methane from cattle by 36 percent, but yet, that has to go through an FDA process rather than USDA. So, that part of my question period deals with reinforcing that idea and so on. If you have comments, you are welcome to make those at this time, and then I do have a question after that.

Secretary VILSACK. Let me just respond to the feed issue that you just raised.

I agree with you. I think we do need to modernize our regulatory process as it relates to those kinds of feed additives so that we don't treat them necessarily as pharmaceutical products and having to go through a very extensive and very expensive process when other nations are getting the feed additive into their dairy industry, for example, and allowing them to essentially get a market advantage by suggesting that their dairy products, for example, are

more sustainably produced. So, I agree. I do think we need to have a modernized approach here.

Mr. BAIRD. Thank you very much. I appreciate that answer very much.

My question now gets down to the pandemic. It has been tough on the entire economy, as you well know, and especially on farmers and ranchers. And so, the question comes up, the Spot Market Hog Pandemic Program. I have producers telling me that they have had difficulty in accessing those funds, and so, I am asking you what the current status is and how soon we think we can get that kind of support to our pork producers.

Secretary VILSACK. Well, we published a Notice of Funding Availability in December, December 14. We created a signup period from December 15 to February 25, so we are obviously, we initially set it up. As we set it up, we realized that there were some issues relative to the eligibility requirements that created some challenges, so we are in the process of revising our application process. We hope to get that done very soon, and the expectation is once we do, we hope to be able to see payments made sometime in hopefully the March timeframe.

Mr. BAIRD. Well, thank you. We really appreciate that effort and want to reemphasize how important it is to some of the pork producers and the problems they have endured during this pandemic.

So, thank you very much, and thank you very much for being here. I yield back.

The CHAIRMAN. The gentlewoman from New Hampshire, Ms. Kuster, is recognized for 5 minutes.

Ms. KUSTER. Thank you so much, Mr. Chairman, and welcome to Secretary Vilsack. Great to be with you. We appreciate you being here today.

For nearly 2 years, our country has been grappling with the COVID-19 pandemic, not only the staggering death toll it has caused, but also the devastating impact that it has had on our economy. In rural communities, hospitals and healthcare centers in my district and across this country have been pushed to the brink. Farmers and producers have faced numerous supply chain challenges, and many families have struggled to work and learn from home with insufficient broadband connectivity.

The good news is provisions in the American Rescue Plan and the bipartisan infrastructure package, as well as the widespread availability of vaccines and booster shots are starting to make a tremendous difference. But as the omicron variant continues to rage, there is no doubt we still have a long way to go toward recovery.

Mr. Secretary, there is no lack of ground to cover, so let's dive right in. Last May, I joined 49 other Democratic Members in signing a letter to you calling for USDA to dedicate \$300 million in relief funding for one-on-one business technical assistance for farms and food businesses. Business technical assistance includes customized coaching for business and marketing planning, financial and labor management, and succession planning. These skills are essential to the success of small- and mid-sized farms like those in my district, and their long-term viability.

The Administration seems to have focused technical assistance on the middle of the supply chain on underserved communities and on USDA programming. All of this is important, but there is a much broader need for business technical assistance for farm and food businesses across the nation. Can you share your progress on this request that my colleagues and I submitted to you?

Secretary VILSACK. We are in the process of expanding our efforts. In terms of the cooperators I mentioned earlier, we provided \$75 million to 20 entities to basically provide additional assistance and help. We expect and anticipate that there is going to be another request for applications that will expand that number significantly, and expand the reach of our collaborative efforts significantly. So, hopefully that will be in part responding to the concern that you have.

We are also——

Ms. KUSTER. Thank you. I am just going to keep moving along, if you don't mind. I will look forward to those results. I know it is a very successful program.

I also wanted to talk with you about how we can continue to decarbonize the agricultural sector, recognizing farmers for the steps they have already taken and incentivizing further progress. Your *USDA Building Blocks for Climate-Smart Agriculture and Forestry* found that on-farm renewable energy technologies and improved energy efficiency offer the biggest opportunity for reducing greenhouse gases.

I agree, but I have heard from constituents that the ceiling for the Rural Energy for America Program, REAP, needs to be higher and we need to prioritize small farm projects. With that in mind, how can USDA and its partners in the Federal Government help expand on-farm renewable energy use?

Secretary VILSACK. We would certainly like to see more resources in the REAP Program. It would be interesting to take a look at the data in terms of who has benefitted from REAP. I think you are going to find that several thousand of those grants went to small- and mid-size farming operations to embrace renewable energy and energy efficiency.

We are going to continue to work, and obviously, the passing of a budget would be helpful, because then we would have a certain amount of funding that we could be sort of assured of getting and resources and personnel to be able to appropriately administer those programs.

I think the Climate-Smart Agriculture and Forestry Partnership Initiative is also an opportunity as well for significant pilots and demonstration projects to lift up the decarbonization efforts. So, I think there are a multitude of ways in which we can provide help and assistance.

Ms. KUSTER. Great, and in my final moments here. Shifting gears to dairy. In just a couple of months, schools will start contracting for their milk supplies for the upcoming school year, 2022–2023. There is a long-running discussion about whether schools should be able to offer low-fat flavored milk. Congress has been passing year-to-year riders in appropriations bills to allow low-fat flavored milk, but schools really need the predictability and certainty of knowing what the rules are going to be.

I understand your Department has submitted a rule to OMB that covers the next 2 school years, which is much appreciated. Could you commit to quickly finalizing regulations that provide schools with that certainty that they need?

Secretary VILSACK. Yes.

The CHAIRMAN. The gentlelady's time has expired, but Mr. Secretary, you may answer.

Secretary VILSACK. Yes.

Ms. KUSTER. Thank you, and I yield back.

The CHAIRMAN. Thank you.

The gentleman from Ohio, Mr. Balderson, is recognized for 5 minutes.

Mr. BALDERSON. Thank you, Mr. Chairman, and thank you Secretary Vilsack, for taking time today to come to the Committee.

So many people in my district across Ohio and throughout rural America still don't have reliable broadband access. I think we all can agree here that what matters most is making sure that we get to a point where every American is connected.

That being said, my primary concern is that USDA is not using the funds at its disposal efficiently and in a targeted manner. Last week, Lisa Hone, an expert on the broadband policy at the White House briefed Administration staff and rural stakeholders saying that the USDA's ReConnect Program is focusing on very rural areas. ReConnect was created to target those areas, and for the most part, it always has. However, this assurance from Ms. Hone seems to be at odds with the USDA's recent changes to the program. In ReConnect round 3, the definition of *underserved* was changed from 25 megabytes per second download speeds and 3 megabits per second upload speeds to 100 down, 20 up. Sorry for the confusing numbers there. This was done solely at the discretion of the USDA.

This only brings up overbuilding concerns for areas that already have access to 25 down, 3 up, but also concerns that the USDA will be spending more money upgrading networks in areas where people already had, or at least had some sort of high-speed broadband service, rather than in very rural areas where many households completely lack broadband. To me, it looks like USDA purposely made round 3 less targeted towards these very rural households. Can you explain why this change was made, and how are you making sure that the third round of ReConnect funding will be continued to target households that have no internet access, rather than overbuilding private capital or upgrading networks that already exist?

Thank you.

Secretary VILSACK. The reason for doing this is because we learned from the pandemic that 25/3 isn't sufficient when you are dealing with distance learning, telemedicine, expanded access to market for small business, precision agriculture on the farm. There is a need for additional capacity, which we learned during the course of the pandemic. So, it is equipping rural America to basically have the kind of broadband access that is meaningful and that actually can make a difference.

At the same time, the structure of the program does, in fact, prioritize 25/3. So, to your point, I think there are additional points

for rural remote areas. There are additional points for cooperatives and for nonprofits basically applying for these resources. So, the structure of the program will result in a significant improvement of access to meaningful broadband, and at the same time, providing resources to those unserved and underserved areas that you are concerned about, because of the way the points system is structured.

Mr. BALDERSON. Okay. Thank you very much for the answer.

My next question, Mr. Secretary, the Infrastructure Investment and Jobs Act (Pub. L. 117-58) redefined *eligible service areas* for the ReConnect Program from 90 percent of households underserved to 50 percent, effectively reducing how targeted the program is towards very rural areas.

To that end, are you concerned this reduced threshold will cause ReConnect to be less targeted and create overbuilding of broadband networks in areas that are already receiving funds from other Federal broadband programs? A follow up to that would be—go ahead, sir.

Secretary VILSACK. I am not, because I think the way in which you can structure the points system that is used to evaluate applications can allow you to ensure that you are directing the program where it is needed most, and also to the fact that there was, as well, a waiver of the match requirement, which I suspect will also encourage and will see applications from areas that have been historically underserved.

I am not as concerned about the lowering of that threshold as you might be.

Mr. BALDERSON. Okay. Thank you, Mr. Secretary.

Mr. Chairman, I yield back my remaining time.

The CHAIRMAN. The gentleman from Illinois—gentlelady, I am sorry, Mrs. Bustos, who is also Chair of the Subcommittee on General Farm Commodities and Risk Management, for 5 minutes. Thank you.

Mrs. BUSTOS. All right. Thank you very much, Mr. Chairman.

Mr. Secretary, great to see you, and let me start out by just saying thank you so much for taking the time just late last year when you came to our Congressional district, visited Arsenal Island between your home state and mine, and we had an opportunity to host you at our lock and dam there, which is Lock and Dam 15. And we took a little time that day to talk about the importance of inland waterway infrastructure. And then just yesterday, I think the Biden Administration can take a victory lap, as can you, with the announcement that we have \$829 million that are flowing through the Navigation and Ecosystem Sustainability Program, which we call NESP. That will be used to modernize the locks and dams along the upper Mississippi River.

If you could take just a little bit of time to talk about the impact that modernizing our inland waterways like those on the upper Mississippi River will have on the rural agricultural economy?

Secretary VILSACK. That was a great trip, and I appreciate you arranging it.

I learned during that trip that we can cut literally in half the time it takes for a barge with soybeans to travel the Mississippi River by improving the lock and dam system.

What does that mean? It means that we get that product to port more quickly, less expensively, and as a result, we can price that product for export at a very competitive price. When 30 percent of what we grow and raise is exported, our ability to compete in a very competitive circumstance for agriculture exports is absolutely directly connected to our advantage of our transportation system, and because of the Infrastructure Investment and Jobs Act, we will now be in a position to continue to maintain that competitive edge and advantage. And I think that allows us to be confident that we are going to continue to do a lot in exports. I am pleased that we had a record year in agricultural exports last year, and that is one of the reasons why farm income is up, and we expect and anticipate that we are going to surpass that record this year.

But long-term, our ability to maintain that competitive edge is directly connected to those improvements, and so, it is a very big deal for American agriculture that those resources are going to go to improve the lock and dam systems.

Mrs. BUSTOS. I agree. We could not have been more excited with this announcement, and we are so grateful to you and to the whole Biden Administration for seeing that this investment is so important, especially in the upper Mississippi.

You talked a little bit earlier with Congresswoman Hartzler's questions about the EPA releasing new renewable volume obligations. So, I want to drill down just a little bit deeper there.

It sets standards for how much renewable fuel, like ethanol, so important to a region like the one I represent, and how that will be required to be blended with gasoline going forth.

I was very, very happy to see that the 2022 Renewable Fuel Standard was set at what we would consider back on track as President Biden promised, with a \$15 billion—I am sorry, 15 billion gallon mandate. Can you talk, Mr. Secretary, a little bit to the importance of this higher number for our family farmers in rural America?

Secretary VILSACK. Well, it is an industry that does three things. One, it supports stability in farm income for those who are producing corn and for biodiesel soybeans. It increases job opportunities in rural areas, and it provides consumers choice and less expensive gas, and it is also beneficial to the environment. So, actually, there are four benefits to this industry.

That is why it is important in the industry to have stability, and the stability comes not just in setting a number, but in making sure that that number is real. And when you have waivers as was granted in the previous Administration, that number that was given by the previous Administration was never real, because you were seeing it dissipated by the granting of waivers. This EPA basically said 65 waivers, not going to grant them, not going to approve them. The number we are giving you is a real number and you can count on it, and I think the stability is going to be very helpful to this industry.

Mrs. BUSTOS. Yes, those waivers, we like to characterize it as giving out candy on Halloween. They were just given out so indiscriminately, it was so harmful to those who were in the ethanol business. So, thank you for getting that back on track.

I had one more question. I will go ahead and hold off on that in honor of the time that we have left. Thank you so much, Mr. Secretary. Again, we really appreciate you being here, and Mr. Chairman, I will yield back the 22 seconds I have left. Thank you.

The CHAIRMAN. The gentlewoman from Washington, Ms. Schrier, is recognized for 5 minutes. Ms. Schrier, you may want to unmute.

Ms. SCHRIER. Thank you. Well, thank you very much, Mr. Chairman, and welcome back, Mr. Secretary.

I want to mostly focus on the state of the tree fruit industry today. As you know, Washington State is the nation's top producing state for apples, pears, and cherries, many of which are grown in my district, the 8th Congressional District. I have heard from a lot of growers in my district lately about really the precarious state of the industry right now. Trade wars and the resulting retaliatory tariffs in India and China continue to harm Washington apple growers who export $\frac{1}{3}$ of their crop.

For example, India was a \$120 million market for Washington, and last year, that fell 83 percent to just \$20 million. So, growers really risk permanently losing access to these markets if our trade partners move on.

So, I guess my first just request, it is not even a question for you, is just to continue to work on supply chains and on trade so that they can keep these export markets.

Also, growers in my district know firsthand the challenges of navigating climate change, and they had record heat this last summer, and tree fruit is a perennial crop. So, trees always sequester carbon, and tillage is not an issue after initial planting. Cover crops, you can't always use them, particularly with cherry trees because they can spread little cherry disease. And so, a lot of the traditional climate-friendly practices, they just don't apply to orchards.

And so, while orchardists in my district would love to participate and really take advantage of these climate friendly, climate-supportive programs, current policy discussions focused on carbon markets and conservation programs may fall short of what is needed to really help them adopt fairly costly practices that will further reduce the industry's carbon footprint.

My first question, Secretary Vilsack, is just as you are thinking about different types of farms and having the farmers at the table, what specific steps is USDA taking to ensure perennial crops, orchards, are not left behind in these efforts?

Secretary VILSACK. In the Climate-Smart Agriculture and Forestry Initiative that we are working on, we are essentially reaching out to producers of all types and basically saying come to us with a pilot. Come to us with a demonstration project that you believe will make an impact in terms of the industry and in terms of climate, and let us figure out how we can help finance that activity on the farm with a large enough group of farmers that we can get data and information that would allow us to create that climate-smart commodity I referred to earlier.

There is nothing restricting the ability of the tree fruit industry from coming together with a program that is specifically designed to meet their needs to do what they can do in terms of their carbon footprint, and come to us with an application for resources to be

able to fund that, and then we would partner with a land-grant university or other entity that would allow us to collect the data, the information that would establish the standards so that when they begin to export or when they begin to sell domestically, they are in a position to be able to say to their customer, "This is a sustainably produced product, and here is the proof and the reason for it."

So, I would encourage them to apply.

Ms. SCHRIER. If you don't mind, I would love to just highlight the supply chain. I talked about getting our goods overseas, but I was just at Krainick Dairy in Enumclaw in my district, and they are actually having a lot of trouble getting penicillin and other medications to treat mastitis in their cows, and so, I wanted to point out the supply chain in the other direction and having a diversified source for things like the medications that dairy farmers need for their cows.

And then I have just a few seconds remaining, but I wanted to note I have heard a lot from my colleagues about the lack of people in jobs and attributing blame. I will tell you that I spent a lot of time with the business community and the farming community, and I have heard loud and clear from both that we need to take a look at our immigration policy, and that they attribute a lot of their inability to find workers to the lack of immigration.

So, thank you very much, Mr. Secretary. I yield back.

Secretary VILSACK. I couldn't agree more on the immigration issue. Fix the system.

The CHAIRMAN. The gentleman from Iowa, Mr. Feenstra, is recognized for 5 minutes.

Mr. FEENSTRA. Thank you, Chairman Scott, Ranking Member Thompson, and thank you, Secretary Vilsack. It is always great to see an Iowan in your position.

I just got a couple questions. Earlier this month, the USDA announced its action plan for a fair, more competitive meat supply chain. Of the four core strategies, the action plan includes increasing transparency in the cattle market. Mr. Secretary, can you expound on this core strategy and what we may expect from the Administration?

Secretary VILSACK. I think it has to do, as you well know, with transparency, more transparency in terms of the market itself. We have too few cash transactions in the market, so it is very difficult to determine when you have a cash transaction whether you are getting a fair price or not. So, to the extent that we can get more data, more transparency, that is incredibly important.

The other aspect of transparency is when there is a contracting relationship between a producer and a processor, that there is a very specific understanding of exactly what this agreement calls for, and what it requires. That is one of the reasons why we are looking at ways in which we can create more transparency in contracting terms so that people understand and appreciate what is a fair contract and what may not be quite fair to the producer.

Mr. FEENSTRA. Good. I am glad to hear that. I would love to work with you on that.

Pivoting to broadband, I have a question about the ReConnect Program. As you know, Iowa has the most community-based

broadband providers of any state in the country, and they have been working tirelessly to ensure Iowa has a robust fiber broadband connection. However, it is my understanding that the scoring criteria for the third round of ReConnect Program puts the providers at a 15 point disadvantage on grant applications because their companies aren't local governments, nonprofits, and cooperatives. I find that really concerning.

Mr. Secretary, these are local, family-owned commercial companies that are providing a service to rural Iowa. Based on your track record and serving rural America, will you look into this concern and consider revising this new policy at RUS?

Secretary VILSACK. I am happy to look into it, Congressman, but I would say that there are a number of criteria here that would potentially play to the advantage of the companies you mentioned: the rural location of the company, the economic need of a particular area of Iowa, the fact that affordable service, the price that is being paid, the opportunity to serve vulnerable populations with the senior population in Iowa being fairly significant. So, I think there are ways to offset what you may perceive to be a disadvantage with one criteria with advantages that play to the strengths of Iowa.

Mr. FEENSTRA. Thank you, Secretary. I would just simply say this, is that you have private-sector companies now competing with government, and I think that is very wrong. I mean, these private-sector companies want to do a great job, but yet, they are getting pushed out by government entities.

Secretary VILSACK. Wait a minute. What about cooperatives? You don't want us to do this for them?

Mr. FEENSTRA. Cooperatives do play a part. I tend to agree.

Quick question for you. Two months ago, the FSIS announced a trial program for a New Swine Inspection System, the NSIS processing facilities to increase their line speeds. Why has FSIS not approved any applications yet? The longer FSIS waits, the more harm is caused to industry. Can you expound on that?

Secretary VILSACK. They are in the process of making sure that working with our partners at OSHA that the worker safety requirements of that waiver are valid and strong enough, and that there is a way of providing appropriate oversight, because we want that balance, as I said earlier, between worker safety, the ability to process a number of hogs, and the profit for producers. I don't think we should have to pit one against the other. I think we have to figure out a way to have all three. And I think this waiver process allows all three to take place, so I am encouraged that we are going to see progress there.

Mr. FEENSTRA. Okay. Just pivoting to trade a minute, Mr. Secretary.

What is USDA doing to encourage the pursuit of new trade negotiations, particularly across Asia, to remove trade barriers in the U.S.? Currently, we do not have an Under Secretary, and I am just wondering two-fold, what are we doing in Asia, and are we going to hire an Under Secretary of Trade?

Secretary VILSACK. There is an individual that is going through the vetting process right now, and I am hopeful that that concludes very soon.

In the meantime, we have a crack team that is working and operating on trade. We have had some progress and some efforts here. Mention was made to the dairy industry and the Canadian decision, India opening up pork opportunities, Vietnam reducing their tariffs.

We are trying to reestablish trust within trade and for trade and about trade in America. I think there are a lot of folks out there that feel that trade has disadvantaged the United States. We are beginning to build trust by focusing on enforcement of any trade agreement. That is why we are putting pressure on China to live up to its Phase 1 trade agreements as well.

Mr. FEENSTRA. Thank you, and I yield back. Thank you.

The CHAIRMAN. The gentlewoman from the U.S. Virgin Islands, Ms. Plaskett, who is also Chair of the Subcommittee on Biotechnology, Horticulture, and Research, is now recognized for 5 minutes.

Ms. PLASKETT. Thank you, Mr. Chairman, for providing this venue for us to have discussion with the Secretary of Agriculture. I believe this is so timely as we move into hearings regarding the farm bill, and thank you Mr. Secretary for your support of farmers, ranchers, and food systems in the United States.

I wanted to ask you, you have mentioned quite often in your discussion in your testimony three phrases that you have discussed: *rigid, consolidated, and fragile*. Of course, we understand the *fragile* portion of that, and you have also given us some highlights about the *consolidation* that is occurring with big business. But could you elaborate a little, just for my own edification? I was really intrigued by those three words and descriptions of the Agriculture Department, and what you meant by *rigid*?

Secretary VILSACK. Well, there is, and I mentioned earlier that there is a shift in consumption patterns in the United States post-pandemic. Pre-pandemic 50 percent of our food was consumed outside the home, 50 percent in the home. And we are actually now seeing about a 60/40 split, between 40 percent restaurants, 60 percent at home. The rigid nature of packaging, of the way in which the food processing industry had basically gotten comfortable with that ratio, gotten comfortable with the supply chains that fed that ratio, and now, there is a bit of disruption. The same thing is happening also in schools, where individual companies that were distributing to schools for whatever reason believe there is better opportunity someplace else, and now they are beginning to shift, and that shift has created a great deal of frustration and stress on the part of nutrition officials in schools. So, it is the rigidity, the ability to transition from one consumption pattern to another consumption pattern, it is not easy. The transition has not been easy, and that is the reason why we have some of the challenges we have today. We are going to work through them.

Ms. PLASKETT. Thank you.

Secretary VILSACK. We are going to try to provide more flexibility in our system.

Ms. PLASKETT. Thank you.

Secretary VILSACK. I am sorry. Part of it is having a local and regional food system that complements that more rigid national distribution, a complementary system is necessary.

Ms. PLASKETT. Thank you.

I wanted to move on to the Micro-Grants for Food Security Programs in U.S. Territories. As you heard, I represent the Virgin Islands, and of course, you are aware that the non-contiguous United States, that is, U.S. Territories along with Hawaii and Alaska, have been provided through the Agriculture Improvement Act of 2018, a new program to provide micro grants through small scale gardening, herding, and livestock operations. Can you speak to the success of this program as we approach the next farm bill? Has the program been successful at reducing food insecurity and developing local food systems in these communities? Is there an increase in authorization amount, currently at \$10 million across all ten eligible jurisdictions, warranted as we consider the next farm bill?

Secretary VILSACK. I think anything and everything we can do to create the capacity of local and regional food systems to be structured and created is beneficial. It is beneficial in terms of addressing food insecurity and nutrition insecurity. It is beneficial in terms of job creation. It is beneficial in terms of a sense of community and a connection that people have with their food supply, and an appreciation for those who produce it. So, anything we can do to help create that structure, because in addition, by doing it, you create a much more resilient and less rigid food system than we have in the country today.

Ms. PLASKETT. Now, that is the intent of the program, but if you could have your staff get back to me as to whether or not they have seen any quantifiable difference in the food security and issues that those territories have, I would appreciate it.

And in my last remaining time, the renewable energy in the Virgin Islands and Puerto Rico. As you know, the viability and sustainability of energy in U.S. Virgin Islands and Puerto Rico is of utmost importance to the well-being of our rural communities. So much of our area is, in fact, rural. Energy costs on our islands are higher than anywhere in the country, and our geographic locations leave us vulnerable to climate change, but also provide opportunities for adaptation and innovation in resources. Congressman Ted Lieu and I have introduced the renewable energy for those islands to create a small new grant program within the Agriculture Department in which grants may be awarded to nonprofits to facilitate projects. Can you provide any perspective on the soundness of a small—

The CHAIRMAN. The lady's time has expired; however, Mr. Secretary, you may respond.

Secretary VILSACK. I will have our staff reach back out to the Congresswoman's staff to provide any additional information and response to that question.

Ms. PLASKETT. Thank you very much.

The CHAIRMAN. The gentlelady from Illinois, Mrs. Miller, is now recognized for 5 minutes.

Mrs. MILLER. Thank you.

Mr. Secretary, a consistent concern for my fellow farmers has to do with the skyrocketing costs of critical inputs like fertilizer. We have seen a dramatic growth in fertilizer prices. Nitrogen fertilizer has doubled in price, anhydrous rose 131 percent, and pot ash is up 120 percent. Fertilizer is an essential input for farmers. Without

fertilizer, crop yields and productivity would be significantly reduced.

My constituents don't want to see yield loss at a time when commodity prices are high. Could you please tell me what the USDA is doing to address these issues that threaten farmers, especially small family farms?

Secretary VILSACK. Well, it is a challenge because of the nature of what is causing this disruption. Part of it has to do with global demand. Part of it has to do with decisions made by other countries to prevent resources from coming to the U.S. I think first and foremost, we need to expand our own capacity. Second, we need to make sure that we are using fertilizer appropriately and wisely.

I was recently at Iowa State University where farmers were working with the university, and with a sensor program, they have determined that potentially 30 percent of the corn acres currently in Iowa that are utilizing fertilizer probably don't need as much or any fertilizer. So, I think encouraging additional precision agriculture so that our inputs are wisely done, and finally, figuring out ways in which we can create vehicles that will compensate farmers if, in fact, they decide to apply less. So, we have this split nitrogen crop insurance program now that essentially says that if you only apply nitrogen once during the year as opposed to twice, if you have a crop reduction, then there is crop insurance that can protect you against that reduction.

So, I think there a multitude of strategies here to try to address the longer-term issue. In the short-term, I think we are going to try to focus on precision agriculture and making sure that we use what resources we have wisely.

Mrs. MILLER. Thank you, Mr. Secretary. I can tell you that time is of the essence here, and we do need to address the root causes of the supply chain crisis, and the energy crisis created by the Biden Administration.

Mr. Secretary, my constituents are also concerned the Biden Administration is turning its back on farmers and the biofuels industry. After pushing the Green New Deal policies that promote electric vehicles with batteries made in China, I am concerned that President Biden is not supporting renewable fuels like ethanol.

So, my question for you is, will you commit to supporting biofuels like ethanol, which are crucial to corn growers in rural America?

Secretary VILSACK. Congresswoman, I don't have to commit. We are doing that, and the reality is, I have 800 million reasons why we are doing that: \$800 million provided to biofuel industry in terms of support during the pandemic, as well as \$100 million to expand access to higher blends, the ability to have consumers have access to higher blends, 65 waivers that might have been granted in the Trump Administration that were denied by this EPA, a record amount of volume for 2022 under the RFS, the grand challenge in aviation fuel to create a 36 billion gallon industry of 100 percent drop in it of biofuel for our aviation industry has been launched by this Administration. So, I think it is very unfair to suggest that this Administration has not been supportive of the biofuel industry.

Mrs. MILLER. Well, the Biden Administration's effort to push electric vehicles with batteries made in China is extremely concerning to me and my constituents.

Mr. Secretary, I recently introduced a bill, the National Security Moratorium on Foreign Purchases of U.S. Land (H.R. 6383), which would prohibit China and other adversarial nations from buying American farmland. Right now, there are over 500,000 acres of farmland in Illinois totaling \$4.1 billion that are foreign-owned. This is a substantial national security and economic issue for our nation. Could you please tell me your position on the Chinese Communist Party buying U.S. farmland?

Secretary VILSACK. Well, I am happy to take a look at what you are proposing, and I also know that there are many state statutes that prevent foreign ownership of land. Obviously, my goal here in the United States is to make sure that we make land access available to our own citizens, and that our own citizens are able to afford and purchase land. We have a fairly significant issue in terms of land access for a lot of farmers, and we want to make sure we address that issue in a very positive way.

Mrs. MILLER. Excuse me. China is seeking to disrupt our food supply and prolong the supply chain crisis we are facing, so are you saying you are going to commit to doing everything in your power to prevent adversarial nations from dominating our supply chain?

The CHAIRMAN. The lady's time has expired; however, Mr. Secretary, you can briefly answer.

Secretary VILSACK. Sure. Obviously, we are going to make sure that we are going to protect Americans' capacity to own farmland. We are also going to make sure that we continue to figure out ways to walk the fine line with folks in China, given the fact that they are our number one customer for agricultural products. The exports to China, when they were disrupted during the Trump trade war, caused significant decline in commodity prices. We have seen better commodity prices in the last year, which is good news for farmers.

Mrs. MILLER. Thank you.

The CHAIRMAN. The gentleman from California, Mr. Khanna, is now recognized for 5 minutes.

Mr. KHANNA. Thank you, Chairman Scott. Thank you, Secretary Vilsack, for your leadership. I have said to the White House and to many of my colleague that I believe there is no one, frankly, in our party or in our country who cares more or knows more about rural America, and your voice is sorely needed in many of our current debates in Congress.

Let me ask you this. Administration after Administration comes and says we are going to get high-speed internet to rural America. It seems like we actually finally have done something about it, passing the bipartisan infrastructure bill. Could you talk about what that means and USDA's role, and how you see this being transformational in actually getting high-speed internet to places that don't have it?

Secretary VILSACK. Well, Congressman, I think you are absolutely right. The infrastructure bill basically provided a significant amount of resources for the expansion of broadband and meaningful broadband access. And so, our focus at USDA is on meaningful access. Why is that important? It is important to farmers because

they are going to continue to embrace precision agriculture. Every acre of ground is going to be analyzed. Data is going to be collected. You need high-speed internet to do that. Schools have learned during the pandemic of the importance of remote learning and expanded distance learning. That requires broadband. The medical community has absolutely determined the need for telemedicine. I have been to clinics; I have been to hospitals who absolutely need these in rural areas to be able to access expert assistance and help for their patients. That requires rural broadband. Small business wants to expand their market opportunities beyond maybe the community that they are located in, to the world. That requires high-speed broadband access. And so, there are multiple reasons why this is incredibly important for rural America. We cannot let rural America be left behind here. I think with the resources that you all have provided with the Department of Commerce, the FCC, and us, that we are going to be committed to making sure that these resources are put to use, and so that folks, regardless of where they live, regardless of their ZIP Code, have access to this important technology.

Mr. KHANNA. That is wonderful to hear.

Could you also talk a little bit, I know we had a question about biofuels, and I know you have long championed a vision of biomanufacturing and all of the prospects of that, it can mean for jobs in rural communities and in states across the Midwest. Can you speak a little bit about what the Department of Agriculture is doing and what more Congress can do to support biomanufacturing?

Secretary VILSACK. One of the most important appropriations in that infrastructure bill, which is a really, really small amount in the scheme of things, might have a profound impact on rural America, which is the money that you provided to Department of Agriculture to look at this issue of biobased manufacturing.

What is that? It is basically the conversion of agricultural waste into a variety of products. The ability to convert agricultural waste, not just into fuel, but also into chemicals and materials and fabrics and fibers and energy, all of which creates that circular economy, creates new income sources for farmers. It creates the ability to avoid some of the environmental challenges that we have with some of our industries. I think there is a day when the issue of lagoons will be something that we talk about as having been in the past. That manure can be converted into a multitude of products. Processing, manufacturing jobs can be created in rural places. Additional income for farmers, more jobs, good paying jobs in rural areas, reviving the rural economy and creating a circular economy, and reducing the environmental impact of agriculture and industry. It is an unlimited potential here, and rural America is ripe for this opportunity and those resources, albeit small, I think can create the template for how communities might be and states might be willing to embrace this and the farm policy might be able to encourage it.

Mr. KHANNA. Thank you. My final question for you, Secretary Vilsack, is not as much in your role as Secretary, but as someone who has dedicated your life to public service and the country.

You have seen firsthand how divided we are in this country, along party lines, between rural communities and urban centers. It is no secret that one party is winning in one area, other parties doing better in other areas. How do you think we can start to overcome some of the divides in this country and do what President Biden had aspired to do and start to heal this country and bring it together?

Secretary VILSACK. That is a really profound question, and I wish I had a simple and profound answer. But I think it is community. I think it is understanding that the challenges that we face as a country cannot be decided by a single individual or a single group. The challenges are so large, it requires a committed, united communal effort, and that is why it is unfortunate to see the division that is making it harder to do that.

The CHAIRMAN. The gentleman from Nebraska, Mr. Bacon, is now recognized for 5 minutes.

Mr. BACON. Thank you, Mr. Chairman, and I am sorry for having to step out for votes, so I missed a few of these questions. Mr. Secretary, thank you for being here.

My first question deals with the foot-and-mouth disease vaccine bank. I was the lead advocate for that in the 115th Congress. We were able to get it in the farm bill. We were given an approximately 3 year timeline to make it operational. So, I would love to have your update on how we are doing with the foot-and-mouth disease vaccine bank, and hopefully you have good news. Thank you.

Secretary VILSACK. Significant progress. Over \$27 million has been invested, and we will continue to provide investments into that very, very important vaccine. I would say that that is not the only important vaccine that we are working on. We are also working on a vaccine for African Swine Fever. Those two vaccines are incredibly important in order to protect our livestock industry.

Mr. BACON. Well, 3 years ago we wouldn't have been able to respond well to a foot-and-mouth disease outbreak. Would you say that today we would be able to respond with the addition of this vaccine bank?

Secretary VILSACK. I think we are in better shape today than we were a year ago. I think we are in better shape than we were 2 years ago. The reality is, I think we will be in better shape next year than we are today.

Mr. BACON. Okay, thank you.

As you mentioned the African Swine Fever, I read a report that there were indications of African Swine Fever in Europe this past week. Where are we at with our vaccine development? Do you think we are 50 percent there, 60? I mean, hopefully we are. I know it is a more complicated disease, but obviously it would be a problem if it ever gets here.

Secretary VILSACK. Well, there are four or five patented vaccines that have been developed today in our facilities, and there are a couple of vaccines that are incredibly promising. I believe that there is some consideration to the possibility of having some pilots in some Asian countries that have been suffering from African Swine Fever to determine the effectiveness of these vaccines. I think we have made progress.

Having said that, the reality is we haven't figured it out yet. We haven't solved it yet, and so, we have to make sure it doesn't get into this country. And so, as a result of the Haitian and Dominican Republic situation, we are aggressively promoting activities down in that part of the world to basically contain the situation and hopefully, over time, correct it, making sure that we do everything we can in Puerto Rico and elsewhere to prevent anything from coming into the mainland, working with Customs to make sure that the right questions are being asked at the border, increasing communication in Puerto Rico and areas where there may be potential issues in terms of folks coming in to the mainland from those areas, making sure they are sensitive to all this. So, we are doing everything we possibly can under the circumstances to try to address this as aggressively as we can, but it is not easy.

Mr. BACON. Thank you, Mr. Secretary, and I want to transition to trade, if I may.

Nebraska is an export state, much like Iowa, and we didn't really hear much from President Biden until about November, or from the Administration, on trade. We are starting to hear a little more, but I sure hope it is a priority for this Administration. Obviously, it is huge for the Midwest, corn, soybeans, pork, beef. It is our bread and butter, really, financially to our economic health of both of our states.

First, I just want your assurance that the Administration is pushing trade; and second, can we have feedback on how China is doing with their Phase 1 agreement that we had from 2 years ago?

Secretary VILSACK. Well, there is a commitment to trade, and it starts with enforcing the trade agreements we have so that people can rebuild the trust in the concept of trade and trading relationships.

Let's talk about China. They are \$16 billion short of their Phase 1 trade responsibilities from a purchasing perspective, \$13 billion in the first year, \$3 billion last year. We are yet to see where things will be in 2022. There are seven major issues on the phytosanitary and sanitary side of the equation. Biotech approvals, DDGs, ethanol, ractopamine and pork, issues with hormones in beef that have not yet been resolved to the complete satisfaction of the agreement. We are pushing on both of those aspects, more purchases, completing the phytosanitary and sanitary requirements of that agreement.

Mr. BACON. Sorry. I yield back the balance of my time, and thank you for the answers to the questions there, Mr. Secretary. Thank you.

The CHAIRMAN. The gentleman from California, Mr. Carbajal, is now recognized for 5 minutes.

Mr. CARBAJAL. Thank you, Mr. Chairman. Welcome, Secretary Vilsack.

As you know, Santa Barbara and San Luis Obispo Counties are home to a wide array of specialty crop production. Shipping delays and continuing labor shortages have caused supply chain disruptions, which are amplified by the perishable nature of our fresh fruits and vegetables grown in my district. The pandemic has also shown us the high demand for getting fresh and nutritious produce to hungry Americans.

Secretary Vilsack, is the USDA taking any steps to ensure its Agricultural Marketing Service, AMS, commodity purchases for domestic food programs include an increased amount of fresh fruits and vegetables in an effort to meet broader USDA nutritional guidelines?

Secretary VILSACK. The answer to that question is yes. In the recently announced flexible Temporary Emergency Food Assistance Program, TEFAP, we allocated \$400 million for purchases from local and regional food distributors with the understanding that they were to provide an opportunity for fresh fruit and produce to be part of those purchases.

We have also provided school districts with additional resources with the same directive and the same opportunity for using those additional resources for purchasing a specialty crop. So, that is absolutely one of the priorities and one of the areas that we are focused on.

Mr. CARBAJAL. Thank you.

As you know, labor shortages have continued to be an issue and at the forefront of many of our discussions regarding agriculture. I have met with many stakeholders in my district and had this very same discussion about labor. That is why I was part of a bipartisan group of Members that worked to pass the Farm Workforce Modernization Act of 2021 (H.R. 1603) last March, which is currently pending action in the Senate. Can you touch on what the Biden Administration is doing to help advance this important legislation, and on a related note, could you elaborate on the USDA's efforts to conduct research on mechanization technologies, which could also help alleviate labor shortages for specialty crop growers, and at the same time, improve conditions for farmworkers?

Secretary VILSACK. Well, I know that there is research at land-grant universities that we are funding in terms of robotics and the ability of the capacity of the robotics to be able to sense when food is ready to be picked and harvested.

I will tell you that, I am disappointed obviously in the fact that the Parliamentarian in the Senate did not allow for the inclusion of the Farm Worker Modernization Act in the Build Back Better legislation that is currently before the Senate. I think there is still an opportunity and a hope that there is enough bipartisan support to get this passed. It is absolutely vital. It is absolutely essential, and I would say it is going to require some political encouragement on the part of folks to stand up to those who want to use immigration as a political wedge issue. The time for that is over. The time for—especially with labor shortages. I have heard it here today. One of the answers to labor shortages is having a working immigration system, and it requires a bipartisan effort and hopefully there are enough people of courage and conviction in the United States Senate to get this done. It is long overdue.

Mr. CARBAJAL. Well said. Thank you.

The Consolidated Appropriations Act of 2021 (Pub. L. 116–260) included important language extending SNAP eligibility to college students who are eligible for work study, and those who have an expected family contribution of \$0. However, this flexibility is not permanent, and I am concerned about the looming hunger cliff that

participating college students may ultimately face. How will the end of this provision impact food security among college students?

Secretary VILSACK. Well, at the present time because of the extension of the Public Health Emergency, that opportunity still exists for college students.

But, Congressman, I think one of the things we have to do is I think we have to begin educating people around the country who these college students are and why they may be slightly different than the college students of a time when I went to school, and perhaps when you went to school. There is a significant difference in the population of people going to school with a significant amount of individual challenges that create food insecurity among those young people. And that is one of the reasons why looking at the SNAP Program and adjustments to the SNAP Program may make some sense, given the nature and the breakdown of college students today, which is really different. There are single parents, there are young people who are sort of disconnected from families. There is a variety of challenges these young people face, and I think we have to do a better job of educating folks about precisely who these people are.

Mr. CARBAJAL. Thank you very much. My time is up. I yield back.

The CHAIRMAN. The gentlelady from Florida, Mrs. Cammack, is now recognized for 5 minutes.

Mrs. CAMMACK. Well, thank you, Chairman Scott. Thank you to Secretary Vilsack. I appreciate your time here today. I have a litany of questions, so I am just going to jump right into them.

Mr. Secretary, as you know, Florida is a heavy fluid milk state. Our farms are much larger than many areas of the country, very strong Class I production. Now, this is in regard to the Pandemic Market Volatility Assistance Program. Now, when the program was instituted, it was very welcome help and much appreciated, but the 5 million pound per producer cap, which was instituted solely at the discretion of the Administration, will have the effect of significantly limiting reimbursements to many of my producers. Keep in mind, these are family operations by and large.

Now, my colleague, Representative Lawson and I, we are working in a bipartisan way to try to solve this problem to secure additional funding for this program. We actually sent you a letter back in October and have not received a response.

So, this is a really important issue, I know, to many of our producers across the State of Florida, but I know this is important to you as well. So, I would like to just first ask as we work through this, will you commit to working with us to make sure that this funding helps to close the gap for many of our producers who were hit very badly by the 2020 losses?

Secretary VILSACK. Well, I am happy to work on this issue. I think we structured the program so that it provided the help to the farmers who were most disadvantaged by the way in which the market was adjusted and adapted to, the Food Box Program and other challenges during the pandemic. We are obviously looking for ways in which we can provide help and assistance, but I am not going to be—I am not going to apologize, if you will, for the 5 million pound threshold because it was designed for those very small-

and mid-sized dairy operations to benefit. We have other things that provided help and assistance to the dairy industry, not the least of which is the supplemental Margin Protection Program for Dairy and the structuring of that was pretty important to the dairy industry as well.

Mrs. CAMMACK. And well, Mr. Secretary, I understand. I mean, I understand where it was targeted at. We sustained millions, millions in losses, and again, these are family operations. These aren't major corporate entities. Florida, given the Class I milk market that we are in, we sustained a unique situation in Florida. But I do look forward to working with you on it.

I am going to redirect here now to another topic that I think is really important to highlight, and that is broadband. Obviously, we would like to see some better coordination to make sure that there is not overbuilding, because we have several areas of rural America that programs like ReConnect would be beneficial in, but because of the multiple programs through FCC as well as USDA and others, we are seeing overbuilding as a real issue.

But one of the topics that hasn't been touched on here today is, I would think that USDA would want to encourage as many broadband providers as possible to participate in USDA programs, but some of the scoring preferences for round 3 of the ReConnect Program seem to work against that goal.

Now, for example, providers are awarded points in the application process for a *commitment to net neutrality*. That is actually the language in the program.

Now, Mr. Secretary, you are fully aware that the net neutrality rules were repealed by the FCC in 2018, correct?

Secretary VILSACK. Well, I am also aware of the fact that we want to make sure that folks have access to as much capacity and as much opportunity to use the internet as possible, and that they shouldn't necessarily be restricted or confined to choices that the provider provides, and that is the reason here is to make sure that folks have the full range of capacities available with the internet.

Mrs. CAMMACK. So, what does the Department plan to do to police the net neutrality, because this is USDA, not FCC, if the provider is not living up to the obligations to commit to net neutrality? How does that benefit the deployment of a variety of different services and providers in rural America?

Secretary VILSACK. Well, the point of this is to make sure in the application that there is a process and a mechanism by which we can assure performance, and obviously, there are resources being provided over a period of time. And if it turns out that the services are not what people were promised, well then their recourse is to basically suggest a repayment of those resources.

And so, at the end of the day, it is financially beneficial for folks to try to see if they can live up to the responsibilities in their application. If they don't want to use that, if they don't want to make the commitment—

Mrs. CAMMACK. Thank you, Mr. Secretary. I am so sorry. I have to reclaim my time. I only have a few seconds left.

So, at this point, I would like to request a step-by-step plan from the Department on its enforcement, how you define that *neutrality*, how that is contradictory to FCC rules that were repealed in 2018,

and I would certainly appreciate a follow up from you, Mr. Secretary.

And with that, I yield back.

The CHAIRMAN. Thank you.

The gentleman from California, Mr. Harder, is now recognized for 5 minutes.

Mr. HARDER. Thank you so much, Mr. Chairman, and thank you, Mr. Secretary, for joining us this afternoon.

I really appreciated your chance to connect and come to our district even virtually last year. One of the topics that we spent a lot of time discussing was wildfires, and especially what the Department's plan is going to be, and I appreciate the rollout this week of how the bipartisan infrastructure deal is going to inform some of the investments the Department is going to make to make sure that we hopefully can prevent some of these terrible fires we have seen over the last couple years across the West.

One of the challenges there are the reimbursements, especially for our local fire departments. I was talking to one of the fire chiefs in our City of Patterson recently, and he let me know that he had to wait over a year before he could get reimbursement from the Forest Service for one of the fires that they actually helped support. And this is becoming more and more common as these fires are getting bigger. We are having more local fire departments spend weeks, even months on this Federal land helping support the Forest Service. And it is not just the timing of the reimbursements that is often so long, it is the clarity of what exactly they are getting. I have talked to some of our fire departments who have told me that one document will say one amount and another document will say another, and it is really hard for them to understand how much they are actually being reimbursed. I know there are cost-sharing agreements that govern this, but the GAO recently published a report that noted all the ways in which this seems to be falling short, and some of the challenges that it inflicts on our local fire departments.

Can you talk about what the Department is planning to do to address the GAO's concerns on reimbursement for these wildfires to our local fire departments?

Secretary VILSACK. We are going to try to simplify the process a bit, but I would say that oftentimes the challenge is actually getting information, and especially in California, getting information back from the local communities in terms of what they are seeking reimbursement for. So, I think it is a two-way street here in terms of transparency and cooperation.

But I do understand and appreciate that we need to speed up the process, and I think we are committed to doing that, if we are able to get the same level of cooperation from the local folks.

Mr. HARDER. Well, that is great to hear.

It just puts folks in a really tough spot, especially when we have very small fire departments or even volunteer fire departments to have a huge portion of their budget be very unclear for months, even up to a year or longer.

I will be introducing legislation soon that suggests a couple fixes to addressing this. I would love to get any comments from the Department and you and your team, if there are things that we could

be doing at a legislative level to support. Can I count on your support of that legislation to try to do what we can to address this issue?

Secretary VILSACK. We will be happy to provide you the technical assistance you need, Congressman.

Mr. HARDER. Thank you. I appreciate it.

I also wanted to ask another question about the wildfire plan that came out this week based on the bipartisan infrastructure investments that we passed last year. One of the things that this plan is intending to do is to triple the number of acres, up to 75 million acres over the next 10 years is my understanding, of trying to do more reduction of fuels to try to make sure that these fires don't continue to be as bad as they are.

What further investments, if any, do you think are necessary to try to get this wildfire challenge under control?

Secretary VILSACK. Well, I would say that consistency in funding is necessary. I think what you all have provided in the Infrastructure Investment and Jobs Act, which the President supported and pushed, is sufficient resources for the next couple of years. The question is whether or not we are in a position to have that same level of funding and support for years 4, 5, 6, 7, 8, 9, and 10, because it is going to take a while for us to get the hazardous fuel reduction. It is going to take us a while to do the reforestation and the restoration work that needs to be done in areas that have already been impacted by fire. So, I think consistency in funding would be how I would respond to your question, but it is great that we have these resources. I know the Forest Service and the Department of the Interior are going to work very collaboratively with state and local folks to do as much work as possible. It is a 350 percent increase in the level of commitment and funding for hazardous fuel reduction, and it is going to be focused on the areas of highest risk to communities. So, hopefully over time, people will begin to see fewer catastrophic fires and certainly less risk to people and property and to key forest areas.

Mr. HARDER. Wonderful. Thank you so much.

The CHAIRMAN. The gentleman from Alabama, Mr. Moore, is recognized for 5 minutes.

Mr. MOORE. Thank you, Mr. Chairman.

Earlier in your response to Mr. Allen, you mentioned a court case regarding poultry line speeds and the potential for a pilot program similar to the one announced for pork plants in November. In responding to Mr. Rouzer, you touted the pork pilot program as successful and a positive path forward.

I completely disagree. The affected pork plants were already operating at safe and at higher speeds before this Administration failed to defend the NSIS Program. And since the new pilot program was announced in November, none of the plants have been approved to participate. Can you elaborate, Mr. Secretary, on what you are referring to regarding the poultry program, and second, when can we expect the pork program trials to actually begin?

Secretary VILSACK. Well, we are anxious to approve those five companies that have made a request and making sure that it is consistent with the promise and commitment that we have made

to try to balance worker safety, plant speeds, and profits for farmers.

A Federal judge in Minneapolis basically ended the line speed effort in pork, and it did for one reason and one reason only. The Trump Administration did not include any consideration during the course of the calculation of that rule about worker safety. They had data. They had information. They decided not to include it, and it was a significant problem from a litigative standpoint.

So, there was no recourse here. So, the recourse is what do you do in the face of a Federal judge that basically strikes the rule? You go back to the companies in the industry and say how can we work through this, and that is what we did. And I think we are going to see these approvals in the very near future.

On the poultry side, we have an existing case and we are asking the court to give us the opportunity to sort of remand the case back to the USDA so that the USDA is in a position to try to create the same kind of opportunity on the poultry side as on the pork side. And the point of this is to make sure that we do a better job of balancing safety, profits, and processing line speeds.

Mr. MOORE. Thank you, Mr. Secretary. Let me add a comment. I have to go. I am out of time; but, I have toured a ton of poultry plants in my lifetime. That is my background. That is my degree. And 91 to 93 birds per minute is what we were producing, and we were doing that safely.

With empty shelves in grocery stores and slowing production down and starting to inhibit it, I think we are going to continue to see the American consumer look for protein products on shelves. And so, I just want to say, we need to be careful sometimes. We overregulate stuff and it slows down the process. I have seen these plants. They seem to work fairly safely, and the American consumer right now needs food on shelves, and we don't need more regulations.

Thank you, and my time is up.

The CHAIRMAN. The gentlewoman from Iowa, Mrs. Axne, is recognized for 5 minutes.

Mrs. AXNE. Thank you, Mr. Chairman, and thank you, Secretary Vilsack for being here. It is always good to be here with my former boss from the State of Iowa, and my current constituent. So, thank you so much, Secretary, for all the work that you are doing. And I also want to thank you and President Biden for the announcement this month on increasing competition and resiliency in our cattle markets.

As you know, the lack of competition and transparency is critically impacting Iowa's independent cattle producers, and the funds announced by the USDA will go a heck of a long way to expand processing options for those folks.

So, my first question is in regard to the announcement, it also referenced my legislation, the Cattle Price Discovery and Transparency Act of 2021 (H.R. 5992), bipartisan legislation that will help facilitate actual negotiations of pricing between producers and packers through establishing a regional minimum for the cash market. And the bill led in the Senate (S. 3229) by my fellow Iowan, Senator Grassley, would help improve price discovery and market fairness for cattle producers.

Mr. Secretary, my question: Will giving producers more leverage and market information help address some of the issues that we are seeing in our cattle markets?

Secretary VILSACK. Absolutely, Congresswoman, because if you have greater transparency, then you have greater confidence that the market price that you are receiving at a particular point in time is a fair price. And I think there are many, many, many producers out there that feel that they are not currently getting a fair price.

Mrs. AXNE. Well, thank you for helping us make that transparent for our Iowa producers.

Another issue, and I am sure you have been hearing this, but I have been hearing this as of late is that Iowan farmers are concerned about the high cost of fertilizer this season, in particular, of course, with our corn producers. They have seen the highest cost of fertilizer per acre for any commodity out there, and some farmers unfortunately are considering planting less this spring due to this increased cost.

I know you have been watching this closely, Mr. Secretary, so I am curious to see what you think the reasons are for this volatility, and what steps the USDA and Congress can take to address this issue?

Secretary VILSACK. Part of the reason is strong global demand and domestic demand. Part of the reason is that we are reliant on outside sources for some of the fertilizer that we use, and those outside sources have made the decision to impose export controls, which makes it difficult to get the supply into the U.S. Part of the reason I think is that we need to continue to accelerate significantly our efforts in precision agriculture so that the application of fertilizer is strategic and thoughtful.

Iowa State—I mentioned this earlier. Iowa State has research that suggests that maybe as much as 30 percent of corn acres today may not require any fertilizer at all. If we can provide producers with sensor materials and sensor information and technology that will allow them to more accurately understand precisely where and how to utilize fertilizer, we could potentially lower those input costs.

And finally, I think it is important for people to take advantage of the program that we just recently announced, the “split-apply” nitrogen program (Post Application Coverage Endorsement), at Risk Management Agency. The opportunity potentially to obtain some protection if you make the decision to split your nitrogen and apply it only once a year as opposed to twice a year. If there are crop reductions, maybe there is a way in which you can be compensated for those reductions. So, I think there are a multitude of things we need to be doing in the long-term, and in the short-term, folks need to take advantage of the tools that are available.

Mrs. AXNE. I absolutely appreciate that, and as we continue to discuss this and further down the road, I definitely want to talk more on precision agriculture as we roll out broadband as part of our infrastructure bill. But this idea, as you mentioned, to ensure that those farmers actually have access to that precision agriculture, get the connectivity, but make sure that they got what they need to use that. So, thank you for addressing that.

One last question. I have lots of questions for you, Secretary, but I want to end on cover crops, and thank you for the focus that you have in the USDA on cover crops.

The creation of the Pandemic Cover Crop Program in 2021 provided a first step to incentivize broader adoption of soil health practices that can help turn agriculture into a greater solution to the climate crisis. Can you please elaborate for us on the USDA's plan to roll out a 2022 Pandemic Cover Crop Program, and could you give us a sense of how many acres would be covered by that 2022 program, and how many acres did the USDA enroll in the 2021 program as well?

Secretary VILSACK. The 2021 program was somewhere between 12 and 14 million acres, maybe as high as 15 million acres. The goal here is to get to 30 million acres eventually. That is one of the reasons why we were excited about the Soil Health Initiative with the Soybean Association and a number of other commodity groups. The Soil Health Institute basically committing to working to doubling the level of cover crop acres in the United States from roughly 15 million to 30 million by 2030.

We continue to look for ways in which we can provide incentives. RMA is going to roll out the program for 2022 very shortly, and the hope is that we will see ever increasing interest in getting a reduction in crop insurance in exchange for maintenance of these important cover crops.

In the meantime, we are also going to look for ways in which we can expand market opportunities also for those cover crops.

The CHAIRMAN. The gentlelady from Minnesota, Mrs. Fischbach, is now recognized for 5 minutes.

Mrs. FISCHBACH. Thank you, Mr. Chairman.

Mr. Secretary, regarding your agency's most recent announcement on the availability of loans and grants for additional meat processing capacity, can you give us any additional detail regarding the details of the loans that will be available? For example, what will the guarantees or the loan limit be on those loans?

Secretary VILSACK. The purpose of the loans is obviously to provide low interest financing so that folks who are interested in expanding or building new capacity are in a position to be able to get the capital necessary. I should also point out that we also have a commitment to expanding worker training in this area. We need more workers and we are going to try to work with community colleges and other partners to try to provide additional workforce.

Mrs. FISCHBACH. And more directly, the question was about the loans and if there was any information.

My office has been fielding questions regarding the application process and timing. Do you have anything to add in that regard?

Secretary VILSACK. The first tranche of the resources will be grant resources, \$150 million. We hope to be able to get that framework out in the next several weeks. The idea being those shovel-ready programs and projects that are ready to go but just need a push, this will provide that push. Then this summer, we hope to put out both the \$225 million of additional grant money, as well as the \$275 million in loans.

In the meantime, there is also a Food Supply Chain Guaranteed Loan Program that is available that we announced several months ago that folks might take a look at as well.

Mrs. FISCHBACH. Okay, and Mr. Secretary, how will this new program differ from the current B&I Program in the terms, and offering and administration?

Secretary VILSACK. Well, that is a Business and Industry Loan Program, which is a loan guarantee program. This financing could very well be direct loans from USDA, so there is that difference. There may be a guaranteed portion of it too. We are basically getting input from the industry in terms of how best to structure this to meet the needs that are out there.

Mrs. FISCHBACH. Okay. Thank you, Mr. Secretary, and it might be helpful if you kept Congress informed about how that is going since we are, kind of, that first direct line for constituents to call.

But switching gears a little bit. You mentioned earlier, I believe it was in your opening comments or at least one of the very first questions, about keeping dollars in rural areas. So, with that in mind, I wanted to just ask about some of the renewable fuels.

Cutting the amount of renewable fuels that are blended increases the level of petroleum-based products in the marketplace, hampering our efforts to fight climate change. And despite the fact that the Administration is considering reducing the Renewable Volume Obligation for biofuels in 2020, 2021, and even 2022, ignoring Congressional intent of the RFS implementation, what impacts, particularly economic and climate impacts, would reducing biofuel blending have on corn farmers and rural communities throughout the U.S.?

Secretary VILSACK. Well, let's be clear about this, Congresswoman. The 2022 number is a record amount, it is a not a decrease. It is a record amount, and the 2020 and 2021 numbers are basically reflecting the reality of the pandemic. So, I think it is an honest set of numbers, as opposed to what happened in the previous Administration where numbers were said and then waivers were granted to undercut those numbers. And that was—the announcements were accompanied with 65 waiver denials by the EPA. So, I think these numbers are—the 2022 number, an historic number, puts us on a trajectory of growth. And don't forget, the aviation biofuel opportunity, which is enormous because it is double the size of the existing biofuel industry. A tremendous opportunity here.

Mrs. FISCHBACH. Mr. Secretary, reclaiming my time. I just have a couple of extra seconds.

I just wanted to say, Mr. Secretary, I hope that you are committed to those biofuels, because they are part of the solution for climate change and they have been forgotten in this new climate change argument that people are making. And so, I want to make sure that people understand that they are reducing emissions and that that our USDA Secretary is pushing for that for the farmers that are producing that.

Thank you. With that, I yield back.

Secretary VILSACK. I am confident that I am one of the most ardent proponents of biofuels anywhere in this country, and have been for years, decades.

Mrs. FISCHBACH. I yield back.

The CHAIRMAN. The gentlelady yields back.

The gentleman from California, Mr. Panetta, is now recognized for 5 minutes.

Mr. PANETTA. Thank you, Mr. Chairman. I appreciate this opportunity and appreciate you holding this hearing where we get to hear from the Secretary of Agriculture. Secretary Vilsack, good to see you, and thank you very much for being here today. I truly appreciate you showing up to Capitol Hill, showing up out in our communities, and basically enduring this long line of questioning—questions that you are getting. So, thank you.

Also, as you may know, I hail from the Central Coast of California out there in the Salinas, Pajaro, and San Juan Valleys. Please know you have an open invitation to come out and see our specialty crop producers. Our farmers and our farmworkers would love to hear from you out there, and also want to appreciate your considering that going forward.

As you know, with our specialty crops, mainly our big issue is harvesting; therefore, it takes humans. Obviously, you know well that no technology is yet able to replace the human discernment of when it comes to picking a ripe, safe, clean, aesthetically pleasing strawberry and so many other soft fruits and vegetables. And unfortunately, the fact that we don't have immigration reform makes it very difficult.

I want to thank you for your personal efforts with the Senate to go up there and push forward the Farm Workforce Modernization Act. I know you have done that. I know you will continue to do that. Hopefully we can get that on some Members, especially our Republican Senators' table so that they can also be a champion, especially something that will help their states going forward, and that is immigration reform for our domestic ag workers. So, thank you for your efforts in that.

But I also—look. Right now, I don't want to ask—talk about the lack of immigration reform, but I want to pivot to what we are relying on, what our producers are relying on now and what they need to rely on in the future. Obviously, our domestic workforce is shrinking and it is aging. Therefore, the only game in town or one of the few games in town is the H-2A Program. My producers are running into a couple of difficulties. Don't get me wrong, it has been working okay, but there are some difficulties with it. One of them is that they are experiencing delays dealing with the DOL. The DOL—I get it because of COVID pandemic, people not showing up to work. There are a lot of delays in receiving their H-2A visas. There are rejections of their petitions for minor errors, and there is really late or lacking communication from the DOL.

My question to you, sir, is have you heard of this? Is the USDA engaging with the DOL to make the only game in town, the H-2A process, actually work for our producers there on the Central Coast?

Secretary VILSACK. I am cognizant of the concerns that people have expressed about H-2A, and happy to work with the Department of Labor to underscore the importance and necessity of getting the processing of this done quickly and expeditiously. It is a serious issue, and we are certainly aware of it.

Mr. PANETTA. Thank you.

Another issue they are starting to experience right now is DHS expecting their workers to be vaccinated before coming into the country. Is that something you are hearing about? Is that something you are willing to work with us to maybe try to find a compromise as to what we can do? What we did on the Central Coast, we ran our own mass vaccine clinics with federally qualified health clinics, our producers, our farmers, and our farmworkers basically giving shots in arms to the H-2A workers that are coming in.

Are you willing to work on some sort of compromise when it comes to dealing with DHS on that type of mandate?

Secretary VILSACK. I am happy to work on this issue and learn more about it.

Mr. PANETTA. Thank you. Obviously, you have heard from my colleagues about mechanization. Please know that myself and Rodney Davis were the ones who worked hard to get that language into the 2018 Farm Bill to put mechanization under the SCRI and AFRI and know that coming up on the next farm bill, you are going to hear more from us as well as my other colleagues, apparently, when it comes to mechanization, obviously something that is needed.

I want to commend you for your strategy on the wildfire crisis. Thank you, thank you, thank you. We not only have a lot of bounty; we obviously have a lot of forests out there on the Central Coast.

One of the issues I am hearing about is the lack of staffing. As you know, 80 percent of fires there in our National Forests are caused by humans. I think a way to do that is having more Forest Service personnel on the ground. Is your Department working to address the critical staff shortages that our National Forests are enduring right now?

Secretary VILSACK. We are converting temporary workers, about 1,000 workers to full-time status. We are also increasing the compensation and looking at ways in which we can reclassify firefighters to encourage more recruitment. So, all three of those things are being done.

Mr. PANETTA. Real quickly, my bill, the REPLANT Act (H.R. 2049, Repairing Existing Public Land by Adding Necessary Trees) was included in the IIJA. It is about reforestation. Do you know when we could start to see those investments be implemented?

Secretary VILSACK. I can tell you that Mitch Landrieu wants us to get and the President wants us to get those resources in the field as quickly as possible.

Mr. PANETTA. Outstanding.

Secretary VILSACK. On time, on budget, and on task.

Mr. PANETTA. Thank you, Mr. Secretary.

The CHAIRMAN. The gentleman from New York, Mr. Jacobs, is now recognized for 5 minutes.

Mr. JACOBS. Thank you very much, Mr. Secretary, and thank you for being here today. It was a pleasure to talk with you a couple months ago on the phone.

I represent, again, western New York between Buffalo and the outskirts of Buffalo and the outskirts of Rochester, and I know you know that area fairly well, having gone to college out this way.

Many of the questions I had have already been asked. I just wanted to touch on one real quick just to reiterate how important in our region, as you know, right on the border of Canada, is the dispute resolution ruling in our favor in regards to dairy and the tariffs, and that I know you are going to work alongside the Trade Rep to make sure Canada now adheres to the ruling there so we can finally open up that market that we have been trying to get into in Canada for our dairy.

But I wanted to just ask from your opening remarks, I was very interested in the terminology of the *circular economy* that you mentioned. I had not heard it that way, but it is something I really thought a lot about in an area like ours where we are trying to find ways to continue to have our agriculture sector thrive. I have seen a few examples of what I now will call the *circular economy*.

One, we have one ethanol plant in our area, which is fairly rare for our area, and the initiative for that 20 years ago—it is outside Medina—it was that many of the corn producers there were just not able to survive because of the drop in the market prices and other competition and so forth. So, this corn grower took it on himself and started an ethanol plant, and that plant now is servicing and did actually expand corn growing in that area.

We also in Batavia, New York, the economic development folks there filled an old factory with HP Hood where they make nondairy creamers and other products, 250 jobs, but also it is a source that the raw materials are coming from our dairy farmers to supply that.

So, my question to you is how in articulating this concept of the circular economy, what can we do to really make that a reality and more commonplace? I would just love your thoughts on that because I think it really is critically important that we do more of that in regions like mine to assure that farmers can have a thriving future moving forward. Thank you.

Secretary VILSACK. I think a commitment to more and new and better markets. Now, that sounds like something simple, but the reality is, we have to create different avenues, different ways in which farmers can benefit from whatever they do on their land. Traditionally they grow crops. In some cases, they feed crops to the livestock and then they sell the livestock. The question is what can we do to expand beyond those traditional ways while preserving them, accessing additional revenue opportunities.

So, to the extent that farmers could be paid for certain climate-smart agricultural practices and create climate-smart commodities, that is one avenue. To the extent, as your folks have figured out, they can convert agricultural products to a value-added product, whether it is a creamery that produces ice cream or cheese, or whether it is an ethanol production facility, that is another opportunity. I think there are untapped opportunities in terms of agricultural waste. Understanding how you essentially can separate the components of agricultural waste.

Let me give you an example in the dairy industry. There is separation capacity now to be able to separate solids from liquids to reclaim from the liquids a certain organic material that can be used for organic farming, and that is a value-added ingredient opportunity that can be sold. You can take the rest of the liquids and

reclaim it and utilize it in scarce water resource areas. That is pretty important. You can take the balance, the solids, you can pelletize those solids and basically put it in a bag and you can basically ship that fertilizer anywhere in the world, or you can break it down even further and create component parts that could go into a chemical, into a material, into a fabric, into an energy project, a wide variety of ways.

So, we need to fund the research that allows that to happen. We need to fund the resources, the capital resources that enable those kinds of activities to be located in rural communities. So, farmers have additional income opportunities, they create new job opportunities in rural areas, that wealth stays in the rural community, it doesn't travel 1,000 miles away.

Mr. JACOBS. Thank you. I look forward to working with you on this great concept.

I yield back.

The CHAIRMAN. The gentleman from Florida, Mr. Lawson, is now recognized for 5 minutes.

Mr. LAWSON. Thank you, Chairman Scott, and thanks for having this meeting today.

Mr. Vilsack, I want to make sure that I understood what you were saying to Congresswoman Cammack when we were talking about the joint effort that we had on a bipartisan basis concerning the dairies and the farmer, and you said you wouldn't apologize to the way things are happening. Maybe I didn't quite understand you. Could you elaborate on that, please?

Secretary VILSACK. Well, when the Food Box Program was initiated, there was a significant amount of cheese that was purchased for the Food Box Program. Some folks made the decision as a result of that, as they saw prices go up, they made the decision to sort of pull out of the Federal Milk Marketing Order, which distorted the market, and the result was that smaller producers ended up getting perhaps not the price that they thought they would get or the distribution they thought they would get because of that disruption.

And so, what this was designed to do was it was designed to provide equity, if you will, by providing some resources to reimburse those smaller producers who were disproportionately impacted and affected by that different pricing mechanism. And so, it is designed to provide that kind of assistance and help, and so, we set a threshold of 5 million pounds. That was designed to target the resources, target the assistance, target the help.

Mr. LAWSON. So, the joint letter we sent in October, you all are going to still respond to it and see what more can USDA do to help with the disparities that we have. Am I correct?

Secretary VILSACK. Well, there are other programs that we instituted that may very well provide assistance and help the larger scale producers. The supplemental Margin Protection Program for Dairy, for example, creates an opportunity for people to adjust their production levels so that they are able to purchase—or get more coverage and get more assistance. To the extent that they use high-priced alfalfa as feed, there was an adjustment made for that, all of which I think plays to the potential for the larger operations. So, it is an effort to try to make sure that we are balancing as best

we can the help and assistance being provided to the people that need it the most.

Mr. LAWSON. Okay, thank you for that answer.

I want to say that as you know, citrus greening continues to devastate farmers across the United States, and especially in Florida. Since 2005, my home state has seen a decrease of 51 percent of its commercial citrus land, and since 2016, an estimated \$4.6 billion has been lost in the Sunshine State. How can we, especially in the next farm bill—and I might say, because of this disease, the Animal Plant Health Inspection Services, APHIS, has been implemented. How can we—I think we asked for about—it was about \$50 million that was set aside from Congressional appropriations to help with this situation. Is that enough money for us to ask for in order for us to do something about the citrus greening and the citrus disease?

Secretary VILSACK. Congressman, I think you need to continue to fund research until we figure out how to solve this problem, because it is obviously devastating. And I know from my previous stint as Secretary, we saw increases in commitment over a period of years, and some potential strategies that may have merit. But I think you need to continue to fund and finance the research necessary to figure this out.

Mr. LAWSON. Okay. One quick question before my time runs out.

Has any progress been made on insurance for timber because of the devastation that we have had from hurricanes?

Secretary VILSACK. Well, let's see. I am not sure I understand your question. We are obviously, to the extent that there are applications out for additional support and help as a result of timber loss, those will be processed. But if you are asking about timber harvesting that was impacted by the pandemic, those resources have been provided to several thousand timber haulers and harvesters.

Mr. LAWSON. Okay. So, a lot of the individual farmers that have used this for retirement purposes and so forth, will they qualify for any of those funds?

Secretary VILSACK. I am not sure of that, Congressman. Let me check with our team and get back to you.

[The information referred to is located on p. 128.]

Mr. LAWSON. Okay. With that, I yield back.

The CHAIRMAN. The gentleman from Texas, Mr. Cloud, is now recognized for 5 minutes.

Mr. CLOUD. Thank you, Mr. Chairman, and thank you, Secretary, for being with us today. I wanted to start off by thanking you for working with our office following the Texas freeze to revise the rule to provide an avenue of relief for aquaculture, and specifically our redfish farmers. It was much appreciated, and so, thank you very much for that.

As you know, of course, we are facing a number of crises in our nation at the moment, and it is certainly affecting our rural communities. When I speak with farmers and ranchers in my district and throughout Texas, they are concerned, of course, about labor shortages, exacerbated in part by the unconstitutional vaccine mandates, monetary policy, and supply chain breakdown that are leading to massive inflation. As you know, costs are going up for

parts if you can find them, fertilizer and pesticides are expensive and hard to come by, in part because of kind of the assault against natural gas that we have seen lately. If we don't fix this, it is going to lead to even more empty shelves at the grocery store potentially, and even higher food prices.

I haven't yet heard a farmer or rancher ask me if only I had an electric tractor, but that is what our hearing was about last week. What I do hear is they would like to get parts for the tractor that they already do own. But I will say, the biggest issue that I hear from farmers and ranchers in south Texas by far as what they are concerned about is the border. It is border security, and I would like to submit a few articles for the record, without objection. FARM PROGRESS, *Border situation threatens farmers' livelihood*; DAILY MAIL, *'This needs to stop now': Texas farmer, 75, finds five abandoned migrant girls—including a baby—under the age of 7 crying and hungry on his land—and warns thousands will die this summer in sweltering heat while Biden ignores the border crisis*; FOX BUSINESS, *Texas ranchers pummeled by Biden's border crisis 'fear for their lives'*, and FOX NEWS, *Texas rancher says he and his neighbors find bodies of migrants on their properties*.^{*} And this is true. It has become a daily thing, really, for the ag community in Texas to have to personally carry the burden for our border crisis. So, that comes in the way of them paying tens of thousands of dollars to repair fences that have been run through because of bailouts or they have been cut by human traffickers, crops are destroyed or contaminated from foot traffic, water sources are compromised, vehicles are stolen. Families do fear for their lives on their own property because of emboldened cartels and it isn't uncommon to find drugs or, tragically, dead migrants on their property. And so, on June 3 of last year, the American Farm Bureau Federation sent you, Secretary Mayorkas, and Secretary Haaland a letter talking about this. It was signed from what I can tell by all 50 state Farm Bureaus as well. Today, they tell me they haven't received a response. And so, can you commit to conveying the concerns of the ag community certainly in Texas, but this was signed by every state, to convey those concerns to the White House to reply to this letter? Would you be able to work with our office in seeing what we can do to relieve the burden? Again, they are having to personally pay for the burden of what is supposed to be a national security issue.

Secretary VILSACK. Congressman, first of all, I have personally communicated to 50 state presidents of the Farm Bureau about this issue. We did provide a response, and we do have roughly \$3 million of EQIP resources that are now and have been available for some time for producers to be able to be compensated or reimbursed for the expenses that they are incurring as a result of fence repairs and so forth. So, that program has been set up.

Mr. CLOUD. Okay. Well, thank you. I appreciate that, and we will follow up then and figure out how to get that to the farmers and ranchers, because they are not aware of it in our district. So, I will be happy to work with you on that. So, thank you, thank you, thank you, thank you.

^{*} **Editor's note:** the articles referred to are located on p. 87.

One other issue that I do hear a lot about, though, the FSA offices and the staffing issues. Again, they are trying to apply and they are having trouble finding employees who can help them. Sometimes the offices are closed. Sometimes they are filling out applications in the parking lot. The staff has said that they are working on a program called Jabber when they are working remotely and any time they get a call, apparently they have to log out and log back in, which is creating some inefficiencies. We led a letter from the Oversight and Reform Committee that I also serve on to the FSA inquiring about the status of reopening and other staffing issues. We haven't received a response to that letter, to my knowledge. Can you reply to that, but then also, can you speak to how many employees, including those in state and in the county USDA offices like the Farm Service Agency offices, have been left or forced to leave the USDA as a result of vaccine mandates? And can you speak to how the USDA is weighing religious and medical exemptions from the vaccine mandate?

Secretary VILSACK. Mr. Chairman, can I respond to that even though the time is up?

The CHAIRMAN. Yes, you may.

Secretary VILSACK. First of all, we track and survey activities in our Farm Service Agency offices to make sure that the work is getting done, and we compare it to where things were relative to pre-pandemic at the same time. I have seen that survey, and it has indicated that we are on track to do the level of work that was done pre-pandemic. I mentioned earlier the tens of thousands of loans, the billions of dollars that our Farm Service folks have gotten out from pandemic assistance. I will tell you; they have done a remarkable job. They have done a remarkable job.

I can tell you that at this point in time, roughly 600 people out of roughly 90,000 have failed to indicate whether they are vaccinated or requesting an accommodation. The 88, 89 percent of folks have been vaccinated. The other folks have requested an accommodation, and we are going through those accommodation processes now. A number of them have been granted, and in the meantime, all of those people, all 88 percent of our workforce and the ten percent of our workforce that is requesting accommodation, all of those people are working. Those who are requesting accommodations have just simply been asked to put a mask on, to socially distance, to protect themselves and to protect their coworkers and their families and their communities.

The 600 or so that failed to respond, they have been given several letters and opportunities to respond by either getting vaccinated or to request an accommodation. I think some of them have requested an accommodation and they have moved into that process, which is good. We have begun, the first part of January, a graduated level of suspension so that folks are given multiple opportunities to make a choice whether to seek an accommodation either for health reasons or for religious reasons, or getting vaccinated. And at the end of the day, the work is getting done. I just have nothing but admiration for the people that work for the Farm Service Agency and for all the people that work at USDA. I think they have done, on balance, a remarkable job under very difficult circumstances.

The CHAIRMAN. Thank you, Mr. Secretary. Well said.

Mr. CLOUD. Thank you, Mr. Secretary.

The CHAIRMAN. The gentleman from Arizona, Mr. O'Halleran, is now recognized for 5 minutes.

Mr. O'HALLERAN. Thank you, Mr. Chairman, Ranking Member, for holding this important hearing today. Secretary Vilsack, it was great seeing you once again. It was a pleasure spending time with you out in Arizona on Tuesday. I look forward to working with you on issues facing Arizonans who are dealing with the impacts of wildfires, extreme drought, flooding, cost of food, and obviously, making sure our farms in America survive the recent issues that they face with the supply chain.

The 10 year fire announcement is long overdue, and I am pleased that USDA and the Forest Service have committed to this plan. Unabated wildfire poses an extreme risk to our communities, families, and businesses, and I look forward to continuing to work closely with you and Chief Moore over the coming years to ensure that this remains on track and that lives and livelihoods are protected.

I also want to specifically thank USDA and the Forest Service for their commitment to the Four Forest Restoration Initiative, or 4FRI. 4FRI has the potential to transform northern Arizona's forest ecosystems, protecting the region from catastrophic wildfire, while protecting plant and wildlife diversity and economic development, along with our water resources.

I also appreciate you visiting a small meat packer in Arizona. The issues with rising food costs are ones that every family is paying attention to. While I appreciate the Administration's efforts to reduce food costs, the Administration and this Committee must work with the stakeholders to deliver real relief that Americans deserve.

I do want to make a quick comment about Mr. Panetta's [inaudible] the staffing issues. I think that law enforcement has to be filled in on one of those areas where staffing is needed.

Now, questions, Secretary Vilsack. I have always been a fierce advocate for dedicated funding for broadband in our rural and Tribal communities. USDA's ReConnect Program is a key part of that strategy. Since the program's inception, Congress has dedicated over \$4 billion for ReConnect and there clearly is bipartisan support for this program.

In this most recent round of applications, USDA increased the eligible areas to include areas that—with service less than 100/20 speeds. While fast service is critical for rural economies to compete, can you discuss how USDA is continuing to prioritize projects in areas without any broadband, like most of rural Arizona?

Secretary VILSACK. Well, the folks who go to the top of the list, if you will, from an application perspective, Congressman, are those who don't even have 25/3 speed, upload and download speeds. So, that is a way of protecting, but it is also—the 100/20 effort is really designed to reflect the reality that you can have broadband, but if we are only satisfied with 25/3, it won't be long before those people don't have adequate broadband at all, because they will find that they can't have more than one person download something in the home, or they won't have the ability to do distance learning, or they won't have adequate telemedicine capacity, or they won't have

precision agriculture available to their farmers. So, the key here is to build a system that meets the demand today and creates the infrastructure that will allow for continued expansion as time goes on. But with the understanding that those areas that are currently unserved get, in essence, a priority to get to the top of the list.

So, I think it is an effort to try to balance with these resources, and we have had a number of projects, 181 projects, about \$1.5 billion has already been committed from the various programs that you have funded, and we anticipate and expect decisions being made very shortly this year on the \$1.15 billion on round 3, and then hopefully round 4 and 5 come after that.

Mr. O'HALLERAN. Thank you, Secretary.

As a grandfather myself, it breaks my heart to see kids go hungry. As many as 13 million kids don't know where they are getting their next meal. We have to do better. I appreciate the actions you have taken to address hunger, especially the reevaluation of the Thrifty Food Plan, as directed by the bipartisan 2018 Farm Bill, which I and many others on this Committee passed. Mr. Secretary, can you tell us what impact the reevaluation to the Thrifty Food Plan has had in addressing hunger, especially among children?

Secretary VILSACK. Well, it has provided additional resources at a time when many families might have been faced with a cliff. We are also taking a look at ways in which we can continue to provide assistance, and are encouraging states to use the opportunities of the Pandemic EBT Program to not only provide additional assistance now, but also during the summer. That is a very key area, Congressman, the summer EBT Program, and hopefully states get their plans on file and we get them approved quickly.

Mr. O'HALLERAN. Thank you.

The CHAIRMAN. The gentleman from Kansas, Mr. Mann, is now recognized for 5 minutes.

Mr. MANN. Thank you, Mr. Chairman, and Mr. Secretary, thank you for being here this morning.

I appreciated Congressman Cloud's comments and questions about the vaccine mandates a couple questions ago and what they are doing to our FSA offices in Kansas and their ability to deliver services, so thank you for that attention there.

I represent the big 1st District of Kansas, which is the third largest ag producing district in the country, by dollars. International trade is the key component of economic growth and recovery. Mr. Secretary, just 2 years ago China made a deal with the United States, the Phase 1 China trade deal, to import \$36 billion worth of U.S. ag products in 2020 and 2021. As you know, China failed to meet that commitment by close to \$7 billion. That is 20 percent. Again, \$7 billion. It feels like China sold America a bill of goods and the Biden Administration has made no effort to rectify the situation. By refusing to hold China accountable, the Biden Administration is hurting all American farmers, ranchers, and producers, from wheat farmers in Kansas to rice growers in California.

A few weeks ago, I understand you stood on a stage in a room full of producers and acknowledged that China fell short on their end of the deal, and in response to our concerns, you said, "But here is the deal with our Chinese friends. They are light on what they have committed to purchase, and that is why Ambassador Tai,

our U.S. Trade Representative, continues to converse with China about the necessity of living up totally and completely to the Phase 1 trade agreement, making up that deficit over the next several years.”

The next several years was never part of this 2 year deal that we are now at the end of. China said they would purchase a certain amount of ag products and they didn't. Mr. Secretary, my question is, I join farmers and ranchers in their concern about this trade deficit with China and with your remarks. What should I tell Kansans about how you, Ambassador Tai, and President Biden are taking immediate action to hold China accountable so they buy our ag products and put upward pressure on prices?

Secretary VILSACK. Well, I think your constituents should be reminded that we have a record year in ag exports. A record that was set in 2013 when I was Secretary before was surpassed this year—or last year in 2021, and it is expected and anticipated that that record will be broken again this year. So, you can talk about the fact that there have been 2 record years of ag exports, which is one of the reasons why commodity prices across the board are significantly stronger and higher than they were a year ago today.

Second, you can tell folks and people that there is an ongoing negotiation with China. I don't know where your figures are coming from, but my figures say that they are \$16 billion light, and they are also light on seven very important sanitary and phytosanitary barriers. And so, we are giving China—we are putting them on notice that this is something that we want them to live up to the Phase 1 agreement. We want our Mexican friends to live up to USMCA. We want our Canadian friends to live up to USMCA. We want our trading partners to live up to agreements. And so, the first and foremost program and step here is to indicate our focus on trade enforcement, and that is what we are doing. That is why we took Canada and used the USMCA process to raise issues about the tariff rate quotas, and they weren't fulfilling the responsibilities of USMCA.

So, it is not correct to suggest that we haven't done anything. It is indeed correct to suggest that we have asked the Chinese to increase more, and obviously, if they don't, then there are a wide variety of ways in which we can respond to that, and no doubt we will.

Mr. MANN. Yes. Any amount of understanding, the numbers I have seen, I think they are \$16 billion short on the whole deal, \$7 billion short on purchasing our ag products. But whatever it is, they have been short.

Secretary VILSACK. No, no. It is \$16 billion on the ag products.

Mr. MANN. Okay, okay.

On the input side, the other big issue that I constantly hear from our producers is we have seen a four to five times increase in fertilizer costs, dramatically increasing input costs for producers here as we are starting to head into the spring. I know that you were asked about this earlier, and I think the response was that we should tell producers to decrease the use of fertilizer. That is not going to cut it for my producers who have had plans in place and crop rotations and such for years. A lot of this comes down to decreasing import. China is no longer exporting fertilizer like they

were. What do we do there? What should we tell farmers, and how do we improve and really decrease input prices, as we are about to see our producers get squeezed? Their margins are going to be squeezed greatly if we don't do something quickly.

Secretary VILSACK. Well, we have been historically opposed to export controls and will continue to be historically opposed to export controls, number one. Number two, I think it is important and necessary as farmers understand and learn more about precision agriculture, we are going to see farmers understand and appreciate the importance and opportunity to actually produce more with less. This is not a suggestion where you simply eliminate the utilization of fertilizer. This is a suggestion where you understand and appreciate where it needs to be applied, right place, right time, right amount.

Mr. MANN. I agree. A lot of my producers have done that for a long, long time. They still have to apply fertilizer this year.

The CHAIRMAN. The time of the gentleman has expired.

The gentlewoman from Minnesota, Ms. Craig, is now recognized for 5 minutes.

Ms. CRAIG. Thank you so much, Mr. Chairman, and Secretary Vilsack, thank you so much for being with us today to give us an update on the rural economy.

I really appreciated you visiting the 2nd District last year, and Under Secretary Torres Small also visited my district back in December. So, thank you so much to the USDA for the strong, strong partnership.

I have a brief comment and three quick questions to cover with you today, and I don't have a lot of time so I am going to move quickly through them.

First, a comment on risk management and the farm safety net. I was extremely glad to see the recent announcement that the Risk Management Agency is adding PACE (Post-Application Coverage Endorsement) to its crop insurance offerings, which is going to help farmers manage risk as they invest in key conservation practices. As USDA continues to develop new programs, I want to reiterate my support for the farm programs that are already in place, including the Federal Crop Insurance Program. The farm safety net is critical for producers in my district, and I will be working on that in the next farm bill.

Question one for you, though, Mr. Secretary, first on biofuels. I want to thank you for your support of renewable fuels over the years. I know we both see the benefit of biofuels for family farmers, as well as to meet our carbon reduction goals, which is why I am pushing for the year-round sales of E15. How do you see the Administration utilizing biofuels like ethanol and biodiesel in achieving your transportation sector emission reduction goals, and how quickly can USDA distribute the recently announced \$100 million for biofuels infrastructure?

Secretary VILSACK. Well, that resource is going to be made available very, very shortly, as well as the \$700 million to the biofuel industry. Applications will be received very soon, and hopefully by the summer those monies will be distributed.

In terms of E15, we are working with our partners at EPA. I think they announced an effort to try to get input from folks in

terms of how best to institute a statewide or nationwide, rather, E15 mandate or requirement or opportunity, however you want to phrase it. And I would say it is going to continue to play a critical role. I mean, I realize that people are, there is a lot of conversation about electric cars, but the reality is we are still going to have for the foreseeable future, probably in my lifetime for sure, we are still going to have cars that require biofuel. And hopefully over time, we have airplanes and ships that require biofuel. And in doing so, we will see an expanded biofuel industry. We won't see the elimination of this industry; we will see the expansion of it, new opportunities, new jobs. So, I am excited about the industry and I think the future is bright for the industry.

Ms. CRAIG. Thank you, Mr. Secretary. I know you have a lot of bipartisan support here on this Zoom and in the meeting room for your statement there.

Let's go back to the reason you were in Minnesota here back in the summer. A question on drought relief. When the two of us spoke in August in Minnesota, it was clear that you were thinking about how USDA can be better prepared to support farmers and ranchers in the upper Midwest if we have those periods of extreme drought like we experienced this last year. What program changes is USDA considering to address future extreme regional droughts, and will you commit to partnering with this Committee to address those solutions in the upcoming farm bill? And if you will, about 30 seconds.

Secretary VILSACK. Well, we are obviously focusing on implementing the \$10 billion you all provided under WHIP+, and trying to do that in a thoughtful and creative way, and a fast way. Second, I would suggest as you are putting the farm bill together, that you understand the need for flexibility. You also need to understand the regional differences as we develop programs. I know it is easier to do a nationwide program, but the reality is we are so complicated in agriculture that we really need to create regional approaches that allow us to have some greater flexibility in the application of these programs.

Ms. CRAIG. Thank you so much, and finally, quickly, rural broadband. Obviously, I am grateful for your continued advocacy. The ReConnect Program is a key part of that work, and I appreciate your focus on ReConnect.

After the October announcement about making \$1.15 billion available through ReConnect, I did hear, though, from a number of community-based rural broadband providers. Can you briefly describe why USDA decided to deprioritize those community providers, and are you open to working with the Committee to ensure that we have funding for all rural broadband providers?

Secretary VILSACK. Well, I think the challenge here with these resources is to make sure that we are providing opportunity in a balanced way, and that is what we attempted to do with our third tranche. And we learn from each application process what we need to focus on for the next application process. So, this is an ongoing iterative process, and we learn, which is why we established some of the criteria for round 3. No doubt, some of those criteria will be applied to round 4. There may be new criteria. We will listen, we will learn, and we will attempt to try to do the very best job of

making sure these resources provide as much assistance and help in expanding as much access to meaningful broadband as possible.

Ms. CRAIG. Well, Mr. Secretary, thank you very much.

The CHAIRMAN. The gentlelady from Louisiana, Ms. Letlow, is now recognized for 5 minutes.

Ms. LETLOW. Thank you, Chairman Scott.

Mr. Secretary, as I travel throughout the 5th Congressional District, I continue to hear concerns from Louisiana farmers about the many challenges currently facing the agriculture industry. Cost of production is on the rise, and fertilizer prices have continued to climb to near-record high levels. This is a troublesome trend. Rice is one of the top commodities in my district and the state. As you well know, rice is a high input cost crop with very particular infrastructure and equipment needs, and it has an outsized impact on local economies.

That is why I asked the Agricultural and Food Policy Center at Texas A&M University to conduct a study to determine the economic impacts of input prices using their 64 representative farms, including a grain farm located in my district. Here is a copy of this study. This report found that there will be a significant impact on the cost of inputs, both on the whole farm level and per acre varying by commodity. Rice farms experience the highest fertilizer cost increase, averaging \$62.04 per acre, and our other crops are not far behind.

Further exacerbating the situation is the fact that rice farmers have not seen the increase in commodity price, much like other crops. Compared to the 2020 prices recorded by the Economic Research Service, the current market price for rice is relatively static since the last year, up just four percent. I would also point out that traditional farm bill programs are not designed to react to these economic challenges.

Secretary Vilsack, I sent your office a letter with a copy of this report enclosed. I ask that you review the analysis in its entirety and examine the negative implications of reduced net farm income due to increased costs of production.

Last September, USDA announced a set of investments to address the challenges facing America's agriculture producers, including \$500 million to provide relief from agriculture market disruption. As part of this initiative, one area of focus included the availability and cost of certain materials. However, we have yet to see any outcomes further detailing the implementation of these funds. Mr. Secretary, can you provide this Committee with an update on the implementation of these funds, and any action USDA is taking to help our agriculture producers in addressing the impact of increased energy and input costs?

Secretary VILSACK. We are in the process of finalizing the opportunity to use a portion of the \$500 million that you referred to, to assist in dealing with some of the supply chain challenges that we face, particularly as it relates to exports, and we are looking forward to that.

I have actually seen the study that you have alluded to. In fact, I looked at it last night in preparation for this hearing, and it is a challenge. There is no question about it. I think there are multiple ways to deal with this. There is no short-term solution. We

faced a similar situation back in 2014/2015 with high fertilizer prices. I think one thing we need to do is take a look at ways in which we can be less dependent on outside sources and resources for these materials so that we don't face export controls as we are facing today, which is an issue. I think we obviously have to continue to address the supply chain challenges that we face to the extent that that is contributing to it, additional port hours, truck drivers with things we have discussed earlier today. And I think we have to continue to equip farmers with information and technology and the capacity to produce more with less. I think that is part of the challenge as well.

There is no silver bullet. I wish there were, and if there were, we would certainly be on top of it.

Ms. LETLOW. Well, thank you for reviewing the study, and I look forward to receiving your formal response to my letter, and working with you to help alleviate the lasting effects of supply chain disruptions.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from California, Mr. LaMalfa, is now recognized for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman. I appreciate the time here, and thank you, Secretary, for your extensive time with us in this Committee today. I appreciate the efforts. I know you get to make a trip out West a little bit later today, so hopefully we can find a way to resolve some of California's water supply and water storage issues out there on that conversation.

So, let me cover a couple things really fast in the beginning here. We have, as has been mentioned by several other Members here, but I feel obligated to too, payments that need to be getting out to growers here, we are hearing about especially in some of our northern California counties. That might have something to do with staff issues in some of the counties. I don't know if it is COVID related or what have you, but the dollars are just not getting out the door of the original \$10 billion for the wildfire, drought, and other natural disasters we have had in the last couple years. It has been well over 100 days on that, and so they are wondering why isn't it getting out the door? So, please, your attention on that, especially with northern California FSA offices.

And also as an aside to, our ag products that are stuck on a dock, stuck in containers. California, many of our nut growers are really, really suffering on exports, and so, whatever push you as Secretary can do, sir, to get our Trade Representatives and enforce our trade agreements we have, China and them. When we have empty containers going back or sometimes ships with no containers on them, that is a real problem because our products need to be going on those ships back and have some semblance of a balance of trade. And so, whatever push the USDA can have with our Trade Reps would be greatly appreciated, because our almond growers, walnut growers are just getting killed with this stuff sitting on the docks and in storage, and it is going to carry over in the following years and just smash the price on those products.

So, sir, let me shift gears to our forestry issues now. One fire, just one fire in my district was right at a million acres last year. It was called the Dixie Fire. I want to see if the Forest Service, we

can press them to up their targets for timber work for the coming year. Do you see the agency harvesting in 2022 in any fashion a significant increase? How important is this, do you think, as far as our timber harvesting for the rural economy, obviously, as we still need wood and paper products in this country. It is nice to have them domestically produced and for forest health. So, what do you think about those, sir?

Secretary VILSACK. Well, I would say that the 10 year plan that we announced earlier this week speaks to the opportunity for the Forest Service to do a lot more work in a lot of different areas across the board to make our forests healthier and more resilient. So, I think you can expect to anticipate much more work, and we are going to be focusing on as well on making sure that we reduce the risk to communities and people from these horrific fires. And over time, I think we can reduce the risk and the size of these fires. It is going to take some time, with these resources from the infrastructure bill, we are now in a position to be able to do much, much more.

Let me just say on the export issue, we are addressing that and I think in the very near future we will have at least some opportunity to try to resolve this. I think the port of Oakland is underutilized out there on the West Coast, and I think there is an opportunity there for us to work in concert with that port to see if we can do something about those empty containers.

On the WHIP+ Program, as I mentioned earlier, we are trying to simplify the process so we can get resources out to folks as quickly as possible, using existing NAP and RMA data, and/or livestock forage data to get payments to people hopefully in the spring and summer of this year.

Mr. LAMALFA. I appreciate that. It will be good to see if some of these dollars can get out there for the forestry we are talking about.

But yes, we do have staffing issues, it seems to come down to, whether it is FSA offices, and we have had Forest Service offices that don't even bother to open up for months. Simple things like Christmas tree permits in some of my counties are very difficult to get out the door with that. So, we have to look at staffing more, and not have such a clamp down because of COVID situations.

So, on forestry, coming back to that, because it is a big deal. I talk about that the most. On the hazardous fuel reduction in the wildland urban interface areas, we need commercial partners, and in the recent Build Back Acts, they were restricted from having commercial partners. Is that something that we can be more aggressive on, and having—there is not enough Forest Service time or personnel or dollars. Commercial users can help do that.

Secretary VILSACK. A portion of the infrastructure bill does provide resources to the state and local governments to be able to partner with us and so, obviously there will be opportunities there as well.

Mr. LAMALFA. Not just governments, I am sorry, but with actually the logging industry out there.

Secretary VILSACK. I am sorry, I got the red light. I am not sure—

Mr. LAMALFA. The professional loggers out to the commercial industry, they can do much more than the government can do. How come we can't partner with them more so?

Secretary VILSACK. Well, I think they will be engaged and have been engaged and will continue to be engaged because of the additional resources that are now available. Some of these contracts have been pretty expensive, which has limited the amount of work that we have been able to do. There is a whole other discussion about wood products, and I think there is important opportunity there for us to expand significantly the use of wood in construction.

Mr. LAMALFA. Okay. Well, let's see if we can battle through, then, on the Build Back Better restriction on that.

The CHAIRMAN. The gentleman's time has expired.

Mr. LAMALFA. Thank you, Mr. Chairman.

The CHAIRMAN. Yes. Before we adjourn today, I want to invite our Ranking Member to share any closing comments he may have.

Mr. THOMPSON. Well, first of all, Mr. Chairman, thank you to you for this hearing and extending the invitation to the Secretary, and Secretary, thank you for your leadership and being with us here today on Capitol Hill and joining us. We appreciate your time and look forward to partnering with you on the important work ahead. I know it is a full plate when you look at the responsibilities of the Department of Agriculture. Obviously, food is important, but it is so much more in the scope of what you do and what we do on this Committee. And so, that partnership is really important.

I also want to extend my appreciation to your team of talented professionals at the Department. I do want to also say specifically thank you for FSIS Administrator Paul Kiecker. He has been just great. In Pennsylvania alone on this issue of protein processing of getting out with his team, and I appreciate the visit to Bell and Evans Chicken, that is poultry, and appreciate the visit to Nicholas Meats which is on the capital side. And so, he has been really hands on and just really a great communicator and a great partner.

In closing, I do want to put a final point on one issue. Mr. Secretary, there is a concern in Congress that when any Secretary acts unilaterally with the CCC, and in fact, we have seen Congress limit your powers of this office when this authority is abused. There have been limited details made available to us related to the climate program you described, and I know you identified two sections specifically. Earlier in response to a question from Representative Austin Scott, you stated you are very confident in your legal authority, and that is an assured statement, given this program seemingly is being created unilaterally and out of whole cloth, as we speak. I will stress that this Committee remains skeptical of the legal authority provided to you and your office under the CCC for this program, and looking at the enumerated powers in the Act, we think that no amount of mental gymnastics could get you there.

That said, this Committee would like more details from you on this program, but we also want to hear specifically from OGC on the exact language that provides you the authority under the CCC Charter Act, and we want to hear from you prior to any funds being obligated. Is that something I can get a commitment from?

Secretary VILSACK. We will be happy to share the details of this program with you, Congressman, and also provide you with the basis upon which we believe that this is an appropriate use of these resources.

[The information referred to is located on p. 128.]

Secretary VILSACK. I will tell you, we are not putting anything at risk here in terms of our ability to do everything else that is important for the CCC, and I think, again, I would point out that major farm organizations have called upon us to do exactly what we are doing in exactly the form we are doing it. And that is, it is the Farm Bureau, it is major commodity groups.

So, we are trying to be responsive to what we are hearing on the outside here and look forward to working with you to get you to a place where you are a bit more comfortable with this. But at the end of the day, we are going to have to do this. We are going to have to get engaged in this, and I will tell you why we have to get engaged. To the extent we are concerned about export markets, my previous stint when I worked for the dairy industry, our competitors are absolutely going to make this a marketing advantage. We got to get there first.

Mr. THOMPSON. Right, and I couldn't agree with you more. I encourage you to check out the SUSTAINS Act (H.R. 2606, Sponsoring USDA Sustainability Targets in Agriculture to Incentivize Natural Solutions Act of 2021), and we want to be there right there with you. We have already been working very aggressively in this space with bills.

So, I want to just thank you for that, and thank you for your time today, Mr. Secretary, and for the commitment to you and the professionals at USDA to be ready to work together on continued oversight in preparation for the next farm bill.

Once again, Mr. Chairman, thanks for holding this hearing. I yield back.

The CHAIRMAN. Thank you.

As I bring this great and very informative hearing to a close today, I first want to thank you, Secretary Vilsack. Your testimony was brilliant. It truly was. It was well-prepared and well-received on our end. And we thank you for that. This has been a 4 hour hearing, and we appreciate your time and your commitment. And I am just looking forward to continuing to work with you and the USDA on all of the things that we have worked on, and so, thank you again, and God bless you.

Secretary VILSACK. Thank you, Mr. Chairman.

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

This hearing of the Committee on Agriculture is now adjourned.

[Whereupon, at 1:01 p.m., the Committee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED LETTER BY HON. DAVID SCOTT, A REPRESENTATIVE IN CONGRESS FROM
GEORGIA

December 9, 2021

Hon. THOMAS "TOM" J. VILSACK,
Secretary,
United States Department of Agriculture,
Washington, D.C.

Dear Secretary Vilsack,

Thank you for your proactive efforts addressing our supply chain challenges and your September announcement of \$3 billion in investments for drought resilience, animal disease prevention, and market disruption relief.

I am writing this personal letter to you to ask: if you would be kind enough to please use a portion of the \$500 million you have dedicated to providing relief from agricultural market disruptions, to provide critical financial assistance to help our merchandisers of U.S. cotton.

Mr. Secretary, our nation's cotton industry is experiencing unprecedented supply chain disruptions. And, our nation's cotton merchandisers are being significantly impacted by COVID-related demand erosion and by supply chain disruptions. And, this has now created unparalleled costs and losses impacting our merchandisers of U.S. cotton.

And, as Chairman of the House Agriculture Committee, I stand ready to work together with you, as a partner, in bringing this very much needed financial help to our merchandisers of U.S. cotton. And, Mr. Secretary, my request to you is very important to me and, most certainly, to the cotton industry because of the important role that our cotton merchandisers play in providing the liquidity and the risk management for all our U.S. cotton producers and farmers.

Secretary Vilsack, I deeply and personally appreciate your help with my request for you to use a portion of the \$500 million funding for agriculture market disruption to provide financial relief for our merchandisers of U.S. cotton. Thank you, and God bless you.

Your friend,



DAVID SCOTT,
Chairman, House Committee on Agriculture.

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

May 24, 2021

Hon. THOMAS "TOM" J. VILSACK,
Secretary,
United States Department of Agriculture,
Washington, D.C.

Dear Secretary Vilsack,

The coronavirus pandemic has had substantial impacts on farm and food businesses across the nation, from farms and ranches to food hubs and processing facilities. Some businesses saw their markets disappear overnight, requiring a rapid course shift to reach new customers, while others saw demand skyrocket beyond existing capacity. The pandemic has underscored the need to better equip these businesses—especially those serving local and regional markets—with the tools needed to capitalize on new opportunities, create jobs, and achieve a more resilient food system.

Given this critical need, we are writing to urge the U.S. Department of Agriculture (USDA) to allocate at least \$300 million from within existing pandemic response authorities, including stimulus funding enacted in the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act, to dramatically increase one-on-one business technical assistance targeting small- and mid-sized farm and food businesses. This type of investment in the future has a proven track record of improving regional supply chain resiliency. It will also translate into new capital and opportunities, particularly for communities that the Biden Administration has


identified as underserved, including socially disadvantaged populations and low-income rural areas.

Farmers and ranchers are entrepreneurs, not just agricultural producers. This past year has demonstrated that improved business skills and financial literacy are essential to enabling these businesses to survive unforeseen market disruptions. Many small- and mid-sized operations did not have the adequate financial record-keeping needed to access coronavirus relief through Federal opportunities. Providing customized support in the form of one-to-one technical assistance—for financial literacy, business planning, market development, succession planning, and accessing land and capital—will help create new jobs and increase sustainability for both the current and next generation. One state program found that 2 years of tailored, in-depth business planning support generated on average a 62 percent increase in net income for farm and food businesses, and helped businesses gain jobs at a rate three times that of the sector on average.¹ This is just one example of what can be achieved nationally.

We are encouraged by your announcement on March 24 that the USDA will dedicate at least \$6 billion in discretionary funding previously enacted by Congress for a new Pandemic Assistance for Producers initiative to support producers who were underserved by the previous Administration's relief measures. Through the American Rescue Plan Act, Congress provided an additional \$3.6 billion in funding to improve supply chain resiliency and help producers as well as small- and mid-sized processors respond to the pandemic. Dedicating a portion of these funds to one-on-one business technical assistance is critical to meeting these goals. Currently, support for this assistance is being provided on a piecemeal basis across the country by public and NGO service providers who rely on inconsistent government and philanthropic funding sources. While the recent supplemental funding for USDA's Local Agriculture Market Program (LAMP) and Farming Opportunities Training and Outreach (FOTO) represent critical investments in small- and mid-sized farm and food businesses, these programs have a wide range of uses and are not specifically designed to support in-depth and sustained business technical assistance. In fact, a dedicated investment in business technical assistance will help ensure the impact and longevity of these LAMP and FOTO investments. Therefore, we urge the USDA to dedicate at least \$300 million for business technical assistance, delivered in the form of multi-year grants to public and NGO agricultural service providers with a history of providing this type of assistance and a track record of increasing business skills, profitability, and access to land and capital.

Thank you for your continued support of the nation's agriculture producers. We know you share our concern about future viability and sustainability within the industry. We are grateful for the work you and the Department have done to support farms, ranches, and other food businesses as the pandemic continues, and look forward to working with you to advance support for these businesses.

Sincerely,



Hon. PATRICK J. LEAHY,
United States Senator



Hon. ANTONIO DELGADO,
Member of Congress



Hon. CORY A. BOOKER,
United States Senator



Hon. CHELLIE PINGREE,
Member of Congress



Hon. SHERROD BROWN,
United States Senator



Hon. CYNTHIA AXNE,
Member of Congress

¹2017 VT Farm & Forest Viability Program Annual Report to the Legislature, Vermont Housing & Conservation Board, January 2018.

Hon. ROBERT P. CASEY, JR.,
United States Senator

Hon. RICHARD J. DURBIN,
United States Senator

Hon. KIRSTEN E. GILLIBRAND,
United States Senator

Hon. MAZIE K. HIRONO,
United States Senator

Hon. ANGUS S. KING, JR.,
United States Senator

Hon. AMY KLOBUCHAR,
United States Senator

Hon. BEN RAY LUJÁN,
United States Senator

Hon. EDWARD J. MARKEY,
United States Senator

Hon. JEFF MERKLEY,
United States Senator

Hon. SANFORD D. BISHOP, JR.,
Member of Congress

Hon. SUZANNE BONAMICI,
Member of Congress

Hon. CHERI BUSTOS,
Member of Congress

Hon. ED CASE,
Member of Congress

Hon. JIM COSTA,
Member of Congress

Hon. JOE COURTNEY,
Member of Congress

Hon. ANGIE CRAIG,
Member of Congress

Hon. ROSA L. DELAURO,
Member of Congress

Hon. JAHANNA HAYES,
Member of Congress



Hon. CHRISTOPHER MURPHY,
United States Senator



Hon. JAMES A. HIMES,
Member of Congress



Hon. JACK REED,
United States Senator



Hon. HENRY C. "HANK" JOHNSON, JR.,
Member of Congress



Hon. BERNARD SANDERS,
United States Senator



Hon. MARCY KAPTUR,
Member of Congress



Hon. BRIAN SCHATZ,
United States Senator



Hon. ANN M. KUSTER,
Member of Congress



Hon. CHARLES E. SCHUMER,
United States Senator

Hon. JAMES R. LANGEVIN,
Member of Congress



Hon. JEANNE SHAHEEN,
United States Senator



Hon. SEAN PATRICK MALONEY,
Member of Congress



Hon. TINA SMITH,
United States Senator



Hon. JAMES P. MCGOVERN,
Member of Congress



Hon. DEBBIE STABENOW,
United States Senator



Hon. STACEY E. PLASKETT,
Member of Congress



Hon. CHRIS VAN HOLLEN,
United States Senator



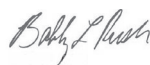
Hon. MARK POCAN,
Member of Congress



Hon. SHELDON WHITEHOUSE,
United States Senator



Hon. C.A. DUTCH RUPPERSBERGER,
Member of Congress

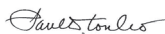


Hon. BOBBY L. RUSH,
Member of Congress



Hon. KIM SCHRIER,
Member of Congress

Hon. ABIGAIL DAVIS SPANBERGER,
Member of Congress



Hon. PAUL TONKO,
Member of Congress



Hon. DAVID J. TRONE,
Member of Congress



Hon. PETER WELCH,
Member of Congress

SUBMITTED LETTER BY HON. VICKY HARTZLER, A REPRESENTATIVE IN CONGRESS
FROM MISSOURI

July 30, 2021

Hon. THOMAS "TOM" J. VILSACK,
Secretary,
United States Department of Agriculture,
Washington, D.C.

Dear Secretary Vilsack,

Thank you for your recent announcement of plans to invest in our nation's meat processing capacity. As you know, the industry has experienced several disruptions in recent months and small processors were crucial in supporting the supply chain across Missouri and the nation.

As your team seeks input on the strategy for the \$500 million from the American Rescue Plan to support new competitive entrants in meat and poultry processing, I want to highlight the need for processors who stood up or made expansions during the COVID-19 pandemic to be eligible for these investments.

According to Rabobank Research, adding packing capacity could result in more balanced profitability throughout the supply chain and suggests that an additional 5,000 to 6,000 head of daily beef packing capacity would help achieve this. The estimated cost for building a small 20 head per week processing facility, which is the average for Missouri plants, is \$1.2 million for all the construction, permits, equipment, *etc.* With the need for processors to shell out this amount of capital, reserving a portion of the \$500 million to invest in processors who opened their doors or made expansions during the COVID-19 pandemic would be a wise use of taxpayer dollars.

These small businesses stepped up in a desperate time of need and took on substantial risk—and debt—to help stabilize the supply chain and provide local options for both producers and consumers. These processors should not be penalized for rising to meet local need amid a global pandemic. In an effort to help ensure the long-time viability of these processors, I request a portion of this funding be made available in the form of grants to processors who began operating or conducted any expansion since the COVID-19 pandemic designation.

This request will be submitted through the *Federal Register* comment page as well. Thank you for your consideration and please do not hesitate to contact me if I may be of any service to you during this process or in the future.

Sincerely,

Vicky Hartzler

Hon. VICKY HARTZLER,
Member of Congress.

SUBMITTED LETTER BY HON. JAMES R. BAIRD, A REPRESENTATIVE IN CONGRESS FROM
INDIANA

October 7, 2021

Hon. THOMAS “TOM” J. VILSACK,
Secretary,
U.S. Department of Agriculture,
Washington, D.C.;

Hon. JANET WOODCOCK,
Acting Commissioner,
U.S. Food and Drug Administration,
Washington, D.C.

Dear Secretary Vilsack and Acting Commissioner Woodcock,

As you know, several challenges facing the agriculture industry and our communities have emerged or intensified in recent years. Zoonotic disease, climate change, and a growing global population require us to consider new solutions to protect our food supply and sustainably meet demand. Ongoing research and existing innovations in animal genetics show great promise in addressing these challenges. However, an efficient, risk and science-based regulatory system that can create a safe, predictable path to market is imperative to capitalizing on these solutions. We believe the existing U.S. regulatory process for the review of animals developed or improved through biotechnology requires significant improvement to meet that standard, and we encourage the U.S. Department of Agriculture (USDA) and Food & Drug Administration (FDA) to continue working with each other and with other relevant Federal partners to appropriately modernize this important process.

For thousands of years, genetic improvements have been a hallmark of agriculture. Over the last century, organized research and formal plant and animal breeding programs have rapidly advanced the success and sustainability of agricultural production. Since the 1950s, *milk production*¹ in the United States has nearly doubled while using half the number of cows, reducing both the environmental footprint and costs of production. However, many of the challenges we face today will not afford us another 70 years to make similar incremental improvements. Zoonotic disease risks like SARS-CoV-2 or *recent avian influenza spread to humans in Asia*,² could be greatly mitigated by *disease-resistant livestock*.³ Animals improved to re-

¹ <https://www.wpr.org/how-we-produce-more-milk-fewer-cows>.

² <https://www.nytimes.com/2021/04/21/science/bird-flu-pandemic.html>.

³ <https://www.sciencedaily.com/releases/2019/06/190604084855.htm>.

duce *methane emissions*⁴ or *improve heat tolerance*⁵ could play an important role in our efforts to address climate change and achieve more resilient supply chains.

Unfortunately, the existing regulatory system is not conducive to the timely adoption of these sorts of innovations. In the past 25 years, only two animals intended for agricultural purposes have been approved for use domestically by FDA. One of these innovations is primarily *intended for biomedical applications*,⁶ and both took decades to achieve regulatory approval. A costly, protracted regulatory system will continue to stifle important agricultural innovations.

Efforts to modernize the regulatory environment for products of biotechnology have transcended Administrations and party lines—a tradition we hope to see continued. In 2015, President Obama’s Executive Office of the President (EOP) issued *a memo*⁷ initiating a process to modernize the Federal regulatory system for products of biotechnology with the objective of ensuring public confidence, preventing unnecessary barriers to future innovation, and continuing to protect health and the environment. These are sound objectives, and we support efforts to continue exploring improvements in our regulatory system, such as USDA’s publication of an Advance Notice of Proposed Rulemaking (ANPR) regarding whether to establish regulations for the movement of certain animals modified or developed using genetic engineering. We were heartened by the decision to extend the ANPR’s comment period to ensure ample opportunity for thoughtful input from the public.

With the ANPR comment period now closed—and as the Administration decides how to best navigate this vital modernization effort—we encourage USDA and FDA to carefully consider the feedback provided by stakeholders. The challenges facing our food supply and society demand an improved regulatory approach, and we are hopeful that this Administration will rise to the occasion and empower agriculture with the tools necessary to be a part of the solution.

Sincerely,



Hon. STACEY E. PLASKETT,
Member of Congress



Hon. JAMES R. BAIRD,
Member of Congress



Hon. DAVID SCOTT,
Chairman,
House Committee on Agriculture



Hon. GLENN THOMPSON,
Ranking Minority Member,
House Committee of Agriculture



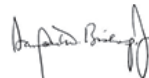
Hon. ALMA S. ADAMS,
Member of Congress



Hon. CYNTHIA AXNE,
Member of Congress



Hon. TROY BALDERSON,
Member of Congress



Hon. SANFORD D. BISHOP, JR.,
Member of Congress

⁴<https://www.newscientist.com/article/2208449-we-could-breed-climate-friendly-cows-that-belch-less-methane/>.

⁵https://www.researchgate.net/publication/313956642_BREEDING_AND_GENETICS_SYMPOSIUMBreeding_heat_tolerant_dairy_cattle_the_case_for_introgression_of_the_slick_prolactin_receptor_variant_into_dairy_breeds.

⁶<https://www.statnews.com/2020/12/14/fda-approves-genetically-altering-pigs/>.

⁷https://obamawhitehouse.archives.gov/sites/default/files/microsites/ostp/modernizing_the_reg_system_for_biotech_products_memo_final.pdf.



Hon. CHERI BUSTOS,
Member of Congress



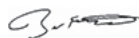
Hon. J. LUIS CORREA,
Member of Congress



Hon. ANGIE CRAIG,
Member of Congress



Hon. RODNEY DAVIS,
Member of Congress



Hon. RANDY FEENSTRA,
Member of Congress



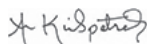
Hon. JIM HAGEDORN,
Member of Congress



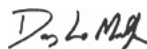
Hon. JAHANA HAYES,
Member of Congress



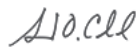
Hon. DUSTY JOHNSON,
Member of Congress



Hon. ANN KIRKPATRICK,
Member of Congress



Hon. DOUG LAMALFA,



Hon. SALUD O. CARBAJAL,
Member of Congress



Hon. JIM COSTA,
Member of Congress



Hon. ERIC A. "RICK" CRAWFORD,
Member of Congress



Hon. ANTONIO DELGADO,
Member of Congress



Hon. MICHELLE FISCHBACH,
Member of Congress



Hon. VICKY HARTZLER,
Member of Congress



Hon. CHRIS JACOBS,
Member of Congress



Hon. TRENT KELLY,
Member of Congress



Hon. ANN M. KUSTER,
Member of Congress



Hon. AL LAWSON, JR.,

Member of Congress



Hon. JULIA LETLOW,
Member of Congress



Hon. TOM O'HALLERAN,
Member of Congress



Hon. DAVID ROUZER,
Member of Congress



Hon. KIM SCHRIER,
Member of Congress



Hon. ABIGAIL DAVIS SPANBERGER,
Member of Congress

Member of Congress



Hon. BARRY MOORE,
Member of Congress



Hon. JIMMY PANETTA,
Member of Congress



Hon. BOBBY L. RUSH,
Member of Congress



Hon. AUSTIN SCOTT,
Member of Congress

SUBMITTED ARTICLES BY HON. MICHAEL CLOUD, A REPRESENTATIVE IN CONGRESS
FROM TEXAS

ARTICLE 1



[<https://www.farmprogress.com/farm-policy/border-situation-threatens-farmers-lielihood>]

Border situation threatens farmers' livelihood



Worsening Border Situation: Texas rancher Katie Hobbs' husband found five girls dumped by a river on the Texas-Mexico border.

Ranching families on the border faced with bailouts, unfriendly visitors and high costs to rebuild.

JACQUI FATKA¹ | Jun. 29, 2021

As the border situation continues to grab headlines and even a recent visit from Vice President Kamala Harris, those farmers and ranchers along the border are seeing the situation getting worse every day.

The new reality for many farmers in Southern states are “bailouts,” where smugglers driving vehicles crowded with immigrants entering the U.S. illegally are in a police pursuit. As everyone bails out of the vehicle, the smugglers crash through fences, dump clothes and backpacks, and leave children to fend for themselves.

“There is a crisis going on along the border, not just the Texas border. Unless you have been here and live here, you have no idea how bad it is. No idea until you live it,” says Stephanie Crisp-Canales.

Crisp-Canales was born and raised in LaSalle County, Texas, about 56 miles from the Mexican border. When she was a child growing up on the family ranch, many immigrants crossed the border illegally, looking for a better life.



Editor's note: the video is retained in Committee file; and is available at <https://player.vimeo.com/video/542720896>.

¹<https://www.farmprogress.com/author/Jacqui-Fatka>.

“They didn’t steal. They didn’t try to break into your house. They came to the door, rang the doorbell and just wanted something to eat. Most of them offered to do something in return for food and wanted to do something to repay the kindness you showed them,” Crisp-Canales shares.

When she was 14 or 15 years old, she had her first experience of those trying to do harm against her. “At that point I started to see a change, and it no longer became as safe to go outside,” she recalls.

“It has slowly gotten worse and worse and worse until where we are today. We have multiple bailouts a day,” she explains.

The American Farm Bureau Federation joined all 50 state Farm Bureaus and Puerto Rico Farm Bureau in sending a letter in early June urging the Biden Administration to address the surge of undocumented immigrants entering the United States. The letter points out that local and state border security resources have been exhausted, leaving little help for farmers and ranchers. It highlights the problem of human smugglers, known as Coyotes, explaining that landowners live in fear while Coyotes reap a windfall from leaving people destitute.

“Human smugglers (Coyotes) are making false promises and doing whatever it takes to get paid and get away, including jeopardizing lives and property,” the letter continues. “In their desperation to evade law enforcement, Coyotes abandon people, steal vehicles, vandalize property and threaten the safety and livelihoods of farmers and ranchers. They are often criminals who smuggle drugs and firearms into the country, frequently leaving them on farmers’ and ranchers’ property, causing unrest for farm and ranch families.”

Crisp-Canales explains previously when a bailout occurred on your property, the landowner could claim that vehicle. The salvaged vehicle could then be used to pay for repair costs and offset the costs from the bailouts of the coyote drivers who unload immigrants across the terrain if there’s a threat of being caught. Now the laws require the vehicle to be sold at auction and the landowner isn’t compensated at all.

“We have to pay to fix our fences and replace gates when it’s happening multiple times per day. It is costly. It sucks. It’s just awful,” she laments.

Fellow Texas rancher Dale Smith shares the current scenario is “dramatically different than what we’ve seen in the past.” Previously, he would see families or people who were friendly. Now it is individuals with camouflaged backpacks cutting fences and people on the highway carrying firearms and drugs along with a dozen people crammed into a vehicle.

Texas rancher Brian King says over the last 6 years he went from having just two bailout incidents on his farm to a now weekly occurrence over the last 4 months.



Bill Martin, who farms in Dimmit County, Texas, has been ranching all his life. “This is just about the worse I’ve ever seen traffic coming in across the border,” he states. Prior to this year he went 2 years without seeing a single illegal. Now he’s picking up 50 pounds of leftover backpacks and clothes just dumped on his property for those who don’t need it for the next stage.

He recently found the water line left running. “If I hadn’t found it, it would cost me \$1,500 and the cattle wouldn’t have had water.”

Marcus Canales of LaSalle County says everybody knows south Texas has always had its issues with those crossing the border. But the surge coming in continues to create headaches. In his location near Interstate 35, one of his biggest fears is if a bailout opens up a fence and a cow gets out on the interstate, he can get sued.

Jim Chilton is a fifth-generation Arizona rancher and has land with 14 miles exposed to the Mexico border. When he started farming at the location west of Tucson in 1987, there was no real issue at the border. In the mid-1990s to 2008, waves of people were coming in and mainly headed to California, Illinois and the coasts to work until the recession hit and the traffic stopped.

After that, Chilton says the drug cartels took over all the truck trails on his ranch, and he believed the traffic changed to drug packers. The drug packers and cartel now use people who do want to seek asylum as decoys and once border control's attention is diverted to those individuals, the cartel knows they can run the drugs up without fear of apprehension.

"We need to secure the border because the people coming across our ranch aren't asylum seekers; these are bad guys," Chilton shares.

For more stories on the border impact on farmers, visit <https://texasfarmbureau.org/border-crisis-impacts>.

ARTICLE 2

Daily Mail

.com

[<https://www.dailymail.co.uk/news/article-9566251/Texas-farmer-finds-five-abandoned-migrant-girls-7-land-border-crisis-worsens.html>]

'This needs to stop now': Texas farmer, 75, finds five abandoned migrant girls—including a baby—under the age of 7 crying and hungry on his land—and warns thousands will die this summer in sweltering heat while Biden ignores the border crisis

- Farmer Jimmy Hobbs, 75, says he found the five little girls on Sunday at 8.30am while doing a round of his land in Quemado, Texas
- The girls were all hungry and crying; one was naked and crawling because she is too young to walk
- Three were from Honduras—they are 7, 3, and 2
- Two are from Guatemala and are aged 5 years old, and 11 months old
- The farmer said he gave them food, water and shade until CBP arrived 3 hours later
- He said the current border crisis is the worst he's seen in the 75 years he has lived on the farm
- It's unclear what will now happen to the girls—Customs Border Patrol hasn't indicated where they are, or if they can stay in the U.S.
- Hobbs and his wife Katie begged Biden to tighten the rules or come to the border to see the crisis for himself
- They said that as summer approaches, many will die trying to get into the country in sweltering heat
- The number of migrant children being held in CBP detention centers has doubled over the last month—there are now more than 21,000

By JENNIFER SMITH for *DailyMail.com* ¹

Published: 08:16 EST, 11 May 2021 | Updated: 13:17 EST, 11 May 2021

Five abandoned girls from Honduras and Guatemala were found on Sunday on the land of a *Texas*² farmer, hungry and crying after being left by their families to try to get into the country alone in another example of the worsening border crisis.

Three of the girls are from Honduras. They are 7, 3, and 2. The other two are from Guatemala and are aged 5 and 11 months old.

They are now at Uvalde Station, where they'll be processed, before being given to Health and Human Services.

¹ <https://www.dailymail.co.uk/home/search.html?s=&authnamef=Jennifer+Smith+For+DailyMail.com>.

² <https://www.dailymail.co.uk/news/texas/index.html>.

Jimmy Hobbs, the 75-year old farmer and his wife Katie gave an interview to Texas Congressman Tony Gonzales which was posted on *Twitter*³ after the pair submitted photos and videos to social media groups that campaign for tighter border control.

Gonzalez also shared a gut-wrenching image of the girls lying in dirt. In one of the videos she shared, Katie fumed in the background: 'These children dumped out on the side of the river here on our farm.'

'If this doesn't make you mad and make you want to take to the streets, I don't know what will. They have no mother, no father, no nothing. This is one of our workers' wives right here taking care of this tiny one. No one with these children.'

Hobbs is an onion and watermelon farmer who has lived on the land he owns his entire life. The farm is in Quemado, Texas, which sits on the border with the Mexican state of Coahuila.

He said that he believes the girls would have died if he hadn't found them, and that the situation at the border is the worst it has been in the 75 years he has lived on the farm.

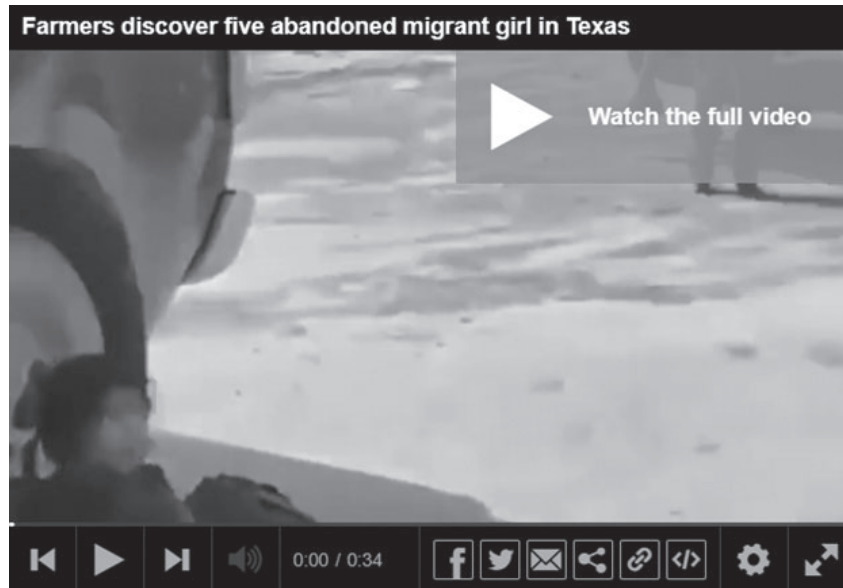
He and his wife warned that there will be 'thousands more' who get into perilous danger and die this summer trying to illegally cross the border as temperatures rise and President Biden continues to shrug off the crisis and leave it to Vice President Kamala Harris to handle instead.

Since Biden took office, there has been a rush of people trying to illegally get into the country and the number of kids in detention centers has doubled over the last 2 months. Now, there are 21,000 in U.S. custody. Neither the President nor the Vice President has visited the border.



Five girls from Honduras, Guatemala and Mexico were found on Sunday by Texas onion and watermelon farmer Jimmy Hobbs on his property in the border town of Quemado, across from the Mexican state of Coahuila. The photo was posted on Twitter by Congressman Tony Gonzalez on Sunday after first being shared on border Facebook groups.

³<https://www.dailymail.co.uk/sciencetech/twitter/index.html>.



Editor's note: the video is retained in Committee file; and is available at <https://www.dailymail.co.uk/embed/video/2416996.html>.



On Sunday morning, Katie Hobbs and her husband Jimmy Hobbs discovered five migrant girls near a river on their farm in Quemado, Texas, which borders with the northeastern Mexican state of Coahuila.



The farmer and his wife gave the girls food, water and sat them in shade while they waited for CBP to arrive at the scene.



The youngest of the girls is so little she can't walk yet. She was naked when the farmer arrived and the girls didn't have any diapers for her either. She is shown being cradled by one of the farm workers' wives.



They also called on the wife of one of their workers, who speaks Spanish, to comfort the girls. They are now in CBP custody, along with 21,000 other kids.

The farmer and his wife spoke to Republican Congressman Tony Gonzalez about what they found. Gonzalez posted a video of their comments on Twitter.

'I was making a round on the farm and about 8.30 in the morning, I was just driving along and all of a sudden I see them.

'Five little baby girls, all by themselves, hungry crying. One didn't have any clothes on.

'Immediately, I called border patrol but they're snowed under, they don't have any help either.

'I waited for a while then I called one of my workers and asked his wife to go up to the house and bring some food and water,' the farmer said.

The farmer brought the girls into shade and gave them food and water for 'two and a half hours' before police arrived.

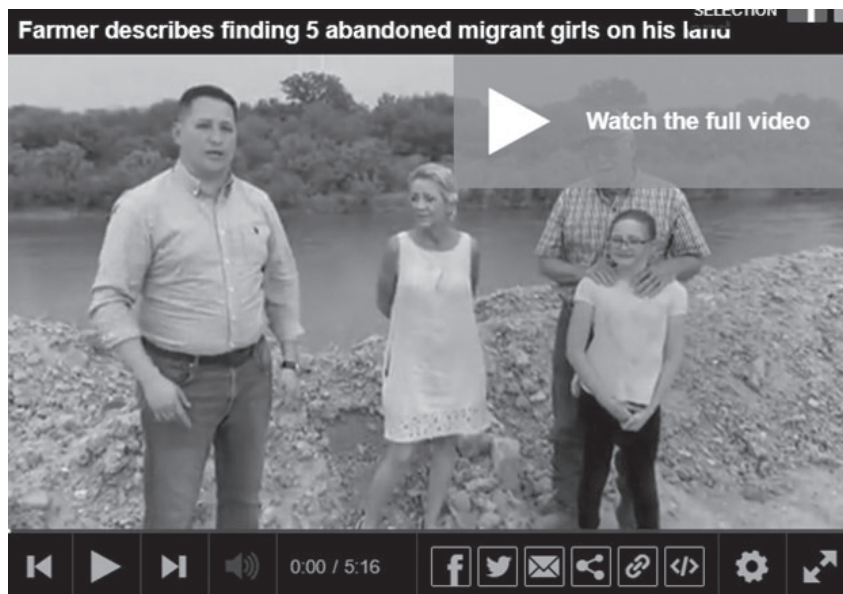
'It was really hot. I don't think they would have made it if I hadn't found them,' he said.

The farmer's wife added: 'It needs to stop right now.

'There's going to be thousands. This is just 5 miles of the Rio Grande. That's a huge border, this is happening all up and down it.

'It can't go on. It's going to be too hot. There are going to be a lot of deaths, a lot of suffering this summer.'

The farmer added a plea to President Biden—tighten the rules to prevent people from flooding the border or come and see the crisis for yourself.



Editor's note: the video is retained in Committee file; and is available at <https://www.dailymail.co.uk/embed/video/2416888.html>.



<https://www.dailymail.co.uk/news/article-9566251/Texas-farmer-finds-five-abandoned-migrant-girls-7-land-border-crisis-worsens.html#i-7fa779c46412539e>

Republican Congressman Tony Gonzalez shared the photo on Twitter and said it was another indicator of the escalating crisis

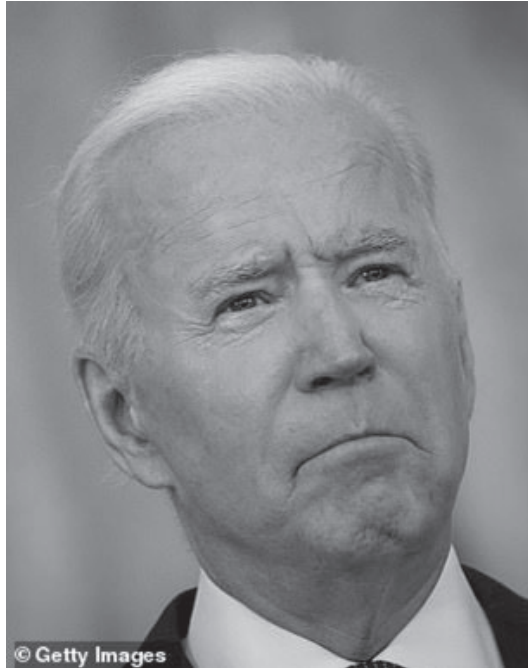
'We're talking about how the United States is a humane country—this is not humane anymore and it all started under [him].

'He either needs to come down here and look at this himself or change it back,' he said.

His wife added that Trump's presidency was the first time they'd felt safe in 30 years because it stopped migrants from rushing to the border to try to get in.

'Change it back under Trump's Administration. For the first time in 30 years we felt secure here.

'It was working and it was working well. They stayed in Mexico.



Biden has shrugged off the crisis, refusing to even call it one, for months.

'A lot of people are going to die this summer and we're going to be witness to it.' Customs and Border Patrol called the situation 'heartbreaking'.

'It is heartbreaking to find such small children fending for themselves in the middle of nowhere.

'Unfortunately this happens far too often now.

'If not for our community and law enforcement partners, these little girls could have faced the more than 100° temperatures with no help,' said Del Rio Sector Chief Patrol Agent Austin L. Skero II in a press release.

The number of migrant children being held in CBP detention centers has doubled over the last month—there are now more than 21,000.

One facility in Fort Bliss, Texas, has more than 4,500 kids in custody.

Attorneys, advocates and mental health experts say that while some shelters are safe and provide adequate care, others are endangering children's health and safety.

'It's almost like Groundhog Day,' said Southern Poverty Law Center attorney Luz Lopez.

'Here we are back to a point almost where we started, where the government is using taxpayer money to build large holding facilities . . . for children instead of using that money to find ways to more quickly reunite children with their sponsors.'



The farm is in Quemado, Texas, which sits on the border with the Mexican state of Coahuila.

ARTICLE 3



[<https://www.foxbusiness.com/politics/texas-ranchers-pummeled-by-bidens-border-crisis-fear-for-their-lives>]

Published October 13, [2021]

Texas ranchers pummeled by Biden's border crisis 'fear for their lives'

Border crisis cripples Texas couples' daily lives

By ALICIA WARREN¹ *FOXBusiness*²

¹<https://www.foxbusiness.com/person/w/alicia-warren>.

²<http://www.foxbusiness.com/>.



Editor's note: the video is retained in Committee file; and is available at <http://video.foxbusiness.com/v/6276926350001>.

Texas ranchers pummeled by President Biden's border crisis 'fear for their lives'

John Paul and Donna Schuster detail the impact the border crisis has had on their daily lives.

John Paul and Donna Schuster have experienced firsthand the damaging effects of the uncontrollable *migrant surge*³ wreaking havoc on the U.S. southern border.

The crisis has crippled the couple's daily lives and they even admitted to living in "fear" as they grapple with the consequences of *Biden's*⁴ "open border" policies.

The *Texas*⁵ ranchers discussed the devastation they've endured during an emotional interview with "*Mornings with Maria*"⁶ host Maria Bartiromo.

"You've got to look around like, is somebody out there? You just don't know who's watching you," Donna Schuster told the FOX Business host. "There's some kind of sign that someone has been there since the last time I was there the day before. It's either trash, footprints, gate left open, fence cut, water line broken, float broken for a trough that waters the livestock. It's something every single day," she said.

The Schuster's reside in Kinney County, approximately 28 miles from the U.S., Mexico border. Their ranch has become an undeclared hideaway for runaway migrants trying to avoid apprehension and enter the U.S. illegally.

³ <https://www.foxnews.com/category/us/immigration>.

⁴ <https://www.foxbusiness.com/category/joe-biden>.

⁵ <https://www.foxnews.com/category/us/us-regions/southwest/texas>.

⁶ <https://www.foxbusiness.com/shows/mornings-with-maria>.



Migrants, many from Haiti, are seen at an encampment along the Del Rio International Bridge near the Rio Grande in Del Rio, Texas. (AP Photo/Julio Cortez, File) (AP Newsroom).

“By the time they show up at our house or they show up at our ranch. They’ve called a ride or they’ve been walking for several days,” John Paul Schuster told Bartiromo.

The migrants trespassing on the couple’s property has become a norm. The ranchers have had to take matters into their own hands to protect themselves, hiding pistols in their home, installing alarm systems and even purchased a dog.

Donna Schuster started carrying a gun regularly after confronting migrants walking towards her property in April. Her husband was tending to machinery on the ranch.



Editor’s note: the video is retained in Committee file; and is available at <http://video.foxbusiness.com/v/6276907947001>.

Texas ranchers impacted by border crisis share emotional story

Texas ranchers John Paul and Donna Schuster discuss the overwhelming migrant surge, damage done to their property and why they started carrying guns during an emotional interview with *FOX Business’* Maria Bartiromo.

The border crisis has worsened since the Biden Administration took office in January 2020. After dismantling Trump-era immigration policies, the U.S. has dealt with *record-breaking*⁷ *border apprehensions*⁸ as the migrant influx persists.

“The way this whole thing is shaking down and geared up from this Administration is we’re the victims,” John Paul Schuster said emotionally. “It’s bulls**t,” he continued.

The Schuster’s have even extended to help migrants seeking asylum by offering them a *job*⁹ and working with them until their court date arrives. Their offers were rejected every time.

“We understand that there’s people coming in that want a better life, but there’s a better way to do it than the way that it’s happening down here,” Donna Schuster explained.

“We shouldn’t be afraid in our own *homes*.¹⁰”

ARTICLE 4



[<https://www.foxnews.com/us/texas-rancher-bodies-dead-migrants-properties>]

Published April 8, [2021]

Texas rancher says he and his neighbors find bodies of migrants on their properties

‘There is a sense of fear that exists down here all the time,’ Whit Jones says

By TALIA KAPLAN¹ | Fox News²



Editor’s note: the video is retained in Committee file; and is available at <http://video.foxnews.com/v/6247469972001>.

Texas rancher says he, neighbors find bodies of migrants on property

Texas rancher Whit Jones explains what he has been experiencing amid the migrant surge at the southern border.

⁷ <https://www.foxnews.com/us/migrant-crisis-us-mexico-border-guatemalan-activist>.

⁸ <https://www.foxnews.com/category/us/immigration/border-security>.

⁹ <https://www.foxbusiness.com/category/jobs>.

¹⁰ <https://www.foxbusiness.com/real-estate>.

¹ <https://www.foxnews.com/person/k/talia-kaplan>.

² <https://www.foxnews.com/>.

Texas³ rancher Whit Jones told “*Fox & Friends*”⁴ on Thursday that he and his neighbors have found bodies of *migrants*⁵ on their properties.

Jones, who lives in Hebbronville, Texas, said that while he has found about two to three bodies a year, “a neighbor of mine has been finding close to ten a year for the last 10 years.”

He noted that currently, he has found mostly adult males who would not qualify for asylum, on his property.

“Right now we’re seeing hardly any children or women because of everything that’s going on on the river,” Jones explained. “Those people aren’t having to make this journey.”

He noted that women and children can claim asylum and are “being bused places,” which leads to more “single men coming up” and results in “a little bit more of a dangerous situation.”

“There is a sense of fear that exists down here all the time,” Jones told host *Brian Kilmeade*.⁶ “It’s a terrible situation.”

Sen. Marsha Blackburn, R-Tenn., said last month that similar issues have been reported by ranchers in Arizona.

“I spoke with John Ladd, a local rancher in Cochise County, who told me in the past 30 years he’s had over a dozen dead illegal immigrants on his ranch,” Blackburn tweeted.



<https://twitter.com/MarshaBlackburn/status/1373743724497235972>.

President Biden⁷ has scrapped a number of former President Trump’s immigration policies, which included wall construction and having asylum seekers remain in Mexico instead of staying in the U.S. while they wait for their cases to be heard. The moves have led to a record surge in *migrants*,⁸ including unaccompanied minors, that has strained capacity at immigration facilities in recent weeks.

Jones explained that he lives a little north of the border with Mexico.

³ <https://www.foxnews.com/category/us/us-regions/southwest/texas>.

⁴ <https://www.foxnews.com/shows/fox-and-friends>.

⁵ <https://www.foxnews.com/category/us/immigration>.

⁶ <https://www.foxnews.com/person/k/brian-kilmeade>.

⁷ <https://www.foxnews.com/category/person/joe-biden>.

⁸ <https://www.foxnews.com/politics/migrants-released-without-court-dates-border-surge>.

“Typically what we hear about on the news is people crossing that border,” he explained. “But essentially there’s another border that is about 50 miles to the north and we call it the ‘interior check system’ or the ‘interior checkpoint.’”

“So once all these people get across the river, they then now have to make another journey across to this next,” he continued.

Jones said he is hoping to get a state law passed that would help “penalize smugglers” and provide protection for migrants.

He noted that the law would “strengthen the penalty on trespassing from a state level” and would allow “our local law enforcement the ability to do more with the situation.”

Talia Kaplan is a reporter for *FoxNews.com*. Follow her on Twitter @taliakaplan.

SUBMITTED LETTER BY HON. JULIA LETLOW, A REPRESENTATIVE IN CONGRESS FROM LOUISIANA

January 19, 2022

Hon. THOMAS “TOM” J. VILSACK,
Secretary,
U.S. Department of Agriculture,
Washington, D.C.

Dear Secretary Vilsack:

As our nation is presented with on-going disruptions to the supply-chain, I continue to hear the concerns of Louisiana farmers about the challenges of rapidly rising costs of production, specifically the alarming rate of increased fertilizer prices. Higher input costs are not only a direct hit on the farm, but a compounding issue that consumers will ultimately absorb for years to come. The reality of an already weakened supply-chain is that the situation could get much worse if the Federal Government doesn’t act immediately to adequately address the needs of our farmers who fuel local economies and provide for our nation’s food security. True market distortion will have a crippling effect on the equity of American farms, endangering the future of our domestic energy and food production.

That is why I asked the Agricultural and Food Policy Center (AFPC) at Texas A&M University to conduct a study to determine the economic impacts of input prices using their 64 representative farms, including the grain farm located in my district. As you know, AFPC has a trusted expertise in analyzing the effects of farm policies by applying their model of farms located in different regions of the United States and cultivating a variety of crops. Additionally, I asked AFPC for their recommendations on what actions Congress and the Administration could take to alleviate these challenges as farmers gear up for the 2022 Spring planting season.

I write to request that you review in its entirety the enclosed report, authored by Dr. Joe Outlaw, that AFPC recently published in response to my request. This analysis found that there will be a significant impact on the costs of input both on the whole-farm level and per-acre varying by commodity, therefore resulting in lower cash receipts for 2022. Reflecting the findings of this report, I ask that you examine the negative implications of reduced net farm income due to increased cost of production and determine the need to assist our farmers.

As part of a comprehensive announcement last September, USDA announced \$500 million in investments to provide relief from agriculture market disruption. However, we have yet to see any outcomes further detailing the implementation of these funds. One area of focus highlighted in the announcement included the availability and cost of certain materials, which is a purposeful fit to respond to the current challenges presented by high fertilizer prices. I request that you carefully consider the real-time impact to farmers when developing and deploying this initiative.

Congress and the Administration acted swiftly to provide much needed assistance to the agriculture industry in the onset of COVID-19, and I stand ready to work with you now in finding a solution to address these lasting effects of supply-chain disruptions impacting American agriculture.

Thank you for your consideration of this request. Please don’t hesitate to contact my office at [Redacted] if you have any questions or if I can provide further assistance.

Sincerely,



Hon. JULIA LETLOW,

Member of Congress.

ATTACHMENT

Economic Impact of Higher Fertilizer Prices on AFPC's Representative Crop Farms

Agricultural and Food Policy Center, Texas A&M University
January 2022



Photos courtesy USDA.

AFPC

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Briefing Paper 22-01

JOE L. OUTLAW, HENRY L. BRYANT, J. MARC RAULSTON, GEORGE M. KNAPEK, BRIAN K. HERBST, BART L. FISCHER

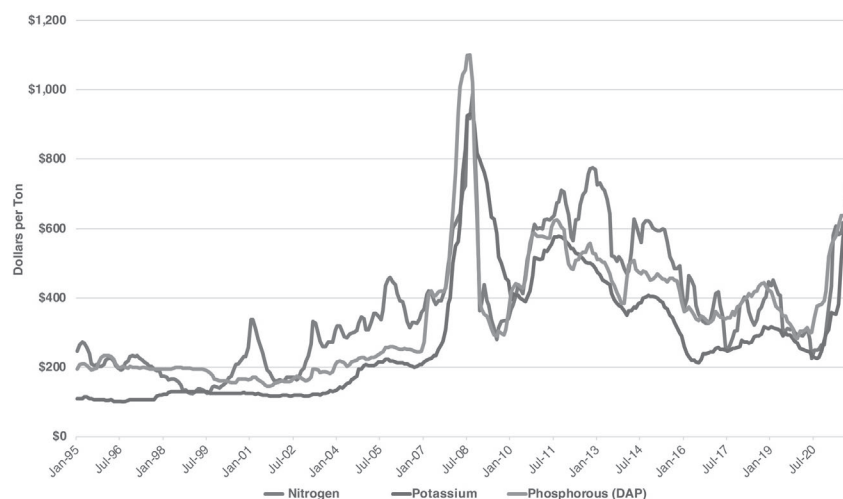
Introduction

This report analyzes the economic impacts of higher fertilizer prices on the Agricultural and Food Policy Center's (AFPC's) 64 representative crop farms. The analysis was requested by U.S. Representative Julia Letlow from the 5th District of Louisiana. The results are presented relative to the August 2021 FAPRI Baseline analysis. Additional detail is presented for the Louisiana representative grain farm that is located in her Congressional district.

Background

According to USDA, fertilizer use by U.S. producers peaked in 1981 at 23.7 million tons.¹ Since that time, fertilizer use has experienced annual volatility with no persistent trend. Of the three primary types of commercial fertilizer—nitrogen, phosphorus, and potassium (NPK)—nitrogen accounts for more than 50 percent of total use by weight. Recent fertilizer price increases across all three primary nutrients have caused significant concern among producers. For the 2022 crop, producers are experiencing sticker shock as well as product shortages (*Figure 1*).

Figure 1: Monthly Average Fertilizer Nutrient Prices, January 1995 to October 2021.



Source: Compiled from DTN spot market price data for the last trading day of each month. The markets include New Orleans, Corn Belt, Southern Plains, South Central, Southeast and Florida. The phosphorous price is specifically for diammonium phosphate (DAP).

Data and Methods

Model

For over 30 years, AFPC has maintained a farm-level policy simulation model (FLIPSIM) developed by Richardson and Nixon (1986) for analyzing the impact of proposed policy changes on U.S. farms and ranches. AFPC currently uses a next generation simulation model—Farm Economics and Solvency Projector (FarmESP)—developed by Dr. Henry Bryant, that moves to the Python platform and includes all of the previous generation’s policy and tax capabilities with a significant upgrade in terms of crop insurance capabilities.

Data

The data to simulate farming operations in FarmESP comes primarily from AFPC’s database of representative farms. Information to describe and simulate these farms comes from panels of farmers (typically 4–6 producers per location) located in major production regions in 21 states across the United States. The farm panels are reconvened frequently to update the representative farm data. The representative farms are categorized by their primary source of receipts—for example, feedgrain, wheat, cotton and rice. The representative farm database has been used for policy analysis for over 30 years analyzing the impacts of proposed policies on the past seven farm bills. As noted above, this report focuses on AFPC’s 64 representative crop farms (*Figure 2*).

¹<https://www.ers.usda.gov/data-products/fertilizer-use-and-price/summary-of-findings/>.

Figure 2: Location of AFPC Representative Crop Farms by Type.

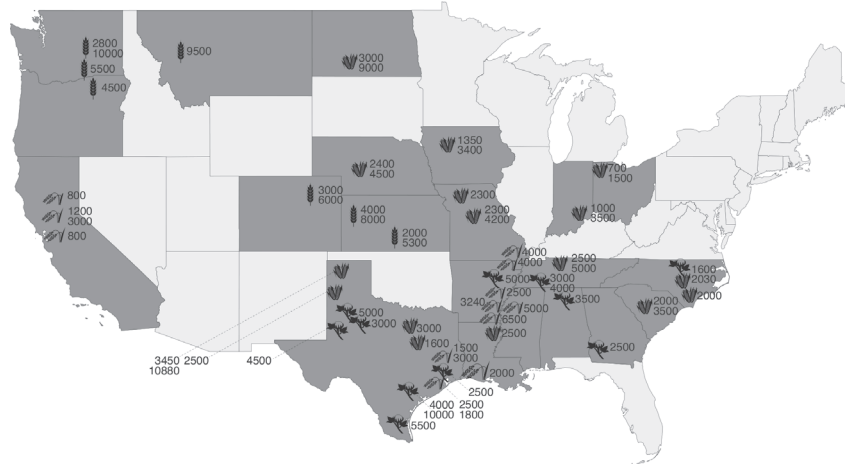


Table 1: FAPRI August 2021 Baseline Update Crop Prices, 2019–2026.

Crop Prices	2019	2020	2021	2022	2023	2024	2025	2026
Corn (\$/bu.)	3.56	4.40	5.34	4.55	4.45	4.37	4.26	4.18
Wheat (\$/bu.)	4.58	5.05	6.31	5.67	5.79	5.64	5.61	5.55
Upland Cotton Lint (\$/lb.)	0.5960	0.6650	0.7902	0.7133	0.7203	0.7273	0.7280	0.7287
Sorghum (\$/bu.)	3.34	5.00	5.88	5.01	4.93	4.85	4.73	4.66
Soybeans (\$/bu.)	8.57	10.90	13.18	12.01	11.75	11.42	11.22	11.09
Barley (\$/bu.)	4.69	4.75	5.66	5.29	5.06	4.89	4.82	4.76
Oats (\$/bu.)	2.82	2.77	3.52	3.39	3.30	3.22	3.19	3.17
All Rice (\$/cwt.)	13.60	13.90	14.26	14.43	14.46	14.46	14.47	14.68
Soybean Meal (\$/ton)	28567	37675	35776	31984	31611	30858	30442	29987
All Hay (\$/ton)	16300	15900	18273	17045	16305	16043	15840	15748
Peanuts (\$/ton)	41000	42000	41364	41700	41206	40657	40337	40244

Source: Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri-Columbia.

Table 2: FAPRI August 2021 Baseline Update Assumed Rates of Change in Input Prices and Annual Changes in Land Values, 2020–2026.

	2020	2021	2022	2023	2024	2025	2026
Annual Rate of Change for Input Prices Paid:							
Seed Prices (%)	-2.24	-0.24	3.30	3.32	2.45	1.75	1.27
Nitrogen Fertilizer Prices (%)	-3.22	17.29	9.94	-1.21	-3.33	-1.63	-0.97
Potash and Phos. Fertilizer Prices (%)	-0.79	25.96	13.61	-1.48	-2.25	-1.99	-1.32
Herbicide Prices (%)	-2.55	-3.13	2.92	1.37	1.54	1.58	1.64
Insecticide Prices (%)	-6.05	-0.15	2.60	1.68	1.85	1.90	1.93
Fuel and Lube Prices (%)	-15.63	2.00	13.87	-0.18	0.64	1.06	1.20
Machinery Prices (%)	-0.81	4.72	6.00	-3.18	0.37	0.89	1.17
Wages (%)	2.63	4.88	3.90	3.64	3.26	3.08	2.99
Supplies (%)	1.65	7.50	0.54	1.73	1.89	2.09	2.10
Repairs (%)	1.57	5.62	1.12	2.10	2.31	2.52	2.55
Services (%)	-0.17	3.51	5.70	1.01	2.16	2.13	2.14
Taxes (%)	0.68	2.10	2.67	6.26	5.68	1.57	1.48
PPI Items (%)	-1.96	5.81	4.78	0.01	0.99	1.07	0.98
PPI Total (%)	-1.64	5.41	4.53	0.69	1.48	1.38	1.30
Annual Change in Consumer Price Index (%)	1.25	3.66	2.41	2.07	2.09	2.12	2.15
Annual Rate of Change for U.S. Land Prices (%)	0.00	6.96	5.60	-1.87	-2.06	-0.60	-0.27

Source: Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri-Columbia.

Projected commodity prices, policy variables, and input inflation rates are from the Food and Agricultural Policy Research Institute (FAPRI) August 2021 Baseline (Tables 1 and 2). Each representative farm is simulated using the FarmESP model assuming FAPRI's projected prices and annual inflation rates through 2022 for the Baseline Scenario. AFPC's representative farms are all assumed to be full-time, commercial-scale family operations. As indicated in Table 1, most commodities are expected to continue to see better than average prices over the next year.

Model Modifications

The inflation rates for fertilizer nutrient prices obtained from FAPRI in Table 2 were evaluated and determined to be quite low relative to current market conditions. Spot market data obtained from DTN was evaluated and the cost indices for both fertilizer categories in Table 2 were adjusted for the higher prices experienced thus far in 2021 that are assumed for 2022. The FarmESP model assumes all fertilizer used for the 2022 crop is purchased in 2022 rather than some in the Fall of 2021 and the rest during 2022.

Table 3: Fertilizer Nutrient Inflation from the FAPRI Baseline and High Fertilizer Scenario for 2022.

Nutrient	FAPRI August Baseline 2022	High Fertilizer Scenario 2022
Nitrogen (AA)	9.94%	55.43%
Potash and Phosphorous	13.61%	50.84%

Scenarios Analyzed

The following two scenarios were analyzed for each of the 64 representative crop farms:

- **Baseline Scenario.** Each farm is analyzed assuming FAPRI November Baseline commodity prices and inflation rates (Tables 1 and 2).
- **High Fertilizer Scenario.** Same as the Baseline Scenario with fertilizer nutrient inflation for 2022 from Table 3.

Results

In the results tables that follow, the first two letters of a farm name reflect the state abbreviation followed by letters (in many cases) describing geographic location and type of farm (e.g., G for feedgrain, W for wheat, etc.). Some locations have both a moderate and large-sized farm, while others have only one farm size of that type in the region. The number in a farm's name indicates the total acres on the farm. Appendix A provides an overview of the characteristics of AFPC's representative farms. Appendix B provides the names of producers, land-grant faculty, and industry leaders who cooperated in the panel interview process to develop the representative farms. Additional information about the representative farms can be found in AFPC Working Paper 21-1 by Outlaw, *et al.*, March 2021. The breakdown of the 64 crop farms by type is as follows:

- Feedgrain: 25
- Wheat: 11
- Cotton: 13
- Rice: 15

Tables 4-7 contain the simulation results for each of the representative crop farms. The primary economic variable being evaluated is ending cash at the end of 2022 under the Baseline Scenario and the High Fertilizer Scenario labeled Alternative. As would be expected with only fertilizer costs increasing, the difference in ending cash is negative for all farms. That difference averages \$94,000 for the feedgrain farms, \$68,000 for the wheat farms, \$87,000 for the cotton farms and \$98,000 for the rice farms. These numbers differ by farm for a number of reasons, including the amount and type of products used and number of acres planted.

Table 4: Representative Feedgrain Farm Results.

Farm	Planted Area (Acres)	Ending Cash Base (1,000)	Ending Cash Alternative (1,000)	Ending Cash Difference (1,000)	NPK Costs Base (1,000)	NPK Costs Alternative (1,000)	NPK Costs Difference (1,000)	NPK Costs Difference (\$/Acre)
IAG1350	1,350	-266.6	-313.6	-47	169	231	62	45.73

Table 4: Representative Feedgrain Farm Results.—Continued

Farm	Planted Area (Acres)	Ending Cash Base (1,000)	Ending Cash Alternative (1,000)	Ending Cash Difference (1,000)	NPK Costs Base (1,000)	NPK Costs Alternative (1,000)	NPK Costs Difference (1,000)	NPK Costs Difference (\$/Acre)
IAG3400	3,400	513.4	416.9	-97	367	500	133	39.11
NEG2400	2,400	1,401.4	1,309.9	-92	341	469	128	53.22
NEG4500	4,300	690.5	533.4	-157	547	748	201	46.83
NDG3000	3,000	687.7	630.1	-58	227	310	82	27.49
NDG9000	9,000	4,112.1	3,938.8	-173	674	913	240	26.62
ING1000	1,050	249.9	226.1	-24	106	143	38	35.98
ING3500	3,500	1,148.2	1,049.3	-99	412	560	148	42.23
OHG700	700	194.7	182.9	-12	46	63	17	24.27
OHG1500	1,500	942.8	902.1	-41	170	231	61	40.73
MOCG2300	2,300	983.6	946.7	-37	160	219	59	25.63
MOCG4200	4,200	2,548.9	2,479.7	-69	296	408	111	26.49
MONG2300	2,300	521.8	481.8	-40	180	244	65	28.20
LANG2500	2,500	485.6	402.1	-84	278	383	105	42.13
TNG2500	2,875	568.9	462.5	-106	387	524	138	47.85
TNG5000	5,500	2,207.5	1,981.4	-226	880	1,196	316	57.47
NCS2000	2,000	-252.5	-344.5	-92	309	422	113	56.51
NCC2030	1,600	787.4	763	-24	107	146	39	24.58
SCC2000	2,000	264.9	168.2	-97	336	461	124	62.15
SCG3500	3,500	1,198.9	1,036.8	-162	615	841	225	64.37
TXNP3450	3,192	1,669.5	1,575.9	-94	342	475	134	41.84
TXNP10880	10,180	6,942.9	6,592.9	-350	1,270	1,740	471	46.23
TXPG2500	2,500	818.4	743.3	-75	222	308	85	34.13
TXHG3000	3,000	377	303.2	-74	216	298	82	27.27
TXWG1600	1,600	2.4	-29.3	-32	91	125	35	21.73
Average	3,178	1,152	1,058	-94	350	478	128	39.55

Table 5: Representative Wheat Farm Results.

Farm	Planted Area (Acres)	Ending Cash Base (1,000)	Ending Cash Alternative (1,000)	Ending Cash Difference (1,000)	NPK Costs Base (1,000)	NPK Costs Alternative (1,000)	NPK Costs Difference (1,000)	NPK Costs Difference (\$/Acre)
WAW2800	2,640	591.1	530.3	-61	216	299	83	31.62
WAW10000	8,500	1,836	1,642.7	-193	652	898	246	29.00
WAAW5500	2,600	-312.7	-348.7	-36	101	141	40	15.33
ORW4500	2,250	-63.9	-79.9	-16	50	70	20	8.68
MTW9500	5,301	1,025.7	949.6	-76	320	438	119	22.41
KSCW2000	2,600	760.8	737.3	-24	104	143	40	15.23
KSCW5300	7,327	2,213.6	2,137.8	-76	311	427	117	15.92
KSNW4000	3,000	87.7	36.8	-51	177	243	66	21.94
KSNW8000	7,600	2,613.5	2,471.5	-142	595	818	223	29.37
COW3000	1,688	63.5	51.3	-12	46	65	18	10.69
COW6000	4,000	-767.9	-827.8	-60	165	229	63	15.87
Average	4,319	732	664	-68	249	343	94	19.64

Table 6: Representative Cotton Farm Results.

Farm	Planted Area (Acres)	Ending Cash Base (1,000)	Ending Cash Alternative (1,000)	Ending Cash Difference (1,000)	NPK Costs Base (1,000)	NPK Costs Alternative (1,000)	NPK Costs Difference (1,000)	NPK Costs Difference (\$/Acre)
TXSP4500	4,500	643.4	574.9	-69	208	287	79	17.62
TXEC5000	5,000	1,325.1	1,287.5	-38	124	171	47	9.41
TXRP3000	3,000	-272	-292.3	-20	62	85	23	7.74
TXMC2500	2,410	497	426.4	-71	212	292	81	33.42
TXCB4000	4,000	759.9	677.1	-83	245	339	94	23.48
TXCB10000	10,000	3,430.2	3,256	-174	551	764	214	21.37
TXVC5500	5,100	2,387.4	2,285.7	-102	337	471	134	26.27
ARNC5000	5,000	3,229.1	3,120.5	-109	441	607	166	33.23
TNC3000	3,000	1,958.4	1,873	-85	336	460	124	41.20
TNC4000	4,100	1,405.3	1,274.8	-131	452	617	165	40.12
ALC3500	4,375	2,773.2	2,691.1	-82	358	490	131	30.04
GAC2500	2,500	1,388.2	1,275.7	-113	440	600	160	63.83

Table 6: Representative Cotton Farm Results.—Continued

Farm	Planted Area (Acres)	Ending Cash Base (1,000)	Ending Cash Alternative (1,000)	Ending Cash Difference (1,000)	NPK Costs Base (1,000)	NPK Costs Alternative (1,000)	NPK Costs Difference (1,000)	NPK Costs Difference (\$/Acre)
NCNP1600	1,600	-206.3	-260.6	-54	174	236	62	38.63
Average	4,199	1,486	1,399	-87	303	417	114	29.72

Table 7: Representative Rice Farm Results.

Farm	Planted Area (Acres)	Ending Cash Base (1,000)	Ending Cash Alternative (1,000)	Ending Cash Difference (1,000)	NPK Costs Base (1,000)	NPK Costs Alternative (1,000)	NPK Costs Difference (1,000)	NPK Costs Difference (\$/Acre)
CAR1200	1,200	782.7	737.8	-45	194	267	73	60.70
CAR3000	3,000	24.4	-224.5	-249	723	999	276	91.96
CABR800	800	252.1	196.4	-56	165	229	64	79.94
CACR800	800	-456.2	-525.7	-70	197	272	75	93.84
TXR1500	600	-241.7	-282.7	-41	118	164	45	75.73
TXR3000	1,500	375.1	288.1	-87	272	376	105	69.74
TXBR1800	600	218.3	172	-46	142	199	57	94.31
TXER2500	2,500	728.8	609.3	-120	422	583	161	64.28
LASR2000	1,200	89.6	16.3	-73	246	337	91	76.10
ARMR6500	6,500	2,836	2,628.4	-208	819	1,113	295	45.34
ARSR3240	3,240	1,136.8	1,030.3	-107	411	560	149	45.88
ARWR2500	2,500	-63	-128.1	-65	253	345	92	36.90
ARHR4000	4,240	136.7	6.6	-130	456	626	170	40.13
MSDR5000	5,000	2,156.9	2,108.3	-49	193	267	74	14.86
MOBR4000	4,000	673.9	540.7	-133	449	613	163	40.84
Average	2,512	577	478	-98	337	463	126	62.04

Nutrient (NPK) Costs for the farm are also evaluated for the Baseline Scenario and High Fertilizer Scenario (Alternative). Across all farm types, the increase under the Alternative varies from a low of \$94,000 for the wheat farms to \$128,000 for the feedgrain farms. This result provides an indication of the increased amount of financing that is currently needed to plant the 2022 crops. The last column of each table contains the increase in cost per acre due to the higher fertilizer costs. As expected, the wheat farms have the lowest increase at \$19.64 per acre due to lower application rates. Wheat is followed by the cotton farms at \$29.72 per acre, the feedgrain farms at \$39.55 per acre and finally the rice farms at \$62.04 per acre.

Table 8: LANG2500 Feedgrain Farm Results.

Crop	Planted Area (Acres)	Base N (\$)	Base PK (\$)	Alternative N (\$)	Alternative PK (\$)	Expected Yield (Units/Acre)	Base Fertilizer Expenses (\$/Yield Unit)	Alternative Fertilizer Expenses (\$/Yield Unit)	Fertilizer Expense Change (\$/Yield Unit)
Irrigated Corn (bu)	750	77,987	47,577	110,253	63,165	175	0.9567	1.3213	0.36
Irrigated Soybeans (bu)	656.2	0	25,808	0	34,264	55	0.7151	0.9494	0.23
Non-irrigated Soybeans (bu)	218.8	0	4,858	0	6,450	30	0.7401	0.9826	0.24
Long Grain Rice (lbs)	500	59,990	18,178	84,810	24,134	7,000	0.0223	0.0311	0.0088
Irrigated Cotton (lbs)	281.2	20,997	11,595	29,684	15,394	1,100	0.1054	0.1457	0.0404
Non-irrigated Cotton (lbs)	93.8	7,004	3,868	9,902	5,135	900	0.1288	0.1781	0.0493

Results for the North Louisiana Feedgrain Farm (LANG2500)

This diversified farm is categorized as a feedgrain farm in our database because the majority of income tends to come from corn and soybeans (1,625 acres); however, the farm also has significant rice (500) and cotton (375) acreage. Looking at the farm as a whole in *Table 4*, the farm has an \$84,000 lower ending cash balance in 2022 due to the higher fertilizer costs. Across all acres, fertilizer costs are \$42.13 per acre higher for the High Fertilizer Scenario relative to the Baseline Scenario.

Table 8 highlights the differences in individual nutrient costs for the Baseline Scenario and Higher Fertilizer Scenario (Alternative) for each of the crops planted. The change in fertilizer expense between the two scenarios is summarized by dollars per yield unit to provide some context regarding the impact relative to commodity prices. For example, irrigated corn would need an additional \$0.36 per bushel to be as well off as under the baseline scenario. The other crops range from \$0.23 and

\$0.24 per bushel for irrigated and nonirrigated soybeans, respectively, to \$0.0088 per pound (or \$0.88 per hundredweight) for long-grain rice, to \$0.0404 and \$0.0493 per pound for irrigated and non-irrigated cotton, respectively.

Discussion

AFPC was asked about actions Congress or the Administration could take to help alleviate some of the concerns raised in this report. In response, we offer two key observations.

First, the farm safety net is designed primarily to address price and yield risk or a combination of the two (*i.e.*, revenue volatility). It is not designed to account for reductions in net farm income due to increased costs of production. In other words, the farm safety net does little to provide assistance to producers in the circumstances they are currently facing. While there may be other factors at play in the case of rising fertilizer costs, COVID-induced supply chain disruptions are certainly partly to blame. Regardless of the factors driving the increase in costs, the reality on the ground—as highlighted clearly in this report—is that producers are facing the prospect of a huge increase in costs going into the 2022 Spring planting season.

Second, whether through the Coronavirus Food Assistance Program (CFAP) or the Pandemic Assistance for Producers initiative, Congress and the Administration have a solid roadmap for addressing COVID-related strains in the farm economy. The situation currently facing producers would certainly seem to fit that mold.

Summary and Conclusions

As the nation struggles to recover from the COVID-19 pandemic, a number of supply chain disruptions continue to wreak havoc on agricultural input markets, both in terms of availability and cost of inputs. In the case of fertilizer, prices have exploded over the past year. Under FAPRI's August 2021 baseline outlook, nitrogen prices were expected to increase about 10% in 2022. Based on current spot market prices, it appears as though fertilizer prices will increase in excess of 80% for the 2022 planting season (relative to 2021).

The purpose of this report was to analyze the impact that increased fertilizer prices would have on AFPC's 64 representative farms. The report found that the largest whole-farm impact would fall on AFPC's feedgrain farms at an average of \$128,000 per farm and the largest per-acre impact would fall on AFPC's rice farms at \$62.04 per acre. Given the farm safety net is not designed to address rapidly rising costs of production, there are growing concerns in the countryside about the need for additional assistance.

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Appendix A—Representative Farm Characteristics

2020 Characteristics of Panel Farms Producing Feed Grains and Oilseeds

IAG1350	IAG1350 is a 1,350 acre northwestern Iowa (Webster County) grain farm. The farm is moderate sized for the region and plants 810 acres of corn and 540 acres of soybeans annually. Sixty-one percent of this farm's 2020 receipts come from corn production.
IAG3400	This 3,400 acre large-sized grain farm is located in northwestern Iowa (Webster County). It plants 2,040 acres of corn and 1,360 acres of soybeans each year, realizing 61 percent of receipts from corn production.
NEG2400	South-central Nebraska (Dawson County) is home to this 2,400 acre grain farm. This farm plants 1,600 acres to corn and 800 acres to soybeans. The farm splits its corn acres evenly between yellow and white food-grade corn. Sixty-six percent of gross receipts are derived from corn sales.
NEG4500	This is a 4,500 acre grain farm located in south-central Nebraska (Dawson County). This operation plants 3,000 acres of corn and 1,000 acres of soybeans each year. Remaining acres are planted to alfalfa. A portion (25 percent) of the corn acreage is food-grade corn. In 2020, 69 percent of total receipts were generated from corn production.

**2020 Characteristics of Panel Farms Producing Feed Grains and Oilseeds—
Continued**

NDG3000	NDG3000 is a 3,000 acre, moderate-sized, south central North Dakota (Barnes County) grain farm that plants 500 acres of wheat, 1,000 acres of corn, and 1,500 acres of soybeans. One hundred acres are enrolled in the Conservation Reserve Program. The farm generated 36 percent of 2020 receipts from soybean sales and 42 percent from corn sales.
NDG9000	This is an 9,000 acre, large-sized grain farm in south central North Dakota (Barnes County) that grows 4,500 acres of soybeans, 2,500 acres of corn, 1,250 acres of wheat, and 500 acres of barley annually. The remaining acreage is enrolled in the Conservation Reserve Program. Soybean and corn sales accounted for 75 percent of 2020 receipts.
ING1000	Shelby County, Indiana, is home to this 1,000 acre moderate-sized feedgrain farm. This farm annually plants 475 acres of corn, 525 acres of soybeans, and 50 acres of wheat that is double cropped with soybeans. Due to this farm's proximity to Indianapolis, land development pressures will likely constrain further expansion of this operation. Forty-seven percent of 2020 receipts came from corn sales.
ING3500	ING3500 is a large-sized grain farm located in east central Indiana (Shelby County). This farm plants 1,750 acres to corn and 1,750 acres to soybeans each year. In 2020, 53 percent of gross receipts were generated by corn sales.
OHG700	This is a 700 acre, moderate sized grain farm in north western Ohio (Henry County). This farm planted 105 acres of corn and 280 acres of soybeans in 2020. Because of the wet spring there were 315 acres that were not planted and was taken as preventive planting insurance. Normally would be 350 acres each of corn and soybeans. Twenty-nine percent of 2020 receipts were generated by corn sales.
OHG1500	This is a 1,500 acre, large-sized grain farm in north western Ohio (Henry County). This farm planted 202 acres of corn, 304 acres of soybeans, and 150 acres of wheat in 2020. Because of the wet spring there were 844 acres that were not planted and was taken as preventive planting insurance. Normally would be 675 acres each of corn and soybeans plus the 150 acres of wheat. Thirty-six percent of 2020 receipts were generated by corn sales.

Appendix Table A1. Characteristics of Panel Farms Producing Feed Grains.

	IAG1350	IAG3400	NEG2400	NEG4500	NDG3000	NDG9000	ING1000	ING3500	OHG700	OHG1500
County	Webster	Webster	Dawson	Dawson	Barnes	Barnes	Shelby	Shelby	Henry	Henry
Total Cropland	1,350.00	3,400.00	2,400.00	4,500.00	3,000.00	9,000.00	1,000.00	3,500.00	700.00	1,500.00
Acres Owned	250.00	850.00	600.00	2,150.00	720.00	4,000.00	350.00	1,225.00	350.00	375.00
Acres Leased	1,100.00	2,550.00	1,800.00	2,350.00	2,280.00	5,000.00	650.00	2,275.00	350.00	1,125.00
Assets (\$1,000)										
Total	3,333.00	10,626.00	6,433.00	19,239.00	4,274.00	21,435.00	3,803.00	12,035.00	3,337.00	4,273.00
Real Estate	2,650.00	8,500.00	4,231.00	15,273.00	3,011.00	15,114.00	3,195.00	10,276.00	2,927.00	2,927.00
Machinery	683.00	2,126.00	1,615.00	3,881.00	942.00	4,362.00	554.00	1,379.00	345.00	940.00
Other & Livestock	0.00	0.00	587.00	86.00	321.00	1,960.00	54.00	380.00	64.00	405.00
Debt/Asset Ratios										
Total	0.27	0.19	0.17	0.18	0.14	0.17	0.18	0.18	0.18	0.17
Intermediate	0.11	0.20	0.24	0.19	0.07	0.26	0.24	0.24	0.11	0.16
Long Run	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.18	0.19	0.19
2020 Gross Receipts (\$1,000)*										
Total	1,006.90	2,212.80	2,750.10	4,705.50	1,578.90	4,917.30	776.10	2,907.80	295.50	514.00
Corn	616.10	1,340.90	1,808.20	3,233.30	663.60	1,716.00	365.90	1,534.60	84.70	187.00
Wheat	0.61	0.61	0.66	0.69	0.42	0.35	0.47	0.53	0.29	0.36
	0.00	0.00	0.00	0.00	172.20	524.60	18.10	0.00	2.40	89.10
	0.00	0.00	0.00	0.00	0.11	0.11	0.02	0.00	0.01	0.17
Soybeans	269.40	597.00	672.10	754.70	575.30	1,949.30	309.10	1,089.80	173.00	181.50
	0.27	0.27	0.24	0.16	0.36	0.40	0.40	0.38	0.59	0.35
Barley	0.00	0.00	0.00	0.00	0.00	212.10	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00
Hay	0.00	0.00	0.00	274.70	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00
Other	121.40	274.90	269.80	442.80	167.80	515.20	82.90	283.50	35.40	56.40
	0.12	0.12	0.10	0.09	0.11	0.11	0.11	0.10	0.12	0.11
2020 Planted Acres **										
Total	1,350.00	3,400.00	2,400.00	4,300.00	3,100.00	9,000.00	1,050.00	3,500.00	385.00	656.20
Corn	810.00	2,040.00	1,600.00	3,000.00	1,000.00	2,500.00	475.00	1,750.00	105.00	202.50
Wheat	0.60	0.60	0.67	0.70	0.32	0.28	0.45	0.50	0.27	0.31
	0.00	0.00	0.00	0.00	500.00	1,250.00	50.00	0.00	0.00	150.00
	0.00	0.00	0.00	0.00	0.16	0.14	0.05	0.00	0.00	0.23
Soybeans	540.00	1,360.00	800.00	1,000.00	1,500.00	4,500.00	525.00	1,750.00	280.00	303.80
	0.40	0.40	0.33	0.23	0.48	0.50	0.50	0.50	0.73	0.46
Barley	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00

**Appendix Table A1. Characteristics of Panel Farms Producing Feed Grains.—
Continued**

	IAG1350	IAG3400	NEG2400	NEG4500	NDG3000	NDG9000	ING1000	ING3500	OHG700	OHG1500
County	Webster	Webster	Dawson	Dawson	Barnes	Barnes	Shelby	Shelby	Henry	Henry
Hay	0.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	100.00	250.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.03	0.03	0.00	0.00	0.00	0.00

*Receipts for 2020 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

**Acreages for 2020 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

2020 Panel Farms Producing Feed Grains and Oilseeds

MOCG2300	MOCG2300 is a 2,300 acre grain farm located in central Missouri (Carroll County) and plants 1,150 acres of corn and 1,150 acres of soybeans annually. This farm is located in the Missouri River bottom, an area with a large concentration of livestock production. This farm generated 54 percent of its total revenue from corn and 36 percent from soybeans during 2020.
MOCG4200	This is a 4,200 acre central Missouri (Carroll County) grain farm with 2,310 acres of corn and 1,890 acres of soybeans. This farm is located in the Missouri River bottom, an area with a large concentration of livestock production. Corn sales accounted for 61 percent of farm receipts and soybeans accounted for 30 percent in 2020.
MONG2300	MONG2300 is a 2,300 acre diversified northwest Missouri grain farm centered in Nodaway County. MONG2300 plants 1,125 acres of corn, 1,125 acres of soybeans, and 50 acres of hay annually. The farm also has a 300 head cow-calf herd. Proximity to the Missouri River increases marketing options for area grain farmers due to easily accessible river grain terminals. In 2020, 48 percent of the farm's total receipts were from corn, 40 percent from soybeans, and ten percent from cattle sales.
LANG2500	This is a 2,500 acre northeast Louisiana (Madison Parish) diversified grain farm. This farm harvests 500 acres of rice, 875 acres of soybeans, 375 acres of cotton, and 750 acres of corn. For 2020, 49 percent of farm receipts came from corn and soybean sales.
TNG2500	This is a 2,500 acre, moderate-sized grain farm in West Tennessee (Gibson County). Annually, this farm plants 1,025 acres of corn, 1,475 acres of soybeans, and 375 acres of wheat (planted before soybeans) in a region of Tennessee recognized for the high level of implementation of conservation practices by farmers. For 2020, 41 percent of farm receipts were from sales of corn and 41 percent from soybeans.
TNG5000	West Tennessee (Gibson County) is home to this 5,000 acre, large-sized grain farm. Farmers in this part of Tennessee are known for their early and continued adoption of conservation practices, including no-till farming. TNG5000 plants 2,500 acres of corn, 500 acres of wheat, 2,500 acres of soybeans (500 of which are double-cropped after wheat). The farm generated 52 percent of its 2020 gross receipts from sales of corn and 33 percent from soybeans.
NCSP2000	A 2,000 acre diversified farm located in southern North Carolina (Bladen County). NCSP2000 plants 400 acres of peanuts, 1,100 acres of corn, and 500 acres of soybeans. Sixty-three percent of receipts for this farm came from corn and soybean sales in 2020; thirty percent of receipts came from peanut sales.
NCC2030	This is a 2,000 acre grain farm located on the upper coastal plain of North Carolina (Wayne County). NCC2030 plants 400 acres of corn, 200 acres of wheat, and 1,000 acres of soybeans annually. Corn accounted for 25 percent of this farm's 2020 receipts, while soybeans accounted for 34 percent.
SCC2000	SCC2000 is a moderate-sized, 2,000 acre grain farm in South Carolina (Orangeburg County) consisting of 800 acres of corn, 550 acres of cotton, 250 acres of peanuts, and 400 acres of soybeans. Forty-one percent of the farm's receipts were from corn sales during 2020.
SCG3500	A 3,500 acre, large-sized South Carolina (Clarendon County) grain farm with 1,800 acres of corn, 750 acres of cotton, 600 acres of peanuts, and 350 acres of soybeans. The farm generated 47 percent of 2020 receipts from corn sales and 4 percent from soybean sales.

Appendix Table A2. Characteristics of Panel Farms Producing Feed Grains.

	MOCG2300	MOCG4200	MONG2300	LANG2500	TNG2500	TNG5000	NCSP2000	NCC2030	SCC2000	SCG3500
County	Carroll	Carroll	Nodaway	Madison	Gibson	Gibson	Bladen	Wayne	Clarendon	Clarendon
Total Cropland	2,300.00	4,200.00	2,300.00	2,500.00	2,500.00	5,000.00	2,000.00	2,000.00	2,000.00	3,500.00
Acres Owned	1,380.00	1,800.00	1,610.00	500.00	625.00	1,375.00	700.00	225.00	550.00	1,400.00
Acres Leased	920.00	2,400.00	690.00	2,000.00	1,875.00	3,625.00	1,300.00	1,775.00	1,450.00	2,100.00
Assets (\$1,000)										
Total	12,432.00	18,091.00	12,950.00	3,929.00	5,395.00	12,016.00	5,074.00	2,560.00	3,487.00	7,700.00
Real Estate	10,755.00	14,943.00	11,792.00	2,158.00	3,803.00	8,539.00	3,474.00	1,445.00	2,274.00	5,099.00
Machinery	1,246.00	1,920.00	978.00	1,595.00	1,429.00	2,442.00	1,599.00	863.00	1,122.00	2,061.00
Other & Livestock	432.00	1,227.00	180.00	176.00	163.00	1,035.00	2.00	253.00	90.00	540.00
Debt/Asset Ratios										
Total	0.17	0.16	0.16	0.18	0.19	0.15	0.25	0.15	0.16	0.16
Intermediate	0.21	0.11	0.23	0.21	0.28	0.21	0.20	0.33	0.11	0.14
Long Run	0.18	0.18	0.16	0.17	0.16	0.16	0.18	0.07	0.18	0.18
2020 Gross Receipts (\$1,000) *										
Total	1,681.80	3,039.10	1,855.80	2,191.90	1,781.50	3,877.80	1,764.20	1,357.00	1,090.70	3,574.40
Corn	914.40	1,841.60	892.40	638.20	735.70	2,003.00	876.90	333.60	694.20	1,676.30
Wheat	0.54	0.61	0.48	0.29	0.41	0.52	0.50	0.25	0.41	0.47
Wheat	0.00	0.00	0.00	0.00	136.70	214.40	0.00	81.40	5.50	15.50
Wheat	0.00	0.00	0.00	0.00	0.08	0.06	0.00	0.06	0.00	0.00
Soybeans	603.30	900.70	743.10	443.40	728.50	1,262.30	228.20	457.60	148.00	157.20
Soybeans	0.36	0.30	0.40	0.20	0.41	0.33	0.13	0.34	0.09	0.04
Cotton	0.00	0.00	0.00	316.60	0.00	0.00	0.00	0.00	401.70	634.50
Cotton	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.24	0.18
Peanuts	0.00	0.00	0.00	0.00	0.00	0.00	535.10	0.00	232.90	685.70
Peanuts	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.14	0.19
Rice	0.00	0.00	0.00	469.50	0.00	0.00	0.00	0.00	0.00	0.00
Rice	0.00	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.00
Hay	0.00	0.00	31.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hay	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	164.10	296.80	189.30	324.20	180.60	398.10	124.00	484.40	208.40	405.30
Other	0.10	0.10	0.10	0.15	0.10	0.10	0.07	0.36	0.12	0.11
2020 Planted Acres **										
Total	2,300.00	4,200.00	2,750.00	2,500.00	2,875.00	5,500.00	2,000.00	1,600.00	2,000.00	3,500.00
Corn	1,150.00	2,310.00	1,125.00	750.00	1,025.00	2,500.00	1,100.00	400.00	800.00	1,800.00
Corn	0.50	0.55	0.41	0.30	0.36	0.46	0.55	0.25	0.40	0.51
Wheat	0.00	0.00	0.00	0.00	375.00	500.00	0.00	200.00	0.00	0.00
Wheat	0.00	0.00	0.00	0.00	0.13	0.09	0.00	0.13	0.00	0.00
Soybeans	1,150.00	1,890.00	1,125.00	875.00	1,475.00	2,500.00	500.00	1,000.00	400.00	350.00
Soybeans	0.50	0.45	0.41	0.35	0.51	0.46	0.25	0.63	0.20	0.10
Cotton	0.00	0.00	0.00	375.00	0.00	0.00	0.00	0.00	550.00	750.00
Cotton	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.28	0.21
Peanuts	0.00	0.00	0.00	0.00	0.00	0.00	400.00	0.00	250.00	600.00
Peanuts	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.13	0.17
Rice	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
Rice	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00
Hay	0.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hay	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pasture	0.00	0.00	430.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pasture	0.00	0.00	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Receipts for 2020 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

** Acreages for 2020 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

2020 Panel Farms Producing Feed Grains and Oilseeds

TXNP3450

This is a 3,450 acre diversified grain farm located on the northern High Plains of Texas (Moore County). This farm plants 1206 acres of cotton, 1,294 acres of irrigated corn, 260 acres of irrigated sorghum for seed production, and 432 acres of irrigated wheat annually. Forty-seven percent of total receipts are generated from corn sales.

TXNP10880

TXNP10880 is a large-sized diversified grain farm located in the Texas Panhandle (Moore County). This farm annually plants 4,454 acres of cotton (3,962 irrigated/492 dryland); 3,962 acres of irrigated corn; 1,272 acres of grain sorghum (530 irrigated for seed production/492 dryland/250 irrigated for commercial use); and 492 acres of dryland winter wheat. Forty percent of 2020 cash receipts were derived from corn sales.

TXPG2500

The Texas Panhandle is home to this 2,500 acre farm (Deaf Smith County). Annually, wheat is planted on 534 acres (350 irrigated and 184 dryland), 1,000 acres planted to irrigated corn, 783 acres are planted to cotton (600 irrigated and 183 dryland), and grain sorghum is planted on 183 dryland acres. Fifty-four percent of 2020 cash receipts were generated by corn sales.

2020 Panel Farms Producing Feed Grains and Oilseeds—Continued

TXHG3000 This 3,000 acre grain farm is located on the Blackland Prairie of Texas (Hill County). On this farm, 2,000 acres of corn, 500 acres of cotton, and 500 acres of wheat are planted annually. Grain sales accounted for 67 percent of 2020 receipts with cotton accounting for nineteen percent of sales. Forty beef cows live on 300 acres of improved pasture and contribute approximately two percent of total receipts.

TXWG1600 This 1,600 acre farm is located on the Blackland Prairie of Texas (Williamson County). TXWG1600 plants 800 acres of corn, 300 acres of sorghum, 400 acres of cotton, and 100 acres of winter wheat annually. Additionally, this farm has a 40 head beef cow herd that is pastured on rented ground that cannot be farmed. Grain sales accounted for 55 percent of 2020 receipts with cotton accounting for 28 percent of sales.

Appendix Table A3. Characteristics of Panel Farms Producing Feed Grains.

	TXNP3450	TXNP10880	TXPG2500	TXHG3000	TXWG1600
County	Moore	Moore	Deaf Smith	Hill	Williamson
Total Cropland	3,450.00	10,880.00	2,500.00	3,000.00	1,600.00
Acres Owned	2,588.00	4,160.00	1,875.00	450.00	150.00
Acres Leased	862.00	6,720.00	625.00	2,550.00	1,450.00
Assets (\$1,000)					
Total	8,573.00	21,181.00	6,122.00	2,571.00	1,886.00
Real Estate	6,452.00	12,091.00	3,735.00	1,208.00	1,299.00
Machinery	1,315.00	5,207.00	1,939.00	1,144.00	498.00
Other & Livestock	806.00	3,883.00	448.00	220.00	89.00
Debt/Asset Ratios					
Total	0.14	0.14	0.18	0.19	0.18
Intermediate	0.18	0.20	0.24	0.25	0.18
Long Run	0.15	0.15	0.17	0.18	0.17
2020 Gross Receipts (\$1,000)*					
Total	3,223.80	10,273.00	2,309.00	1,376.80	737.90
Corn	1,509.50	4,091.00	1,250.10	750.40	276.30
Wheat	0.47	0.40	0.54	0.55	0.37
	140.60	113.50	147.10	114.60	27.80
	0.04	0.01	0.06	0.08	0.04
Cotton	1,026.50	3,835.90	546.70	254.60	206.10
	0.32	0.37	0.24	0.19	0.28
Grain Sorghum	186.10	1,084.00	28.50	51.80	103.90
	0.06	0.11	0.01	0.04	0.14
Cattle	0.00	0.00	0.00	25.50	0.00
	0.00	0.00	0.00	0.02	0.00
Other	361.20	1,148.70	336.50	179.90	123.80
	0.11	0.11	0.15	0.13	0.17
2020 Planted Acres**					
Total	3,192.00	10,180.00	2,500.00	3,300.00	1,600.00
Corn	1,294.00	3,962.00	1,000.00	2,000.00	800.00
	0.41	0.39	0.40	0.61	0.50
Wheat	432.00	492.00	534.00	500.00	100.00
	0.14	0.05	0.21	0.15	0.06
Cotton	1,206.00	4,454.00	783.00	500.00	400.00
	0.38	0.44	0.31	0.15	0.25
Grain Sorghum	260.00	1,272.00	183.00	0.00	300.00
	0.08	0.13	0.07	0.00	0.19
Pasture	0.00	0.00	0.00	300.00	0.00
	0.00	0.00	0.00	0.09	0.00

*Receipts for 2020 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

**Acreages for 2020 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

2020 Characteristics of Panel Farms Producing Wheat

WAW2800 This is a 2,800 acre moderate-sized grain farm in the Palouse of southeastern Washington (Whitman County). It plants 1,840 acres of wheat and 800 acres of dry peas. Disease concerns dictate rotating a minimum acreage of peas to maintain wheat yields. This farm generated 63 percent of 2020 receipts from wheat.

2020 Characteristics of Panel Farms Producing Wheat—Continued

WAW10000	A 10,000 acre, large-sized grain farm in the Palouse of southeastern Washington (Whitman County). Annually, this farm allocates 5,800 acres to wheat and 2,700 acres to dry peas. Diseases that inhibit wheat yield dictate the rotation of a minimum acreage of peas. Wheat sales accounted for 61 percent of 2020 receipts.
WAAW5500	South-central Washington (Adams County) is home to this 5,500 acre, large-sized wheat farm. Annually, this farm plants 2,600 acres of wheat in a wheat-fallow rotation. Additionally, 300 acres are enrolled in CRP. In 2020, 91 percent of the farm's income came from wheat.
ORW4500	ORW4500 is a 4,500 acre large-sized grain farm located in north-eastern Oregon (Morrow County). This farm plants 2,250 acres annually in a wheat-fallow rotation. Eighty-six percent of this farm's 2020 total receipts came from wheat sales.
MTW8000	North-central Montana (Chouteau County) is home to this 9,500 acre farm on which 3,500 acres of wheat (1,920 acres of winter wheat, 1,344 acres of spring wheat, and 544 acres of Durham), 590 acres of barley, and 1200 acres of dry peas are planted each year. MTW8000 uses no-till production practices. In 2020, 50 percent of receipts came from wheat.
KSCW2000	South central Kansas (Sumner County) is home to this 2,000 acre, moderate-sized grain farm. KSCW2000 plants 800 acres of winter wheat, 1,100 acres of soybeans, 200 acres of cotton, and 500 acres of corn each year. For 2020, 19 percent of gross receipts came from wheat.
KSCW5300	A 5,300 acre, large-sized grain farm in south central Kansas (Sumner County) that plants 2,385 acres of winter wheat, 1,590 acres of corn, and 3,352 acres of soybeans. Twenty-two percent of this farm's 2020 total receipts were generated from sales of winter wheat.
KSNW4000	This is a 4,000 acre, moderate-sized northwest Kansas (Thomas County) grain farm. This farm plants 1,200 acres of winter wheat (wheat-fallow rotation), 1,200 acres of corn, and 600 acres of sorghum. This farm generated 26 percent of 2020 receipts from wheat and 62 percent of its receipts from feed grains.
KSNW8000	KSNW8000 is a 8,000 acre, large-sized northwest Kansas (Thomas County) grain farm that annually plants 1,200 acres of winter wheat, 5,470 acres of corn, 800 acres of sorghum, and 130 acres of soybeans. The farm generated 8 percent of receipts from wheat and 79 percent from feed grains during 2020.
COW3000	A 3,000 acre northeast Colorado (Washington County), moderate-sized farm that plants 1,012 acres of winter wheat and 675 acres of corn each year. COW3000 has adopted minimum tillage practices on most of its acres. This farm generated 54 percent of its receipts from wheat and 35 percent from corn.
COW6000	A 6,000 acre, large-sized northeast Colorado (Washington County) wheat farm. It plants 2,000 acres of wheat, 1,000 acres of millet, and 1,000 acres of corn. During 2020, 50 percent of gross receipts came from wheat sales and 24 percent came from corn sales.

Appendix Table A4. Characteristics of Panel Farms Producing Wheat.

	WAW2800	WAW10000	WAAW5500	ORW4500	MTW9500	KSCW2000	KSCW5300	KSNW4000	KSNW8000	COW3000	COW6000
County	Whitman	Whitman	Adams	Morrow	Chouteau	Sumner	Sumner	Thomas	Thomas	Washington	Washington
Total Crop-land	2,800.00	10,000.00	5,500.00	4,500.00	9,500.00	2,000.00	5,300.00	4,000.00	8,000.00	3,000.00	6,000.00
Acres Owned	800.00	2,500.00	2,500.00	2,000.00	5,000.00	700.00	1,325.00	600.00	2,100.00	2,100.00	3,000.00
Acres Leased	2,000.00	7,500.00	3,000.00	2,500.00	4,500.00	1,300.00	3,975.00	3,400.00	5,900.00	900.00	3,000.00
Assets (\$1,000)											
Total	3,352.00	11,380.00	2,396.00	1,945.00	9,201.00	2,901.00	6,611.00	4,315.00	9,280.00	4,443.00	6,855.00
Real Estate	2,526.00	7,810.00	1,788.00	1,407.00	6,527.00	2,900.00	4,052.00	3,233.00	6,066.00	4,128.00	5,536.00
Machinery	500.00	2,490.00	601.00	516.00	2,027.00	538.00	1,568.00	1,083.00	2,172.00	282.00	1,319.00
Other & Live-stock	326.00	1,081.00	8.00	22.00	647.00	363.00	1,073.00	0.00	1,041.00	33.00	0.00
Debt/Asset Ratios											
Total	0.14	0.15	0.23	0.18	0.18	0.12	0.14	0.23	0.16	0.16	0.20
Intermediate	0.07	0.21	0.07	0.12	0.23	0.04	0.16	0.29	0.17	0.09	0.13
Long Run	0.17	0.15	0.18	0.16	0.19	0.17	0.17	0.19	0.18	0.16	0.15
2020 Gross Receipts (\$1,000) *											
Total	1,448.20	4,811.70	736.70	558.90	2,324.00	1,031.70	2,585.90	897.50	2,647.50	475.90	1,022.10
Corn	0.00	0.00	0.00	0.00	0.00	239.30	775.40	385.00	1,745.20	167.60	241.80
Wheat	0.00	0.00	0.00	0.00	0.00	0.23	0.30	0.43	0.66	0.35	0.24
	908.40	2,928.10	669.40	481.20	1,170.10	191.50	569.90	230.50	222.10	256.00	508.20
	0.63	0.61	0.91	0.86	0.50	0.19	0.22	0.26	0.08	0.54	0.50

Appendix Table A4. Characteristics of Panel Farms Producing Wheat.—Continued

	WAW2800	WAW10000	WAAW5500	ORW4500	MTW9500	KSCW2000	KSCW5300	KSNW4000	KSNW8000	COW3000	COW6000
County	Whitman	Whitman	Adams	Morrow	Chouteau	Sumner	Sumner	Thomas	Thomas	Washington	Washington
Soybeans	0.00	0.00	0.00	0.00	0.00	290.10	965.10	0.00	74.60	0.00	0.00
Cotton	0.00	0.00	0.00	0.00	0.00	0.28	0.37	0.00	0.03	0.00	0.00
Grain Sorghum	0.00	0.00	0.00	0.00	0.00	195.70	0.00	0.00	0.00	0.00	0.00
Barley	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.00
Millet	0.00	0.00	0.00	0.00	0.00	4.50	15.50	172.00	275.20	0.00	0.00
Dry Peas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	4.00	37.30	2.00	0.00	207.50	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.01	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	174.50
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17
	340.40	1,233.10	0.00	0.00	521.50	0.00	0.00	0.00	0.00	0.00	0.00
	0.24	0.26	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00
	195.40	613.30	65.30	77.70	424.90	110.60	260.00	110.10	330.50	52.30	97.50
	0.14	0.13	0.09	0.14	0.18	0.11	0.10	0.12	0.13	0.11	0.10
2020 Planted Acres **											
Total	2,640.00	8,700.00	2,900.00	2,250.00	5,301.00	2,600.00	7,327.00	3,000.00	7,600.00	1,987.50	4,000.00
Corn	0.00	0.00	0.00	0.00	0.00	500.00	1,590.00	1,200.00	5,470.00	675.00	1,000.00
Wheat	0.00	0.00	0.00	0.00	0.00	0.19	0.22	0.40	0.72	0.34	0.25
Soybeans	1,840.00	5,800.00	2,600.00	2,250.00	3,534.00	800.00	2,385.00	1,200.00	1,200.00	1,012.50	2,000.00
Cotton	0.70	0.67	0.90	1.00	0.67	0.31	0.33	0.40	0.16	0.51	0.50
Grain Sorghum	0.00	0.00	0.00	0.00	0.00	1,100.00	3,352.00	0.00	130.00	0.00	0.00
Barley	0.00	0.00	0.00	0.00	0.00	0.42	0.46	0.00	0.02	0.00	0.00
Millet	0.00	0.00	0.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00
Dry Peas	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00
CRP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00	800.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.11	0.00	0.00
	0.00	0.00	0.00	0.00	589.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25
	800.00	2,700.00	0.00	0.00	1,178.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.30	0.31	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	300.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00
	0.00	0.02	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00

* Receipts for 2020 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.
 ** Acreages for 2020 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

2020 Characteristics of Panel Farms Producing Cotton

- TXSP4500** The Texas South Plains (Dawson County) is home to this 4,500 acre, large-sized cotton farm that grows 4,380 acres of cotton (2,880 dryland, 1,500 irrigated), and 120 irrigated acres of peanuts. Cotton sales comprised 75 percent of 2020 receipts.
- TXEC5000** This 5,000 acre farm is located on the Eastern Caprock of the Texas South Plains (Crosby County). Annually, 4,700 acres are planted to cotton (2,230 irrigated and 2,470 dryland) and 300 acres to dryland wheat. In 2020, cotton sales accounted for 74 percent of gross receipts.
- TXRP3000** TXRP3000 is a 3,000 acre cotton farm located in the Rolling Plains of Texas (Jones County). This farm plants 1,800 acres of cotton and 1,200 acres of winter wheat each year. The area is limited by rainfall, and the farm uses a conservative level of inputs. Sixty-three percent of 2020 farm receipts came from cotton sales. Fifty head of beef cows generated three percent of farm receipts.
- TXMC2500** This 2,500 acre cotton farm is located on the Coastal Plain of south-east Texas (Wharton County). TXMC2500 farms 300 acres of sorghum, 1,455 acres of cotton, and 655 acres of corn. In 2020, cotton sales comprised 55 percent of total cash receipts on this operation.
- TXCB4000** A 4,000 acre cotton farm located on the Texas Coastal Bend (San Patricio County) that farms 2000 acres of cotton, 1,600 acres of sorghum, and 400 acres of corn annually. Sixty percent of 2020 cash receipts were generated by cotton.
- TXCB10000** Nueces County, Texas is home to this 10,000 acre farm. Annually, 5,000 acres are planted to cotton, 4,500 acres to sorghum, and 500 acres of corn. Cotton sales accounted for 63 percent of 2020 receipts.
- TXVC5500** This 5,500 acre farm is located in the lower Rio Grande Valley of Texas (Willacy County) and plants 2,550 acres to cotton (425 irrigated and 2,125 acres dryland), 2,295 acres to sorghum (170 irrigated and 2,125 dryland), and 255 acres of corn. In 2020, 40 percent of TXVC5500's cash receipts were generated by cotton sales.
- ARNC5000** This 5,000 acre farm is located in northern Arkansas (Mississippi County) and plants 2,500 acres to cotton, 500 acres to corn, 1,000 acres of soybeans, and 1,000 acres to peanuts. In 2020, 44 percent of ARNC5000's cash receipts were generated by cotton sales.

2020 Characteristics of Panel Farms Producing Cotton—Continued

TNC3000 A 3,000 acre, moderate-sized west Tennessee (Fayette County) cotton farm. TNC3000 consists of 825 acres of cotton, 1,375 acres of soybeans, and 800 acres of corn. Cotton accounted for 30 percent of 2020 gross receipts, with corn and soybeans contributing 25 percent and 27 percent, respectively.

TNC4000 TNC4000 is a 4,000 acre, large-sized West Tennessee (Haywood County) cotton farm. This farm plants 1,000 acres of cotton, 2,000 acres of soybeans, 700 acres of corn, and 400 acres of wheat each year. During 2020, cotton sales generated 30 percent of gross receipts.

Appendix Table A5. Characteristics of Panel Farms Producing Cotton.

	TXSP4500	TXEC5000	TXRP3000	TXMC2500	TXCB4000	TXCB10000	TXVC5500	ARNC5000	TNC3000	TNC4000
County	Dawson	Crosby	Jones	Wharton	San Patricio	Nueces	Willacy	Mississippi	Fayette	Haywood
Total Cropland	4,500.00	5,000.00	3,000.00	2,500.00	4,000.00	10,000.00	5,500.00	5,000.00	3,000.00	4,000.00
Acres Owned	500.00	1,250.00	875.00	150.00	600.00	1,500.00	1,750.00	1,000.00	300.00	400.00
Acres Leased	4,000.00	3,750.00	2,125.00	2,320.00	3,400.00	8,500.00	3,750.00	4,000.00	2,700.00	3,600.00
Assets (\$1,000)										
Total	3,110.00	4,456.00	1,787.00	2,551.00	3,537.00	10,453.00	8,346.00	12,570.00	3,716.00	5,625.00
Real Estate	690.00	1,751.00	1,402.00	864.00	1,662.00	4,835.00	5,264.00	6,287.00	1,202.00	2,338.00
Machinery	2,040.00	1,918.00	344.00	1,268.00	1,467.00	3,832.00	1,796.00	4,424.00	1,387.00	2,419.00
Other & Livestock	380.00	787.00	41.00	419.00	407.00	1,785.00	1,286.00	1,859.00	1,128.00	869.00
Debt/Asset Ratios										
Total	0.18	0.11	0.43	0.19	0.21	0.20	0.18	0.15	0.13	0.14
Intermediate	0.21	0.09	0.20	0.24	0.28	0.31	0.29	0.22	0.19	0.15
Long Run	0.17	0.18	0.34	0.17	0.20	0.18	0.19	0.15	0.18	0.18
2020 Gross Receipts (\$1,000)*										
Total	2,531.50	2,885.40	817.00	1,788.80	2,605.70	6,853.00	4,412.10	5,092.40	2,467.60	3,184.90
Corn	0.00	0.00	0.00	327.20	113.60	95.10	159.20	417.50	610.20	499.30
Wheat	0.00	0.00	0.00	0.18	0.04	0.01	0.04	0.08	0.25	0.16
Soybeans	0.00	0.00	106.60	0.00	0.00	0.00	0.00	0.00	0.00	142.90
Cotton	1,891.70	2,139.20	518.10	988.40	1,565.30	4,314.50	1,779.50	2,219.30	739.20	966.60
Grain Sorghum	0.00	16.30	0.00	144.20	418.10	1,332.30	884.00	0.00	0.00	0.00
Peanuts	101.40	0.00	0.00	0.00	0.00	0.00	0.00	996.90	0.00	0.00
Rice	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00
Cattle	0.00	0.00	0.00	1.60	0.00	0.00	0.00	0.00	0.00	0.00
Other	538.40	790.00	165.40	327.50	508.80	1,111.10	1,588.40	889.70	462.00	642.10
	0.21	0.25	0.20	0.18	0.20	0.16	0.36	0.18	0.19	0.20
2020 Planted Acres**										
Total	4,500.00	5,000.00	3,000.00	2,410.00	4,000.00	10,000.00	5,100.00	5,000.00	3,000.00	4,100.00
Corn	0.00	0.00	0.00	655.00	400.00	500.00	255.00	500.00	800.00	700.00
Wheat	0.00	0.00	0.00	0.27	0.10	0.05	0.05	0.10	0.27	0.17
Soybeans	0.00	300.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
Cotton	4,380.00	4,700.00	1,800.00	1,455.00	2,000.00	5,000.00	2,550.00	2,500.00	825.00	1,000.00
Grain Sorghum	0.97	0.94	0.60	0.60	0.50	0.50	0.50	0.50	0.28	0.24
Peanuts	120.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00
	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00

*Receipts for 2020 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.
 **Acreages for 2020 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

2020 Characteristics of Panel Farms Producing Cotton

ALC3500 A 3,500 acre cotton farm located in northern Alabama (Lawrence County) that plants 1,050 acres to cotton, 1,050 acres to corn, 1,400 acres of soybeans and 875 acres to wheat (double cropped with soybeans) annually. This farm was early to adopt no-till cropping practices. Cotton sales accounted for 26 percent of total farm receipts during 2020.

GAC2500 Southwest Georgia (Decatur County) is home to a 2,500 acre cotton farm that plants 1,250 acres to cotton, 800 acres to peanuts, and 450 acres to corn. In 2020, farm receipts were comprised of cotton sales (35 percent), corn (16 percent), and peanut sales (33 percent). The farm also runs a 125 head beef cow herd, generating 3 percent of 2020 receipts.

2020 Characteristics of Panel Farms Producing Cotton—Continued

NCNP1600

A 1,600 acre diversified farm located in northern North Carolina (Edgecombe County). NCNP1600 plants 320 acres of peanuts, 240 acres of corn, 640 acres of cotton, and 400 acres of soybeans. Twenty-three percent of receipts for this farm came from peanut sales in 2020, 37 percent from cotton sales and 24 percent came from corn and soybean sales.

Appendix Table A6. Characteristics of Panel Farms Producing Cotton.

	ALC3500	GAC2500	NCNP1600
County	Lawrence	Decatur	Edgecombe
Total Cropland	3,500.00	1,250.00	1,600.00
Acres Owned	350.00	1,250.00	600.00
Acres Leased	3,150.00	0.00	1,000.00
Assets (\$1,000)			
Total	6,127.00	10,860.00	3,834.00
Real Estate	2,808.00	8,416.00	2,572.00
Machinery	1,840.00	1,499.00	1,260.00
Other & Livestock	1,479.00	945.00	2.00
Debt/Asset Ratios			
Total	0.16	0.17	0.20
Intermediate	0.27	0.21	0.18
Long Run	0.18	0.18	0.16
2020 Gross Receipts (\$1,000) *			
Total	3,235.70	3,528.70	1,339.90
Corn	746.60	549.00	141.60
	0.23	0.16	0.11
Wheat	462.00	0.00	0.00
	0.14	0.00	0.00
Soybeans	624.70	0.00	173.50
	0.19	0.00	0.13
Cotton	833.50	1,239.50	491.60
	0.26	0.35	0.37
Peanuts	0.00	1,162.00	305.10
	0.00	0.33	0.23
Cattle	0.00	91.70	0.00
	0.00	0.03	0.00
Other	568.90	486.50	228.10
	0.18	0.14	0.17
2020 Planted Acres**			
Total	4,375.00	2,750.00	1,600.00
Corn	1,050.00	450.00	240.00
	0.24	0.16	0.15
Wheat	875.00	0.00	0.00
	0.20	0.00	0.00
Soybeans	1,400.00	0.00	400.00
	0.32	0.00	0.25
Cotton	1,050.00	1,250.00	640.00
	0.24	0.46	0.40
Peanuts	0.00	800.00	320.00
	0.00	0.29	0.20
Pasture	0.00	250.00	0.00
	0.00	0.09	0.00

* Receipts for 2020 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

** Acreages for 2020 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

2020 Characteristics of Panel Farms Producing Rice

- CAR1200** CAR1200 is a 1,200 acre moderate-sized rice farm in the Sacramento Valley of California (Sutter and Yuba Counties) that plants 1,200 acres of rice annually. This farm generated 99 percent of 2020 gross receipts from rice sales.
- CAR3000** This is a 3,000 acre rice farm located in the Sacramento Valley of California (Sutter and Yuba Counties) that is large-sized for the region. CAR3000 plants 3,000 acres of rice annually. In 2020, 99 percent of gross receipts were generated from rice sales.
- CABR800** The Sacramento Valley (Butte County) is home to CABR800, a 800 acre rice farm. CABR800 harvests 800 acres of rice annually, generating 99 percent of 2020 farm receipts from rice sales.
- CACR800** CACR800 is an 800 acre rice farm located in the Sacramento Valley of California (Colusa County). This farm harvests 800 acres of rice each year. During 2020, 99 percent of farm receipts were realized from rice sales.
- TXR1500** This 1,500 acre rice farm located west of Houston, Texas (Colorado County) is moderate-sized for the region. TXR1500 harvests 600 acres of rice. The farm generated 97 percent of its receipts from rice during 2020.
- TXR3000** TXR3000 is a 3,000 acre, large-sized rice farm located west of Houston, Texas (Colorado County). This farm harvests 1,500 acres of rice annually. TXR3000 realized 98 percent of 2020 gross receipts from rice sales.
- TXBR1800** The Texas Gulf Coast (Matagorda County) is home to this 1,800 acre rice farm. TXBR1800 generally plants a third of its acres to rice annually and fallows the remainder. The farm generated 98 percent of its receipts from rice during 2020.
- TXER2500** This 2,500 acre rice farm is located in the Texas Gulf Coast (Wharton County). TXER2500 harvests 1,250 acres of rice each year. The farm also grows 1,250 acres of corn. Seventy-four percent of 2020 receipts came from rice sales.
- LASR2000** A 2,000 acre southwest Louisiana (Acadia, Jeff Davis, and Vermilion parishes) rice farm, LASR2000 is moderate-sized for the area. This farm harvests 1,000 acres of rice and 200 acres of soybeans. During 2020, 60 percent of gross receipts were generated from rice sales.
- ARMR6500** ARMR6500 is a 6,500 acre diversified rice farm in southeast Arkansas (Desha County) that plants 650 acres of rice, 3,900 acres of soybeans, and 1,950 acres of corn. For 2020, 11 percent of gross receipts came from rice sales, 29 percent from corn sales, and 48 percent from soybean sales.

Appendix Table A7. Characteristics of Panel Farms Producing Rice.

	CAR1200	CAR3000	CABR800	CACR800	TXR1500	TXR3000	TXBR1800	TXER2500	LASR2000	ARMR6500
County	Sutter	Sutter	Butte	Colusa	Colorado	Colorado	Matagorda	Wharton	Acadia	Desha
Total Cropland	1,200.00	3,000.00	800.00	800.00	1,500.00	3,000.00	1,800.00	2,500.00	2,000.00	6,500.00
Acres Owned	360.00	900.00	320.00	240.00	405.00	0.00	0.00	0.00	200.00	1,200.00
Acres Leased	840.00	2,100.00	480.00	560.00	1,095.00	3,000.00	1,800.00	2,500.00	1,800.00	5,300.00
Assets (\$1,000)										
Total	4,003.00	14,894.00	5,580.00	4,420.00	2,530.00	1,887.00	1,211.00	1,368.00	2,736.00	10,079.00
Real Estate	2,525.00	10,650.00	4,100.00	3,990.00	1,408.00	107.00	143.00	98.00	1,533.00	5,938.00
Machinery	894.00	3,616.00	1,265.00	430.00	1,114.00	1,546.00	903.00	1,017.00	1,119.00	2,836.00
Other & Livestock	584.00	628.00	216.00	0.00	8.00	234.00	164.00	252.00	83.00	1,305.00
Debt/Asset Ratios										
Total	0.12	0.19	0.17	0.20	0.25	0.27	0.21	0.10	0.18	0.16
Intermediate	0.05	0.22	0.15	0.05	0.20	0.29	0.24	0.12	0.16	0.22
Long Run	0.18	0.18	0.18	0.18	0.17	0.18	0.19	0.18	0.18	0.15
2020 Gross Receipts (\$1,000) *										
Total	2,401.20	6,121.20	1,667.50	1,572.40	897.60	2,004.40	1,127.80	2,667.20	1,504.20	6,006.80
Corn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	571.60	0.00	1,710.90
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21	0.00	0.29
Soybeans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.10	2,886.70
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.48
Rice	2,368.90	6,065.70	1,645.50	1,552.80	871.50	1,962.50	1,101.30	1,961.80	903.20	643.40
	0.99	0.99	0.99	0.99	0.97	0.98	0.98	0.74	0.60	0.11
Other	32.30	55.60	21.70	19.60	25.80	41.90	26.50	133.80	530.90	765.80
	0.01	0.01	0.01	0.01	0.03	0.02	0.02	0.05	0.35	0.13
2020 Planted Acres **										
Total	1,200.00	3,000.00	800.00	800.00	600.00	1,500.00	600.00	2,500.00	1,200.00	6,500.00
Corn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,250.00	0.00	1,950.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.30
Soybeans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	3,900.00

Appendix Table A7. Characteristics of Panel Farms Producing Rice.—Continued

	CAR1200	CAR3000	CABR800	CACR800	TXR1500	TXR3000	TXBR1800	TXER2500	LASR2000	ARMR6500
County	Sutter	Sutter	Butte	Colusa	Colorado	Colorado	Matagorda	Wharton	Acadia	Desha
Rice	0.00 1,200.00 1.00	0.00 3,000.00 1.00	0.00 800.00 1.00	0.00 800.00 1.00	0.00 600.00 1.00	0.00 1,500.00 1.00	0.00 600.00 1.00	0.00 1,250.00 0.50	0.17 1,000.00 0.83	0.60 650.00 0.10

*Receipts for 2020 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.
 **Acreages for 2020 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

2020 Characteristics of Panel Farms Producing Rice

ARSR3240	ARSR3240 is a 3,240 acre, large-sized Arkansas (Arkansas County) rice farm that harvests 1,458 acres of rice, 1,458 acres of soybeans, and 324 acres of corn each year. Fifty-seven percent of this farm's 2020 receipts came from rice sales.
ARWR2500	East central Arkansas (Cross County) is home to this 2,500 acre rice farm. Moderate-sized for the region, ARWR2500 annually plants 1,250 acres each to rice and soybeans. During 2020, rice sales generated 62 percent of gross receipts.
ARHR4000	ARHR4000 is a 4,000 acre large-sized northeast Arkansas (Lawrence County) rice farm that annually harvests 2,400 acres of rice, 1,400 acres of soybeans, and 200 acres of corn. Rice sales accounted for 74 percent of 2020 farm receipts.
MSDR5000	MSDR5000 is a 5,000 acre Mississippi Delta (Bolivar County) rice farm that annually harvests 1,667 acres of rice and 3,333 acres of soybeans. Rice sales accounted for 42 percent of 2020 farm receipts. Soybeans account for 51 percent of receipts.
MOBR4000	MOBR4000 is a 4,000 acre Missouri Bootheal (Pemiscot County) rice farm. The farm annually harvests 1,320 acres of rice, 1,800 acres of soybeans and 880 acres of corn. Rice sales accounted for 45 percent of farm receipts in 2020.

Appendix Table A8. Characteristics of Panel Farms Producing Rice.

	ARSR3240	ARWR2500	ARHR4000	MSDR5000	MOBR4000
County	Arkansas	Cross	Lawrence	Bolivar	Pemiscot
Total Cropland	3,240.00	2,500.00	4,000.00	5,000.00	4,000.00
Acres Owned	648.00	1,250.00	1,000.00	3,000.00	1,000.00
Acres Leased	2,592.00	1,250.00	3,000.00	2,000.00	3,000.00
Assets (\$1,000)					
Total	6,088.00	7,873.00	9,107.00	18,981.00	10,186.00
Real Estate	3,749.00	6,295.00	5,987.00	14,540.00	6,921.00
Machinery	1,677.00	1,517.00	3,023.00	3,497.00	2,987.00
Other & Livestock	662.00	61.00	97.00	944.00	278.00
Debt/Asset Ratios					
Total	0.16	0.14	0.17	0.18	0.19
Intermediate	0.19	0.10	0.13	0.24	0.22
Long Run	0.17	0.13	0.18	0.17	0.18
2020 Gross Receipts (\$1,000) *					
Total	2,785.30	1,939.30	3,462.30	4,050.30	2,781.00
Corn	277.10	0.00	149.50	0.00	574.80
Wheat	0.10	0.00	0.04	0.00	0.21
	9.60	0.00	0.00	0.00	0.00
Soybeans	0.00	0.00	0.00	0.00	0.00
	761.30	629.10	599.50	2,082.90	740.20
Rice	0.27	0.32	0.17	0.51	0.27
	1,580.70	1,206.00	2,570.50	1,683.90	1,262.20
Other	0.57	0.62	0.74	0.42	0.45
	156.60	104.20	142.80	283.50	203.90
	0.06	0.05	0.04	0.07	0.07
2020 Planted Acres **					
Total	3,240.00	2,500.00	4,240.00	5,000.00	4,000.00
Corn	324.00	0.00	200.00	0.00	880.00

Appendix Table A8. Characteristics of Panel Farms Producing Rice.—Continued

	ARSR3240	ARWR2500	ARHR4000	MSDR5000	MOBR4000
County	Arkansas	Cross	Lawrence	Bolivar	Pemiscot
	0.10	0.00	0.05	0.00	0.22
Soybeans	1,458.00	1,250.00	1,400.00	3,333.00	1,800.00
	0.45	0.50	0.33	0.67	0.45
Rice	1,458.00	1,250.00	2,640.00	1,667.00	1,320.00
	0.45	0.50	0.62	0.33	0.33

*Receipts for 2020 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

**Acreages for 2020 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

Appendix B—Representative Farm Panel Members and Facilitators**Feed Grain Farms****Indiana***Facilitators*

Mr. SCOTT GABBARD—Extension Educator, Shelby County, Purdue Cooperative Extension

Panel Participants

Mr. DAVID BROWN
Mr. GARY EVERHART
Mr. JASON & DAN FOLTZ
Mr. DARRELL LINVILLE
Mr. KEN SIMPSON
Mr. DOUG THEOBALD

Mr. KEVIN CARSON
Mr. ANDY FIX
Ms. Carmen Hawk
Mr. GARY ROBARDS
Ms. ANGIE STEINBARGER
Mr. JEREMY WEAVER

Iowa*Facilitators*

Mr. JERRY CHIZEK—County Extension Director, Webster County

Panel Participants

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Mr. DEAN BLACK
Mr. A.J. BLAIR
Mr. TYLER LANE
Mr. STEVE PETERSON
Mr. JASON STANEK
Mr. KENT WUEBKER

Mr. BRAD BLACK
Mr. PERRY BLACK
Mr. GREGG HORA
Mr. JAY LYNCH
Mr. DOUG STANEK
Mr. BRENT WELLS
Mr. LOREN WUEBKER

Missouri—Central*Facilitators*

Mr. PARMAN GREEN

Panel Participants

Mr. JOE BROCKMEIER
Mr. KEVIN CASNER
Mr. KYLE DURHAM
Mr. TODD GIBSON
Mr. JACK HARRIMAN
Mr. MIKE HISLE
Mr. GLENN KAISER
Mr. DAVID KIPPING
Mr. CRAIG LINNEMAN
Mr. JAMES WHEELER

Mr. MICHAEL BROCKMEIER
Mr. MARK CASNER
Mr. DENNIS GERMANN
Mr. DALE GRIFFITH
Mr. TODD HENSIEK
Mr. PRESTON HISLE
Mr. MARC KAISER
Mr. ROBERT KIPPING
Mr. MIKE RITCHHART

Missouri—Northwest*Facilitators*

Mr. PETER ZIMMEL—FAPRI, University of Missouri

Panel Participants

Mr. TERRY ECKER
Mr. RUSSELL MILLER
Mr. NICK ROSENBOHM

Mr. CURTIS LEWIS
Mr. MATT ROSENBOHM
Mr. ANDREW STOLL

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Ms. SARAH SIVITS
Mr. BRUCE TREFFER—Extension Educator, Dawson County

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Mr. JIM ADEN
Mr. BART BEATTIE
Mr. PAT LUTHER
Mr. CLARK MCPHEETERS
Mr. CODY PEDEN
Mr. DAVE ROWE
Mr. DAN STRAUSS

Mr. ROB ANDERSON
Mr. GREG HUEFTLE
Mr. TIM MALINE
Mr. SCOTT MCPHEETERS
Mr. ROD REYNOLDS
Mr. PAUL STIEB

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Mr. RANDY GRUENEICH—County Extension Agent, North Dakota State University

Feed Grain Farms—Continued

Dr. BRYON PARMAN—Extension Associate—Farm Management, North Dakota State University

Panel Participants

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Mr. JIM BROTEN
Mr. MIKE CLEMENS
Mr. LELAND GUSCETTE
Mr. JASON HAUGEN
Mr. GREG SHANENKO

Mr. ERIC BROTEN
Mr. WADE BRUNS
Mr. MARK FORMO
Mr. ROB HANSON
Mr. CHARLIE KREIDELCAMP
Mr. ANTHONY THILMONY

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Mr. DEAN BIXEL
Mr. MARK DREWES
Mr. TODD HESTERMAN
Mr. ERIC JOHNSON
Mr. KEVIN THIERRY

Mr. SCOTT CONRAD
Mr. MATT EGGERS
Mr. TIM HOLBROOK
Mr. JEREMY TEDROW

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Dr. NATHAN SMITH

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Mr. CHRIS COGDILL
Mr. SAM DURANT
Mr. STEVEN GAMBLE
Mr. TOMMY LEE
Mr. JOHN MICHAEL PARIMUHA

Ms. VIKKI BROGDON
Mr. HARRY DURANT
Mr. JASON GAMBLE
Mr. BARRY HUTTO
Mr. JOE MCKEOWER

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Mr. CHRIS NARAYANAN
Mr. PHILIP SHELBY—Extension Agent, Gibson County
Mr. TIM SMITH—County Extension Agent, Obion County

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Mr. KENNETH BARNES
Mr. MIKE BRUNDIGE
Mr. KALEB DINWIDDIE
Mr. BOBBY GARNER
Mr. BRENT GRIGGS
Mr. ROB HOLMAN
Mr. TODD LITTLETON
Mr. BEN MOORE
Mr. DAVID OLIVER
Mr. JOHN PARRISH
Mr. HEDRICK SHOAP
Mr. KEITH STEELE
Mr. JAMES WALL
Mr. JAY YEARGIN

Mr. BRENT BAIER
Mr. RANDY BOALS
Mr. JOHN CHESTER
Mr. MIKE FREEMAN
Mr. DEREK GRIFFIN
Mr. GARY HALL
Mr. JOSH LITTLE
Mr. JASON LUCKEY
Mr. SCOTTY OGG
Mr. ERIC OWEN
Mr. ERIC PARTEE
Mr. KEVIN SMETHWICK
Mr. SETH TAYLOR
Mr. JODY WRIGHT

Texas—Northern Blackland Prairie*Facilitators*

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Mr. CHAD KASKA
Mr. CHAD RADKE

Mr. TODD KIMBRELL, JR.
Mr. JOHN SAWYER

Texas—Northern High Plains*Facilitators*

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Mr. TOMMY CARTRITE
Mr. JUSTIN GARRETT
Mr. CASEY KIMBRELL
Mr. CHANDLER PRESTON
Mr. STAN SPAIN
Mr. DEE VAUGHAN

Mr. BRENT CLARK
Mr. KELLY HAYS
Mr. TOM MOORE
Mr. JON REZNIK
Mr. DARREN STALLWITZ
Ms. LINDA WILLIAMS

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Mr. RICK AUCKERMAN—County Extension Agent, Texas Cooperative Extension

Panel Participants

Feed Grain Farms—Continued

Mr. MICHAEL CARLSON	Mr. ROY CARLSON
Mr. GREG CHAVEZ	Mr. STEVE HOFFMAN
Mr. BOB MEYER	Mr. TOM SCHLABS

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Mr. COOPER TERRILL—County Extension Agent, Williamson County

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Mr. TERRY PEKAR	Mr. HERBERT RAESZ
Mr. KEN SEGGERN	

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Mr. JIMMY CARNES	Mr. RALPH HESSE
Mr. MARK LANDRY	Mr. DANNY PARKER

Wheat Farms**Colorado***Facilitators*

Mr. JOHN DEERING—Ag Business Agent, North Star Bank
Mr. DENNIS KAAN—Director, Golden Plains Area Extension, Colorado State University

Panel Participants

Mr. ROLLIE DEERING	Mr. WARD DEERING
Mr. DAVID FOY	Mr. DALE HANSEN
Mr. WILLIAM HARMAN	Mr. BARRY HINKHOUSE
Mr. TERRY KUNTZ	Mr. SHANE LEOFFLER
Mr. DAVE LILLICH	Mr. MAX OLSEN
Ms. Sara Olsen	Mr. KEN REMINGTON
Mr. CRAIG SAXTON	Mr. CALVIN SCHAFFERT
Mr. HARLAN SCHAFFERT	Mr. DAVE WAGERS
Mr. JOHN WRIGHT	

Kansas—Northwest*Facilitators*

Dr. DAN O'BRIEN—Area Extension Director, Kansas State University
Mr. MARK WOOD—Extension Agricultural Economist, Kansas Farm Mgmt. Association

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Mr. STEVE BUSSE	Mr. RICH CALLIHAM
Mr. SAM CROUSE	Mr. AARON HORINEK
Mr. LEE JUENEMANN	Mr. DANIEL LEEBRICK
Mr. KENAN REEH	Mr. TYLER ROE
Mr. STEVE SCHERTZ	

Kansas—South Central*Facilitators*

Mr. RANDY HEIN—County Extension Agent, Sumner County
Mr. ZACH SIMON—County Extension Agent, Sedgwick County

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Mr. COLTON DAY	Mr. DENNIS GRUENBACHER
Mr. DOUG HISKEN	Mr. AARON LANGE
Mr. KENT OTT	Mr. STEVE SCHMIDT
Mr. MIKE SLACK	Mr. NICK STEFFEN
TROY & JULIA STRNAD	Mr. TIM TUREK
Mr. ROBERT WHITE	

Montana—North Central*Facilitators*

Mr. LOCHIEL EDWARDS

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Mr. DARIN ARGANBRIGHT	Mr. STEVE BAHNMILLER
Mr. DUANE BEIRWAGEN	Mr. WILL ROEHM
Mr. DAN WORKS	

Oregon—North Central*Facilitators*

JON FARQUHARSON

Panel Participants

Mr. DANA HEIDEMAN	Mr. BILL JEPSEN
Mr. JOE McELLIOTT	Mr. CRAIG MILES
Mr. ERIC OREM	Mrs. SHANNON RUST
Mr. TIM and SHANNON RUST	

Washington*Facilitators*

Mr. AARON ESSER—County Director, WSU Extension

Panel Participants

Mr. TREVOR JANTZ	Mr. RON JIRAVA
Mr. MIKE MILLER	Mr. JUSTIN SIMONSON
Mr. TRAVIS SIMONSON	Mr. TIM SMITH
Mr. TRAVEN SMITH	Mr. STEVE TAYLOR

Washington—Palouse*Facilitators*

Wheat Farms—Continued

Dr. JANET SCHMIDT—Extension Faculty, Washington State University
Mr. Steve Van Vleet—Extension Agronomist, Washington State University

Panel Participants

Mr. BEN BARSTOW
Mr. GAVIN CLARK
Mr. AARON GFELLER
Ms. KENDA HERGERT
Ms. HEIDI KOPF
Mr. GARY LARGENT
Mr. STEVE MADER
Mr. CLARK MILLER
Mr. CHRIS SCHULTHEIS
Mr. STEVE TEADE

Mr. ASA CLARK
Mr. SCOT COCKING
Mr. DAVID HARLOW
Mr. DEAN KINZER
Mr. BRIAN LARGENT
Mr. MICHAEL LARGENT
Ms. AMY MCKAY
Mr. BRUCE NELSON
Mr. DAVID SWANNACK
Mr. JON WHITMAN

Cotton Farms**Alabama***Panel Participants*

Mr. JAMES BLYTHE
Mr. JARRED DARNELL
Mr. WILLIAM LEE

Mr. PAUL CLARK
Dr. STEVE FORD
Ms. LARKIN MARTIN

Arkansas*Facilitators*

Mr. RAY BENSON
Mr. RONNIE KENNETT
Dr. BRAD WATKINS—Research Assistant Professor, U. of Arkansas Cooperative Extension

Panel Participants

Mr. CHAD COSTNER
Mr. TODD EDWARDS
Mr. JUSTIN HAWKINS
Mr. DAVID WILDY

Mr. HEATH DONNER
Mr. COLE HAWKINS
Mr. KENNY JACKSON

Georgia—Southwest*Facilitators*

Ms. NAN BOSTICK—County Extension Coordinator, Decatur County
Mr. CODY POWELL
Dr. ADAM RABINOWITZ

Panel Participants

Mr. ANDY BELL
Mr. GREG MIMS
Mr. BRAD THOMPSON

Mr. JERRY JONES
Mr. WILLARD MIMS
Mr. RAYMOND THOMPSON

North Carolina*Facilitators*

Mr. DARYL ANDERSON—County Extension Agent
Dr. BLAKE BROWN
Mr. GARY BULLEN
Mr. KEVIN JOHNSON—County Extension Director, Wayne County

Panel Participants

Mr. LANDIS BRANTHAM, JR.
Mr. WILLIE HOWELL
Mr. DANNY C. PIERCE
Mr. BRYANT WORLEY

Mr. MICHAEL GRAY
Mr. DAVID B. MITCHELL, SR.
Mr. CRAIG WEST

South Carolina*Facilitators*

Mr. JONATHAN CROFT
Mr. SCOTT MICKEY
Dr. NATHAN SMITH

Panel Participants

Mr. JIMMIE GRINER
Mr. JOHN McLAURIN
Mr. LANDRUM WEATHERS

Mr. DEAN HUTTO
Mr. DAVID TINDAL

Tennessee*Facilitators*

Mr. WALTER BATTLE—Co-Director, Haywood County Extension
Mr. CHRIS NARAYANAN
Ms. LINDSAY STEPHENSON
Mr. JEFF VIA—County Extension Director, Fayette County

Panel Participants

Mr. ALEX ARMOUR
Mr. CHUCK DACUS
Mr. LEE GRAVES
Mr. ROB KARCHER
Mr. JOHN KING
Mr. HASSELL SMITH

Mr. LINK CARLTON
Mr. WILLIE GERMAN
Mr. ED KARCHER
Mr. ALLEN KING
Mr. KINNEY McRAE

Texas—Coastal Bend*Facilitators*

Mr. BOBBY McCOOL—County Extension Agent, San Patricio County and Aransas County
Mr. MARK MILLER—Chief Operations Officer, Texas AgFinance
Mr. JEFF NUNLEY—Executive Director, South Texas Cotton & Grain Association
Mr. JASON OTT—County Extension Agent, Nueces County
Mr. JOHN PARKER—Vice President, Texas AgFinance

Cotton Farms—Continued*Panel Participants*

Mr. TRAVIS ADAMS
 Mr. COLIN CHOPELAS
 Mr. JON GWYNN
 Mr. LARRY MCNAIR
 Mr. TOBY ROBERTSON
 Mr. DAVID WEAVER

Mr. MARVIN BEYER, JR.
 Mr. JIMMY DODSON
 Mr. DARRELL LAWHON
 Mr. ANDREW MILLER
 Mr. DARBY SALGE
 Mr. JON WHATLEY

Texas—Eastern Caprock*Facilitators*

Ms. CAITLIN JACKSON

Panel Participants

Mr. LLOYD ARTHUR
 Mr. MARK SCHOEPP

Mr. BROOKS ELLISON
 Mr. CONNER WILMETH

Texas—Mid Coast*Facilitators*

Mr. JEFF NUNLEY—Executive Director, South Texas Cotton & Grain Association
 Mr. JIMMY ROPPOLO—General Manager, United Ag

Panel Participants

Mr. DANIEL GAVRANOVIC
 Mr. CEDRIC POPP
 Mr. DARRELL SCHOENEBERG

Mr. DUANE LUTRINGER
 Mr. MICHAEL POPP
 Mr. MIKE WATZ

Texas—Rio Grande Valley*Facilitators*

Mr. MATTHEW RODRIGUEZ—County Extension Agent

Panel Participants

Mr. JERRY CHAPPELL
 Mr. SPENCE PENNINGTON
 Mr. ZACHARY SWANBERG

Mr. JOE PENNINGTON
 Mr. IVAN SALAZAR
 Mr. MARK WILLIS

Texas—Rolling Plains*Facilitators*

Mr. STEVEN ESTES—County Extension Agent, Texas AgriLife Extension

Panel Participants

Mr. LARRY LYTLE
 Mr. CODY ROBERTS
 Mr. MIKE SLOAN
 Mr. RICK VICKERS
 Mr. TERRY WHITE

Mr. MICHAEL MCLELLAN
 Mr. BRIAN SANDBOTHE
 Mr. DALE SPURGIN
 Mr. FERRIE WALKER

Texas—Southern High Plains*Facilitators*

Mr. GARY ROSCHETZKY—County Extension Agent, Dawson County

Panel Participants

Mr. TERRY COLEMAN
 Mr. KIRK TIDWELL
 Mr. DONALD VOGLER

Mr. WILL COZART
 Mr. JOHNNY RAY TODD
 Mr. DAVID WARREN

Rice Farms**Arkansas***Facilitators*

Mr. CHUCK CAPPS
 Mr. STEVE KELLEY
 Mr. STEVEN STONE
 Dr. BRAD WATKINS—Research Assistant Professor, U. of Arkansas Cooperative Extension
 Mr. GUS WILSON

Panel Participants

Mr. JOHN GATES
 Mr. ANDY GILL
 Mr. JOE MENCER
 Mr. JIM WHITAKER

Mr. ANDREW GILL
 Mr. TAD KELLER
 Mr. MATT MILES
 Mr. SAM WHITAKER

Arkansas—East Central-Arkansas County*Facilitators*

Mr. BILL FREE—Riceland Foods, Inc.
 Dr. BRAD WATKINS—Research Assistant Professor, U. of Arkansas Cooperative Extension

Panel Participants

Mr. BRANDON BAUMAN
 Mr. MONTY BOHANAN
 Mr. STEPHEN HOSKYN
 Mr. GARTH JESSUP

Mr. DEREK BOHANAN
 Mr. DUSTY HOSKYN
 Mr. DAVID JESSUP

Arkansas—East Central-Cross County*Facilitators*

Dr. BRAD WATKINS—Research Assistant Professor, U. of Arkansas Cooperative Extension
 Mr. RICK WIMBERLEY—County Extension Agent—Staff Chair, U. of Arkansas Cooperative

Panel Participants

Mr. CORBIN BROWN
 Mr. BYRON HOLMES, JR.
 Mr. ROGER POHLNER

Mr. JOHN COOPER
 Mr. BRYAN MOERY

Arkansas—Northeast-Lawrence County*Facilitators*

Rice Farms—Continued

Mr. MICHAEL ANDREWS
 Mr. BRYCE BALDRIDGE
 Ms. COURTNEY SISK
 Dr. BRAD WATKINS—Research Assistant Professor, U. of Arkansas Cooperative Extension

Panel Participants

Mr. GREG BALTZ
 Mr. RICKY BURRIS
 Mr. DOUG COX
 Mr. JOE RICHARDSON

Mr. JEREMY BALTZ
 Mr. RONALD CAVENAUGH
 Mr. BRUCE MANNING
 Mr. VIC STONE

California—Butte County*Facilitators*

Dr. LUIS ESPINO
 Mr. TIM JOHNSON—President and CEO, California Rice Commission

Panel Participants

Mr. SETH FLACK
 Mr. PETER RYSTROM
 Mr. DEREK SOHNREY

Mr. IMRAN KHAN
 Mr. JOSH SHEPPARD

California—Colusa County*Facilitators*

Dr. LUIS ESPINO
 Mr. TIM JOHNSON—President and CEO, California Rice Commission

Panel Participants

Mr. DON BRANSFORD
 Mr. LEO LAGRANDE
 Mr. ALEX STRUCKMEYER

Ms. KIM GALLAGHER
 Mr. CHARLES MARSH

California—Sutter County*Facilitators*

Ms. WHITNEY BRIM-DEFORST—UCCE Farm Advisor
 Mr. TIM JOHNSON

Panel Participants

Mr. BARD ANDERSON
 Mr. TOM BUTLER
 Mr. NED LEMENAGER
 Mr. JON MUNGER
 Mr. MICHAEL RUE
 Mr. ROB VAN DYKE

Mr. PAUL BAGGETT
 Mr. MIKE DEWIT
 Mr. CHARLEY MATHEWS
 Mr. RICK NELSON
 Mr. DON TRAYNHAM
 Ms. NICOLE VAN VLECK

Louisiana—Northeast*Facilitators*

Mr. SCOTT FRANKLIN

Panel Participants

Mr. ED GREER
 Mr. JOHN OWEN

Mr. HEATH HERRING
 Mr. RUSS RATCLIFF

Louisiana—Southwest-Acadiana*Panel Participants*

Mr. AL CRAMER
 Mr. DAVID LACOUR
 Mr. JACKIE LOEWER
 Mr. CHRISTIAN RICHARD

Mr. TOMMY FAULK
 Mr. ALAN LAWSON
 Mr. MICAH LOEWER
 Mr. FRED ZAUNBRECHER

Mississippi—Cleveland*Facilitators*

Dr. LARRY FALCONER—Extension Professor
 Mr. CRAIG HANKINS—Extension Agent

Panel Participants

Mr. MICHAEL AGUZZI
 Mr. GARY FIORANELLI
 Mr. KIRK SATTERFIELD

Mr. AUSTIN DAVIS
 Mr. RANDY HOWARTH

Missouri*Facilitators*

Mr. TRENT HAGGARD—Director, Fisher Delta Research Center

Panel Participants

Mr. JOHN ANDERSON
 Mr. RANCE DANIELS
 Mr. JIM PRIGGEL

Mr. ALEX CLARK
 Mr. RUSS HOGGARD
 Mr. WILL SPARGO

Texas—Bay City-Matagorda County*Panel Participants*

Mr. DILLON BERGLUND
 Mr. COLEMAN FRANZ
 Mr. PAUL SLIVA

Mr. BARRETT FRANZ
 Mr. JOEY SLIVA

Texas—Eagle Lake-Colorado County*Panel Participants*

Mr. ALLEN ANDERSON
 Mr. KENNETH DANKLEFS
 Mr. W.A. "BILLY" HEFNER III
 Mr. PATRICK PAVLU

Mr. ANDY ANDERSON
 Mr. CRAIG GUTHMAN
 Mr. IRA LAPHAM
 Mr. BRYAN WIESE

Texas—El Campo-Wharton County*Panel Participants*

Mr. DANIEL BERGLUND

Mr. TIMOTHY GERTSON

Rice Farms—Continued

Mr. MARK RASMUSSEN
Mr. GLEN ROD

Mr. L.G. RAUN
Mr. TOMMY TURNER

Peanut Farms**North Carolina—Conway***Facilitators*

Dr. BLAKE BROWN
Mr. GARY BULLEN
Mr. BOB SUTTER

Panel Participants

Mr. CLARKE FOX
Mr. WAYNE HARRELL
Mr. BRAD WEST

Mr. RAY GARNER
Mr. DONNY LASSITER
Mr. DONNIE WHITE

North Carolina—Elizabethtown*Facilitators*

Dr. BLAKE BROWN
Mr. GARY BULLEN
Mr. MATTHEW STRICKLAND
Mr. BOB SUTTER

Panel Participants

Mr. ROBERT BYRD
Mr. JART HUDSON
Mr. DAN McDUFFIE
Mr. DAN WARD

Mr. WADE BYRD
Mr. ALEX JORDAN
Mr. SEAN MORRIS
Mr. WILBUR WARD

SUPPLEMENTARY MATERIAL SUBMITTED HON. THOMAS “TOM” J. VILSACK, SECRETARY,
U.S. DEPARTMENT OF AGRICULTURE

Insert 1

Mrs. HARTZLER. That is good. That would be great.

Reuters reported that the Biden Administration is considering lowering the 2022 ethanol blender mandate, below the proposed 15 billion gallons potentially hamstringing the biofuels industry. Are you aware of these reports, and do you agree that cutting biofuel blended would only serve to hurt rural communities?

The CHAIRMAN. The gentlelady’s time has expired. Mr. Secretary, you may follow up on that.

Secretary VILSACK. I would just mention, the biofuel levels for 2021, 2022 are the highest in the history of the program, which indicates a projected growth. And in addition, the Department of Agriculture is providing \$700 million of additional assistance to the biofuel industry to encourage it to get it through the pandemic situation, as well as \$100 [million] to expand access to higher blends. So, I think I can make the case that the Administration is supporting this industry. Sixty-five waivers that were denied by the EPA that might very well have been granted during the previous Administration.

Implementation of the Renewable Fuel Standard (RFS) falls under the jurisdiction of EPA.

Insert 2

Mrs. HAYES. . . .

I am coming to the end of my time, and I will leave you with one last question that perhaps if you don’t have time, you can follow up on.

Between 2016 and 2020, the number of full-time employees at the USDA decreased from nearly 94,900 to approximately 86,400. Has this decrease affected USDA’s ability to communicate with states and producers about new programs and the process to participate in them, and how can Congress assist USDA in ensuring you have adequate staffing levels that you need to take on the responsibilities we have tasked you with, especially as we work towards this upcoming farm bill?

Secretary VILSACK. I think one of the areas where we have dealt with the decline of workforce is in the Natural Resources Conservation Service and in our Forest Service, and in our ability to maintain—

As the current Administration implements new programs and increases opportunities, especially in rural communities with underserved populations, USDA needs the support of this Committee and Congress to reinvest in USDA’s long overlooked workforce and build it back through investments in staff and technology. The USDA will continue to hire based on hiring needs of the Bipartisan Infrastructure Law, Infrastructure Investment and Jobs Act, and American Rescue Plan Act.

USDA is committed to continuing to deliver services to our customers, but we need Congress to assist by ensuring sustained resources are available to acquire and

retain staff to support these important initiatives. While USDA's overall attrition rate has remained fairly stable over the last 10 years, we have critical shortages across the Department in the areas of wildfire management, conservation, rural development, and in our food and nutrition areas. USDA is focused on continuity planning, considering attrition as part of our succession management process.

Building a better America means bringing people of all backgrounds and lived experiences to be a part of a healthy, safe, and inclusive workplace—from ensuring we are recruiting the best and the brightest across our great country to investing in our employees. We have prioritized creating a diverse, inclusive, equitable and accessible workplace; engaging and supporting our employees in meaningful ways; recruiting the next generation of USDA staff and leaders. All of this is great work. Yet, to ensure the efficacy of the staff who are leading the programs and engaging with state customers, we need consistent committed stable funding to sustain all the operational components necessary to support the critical programmatic requirements and ensure mission delivery is not impacted.

Insert 3

Mr. ROUZER. Mr. Secretary, I only have about 20 seconds left.

Real quickly switching gears. African Swine Fever, I know you are concerned about that and I am sure the Department is doing everything possible to keep it out of this country. Can you provide us a quick update on that front?

Secretary VILSACK. Significant investment of time and resources in the Dominican Republic, working with them to put together a plan. Dr. Shere has spent literally weeks in the Dominican Republic—

When an existing cooperative disease surveillance program identified the virus in pigs last year in the Dominican Republic and later in Haiti, APHIS took swift action to harden our defenses. We already have a strong system of overlapping safeguards in place, including restrictions against imports of animals or pork products from ASF-affected countries. We looked closely at potential pathways of the virus and worked with our partners to close them. For example, our U.S. Customs and Border Protection colleagues enhanced inspections of passengers coming from the region and are closely monitoring the handling of regulated garbage from airplanes. We worked with the Coast Guard to identify boat traffic coming from the islands to Puerto Rico whose passengers could unintentionally carry the virus and have conducted appropriate disease surveillance where the boats were detected.

Most notably, we established a protection zone around Puerto Rico and the U.S. Virgin Islands. Since those are U.S. territories, any incursion of ASF onto those islands could trigger trading partners to cut off trade from the mainland. The World Organisation for Animal Health permits the establishment of a protection zone within an area free of disease, as a temporary measure in response to an increased risk from a neighboring country or zone of different animal health status. The protection zone we created allows the continental U.S. to retain its disease freedom status and continue our international trade, even if there is an ASF detection in Puerto Rico or the U.S. Virgin Islands. It also allows APHIS to enhance surveillance and create additional rules for movement restrictions of live swine and products out of the protection zone, protecting the islands from the virus and enhancing protections for the U.S. livestock industry.

Beyond establishing the protection zone, we are focusing additional resources on Puerto Rico and the U.S. Virgin Islands. Our Wildlife Services program is looking for and removing feral swine in Puerto Rico and the U.S. Virgin Islands because feral swine are a natural reservoir for the disease and could help the virus spread quickly if it moved to those territories. We have also made improvements to the diagnostic laboratory in Puerto Rico, providing resources and technical assistance to increase that lab's capabilities to run important diagnostic tests. We have enhanced inspections of passengers traveling to and through the territories. We have run a bilingual public education campaign in those territories and the region to educate the public, veterinarians, and producers about the risks of ASF and how they can help stop the spread of the virus.

Using the emergency transfer authority under the Animal Health Protection Act, I transferred \$500 million to APHIS for these and other enhanced ASF mitigation and response activities and to ensure our domestic preparedness. APHIS has used that funding to strengthen its response activities and has placed teams of veterinarians and animal health officials in the region. APHIS officials are working closely with the Dominican Republic, providing technical and financial assistance for a plan to eradicate the disease from the country, thereby strengthening the animal health security of our domestic producers. In Haiti, APHIS is focused on providing supplies and remote technical laboratory support to agricultural officials and is working with them on long-range plans. We will continue to work with animal health officials in

the region in further developing those plans and do everything we can to keep this high consequence disease out of the country.

Insert 4

Mr. JOHNSON. . . .

I want to get back to these investigations, though. You are right. We need to let them run their course, but we had USDA conduct an investigation that really some sort of an interim report long after the Holcomb fire, but it didn't really drive to ground some of these accusations about anti-competitive behavior. Can we expect an update, or what is the status of that investigation?

Secretary VILSACK. I will have to get back to you on that, Congressman, because I am not prepared today to tell you exactly what the status of that is. I would be happy to get back, our staff will get back to your staff on that.

I would say that I have talked to the Attorney General. He and his team is very sincere about this. They want to make sure that the playing field is level, and I think we should all be in for that.

USDA's investigation remains outstanding. In particular, we are closely coordinating with the Department of Justice around issues of concern in the cattle and beef markets.

Insert 5

Mr. LAWSON. . . .

Has any progress been made on insurance for timber because of the devastation that we have had from hurricanes?

Secretary VILSACK. Well, let's see. I am not sure I understand your question. We are obviously, to the extent that there are applications out for additional support and help as a result of timber loss, those will be processed. But if you are asking about timber harvesting that was impacted by the pandemic, those resources have been provided to several thousand timber haulers and harvesters.

Mr. LAWSON. Okay. So, a lot of the individual farmers that have used this for retirement purposes and so forth, will they qualify for any of those funds?

Secretary VILSACK. I am not sure of that, Congressman. Let me check with our team and get back to you.

RMA is not allowed to compete with private insurance, so the availability of private timber insurance limits RMA's ability to offer timber insurance. Moreover, timber is challenging to insure due to the multiyear process of growth. Although RMA has some experience with tree insurance, it is a bit different because the primary indemnification is replanting a tree and/or the lost value of fruit or nut production. Trying to understand value over time and the associated risk of that would require additional study. Additionally, timber insurance would likely require a costly and time-consuming inventory as a condition of insurance, which would require specialized experience to administer. Even with these challenges, RMA remains open to researching potential ways to provide more risk management options for timber producers.

Insert 6

Mr. THOMPSON. . . .

In closing, I do want to put a final point on one issue. Mr. Secretary, there is a concern in Congress that when any Secretary acts unilaterally with the CCC, and in fact, we have seen Congress limit your powers of this office when this authority is abused. There have been limited details made available to us related to the climate program you described, and I know you identified two sections specifically. Earlier in response to a question from Representative Austin Scott, you stated you are very confident in your legal authority, and that is an assured statement, given this program seemingly is being created unilaterally and out of whole cloth, as we speak. I will stress that this Committee remains skeptical of the legal authority provided to you and your office under the CCC for this program, and looking at the enumerated powers in the Act, we think that no amount of mental gymnastics could get you there.

That said, this Committee would like more details from you on this program, but we also want to hear specifically from OGC on the exact language that provides you the authority under the CCC Charter Act, and we want to hear from you prior to any funds being obligated. Is that something I can get a commitment from?

Secretary VILSACK. We will be happy to share the details of this program with you, Congressman, and also provide you with the basis upon which we believe that this is an appropriate use of these resources.

Section 5 of the Commodity Credit Corporation Charter provides authorities to “make available materials and facilities required in connection with the production and marketing of agricultural commodities (other than tobacco)” and “increase the domestic consumption of agricultural commodities (other than tobacco) by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.”

SUBMITTED LETTER BY JIM NUSSLE, PRESIDENT AND CHIEF EXECUTIVE OFFICE,
CREDIT UNION NATIONAL ASSOCIATION

January 20, 2022

Hon. DAVID SCOTT,
Chairman,
House Committee on Agriculture,
Washington, D.C.;

Hon. GLENN THOMPSON,
Ranking Minority Member,
House Committee on Agriculture,
Washington, D.C.

Chairman Scott and Ranking Member Thompson,

On behalf of America’s credit unions, I am writing in regard to the hearing entitled, “Review the State of the Rural Economy with Agriculture Secretary Tom Vilsack.” CUNA represents America’s credit unions and their 120 million members.

Credit unions are not-for-profit financial institutions dedicated to serving their members, regardless of location or socioeconomic background. As of June 2019, almost ¼ of all credit unions are headquartered in rural areas, making them uniquely positioned to serve rural communities by providing capital infusions, loans for farmers and ranchers and small businesses as well as loans for education, and trusted advice.

Since the Great Recession, the number of bank branches has declined by over 11,000 and according to the National Community Reinvestment Coalition, nearly 90 banking deserts have been created as a result of bank closures and failures. Yet, rural credit union membership has grown rapidly—more than 15 percent since 2013.

Credit unions invest in the rural communities they serve by providing affordable financial services options targeted to the unique needs of their consumers. Rural credit unions serve 9.7 million members—over ½ of the nation’s rural population.

One of the most important things that Congress could do is empower rural communities through financial inclusion. That means ensuring that Federal law permits all Federal credit unions to serve rural communities, banking deserts, and all underserved areas. Given the unprecedented economic disruption caused by COVID-19, it is important now more than ever that rural communities have access to a trusted, local financial partner. Credit unions are eager to be that partner, but archaic charter and field of membership restrictions prevent most from expanding more broadly to help those who are most in need.

The Expanding Financial Access for Underserved Communities Act would address the epidemic of the unbanked and underbanked in the United States by making it easier for consumers in areas without sufficient financial services providers to access credit unions. We strongly support this legislation, which would make three changes to the Federal Credit Union Act to enable and encourage credit unions to serve underserved and abandoned communities and promote financial inclusion to all at no cost to the taxpayer.

First, the legislation would allow all Federal credit unions to add underserved areas to their field of membership. Under current law, only multiple common bond credit unions can add underserved communities. Multiple common bond credit unions serve groups that have a definable common bond of association or occupation. Second, the legislation exempts business loans made by credit unions to businesses in underserved areas from the credit union member business lending cap. Finally, the legislation expands the definition of an underserved area to include any area that is more than 10 miles from the nearest branch of a financial institution. Currently, there are two other ways that an area can qualify as underserved: (1) Community Development Financial Institution (CDFI) Area or (2) New Markets Tax Credit Area. Adding this third path for an area to be designated underserved is designed to address the epidemic of rural banking deserts and ensure the availability of cooperative financial services for all.

Allowing credit unions to expand into rural communities and other underserved areas would advance communities throughout the nation by giving tens of millions

of consumers access to member-owned financial services. CUNA conservatively estimates that this modest but meaningful reform of field of membership rules would produce first-year benefits for over one million consumers who now have no realistic, affordable options in the financial marketplace.¹

We hope the Committee will consider legislation that expands the opportunity to serve rural and other underserved communities to all Federal credit unions to ensure access to affordable financial services for all.

On behalf of America's credit unions and their more than 120 million members, thank you for the opportunity to share our views.

Sincerely,



JIM NUSSLE,
President & CEO.

SUBMITTED LETTER BY JAMES D. OGSBURY, EXECUTIVE DIRECTOR, WESTERN GOVERNORS' ASSOCIATION

January 19, 2022

Hon. DAVID SCOTT,
Chairman,
House Committee on Agriculture,
Washington, D.C.;

Hon. GLENN THOMPSON,
Ranking Minority Member,
House Committee on Agriculture,
Washington, D.C.

Dear Chairman Scott and Ranking Member Thompson:

In advance of the Committee's January 20, 2022, hearing on the *State of the Rural Economy*, attached please find four Western Governors' Association (WGA) policy resolutions:

- WGA Policy Resolution 2020-07, Rural Development;
- WGA Policy Resolution 2020-06, Western Agriculture;
- WGA Policy Resolution 2021-06, Disaster Preparedness and Response; and
- WGA Policy Resolution 2020-08, Broadband Connectivity.

I request that you include this document in the permanent record of the hearing, as it articulates Western Governors' policy positions and recommendations on rural economic health and development and related matters.

Thank you for your consideration of this request and your attention to this subject. Please contact me if you have any questions or require further information. In the meantime, with warm regards and best wishes, I am

Respectfully,



JAMES D. OGSBURY,
Executive Director.

ATTACHMENT 1

Policy Resolution 2020-07, Rural Development

A. Background

1. Vibrant and prosperous rural communities are essential components of western states and the nation. Rural communities in the West grow and supply food, steward natural resources, contribute disproportionately to the armed services, and are critical to state economies.
2. Rural communities in the West are richly diverse and face varying threats and opportunities. They do, however, share common characteristics, such as low population density and distance from urban centers, that create challenges for economic development.

¹ Assuming first-year membership growth of 5% among credit unions with restricted fields of membership that are not currently operating in underserved areas and 2.5% growth among community-charted credit unions not currently in underserved areas.

3. Nationally, the rural population is increasing slowly after a period of decline from 2010–2017, although there is great variation in demographic trends at the county level. Many rural western counties are experiencing population growth due to net migration of retirees as well as people seeking quality of life and amenities.
4. Most rural communities have a higher proportion of older residents than urban and suburban communities. Rural communities are preparing for an anticipated wave of retirements, leading to a reduction in skilled workforce and potential closure of local businesses.
5. Western states have many of the highest per-capita veteran populations in the nation. It is estimated that approximately 25 percent of all veterans live in rural areas. These veterans have lower rates of employment compared to veterans living in urban areas and to their non-veteran rural colleagues.
6. Most rural communities have experienced slower economic and job growth than their urban counterparts and have not yet fully recovered from the 2008 recession. Many rural economies rely heavily on a few industries. This makes these communities more sensitive to trends affecting those industries and can make it more difficult to recover from disruptions. Rural communities have also been significantly affected by the COVID–19 public health threat and will suffer distress from any associated economic downturn.
7. Federal programs for rural development are spread across multiple agencies. Some agencies are responsible for rural infrastructure investments while others focus on economic development. The multiplicity of administering entities and the lack of consistency across agencies: renders it difficult for rural stakeholders to navigate Federal programs; compounds time and expense needed to apply for funding opportunities; and creates inefficiencies in the distribution of resources.
8. The vast majority of Federal loan and grant programs for rural communities are targeted to physical infrastructure. Little funding exists to support development of local capacity, including strengthening community organizations, nonprofit entities, and other groups serving rural communities.
9. By offering opportunity, connectivity, and quality of life, rural communities can thrive and prosper while improving economic stability and protecting the rural character and natural resources that draw people to these areas.
10. Small businesses, including farming and ranching, are the foundation of rural economies, generating tax revenue, creating jobs, providing essential goods and services, and contributing to the culture and character of small towns. Building a successful business in a rural community is particularly challenging due to limited access to capital, available workforce and smaller customer bases. Many successful rural businesses operate on thin margins and if they close, are extremely difficult to replace.
11. High-speed internet, commonly referred to as “broadband,”¹ is the critical infrastructure of the 21st century and a modern-day necessity for individuals, businesses, schools and government. Many rural western communities lack the business case for private broadband investment due to the high cost of infrastructure and the low number of customers in potential service areas. This has left many rural businesses and citizens at a competitive disadvantage compared to urban and suburban areas with robust broadband access.
12. Transportation connectivity is critical to strengthening economies and improving quality of life. Air service is particularly important to connect remote western communities to urban hubs. Pilot shortages, infrastructure constraints, and airline consolidation have negatively impacted rural air connectivity. The airline industry has been significantly impacted by COVID–19 and rural service, which is typically the least profitable, has been reduced.

B. Governors’ Policy Statement

1. Western Governors believe that strengthening social infrastructure in rural communities is the best strategy to ensure rural quality of life and prosperity. Congress and Federal agencies should increase the proportion of rural economic development and infrastructure funding that goes toward capacity-building. Accordingly, Western Governors call for ample and consistent Federal funding for institutions, training, and technical assistance. Robust social

¹The Federal Communications Commission defines fixed “broadband” as service offering minimum speeds of 25 Megabits per second (Mbps) down and 3 Mbps up.

infrastructure is fundamental to economic and community development and maximizes the impact of state and Federal resources.

2. Social infrastructure is especially critical during disasters or crises. The COVID-19 pandemic and associated economic crisis have illustrated the challenge of rapidly deploying resources to the most urgent needs. Western Governors are committed to strengthening the resilience of rural communities by helping to foster local leadership and strengthen networks and connections within and among rural communities across the West.
3. Western Governors believe that many Federal programs for rural development and distressed communities include unintended barriers for rural individuals and entities that need assistance most. Western Governors urge Federal agencies to work with states to: thoroughly evaluate program requirements; identify barriers for rural applicants; and revise onerous requirements in a manner that recognizes the limited resources and capacity of rural applicants. In particular, Western Governors are concerned by:
 - a. Scoring criteria that relate to numerical size and impact, such as the number of jobs created or the number of people served, which disadvantage small and isolated communities;
 - b. Requirements that applicants partner with other institutions like community colleges or foundations, which may not operate in the rural community seeking assistance;
 - c. Financial match or cash-on-hand requirements that rural organizations cannot meet; and
 - d. Overly complicated or technical applications that deter rural customers from applying.
4. Western Governors also urge Federal agencies to use state data for eligibility determinations when requested by states. States often have more up-to-date and granular data for rural communities than Federal sources.
5. Western Governors recognize and support efforts at the Federal and state level to coordinate the deployment of resources, leverage funding, and create one-stop application processes for rural customers. Western Governors are interested in exploring strategies to expand those models to include more funders and further enhance coordination between agencies and between states and the Federal Government.
6. Western Governors believe that changes in our economy, labor force, and technological innovations require fundamental changes in economic development strategies. Western Governors promote rural development policies that focus on quality of life and the support of small businesses and entrepreneurs. This will develop rural communities that are attractive places to live and work while protecting their rural character, natural resource-based industries, and natural areas.
7. In the wake of disasters in rural communities, including the COVID-19 pandemic, providing small businesses with the tools and resources to survive disruption and prosper again is critical for economic recovery and social stability. The impacts of COVID-19 mitigation measures have illustrated the urgent need for working capital to stabilize rural businesses and ensure their continued viability during periods of prolonged disruption related to disasters and emergencies. The Federal response to declared disasters must include sufficient and accessible business stabilization funds, including grants and long-term, forgivable loans. Congress should also examine how such funds are distributed by the Small Business Administration (SBA), U.S. Department of Agriculture Rural Development (USDA RD), and the Economic Development Administration (EDA) to ensure that adequate systems are in place to handle demand during widespread emergencies.
8. During COVID-19 response, many small lenders could not access Federal funds to support their communities because they did not meet program thresholds or were unable to compete against large banks. Small lenders, including community development financial institutions (CDFIs), community banks, and credit unions, are often the only lender serving rural and Tribal communities. In the ongoing response to the economic impacts of COVID-19, Western Governors encourage Congress to set aside emergency relief funds for small lenders and consider program requirements that allow those entities to participate through a streamlined process to rapidly distribute resources while maintaining fiscal accountability.

9. Western Governors are eager to work with public universities, community colleges, and the business community to expand opportunities for young people to stay in their rural communities. There is a high demand for skilled workers in rural communities and states should work together on regional solutions that provide the appropriate training and skills for the jobs that are available in rural communities where possible. Western Governors are also committed to increasing employment among veterans and the disabled community in the rural West.
10. Western Governors encourage increased flexibility in the use of Federal economic development resources (particularly EDA funds) to facilitate investments in quality of life and amenities in rural communities. Governors believe that metrics based solely on the absolute number of jobs created do not reflect the important economic benefits of investments in community assets that make rural communities attractive places to live. Nor do they account for the relative impact of job creation in less populated rural communities or areas with high unemployment or poverty rates.
11. Western Governors strongly support improving and increasing broadband connectivity in the rural West through significant Federal investments in mapping, deployment, and adoption. The Governors have highlighted substantive policy recommendations in the Western Governors' Association policy resolution addressing broadband connectivity.
12. Western Governors have developed robust policies addressing the challenge of providing services and maintaining infrastructure essential to communities across the vast expanse of the rural West. These policies address broadband access, healthcare, surface transportation and water quality. Western Governors are committed to working with Congress and Federal agencies to improve the efficacy of Federal and state programs to support critical infrastructure in the rural West.
13. Western Governors recommend further changes in approach to supporting water and wastewater infrastructure in the West:
 - a. Funding for communities not served by water systems is critically needed. Western Governors recommend set-asides to develop innovative solutions for communities and Tribes that cannot be served by traditional systems.
 - b. Western Governors are concerned about shortages of certified water system operators and request a coordinated effort to increase training opportunities through the U.S. Department of Agriculture, U.S. Environmental Protection Agency, U.S. Department of Labor and college and university programs that develop these skilled workers to ensure that existing water access in rural communities can be maintained.
14. Western Governors emphasize that air service is a necessity in many rural communities. As the airline industry recovers from the economic impacts of COVID-19, Western Governors urge Congress to consider measures to address challenges in rural air connectivity, including funding for infrastructure and service subsidies.
15. Western Governors support the use of cooperative business models to preserve rural businesses and fill community needs for childcare, homecare, main street businesses, housing, and more. Western Governors recognize the need for substantial technical assistance and education in developing new cooperative businesses and support Federal funding of such efforts.
16. Western Governors are concerned by food security challenges in rural communities. Rural grocery store closures jeopardize livability and community health. Western Governors are interested in exploring strategies to ensure rural food security by strengthening local agricultural economies and developing regional approaches to rural food supply chains.
17. Housing remains a critical challenge in rural communities across the West. Western Governors are committed to working together to share best practices and effective solutions for housing preservation and development in the rural West.
18. The Cooperative Extension System, which serves every county in western states, is an important asset for rural development. Western Governors believe that Cooperative Extension can play a more meaningful role in economic development efforts in distressed communities and support continued investment in the system as it responds to the changing needs of rural commu-

nities. Western Governors are committed to maximizing the efficacy of Cooperative Extension in their states.

C. Governors' Management Directive

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

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ATTACHMENT 2

Policy Resolution 2020-06, Western Agriculture

A. Background

1. Agriculture in the western states and territories is significantly different from that in other regions of the country. The West has greater variations in soil, climate, terrain, commodities, production practices and water availability. That difference is even greater for Alaska, Hawai'i and the U.S. territories.
2. Farms and ranches are important contributors to the economies and quality of life of western states. Among other important values, western agricultural lands are primary sources of open space, wildlife habitat, water supplies, and diverse rural economic opportunities in the recreation, food, fiber, energy and biobased product industries.
3. Agriculture and food industry members support vibrant local economies and robust and stable food security systems across the West.
4. The U.S. Department of Agriculture (USDA), through the National Agricultural Statistics Service, conducts the Census of Agriculture every 5 years. Census of Agriculture data provides valuable insights on the average age of producers, new and young entrants to the agriculture sector, net cash income, crop insurance payments, specialty crop production and other useful metrics. State-acquired data must also be considered when evaluating industry metrics.
5. The 2017 Census of Agriculture includes many useful findings regarding the agricultural workforce in western states. Notably, only six percent of primary producers are age 35 or younger, while over 25 percent are between 65 and 74 years old. Additionally, approximately 14 percent of primary producers in western states have served or serve in the U.S. military. Women's role in agriculture has grown substantially as well, constituting over 38 percent of the agricultural workforce in 2017, *versus* under 33 percent in 2012. Minority communities and seasonal and temporary workers also make significant contributions to agricultural production and distribution across the West.
6. The 2017 Census of Agriculture illustrates the importance of specialty and high-value crop production in western states. In terms of total cash value of agricultural production, the top ten producing counties are all located in western states.
7. Trade promotion plays an important role in ensuring that western agricultural products have an opportunity to compete with products produced and subsidized internationally. The United States-Mexico-Canada Agreement and programs offered by USDA and the Small Business Administration (SBA) all help improve international market opportunities for American growers and value-added product manufacturers.
8. The West's network of land-grant universities and colleges, as well as Cooperative Extension Service programs and Agricultural Experiment Stations, provide national leadership in research to develop more resilient seeds and crops, manage soil health, improve the health of public lands, advance technology deployment in the biobased economy and conduct on-farm experiments that help farmers and ranchers be more effective and efficient.
9. Precision agriculture technologies are helping deliver increased crop yields and farm productivity while reducing the use of water, fertilizer, pesticides and other agricultural inputs. Certain advanced agriculture technologies re-

quire fixed or mobile broadband connectivity while others utilize Global Positioning System tools.

10. Proper integration of many advanced agriculture technologies requires producers to have robust broadband connectivity at both their residences and across their operating areas. Wireless technologies and access to wireless spectrum can help support cost-effective technology adoption by agricultural producers. USDA and the Federal Communications Commission (FCC) have recently launched efforts to promote on-farm connectivity and the growth of the precision agriculture sector.
11. Beyond the integration of advanced technologies, broadband access allows producers to conduct necessary agricultural business functions like online advertising and livestock auctions.
12. Western agricultural cooperatives perform many important functions for their members and rural communities. These include provision of seed, feed and fertilizer to growers; product storage, processing and transportation; trade and market promotion; and education and technical assistance.
13. Western Governors recognize that nutrition assistance programs are necessary to meet the needs of children and the most vulnerable, while creating economic opportunity across the agriculture supply chain—from the store where food is purchased, all the way back to the farm.
14. Agricultural production throughout the West requires integrated water management and robust state, Federal, and private cooperation and investment in water delivery infrastructure, predictive and adaptive capabilities for extreme weather variability, and data relating to water resource availability.
15. The COVID–19 pandemic has created significant issues across food supply and distribution networks. Growers, value-added businesses, processing facilities, distribution companies and food retailers, including farmers markets, have all faced costly disruptions to their standard operations.
16. Without governmental action, the economic effects of the COVID–19 pandemic on growers, farmworkers, manufacturers, delivery networks, and other agricultural entities are likely to be long-lasting and severe. Circumstances that are likely to affect the economic viability of producers, farmworkers and agricultural businesses include: restaurant, hotel and school closures; reduced consumer spending; seasonal and migratory workforce disruptions; and disease outbreaks within the agricultural community.
17. The COVID–19 pandemic is stressing state departments of agriculture and the Cooperative Extension Services and Agricultural Experiment Station networks. Many state agricultural and food programs which are relied upon for food safety and market development are likely to be disrupted or canceled due to COVID-related challenges. The Cooperative Extension Services and Agricultural Experiment Station Networks are facing similar impediments to important agricultural and food network research projects due to data collection interruptions, personnel changes and other issues associated with the COVID–19 pandemic.
18. USDA launched the Coronavirus Food Assistance Program and Farmers to Families Food Box Program in order to address challenges facing producers, agricultural businesses, and food insecure families as a result of the COVID–19 pandemic.
19. As western communities struggle to cope with disruptions to our food supply chains and historic job losses due to COVID–19, Governors continue to pursue solutions to connect surplus agricultural products with the growing number of food insecure families in our states. State and local leaders are best positioned to strategically direct food purchasing and distribution due to their understanding of unique challenges facing farmers and food assistance providers in their communities.
20. Local communities and food banks can face capacity issues, such as staffing shortages and refrigeration and storage challenges, while managing the preparation and distribution of emergency food supplies. Many are also adjusting to new packaging and distribution strategies, including grab-and-go meals and home deliveries.

B. Governors' Policy Statement

1. Western Governors support funding for the USDA Market Access and Foreign Market Development Programs and SBA State Trade Expansion Program to promote opportunities for western producers to increase export revenues and

encourage trade agreements that maximize benefits for the West's farmers and ranchers. Western Governors appreciate the increased alignment between USDA and SBA agricultural trade promotion programs.

2. Western Governors support adequate funding for the USDA Specialty Crop Block Grant Program, which provides critical research, education, and promotion tools to fruit and vegetable producers with an annual re-evaluation of funding formulas and eligible crops.
3. Western states have experienced sharp declines in farm income and farm prices since their peaks in 2013. Western Governors support a farm safety net that recognizes past deficit reduction contributions of the agricultural sector and maintains funding for other key commodity, conservation, crop insurance, research, energy, and export promotion programs.
4. Western Governors encourage the expansion of programs that can meet the unique educational, training, technical and financial needs of new, beginning and veteran farmers and ranchers and other USDA programming that can help returning veterans develop and expand business opportunities in rural communities.
5. Western Governors emphasize that the agriculture industry has a growing need for workers with science, technology, engineering and math (STEM) skills. We support efforts to develop a diverse and skilled agricultural workforce, by increasing awareness of career opportunities, expanding education and training programs, and other means, in order to meet the needs of this increasingly high-tech industry.
6. Western Governors support the expansion of research and implementation funding to address drought, a changing climate and extreme weather risks facing western producers.
7. Western Governors encourage the effective use of Cooperative Extension Services, Agricultural Experiment Stations and other partnerships to deliver practical tools, technologies and information to farmers, ranchers and forest landowners. We support Congressional and Administrative efforts that provide support to the Cooperative Extension Services and Agricultural Experiments Station networks as they address research, staff capacity, and agricultural and food system challenges associated with the COVID-19 pandemic.
8. Western Governors emphasize the importance of supporting the growth of the precision agriculture sector and highlight the substantive policy recommendations contained in our policy resolution addressing broadband connectivity issues.
9. Western Governors support funding for Federal programs that provide assistance to agricultural cooperatives across the West. These include USDA Rural Cooperative Development Grants and Value-Added Producer Grants, and programs administered by USDA's Agricultural Marketing Service and National Institute of Food & Agriculture.
10. Nutrition assistance programs should continue to provide flexibility for states to respond to unique economic conditions, serve all eligible participants without drastically reducing benefits, and encourage continued pursuit of transparency, efficiency, and accountability in program administration.
11. Existing Federal assistance options that help build connections between growers with surplus products and food insecure families lack the flexibility to nimbly address needs in many western communities. Western Governors support Congressional and Administrative efforts to provide states with emergency funding to purchase goods from local producers who lack a market for their surplus crops, and provide them to food banks and nutrition assistance programs who are facing unprecedented demands.
12. Western Governors encourage USDA to coordinate with state departments of agriculture and local governments in the delivery of the Farmers to Families Food Box Program and other Federal efforts focused on addressing food insecurity challenges related to the COVID-19 pandemic. Strong partnerships across Federal, state and local agencies can help ensure that food is not wasted due to logistical and capacity constraints at local food banks.
13. Western Governors support legislative measures that provide states with access to flexible funding to respond to urgent and emerging issues in the agricultural economy and food supply chain. Additionally, we support legislative efforts that address agricultural supply chain disruptions; increase food banks and nonprofits' capacity to address growing nutrition demands; provide personal protective equipment and COVID-19 testing capacity to producers and

processing facility employees; and promote the ability of producer and business cooperatives, state departments of agriculture, and Cooperative Extension Services to strengthen local food networks.

14. Western Governors recognize that the farm bill includes titles and issues not contemplated in this resolution. We encourage Congressional committees, Federal agencies and the Executive Branch to review Governors' existing policy resolutions addressing National Forest and rangeland management; species conservation; voluntary conservation programs; biosecurity and invasive species management; rural development; and broadband connectivity.

C. Governors' Management Directive

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

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ATTACHMENT 3

Policy Resolution 2021-06, Disaster Preparedness and Response

A. Background

1. Major disasters, emergencies and extreme weather events are devastating to the people, property, economy, and natural environment of the communities in which they occur. The outcomes of disasters and emergencies can often be far-reaching, with effects on the national economy, infrastructure, and the import and export of commodities.
2. In the United States, disasters and emergencies and their economic and public costs have increased significantly in recent years. Federal disaster declarations (including emergency declarations, major disaster declarations, and fire management assistance grants) have surged since they were first utilized in 1953. From 1953 to 1989, the average number of annual Federal disaster declarations was 27.8. That number escalated to an annual average of 108.7 from 1990 to 2016. The year 2020 saw a record 308 disaster declarations by the Federal Government. Of these declarations, 230 were for emergencies or major disasters, surpassing the previous record of 128 dating back to 2011.
3. The Federal Government plays a critical role in disaster and emergency response and long-term recovery efforts. Accompanying the greater number of disasters has been an increasing level of Federal disaster aid. From 1980 to 2009, the number of federally declared disasters which resulted in costs exceeding \$1 billion averaged approximately 4.5, annually. That number has surged. From 2016 to 2020, the numbers rose with an average 16.2 disasters exceeding \$1 billion in costs each year. In 2020, there were a record-setting 22 disasters that exceeded \$1 billion in costs.
4. Proactive emergency management efforts, such as hazard mitigation and risk reduction activities, have an incredible return on investment. Research has shown that actions taken before a disaster to reduce hazards save, on average, \$6 in future response and recovery costs for every dollar spent on hazard mitigation. At a time when state budgets are struggling to keep up with more frequent and costly disasters, investing in hazard mitigation could have a profoundly positive effect on state and local budgets.
5. Certain types of disasters pose unique threats to western states and have occurred with greater frequency in recent decades. These include floods, droughts, tornadoes, mudslides, earthquakes, hurricanes, and, particularly, wildfires. Wildfires consumed approximately 3 million acres nationwide in 1960. In 3 of the past 6 years, over 10 million acres have burned annually. 2020 saw 10.1 million acres affected by wildfire, of which nearly ninety-five percent were in western states. Federal agencies' wildfire suppression costs have increased from less than \$240 million in 1985 to over \$2.2 billion in 2020. Experts project that wildfires will continue to worsen, in terms of acreage burned and in economic effects.

6. Disasters and emergencies have disproportionate effects on different populations and communities. Race and ethnicity, language, education and economic barriers, and immigration status can negatively affect the outcomes of those experiencing an emergency or disaster. These factors have effects beyond the initial response and extend to recovery, risk reduction, and preparedness program accessibility and equity.
7. The National Response Framework and National Disaster Recovery Framework describe how the Federal Government, states, territories, localities, Tribes, and other public and private sector institutions should respond to and recover from disasters and emergencies. Local emergency agencies—police, firefighters, and medical teams—are to be the first responders in a disaster or emergency. State, territorial, local, and Tribal governments have the lead roles in disaster response and recovery. Federal agencies can become involved in disaster and emergency response when resource capacity or effective emergency management is beyond the capabilities of a state, territory or Tribe. These Federal efforts are primarily directed through the Department of Homeland Security’s Federal Emergency Management Agency (FEMA).
8. Governors have a key role in managing emergency response. Governors typically are the state or territorial elected official responsible for making a state disaster declaration and directing disaster response in their jurisdiction. Governors are also responsible for deploying their state National Guard in emergency situations. Governors hold the sole authority to request Federal assistance when a disaster overwhelms state and local capabilities, and are responsible for negotiating and implementing interstate mutual aid agreements.
9. Disaster and emergency response and long-term recovery create a significant financial burden. When authorized by FEMA, the Public Assistance, Individual Assistance, and Hazard Mitigation programs provide Federal funding which can alleviate this strain. Affected homeowners may seek Individual Assistance; state and local governments may seek Public Assistance to reimburse for costs incurred from debris removal, emergency protective measures during the response, and permanent repair of damaged public infrastructure; and Hazard Mitigation funds can help communities rebuild and become more resilient against future disasters. Other Federal agencies, such as the Small Business Administration, Department of Agriculture (USDA), Department of Housing and Urban Development (HUD), and Federal Highway Administration also have programs designed to assist in disaster and emergency recovery efforts. For example, the USDA Natural Resource Conservation Service (NRCS) Emergency Watershed Protection Program is designed to protect people and properties from flooding that often follows wildfire events.
10. In recent years, some petitions for long-term Federal recovery aid have been denied. This has been most apparent in petitions for Individual Assistance to counties affected by disasters and emergencies, but has also occurred in connection with state requests for Public Assistance. A denial of Federal aid compounds problems for affected communities struggling to recover from the devastation of a disaster or emergency and slows recovery efforts in many western states.
11. While most disasters affect a specific local area, the COVID–19 public health emergency was national in scope. The COVID–19 pandemic has highlighted the need for close coordination between Federal, state, territorial, local and Tribal governments in emergency management. The pandemic continues to cause significant disruption across the world, requiring ongoing attention from Governors and emergency management and public health officials, affecting the lives of all Americans, and complicating the flow of goods and services across international borders.

B. Governors’ Policy Statement

1. Governors need maximum flexibility to respond to disaster and emergency circumstances that may evolve quickly over the course of a disaster through the initiation of recovery. Therefore, we should expeditiously remove any barriers limiting a Governor and their executive branch agencies’ ability to save taxpayer money and expedite response and recovery efforts while safeguarding lives, property and the environment. Western Governors recognize that planning processes and disaster and emergency protocols are important aspects of emergency management, but that Governors also need significant freedom to adapt those plans to changing circumstances during the evolution of a disaster or emergency.

2. Federal, state, territorial and Tribal efforts to prepare for, mitigate against, respond to, and recover from emergencies and disasters must ensure programs and response efforts are inclusive, equitable, and accessible and representative and reflective of the affected communities. Concepts of inclusivity, diversity, equity and accessibility must be included from initial development of programs, policies and procedures to reduce risk in our communities and address post-disaster survivor needs.
3. Western Governors recognize that community resilience is key to ameliorating the effect of many disasters and emergencies. Hazard mitigation and risk reduction are the most cost-effective ways to protect lives, property, infrastructure and the environment from the effects of natural and human-caused hazards. Effective risk reduction strategy development and implementation leverage broad stakeholder input across multiple disciplines, sectors and levels of government. Infrastructure planning should include consideration of risk reduction measures for known hazards as well as address the dynamic hazard profile created by a changing climate. We must plan for tomorrow, not yesterday.
4. Western Governors encourage Congress and Federal agencies to reassess the structure of disaster mitigation grant programs, which can be too restrictive or narrowly tailored to address community needs. Additionally, establishing consistent administration standards for different Federal grant programs, including the Hazard Mitigation Grant Program, the State Homeland Security Program, and the Building Resilient Infrastructure and Communities and Emergency Management Performance Grant programs, would streamline application processes and eliminate confusion at the local level.
5. Federal agencies conducting disaster recovery and assistance, as well as the programs which they administer, should receive adequate and consistent funding and allow Governors and their designated executive branch agencies to have critical input on where those funds are needed most. The lack of speed, certainty and consistency in appropriation of Federal disaster funding, such as HUD Community Development Block Grant—Disaster Recovery (CDBG–DR) funds, are a hindrance to coordinated recovery efforts and effective utilization of public funds. For example, there is no current appropriation (or public consideration) of funding for the 2020 California wildfires, which occurred more than 7 months ago. Additionally, the inconsistent incorporation of HUD mitigation resources (CDBG–MIT) is an obstacle to effective coordination of mitigation efforts across program areas.
6. Many rural western communities have less concentrated populations than eastern states, making it difficult for western states and territories to qualify for Individual Assistance and Public Assistance declarations. Additionally, certain criteria, such as considering Total Taxable Revenue of the entire state when evaluating whether to provide a major declaration for a localized event, makes it virtually impossible for large states to receive a declaration. Federal processes used to evaluate the need for access to disaster aid programs should be reconsidered. Federal agencies should reexamine the standards used to determine the provision of Individual Assistance to homeowners and the access to Federal aid needed for recovery from disasters and emergencies that affect western states and territories. The historically underfunded USDA NRCS Emergency Watershed Protection Program should be revisited and strengthened.
7. Western Governors recognize that as the first responders to a disaster or emergency, states, territories, local governments, and Tribes have better information about local conditions and needs in the response and immediate recovery phases of a disaster or emergency. FEMA and other applicable Federal agencies should work directly with individual states and territories, through Governors or their designees, to jointly identify disaster risks and methods by which such risks may be addressed. In collaboration with Governors or their designees, Federal agencies should reassess the administrative mechanisms to establish the most effective means to determine the necessity and provision of Federal disaster assistance.
8. Federal agencies should provide state, territorial, local, and Tribal government officials with accessible and clear information on available Federal resources and programs and the most effective utilization of those resources in disaster recovery. WGA has worked with Federal partners to improve inter-agency coordination on post-wildfire restoration work, including a roadmap of assistance available to communities affected by wildfire and identification of

“navigators” to help communities prioritize post-wildfire restoration needs. Western Governors urge the Federal Government to prioritize the funding of these important efforts, as they should have a positive effect on maximizing the value of restoration work and, more importantly, addressing the needs of communities affected by wildfire.

9. Western Governors recognize that while aid may be provided following a disaster, the event itself could be avoided or minimized if resources were directed to pre-disaster mitigation efforts. Rebuilding is too-often provided in a delayed fashion or conducted without safeguards necessary to prevent future disaster-related damages. This compounds the vulnerability of western communities and resources in the face of disasters. Federal legislation should reconsider the important role of pre-disaster mitigation that reduces the risk and minimizes the effects of disasters and emergencies. When possible, pre-disaster mitigation should be incentivized at the state and local levels. Additionally, some western and midwestern states are at risk of catastrophic earthquake. Mitigation assistance beyond that currently administered by FEMA is needed. Finally, mitigation funds tied to Fire Management Assistance Grant (FMAG) declarations assist fire-ravaged communities. The FMAG and Hazard Mitigation Grant Program (HMGP) Post Fire Grant programs should be continued.
10. Western Governors encourage the Administration to consider actions to increase communication between and cohesion of Federal agencies in disaster and emergency response. The Executive Branch should consider placing FEMA in the lead role to coordinate communication between and cohesion of Federal agencies in disaster and emergency response. Strengthening Federal emergency management processes to promote single, comprehensive points of contact would streamline state-Federal coordination and help ensure states and territories can allocate resources where they are most needed. Western Governors support the consideration of a national emergency management strategy to provide consistent lines of communication between Federal, state, territorial, local and Tribal governments.
11. Federal agencies should seek to eliminate duplicative administrative processes to streamline post-disaster assistance. Multiple agencies requiring overlapping or duplicative reviews for post-disaster assistance adds time and cost to recovery efforts.
12. Western Governors recognize the need for clear, consistent, truthful and timely communication about the scope and scale of disasters and emergencies, both between all levels of governments and between governments and their constituents. Clearly articulating what is known, and what is not known, about a disaster or emergency is critical to developing and executing an effective response from governments, promoting public confidence in those response actions, and empowering citizens to make informed decisions about their safety and welfare.

C. Governors’ Management Directive

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

This resolution will expire in June 2024. Western Governors enact new policy resolutions and amend existing resolutions on a semiannual basis. Please consult <http://www.westgov.org/resolutions> for the most current copy of a resolution and a list of all current WGA policy resolutions.

ATTACHMENT 4

Policy Resolution 2020-08, Broadband Connectivity

A. Background

1. High-speed internet, commonly referred to as “broadband,”¹ is the critical infrastructure of the 21st century and a modern-day necessity for businesses, individuals, schools and government. Many rural western communities lack

¹The Federal Communications Commission defines fixed “broadband” as service offering minimum speeds of 25 Megabits per second (Mbps) down and 3 Mbps up.

the business case for private broadband investment due to the high cost of infrastructure and the low number of customers in potential service areas. This has left many rural businesses and citizens at a competitive disadvantage compared to those urban and suburban areas with robust broadband access.

2. Broadband connectivity promotes economic prosperity and diversity. Broadband connectivity is a key element of innovations in precision agriculture, telehealth, remote work and distance learning across the West.
3. Many broadband applications that promote rural, economic and community prosperity rely on speeds greater than 25/3 Mbps. This is especially true for functions that upload large amounts of data, such as telehealth, e-learning and business applications.
4. Western states have unique factors that make planning, siting and maintaining broadband infrastructure especially challenging and costly. These include vast distances between communities, challenging terrain, sparse middle mile and long-haul fiber-optic cable, and the need to permit and site infrastructure across Federal, state, Tribal and private lands. Alaska, Hawaii, and the U.S. territories face particular broadband deployment challenges due to factors involving distance, cost and applicable technologies.
5. Western Governors and states are taking significant action to accelerate broadband deployment in rural communities. These actions include direct investment of state funds, reduction of regulatory hurdles, and promotion of public-private partnerships to deliver digital connectivity to unserved and underserved areas.
6. Many western states have sought to expedite broadband infrastructure deployment by adopting “Dig Once” policies, granting non-exclusive and non-discriminatory access to rights-of-way and facilitating efficient “co-location” of new broadband infrastructure on existing structures.
7. A number of Federal agencies directly support rural broadband deployment projects and data collection in western states. These include the Federal Communications Commission (FCC), U.S. Department of Agriculture (USDA), National Telecommunications and Information Administration (NTIA) and Economic Development Administration.
8. Federal land management agencies, particularly the U.S. Forest Service (USFS), Bureau of Land Management (BLM) and Bureau of Indian Affairs (BIA), play a crucial role in permitting and siting broadband infrastructure in western states.
9. Both the Department of the Interior (DOI) and USFS recently launched online mapping platforms identifying telecommunications infrastructure sites on Federal lands. This information can be used to inform private and public broadband infrastructure investments.
10. High-quality data is necessary to ensure that public broadband deployment efforts are cost-effective and prioritize areas that either wholly or significantly lack access. Under its current Form 477 reporting protocols, the FCC considers a Census block “served” if a single residence in the block has access to broadband. This practice overstates broadband availability in larger, rural Census blocks common in western states. The FCC’s use of “maximum advertised,” not “actual,” speeds when mapping broadband coverage further distorts reporting on the service customers receive.
11. Whether or not an area is considered “served” has significant effects on its eligibility for Federal broadband infrastructure support. Inaccurate or overstated data prevents businesses, local governments, and other entities from applying for and securing Federal funds to assist underserved or unserved communities.
12. S. 1822, the Broadband Deployment Accuracy and Technological Availability (DATA) Act (Pub. L. 116–130), was enacted in March 2020. This law requires the FCC to change the way broadband data is collected, verified, and reported. Specifically, the FCC must collect and disseminate granular broadband service availability data from wired, fixed-wireless, satellite, and mobile broadband providers. The FCC is required to establish the Broadband Serviceable Location Fabric, a dataset of geocoded information for all broadband service locations, atop which broadband maps are overlaid, to report broadband service availability data.
13. Given the number of Federal agencies and programs involved in supporting rural broadband deployment, it can be challenging for small, rural providers

and communities to identify and pursue appropriate deployment opportunities. Businesses, local governments, electric and telephone cooperatives, Tribes and other rural entities can also face burdens in applying for and managing Federal funds. These barriers include areas being incorrectly identified as “served” on broadband coverage maps, excessive application and reporting procedures, and significant match or cash-on-hand requirements.

14. Wireless spectrum is a valuable resource that can help support innovative and cost-effective connectivity solutions in western states.
15. Internet Exchange Points (IXPs) are vital elements of Internet infrastructure that enable networks to exchange traffic with each other. IXPs help promote low-cost data transmission and improved overall local Internet performance in the areas in which they are located.
16. Electric and telephone cooperatives have invested in broadband infrastructure across the West. In certain states, these cooperatives are the entities principally providing broadband to rural communities, often at relatively low costs to their members.
17. The FCC’s 2020 Broadband Deployment Report estimates that 27.7 percent of Americans residing in Tribal lands lack fixed terrestrial broadband coverage, compared to 22.3 percent of Americans in rural areas and 1.5 percent in urban areas. A 2018 Government Accountability Office (GAO) Report² asserts that the FCC overstates broadband coverage on Tribal lands.
18. Tribal Nations, the majority of which are in western states, face many barriers to the deployment of communications services. These include rural, remote and rugged terrain; areas that are not connected to a road system; minimal access to middle mile and long-haul fiber-optic cable; and difficulty in obtaining rights-of-way to deploy infrastructure across some Tribal lands. These factors can all increase the cost of installing, maintaining, and upgrading infrastructure.
19. Tribal Nations also face challenges securing funds through Federal broadband deployment programs. A separate 2018 GAO Report³ included a review of four Federal broadband programs (three FCC, one USDA), and found that from 2010 to 2017, less than one percent of funding has gone directly to Tribes or Tribally owned providers.
20. Access to wireless spectrum is another crucial issue for Tribal Nations. In February 2020, the FCC opened a priority filing window for rural Tribes to access 2.5 GHz spectrum in advance of an upcoming spectrum auction. This spectrum is well-suited to provide low-cost broadband service in rural areas.
21. Federal programs often direct broadband infrastructure funding to community anchor institutions such as schools, libraries and health centers. These anchor institutions can help leverage additional public and private investments in surrounding rural areas. Holistic funding approaches that support infrastructure deployment “to and through” community anchor institutions can help promote connectivity for students, patients and community members.
22. Western Governors appreciate USDA Rural Development’s efforts to promote broadband connectivity across the rural West. USDA’s many offerings, including the ReConnect Program, Community Connect Grants, and Distance Learning and Telemedicine Grants, all help promote prosperity and quality of life in western states.
23. Western Governors have provided significant feedback on the design of the ReConnect program, launched in December 2018. Notably, Western Governors recommended that the ReConnect Program, “prioritize communities that either wholly or severely lack access to broadband,” and, “reward project applications that will deliver speeds that ensure rural communities can prosper now and into the future as their data transmission needs expand.”
24. The ReConnect Program contains a requirement that areas designated to receive support through the FCC’s Connect America Fund Phase II (CAF-II) can only pursue ReConnect funding through the entity that is receiving CAF-II support. This restriction limits deployment of adequate broadband capability in many rural areas.

²Government Accountability Office: *FCC’s Data Overstate Access on Tribal Lands*. September 2018.

³Government Accountability Office: *Few Partnerships Exist and the Rural Utilities Service Needs to Identify and Address Any Funding Barriers Tribes Face*. September 2018.

25. The COVID-19 pandemic has amplified the importance of reliable broadband connectivity as businesses, schools and health care systems have transitioned to digital platforms and practices. The transition to digital learning has been particularly difficult for many rural and low-income communities and K-12 schools due to lack of broadband connectivity at home. Western states have employed creative strategies to address student connectivity and “homework gap” issues within our communities. These efforts include using parking lots and school and transit buses to launch public WiFi hotspots.

B. Governors’ Policy Statement

1. Western Governors encourage Congress and Federal agencies to recognize that the current definition of broadband—25/3 Mbps—does not correspond with the requisite download and upload speeds necessary to support many business, education and health care applications that promote economic and community prosperity. We support efforts to adopt a higher, scalable standard that more accurately reflects modern innovations and bandwidth demands.
2. Regulations affecting broadband infrastructure permitting and siting vary by state and can create additional obstacles to private and public investment. Where possible, Western Governors should work together to minimize this barrier.
3. Western Governors recommend the FCC, USDA and other Federal agencies involved in broadband deployment pursue strong partnerships with Governors and state agencies. Improved coordination related to broadband coverage data collection and verification and public investment can help ensure that public funds are directed to areas in most need of assistance.
4. Western Governors encourage the BLM, BIA and USFS to pursue strategies to prioritize reviews for broadband infrastructure permits on Federal lands. We support efforts to improve permitting timelines for broadband infrastructure co-located with existing structures and other linear infrastructure, such as roads, transmission lines and pipelines. We encourage improved planning and permitting coordination between public lands management agencies, as telecommunications projects in western states can cross multiple Federal lands jurisdictions. DOI and USFS’s online mapping platforms identifying telecommunications infrastructure sites on their lands will be helpful tools to accomplish this goal.
5. Western Governors are encouraged that new data and mapping platforms established by the Broadband DATA Act (Pub. L. 116-130) incorporate state-level data wherever possible. State broadband offices and representatives can offer invaluable information and on-the-ground perspectives regarding broadband coverage in western states. We encourage Congress to provide the FCC with the necessary funds to implement the Act.
6. Western Governors encourage Congress and Federal agencies to address application barriers for businesses, local governments, cooperatives, Tribes and other entities involved with broadband deployment in rural communities.
7. Western Governors appreciate the USDA and the FCC’s efforts to promote on-farm connectivity and the growth of the precision agriculture sector. We encourage both agencies to engage with Governors’ offices, state broadband representatives and state departments of agriculture as they pursue policy and program initiatives to support advanced agriculture technology development and adoption.
8. Western Governors recommend that adequate wireless spectrum be allocated to support advanced and emerging agricultural technologies.
9. Western Governors emphasize the growing importance of IXPs in promoting cost-effective, reliable broadband service in rural areas. We encourage Congress and Federal agencies to promote investment in rural IXPs via applicable broadband deployment programs, legislative proposals addressing infrastructure, and other methods.
10. Western Governors encourage Federal agencies to continue expanding the eligibility of electric and telephone cooperatives to pursue USDA and FCC broadband deployment program support, as cooperatives’ existing infrastructure and access to rights-of-way can help promote low-cost connectivity solutions for rural communities.
11. Western Governors urge Federal agencies and Congress to pursue policy, programmatic and fiscal opportunities to improve broadband connectivity on Tribal lands. This includes designing Federal programs in a way that promotes partnerships between Tribes, states and various broadband providers.

We recommend that Federal broadband programs allocate a designated portion of their available funding to supporting projects on Tribal lands.

12. Western Governors encourage Congress and Federal agencies to leverage community anchor institutions in rural communities to spur connectivity to surrounding areas. We support efforts to advance “to and through” policies that provide flexibility to incentivize additional private or public broadband infrastructure investment beyond connected community anchor institutions.
13. Western Governors encourage USDA to address the ReConnect Program eligibility criteria related to areas designated to receive satellite support through the FCC’s CAF–II auction. This will enable many communities to pursue ReConnect connectivity solutions that will support increased data transmission needs into the future.
14. Western Governors request that FCC, USDA and other Federal entities prioritize scalable broadband infrastructure investments that meet communities’ increased bandwidth demands into the future. Funds for equipment maintenance and upgrades are essential to ensure Federal broadband investments continue to provide high-quality service.
15. Western Governors request that Congress and the FCC leverage states’ on-the-ground expertise by providing substantial block grant funds to address rural connectivity challenges. We support the use of state block grant funds to address general broadband infrastructure issues and respond to connectivity challenges raised by the COVID–19 pandemic.
16. Western Governors support efforts to promote flexibility within the FCC’s E-Rate Program in order to deliver home connectivity solutions for unserved and underserved students, and respond to connectivity issues associated with the COVID–19 pandemic. We encourage the FCC to support bus WiFi and other creative efforts that seek to address the homework gap.

C. Governors’ Management Directive

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

Western Governors enact new policy resolutions and amend existing resolutions on a bi-annual basis. Please consult www.westgov.org/resolutions for the most current copy of a resolution and a list of all current WGA policy resolutions.

SUBMITTED LETTER BY JESSICA TURNER, PRESIDENT, OUTDOOR RECREATION
ROUNDTABLE

January 19, 2022

Hon. DAVID SCOTT,
Chairman,
House Committee on Agriculture,
Washington, D.C.;

Hon. GLENN THOMPSON,
Ranking Minority Member,
House Committee on Agriculture,
Washington, D.C.

Chairman Scott and Ranking Member Thompson,

On behalf of the Outdoor Recreation Roundtable and our 35 national association members, I would like to thank you for convening this important hearing on the *State of the Rural Economy*. Rural economies and the outdoor recreation economy are intertwined, and we look forward to working with the Committee to identify policies and opportunities to help further strengthen both. There is no greater opportunity for sustainable rural development than through embracing the outdoors and there is no better time for the expansion of outdoor recreation into the American fabric than now.

Outdoor Recreation Roundtable (ORR) is the nation’s leading coalition of outdoor recreation entities representing more than 110,000 American outdoor businesses and the full spectrum of outdoor activities. According to the Bureau of Economic Analysis, the recreation industry generated \$689 billion in economic output, accounted for 1.8 percent of GDP, and 4.3 million American jobs in 2020, despite in-

dustry slowdowns and access restrictions caused by COVID-19. Prior to the pandemic, outdoor recreation was growing faster than the economy as a whole.

Rural economies across the country have been disproportionately impacted by large industry shifts, especially within the manufacturing and extractive sectors. Many communities dependent on these traditional industries and the employment opportunities they provided have already been impacted by boom and bust cycles, as well as the 2008 recession. Now, the COVID pandemic has put significant pressures on rural communities and the economies they rely upon.

Outdoor recreation is an antidote to these problems in many communities. This sustainable and growing sector provides real benefits to communities, from the economic boosts of a revitalized main street, new entrepreneurship and increased visitation to existing businesses, to public health benefits, strengthened communities, and recruitment and retention of businesses and workforce. Additionally, outdoor recreation creates new jobs in manufacturing, transportation and warehousing, finance, insurance, advertising, professional and technical services, and supports existing businesses with new clientele and increased economic activity.

We greatly appreciate the work that Congress has done in recent years to increase funding for programs in rural communities that strengthen recreation infrastructure and expand access to grow local economies. The Great American Outdoors Act, the bipartisan Infrastructure Bill and the American Rescue Plan unlock funding for outdoor recreation projects that will create jobs in gateway communities and strengthen rural communities through people connecting to safer and healthier outdoor assets[.]

The development of outdoor recreation economies needs to be part of the solution for rural America as we all look to a broader strategy to achieve economic diversification and resilience while maintaining cultural heritage and landscape character. Rural communities can flourish by prioritizing natural and built assets within or adjacent to a community that enables outdoor recreation and its associated economic, social, health, and environmental benefits. As more people turn to outdoor recreation, alignment with rural communities will help bring more spending, more jobs, and more growth.

I would also like to briefly discuss what ORR has been doing to help facilitate the industry's growth within rural America.

- We have created the *ORR Rural Economic Development Toolkit*,¹ which is a compendium of best practices, case studies, and challenges related to economic development through outdoor recreation. This toolkit was created from interviews with over 60 practitioners across the country and was developed in partnership with the Oregon State University Center for the Outdoor Recreation Economy and the National Governors Association. The response we have seen has been overwhelmingly positive.
- ORR is also stepping up to help rural communities reinvigorate their local economies and create resilient communities through outdoor recreation thanks in large part to support from The VF Foundation. The Recreation Economy for Rural Communities (RERC) assistance program, launched in 2019, is underway and ORR is working with the U.S. Environmental Protection Agency, the U.S. Department of Agriculture Forest Service and the Northern Border Regional Commission to support implementation grants for communities who have undergone technical assistance. These grants will help make the economic revitalization plans of communities come to life. For instance, the community of John Day, Oregon developed a plan to enhance its outdoor recreation economy amidst the backdrop of the pandemic, and received \$5,000 in seed funding from ORR in partnership with the VF Foundation to implement its plan. The small grant from ORR, in combination with technical assistance from RERC, helped unlock millions of dollars in state grants to support long-needed outdoor recreation infrastructure for John Day.

Throughout the COVID-19 pandemic, Americans rediscovered their love for the outdoors. More people turned to outdoor recreation activities like hiking, biking, fishing, camping, climbing, and boating than ever before. People found solutions in the outdoors for their physical and mental health, as well as opportunities to connect safely with family and friends. The past 2 years have introduced millions of people to outdoor recreation opportunities both close to home and across the country. This trend reflects a long-term shift in the priorities of our society, not a short-term trend expected to reverse itself.

¹<https://recreationroundtable.org/rural-development-toolkit/>.

Editor's note: the Toolkit is retained in Committee file.

The outdoor recreation industry looks forward to continuing to partner with the Department of Agriculture and the Committee to help build local outdoor recreation economies. We look forward to working with the Committee and the Federal agencies to ensure that the appropriate policies are in place to sustain long-term growth in rural communities.

Sincerely,



JESSICA TURNER,
President.

SUBMITTED QUESTIONS

Response from Hon. Thomas “Tom” J. Vilsack, Secretary, U.S. Department of Agriculture

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

Question. How many projects have been awarded or obligated annually under the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance program over the past 5 years? How does that compare to the number of applications that have been submitted for Phase 1 and Phase 2 of the application? Please provide a list of the award amount, awardees, and award status.

Answer. The 9003 program can provide loan guarantees of up to \$250 Million for plants and projects in the advanced biofuels, renewable chemicals, or biobased products space. Over the past 5 years, forty-two entities applied for funding, thirty-six of which were invited to participate in Phase II. Of those, three projects were approved, obligated, and funded with loan guarantees of \$416 Million. Another nine were deobligated after approval. The three funded projects are as follows, and all are closed and under construction, except Ryze Renewables Las Vegas, which is in settlement negotiations.

Year	Company Name	Amount	Technology Deployed	Feedstock → Product
2017	Ryze Renewables Reno	\$112,580,000	Isotherm Hydroprocessing	Non-edible Distillers Corn Oil → Biodiesel
2017	Ryze Renewables Las Vegas	\$198,000,000	Isotherm Hydroprocessing	Non-edible Distillers Corn Oil → Biodiesel
2021	BC Organics	\$100,000,000	Aneorobic Digestion	Dairy Manure & Food Wastes → Natural Gas

Questions Submitted by Hon. Alma S. Adams, a Representative in Congress from North Carolina

1890 Land-Grant Institutions

Question 1. Does USDA tracking and reporting on state funding support for the 1862 Universities include total support for the state? I’m told in some states the disparity is 10:1 or even 20:1.

Answer. USDA tracks and provides the data on capacity funding allocations and matching provided to the 1862 and 1890 land-grant universities. The FY 2020 data is the most current information, with FY 2021 data expected to be publicly posted soon (<https://www.nifa.usda.gov/grants/programs/capacity-grants>) under Allocations and Matching.

Question 2. We anticipate in the next farm bill that we will look to expand and provide sustainable support for the 1890 Scholarships and the 1890 Centers of Excellence. Will the Administration support the expansion of the 1890 Scholarship program and the Centers of Excellence in the 2023 Farm Bill?

Answer. USDA has a long history of investing in and supporting our nation’s 1890 land-grant institutions and their students. The 1890s have played a crucial role in building STEM programming for our nation’s youth, strengthening research, extension and teaching in the food and agricultural sciences, and expanding the number of students attracted to careers in agriculture, food, natural resources, and human sciences. USDA looks forward to working with you and your Committee to advance the goals of equity to better serve the needs of traditionally underserved institutions and communities.

Socially Disadvantaged Farmers

Question 3. A recent OIG report found that, under the Trump Administration, the USDA did not handle civil rights complaints in a timely manner, averaging 799 days to process complaints, which is more than four times the 180 day standard. What has been the USDA's progress on getting caught up on these complaints, and what is the current turn around, under the Biden Administration?

Answer. OASCR has demonstrated significant progress. In FY 2019, the average processing time was 799 days. In FY 2021, the average processing time was 491 days; it is currently 478 days. To further ensure timely processing, OASCR intends to make the 365 day timeline the benchmark for program complaints effective in FY 2023. OASCR reports that the current inventory of program complaints is 225.

Because 365 days is still a long time for a review process, however, OASCR is continuing to assess ways to further reduce the program complaint processing timeline so long as we maintain a high-quality investigative process. This issue will also continue to be closely examined by USDA's senior leaders. Based on OASCR experiences and feedback from stakeholders, the timing of program complaint processing is impacted by a variety of factors: the timely submission of details from complainants, the complexity of a complaint, the particular USDA program involved, and resources available to investigate and respond to the complaint from the field and USDA's sub-component agencies. Currently, OASCR's main focus is on building its capacity to achieve a 365 day timeline and publish updated policies on its website by FY 2023.

With the additional appropriations, Congress provided in FY 2022, OASCR will prioritize filling critical vacancies, train staff, and improve OASCR's ability to reduce program complaint processing. This will ensure complaints are processed in an improved manner from recent years and will allow USDA to engage in proactive resolution efforts to solve problems and better assist complainants.

Question 4. According to an OIG report, under the Trump Administration, the Office of Partnerships and Public Engagement mismanaged outreach and assistance for the Socially Disadvantaged Farmers and Ranchers and the Veteran Farmers and Ranchers Program. What steps is the USDA taking to address these issues and ensure that these farmers receive the support they are entitled to?

Answer. In response to OIG Audit 91601-0001-21, on November 15, 2021, management accepted 16 recommendations and developed corrective action milestone for these recommendations designed to prevent further mismanagement within the Socially Disadvantaged Farmers and Ranchers and the Veteran Farmers and Ranchers Program. To date, 12 of the corrective actions have been completed and are awaiting closure. The remaining four recommendations are underway and are expected to be completed by June 30, 2023. OPPE can provide the full list of recommendations and corrective actions, if needed.

Broadband

Question 5. USDA's ReConnect Program has provided loans and grants to assist with facility construction or improvement needed for broadband connectivity in rural areas, and although the 2018 Farm Bill authorized the Rural Broadband Program to offer similar grants, funding has not been appropriated for this purpose. Can you share with us why the Rural Broadband Program has not provided this grant funding?

Answer. The current program levels have limited the agency's ability to offer grants.

Question 6. What is the USDA's timeline for providing robust broadband in all rural areas?

Answer. USDA has announced more than \$1.5 billion in awards through our ReConnect Program under the first two funding windows and expects to obligate at least \$1.15 billion in awards under its third funding window. Additionally, the agency announced the next ReConnect funding window will offer more than an \$1 billion. The application window for Round 4 will open September 6, 2022. Through these opportunities the USDA continues to invest in robust high-speed broadband networks.

Climate

Question 7. Secretary Vilsack's January 18, 2022 statement on combating climate change mentioned USDA's continued efforts to support reforestation and climate change resilience while increasing carbon uptake and storage. Farmers across the U.S. can utilize crop rotation and plant cover crops to decrease the release of carbon through soil, yet according to a 2021 USDA report on cover crop trends, the cover crop adoption rate is still only 5.1%. How will your announced changes to EQIP in-

crease the planting and use of cover crops to save topsoil and decrease the release of carbon on farms?

Answer. Utilizing available funding, NRCS offered targeted cover crop sign-ups through EQIP to target and streamline enrollment, expediting the sign-up process for cover crops to improve access. This approach allows the Agency to set an eligibility threshold to decrease the time a producer needs to wait to know whether they are eligible or not, thus increasing the attractiveness of enrollment. NRCS is also increasing outreach to producers who have previously not worked with the Agency to increase access to conservation assistance, including for climate-smart practices like cover crops. Partnerships are also a key component of NRCS's outreach strategy to increase adoption of climate-smart practices, including equity conservation cooperative agreements, as well as a partnership with commodity groups through Farmers for Soil Health. These partners work with NRCS across the country to support promotion of NRCS conservation programs and support for climate-smart practices like cover crops.

Other Question(s)

Question 8. Funding has been made available for farmers through legislation and programs like the farm bill and the Local Food Purchase Assistance Cooperative Agreement Program (LFPA). It is important to consider equity and access in the distribution of this funding. How does the USDA make sure small, independent, and socially disadvantaged farmers learn about these funding opportunities and what types of technical assistance and support is available to help farmers apply for funding?

Answer. A key goal of LFPA is to support underserved producers as well as communities in need of food assistance. Each state, territory, and Tribal applicant is asked to respond to the following questions as part of their project narratives.

- How will the funds increase local food consumption and help build and expand economic opportunity for local, regional farmers/producers and for socially disadvantaged farmers/producers?
- How will the distribution of food target underserved communities and those communities not normally served through traditional food distribution networks?

Additionally, AMS announces all funding awards through publication on its website, as well as announcing all grant funding to the public through *Grants.Gov*, and shares announcements through email GovDelivery notices. In addition, AMS commonly distributes announcements to groups representing small farm stakeholders, local and regional food producers, and historically underserved producers. USDA's Office of Partnerships and Public Education conducts additional outreach to these groups to promote awareness of programs and funding opportunities. USDA's Office of Tribal Relations works with the Inter-Tribal Agriculture Council and other Tribal stakeholders to provide assistance to Indian Country in applying for grant opportunities. AMS hosts webinars and open office hours, to provide more information about funding opportunities such as LFPA and to answer questions about the various programs.

In Fiscal Year 21, AMS entered into cooperative agreements with two HBCUs: the University of Maryland Eastern Shore and Florida A&M University, to build back trust and confidence between underserved communities, including to between Black, Indigenous, People of Color, and rural, and the USDA. Through this initiative, USDA is taking action to improve access to AMS grant programs through targeted outreach, training, and technical assistance. This project conducts listening sessions with communities in cooperation with a nationwide network of universities, community organizations, and food system practitioners.

USDA has also launched the Meat and Poultry Processing Capacity—Technical Assistance Program (MPPTA), to provide specific technical assistance to meat and poultry processors across a range of needs including Federal grant applicant management, plant operations, and supply chain management. Through six cooperative agreements with organizations who have strong connections to diverse populations, the MPPTA Program is focused on outreach to small, rural, minority-owned, Native American, and Tribal-owned businesses, and other underserved groups seeking to build or expand local and regional meat and poultry supply chain capacity.

USDA also expects to invest \$400 million through Regional Food Business Centers imminently, Centers will be designed to target support to underserved communities in a particular region as identified by the applicant.

Questions submitted by Hon. Antonio Delgado, a Representative in Congress from New York

Question 1. Secretary Vilsack, as you know, we are in the midst of a generational transition where more than 40 percent of farmland in this country is likely to change hands.¹ Keeping farmland in the hands of working farmers is essential to ensuring the health of rural economies and thus rural communities. We must pursue an equitable transition of these 370+ million acres of farmland. With the future of the Build Back Better Act in question, what resources may be available to pilot ways we can ensure this land transitions to the next generation of young farmers?

Question 2. As you know, it is crucial that we provide strong support for our dairy producers. I was pleased to see that after leading 24 of my colleagues in a letter to the President calling for reimbursements to dairy producers impacted by Class I mover-related losses, USDA announced the Pandemic Market Volatility Assistance Program. This program will provide \$350 million in pandemic assistance payments to dairy farmers who received a lower value for their products due to market abnormalities caused by the pandemic. Can you tell us when those reimbursements will be distributed?

Answer 1-2. USDA began disbursing money to handlers in January 2022. To date, approximately 99 percent of eligible producers have been paid and USDA is diligently working to disburse monies to the remaining producers.

Question 3. In May 2021, I led 49 other Democratic Members of Congress in signing a letter² calling for USDA to dedicate \$300 million in relief funding for one on one business technical assistance for farms and food businesses. Business technical assistance includes customized coaching for business and marketing planning, financial and labor management, transfer and succession, and other services essential to the success of small- and mid-sized operations.

In your response to a question on this topic as part of the January 20, 2022 House Agriculture Committee hearing, you mentioned USDA's *recent announcement*³ of technical assistance support for underserved communities. We applaud this announcement as a critical step in helping marginalized producers and entrepreneurs better access USDA programming. There also remains a significant need for business technical assistance for farm and food businesses across the nation, going beyond improving producer access to USDA programs and working on customized technical assistance for small- and mid-sized farms to support farm viability. This need is especially acute in the region I represent, given supply chain disruptions. The challenges specifically facing smaller dairy producers in my region are emblematic of the challenges facing producers and farm businesses across the country. Customized assistance to these operations is needed now to help them identify opportunities to diversify products and markets, improve efficiency, and sustain their operations.

Can you share your progress and timetable on the May 2021 request to dedicate significant relief funding for business technical assistance? Does USDA intend to meet this need through proposed Regional Food Enterprise Centers? If so, will this support be provided as requested for both farm operations as well as food businesses?

Answer. USDA intends to meet this need through the USDA Regional Food Business Centers. With an investment of up to \$400M, the Regional Food Business Centers will provide coordination, technical assistance, and capacity building support to small- and mid-size food and farm businesses, particularly focused on product diversification, processing, distribution and aggregation, and market access challenges. The Regional Food Business Centers will target support to underserved communities in a particular region as identified by the applicant. Food and farm businesses will be beneficiaries of this program. The Department plans to publish a Request for Applications in the near future.

Question Submitted by Hon. Shontel M. Brown, a Representative in Congress from Ohio

Question. As mandated by the 2018 Farm Bill, in December 2021 USDA completed a report that assesses the progress of food loss and waste efforts. The report

¹According to AFT's 2020 *Farms Under Threat* report, (Attachment 1) "Including nonoperator landlords, seniors aged 65 and older own more than 40 percent of the agricultural land in the United States. This suggests an impending transfer of more than 370 million acres of farmland." Source: Freedgood, et al., *Farms Under Threat*, 2020.

²https://drive.google.com/file/d/1MSA4-pe6pBx8tf6wMT3dEZFZvbHK_Mt5/view (Attachment 2).

³<https://www.usda.gov/media/press-releases/2021/11/24/usda-announces-american-rescue-plan-technical-assistance> (Attachment 3).

concludes that there is a lack of overall funding for these programs. Can you outline these programs for us?

Answer. A broad range of food loss and waste reduction activities take place across USDA agencies, Mission Areas, and Offices.

The USDA Food Loss and Waste Liaison, in the Office of the Chief Economist leads Department-wide initiatives on food loss and waste including coordinating USDA's role on the Federal interagency collaborations. Other USDA agencies and offices develop educational resources or best practices and conduct outreach, invest in research on food loss and waste reducing technologies, and fund stakeholder initiatives that directly or indirectly support food loss and waste reduction.

Historically, relatively few USDA or other agency resources have been targeted specifically at food loss and waste (FLW) reduction, though there is a broad array of efforts across the USDA that touch on FLW. Many of these were outlined in the December 2021 Report to Congress on USDA Food Loss and Waste Activities, Results, and New Estimates. For example:

- The Agricultural Research Service's **National Program on Product Quality and New Uses** conducts research on new technologies, some of which reduce spoilage of fresh foods, and develops new products from food processing byproducts and wasted materials.
- The National Institute of Food and Agriculture's competitive and noncompetitive grant programs, including the **Agriculture and Food Research Initiative**, fund research that has led to development of innovative technologies to reduce food loss and waste or addressed other aspects of food loss and waste issues.
- In 2020, USDA's Office of Urban Agriculture and Innovative Production (OUAIP) competed and awarded "**Community Compost and Food Waste Reduction**" **Pilot Project** grants and agreements. Approximately \$1.09 million was invested in 13 pilot projects that developed and tested strategies for planning and implementing municipal compost plans and food waste reduction.
- USDA's Agricultural Marketing Service (AMS) offers funding opportunities that support a variety of agricultural activities. Grants may be used for projects that reduce waste through increased market efficiency, better storage, and improved transportation. These grant lines include the **Farmers' Market Promotion Program and Local Food Promotion Program, and the Specialty Crop Multi-State Program**. In August 2021, AMS announced the establishment of a \$400 million **Dairy Donation Program** (DDP). The DDP, established in accordance with the Consolidated Appropriations Act of 2021, aims to facilitate timely dairy product donations while reducing food waste.
- Rural Development's **Solid Waste Management Grant Program**, among other goals, funds projects that provide technical assistance or training to help communities reduce the amount of solid waste coming into a landfill. In FY19, grants with a food waste component totaled over \$3.5 million in funding and around \$3 million in FY20. RD has other loan and grant programs that could incorporate funding, investment, and outreach initiatives for FLW reduction, reuse and composting techniques.
- The Farm Service Agency offers the **Farm Storage Facility Loan Program**. This program provides low-interest financing to help producers build or upgrade storage facilities. Appropriate food storage can extend the storage life of foods and commodity crops.
- The Food and Nutrition Service (FNS) administers **The Emergency Food Assistance Program**, which funds projects to reduce food waste at the agricultural production, processing, or distribution level through the donation of food, and provide food to individuals in need. FNS also provides guidance to school foodservice managers with best practices to reduce food waste (and total meal costs) while serving nutritious meals, as well as educational materials for children and school officials. FNS also conducts studies on plate waste to build evidence about strategies that can reduce food waste.
- The Food Safety and Inspection Service provides guidance on food product labeling, as well as guidelines to assist with the donation of eligible meat and poultry products to nonprofit organizations.

Most recently, in June 2022, USDA announced an investment of up to \$90 million to prevent and reduce food loss and waste using American Rescue Plan Act funds. Of this amount, around \$30 million was used to plus up the OUAIP's **Composting and Food Waste Reduction** cooperative agreements over 3 years to assist local, municipal, and Tribal governments, and/or school districts with projects to develop

and test strategies for planning and implementing compost plans and food waste reduction plans.

Addressing FLW is a key component in improving supply chain resiliency. Treating uneaten food as a valuable resource can lead to new economic opportunities, including building local supply chain networks that enable excess food to be used as inputs in other products and/or directed into new markets. Furthermore, reducing FLW and its associated emissions can reduce climate change, which negatively impacts agriculture and can disrupt food supply chains.

USDA continues to explore new strategies to bolster food loss and waste reduction to meet the U.S. goal to cut food loss and waste in half by 2030.

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

Question 1. The U.S. Department of Agriculture has so many great tools to build a climate friendly economy through renewables. The farm bill's energy title programs stand out in this regard. How are you thinking about utilizing the Bio-refinery Assistance Program (Section 9003) to continue toward that goal?

Answer. The 9003 program can be a catalyst for new investments in advanced biofuels, renewable chemicals, and biobased product. This program is an important tool as we grow the bioeconomy and expand market opportunities for feedstocks, like soybeans and food wastes. Additionally, we are already seeing the program used to support the production of sustainable aviation fuel. With opportunities in the aviation industry expected to more than double current demand for these biofuels, this is a significant opportunity for the 9003 program to contribute to the Administration's goals regarding greenhouse gas emissions reduction.

Question 2. The Biden Administration set an aggressive target for the commercial production of 3 billion gallons of sustainable aviation fuel (SAF) to operate U.S. aircraft by 2030, and 35 billion gallons by 2050. This will require significant investment by the renewable fuels industry to achieve these results. Can these targets be achieved without corn-based ethanol and soybean oil, which are key agricultural feedstocks for SAF?

Answer. Thanks to the growth of U.S. production of sustainable aviation fuel (SAF), airlines can help address climate change and create rural jobs by using this fuel option. That's why USDA, the Department of Transportation, and the Department of Energy announced a "Grand Challenge" to support the production of 35 billion gallons of Sustainable Aviation Fuel (SAF) per year by 2050. USDA has a crucial role in SAF research and this government-wide effort to reduce costs, enhance sustainability, and expand production and use of SAF. USDA is investing in research to support the expansion of near-term feedstocks from lipids (fats, oils, greases, and vegetable oil) that will include soybean oil which is currently processed into renewable diesel. The production of SAF from corn oil and corn-based ethanol is limited near-term, but the alcohol to jet pathway for SAF is not yet commercial. Corn-based ethanol as a SAF feedstock will come into greater play as we move into the next decade with improvements in the sustainability of corn production and the continued growth in the electrification of light duty vehicles expected to release ethanol as a ground transportation fuel and shunt it toward SAF production. Similarly, pyrolysis processing of woody biomass and municipal solid waste are expected to come on-line late in this decade. The SAF Grand Challenge Roadmap proposes workstreams to identify additional lipid resources for producing SAF, improving the sustainability of corn, soybean and canola to meet international standards, and work on developing and demonstrating avenues to SAF from the other feedstocks such as energy cane, short-rotation woody crops, oilseeds and dedicated biomass crops like perennial grasses. These crops can be used as cover to improve soil quality, as buffer strips to reduce nutrient runoff into watersheds, or as byproducts for animal feed. Additionally, biomass supply chains and biorefineries centered around regional feedstocks create jobs in rural communities.

Question 3. I applaud Secretary Vilsack and the Department for their focus on cover cropping. Cover crops rebuild resiliency, promote long term productivity and regenerate soils. However, less than seven percent of American cropland uses cover crops. Creation of the Pandemic Cover Crop Program (PCCP) in 2021 provided a key first step for incentivizing the broader adoption of soil health practices that can turn food and agriculture into a solution to the climate crisis. When programs like crop insurance invest in cover crops, everyone stands to benefit.

How do cover cropping and conservation practices promote economic stability for the rural economy?

Answer. Conservation practices that sustain our soil and protect our water are important to the economic vitality of Rural America in many ways. Agriculture depends on healthy, productive soils, so anything we can do to not only prevent soil

erosion by wind and water, but also improve soil health can have tremendous benefits to the productivity of our farmers. Keeping living plants in the ground for longer stretches of time not only helps prevent soil erosion, but it also improves the health of the soil. In those places where outdoor recreation might depend on water quality for fishing, boating, canoeing, swimming, or other activities, cover crops can help by keeping phosphorus and nitrogen in the soil where they help agricultural productivity, and out of the water where they can lead to impaired water quality.

Question 3a. Please elaborate on USDA's plans to roll out a 2022 Pandemic Cover Crop Program—how many acres could be covered by the 2022 program?

Answer. RMA rolled out the 2022 program successfully. With another year of experience and more time to report, producers, agents, insurance companies, and FSA county offices all were more prepared to fill proper paperwork and reflect benefits on bills correct. The 2022 program also expanded eligibility for fall-planted insured crops and Whole Farm Revenue Protection policies, as well as adding a matching benefit for any state-funded cover crop programs. RMA expects over 11 million acres of insured crops to receive benefits as part of the program. This is down slightly from 2021 due to weather patterns that led to fewer cover crops being planted across the county for the 2022 crop year.

Question 3b. How many acres did USDA enroll in the 2021 program?

Answer. USDA paid approximately 12.2 million acres of insured crops in 2021.

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

Question 1. In May 2021, I joined 49 other Democratic Members of Congress in signing a letter calling for USDA to dedicate \$300 million in relief funding for one on one business technical assistance for farms as well as food businesses. Business technical assistance includes customized coaching for business and marketing planning, financial and labor management, transfer and succession, and other services essential to the success of small- and mid-sized operations.

In your response to a question on this topic as part of today's hearing, you mentioned USDA's recent announcement of technical assistance support for underserved communities. We applaud this announcement as a critical step in helping marginalized producers and entrepreneurs better access USDA programming. However, this funding supported a small number of service providers, when there is much broader need for business technical assistance for farm and food businesses across the nation. Also, this funding is targeted to improving producer access to USDA programs. While helpful, it does not address what we noted as the primary value of business technical assistance in our letter to you; namely, customized technical assistance for small- and mid-sized farms to support farm viability. We see this need as especially acute in our region, given supply chain disruptions. The challenges specifically facing smaller dairy producers in my region are emblematic of the challenges facing producers and farm businesses across the country. Customized assistance to these operations is needed now to help them identify opportunities to diversify products and markets, improve efficiency, and sustain their operations.

Can you share your progress and timetable on the May 2021 request to dedicate significant relief funding for business technical assistance? Does USDA intend to meet this need through proposed Regional Food Enterprise Centers? If so, will this support be provided as requested for both farm operations as well as food businesses?

Answer. USDA intends to meet this need through the USDA Regional Food Business Centers. With an investment of up to \$400M, the Regional Food Business Centers will provide coordination, technical assistance, and capacity building support to small- and mid-size food and farm businesses, particularly focused on product diversification, processing, distribution and aggregation, and market access challenges. The Regional Food Business Centers will target support to underserved communities in a particular region as identified by the applicant. Food and farm businesses will be beneficiaries of this program. The Department plans to publish a Request for Applications in the near future.

Question 2. I am alarmed by allegations concerning weak enforcement of the Animal Welfare Act. The problem seems not to lie with inspectors, who are doing their jobs documenting repeated violations by license holders, but rather the problem seems to lie further up the chain. We've seen recent examples of individuals facing dozens of reports and hundreds of pages of violations before their licenses are revoked. I am concerned that the licensing change USDA put in place in 2020 will not put an end to such cruelty without improvements regarding how the Department views its Animal Welfare Act responsibilities. What can USDA do more ag-

gressively enforce the Animal Welfare Act and revoke licenses before without the necessity of having a mountain of documented infractions pile up first?

Answer. I can assure you that the welfare of animals is important to the Department and to me personally. Over the last few years, I know the enforcement numbers were down. Some of that was due to the pandemic. Some of that was over pending litigation with respect to administrative law judges and the extent of their enforcement powers. We have taken steps to bring those numbers back up, and the number of enforcement actions the agency takes has increased dramatically and is in line with pre-pandemic numbers. Further, APHIS has begun working closely with counterparts in the Department of Justice to partner on animal welfare cases and using the full extent of Federal authority to take action against dog breeders and others who have put animals in harm. We will continue to explore that relationship and other tools to protect vulnerable animals.

Questions Submitted by Hon. Chellie Pingree, a Representative in Congress from Maine

Question 1. In May 2021, I joined many of my colleagues on a letter in support of dedicating \$300 million in COVID relief funds to business technical assistance for small- and mid-sized farms and food businesses to support farm viability. I appreciated your remarks during the hearing about USDA’s \$75 million investment in technical assistance for underserved producers, but this should only be a first step. What progress has USDA made on the request to dedicate additional funding for business technical assistance in line with the May 2021 letter? Will both farm operations and food businesses be eligible for this support, as requested?

Answer. USDA intends to meet this need through the USDA Regional Food Business Centers. With an investment of up to \$400M, the Regional Food Business Centers will provide coordination, technical assistance, and capacity building support to small- and mid-size food and farm businesses, particularly focused on product diversification, processing, distribution and aggregation, and market access challenges. The Regional Food Business Centers will target support to underserved communities in a particular region as identified by the applicant. Food and farm businesses will be beneficiaries of this program. The Department plans to publish a Request for Applications in the near future.

Question 2. There are several small communities in Maine that have received ReConnect awards but are still struggling to move forward several years later due to the program’s onerous rules and requirements. In comparison, broadband projects funded through state-allocated funding from the CARES Act are completing their work in 8–12 months in Maine. I am very concerned that the program’s requirements may be eliminating ReConnect as a viable option to connect hard-to-reach rural communities in my state—precisely the type of communities Congress intended this program to serve.

To date, how many ReConnect awardees have subsequently declined their award? Please provide a breakdown identifying the funding round, type of project (100% grant, combination loan/grant, or 100% loan), and type of eligible entity (e.g., corporation, state or local government, cooperative, etc.).

Answer.

ReConnect awardees who declined their award

Entity Type by Funding Round and Type	Count of Entity Type
Round 1	9
100% Grant	2
Cooperative or mutual organizations	2
100% Loan	4
Cooperative or mutual organizations	2
For-profit corporations	1
Limited Liability Company or Limited Liability Partnership	1
50% Loan/50% Grant	3
Cooperative or mutual organizations	1
For-profit corporations	2
Round 2	8
100% Grant	4
For-profit corporations	2
Limited Liability Company or Limited Liability Partnership	2

ReConnect awardees who declined their award—Continued

Entity Type by Funding Round and Type	Count of Entity Type
100% Loan	1
For-profit corporations	1
50% Loan/50% Grant	3
Cooperative or mutual organizations	1
For-profit corporations	2
Round 3	1
100% Grant	1
For-profit corporations	1
Grand Total	18

Question 2a. To date, what is the total amount of ReConnect funding that has been deobligated as a result of awardees deciding not to move forward with their projects?

Answer. \$109,426,305

Question 2b. To date, how many ReConnect projects have been fully completed? Please provide a breakdown identifying the funding round, type of project (100% grant, combination loan/grant, or 100% loan), and type of eligible entity (e.g., corporation, state or local government, cooperative, etc.).

Answer.

Entity Type by Funding Round and Type	Construction Completed
Round 1	11
100% Grant	3
For-profit corporations	3
100% Loan	2
Cooperative or mutual organizations	1
Limited Liability Company or Limited Liability Partnership	1
50% Loan/50% Grant	6
Cooperative or mutual organizations	1
For-profit corporations	4
Limited Liability Company or Limited Liability Partnership	1
Grand Total	11

Question 2c. USDA personnel have suggested that awardees must hire full-time staff to administer and oversee their ReConnect award, but many rural communities and small ISPs do not have the capacity and resources to do so. What additional support can USDA Rural Development provide to existing ReConnect awardees to help them navigate the program’s requirements?

Answer. The ReConnect program does not require that awardees hire full-time staff to administer or oversee the ReConnect award. Additionally, applicants and awardees have the opportunity to submit questions and requests for technical assistance to Rural Utilities Service (RUS) at any time using the “Contact Us” form on the ReConnect website. Dedicated RUS staff respond to each question and respond directly to the applicant or awardee.

Question 2d. What flexibility can USDA Rural Development provide to existing ReConnect awardees who may be struggling? Will USDA consider waiving or modifying any program requirements to help advance these projects, particularly for smaller projects where the one-size-fits-all requirements may not be commensurate with the size of the award?

Answer. There are multiple program requirements, and depending on the particular requirement, the program has some flexibilities to assist awardees. Regulatory requirements cannot be waived unless by statute, or if the regulation’s language provides for a waiver.

An example of a non-waiver requirement is included in ReConnect’s Round 4, which was funded through the Infrastructure Investment and Jobs Act, and mandates that 50% or more of the homes in Proposed Funded Service Area be unserved

(while the regulation normally requires that threshold to be 90%). This requirement will revert to 90% in future rounds of funding unless other legislation is adopted, or the regulation undergoes a revision.

Other requirements may be ones that the Agency can provide some flexibility on, and we always want to work with our awardees. The Agency has always offered to review issue and has provided waivers on some requirements, but this is done on a case-by-case basis and must be related to topics which we have the ability to offer waivers.

Question 2e. I have heard concerns that the program's processes are outdated and heavily paper-based. What steps is USDA taking to modernize the program and allow for electronic correspondence and submission of documents?

Answer. The ReConnect program's application and reporting process is conducted 100 percent online. In fact, ReConnect applicants are required to submit their application online using the online application portal. The RUS utilizes Salesforce, a Customer Relationship Management (CRM) tool to administer the ReConnect program's application and reporting portals. This allows applicants more flexibility and ease of application and report submission.

Additionally, applicants have the ability to submit questions directly to RUS staff electronically through the ReConnect "Contact Us" portal.

Question 2f. I have heard frustrations that ReConnect awardees are not receiving timely responses to their inquiries, with questions sometimes going unanswered for several months. What steps are being taken to ensure stakeholders are receiving timely responses? If USDA requires additional staff to improve response times, will this be reflected in the FY23 budget request?

Answer. Questions can come to the Agency several ways. For the "Contact Us" link offered on the ReConnect Program's site and inside the Program's application portal (when an application window is open), the Agency has a dedicated team in the National Office that respond to questions during normal business hours. That team has additional staffers who are considered subject matter experts as well as higher-level leaders who can offer information and guidance if a more complex answer is needed. Most questions are answered within 48 business hours.

There are some questions needing more time to research or, in the case of IT issues, more time to troubleshoot the problem the author is inquiring about. When these questions come in, an initial response is sent informing the customer that additional time is needed, and staff are assigned those questions to allow for focused attention ensuring an answer is eventually given.

Some of these questions also include staff contacting the author of the question outside of the system we use for "Contact Us". While scheduled as quickly as possible, most do not wait more than 1–2 business days to occur.

Other questions could come to other offices and our staff work to answer them as soon as possible. We are unaware of any questions going months without being answered and strongly urge people to use the "Contact Us" portal when submitting questions because of our ability to track those inquiries.

Questions Submitted by Hon. Angie Craig, a Representative in Congress from Minnesota

Question 1. Mr. Secretary, thank you for considering the following questions, which I was not able to ask during the hearing on January 20, 2022, but which I hope you may still be able to address.

Field veterinarians are critical to APHIS' ability to handle an animal disease emergency and need to be in place as part of their critical infrastructure. It is my understanding that the emergency funds made available for the ASF outbreak in the Dominican Republic and Haiti cannot be used to hire permanent employees. As you prepare the Department's upcoming fiscal budget request, are you considering including any requests for additional funds to better prepare APHIS' veterinary field force to respond to an animal health emergency here in the United States?

Answer. Veterinarians are critical to our ability to execute APHIS' animal health mission. In addition to daily animal health work, APHIS veterinarians are trained for responding to animal disease emergencies. The types of animal health emergencies the agency has faced and the pace of emergency responses stretches the agency's ability to fully deliver support to state and industry stakeholders. APHIS is exploring recruitment and hiring approaches to fill critical vacancies quickly while building a sustainable pipeline of veterinarians for the future. USDA does have a lot of flexibilities in the event of an animal health emergency, as we recently saw with the outbreak of highly pathogenic avian influenza. I have the authority to transfer funds from other accounts to fund the full emergency response, which can include bringing on additional workers. Additionally, in this latest response,

APHIS mobilized its Agency-wide workforce to bring additional help to the emergency response.

Question 2. Thank you for your work to ensure robust export markets for producers in Minnesota and across the country. Given your acknowledgement that USMCA enforcement is critical, is USDA working with Ambassador Tai and USTR to prepare for an enforcement case under USMCA if Mexico does not reverse course and abide by the biotechnology provisions in USMCA?

Answer. USDA continues to explore all possible avenues toward satisfactory resolution of our concerns regarding Mexico's treatment of agricultural biotechnology. I am grateful for the strong partnership of Ambassador Tai and the close coordination between our staffs on this critical issue.

Question 3. The EU has been successful in other countries around the world by negotiating protections for Geographical Indications (GIs) in trade agreements. These GI registrations for common food names serves as a nontariff barrier to trade, forcing American exporters to relabel to keep selling their products. In 2020, I and several other Committee Members urged the U.S. Government to take a more forward-leaning approach to dealing with this by securing direct market access protections for the use of these terms in export markets. Can you explain what USDA is doing to help work with USTR to protect common names more proactively with our key trading partners?

Answer. In response to the EU's promotion of its exclusionary GI policies, the United States continues intensive engagement to promote and protect access to foreign markets for U.S. exporters of products that are identified by common names. USDA and USTR are engaging bilaterally with other countries to address concerns resulting from the GI provisions in existing EU trade agreements, agreements under negotiation, and other initiatives. USDA and USTR have engaged with the governments of Argentina, Australia, Brazil, Canada, Chile, China, Ecuador, Indonesia, Japan, Kenya, Korea, Malaysia, Mexico, Moldova, Morocco, New Zealand, Paraguay, the Philippines, Singapore, Tunisia, Uruguay, and Vietnam, among others. I have emphasized the importance of protections for common names in my meetings with foreign counterparts, most recently with the Chilean Minister of Agriculture. In addition, USDA and USTR are advancing their objectives in international fora, including the Asia-Pacific Economic Cooperation, World Intellectual Property Organization, and World Trade Organization.

Question 4. The Office of Pest Management Policy has a long and important history of working with EPA's Office of Pesticide Programs through pesticide product registrations and re-registrations. What is your view on encouraging and supporting OPMP's role and emphasizing the importance of pesticide tools in achieving climate-friendly conservation practices, when appropriate?

Answer. USDA supports OPMP's role in collaborating and sharing information with EPA's Office of Pesticide Programs in the interest of ensuring growers' voices are at the table in conversations around pesticide policy and specific pesticide mitigations. Specifically, we are aware that some of EPA's recently proposed decisions may have inadvertent adverse effects on climate friendly conservation practices. OPMP is working to ensure EPA more broadly considers the impacts of pesticide regulatory policies by providing substantiated information on the impacts of pesticide mitigation on climate-friendly and other conservation practices, and OPMP is working with colleagues across USDA to research this specific topic. OPMP believes all costs and benefits of pesticides should be considered in EPA's decision-making processes.

Question 5. During his confirmation hearing last summer, Under Secretary Bonnie was asked about the Conservation Reserve Program, and he answered "It's vitally important that we get the right lands in the program. We don't want to take highly productive lands into the program." How is USDA approaching this issue, and are there additional tools USDA needs to achieve the shared goal of promoting CRP and ensuring the continued use of highly productive land?

Answer. CRP is an important tool in protecting soil from erosion, providing habitat, and contributing to cleaner water. When commodity prices are lower, it has been more attractive to producers to put marginal field into the program. With current prices relatively high, we have seen some producers choose to not renew expiring contracts. USDA has taken several steps to help farmers address global food supply issues. We have expanded the ability for farmers to insure a second crop, usually soybeans or grain sorghum, following a winter wheat or small grain crop. We also allowed producers with CRP contracts set to expire at the end of this fiscal year the ability to prepare those acres for a 2023 crop following the primary nesting season to provide more flexibility to grow more food in 2023. We have also worked

to expand working lands conservation through CRP Grasslands. This allows farmers and rancher to graze ground that may not be ideal for row crops.

It is also very important to note that the acres that CRP targets are marginal and highly erodible cropland, and a considerable proportion of currently enrolled acres are in areas experiencing drought. For these reasons, production on those acres is typically marginal, and CRP enrollment causes minimal impacts to supply and subsequent impacts in global markets. While some stakeholders have pointed to changes in CRP as potential solutions to commodity supply constraints, allowing production on CRP acres will not have a significant impact on supply.

Question 6. The 2018 Farm Bill made several changes to the Technical Service Provider Program (TSP), including streamlining the certification process for becoming a TSP. The TSP Program has the potential to add valuable on the ground technical capacity to help deliver farm bill conservation programs. Can you provide an update on what the Department is doing to implement these changes and make the program more accessible?

Answer. Since the 2019 Farm Bill NRCS has implemented the following changes and improvements to the TSP Certification program[:]

- Streamlined application review process resulting in zero applications being outside regulatory timelines for over 2 years running (60 day review period)
- Reorganized practices and conservation activities and plans to focus on clarity for TSP implementation
- Implemented NRCS Registry system which automated workflows for certification and allows TSPs the ability to manage their own certification.
- Worked with the Department to Eliminate or streamlined barriers within the IT systems which created confusion and delay for TSPs
- Implemented third party certification recognition and expanding opportunities for third party certification
- Reevaluated Certification Requirements for clarity and consistency
- Developed Conservation Evaluation and Monitoring Activities (CEMA) to expand opportunities for TSPs to provide valuable technical knowledge
- Exploring expanded use of TSPs outside of the EQIP program to include CSP and CRP
- In the process of updating online training available to Technical Service Providers
- Reevaluating staffing and organization of the program to improve service, outreach, and training opportunities

Question 7. During the hearing, when I asked community-based broadband providers in ReConnect Round 3, you shared with the Committee that USDA learned things from previous rounds that led to the structure of the Round 3 prioritizations. What did USDA learn in prior rounds that led to the decision to provide cooperatives, nonprofits, and governmental entities an additional 15 points in the Round 3 scoring? And how does USDA plan to approach future rounds of ReConnect funding? I ask on behalf of community-based broadband providers in my district who have a proven track record of deploying networks and delivering high-quality service as a small business in their communities.

Answer. The points for cooperative, nonprofits and government entities encourage these entities to submit an application. These types of entities take the earnings from the operation and put it back into broadband facilities that further expands broadband service into the rural areas. The scoring criteria can be modified anytime that a funding announcement is published. For each additional funding round, the Agency will evaluate the effectiveness of the criteria.

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

Question 1. The 2018 Farm Bill created the Agriculture Advanced Research and Development Authority, known as AGARDA, to conduct advanced research and development in the areas of veterinary countermeasures to biological threats, plant disease and plant pest recovery countermeasures, and mechanization in the specialty crop industry. The 2018 Farm Bill required USDA to make a strategic plan for AGARDA publicly available within a year of enactment; however, there is still no strategic plan publicly available. Report language in the Consolidated Appropriations Act of 2021 also directed USDA to submit the plan within 180 days of enactment yet there is still no strategic plan.

The most recent iteration of the Biden Administration's tax and spending bill would provide \$30 million for AGARDA without ever seeing a strategic plan from

USDA. Mr. Secretary, can you provide the Committee with an update on when a strategic plan for AgARDA will be available?

Answer. The Agriculture Advanced Research and Development Authority (AgARDA), as authorized in the Agricultural Improvement Act of 2018, would allow USDA to develop technologies, research tools, and products through advanced research on long-term and high-risk challenges for food and agriculture. Through AgARDA, USDA can enable the research necessary for engendering transformative impacts and the development of new industries and partnerships, ensuring the United States maintains its position as leader in global agricultural research and development. USDA has been exploring options to implement this program, including potential partnerships. USDA looks forward to working with the Congress to ensure AgARDA's implementation meets Congressional expectations.

Question 2. Mr. Secretary: Given the challenge of climate change, it seems that a clear path forward is for the public-sector to work collaboratively with private enterprise. Private companies have made major climate commitments, and many have significant financial resources, but oftentimes are struggling to find ways to achieve their goals. At the same time, USDA conservation programs are oversubscribed, and agricultural producers have difficulty accessing these vital programs. Do you support the SUSTAINS Act introduced by Ranking Member Thompson which would allow USDA to accept and match private funds to stretch the Federal dollar and accelerate the implementation of climate-smart practices?

Answer. The private-sector has a significant role to play in helping farmers, ranchers and forest landowners implement climate-smart practices. USDA programs such as the Regional Conservation Partnership Program and the Partnerships for Climate-Smart Commodities offer opportunities for private sector to invest in on-farm conservation and participate in projects that can help achieve climate commitments. USDA has provided technical assistance to the Committee on the SUSTAINS Act as it relates to NRCS's existing contribution authority and will continue to provide this assistance as requested.

Question 3. In August 2021, President Biden and the Department unilaterally increased Supplemental Nutrition Assistance (SNAP) benefits by nearly 25 percent, the largest single and permanent increase in nutrition benefits this nation has ever seen. I am of the opinion this process lacked transparency, eroded public trust, and disparaged Congressional intent. Adding insult to injury, it appears the Department cherry-picked who would clear such an action.

For example, a recently released FOIA request stated that the Office of the Chief Economist (OCE) was not asked to review any information related to the update. Is this true?

Can you tell me why the Office that serves as "the focal point for economic and policy-related research and analysis" would not be consulted on a more than \$20 billion per year benefit decision?

Answer. No, that is not correct. The FNS team met with the Office of the Chief Economist (OCE) to discuss the overall process, optimization model, and timeline for the TFP reevaluation in June. FNS subsequently shared a draft of the Methods chapter of the TFP Report with OCE. In addition, the teams met twice in August to discuss the process and methodology, and FNS provided a briefing to Federal stakeholders—including OCE—prior to the release of the update.

Question 4. Based on the most recent available data publicized by the Department, some states are seeing declines in SNAP enrollment, while other states continue to see growth in the program. Mr. Secretary, to what do you attribute the significant variation in enrollment trends between states? Is this a matter of policy choices or operations? Or something else?

Answer. As it is designed to do, in response to the economic hardship resulting from the COVID-19 Public Health Emergency, SNAP participation grew rapidly across the country. As the nation continues to recover from the pandemic, shifts in participation trends are expected as state economic conditions change. A growing number of states have begun to end state emergency declarations and transition off program flexibilities available under such declarations. USDA remains committed to assisting states with administering SNAP and ensuring program integrity throughout the pandemic and as we continue to transition through recovery to ensure access among eligible populations.

Question 5. The current Food and Nutrition Service Deputy Under Secretary is a former (and frankly, current) high-profile advocate for SNAP expansion, appearing before Congress on many occasions to advocate for increased participation and lax oversight rules. As an example, Ms. Dean called the Program's statutory work requirement for childless adults one of the "harshest rules" of the program. It appears her leadership has led to an Agency that also denies that fraud exists and devotes

as little funding and programming as possible (about $\frac{1}{20}$ of 1 percent) to maintain the Program's integrity. Mr. Secretary, what is being done to ensure that any policies advocated for by the current Deputy Under Secretary, stakeholders, and this Administration are carefully reviewed to protect taxpayer investment? What type of internal controls exist when advising states or making policy decisions? Lastly, has President Biden worked with you on formalizing a nominee for this open Under Secretary position?

Answer. Integrity and payment accuracy are critical ongoing priorities for USDA. SNAP state agencies are responsible for identifying and holding accountable SNAP recipients who break the rules, and USDA has numerous initiatives and resources focused on strengthening the integrity of SNAP and improving payment accuracy. To support state efforts, USDA provides policy guidance, regulations, and technical assistance to strengthen states' ability to prevent, detect, and investigate recipient fraud. Accurate payments mean better customer service for SNAP clients, and USDA is committed to maintaining program integrity as stewards of taxpayer dollars. In addition to the standard statutory and regulatory tools usually deployed, USDA has also initiated the following projects aimed at strengthening program integrity.

Income Verification Pilot Program—In FY22, USDA awarded grants to 16 states to evaluate their use of third-party databases to verify earned income (such as Equifax's The Work Number). Preliminary results suggest this project may have a positive impact on payment accuracy. USDA is using the information from grantees to pursue a national-level contract that will allow all states to use this product for earned income verification.

Understanding Risk Assessment in SNAP Payment Accuracy and Employing Model Programs to States—USDA is conducting a study into how state SNAP agencies use analytic risk assessment tools and what makes the tools more or less effective. Concurrently, USDA is developing its own risk assessment model that can easily be deployed to any state and aims to identify characteristics of cases that are prone to payment errors so state SNAP eligibility staff can provide extra layers of review during the certification process to ensure households only receive the benefits to which they are entitled. This model contains safeguards to ensure the protection of protected classes.

SNAP Fraud Framework—For the last few years, the SNAP Fraud Framework (SFF) has served as a cornerstone of recipient integrity efforts, and USDA seeks to enhance the SFF as new technology and best practices emerge. The SFF and its supporting documents are designed to support states as they develop and improve efforts to prevent, detect, and investigate fraud. In 2019, USDA established the SNAP Fraud Framework Implementation Grant program. These grants aim to improve state agencies' recipient fraud prevention, detection, and investigation efforts, using principles from the SFF. Since 2019, USDA has funded 23 awards totaling over \$12 million dollars under this grant program. New awards for FY 2022 will be announced soon.

Proposed Rulemaking to Strengthen Improper Payment Measurement Process and Tools—USDA is working to issue proposed rulemaking to strengthen the integrity of SNAP's payment accuracy measurement system. These proposed changes will be published in April 2023 for notice and comment.

Investments in IT Resources to Improve Improper Payment Measurement and Analysis—USDA is developing a new computer system that will provide a suite of tools and process efficiencies for state and Federal reviewers conducting improper payment reviews. This system will also provide better data analysis tools, allowing administrators at all levels of the Program to make more informed decisions about how to ensure the integrity of SNAP. USDA is adding additional data analytic tools that will go beyond the improper payment data to integrate multiple data sources, allowing for a more nuanced examination of the causes for payment errors and how they can be addressed.

Statutory and Regulatory Ongoing Compliance Activities—USDA continues to conduct management evaluations on state recipient integrity and payment accuracy activities to ensure states are following the law and regulations, as well as implementing the most effective strategies to administer and oversee integrity responsibilities. For states that are found to have deficiencies, USDA works to establish corrective actions with the state to improve program performance and payment accuracy. With the implementation of the National Accuracy Clearinghouse regulations and system in 2023, FNS is providing state agencies with a tool to prevent individuals from receiving SNAP benefits in more than one state at the same time and enable a timely response to minimize improper payments when duplicate participation is discovered.

When issuing guidance or making policy changes, USDA strives to be responsive to state requests, within the bounds of what is permissible under current law and regulations. USDA also offers technical assistance to present states with additional permissible options or strategies to achieve state goals that may be more efficient or effective based on experience in other locations.

USDA routinely utilizes Quality Control (QC) data, which, in addition to measuring improper payments, also collects information about program performance, to inform Program and policy decisions. For instance, when considering state requests for SNAP demonstration projects or waivers, USDA will review QC data as part of its assessment to determine whether approval is appropriate. Additionally, there are statutory and regulatory requirements to ensure taxpayer dollars are safeguarded and that improvements are regularly made in administering states. For example, states are financially held accountable for improper payments, overpayments found in QC must be sent to state claims offices, and USDA regularly works with states to proactively target areas for program improvement to prevent future improper payments, regardless of who USDA's political appointees are.

USDA also updates our practices as technology evolves. For example, as USDA continues to implement the SNAP online purchasing pilot, vigorous vetting and testing processes are followed to ensure that the online shopping and payment experience is secure, private, easy to use, and provides similar support to that found for SNAP transactions in a retail store. USDA has added new reports and analysis tools to the Agency's fraud detection system to assist in the monitoring of online transactions.

Question 6. Mr. Secretary, colleagues and I have heard that as states are trying to engage recipients in work-related programming through the statutory general work requirements, they are receiving guidance from FNS regional offices to not do so. Please share the Department's guidance and/or position responsible for this action.

Answer. FNS has not provided guidance that discourages states from engaging SNAP participants in work-related programming. USDA is committed to helping state SNAP agencies increase the ability of SNAP participants to obtain and retain good jobs and meet the skilled workforce needs of employers. USDA is also committed to ensuring that all states comply with all requirements of the Food and Nutrition Act of 2008 (as amended through P.L. 115-334). Any guidance provided to state agencies is for the purposes of ensuring compliance with Federal law.

Question 7. Mr. Secretary, do you think SNAP and other nutrition-related funding and programs have perpetuated the business of poverty? Organizations reap billions in Department aid and only seem to ask for more money at every turn. Do you think it is time to rethink how we help people, who we partner with, and how we measure success?

Answer. SNAP is the most far-reaching, powerful tool available to ensure that all Americans can afford healthy food—it's a lifeline for tens of millions of Americans in every part of the country. It reduces poverty and food hardship, and participation by young children has been linked to better long-term health, education, and employment outcomes. SNAP also helps to stabilize the economy and respond to increased need during downturns. Every additional \$1 in SNAP benefits can create at least \$1.50 in economic activity. FNS is continuously working to improve the effectiveness and efficiency of nutrition assistance programs, and we welcome the opportunity to work with Congress to do the same.

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is one of the nation's most successful and cost-effective nutrition intervention programs, as proven by the results of studies conducted by FNS and other non-government entities. Since its beginning in 1974, the WIC Program has earned the reputation of being one of the most successful federally-funded nutrition programs in the United States. Collective findings of studies, reviews and reports demonstrate that the WIC Program is cost effective in protecting or improving the health and nutritional status of low-income women, infants and children.

Additionally, USDA's school meals programs provide critical nutrition to tens of millions of children every school day. For many children, the food they receive from school breakfast and lunch makes up about half their dietary intake each school day. Students' success in the classroom is connected to their ability to access healthy and nutritious meals—and a study published in the *Journal of the American Medicine Association* in 2021 found that school meals are the healthiest meal kids receive each day. Research also shows kids who ate lunches from school were more likely to consume milk, fruits, and vegetables and less likely to consume desserts, snack items, and non-milk beverages than kids who brought food from home. Strong school nutrition programs are proven to work for schools and families.

Question 8. The 2015 *Waters of the U.S.* rule was a dramatic expansion of the Clean Water Act beyond its historical reach and would have been a disaster for farmers, ranchers, and rural America. Although the 2020 Navigable Waters rule finally provided certainty and a workable solution for agriculture, EPA is again creating great confusion and concern among producers by attempting to again write a new regulation. Given the great importance of WOTUS to farmers and ranchers, how is USDA engaging with EPA on this rewrite? How do you believe that agriculture will be treated under this new regulation and how might it differ from the 2020 rule?

Answer. On June 8, 2021, EPA and the Army Corps announced their intent to revise the definition of WOTUS to better protect our nation's vital water resources that support public health, environmental protection, agricultural activity, and economic growth. The agencies have continued to engage with a variety of stakeholders including the agricultural community. USDA continues to encourage EPA and Army Corps to ensure that farmers, ranchers and private forest owners are central to the engagement and rulemaking process. USDA is continuing to work with EPA to ensure agriculture communities are invited and part of the stakeholder engagement. We are committed to ensuring that farmers, ranchers and private forest owners—those most impacted—are part of the process being coordinated by EPA, and EPA shares and has demonstrated this commitment as well.

Question 9. The pending Build Back Better Act contains some \$27 billion for forestry-related activities. Given this significant price tag and the prescriptive language on how funding can be used, was USDA consulted on these provisions and/or did the Department provide technical assistance as the bill was drafted?

Answer. USDA provided testimony before the Senate Energy and Natural Resources Committee on June 24, 2021. A copy of the testimony by Chris French, Deputy Chief of the National Forest System (NFS) can be found at: <https://www.energy.senate.gov/services/files/AAF7DF40-2A47-4951-ADA4-4B124AD3894F>.¹

Question 10. The Forest Service needs to get closer to, or above, its national timber targets for the coming year. How much timber do you foresee the agency harvesting in 2022 and beyond?

Answer. The Forest Service is actively striving to meet its timber target for FY22. Currently we have attained 1.79 billion board feet with 0.57 billion board feet prepared for or under advertisement. The estimated total volume attainment for FY22 is 3.0 billion board feet. With the new Bipartisan Infrastructure law and flat normal appropriations. Outputs are anticipated to increase over time.

Question 11. Mr. Secretary, I have several questions on the Forest Service's newly announced "10 Year Strategy to Confront the Wildfire Crisis." Specifically:

- a. Can you provide details on how the Forest Service is identifying "highest priority firesheds"? Is there a profile for each fireshed? If so, does the Forest Service have details on the history of the management of each fireshed and which priority firesheds are located in the wildland-urban interface?

Answer. The agency prioritized landscapes for initial funding under the Wildfire Crisis Strategy (10 year Plan) from an all-lands perspective, where Forest Service contribution to exposure was relatively high, and where projects already had the groundwork in place. Criteria for initial landscape investments included strong collaborative and cross-boundary partnerships, alignment with high-risk firesheds, meeting the intent of the Bipartisan Infrastructure Law, appropriate analysis under NEPA, and internal capacity and partner capacity to initiate work in FY22. Work in these landscapes also had to be designed at the scale of the issues or be able to build out to that scale.

For this initial round of BIL investments, we selected landscapes where we could have the greatest impact in reducing wildfire risk by looking to areas that have plans to accomplish work with a collaborative framework to implement quickly. Our focus with the 10 Year Wildfire Crisis Strategy is to mitigate exposure as much as we can to high-risk communities, while also maintaining and creating resilient landscapes. In addition to this approach, we have also looked at other funding sources like disaster relief funds and regular appropriation funds to invest in areas that were not selected in this initial round of funding but still need fuels work done both on and off national forests.

We currently do not have a profile for each fireshed but most firesheds will have some percentage of land located in the WUI. The research publication, "*Planning for future fire: scenario analysis of an accelerated fuel reduction plan for the western*

¹ **Editor's note:** the testimony referred to is retained in Committee file.

United States”, provides a detailed look at the scientific method used to develop structure exposure.*

- b. Which firesheds or projects are “shovel ready” as described in the report? Is there a total acreage of these lands?

Answer. All 10 Initial Landscapes met the following criteria:

- have projects that are at scale or can be built out to scale (“shovel ready”)
- are outcome driven
- are collaboratively developed with communities and ready for implementation
- allow for investment in underserved communities
- leverage current partner investments
- maximize use of existing authorities

The table below shows the 10 Landscape Investments including the total acreage of these areas.²

Landscape Name	State	Size of Landscape (Acres)	FY 2022 Funding (Millions)	FY 2022 Accomplishment (Acres)	Total FY 2022–2024 Funding (Millions)	Total FY 2022–2024 Accomplishment (Acres)
4FRI	Arizona	2,400,000	\$12.0	100,000	\$160.0	300,000
Prescott	Arizona	401,000	\$11.12	8,000	\$28.7	87,700
North Yuba	California	313,000	\$6.8	4,500	\$25.5	16,900
Stanislaus	California	245,000	\$21.8	8,500	\$55.2	32,500
Colorado Front Range	Colorado	3,500,000	\$18.1	10,000	\$170.4	36,100
Southwest Idaho	Idaho	1,720,000	\$17.4	18,000	\$59.5	55,000
Kootenai Complex	Montana	800,000	\$3.6	900	\$19.3	7,200
Enchanted Circle	New Mexico	1,500,000	\$6.6	9,000	\$11.3	32,500
Central Oregon	Oregon	2,600,000	\$4.5	5,000	\$41.3	50,000
Central Washington Initiative	Washington	2,450,000	\$24.6	24,000	\$102.6	124,000
Total			\$131.3	208,000	\$673.8	742,000

Note: Acreage denotes the size of the landscape, not actual acres to be treated within that landscape. This summary table represents total size of landscapes, FY 2022 funding and planned accomplishments, as well as total funding and accomplishments for FY 2022–2024. The landscape size does not represent total planned treatment acres. Strategic treatment objectives focused on reducing approximately 80 percent of the exposure to structures indicate the need to treat 20 to 40 percent of the overall fireshed. The overall size of these ten landscapes is 16 million acres, of which 7 million acres are high-risk firesheds. Applying the 20 to 40 percent treatment objective would indicate the long-term need to treat 1.4 to 2.8 million acres on these landscapes.

- c. How much of the land across the highest priority firesheds is under wilderness, roadless, or other areas thinning is restricted?

Answer. Firesheds were ranked based on exposure we could treat, including the use of mechanical thinning. Exposure from lands that were withdrawn from management was not included in the treatment plan or ranking.

Questions Submitted by Hon. Eric A. “Rick” Crawford, a Representative in Congress from Arkansas

Question 1. I have heard from several agriculture producers in my district asking for any details about WHIP+. Our farmers are currently trying to obtain financing for what is looking like a very challenging year, and they need to have a better understanding of their financial picture as they go through that process. So, are there any details, any at all, that you might be able to make public, such as payment rates, coverage levels or eligibility criteria, so that even if signup is not open farmers have the information about what they can expect as they talk with lenders?

Answer. In May 2022, the Department announced that producers who had crop insurance or NAP indemnity payments for 2020 and 2021 losses caused by qualifying natural disasters would receive pre-filled applications for the Emergency Relief Program (ERP). Those applications were sent just before Memorial Day, and as of early August, over \$6 billion in disaster payments have gone to those producers. The application and payment process has been streamlined by relying on existing crop insurance and NAP data. Many producers received payment within 3–5 business days of signing their application in the FSA County Office. The ERP process has

* **Editor’s note:** the article referred to is retained in Committee file and is available at <https://www.fs.usda.gov/research/treesearch/63129>.

² **Editor’s note:** the following table is excerpted from *Confronting the Wildfire Crisis Initial Landscape Investments to Protect Communities and Improve Resilience in America’s Forests*, FS-1187d, dated April 2022. The report is retained in Committee file, and is available at <https://www.fs.usda.gov/sites/default/files/WCS-Initial-Landscape-Investments.pdf>.

saved nearly a million hours of FSA county office employee time and effort compared to previous disaster payments.

Question 2. Secretary Vilsack, you have long been a strong advocate for free and fair trade. During your stint with the U.S. dairy industry, you saw firsthand some of the many impediments we have to fair trade, including the dispute taken against Canada's dairy industry through USMCA. So you know how important it is to operate on a level playing field. India is a major rice and wheat producer and exports millions of metric tons of both at prices that our producers can't dream of competing with because of their illegal subsidies. Do you support efforts taken by the U.S. rice and wheat industries to encourage a trade case against India?

Answer. Thank you for your question regarding India's domestic support measures for wheat and rice, and for your continued engagement on this important matter. As mentioned in my letter of February 28, 2022, I share your concerns about India's domestic support policies. USDA continues to work closely with USTR to consider all options available to ensure U.S. rice and wheat industries can compete in a fair, rules-based international trade environment. This includes the pending consultations (requested on May 13, 2022) by the United States and other WTO Members with India under the Bali Ministerial Decision on Public Stockholding for Food Security Purposes. The consultations will provide the United States an opportunity to seek additional information regarding India's domestic support policies and express U.S. concerns directly to India.

Question 3. Secretary Vilsack, a project started during your second term as Secretary was the filing of a request for consultations with China on two major World Trade Organization cases because of the way China buys and subsidizes rice, wheat, and corn. As a result, the U.S. historically won both WTO cases in 2019, but unfortunately, now after more than 2 years, we still don't have those cases resolved and China has not come into compliance. This results in U.S. commodities being less competitive on the world stage and allows China to continue being a bad actor, unscathed from losing both cases. Can you commit to raising the resolution of this case with your colleagues within the Administration?

Answer. As you noted, in 2019 the United States won two momentous WTO dispute settlement cases challenging China's domestic support policies and tariff-rate quota practices for grains. These cases were taken to create export opportunities for U.S. agriculture, particularly for grains in China. China has made some adjustments to its grain policy but still has several measures of concern. Over this period we have seen record U.S. grain exports to China, thanks in part to this WTO action. These matters remain a high priority for USDA, and we continue to work closely with USTR to monitor China's implementation of the reforms required to comply with its obligations under the WTO and commitments undertaken in the Phase One Agreement.

Question 4. Secretary Vilsack, free trade agreement talks began with the UK in mid-2020 and were sidelined when the Administration transitioned last year. Since that time, the UK has gone on to sign deals with several U.S. competitors and the U.S. is being left behind. In addition to a lack of market access openings with the UK, the Section 232 retaliatory duties remain in place with the UK and agriculture, like U.S. rice, orange juice, cranberries, and distilled spirits, further compounding the issue. Can you help champion the need for a U.S.-UK Free Trade Agreement within the Administration and press for removal of these retaliatory tariffs?

Answer. USDA is working closely with USTR to support the U.S.-UK Food Security dialogue, however with any trade deal we must stand vigilant to ensure there is meaningful access and commitments for U.S. agriculture. On March 22, 2022, Secretary of Commerce Gina M. Raimondo and United States Trade Representative Katherine C. Tai announced a new 232 tariff agreement with the United Kingdom that removed retaliatory tariffs on over \$500 million worth of U.S. exports to the UK, including American whiskey, corn, sweet corn, rice, kidney beans, orange juice, cranberry juice, peanut butter, and tobacco products. The agreement on 232 tariffs and retaliation serves as another example of President Biden's commitment to rebuilding and strengthening relationships with our allies and partners.

Question 5. Secretary Vilsack, the ReConnect Round 3 FOA awards 15 points to applicants that are local governments, nonprofits, or coops, though RUS has worked with for-profit commercial rural telcos for decades, and dozens of small, commercial companies have already won ReConnect awards in Rounds 1 and 2. Two examples are Yelcot Telephone and Mountain View Telephone, both of which are small commercial companies that are currently putting ReConnect awards to work to improve broadband service in the rural areas of my district, and both are interested in pursuing ReConnect awards in the future—including in Round 3.

If a local government and a community-based commercial broadband provider both apply for ReConnect Round 3 to serve the same area and the only difference between the two is that one provider is a local government and the other is a commercial company, wouldn't it be true that the local government would win solely because of the preference for local governments?

Answer. The agency's experience in Round 3 was that this hypothetical situation never occurred. There were a variety of applicants that applied in the same geographic area, but none of those overlapping projects were decided based on this singular scoring criteria.

Question 5a. Given their track record, commitment to rural America, and history of working with RUS, why put small commercial rural broadband providers such as Yelcot Telephone and Mountain View Telephone at a disadvantage in competing for ReConnect awards solely due to how they are organized?

Answer. The agency's scoring criteria is intended to encourage best practices and is not intended to disadvantage any specific type of provider. Commercial for-profit entities have been very successful in winning grant funding under the ReConnect Program and we expect that to continue.

Question 5b. Will you commit to making the necessary adjustments, both now and in future FOAs, to ensuring that rural broadband providers can compete for ReConnect awards on an even playing field, regardless of their form of organization or commercial status?

Answer. The agency encourages all applicants to look at all the possible points available in every Funding Opportunity Announcement. The scoring matrix adopted by the Rural Utilities Service for the fourth round of ReConnect establishes a tiered approach which prioritizes funding for service to communities in the greatest need. The FOA offers additional points for applications that propose to serve the least dense rural areas (25 points), that connect areas without access to 25 Mbps downstream and 3 Mbps upstream (25 points), as well those that will serve areas with a high economic need (20 points). At least 70 out of 175 possible points will go to applications that prioritize the most unserved rural communities. Additionally, applicants can request points for affordability, serving underserved communities, embracing labor standards and more. Scoring design is a delicate balance of interest to achieve the highest public good and the agency is open to ongoing feedback on this goal.

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

Question 1. Unfortunately for consumers and agriculture economies, the oil sector won a court case which reestablished an arbitrary EPA restriction on selling E15 during the summer months. For the past few years, retailers have been able to sell E15 during the driving season, providing a healthy economic boost to corn farmers and biofuel producers, further decarbonizing the transportation sector, and reducing the price at the pump. In fact, E15 saves consumers at least 5¢ to 10¢ a gallon, on average. However, the court decision puts all of this at risk moving forward. Given the importance of having low-cost fuel options for consumers, what steps are you and the Administration taking to restore consumer access to E15 year-round?

Answer. While the issue of year-round E15 ultimately falls outside of the Department's jurisdiction, we will soon make \$100 million available in grants for higher blends fueling infrastructure to support demand for biofuels like E15. Biofuels are positioned to help reduce our dependence on foreign oil and bring down the price for consumers at the pump while supporting a critical market for commodities. For those reasons, USDA has and will continue to support the biofuels industry.

Question 2. With a final rule on Child Nutrition Temporary Standards for Milk, Whole Grains and Sodium currently under OMB/White House review, what kind of certainty is going to be provided to schools and the school food supply chain that flexibilities that have been in place for the past 4–5 School Years will remain in place, particularly given all of the supply chain and distributions schools and food suppliers are dealing with right now?

Answer. In February, USDA issued a final rule setting interim school meal standards for whole grains, milk, and sodium in the Child Nutrition Programs. We are acutely aware of the challenges school food professionals are facing, and this "bridge rule" set transitional standards to give schools stability and time to transition from current pandemic operations. And we have issued waivers to make sure that schools don't face financial penalties for failing to meal standards due to supply chain disruptions. With the transitional standards in place, USDA has undertaken extensive stakeholder engagement as we work to update the nutrition standards for the long-term, in a way that is practical and puts children's health at the forefront.

Question 3. Mr. Secretary, your Foreign Agriculture Service works closely with the U.S. Trade Representative to find us new markets for farm products. Expanding market access seems stalled and other countries are happy to step into that vacuum while we sit back. How is USDA engaging with USTR to find more export opportunities for American producers?

Answer. FAS and USTR enjoy a collaborative and productive partnership in expanding the global footprint for American producers and continue to work on a number of endeavors. FAS is working closely with USTR to identify non-tariff agricultural trade barriers we can address through the Indo-Pacific Economic Framework, one of President Biden's signature foreign policy initiatives. FAS is also working closely with USTR to ensure Mexico follows a transparent and science-based approach in its treatment of products of agricultural biotechnology. FAS and USTR collaboration have yielded valuable opportunities recently for American producers including, wrapping up a 20 year effort to secure full access for U.S. tomatoes to Mexico, prosecuting USMCA litigation with Canada on how it is administering its dairy TRQ, and securing an agreement with Japan to increase the beef safeguard trigger level under the U.S.-Japan Trade Agreement. Furthermore, USDA has resumed in-person agribusiness trade missions, USA pavilions at international trade shows and continues to creatively use virtual trade events targeted at specific products to grow and develop new trade opportunities. These efforts are designed to directly connect U.S. agriculture and food producers with buyers from around the world.

Question 4. Recently, the Environmental Protection Agency (EPA) announced a new additional step in the process for evaluating and registering new active ingredients (AIs) through the Endangered Species Act (ESA). As of January 11, 2022, the EPA will evaluate the potential effects of the AI and initiate an ESA consultation with the Services, as appropriate, before registration. While I can appreciate that this has the potential to diminish legal risks and prevent registration vacatur in the future, I remain concerned about the potential impact this action could have on producers.

On the same day as this announcement, the EPA announced the renewal of registrations for Enlist One and Enlist Duo using this new process. Enlist is a critical crop protection tool that many producers rely on; however, this announcement prohibits the use of these products in several counties across the nation, including several in my district. The restriction of Enlist One and Enlist Duo in these counties will hamper producers' abilities to make economical and efficient crop management decisions for their specific operations. Therefore, I ask the following questions:

Was the USDA, specifically the Office of Pest Management Policy, consulted by the EPA's Office of Pesticide Programs (OPP) as OPP was developing this new policy?

Answer. Yes, OPMP was consulted as OPP was developing this new policy, and USDA actively commented on pre-release drafts of the policy.

Question 4a. If so, did the USDA share concerns that this additional layer of process will hinder growers' access to critical crop protection tools?

Answer. USDA, through OPMP, both shared and is working to address concerns that this additional layer will hinder growers' access to tools. The concerns were shared during our formal comment process on the EPA's workplan, as well as in continuing dialogue with EPA and the Services, as USDA is part of the Interagency Working Group on this issue. OPMP is working to address this concern by being a voice at the table on behalf of growers. OPMP is also working to get early access to decision-making and thoughts by strengthening its relationship with EPA and providing substantiated, supported information for EPA to consider in its ESA decision-making process (e.g., usage, use practices, and benefits of products).

Question 4b. Does the USDA have a role in this new consultation process on new active ingredients?

Answer. USDA is a member of the Interagency Working Group established by the 2018 Farm Bill. However, USDA's role in the ESA consultation process for any given pesticide is informal. Through OPMP, USDA is working to actively participate in conversations around any given active ingredient and any actions needed to ensure grower voices are at the table.

Question 4c. Will you press the EPA to incorporate USDA pesticide use data when evaluating potential AI effects on federally threatened or endangered species?

Answer. Yes, we commit to pressing EPA to incorporate usage data for pesticides with similar uses and target pests, and any available projected usage data for new active ingredients to support the approval of those registrations.

Question 4d. Specifically, on the recent announcement regarding Enlist One and Enlist Duo, is the USDA coordinating with the EPA to ensure producers in the

counties impacted by the new restrictions have access to alternative crop protection tools?

Answer. Specifically, on the recent announcement regarding Enlist One and Enlist Duo, is the USDA coordinating with the EPA to ensure producers in the counties impacted by the new restrictions have access to alternative crop protection tools?

Through OPMP, USDA has and will continue to coordinate with affected producers on the need for alternative crop protection tools. USDA will assist and support any related efforts by state lead agencies or EPA to approve uses of alternative crop protection tools. In addition, USDA supports EPA's March 29, 2022, revision to the January registration division that restored use of Enlist One and Enlist Duo in all counties in several states.

In future decisions, USDA is encouraged that EPA's direction in protection endangered species appears to support restrictions in geographically specific areas rather than following political boundaries. USDA will work to support the additional crop protection tools wherever needed.

Question 4e. Is the USDA working with EPA and the registrant of Enlist One and Enlist Duo on any additional studies that would help alleviate restrictions on some of the counties currently impacted?

Answer. USDA is maintaining open lines of communications with both EPA and the Enlist One and Duo registrant to understand whether there is information that may help to alleviate restrictions. Additionally, through the Interagency Working Group and other Federal collaborative efforts, OPMP is also working with the Fish and Wildlife Service to make connections between FWS and external entities who may have resources to help facilitate the updating of species range maps. OPMP also has regular conversations with our Federal partners to help identify opportunities to refine assessments associated with any pesticide regulatory actions.

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

Question 1. The forestry provisions in the stalled Build Back Better Act contain a variety of restrictions that limit the kinds of projects that the Forest Service can do. For example, none of the \$4 billion for hazardous fuels reduction in areas outside of the wildland-urban interface (WUI) can be used for projects with commercial partners. It remains unclear why the drafters of this legislation included these restrictive provisions. Was USDA or the Forest Service consulted on these provisions? Do you believe that excluding commercial activities from forest restoration or hazardous fuels reduction is warranted? Would it not make more sense to eliminate these restrictions in order to provide the Forest Service with the flexibility necessary to do these urgent treatments?

Answer. The \$4B for hazardous fuels reduction outside the wildland urban interface referenced in the above question was not included in the final enacted version of the "Inflation Reduction Act" (H.R. 5376). Under the wildfire crisis strategy, the Forest Service is working with all partners, including existing industry, to reduce wildfire exposure in the areas at highest risk. Markets for new and existing forest products are (and will continue to be) necessary to carry out this work.

Question 2. In response to the fatally flawed 2015 *Cottonwood* decision, the Obama Administration filed a petition of *certiorari* that stated this new precedent had the potential to "cripple forest management" and that has certainly been the case—whole forests have been shut down and hundreds of projects implicated. In some instances, project areas have burned in wildfire while being delayed in the courts over this very issue. Furthermore, limited Agency resources are diverted to this procedural requirement and responding to frivolous lawsuits instead of getting more work done on the ground. Has the *Cottonwood* decision made western communities more vulnerable to wildfires? The past four Chiefs of the Forest Service testified in support of finding a solution to reverse this decision. Chief Moore has committed to work with Congress to address this issue. Will USDA also work with this Committee on a solution?

Answer. The Ninth Circuit's decision in *Cottonwood Environmental Law Center v. United States Forest Service*,³ 789 F.3d 1075 (9th Cir. 2015), in which the court found the Forest Service retains discretionary involvement or control over a forest plan after its approval.

The *Cottonwood* Decision remains a source of litigation and continues to be an issue of concern for the Agency USDA is committed to finding a collaborative, science-based approach to conserving wildlife and managing our public lands and

³ **Editor's note:** the case *Cottonwood v. USDA* is retained in Committee file and is available at <https://www.scotusblog.com/wp-content/uploads/2016/07/15-1387-cert-petition.pdf>.

forests, and we will continue to work with the Department of the Interior and Congress towards a solution.

Question Submitted by Hon. Rick W. Allen, a Representative in Congress from Georgia

Question 1. Typically, regulatory actions costing \$100 million or more are required to go to the Office of Management and Budget (OMB) for interagency review per Executive Order 12866. Further, a Memorandum to Heads of Executive Departments and Agencies and Independent Regulatory Agencies on October 12, 1993, states EPA actions making pesticide uses more stringent should go to OMB for interagency review.

The rule from the EPA on chlorpyrifos last August cost more than \$100 million. Given this fact and the 1993 memo, should the EPA have sent the rule to OMB for interagency review?

Answer. USDA would have welcomed the opportunity to formally review the August tolerance revocation rule and will work through OPMP to ensure that EPA follows interagency review processes in its rulemaking. OPMP did have the opportunity to review the 2015 proposed revocation.

Question 1a. Should the EPA rescind the final rule on chlorpyrifos and send it back to OMB for interagency review?

Answer. At this point in the process, if EPA were to rescind the final rule on chlorpyrifos, USDA would welcome the opportunity to provide review.

Question 1b. Are you aware of more recent guidance from OMB or the White House that speaks to the requirements of Executive Order 12866 applying to tolerances other than the memo from October 12, 1993?

Answer. USDA would welcome the opportunity to formally review any pesticide decisions, including tolerance actions. By building trust, OPMP is working to increase collaboration between organizations so that OPMP information and input is considered whether or not interagency review is formally required.

Question 1c. Do you believe the EPA should have stood by its science, and what I understand was the urging of USDA's Office of Pest Management Policy, to retain safe uses and a registration?

Answer. USDA would have preferred that EPA maintain the uses of chlorpyrifos that meet its own safety standard, and our public comments and discussions with EPA reflect a consistent position that we believe EPA can still safely maintain limited uses.

Question 1d. Do you believe the EPA should send actions pertaining to pesticides, especially those making pesticide tolerances more stringent, to OMB for interagency review? Would this provide USDA a greater seat at the table to harness EPA on pesticide issues? In the aftermath of the EPA's decision on chlorpyrifos, have you and the Administrator spoken about how to better coordinate on pesticide decisions to ensure the needs agriculture community are being represented?

Answer. USDA would welcome the opportunity to formally review any pesticide decisions, including tolerance actions. In OPMP's role as the voice of the grower and as a respected, reliable source of information on pesticide usage and use practices, OPMP is working to increase collaboration between organizations so that USDA input is considered whether or not interagency review is formally required.

Questions Submitted by Hon. Dusty Johnson, a Representative in Congress from South Dakota

Question 1. Mr. Secretary, South Dakota corn growers have recently paid up to 300% more for nitrogen fertilizer than they did a year ago. Recently, several state corn grower organizations, including, Iowa and South Dakota, sponsored a study that examined several factors affecting pricing, and it concluded that an import tax levied upon the last unit of nitrogen sold in the U.S. market increased the price by that same amount for all units sold here, and not just those imported under tariff. The study proposed that two possible explanations exist for this result—supply constraints and/or market power. Corn acres across the country and in South Dakota are not at historic highs. They are fairly unchanged compared to a year ago. My constituents also understand there are other factors that are potentially affecting price, such as supply chain issues, workforce shortages and inflation. However, these factors simply do not account for that level of price increase; this picture is just not right. Secretary, is market power a factor in this price increase? Would you commit to examining this issue with my constituents?

Answer. I share your concern that there may be more to the increased prices for fertilizer and other inputs than just supply and demand. As USDA indicated in "Access to Fertilizer: Competition and Supply Chain Concerns," [<https://>

www.federalregister.gov/documents/2022/03/17/2022-05670/access-to-fertilizer-competition-and-supply-chain-concerns]⁴ two companies supply the vast majority of fertilizer potash in North America, and four companies supply 75 percent of U.S. nitrogen fertilizers. These companies' possession of scarce resources, often in other countries, and control over critical production, transportation, and distribution channels raises heightened risks relating to concentration and competition.

Under Executive Order No. 14036 on Promoting Competition in America's Economy and Executive Order No. 14017 on America's Supply Chains, USDA takes seriously the implications of these concentrated market structures on pricing and market access for producers, as well as more broadly on supply chain-related risks. We are conducting a review of these market structures and their conduct-related implications through a series of initiatives and efforts. Our Request for Information, launched in March of this year, yielded 1500 comments, which we are currently reviewing carefully. We are also coordinating closely with the Federal Trade Commission and state attorneys general, given their antitrust jurisdiction and interest in these markets.

In addition to investigating the immediate issues of whether market power is being unfairly leveraged to increase profit margins on the backs of farmers and ranchers, USDA is making investments to add new independent options for producers through a \$500 million fertilizer capacity grant program expected to open for applications in September. This program has the following goals:

- Independent—outside the dominant fertilizer suppliers, increasing competition in a concentrated market;
- Made in America—produced in the United States by domestic companies, creating good-paying jobs at home and reducing the reliance on potentially unstable or inconsistent foreign supplies;
- Innovative—improve upon fertilizer production methods to jump start the next generation of fertilizers;
- Sustainable—reduces the greenhouse gas impact of transportation, production, and use through renewable energy sources, feedstocks, formulations, and incentivizing greater precision in fertilizer use;
- Farmer-focused—like other Commodity Credit Corporation investments, a driving factor will be providing support and opportunities for U.S. agriculture commodity producers.

Question 2. Mr. Secretary, there has been increased attention on the climate and environment worldwide, putting the spotlight on agriculture as a major player to environmental and climate change. USDA is in a position to stand up for the positive contributions environmental agricultural producers make through their stewardship of lands under their control. USDA has a history of helping producers accomplish good stewardship through NRCS cost share programs. Funding for these programs, such as EQIP, has not reached the level of projects proposed. America the Beautiful, or 30 X 30, offers us the opportunity to work with producers to employ an army of land managers who truly care about and understand the needs of the land to make infrastructure improvements that will benefit the environment. History has demonstrated that producers are far better equipped to care for the land than Federal agencies. Will you commit to making working lands conservation a priority of "America the Beautiful" instead of preservation by providing more funding to existing conservation programs?

Answer. The Biden-Harris Administration has outlined the America the Beautiful Initiative, a vision for how the United States can work collaboratively to conserve and restore the lands, waters, and wildlife that support and sustain our country. Through consultations with farmers, ranchers, private landowners, and states and local governments, USDA worked with other agencies to draft a report outlining a preliminary set of recommendations for a locally led and voluntary nationwide conservation goal to conserve 30% of U.S. lands and waters by 2030.

The America the Beautiful Initiative calls for a decade-long effort to support locally led and voluntary conservation and restoration efforts across public, private, and Tribal lands and waters in order to create jobs and strengthen the economy's foundation; tackle the climate and nature crises; and address inequitable access to the outdoors. We can only reach this goal by working together with producers and other private landowners. This will be centered on voluntary, collaborative, locally led efforts that will play a critical role in conservation across private working lands.

⁴ **Editor's note:** the *Federal Register* Notice is retained in Committee file.

We believe that this work must support both natural resource conservation and the productivity of America's agricultural and private forestry operations. We're here to support farmers/ranchers/forest landowners/partners through incentivized voluntary conservation practices that work for individual landowners and communities and are effective, equitable, and enduring. Private working lands will be valued—and landowner rights respected—as we collaborate to conserve the lands and waters we all depend on.

Question 3. Mr. Secretary, we were energy independent a year ago, but now we are begging OPEC to increase production. The drastic increase in energy prices is hurting farmers. That also leads to increased fertilizer prices. Phosphorus and Potash prices have doubled compared to what we paid for the 2021 crop and liquid nitrogen has tripled. The price of everything that has to be processed or transported increases when energy prices increase. This is all causing tremendous inflation stress on producers and capturing the margin from rising prices. What will the Administration do to better utilize our own domestic resources to bring down energy and fertilizer prices?

Answer. Fertilizer prices have more than doubled since last year, and we recently announced that USDA will support additional fertilizer production for American farmers to address rising costs and spur competition. USDA will make available \$500 million through a new grant program this summer to support independent, innovative and sustainable American fertilizer production to supply American farmers. Details on the application process will be announced in the summer of 2022, with the first awards expected before the end of 2022.

Question 4. Mr. Secretary, the EPA has thrown out the Navigable Waters Protection Rule and appears to be going back to something similar to the 2015 WOTUS rule. We are concerned about the process, and it appears that very little stakeholder input will be considered as a new rule is written. What can you do to help agriculture and small business on this issue?

Answer. On June 8, 2021, EPA and the Army Corps announced their intent to revise the definition of WOTUS to better protect our nation's vital water resources that support public health, environmental protection, agricultural activity, and economic growth. The agencies have continued to engage with a variety of stakeholders including the agricultural community. USDA continues to encourage EPA and Army Corps to ensure that farmers, ranchers and private forest owners are central to the engagement and rulemaking process. USDA is continuing to work with EPA to ensure agriculture communities are invited and part of the stakeholder engagement. We are committed to ensuring that farmers, ranchers and private forest owners—those most impacted—are part of the process being coordinated by EPA, and EPA shares and has demonstrated this commitment as well.

Question 5. Mr. Secretary, to date, USDA has yet to name a nominee for the still-vacant post for the Under Secretary for Trade and Foreign Agricultural Affairs. This is a prominent trade position that many are eagerly awaiting confirmation. There are potential markets of opportunity for ethanol and dried distillers grains in South America and Asia, so the biofuels sector is also watching closely on who you select for this key position. Are you able to provide a status update on where the process stands for that position?

Answer. USDA is pleased that the President nominated Alexis Taylor for this important position. Alexis has dedicated her life to public service. Her nomination builds upon USDA's commitment to link U.S. agriculture to the world to enhance export opportunities for American farmers and producers and increase global food security. She is the right person to lead the Trade and Foreign Agricultural Affairs mission area as we continue to address global food security, promote American exports across the globe and strengthen trade relationships with our global partners. We look forward to her swift confirmation by the United States Senate.

Question 6. Mr. Secretary, recently, I more fully understand how much of our animal health and feed industry lies in the hands of China. China has efficiently and economically built modern vitamin and trace mineral manufacturing utilizing export government subsidies. In fact, China manufactures 100% of global vitamin B volume and controls over half of the Vitamin D, E, K, and Vitamin C markets. Without vitamin supplementation, production of milk, meat and eggs would be slashed by at least 20% due to animal health related issues including disease and death.

As part of the President's council on supply chain disruptions and as you identify critical supply chain resiliency measures, will you speak up for greater government incentives and investment to encourage U.S. based manufacturing of vitamins and essential animal nutrients?

Answer. I will certainly continue to be an advocate for U.S. farmers and ranchers and maximizing the health and profitability of their industries, both in my role as

part of the President's Supply Chain Disruptions Task Force and outside of it. President Biden has made domestic manufacturing and strengthening domestic supply chains key goals of his Administration. As part of that work, the White House has released the Biden-Harris Plan to Revitalize American Manufacturing and Secure Critical Supply Chains in 2022 which includes highlights of efforts happening across the government to support domestic manufacturing, including by providing direct funding assistance for small businesses through the Department of Treasury and the Small Business Administration.

I am also actively working with my colleagues at the Department of Transportation in order to ease shipping related issues, including USDA's efforts to support ports exporting US agricultural products. I'd also like to thank you and your colleagues for your leadership to pass the Ocean Shipping Reform Act that President Biden signed into law earlier this year.

Question 7. Mr. Secretary, as Ranking Member of the House Agriculture Committee's Subcommittee on Livestock and Foreign Agriculture, I appreciated your comments during the hearing on the need for our trading partners to live up to our trade agreements and that the first step is enforcement.

As a supporter of the United States-Mexico-Canada Agreement (USMCA), I am growing concerned about Mexico's failure to honor its commitments regarding the treatment of agricultural biotechnology products and Mexico's decree to phase out imports of genetically modified corn for human consumption. I appreciate the promises Mexico's Secretary of Agriculture and Rural Development, Victor Villalobos has made to you that this will not disrupt market access for U.S. producers to the Mexican feed market, however, this does not change the fact that the decree is not based on science and there are more than 25 biotech product traits in the queue pending approval.

Mexico has failed to approve a new biotech product in 3 years. Mexico's lack of transparent, timely, and science-based approval process is undermining the U.S.'s ability to develop and deploy innovative plant biotechnologies and hindering producers access new plant technologies.

Given your acknowledgement that enforcement is critical, is USDA working with Ambassador Tai and USTR to prepare for an enforcement case under USMCA if Mexico does not reverse course and abide by the biotechnology provisions in USMCA?

Answer. USDA continues to explore all possible avenues toward satisfactory resolution of our concerns regarding Mexico's treatment of agricultural biotechnology. I am grateful for the strong partnership of Ambassador Tai and the close coordination between our staffs on this critical issue.

Question 8. Mr. Secretary, the COVID reconciliation package passed in December 2020 contained a provision "COVID-19 Animal Surveillance" It provided USDA with \$300 million to conduct monitoring and surveillance of susceptible animals for incidence of SARS-CoV-2. What is the status of this program?

Answer. Since the beginning of the pandemic, APHIS has studied SARS-CoV-2 in animals, through surveillance, testing, research, and collaboration with partners. We confirmed cases in several animal species including cats, dogs, certain zoo animals, mink, white-tailed deer, and recently mule deer. The full list of confirmed cases of SARS-CoV-2 in U.S. animals can be found on our One Health website.

Developed alongside our One Health partners across the human, animal and environmental health communities, APHIS' strategic framework for implementing the American Rescue Plan Act outlines how the agency is focusing its efforts to prevent, detect, investigate and respond to SARS-CoV-2 in animals, as well as other emerging diseases that could pose a threat to humans and animals.

As the organization enhances and expands its capacities to address the immediate threat of SARS-CoV-2, specialists at APHIS are building critical capacity to address future emerging threats and prevent or limit any future pandemics, to protect the health and welfare of the nation's animals as it has for more than 50 years.

APHIS is currently conducting multiple projects under the American Rescue Plan Act, including projects partnering with industry and academia, aimed at understanding how the SARS-CoV-2 virus behaves in different animals, how it moves between animals and people and what it can do to interrupt the chain of transmission. For example, we are partnering with state agencies and Tribes across the United States to collect samples from white-tailed deer to determine how widespread the disease is across the United States. This project will also help us understand if deer can serve as a reservoir for the virus, which could lead to new virus variants that may impact the health of animals and humans. APHIS is also partnering with zoos and aquariums across the country to identify which species have been exposed to SARS-CoV-2. This study will also test free-ranging wildlife on and around facilities.

Researchers will also assess biosecurity practices and develop best practices that zoos and aquariums can adopt to help prevent future SARS-CoV-2 infections.

These are just a few examples of the initiatives APHIS is implementing under the American Rescue Plan Act, which are critically important given that scientists estimate that three out of every four new or emerging infectious diseases in people come from animals. APHIS is uniquely positioned for this work because of our scientific expertise in animal health and animal diseases, including preparing for and responding to foreign animal disease outbreaks.

Question 8a. I am also told it gives APHIS a great deal of latitude on how the program will be implemented. Will it also provide funding opportunities for research and vaccination?

Answer. APHIS recognizes that partnerships and leveraging external innovations, tools and capacity are critical to the success of this program. APHIS is implementing a multi-pronged approach to support SARS-CoV-2 research in animals that includes partnering with industry and academia to complete APHIS-led activities, participating in existing Federal competitive grant initiatives, and considering other ways to provide funding opportunities through the American Rescue Plan Act, such as potentially developing a competitive funding opportunity. APHIS will provide funding through grants and cooperative agreements, promoting inclusive and equitable practices. These funding opportunities under the American Rescue Plan Act will help leverage both prior and new One Health partnerships while working toward the goal of preventing or minimizing the next pandemic.

APHIS recently announced a funding opportunity under the American Rescue Plan Act through a partnership with the National Institute of Food and Agriculture (NIFA) via the Food Research Initiative (AFRI), and the National Science Foundation (NSF) Ecology and Evolution of Infectious Diseases (EEID) program. APHIS will be able to commit up to \$24 million for external research grants that streamline funding critical SARS-CoV-2 research. These funds will make grants available to eligible state and Federal agencies, academia, private organizations or corporations, and individuals that apply and are selected. These grants will support research that directly aligns with APHIS' American Rescue Plan strategic framework and will fund key activities to:

- Address gaps in surveillance and investigation activities for SARS-CoV-2 in animals, including farmed animals, captive wildlife, free-ranging wildlife, and companion animals.
- Expand knowledge of susceptibility of species to SARS-CoV-2 to improve understanding of potential roles or routes of transmission.
- Develop surveillance tools and strategies for the rapid detection and characterization of emerging and re-emerging pathogens to support an early warning system to prevent or limit future SARS-CoV-2 outbreaks.
- Identify risks, effective interventions, and other measures to prevent transmission of SARS-CoV-2 at the human-animal interface and/or impacts to the food supply.

Question 9. Mr. Secretary, we recently saw a news broadcast about dairy co-ops that have full warehouses and nowhere to put milk due to export difficulties, noting that cows never stop milking and the product has to go somewhere. The coverage made it seem like U.S. agriculture is at near crisis levels with the supply chain difficulties, especially with dairy. Do you agree with that assessment?

Answer. U.S. dairy exporters have experienced some of the same shipping difficulties that other exporters are facing (container availability, shipping and trucking delays, trans-Pacific shipping rate increases). Despite those difficulties, dairy exports continue to grow, with exports reaching \$7.66 billion in calendar year 2021. USDA offers export certification services to assist in the exportation of dairy products.

USDA continues to work with industry partners throughout the supply chain to relieve the disruption created by the COVID-19 pandemic and Russia's war with Ukraine and address the specific challenges agricultural producers, including dairy cooperatives, are facing along the supply chain. USDA formed partnerships with several ports as part of the Biden Administration's Supply Chain Task Force efforts with state and local governments. USDA recently announced plans to increase capacity for exporting chilled and frozen agricultural commodities at the Port of Houston in Houston, Texas, to help improve service for shippers of U.S. grown agricultural commodities. USDA is partnering with the Port of Houston to lease additional chassis, used to position and store containers while waiting for vessels to arrive, enabling the port to fully utilize its capacity for refrigerated shipping containers. In addition, USDA is exploring expansion opportunities for its ongoing partnerships

with the Port of Oakland, the Port of Seattle, and the Port of Tacoma to set up additional “pop-up” sites which will make it easier for agricultural companies to fill empty shipping containers. In addition, USDA is accepting applications for the Commodity Container Assistance Program (CCAP) which provides per-container payments to help cover additional logistics costs and ensure that American-grown products can once again move efficiently through supply chains to global markets. CCAP is currently a partnership between USDA and the Port of Oakland and Northwest Seaport Alliance, which includes the Port of Seattle and the Port of Tacoma in Washington State. USDA continues to seek opportunities to partner with additional ports or other intermodal container facilities to help American farmers and agricultural producers move their product to market and manage the short-term challenges. USDA will also continue to partner with other Federal agencies and state and local governments to address port operation challenges resulting from the ongoing supply chain difficulties.

Question 10. Mr. Secretary, would you be open to adjusting RMA policy for a producer to change their agent and/or agency of record by the Acreage Reporting Date if at least one of the following criteria are met: 1. Agent of record become physically ill, deceased, or unable to perform the duties required of an agent, and there is no longer a licensed agent within the agency of record to perform the agent duties. 2. Ownership of policy is transferred to another agent and/or agency after the Sales Closing Date. The transfer must be completed by the Acreage Reporting Date, and a producer may not change insurance company, crops, coverage levels, options, or any elections with a Sales Closing Date deadline that was already elected by the Sales Closing Date?

What are the procedures if a crop insurance agent can no longer perform the duties required and/or the agency is dissolved after the Sales Closing Date?

Answer. RMA has procedures in place to address extenuating circumstances. Our staff is glad to look into more details on these particular scenarios.

Question 11. Mr. Secretary, several disease prevention and preparedness programs at USDA continue to be understaffed and under resourced, and the emergence of African Swine Fever in our hemisphere highlights the gap that can be left when these programs are not adequately funded. How is USDA strengthening surveillance capabilities to stop the potential introduction of foreign and emerging diseases?

Answer. Prevention and preparedness are essential to keeping foreign animal diseases out of the country and those efforts are invaluable to protecting and enhancing markets for U.S. livestock producers. The U.S. has the strongest animal disease surveillance in the world, and it proved to be invaluable to us during this year's outbreak of highly pathogenic avian influenza. The early warning we received from the wild bird surveillance sounded the alarm and allowed us, working with our state and industry partners, to get the word out about the importance of hardening biosecurity on farms. We saw very little lateral, farm-to-farm spread because of the increased attention to biosecurity and the extra time and attention that wild bird surveillance bought us. With respect to African swine fever, it was actually our surveillance efforts that identified the disease in the Dominican Republic, as part of an existing, international cooperative surveillance program. That surveillance has allowed us to take all the additional steps we have to protect U.S. producers and to continue to keep the deadly disease out of the country.

Additionally, on July 15, USDA announced updates to our Swine Hemorrhagic Fevers: African and Classical Swine Fevers Integrated Surveillance Plan to reflect additional measures put in place over the last year.

Questions Submitted by Hon. James R. Baird, a Representative in Congress from Indiana

Question 1. Trade is a critical component of the U.S. Ag economy, and foundation of many current agricultural markets. Though, to date, President Biden has yet to name a nominee to the still-vacant post for the Under Secretary for Trade and Foreign Agricultural Affairs.

What is the status of filling this important position?

Answer. USDA is pleased that the President nominated Alexis Taylor for this important position. Alexis has dedicated her life to public service. Her nomination builds upon USDA's commitment to link U.S. agriculture to the world to enhance export opportunities for American farmers and producers and increase global food security. She is the right person to lead the Trade and Foreign Agricultural Affairs mission area as we continue to address global food security, promote American exports across the globe and strengthen trade relationships with our global partners. We look forward to her swift confirmation by the United States Senate.

Question 1a. In the absence of this Under Secretary, what effort is the Department making to grow and develop new trade relationships?

Answer. USDA is working closely with USTR to identify non-tariff agricultural trade barriers we can address through the Indo-Pacific Economic Framework, one of President Biden's signature foreign policy initiatives. Complimenting USDA's work to reduce barriers, USDA has resumed in-person agribusiness trade missions, USA pavilions at international trade shows and continues to creatively use virtual trade events targeted at specific products to grow and develop new trade relationships. These efforts are designed to directly connect U.S. agriculture and food producers with buyers from around the world.

Question 1b. How are we doing at enforcing our current agreements and improving the trade portion of the supply chain crisis crippling our nation?

Answer. USDA is committed to ensuring our trading partners fulfill the obligations they undertake in trade agreements with the United States. We engage bilaterally and multilaterally, as appropriate. The Foreign Agricultural Service works with regulatory agencies and the Office of the Trade Representative to continue to press trading partners in key markets to adhere to their World Trade Organization commitments based on sound science, international standards, and the principle of equivalence to help retain access to key markets around the world. USDA efforts have borne fruit; our agricultural exports continue to grow. The United States exported a record \$176.5 billion of agricultural products in 2021, a 27 percent increase from 2016.

Regarding the supply chain, USDA continues to work with industry partners throughout the supply chain to relieve the disruption created by the COVID-19 pandemic and address the specific challenges agricultural producers are facing along the supply chain. As Secretary, I have spoken one-on-one with the executives of five major ocean carriers to press them on continuing concerns about service and availability raised by agricultural exporters, and I encouraged greater cooperation with agricultural export efforts, including committing to providing needed empty containers. In addition, USDA formed partnerships with several ports as part of the Administration's Supply Chain Task Force efforts with state and local governments. USDA recently announced plans to increase capacity for exporting chilled and frozen agricultural commodities at the Port of Houston in Houston, Texas, to help improve service for shippers of U.S. grown agricultural commodities. In addition, USDA is exploring expansion opportunities for its ongoing partnerships with the Port of Oakland, the Port of Seattle, and the Port of Tacoma to set up additional "pop up" sites which will make it easier for agricultural companies to fill empty shipping containers. Furthermore, USDA is accepting applications for the Commodity Container Assistance Program (CCAP) which provides per-container payments to help cover additional logistics costs and ensure that American-grown products can once again move efficiently through supply chains to global markets.

Question 2. The pandemic has been tough on the entire U.S. economy, and our farmers and ranchers are certainly no exception, which is why Congress and the last two Administrations have all worked to develop pandemic assistance programs for producers.

I've heard comments and concerns recently from constituents in regard to delays and shortcomings in the pandemic assistance programs such as a continual delay in the Spot Market Hog Pandemic Program, and payment reductions in programs like the Timber Harvesters and Haulers Program, among several others.

Why have programs like the SMHPP been stalled, and when can my constituents expect to receive the support they've been promised?

Answer. FSA paused SMHPP payments when applications far outpaced the estimates that had been used to set up the program. The pause in payments allowed the Agency to work with stakeholders to better define which sales would constitute spot market sales and qualify for the program. On March 18, 2022, USDA published a revised SMHPP NOFA to clarify hog eligibility (including expanded direct and third party intermediary sales, documentation requirements, and payment factoring. Due to producer confusion related to the eligibility of sales and related supporting documentation, FSA included a provision requiring all producers to provide verifiable or reliable documentation of their eligibility of sales to confirm SMHPP payment eligibility and to prevent erroneous payments.

Once FSA County Committees had finished considering SMHPP applications, we had to decide whether to apply a payment factor or add funding to the original \$50 million allotted from Pandemic funding. We decided to not factor the payments and producers received the full \$54 payment per hog. The total ended up at \$62.8 million.

Question 2a. For programs like the Timber Harvester and Hauler program that have run out of money, how was total demand anticipated? Does the Department anticipate making additional funds available for this program?

Answer. The Consolidated Appropriations Act, 2021, provided up to \$200 million for PATHH. FSA collaborated with the U.S. Forest Service to assess program subscription and determine eligibility. While administering the program, it became evident that subscription far exceeded initial estimates on interest and the funding available. However, since the \$200 million for PATHH was legislatively prescribed in the CAA, any subsequent funding would require additional appropriations.

Consistent with Congressional direction and leveraging administrative authorities and flexibilities, USDA continues to deliver programs and program modifications to fill gaps in previous rounds of pandemic assistance and help underserved and small and medium sized producers that need support most.

Question 3. Last fall, Representative Plaskett and I sent a bipartisan letter signed by 37 Members of this Committee to you and FDA acting administrator Janet Woodcock, urging the Administration to make progress on implementing a more efficient, science and risk-based regulatory system that will allow a path to market for animal biotechnology products.

Recognizing the connection between human, animal, and environmental health, animal biotechnology can help us advance one health objectives by mitigating and preventing zoonotic diseases. These technologies can help maintain U.S. producers' competitiveness in the global market by helping reduce methane emissions from livestock and resilience to extreme heat.

USDA needs to take the lead in developing the regulatory framework for animal biotechnology that encourages agricultural innovation, provides access to valuable new technologies to American livestock producers, and ensures food safety and security for consumers.

What is the status of USDA's ANPR for animal biotechnology regulations?

Answer. Through extensive stakeholder outreach, including through our ANPR in 2021, we learned that all stakeholders seek clarity, transparency, and finality regarding oversight of agricultural animal biotechnology. USDA continues to engage with our interagency partners to ensure that the United States continues to be a leader on this important technology.

Question 3a. What discussions have been had between USDA and FDA and within the Administration to create a workable regulatory framework for animal biotechnology?

Answer. USDA staff are working with their counterparts in FDA to enhance understanding of each other's regulatory authorities and processes. Both USDA and FDA have skills that are relevant for animal biotechnology, and we must coordinate effectively regardless of who leads. USDA's experts are integral to every aspect of livestock production, from research to trade, including protection of herd health, animal health, and food safety. We know that all stakeholders seek clarity, transparency, and finality regarding oversight of agricultural animal biotechnology and we are committed to delivering a predictable, transparent, and science-based regulatory process.

Question 4. Similar to the framework stifling animal biotechnology innovation, regulatory hurdles are also preventing FDA's approval of innovative feed ingredients with forward leaning environmental benefits. As a result, we are falling behind our international competitors with access to these technologies. You yourself highlighted how beneficial these additives could be in helping to reduce agricultural methane emissions when you testified before the House Ag Appropriations subcommittee last April. Unfortunately, FDA's current policy, which has not been updated since 1998, places an undue approval burden on these products preventing companies from seeking approval in the U.S.

How has USDA engaged with FDA to help modernize the agency's approval process so that U.S. farmers can have access to these feed additives to remain competitive in the global arena and reduce methane emissions?

Answer. Regulatory approval for animal health products in the United States is divided between FDA, USDA, and the Environmental Protection Agency (EPA). USDA's Animal and Plant Health Inspection Service, Center for Veterinary Biologics (APHIS CVB) oversees the regulation of veterinary biologics; EPA oversees products deemed pesticides; FDA's Center for Veterinary Medicine (FDA CVM) governs the regulation of pharmaceuticals and dietary supplements. USDA is available to consult with FDA as it carries out its responsibilities.

In general, to receive drug approval from FDA CVM, the product's sponsor must file information on the drug's chemistry and composition, the proposed labeling, and

evidence demonstrating three things (Meyer, 2014).⁵ First, the drug must be effective in doing what it proposes to do on its label. Second, the sponsor must be able to consistently manufacture the product with good practices. Finally, the drug must be safe for the animal, the environment, and people, when used as directed on the label.

We note that in 2019, the U.S. Food and Drug Administration announced the approval of Experior, the first animal drug that when fed to beef cattle under specific conditions results in less ammonia gas released as a byproduct of their waste.

Question 4a. If he's confirmed by the Senate, how will you engage with Dr. Califf in his role as FDA Commissioner to streamline the regulatory process in getting these technologies to market for our livestock producers?

Answer. Where appropriate, USDA will work with FDA to share streamlining best practices from the veterinary biologics program and to support the consideration of feed additives that could reduce methane emissions. Enteric fermentation is a natural digestive process in animals where anaerobic microbial populations in the digestive tract ferment feed and produce methane. Ruminants have greater rates of enteric fermentation because of their unique digestive systems. Energy content and quantity of feed also affect the amount of methane produced, with lower quality and higher quantities of feed leading to greater emissions. Changes to diet composition and the use of feed additives can reduce methane emissions from enteric fermentation. In particular, increasing dietary fat, providing higher quality forage, increasing protein content of feed, increasing dry matter intake, and decreasing the forage-to-concentrate ratio can reduce emissions from enteric fermentation. Emerging research also is providing evidence that feed additives, such as tannins, monensin, and 3-Nitrooxypropanol (3NOP) reduce enteric emissions.

Question 5. We recently learned that growers aren't finding out about those endangered Species Act restrictions on certain, specific herbicides until after those changes are finalized. By that point, it's too late for farmers to adjust because they have already purchased their seeds and herbicides for the year. This is obviously a problem.

Can USDA work with EPA on this to ensure that, when EPA is considering new ESA restrictions on the use of certain herbicides, farmers are in the loop throughout the process and not kept in the dark until it's too late for them to do anything about it?

Answer. Yes. USDA has, and will continue to, urge EPA to maintain early and open lines of communication with growers to ensure that all potentially affected stakeholders are aware of pending decisions.

USDA submitted extensive comments on EPA's recent ESA Workplan to this effect and proposed several modifications to the workplan with a focus on ensuring that farmers have early and regular opportunities to be engaged in any ESA assessments for herbicides and other pesticides.

In addition, USDA/OPMP will be actively involved in the Federal pilot mitigation effort that EPA announced in June. OPMP will provide a grower voice at the table and facilitate grower input into that process.

Question 6. In 2020, nearly 25 million acres of dicamba-tolerant soybeans and 4½ million acres of dicamba-tolerant cotton were sprayed over the top with low-volatility dicamba formulations. If these dicamba formulations were to go off the market for any reason—and given the current supply chain pressures facing the herbicide market—do you have any projections or thoughts on what the economic and agronomic impacts could be for farmers?

Has the Department done any analysis on that?

Answer. USDA has conducted some rough analyses of potential economic impacts from major use restrictions of existing dicamba over-the-top product registrations, but these analyses are of limited utility because of the lack of public availability of reliable seed trait adoption data for herbicide-tolerant seeds.

Question 6a. If not, could you work with us to have the Department perform such analysis?

Answer. USDA would appreciate any support that can be provided to facilitate access to reliable and representative seed trait adoption data for herbicide-tolerant

⁵ **Editor's note:** the origin of the citation is not listed; however, it is referenced in the Economic Research Service's report ERR-264, *The U.S. and EU Animal Pharmaceutical Industries in the Age of Antibiotic Resistance* (<https://www.ers.usda.gov/webdocs/publications/93179/err-264.pdf?v=961>) The full reference (Meyer, S. 2014. "Animal Health Market in the Bric Countries and Comparison of Its Regulatory Requirements for Veterinary Medicinal Products with EU Legislation." Master's Thesis), a master's thesis, is retained in Committee file and is available at: <https://www.dgra.de/deutsch/studiengang/master-thesis/2014-56710>.

soybean and corn seeds. The best source of these data are the seed companies themselves. This information would allow OPMP to refine our rough analyses of potential impacts to U.S. agriculture from changes to over-the-top dicamba product registrations.

Question 7. I share Secretary Vilsack's concern about the impact of increased input costs on American farmers and appreciate you discussing this concern before the Committee. That said, I've previously seen and heard comments you and your Department have made in regard to seed price increases as a significant contributor to this impact, and I wanted to share some data points that will help to provide some perspective to that point.

First, Texas A&M released a report earlier this month examining how higher fertilizer prices will impact growers. In that report, Texas A&M found that fertilizer prices increased nearly 26% in 2021 and can be expected to increase more than 13.5% this year. This is in stark contrast to the findings related to seed prices, which Texas A&M found slightly decreased (-0.24%) in 2021 and are projected to increase 3.3% this year.

Additionally, it is worth noting that USDA's own Economic Research Service's data shows that seed prices remained fairly stable and actually declined slightly from 2014 to 2020.

With this data in mind, I am curious to know what data the Administration is relying upon in forming its conclusions that seed prices have substantially increased.

Additionally, I understand that the Department plans to undertake an investigation into seed prices.

What data the Administration is relying upon in forming its conclusions that seed prices have substantially increased?

Answer. As directed under Executive Order 14036, Promoting Competition in America's Economy, issued in July 2021, USDA is conducting a study on issues of concern in competition and intellectual property, covering seeds and other inputs. To gather information and input from the public, USDA published in March 2022 a Request for Information (RFI). A wide range of relevant stakeholders, including academics, industry participants, plant breeders, and others, have submitted comments, and we are currently reviewing those comments. We are also carefully reviewing all available academic analysis, including from both internal and external sources.

Question 7a. If it is true that the Department plans undertake this investigation, what is the status of that investigation, and what methodology does the Department plan to utilize?

Answer. As indicated above, USDA is conducting a study relying on available academic resources and input from the public. We expect to produce a published report in the coming months.

Question 8. The Biden Administration has made clear throughout the past year that it prioritizes climate change mitigation as a primary objective. As I've said several times as a Member of this Committee, that I feel we have a real opportunity to turn climate change mitigation into a boon for rural America and our farmers and ranchers if we focus on opportunities and innovation instead of restrictions and onerous regulation.

Unfortunately though, I am concerned that actions and statements by the Administration in regard to cutting blended biofuels, retroactively lowering Renewable Volume Obligations, and heavily subsidizing electric vehicles over biofuels that could cut GHG emissions by 46% today, are all steps in the wrong direction towards a goal of carbon reduction that benefits farmers and Rural America.

With this in mind, do you think the Administration can expect to achieve their GHG reduction targets without increased use of biofuels?

Answer. While the Administration has made new investments in electric vehicles and charging infrastructure, the Department continues to support the biofuels industry through its programs. Biofuels are important part of our plan to reduce greenhouse gas emissions. For example, supporting the production of sustainable aviation has been a major priority for this Administration. While electric vehicles are also a part of the solution the bioeconomy will remain an essential and growing industry in our country.

Question 8a. Are you aware of reports that the Administration may make further cuts to biofuel blending and do you agree that cutting biofuel blending would only serve to hurt rural economies, like those in my district?

Answer. Implementation of the Renewable Fuel Standard (RFS) falls under the jurisdiction of EPA.

Question 9. Unfortunately for consumers and rural communities, the biofuels industry recently lost a court case which re-established an arbitrary EPA restriction on selling E15 during the summer months. For the past few years, retailers have been able to sell E15 during the driving season, providing a healthy economic boost to farmers and rural communities, while reducing emissions and, and lowering prices at the pump for consumers by 5–10¢ per gallon. Unfortunately though, this court decision puts all of these benefits at risk moving forward.

Given the importance of having low-cost fuel options for consumers, and considering the investments this and previous Administrations have made into E15 infrastructure, what steps are you and the Administration taking to restore consumer access to E15 year-round?

Answer. While the issue of year-round E15 ultimately falls outside of the Department's jurisdiction, we will soon make \$100 million available in grants for higher blends fueling infrastructure to support demand for biofuels like E15. Biofuels are positioned to help reduce our dependence on foreign oil and bring down the price for consumers at the pump while supporting a critical market for commodities. For those reasons, USDA has and will continue to support the biofuels industry.

Question 10. There are so many issues that are facing production agriculture and rural America, the supply chain, inflation, trade, rising input costs. However, instead of addressing these, you spent a significant portion of your testimony focused on a new, unauthorized, \$1 billion “pilot” to build out a climate-smart commodity program. We already have many great conservation programs developed with bipartisan support, that were debated and authorized by Congress. With that in mind, I and others have concern with your efforts to act unilaterally on a program your Department has created off the cuff using CCC funds that I'm not sure rural America wants or that this Congress would authorize.

Answer. Partnerships for Climate-Smart Commodities is complementary to, through distinct from our existing set of conservation programs and tools. Early adopters (those who have already applied some climate-smart practices) are eligible and encouraged to be part of the pilot projects. Federal funds under this funding opportunity may not be used to pay for implementation of the same practice on the same land. Generally, if a practice has (or had) a Federal contract and is still within the project lifespan, then that specific practice on that specific land will not be paid for again; however, an enhancement to that practice or practices implemented on other areas of the farm are acceptable. Payments to further incentivize the climate-smart commodity generated are also acceptable.

Demand for this new program was extremely high and USDA is currently reviewing \$20 billion worth of proposals for Partnerships for Climate-Smart Commodities.

USDA will continue to support the demand from producers for climate-smart agriculture through our existing set of conservation programs as well as through Partnerships for Climate-Smart Commodities.

Question 10a. My understanding, is that the lawyers at the Department have had to spend many hours looking at your CCC authorities in this regard. If the lawyers have given you the green light, this Committee would like to see that reasoning on paper. If there is any question on the matter, then this Committee would like to be made abreast of that decision-making prior to you acting on it. Either way, we need to hear from you prior to any funds being obligated for these alleged purposes.

Can you please provide this information to the entire Committee, and will you commit to sharing similar information with the entire Committee in the future?

Answer. Section 5 of the Commodity Credit Corporation Charter provides authorities to “make available materials and facilities required in connection with the production and marketing of agricultural commodities (other than tobacco)” and “increase the domestic consumption of agricultural commodities (other than tobacco) by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.”

Question 11. The Department has said many times, including in the Thrifty Food Plan Report, that the increased benefits would support a healthy diet. As a matter of fact, the word healthy appears 108 times across the 125 page report. Yet, there seems to be little to no research to support such a claim, as learned across briefings and correspondence at the staff level.

How can we ensure that the Food and Nutrition Service conducts research—under the funding and authority had through the annual Research and Evaluation plan—on whether this increase will lead to healthier eating, healthier purchases, and healthier outcomes?

Answer. The FNS Research and Evaluation Plan for FY 2023 will include studies to determine the impact of the TFP reevaluation on SNAP participants. Studies

under consideration include field tests with SNAP participants to assess their understanding of the *Dietary Guidelines* and how they factor into shopping patterns, variations in shopping patterns across regions and in urban compared to rural areas, and other studies to examine how the TFP market baskets translate into real-life shopping experiences for SNAP participants.

Question 12. Innovations in engineered microorganisms can create breakthrough systems to unlock the potential for biology and transform all industries.

In agriculture, it has the power to build a future to make foods that are sustainable. For example, legumes, such as soybeans and peas, already use bacteria to “fix” nitrogen in precisely this way. By creating microbes that do the same for major cereal crops like corn, we can reduce the need for fertilizer, slashing greenhouse gas emissions in the process.

However, these breakthroughs are dependent on a clear, timely, and science-based regulatory approval process that provides a viable path to market.

While the SECURE rule helped streamline the deployment of innovative plant technologies, it has created uncertainty for microbial technology.

When will USDA develop and issue guidance for non-plant GE organisms potentially subject to regulation under Part 340 and establish a regulatory pathway like GE plants under the SECURE rule?

Answer. We know additional clarity and guidance is important to developers. By the end of this fiscal year, we intend to post on our website a comprehensive Frequently Asked Questions document that answers commonly asked questions from developers who work with modified microbes (*i.e.*, microorganisms). During the first part of Fiscal Year 2022, we plan to post a draft guide for working with modified microbes and will solicit feedback from developers on any remaining gaps in the guide or areas that require further clarity, and then we will finalize the document. With respect to establishing a regulatory review process that would allow developers to demonstrate their modified microbes should not be subject to regulatory oversight, establishing such a process will involve initiating a new rulemaking. We are in the very early planning phases and will ensure we engage with developers, as we did when developing the SECURE rule, before advancing any proposed rule.

Given the strong interest in modified microbes, USDA routinely meets with developers to discuss the regulatory processes that apply to current and future products. Additionally, in early 2022, we partnered with the Innovative Genomics Institute and the Phytobiomes Alliance to lead a workshop on genetically engineered microorganisms, with presentations from each regulatory agency with oversight responsibilities for these innovative products. As a part of this workshop, regulators worked with developers to build case studies to help guide developers in navigating the regulatory framework for modified microbes.

In addition, USDA is conducting outreach to assist developers in identifying clear pathways to market. For example, USDA partnered with the Innovative Genomics Institute and the Phytobiomes Alliance to lead a February 2022 workshop on genetically engineered microorganisms, with presentations from each regulatory agency with oversight responsibilities for these innovative products.

Questions Submitted by Hon. Jim Hagedorn, a Representative in Congress from Minnesota

Question 1. Mr. Secretary, any time USDA is a party in a lawsuit, the Office of General Counsel submits a memorandum to the Solicitor General the recommended course of action, including whether to appeal a decision.

Were you aware of the General Counsel’s memorandum to the Solicitor General regarding *United Food and Commercial Workers, et al. v. United States Department of Agriculture* (March 31, 2021)?

Answer. I am not going to address questions involving discussions of legal matters I may or may not have had with the attorneys of the Department.

Question 1a. If you were aware of this memorandum, did you approve its recommendation before it was submitted to the Solicitor General?

Answer. See answer above.

Question 1b. Did USDA General Counsel recommend to the Solicitor General that USDA should not appeal the decision in *United Food and Commercial Workers, et al. v. United States Department of Agriculture* (March 31, 2021)?

Answer. I am not going to address questions involving discussions of legal matters between the attorneys of the USDA Office of the General Counsel and attorneys of the Department of Justice.

Question 2. Mr. Secretary, when you appeared before the Committee in October 2021, you alluded to a potential time-limited waiver program for NSIS-eligible facili-

ties to increase their line speeds. The details of such a program were announced in early November 2021, and facilities were invited to apply at that time.

Why has FSIS not approved outstanding applications for processing facilities to enroll in the time-limited waiver program?

Answer. As described in a November 11, 2021, letter from FSIS to all New Swine Inspection System (NSIS) establishments, FSIS is reviewing the food safety support in each application received and coordinating with OSHA for its review of worker safety support.

Question 2a. Can you explicitly detail the responsibility sharing for FSIS and OSHA?

Answer. FSIS reviews each establishment's application to determine if the establishment has: operated under the NSIS for at least 120 days and followed all NSIS requirements during that time; demonstrated a history of regulatory compliance (*i.e.*, the establishment has not received a public health alert for the last 120 days); not had an enforcement action as a result of a Food Safety Assessment conducted in the last 120 days; not received an enforcement action for humane handling in the last 120 days; and not been the subject of a public health related enforcement action in the last 120 days. After FSIS determines that the establishment meets FSIS' standards for food safety and humane handling, a team from OSHA reviews worker safety aspects of the application. More specifically, OSHA's team determines whether the establishment has received an OSHA citation in the past 3 years, is subject to a current OSHA inspection, and is currently contesting any OSHA citations. OSHA makes a recommendation regarding whether an establishment meets the worker-safety requirements but the ultimate decision on whether to grant a "time-limited trial" is made by FSIS.

Question 3. Mr. Secretary, the ReConnect Round 3 Funding Opportunity Announcement (FOA) awards 15 points to applicants that are local governments, nonprofits, or co-ops, though RUS has worked with for-profit commercial rural telcos for decades, and dozens of small, commercial companies have already won ReConnect awards in Rounds 1 and 2. One example is Harmony Telephone Company, a small commercial company in my district that is currently putting a ReConnect award to work to improve broadband service in southern Minnesota.

If a local government and a community-based commercial broadband provider both apply for ReConnect Round 3 to serve the same area and the only difference between the two is that one provider is a local government and the other is a commercial company, wouldn't it be true that the local government would win solely because of the preference for local governments?

Answer. The agency's experience in Round 3 was that this hypothetical situation did not occur. There were a variety of applicants that applied in the same geographic area, but none of those overlapping projects were decided based on this singular scoring criteria. The method for scoring is reviewed each time a new round of funding is made available, and the method has seen changes in each round of funding. Those changes reflect the Agency's commitment to ensuring the Program operates in ways that best serves the needs of rural America and brings every potential partner to serve rural communities

Question 3a. Given their track record, commitment to rural America, and history of working with RUS, why put small commercial rural broadband providers such as Harmony Telephone at a disadvantage in competing for ReConnect awards solely due to how they are organized?

Answer. The ReConnect Program was developed to be fair to all applicants. Although some criteria or requirements may favor one entity type over another, ReConnect should be considered from a holistic view where all aspects of the program are taken into consideration. Once all the entities that will be receiving a Round 3 award are announced, the Agency will complete an analysis of the entities that received the awards against the requirements/scoring of Round 3.

Question 3b. Will you commit to making the necessary adjustments, both now and in future FOAs, to ensuring that rural broadband providers can compete for ReConnect awards on an even playing field, regardless of their corporate form?

Answer. The ReConnect program regulation, 7 CFR 1740, outlines which entities are eligible to apply for ReConnect funding. Additionally, the application scoring criteria and other requirements are updated for each round of funding and are outlined in the Funding Opportunity Announcement (FOA). At the conclusion of each round, the types of entities that received an award, the areas that receive funding, and other factors are considered in preparation of the next FOA.

In the fourth round of ReConnect funding, applicants could request points if the entity is a local government, nonprofit, cooperative, or public-private partnership where the applicant is one of these three entities. This scoring criteria is used to

encourage these types of entities to apply for the program. Applicants are not required to be a nonprofit, local government, or cooperative in order to apply for the program or receive an award. This is just one of ten ways an applicant can receive points in a competitive application. The fourth and current round of ReConnect also offers points for applications that propose to serve the least dense rural areas (25 points), that connect areas without access to 25 Mbps downstream and 3 Mbps upstream (25 points), as well those that will serve areas with a high economic need (20 points). At least 70 out of 175 possible points will go to applications that prioritize the most unserved rural communities.

Question 4. Mr. Secretary, recently the daily pork cutout report—USDA PK 602—has been extremely volatile, particularly in the ham sector. Over the past year, the makeup of the Chicago Mercantile Exchange (CME) cash index has gone from being made up of 40% cutout and 60% cash to the exact opposite.

Can you explicitly detail how the PK 602 report is being calculated?

Answer. The National Daily Pork Report FOB Plant—Negotiated Sales, LM_PK602, is released daily at 3 p.m. CST. This report features negotiated sales, meaning the price is determined by seller-buyer interaction and agreement, with delivery scheduled for no more than 14 days for boxed product and 10 days for combo product after the date of the agreement. The product represented on the LM_PK602 report is for sales in the previous 24 hour period, with delivery in the United States or Mexico/Canada.

The carcass and primal values reported on the LM_PK602 report are derived from a series of calculations using the prices of sub-primal cuts and industry-average cut yields. In the first step, the sub-primal cuts are used to determine a primal value. A value for each component is determined by multiplying its individual value by its yield factor. This must be done for each of the cutting styles for the primal. Next, the overall primal value is calculated by combining the various cutting style values based on the volumes reported for the specific day. Once the primal value has been calculated, the value is converted from a “trimmed” primal value to an untrimmed, or commodity, primal value. Lastly, the untrimmed primal values are combined, along with the four individual carcass parts (jowl, hind feet, front feet, and neckbones) to create the composite pork carcass cutout value (PCC) for the day. The PCC is an estimated value of a standardized pork carcass (55–56% lean, 215 lbs.) based upon industry average cut yields and average market prices of sub-primal pork cuts.

For more specific information and detailed examples of the LM_PK602 calculation, please refer to *A User’s Guide to USDA’s Pork Carcass Cutout*: <https://www.ams.usda.gov/sites/default/files/media/LMRPorkCutoutHandout.pdf>.⁶

For more information regarding LMR Pork Reports, please refer to *A User’s Guide to USDA’s LMR Pork Reports*: <https://www.ams.usda.gov/sites/default/files/media/LMRPorkPriceReportsHandout.pdf>.⁶

As for the ham primal and its recent volatility, this is generally due to the large price spread between bone-in and boneless items and the volume that is reported for each on a given day. Generally, whenever there is a greater volume of bone-in items, the cutout will move lower and whenever there is an influx of boneless items, the cutout will move higher. This is because boneless items require more input costs, such as labor. Bone-in and boneless hams do not always trade equitably from day-to-day so a higher percentage of trading of either on a given day can pull the cutout in a different direction, making it appear volatile. In the past couple of years, plants have shifted to more bone-in items, as labor shortages have been prevalent. Therefore, boneless items are produced on an infrequent basis and trade at a higher price level causing more volatility.

The CME cash index is regulated by the CME Group. Although our data feeds the index, this is a calculation maintained outside of USDA/AMS; therefore, we cannot speak to the index and how its components are made up. For more information, please refer to the *CME Lean Hog Futures Rulebook*: <https://www.cmegroup.com/content/dam/cmegroup/rulebook/CME/II/150/152/152.pdf> and the *Overview of CME Lean Hog Index and Lean Hog Futures*: https://www.ams.usda.gov/sites/default/files/media/AnneKrema_CMELeanHogOverview.pdf.⁶

Questions Submitted by Hon. Troy Balderson, a Representative in Congress from Ohio

Question 1. The Federal Government already operates many broadband connectivity programs through the FCC, NTIA, and Treasury Department. Is the USDA collaborating with these agencies to ensure that funds are being distributed

⁶ **Editor’s note:** the referenced documents are retained in Committee file.

efficiently and not overlapping with existing programs? If so, can you elaborate on that collaboration and areas where it can be improved?

Answer. USDA commits to working with all agencies that have broadband programs. This is demonstrated by our interagency agreement with NTIA, FCC and Treasury as well as our participation as a managing member for the American Broadband Initiative.

Question 2. Last year, President Biden signed an Executive Order to conserve 30 percent of America's land by 2030. When I first joined this Committee, I asked an ag economist from the University of Illinois about their policy analysis and whether set-aside programs are an effective farm policy to help our environment, or if it sends a market signal for foreign competitors to plant more and seize U.S. market share. He specifically mentioned Brazil, saying: "If they continue burning rainforests to plant soybeans, we have not helped anybody's situation much."

Does the USDA have any concern that the President's Executive Order will make American farmers less competitive, or if any environmental benefits will be offset by countries with fewer environmental protections increasing production to take over this market?

Answer. U.S. farmers and ranchers produce agricultural commodities with relatively low GHG emission intensity relative to other countries. USDA uses an integrated approach that provides agricultural producers with financial resources and technical assistance through CSP and EQIP to deliver environmental benefits and mitigate GHG emissions, while also providing incentives to farmers who remove environmentally sensitive lands from agricultural production, improving water quality, reducing soil erosion, and increasing habitat for endangered and threatened species. Regarding America the Beautiful, we understand that efforts must be balanced to support both natural resource conservation and the productivity of America's agricultural and private forestry operations. We're here to support farmers/ranchers/forest landowners/partners through incentivized voluntary conservation practices that work for individual landowners and communities and are effective, equitable, and enduring. We know many people are unsure about "what counts" as conserved land under this national conservation goal. Experts at USDA are part of a larger group working to define and report on this. While we have more to learn and share, we can say for sure that private working lands will be valued—and landowner rights respected—as we collaborate to conserve the lands and waters we all depend on.

Questions Submitted by Hon. Tracey Mann, a Representative in Congress from Kansas

Question 1. As you know, China failed to meet their commitment to the U.S. to purchase \$73.9 billion in agricultural goods by \$7 billion in a single year, and by \$16 billion over the course of the entire agreement. How are you, Ambassador Tai, and President Biden taking immediate action to hold China accountable?

Answer. We continue to engage regularly with our counterparts in the People's Republic of China (PRC) to resolve outstanding issues related to the Phase 1 Agreement. We note that, while PRC purchases fell short of expectations in 2021, it was still a record year for U.S. exports of agricultural products to the PRC. We exported nearly \$33 billion in agricultural products to the PRC last year, which is significantly more than we exported to any single other country.

Question 2. How is the Administration working to develop a new, comprehensive, realistic deal with China to ensure American agricultural goods continue to be open to Chinese markets and that China's intentional limitation of their own exports doesn't happen again?

Answer. USDA staff in Washington and in the PRC talk often with PRC officials with the goal of resolving outstanding trade issues. While concerns about PRC actions to restrict U.S. exports remain, it is important to note that the PRC is now the single largest export market for U.S. agricultural products. This is a marked turnaround from the trade wars of 2018 and 2019, when U.S. agricultural exports to the PRC fell to \$9.2 billion and \$13.9 billion, respectively. Only a couple years later, we export between two to three times that much to the PRC, which demonstrates that we have made significant progress, even if work remains to be done.

Question 3. American commodity producers are operating at a clear disadvantage to not only China, but also to India, where the Indian Government is subsidizing more than half of the value of production for rice and wheat, instead of the 10% allowable under World Trade Organization rules. Last week, I authored a letter with Representative Crawford and 26 of our colleagues, urging you and Ambassador Tai to take action to reverse the trend of non-compliance by India. Can we count on you to initiate a WTO litigation process through a request for consultations?

Answer. Thank you for your question regarding India's domestic support measures for wheat and rice, and for your continued engagement on this important matter. As mentioned in my letter of February 28, 2022, I share your concerns about India's domestic support policies. USDA continues to work closely with USTR staff to consider all options available to ensure U.S. rice and wheat industries can compete in a fair, rules-based international trade environment. This includes the pending consultations (requested on May 13, 2022) by the United States and other WTO Members with India under the Bali Ministerial Decision on Public Stockholding for Food Security Purposes. The consultations will provide the United States an opportunity to seek additional information regarding India's domestic support policies and express U.S. concerns directly with India.

Question 4. As this Committee begins to reauthorize a farm bill, do you support an increased investment to the Foreign Market Development program and Market Access Program?

Answer. USDA has not made specific farm bill proposals for Congress to consider at this time. We look forward to working with Congress, partners, stakeholders, and the public to identify shared priorities for the 2023 Farm Bill and to ensure that the programs USDA implements will best serve all people. It is through this shared work that USDA can best deliver its mission to serve all Americans by providing effective, innovative, science-based public policy leadership in agriculture, food and nutrition, natural resource protection and management, rural development, and market development.

Question 5. In September 2021, you mentioned President Biden was in the final stages of vetting and nominating a USDA Under Secretary for Trade and Foreign Agricultural Affairs. What is the status for filling that position?

Answer. USDA is pleased that the President nominated Alexis Taylor for this important position. Alexis has dedicated her life to public service. Her nomination builds upon USDA's commitment to link U.S. agriculture to the world to enhance export opportunities for American farmers and producers and increase global food security. She is the right person to lead the Trade and Foreign Agricultural Affairs mission area as we continue to address global food security, promote American exports across the globe and strengthen trade relationships with our global partners. We look forward to her swift confirmation as Under Secretary.

Questions Submitted by Hon. Randy Feenstra, a Representative in Congress from Iowa

Question 1. Mr. Secretary, during my questioning on the RUS ReConnect's recent preferential scoring treatment for local governments and nonprofits in their latest round of funding, you mentioned that other factors such as rurality should help offset any disadvantage commercial entities have in the scoring criteria. However, if all other scoring factors are considered equal and the only difference is that one applicant is a local government and the other is a family-owned, community-based broadband provider, wouldn't it be true that the local government would win solely because they're not a commercial entity?

Answer. The agency's experience in Round 3 was that this hypothetical situation did not occur. There were a variety of applicants that applied in the same geographic area, but none of those overlapping projects were decided based on this singular scoring criteria. The method for scoring is reviewed each time a new round of funding is made available, and the method has seen changes in each round of funding. Those changes reflect the Agency's commitment to ensuring the Program operates in ways that best serves the needs of rural America and brings every potential partner to serve rural communities.

Question 1a. Why has USDA has decided a local government, nonprofit, or cooperative is a more worthy recipient (even if only by 15 points) of these ReConnect funds than any other small, Iowa community-based broadband provider with a proven reputation of serving their communities with fiber-based, future-proof broadband networks.

Answer. The ReConnect Program was developed to be fair to all applicants. Although some criteria or requirements may favor one entity type over another, ReConnect should be considered from a holistic view where all aspects of the program are taken into consideration.

The points for cooperative, nonprofits and government entities encourage these entities to submit an application. These types of entities take the earnings from the operation and put it back into broadband facilities that further expands broadband service into the rural areas. The scoring criteria can be modified anytime that a funding announcement is published. For each additional funding round, the Agency will evaluate the effectiveness of the criteria.

Question 2. Mr. Secretary, last year your Department announced a \$10 million initiative to quantify climate benefits of CRP contracts. Idling productive farmland sends a market signal to U.S. competitors to plant more acres or plant more aggressively and leads to practices abroad with negative environmental impacts. For example, on its way to becoming the world's largest exporter of soybeans and beef, Brazil's farmers have plowed under more than half of the largest savanna on the continent (the Cerrado).

When quantifying climate benefits of land idling programs like CRP, are you going to factor in these increased carbon emissions that occur as our competitors increase production to seize U.S. market share?

Answer. The acres that CRP targets are marginal and highly erodible cropland, and a considerable proportion of currently enrolled acres are in areas experiencing drought. For these reasons, production on those acres is typically marginal, and CRP enrollment causes minimal impacts to supply and subsequent impacts in global markets. While some stakeholders have pointed to changes in CRP as potential solutions to commodity supply constraints, allowing production on CRP acres will not have a significant impact on supply.

CRP is an important tool in our nation's effort to reduce the worst impacts of climate change facing our farmers, ranchers, and forest landowners. In October 2021, USDA announced an investment of \$10 million in a new initiative to sample, measure, and monitor soil carbon on Conservation Reserve Program (CRP) acres to better quantify the climate outcomes of the program. USDA began implementing this initiative in the fall of 2021 with three partners, and that work is part of a broader, long-term soil carbon monitoring effort across agricultural lands that supports USDA's commitment to deliver climate solutions to agricultural producers and rural America through voluntary, incentive-based solutions.

Question 2a. Will the Department similarly undertake an initiative to measure the climate benefits of working lands conservation programs like CSP and EQIP? Why not prioritize these working lands programs that derive environmental benefits while keeping land in production?

Answer. U.S. farmers and ranchers produce agricultural commodities with relatively low GHG emission intensity relative to other countries. USDA uses an integrated approach that provides agricultural producers with financial resources and technical assistance through CSP and EQIP to deliver environmental benefits and mitigate GHG emissions, while also providing incentives to farmers who remove environmentally sensitive lands from agricultural production, improving water quality, reducing soil erosion, and increasing habitat for endangered and threatened species.

Question 3. Mr. Secretary, as you well know sometimes the left hand doesn't know what the right hand is doing in government. With respect to fertilizer, the International Trade Commission and Department of Commerce place duties on nitrogen, phosphorous, and potassium (NPK) which reduces market competition. Considering a limited supply of product, the Department of Justice must now step in to address market competition concerns. Is there a way to ensure that one Federal agency does not have to undue the unintended consequences of another Federal agency?

Answer. The United States International Trade Commission (USITC) is an independent, nonpartisan, quasi-judicial Federal agency that coordinates with the Department of Commerce on actions related to anti-dumping and countervailing duties. Such actions are triggered by petitions from the domestic industry. Recent fertilizer related actions by the USITC have been mixed, including countervailing duties on phosphate fertilizers from Morocco and Russia related to a 2020 petition by the Mosaic Company (1) and a decision to not impose duties on urea ammonium nitrate solutions from Russia and Trinidad and Tobago related to a 2021 petition by CF Industries. (2) USDA and the Department of Commerce are members of the White House Supply Chain Disruptions Task Force, which has included coordination of issues such as fertilizer and USDA's efforts to support increased fertilizer capacity and assist producers to manage this resource that will ultimately help their bottom line. (3)]⁷

1. <https://www.trade.gov/faq/final-determinations-countervailing-duty-investigations-phosphate-fertilizers-morocco-and>
2. https://www.usitc.gov/press_room/news_release/2022/er0718ll1961.htm
3. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/11/fact-sheet-president-biden-announces-new-actions-to-address-putins-price-hike-make-food-more-affordable-and-lower-costs-for-farmers/>

⁷ **Editor's note:** the referenced items are retained in Committee file.

Questions Submitted by Hon. Mary E. Miller, a Representative in Congress from Illinois

Question 1. As you mentioned during the hearing, the Administration has proposed an increase of renewable fuel blended gallons in 2022. However, as you also know, that rule is not final. While they proposed an increase in future ethanol blends—which is simply returning them to statutory levels—they actually reduced blend requirements for 2021 and 2022. So, while you may have thought your answer in response to the question I asked you in the hearing was clever or acceptable, my constituents and I found it deceiving.

What exactly are you doing to help the President understand how misguided his biofuels policies are and how harmful they will be to Rural America?

Answer. USDA has and will continue to make our bioeconomy a priority. During the pandemic, we provided \$700 Million in relief funding to over 100 biofuels producers to ensure their continued prosperity, and prosperity of the rural communities who rely on biofuels manufacturers. With a record amount of volume in 2022, USDA expects continued growth in the sector, with opportunities in the aviation industry to more than double current demand for biofuels. Biofuels are and will remain an essential industry for rural prosperity and our energy infrastructure.

Question 1a. Year-round ethanol blends of E15 were stopped this year, and the Administration has done nothing to make sure E15 year-round blends continue. That policy will greatly impact the ethanol industry this year. So, I will ask you again:

What exactly are you doing to help the President understand how misguided his biofuels policies are and how harmful they will be to Rural America?

Answer. Implementation of the Renewable Fuel Standard (RFS) falls under the jurisdiction of EPA.

Question 2. As you mentioned in your testimony, the 2 year Phase 1 deal with China—which officially ended on Jan. 1, 2022—included a commitment from China to buy an average of \$40 billion per year in agricultural products. While we saw China vault back to being the No. 1 customer for U.S. agricultural products, the totals did not hit China's commitments. China fell \$13 billion below that total for 2020 (\$27 billion), and they will come in \$3 billion short for 2021 (\$37 billion).

Will you commit to encouraging the Administration hold China accountable for not meeting their purchasing requirements?

Answer. Yes. We continue to engage regularly with PRC officials to resolve outstanding trade concerns. While work remains to be done, we have made significant progress over the last several years. While U.S. agricultural exports to the PRC fell to \$9.2 billion in 2018 at the height of the trade war, they were up to nearly \$33 billion in 2021, making the PRC our single largest agricultural export market.

Question 2a. What are the Administration's plans for Phase 2?

Answer. We are still engaged in Phase One negotiations. We plan to finish Phase 1 negotiations before proceeding to Phase 2.

Question 3. As you heard throughout the hearing, many are questioning the Biden Administration's efforts on trade, my constituents included.

Why has there still not been an Under Secretary for Trade at USDA nominated after a year since the President took office?

Answer. USDA is pleased that the President nominated Alexis Taylor for this important position. Alexis has dedicated her life to public service. Her nomination builds upon USDA's commitment to link U.S. agriculture to the world to enhance export opportunities for American farmers and producers and increase global food security. She is the right person to lead the Trade and Foreign Agricultural Affairs mission area as we continue to address global food security, promote American exports across the globe and strengthen trade relationships with our global partners. We look forward to her swift confirmation as by the United States Senate.

Question 3a. What are you doing to promote the confirmation of a Chief Agriculture Negotiator for U.S. Trade Representative?

Answer. USDA is pleased that the President nominate Doug McKalip for this important position. Doug is highly qualified and exceptionally capable of serving the American people as Chief Agricultural Negotiator. He has served as a key agriculture policy official for nearly 3 decades and has worked on every aspect of farming from soil conservation, and the supply chain to dealing with sensitive trade and national security matters. Doug has been a key member of the USDA team and his skills will serve him well as Chief Agricultural Negotiator for the Office of the United States Trade Representative (USTR). We look forward to the U.S. Senate confirming him at the earliest possible opportunity.

Question 4. On January 2, 2022, Mexico’s Government has issued a decree to phase out the use of both glyphosate and genetically modified corn for human consumption by 2024. President Andrés Manuel López Obrador announced that biosecurity authorities would “revoke and refrain from granting permits for the release of genetically modified corn seeds into the environment.”

While a total ban on the herbicide is still 3 years away, Federal departments will immediately abstain from “purchasing, using, distributing, promoting and importing glyphosate or agrochemicals that contain it as an active ingredient.”

This is especially concerning to corn growers in my district, as Mexico is the top buyer of U.S. corn, accounting for 25% of U.S. corn exports.

Will you demand the Administration prevent Mexico from implementing their decree that bans glyphosate and the importation of GMO corn?

Answer. USDA works every day in close cooperation with others in the Administration to ensure fair treatment of U.S. products by trading partners. That is especially true of our efforts to ensure Mexico follows a transparent and science-based approach in its treatment of products of agricultural biotechnology.

Question 4a. What are you doing to ensure that—when corn is finally delivered to Mexico—our agricultural products are accepted by the Mexican Government?

Answer. USDA and interagency partners continue to carefully monitor developments in Mexico, including at the border. To that end, we maintain frequent communication with stakeholders across the value chain and regularly stress to counterparts in Mexico the central importance of predictable, transparent trade flows.

Question 5. I am concerned to hear that broadband funding has been used to over-build existing broadband networks instead of bringing the benefits of broadband to unserved communities.

Do you agree that the priority for broadband funding and programs at the USDA needs to be on unserved areas, those currently without broadband?

Answer. USDA understands that unserved and underserved communities face hardships and we see both areas as priority. Unserved areas may lack service because of the costs associated with expanding service and our programs seek to support those financial needs. Underserved areas may have some access to broadband, but it could be of lower speeds which do not support the level of service families need for work or school, to access healthcare, or for communities to seek out economic development opportunities. Various laws and regulations require us to consider applications submitted through our programs for underserved areas just as we must consider those applications from unserved areas. Each type of area faces unique challenges and USDA is committed to doing all we can for these communities.

Question 5a. Will you commit to working with the other 13 agencies that are responsible for implementing 66 different broadband programs?

Answer. Yes, USDA commits to working with all agencies that have broadband programs. This is demonstrated by our interagency agreement with NTIA, FCC and Treasury as well as our participation as a managing member for the American Broadband Initiative.

Questions Submitted by Hon. Kat Cammack, a Representative in Congress from Florida

Question 1. Since the beginning of this Administration and a new Congress, there has been a war on work in America like none we’ve seen in our recent history. Policy after policy, not just in the food stamp program, but in programs like unemployment, Medicaid, advance child tax credit payments, and others—have been paying Americans more to stay home than to work a good paying job. Yet there remain over ten million open jobs in this country, just waiting for good workers to return. Specifically, work requirements for able-bodied adults without dependents (ABAWDs), which are required by law to receive food stamp benefits, have been suspended entirely since the pandemic began. For ABAWDs there is absolutely no excuse for them to not be searching for work.

When President Biden finally decides to end the public health emergency, what will you do immediately to reinstate work and tracking requirements for ABAWDs?

Answer. The Food and Nutrition Act of 2008 (FNA) limits the time an able-bodied adult without dependents (ABAWD) can receive SNAP to 3 months in any 36 month period unless the ABAWD meets certain work requirements or the ABAWD lives in an area in with an active waiver of the time limit (an “ABAWD waiver”). Per statute, states can request and receive Federal approval for ABAWD waivers in areas with high unemployment or a lack of sufficient jobs. States decide whether to request to waive the ABAWD time limit and which geographic areas to include in the waiver, if any. States are not required to make a waiver request for quali-

fyng areas. USDA reviews all ABAWD waiver requests, validates the supporting data, and approves requests for areas that meet regulatory standards codified at 7 CFR 273.24(f). USDA evaluates whether the data supporting the request meets the objective, quantitative regulatory standards.

The Families First Coronavirus Response Act (FFCRA), which was enacted in March 2020, temporarily and partially suspended the time limit for ABAWDs through the end of the month subsequent to the month in which the Federal public health emergency (PHE) declaration based on COVID-19 ends. By law, this suspension is effective nationwide while the PHE remains active.

When the PHE ends, ABAWD time limits and work requirements will again be in effect in any area without an active ABAWD waiver.

USDA is actively engaging with state SNAP agencies to help them prepare to reinstate ABAWD requirements as required by law when the PHE ends. USDA has issued guidance, hosted webinars, and hosted regional calls to urge states to prepare as much as possible to reinstate the time limits when required. Specifically, USDA has strongly encouraged states to continue identifying and tracking ABAWDs, and communicating work requirements to ABAWDs, even during the temporary suspension, so that states are ready to implement the time limit as soon as the suspension ends. In addition, USDA continues to work with state SNAP Employment & Training (E&T) programs to connect them to effective workforce development practices through initiatives such as SNAP to Skills. FNS has worked with more than 27 states to help them improve their E&T programs and connect participants to jobs in their communities.

Question 2. Can you please provide me with a detailed plan from the Department regarding how USDA plans to enforce a provider's "commitment to net neutrality" based on the conditions for being awarded points under Round 3 of ReConnect?

Answer. Applicants that request and obtain the priority points offered through a specific scoring criteria and subsequently receive an award, effectively agree to fulfill the obligation incorporated in that scoring criteria. USDA makes clear to award-ees that breaching the requirements of the scoring criteria they selected is a serious material breach of their obligations to USDA. In such cases, the Agency has the legal option to enforce its covenants with awardees and may institute award suspension and debarment proceedings. If a complaint is filed with USDA concerning an awardee's violation of its agreement to USDA to follow net neutrality principles, the Agency will conduct a full investigation into the situation and take appropriate action.

Farms Under Threat—The State of America's Farmland



Cover Image: Farmland and urban sprawl collide in Lompoc, California. Aerial Archives/Alamy Stock Photo.





Above: A new housing development encroaches on farmland. Anywhere, USA.

About the Quotes in this Report

Farms Under Threat: The State of America's Farmland honors two former chiefs of the USDA's Soil Conservation Service (now NRCS): Hugh Hammond Bennett, who led the soil conservation movement in the United States and was the first head of the agency; and Norm Berg, who worked with Bennett and rose through the ranks to serve as chief between 1979 to 1982. After he retired, Berg served as a senior policy advisor to American Farmland Trust and the Soil and Water Conservation Society. To learn more about these influential voices, see www.nrcs.usda.gov (Bennett) and www.farmlandinfo.org/norm-berg-collection (Berg).

May 9, 2018

"Take care of the land and the land will take care of you . . ."

Soil conservation pioneer HUGH HAMMOND BENNETT, 1947.



A crop of onion grown for seed in Payette County, Idaho. **David R. Frazier Photolibrary, Inc./Alamy Stock Photo.**

Acknowledgments

Critical support from USDA's Natural Resources Conservation Service (NRCS), the Sarah K. deCoizart TENTH Perpetual Trust, and American Farmland Trust's members, supporters, and Board of Directors made possible this analysis of the past losses of, and future threats to, America's farmland and ranchland. NRCS shared data and guidance, reviewed reports, and provided financial assistance through an AFT-NRCS Contribution Agreement 68-3A75-14-214. We also appreciate the guidance offered by our Advisory Committee and other external reviewers. Additional investments will help us continue these analyses, broadly distribute the results, and act to conserve our agricultural land for future generations.

About American Farmland Trust and Conservation Science Partners

American Farmland Trust (AFT) is a nonprofit conservation organization founded in 1980 to protect farmland, promote sound farming practices, and keep farmers on the land. For more information, visit www.farmland.org/initiatives/farms-under-threat or our technical information center at www.farmlandinfo.org.

Conservation Science Partners (CSP) is a nonprofit scientific collective established to meet the analytical and research needs of diverse stakeholders in conservation projects. More information is available online at www.csp-inc.org.

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Contents

Executive Summary
 Key Findings
 Key Recommendations
 Introduction
 What Is at Risk
 Tracking the Status of Agricultural Land

Methods
Findings
Discussion
Recommended Actions
Future Farms Under Threat Releases and Analysis
References

Important Note on Data Revisions

May 2020

Since releasing this report in May of 2018, new data and refined analyses have led American Farmland Trust (AFT) and Conservation Science Partners (CSP) to revise the reported estimate of agricultural land conversion. This revision only applies to the estimate of urban development. The original estimate of conversion to low-density residential land use is not being revised.

The underlying cause of the issue is that one of our foundational datasets, the National Land Cover Database, used a different method to map roads for 2002 than it had for 1992. Using the raw data, this inconsistency would cause a very large overestimate of urban conversion. To avoid this, we applied a correction in the analysis process. Following this correction, we found that 16.3 million acres of agricultural land had been converted to urban development from 1992–2002 (the first half of the report period). These results were peer reviewed before the report was published.

However, in May of 2019, a key Federal dataset (NLCD 2016) was released with updates that enabled a major refinement in this correction. Using the new data and enhanced correction method, the analysis now shows that urban conversion between 1992 and 2002 was probably closer to 6.5 million acres. AFT and CSP wanted to share this revision to maintain transparency, even though the results in this report were based on the best data available at that time.

More information on this revision is available in our white paper, “*Revision to American Farmland Trust’s Farms Under Threat: The State of America’s Farmland: Improved data products enable more accurate estimates of urban conversion.*”^[i]

Our new report, *Farms Under Threat: The State of the States*,^[ii] uses the newly released data to map conversion of agricultural land from 2001–2016. This time-frame was chosen because the underlying datasets were developed using consistent methods for both 2001 and 2016.

^[i] <https://farmlandinfo.org/publications/revision-to-farms-under-threat-state-of-americas-farmland/>.

^[ii] <https://farmlandinfo.org/publications/farms-under-threat-the-state-of-the-states/>.



A selection of lettuce varieties at Lane Farms in Santa Barbara, California. **Chuck Place/Alamy Stock Photo.**

Executive Summary

With Key Findings and Recommendations

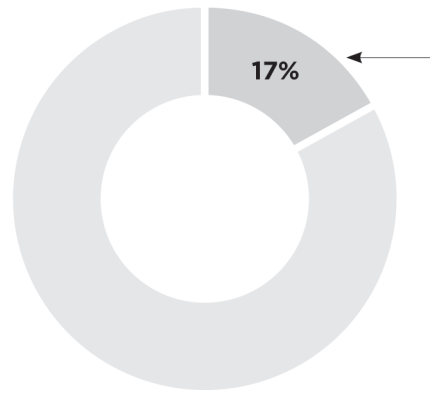
The United States is blessed with a remarkably productive agricultural landscape. Cropland, pastureland, rangeland, and woodland support a regionally diverse food and farming system capable of ensuring domestic food security. Agricultural land contributes to state and local economies, supplies lucrative export markets, and bolsters the nation's balance of trade. These exceptional natural resources sustain valuable wildlife habitat, provide flood control and fire suppression, scenic views, and resources for hunting and fishing. This land also acts as an enormous carbon sink, drawing down carbon from the atmosphere, which helps combat climate change. By 2050, the demands on agriculture to provide sufficient food, fiber, and energy are expected to be 50 to 70 percent higher than they are now. Given a limited land area in the United States and the need to feed and house an increasing number of people, it is more important than ever to protect the agricultural land and natural resources needed for long-term sustainability.



Beets in Inyo County, California. **Inga Spence/Alamy Stock Photo.**

This call for action is documented and reinforced by the findings of *Farms Under Threat: The State of America's Farmland* by American Farmland Trust (AFT). The report's research shows that between 1992 and 2012, almost 31 million acres of agricultural land were irreversibly lost to development. That is nearly double the amount of conversion previously documented and is equivalent to losing most of Iowa or New York. As alarming, this loss included almost 11 million acres of the best land for intensive food and crop production. This is land where the soils, microclimates, growing seasons, and water availability combine to allow intensive production with the fewest environmental impacts. These precious and irreplaceable resources comprise less than 17 percent of the total land area in the continental United States. Their conversion was equivalent to losing most of California's Central Valley, an agricultural powerhouse.

U.S. Agriculture Relies on High-Quality Farmland



Only 17 percent of the land in the continental U.S. is agricultural land with the productivity, versatility, and resiliency (PVR) to produce a wide variety of crops with minimal environmental limitations.

Over 20 years ago, AFT released the groundbreaking report, *Farming on the Edge*. This compelling study and extensive mapping gained global media attention by showing how sprawling development consumed America's highest quality farmland in critical regions across the country. Now, new threats to the nation's agricultural lands create a pressing need to update the old analyses and assess threats to America's agricultural land in the 21st century. Improvements in the availability of national data and models now enable AFT to more accurately track the scale and spatial location of the threat of development to the nation's agricultural land.¹ They also make it possible to assign values to measure the land's productivity, versatility, and resilience. These advances make it possible for AFT not only to examine past conversion patterns but also to forecast future development patterns likely to occur without better land use planning and policy intervention.

AFT's goal is to document the threats and offer policy solutions to ensure the long-term protection and conservation of agricultural land in the United States to sustain an expanding population and maximize biodiversity.

These analyses underpin Farms Under Threat, AFT's multi-year initiative to complete the most comprehensive assessment of the loss of U.S. farmland and ranchland ever undertaken, both past and future. AFT's goal is to document the threats and offer policy solutions to ensure the long-term protection and conservation of agricultural land in the United States to sustain an expanding population and protect biodiversity. This first report, *Farms Under Threat: The State of America's Farmland*, examines the nation's irreversible loss of agricultural land to development between 1992 and 2012. A subsequent report will analyze state-level data on past farmland conversion and the effectiveness of state-level farmland protection policies. In a third report, *Farms Under Threat* will assess a range of future threats, forecast potential impacts to 2040 and recommend effective policies that help conserve agricultural land.

Farms Under Threat: The State of America's Farmland significantly improves the national inventory of agricultural land in multiple ways: (1) It maps and analyzes the extent of low-density residential development on agricultural land; (2) It identifies agricultural land based on its productivity, versatility, and resiliency to support intensive food and crop production (PVR values); (3) It includes a new class of agricultural land that estimates woodland associated with farm enterprises; (4) It maps grazing on Federal land; and (5) It shows the spatial patterns of agricultural land uses and conversion to development in a consistent way over time so that people can see the patterns of change.

¹*Farms Under Threat* defines agricultural land as cropland, pastureland, rangeland, and woodland associated with farms in the continental United States (48 states), excluding federally owned grazing land. This non-Federal agricultural land is called farmland and ranchland by the public. The analysis uses the USDA National Resources Inventory (NRI) definitions for cropland, pastureland, rangeland, and forestland.



An Iowa soybean field. **Design Pics Inc/Alamy.**

Assigning PVR values to agricultural land helps quantify the quality of the agricultural land converted by development. Land with lower PVR values has progressively greater limitations that restrict how it can be used and whether it can be cultivated. The land best suited for intensive food and crop production has much higher PVR values and is geographically limited to areas where the nation's soils, microclimates, growing seasons, and water access combine to allow production with the fewest environmental impacts.

*Key Findings*²

New homes replace farmland in Dane County, Wisconsin. **Bob Nichols/USDA NRCS.**

- **The U.S. converted almost 31 million acres of agricultural land between 1992 and 2012.** By including woodlands associated with farms and low density residential development, this analysis found nearly twice the conversion previously reported. The loss is equivalent to developing most of Iowa or the entire state of New York.
- **Overall, development disproportionately occurred on agricultural lands.** More than 70 percent of urban development and 62 percent of all development took place on agricultural land. Expanding urban areas accounted for 59 percent of the loss, including the commercial, industrial, transportation, and high-density residential development which reflect the expanding footprint of U.S. cities and towns. Low-density residential development accounted for 41 percent of the loss and included residential areas with houses built on 1 to 20 acre parcels and exurban homes on even larger lots that effectively removed these properties from agricultural uses.
- **Urban development favored cropland while low-density residential development posed an equal threat to cropland and pastureland.** Urban development most frequently converted cropland (41 percent) and lower percentages of pastureland (25.9 percent), rangeland (23.8 percent), and woodland (9.3 percent). In contrast, low-density residential development posed an equal threat to cropland and pastureland (34.5 percent each) and favored woodland (19.9 percent) over rangeland (11.1 percent). For forestland, low-density residential development presented a greater threat than urban development.
- **The impact of these development patterns puts high quality agricultural land at risk.** The analysis assigned values to reflect the productivity, versatility, and resiliency (PVR value) of agricultural land for cultivation. As the PVR value increased, fewer acres of land qualified. The analysis found that the median PVR value of agricultural land lost to development was 1.3 times higher than the median PVR value of land that stayed in production. These cumulative and irreversible losses of most productive, versatile, and resilient lands have serious implications for agricultural productivity and domestic food security.

²AFT is solely responsible for the conclusions and recommendations in this report. Although information from NRCS data comprises a major component of this analysis, the conclusions and recommendations are AFT's alone.

- **By 2012, the best land to support intensive food and crop production had dropped to less than 17 percent of the total land area in the continental United States.** Only 324.1 million acres of agricultural land had PVR values with the optimal soil characteristics and growing conditions to support intensive food and crop production with minimal environmental limitations. This is slightly more than $\frac{1}{3}$ of agricultural land.
- **In less than one generation,³ the United States irrevocably developed nearly 11 million acres of its best land for intensive food and crop production.** While a 3.2 percent loss does not sound devastating, it is roughly equivalent to losing one of the most productive growing regions in the United States, California's Central Valley.

Beyond food security and economic prosperity, well-managed agricultural land provides open space, recreational resources for activities like hunting and fishing, and critical ecological services such as wildlife habitat, carbon sequestration, groundwater recharge, and flood control. This incredible diversity provides the United States with invaluable options to help the nation optimize use of agricultural resources to sustain future generations.

Farmland Lost to Development, 1992–2012



All farmland lost: almost 31 million acres (nearly equivalent to the land mass of New York State).



Some of our best farmland was irreversibly lost: almost 11 million acres (equivalent to 47% of the land mass of Indiana).

It is time for the United States to recognize the strategic value of our agricultural land and step up our efforts to protect it. It is critical to balance the growing demands for energy, housing, transportation, and water to ensure our best agricultural land remains available for food and other crop production. Through thoughtful and carefully implemented land use and agricultural policies, the nation

³A generation is considered to be about 25.5 years in length.

can protect farmland and strategically direct development away from critical agricultural resources while nourishing the land with conservation practices and helping the farmers and ranchers who manage this landscape to thrive.

Key Recommendations



Ripe cranberries in Valley Junction, Wisconsin.
Design Pics Inc./Alamy Stock Photo.

Based on these national findings, AFT believes a bold and comprehensive national strategy is needed to save the land that sustains us, including:

- A dramatic increase in Federal investments in agricultural land protection through the USDA Agricultural Conservation Easement Program-Agricultural Land Easements (ACEP-ALE);
- Supporting and fully funding the USDA agencies and their programs that provide unbiased information to help monitor changes to U.S. agricultural resources, including the NRCS' National Resources Inventory (NRI), the National Agricultural Statistics Service's (NASS) Tenure, Ownership and Transfer of Agricultural Land (TOTAL) survey, and the Economic Research Service's (ERS) Major Land Uses reports; and
- Enacting a 21st century Federal agricultural land protection platform to more effectively address the interconnected threats to farmland from development, climate change, agricultural viability, and farm succession.

Introduction



Blend Images/Alamy Stock Photo

The precious arable land that sustains life on Earth is a finite and irreplaceable resource that is under heavy stress. Less than six percent of the Earth's surface is suitable for agriculture and growing food. When climate, soils, and topography are factored into the equation, just over half of this land can be farmed without any physical constraints (FAO 2011). Over ten percent of the world's arable acres are in the United States.⁴

The United States is blessed with a varied and extensive agricultural landscape comprised of cropland, pastureland, rangeland and woodland associated with farms, making agriculture a significant contributor to rural and urban economies. However, agricultural land, both domestically and globally, faces unprecedented challenges as the world's population continues to expand. By 2050, the demands on agriculture to provide the necessary food, fiber, and energy are expected to be 50 to 70 percent higher than they are now. To meet these demands, all countries must sustainably improve their agricultural productivity, protect their natural resources, and deal with changing weather patterns and the intensification of natural hazards (FAO 2011; FAO 2017).

By 2050, the demands on agriculture to provide the necessary food, fiber, and energy are expected to be 50 to 70 percent higher than they are now.

Because the United States is home to such a significant amount of the world's arable land, the protection of this resource is a national and global concern.

Since our founding in 1980, AFT has been concerned about the loss of agricultural land. Over 20 years ago, AFT released the groundbreaking report *Farming on the Edge* to call attention to the sprawling development that consumes America's highest quality farmland in every state in the nation (Sorensen, *et al.*, 1997). *Farming on the Edge* was a wake-up call about the impacts of farmland loss and the need to act to protect our agricultural land base from poorly planned development. The report led to policy action at the Federal, state, and local levels. While development slowed significantly during the recession from 2007 to 2012, it has rebounded with the strengthened economy. Recognizing the need to update AFT's old analyses and assess the threats to America's agricultural land in the 21st century, AFT launched its *Farms Under Threat* initiative, the most comprehensive and ambitious assessment ever undertaken of the status and threats to U.S. farmland and ranchland.

⁴Arable land is land capable of being farmed productively (*i.e.*, being plowed or cultivated and used to grow crops).



California pastureland. Gbaldauf/Istockphoto.

***Farms Under Threat* is a multi-year initiative to complete the most comprehensive assessment ever undertaken of the status and threats to U.S. farmland and ranchland.** Its analyses underpin AFT's goal to document the threats to the nation's agricultural resources and offer policy solutions. The goal is to ensure the long-term protection and conservation of America's diverse agricultural landscape to support farmers and ranchers, sustain an expanding population, and maximize biodiversity.

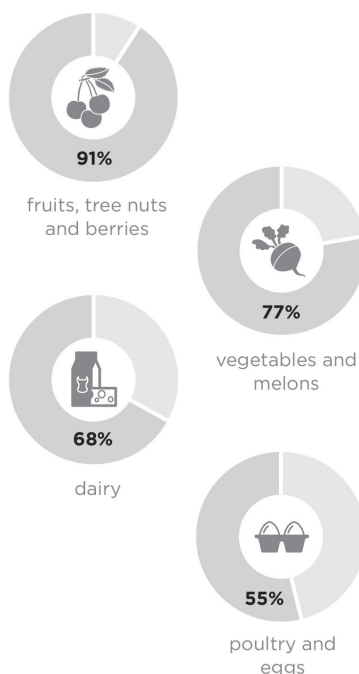
This report, *Farms Under Threat: The State of America's Farmland*, is the first in a series of analyses of past and future threats to America's agricultural land. AFT defines agricultural land as the non-Federal cropland, pastureland, rangeland, and woodland associated with farms that is managed to support agricultural production. For the first time, data and models are available to spatially portray the extent, diversity, and quality of America's agricultural land and the threat of development. These tools make it possible to examine past conversion rates and map the scale and location of that development. Future *Farms Under Threat* assessments will analyze farmland conversion at the state level and the effectiveness of state policies to address it; study demographic shifts and the impending transition of agricultural land ownership; and use housing density and climate projections to forecast what could happen to the nation's agricultural land by 2040 if no actions are taken.

AFT is working with Conservation Science Partners (CSP) to ensure these assessments are grounded in reliable data and strong science. This partnership is supported by the USDA's Natural Resources Conservation Service (NRCS). Additional guidance was provided by a national Advisory Committee, and NRCS shared data and reviewed findings and drafts of maps and reports.

What Is at Risk

Food in the Path of Development

Metropolitan counties and adjacent areas supply the majority of domestically produced:



U.S. agricultural land supports state and local economies, significant export markets, and the nation's balance of trade. Locally, this agricultural land contributes to fiscal balance: as with other commercial land uses, the property taxes generated by agricultural land typically exceeds the expense of providing it with public services.⁵ Collectively, this land supports a regionally diverse food and farming system and contributes to a secure food supply. Fifteen percent of U.S. counties are classified as farming-dependent (in terms of jobs), and nearly 60 percent of the market value of U.S. farm production comes from metropolitan counties and adjacent areas.⁶ These counties supply 91 percent of domestically sourced fruits, tree nuts, and berries; 77 percent of vegetables and melons; 68 percent of dairy; and 55 percent of eggs and poultry. Farms in metropolitan counties often supply local and regional markets, making up 81 percent of food sold directly to consumers; 76 percent of community-supported-agriculture (CSA) farms; and 74 percent of farms selling directly to retail outlets.⁷ Fruits and vegetables often require unique soils and microclimates, access to water and labor, an existing infrastructure that has built up over time (*e.g.*, farm equipment, storage, processing, and packing facilities, *etc.*), and markets to support production and sales (Plattner, *et al.*, 2014). The difficulty in moving production of these high-value crops elsewhere has likely kept producers from expanding production, even though domestic demand for fruit and vegetables now exceeds supply by 203 percent and 164 percent, respectively (White and Hall 2017).

Agriculture, food and related industries contribute \$992 billion (5.5 percent) to the U.S. GDP (USDA ERS 2015). Agriculture and its related industries provide 11 percent of U.S. employment. Many economic sectors rely on agricultural inputs, including forestry, fishing and related activities; food, beverages, and tobacco products; textiles, apparel, and leather products; food and beverage stores; and food service,

⁵ The median cost to provide public services for each dollar of revenue raised is \$0.30 for business, \$0.37 for agriculture, and \$1.16 for residential (www.farmlandinfo.org/costcommunity-services-studies).

⁶ Analysis by AFT's Farmland Information Center (FIC) combines information from the 2012 Census of Agriculture with 2013 USDA Economic Research Service (ERS) Urban Influence Codes (UIC). ERS classifies counties into 12 groups. The FIC uses UICs 1–5 to identify the “most urban” counties. These 1,652 counties comprise 54 percent of U.S. counties.

⁷ See AFT's “Food in the Path of Development” fact sheet: www.farmlandinfo.org/food-path-development-talking-points.

eating, and drinking establishments. U.S. agricultural exports support output, employment, income, and purchasing power in both the farm and non-farm sectors, and each dollar of agricultural exports stimulates another \$1.27 in business activity.

Agricultural Land Provides Benefits Beyond Food



open space and scenic views



biodiversity and wildlife habitat



fire suppression, floodplain management, and carbon sequestration



recreation

Agricultural land also plays a significant role in the nation's landscape and psyche. Along with food, fiber, and energy, Americans highly value the contributions that agricultural land makes to the environment and quality of life. Well-managed agricultural land provides open space and scenic views; biodiversity and wildlife habitat; and critical ecological services like fire suppression, floodplain management, and carbon sequestration (Heimlich and Krupa 1994; Northeast Regional Center for Rural Development 2003; Hellerstein, *et al.*, 2002; Farm Foundation 2004; Swinton, *et al.*, 2007; Duke 2008; Freedgood and Fydenkez 2017). Agricultural land also supports rural lifestyles and recreational opportunities like hunting, fishing, and horseback riding. Many of the nation's agricultural regions are deeply important to U.S. heritage, such as the glacially borne wild blueberry barrens of Down East Maine; the wild rice region of the upper Great Lakes; New Mexico's Hatch Valley, known as the "chili pepper capital of the world"; and Michigan's Grand Traverse cherry region, which produces most of the nation's tart cherries (Hilchy 2008).

As an added benefit, agricultural land can help stabilize and reduce future greenhouse gas emissions. Keeping land in agriculture and limiting low-density residential development can curb one of the largest sources of carbon emissions: transportation. Emerging studies show that the average greenhouse gas (GHG) emissions from urban land uses are orders of magnitude higher than those from cropland (approximately 66–70 times higher per unit area) (Culman, *et al.*, 2014; Shaffer and Thompson 2015; Arjomand and Haight 2017). In addition, GHG emissions from lower density, suburban-style developments account for roughly half of the GHG emissions in the United States (Jones and Kammen 2013). Although a full accounting of emissions benefits from protecting farmland will take more time, intact agricultural landscapes provide communities with future opportunities to further reduce emissions and sequester carbon in agricultural soils and vegetation (Culman, *et al.*, 2014). Farmers and ranchers manage more than 1 billion acres of U.S. land, and agricultural practices that sequester carbon and improve soil health—increasing soil productivity, resiliency, and versatility—are the next frontier of agricultural innovation.

“We have been too wasteful too long in this country—indeed, over most of the world. We had so much good land in the beginning we thought the supply was limitless and inexhaustible.”

HUGH HAMMOND BENNETT, 1943.

Tracking the Status of Agricultural Land



A Colorado ranch during the Dust Bowl. USDA NRCS Archives.

Since the 1930s, the USDA has closely monitored the conditions and threats to the nation’s natural resources. The Dust Bowl of the 1930s in the Great Plains dramatically called attention to the dangers of severe drought and poor land management, leading to the establishment of the USDA Soil Conservation Service (SCS) in 1935, now NRCS (USDA 1992). Since its founding, SCS/NRCS has periodically inventoried the nation’s land and natural resources and, in 1975, released the Potential Cropland Study to examine the loss of the nation’s best agricultural land to urban development (Schnepf and Flanagan 2016).

The advent of NRCS’ National Resources Inventory (NRI) in 1977 made it possible to track the conditions and trends of soil, water, and related resources. NRCS conducts this statistical survey of natural resource conditions and trends on non-Federal land in cooperation with Iowa State University’s Center for Survey Statistics and Methodology. Among other attributes, the NRI tracks changes in land cover/use, which provides critical data on how much farmland is converted and other trends affecting the nation’s strategic land and natural resources (Schnepf and Flanagan 2016). The precision of NRI statistical estimates vary with the number of samples involved in a particular inventory activity. Based on statistical area sampling, as opposed to full areal coverage, it is most applicable for monitoring state and national levels of gross land conversion (Lark, *et al.*, 2017). The NRI currently releases state-level estimates to the public and is exploring ways to achieve statistical reliability for county-level sub-state estimates (Schnepf and Flanagan 2016). These periodic inventories remain the primary source of information about changes in land use in the United States. However, leveraging the NRI by mapping the patterns of land cover/use and trends over time provides powerful information to inform planning and decision-making at state, county, and municipal levels. The planners queried by AFT at the start of *Farms Under Threat* agreed that having access to spatial maps was important for planning purposes.

The 1977 NRI data also became the primary data source for the National Agricultural Lands Study (NALS) undertaken by USDA in 1979 (USDA and the President’s Environmental Council 1981). When the NALS opted to use the 1977 NRI data on urban and built-up uses of land, it not only focused more national attention on the inventory work by SCS, but it also generated considerable controversy in academic

circles over how much agricultural land was actually being converted to non-agricultural uses. This controversy led USDA to establish new procedures for identifying and recording urban and built-up areas that were incorporated into the 1982 NRI and subsequent sampling (Schnepf and Flanagan 2016). The findings in the NALS, along with a Congressional report that concluded Federal infrastructure grants and mortgage subsidies had led to wasteful farmland conversion (U.S. Congress 1980), prompted the passage of the Farmland Protection Policy Act (FPPA) as a subtitle in the 1981 Farm Bill.

Federal Farmland Protection: The Farmland Protection Policy Act (FPPA)

Congress enacted the FPPA as a subtitle of the 1981 Farm Bill to minimize the impact that Federal programs have on the unnecessary and irreversible conversion of farmland to nonagricultural uses. The FPPA stipulates that Federal programs be compatible with state, local, and private efforts to protect farmland. (For the purposes of the law, Federal programs include construction projects—such as highways, airports, dams, and Federal buildings—sponsored or financed in whole or part by the Federal Government, and the management of Federal land.) Federal agencies are required to develop and review their policies and procedures to implement the FPPA every 2 years. NRCS is charged with oversight of the FPPA (www.farmlandinfo.org/sites/default/files/FPPA_8-06_1.pdf).

In addition to the NRI, USDA monitors other trends that impact the nation's agricultural resources. The USDA Economic Research Service's (ERS) major land use estimates and related cropland series provide a comprehensive accounting of all major uses of public and private land in the United States (www.ers.usda.gov/data-products/major-land-uses). Every 5 years, the USDA National Agricultural Statistics Service's (NASS) Census of Agriculture does a complete count of U.S. farms and ranches, providing information about land use and ownership, ownership characteristics, production practices, income, and expenditures (www.agcensus.usda.gov). In 2014, ERS and NASS completed the Tenure, Ownership and Transfer of Agricultural Land (TOTAL) survey, the first survey since 1999 to focus solely on the ownership and transfer of agricultural land (Bigelow, *et al.*, 2016). TOTAL provided invaluable information about agricultural land ownership and otherwise unavailable data on agricultural landlords. All of this critical information helps USDA evaluate the status of the nation's soil, water, and related resources on non-Federal land every 10 years as required by the 1977 Soil and Water Resources Conservation Act (RCA). RCA appraisals assess the capacity of the nation's resources to meet present and future demands and play a key role in shaping conservation strategies, but they are scheduled to terminate on December 31, 2018 (www.nrcs.usda.gov/wps/portal/nrcs/rca/national/technical/nra/rca/ida).



The Sneffels Range in Ridgeway, Colorado. Pat & Chuck Blackley/
Alamy Stock Photo.

Both NRI and RCA appraisals indicate the United States is developing its more productive agricultural land at a disproportionate rate. AFT identified the same trend when it documented the relationship between highly productive farmland, land development trends, and farmland loss over 20 years ago (Sorensen, *et al.*, 1997). The need to improve the nation's understanding of the scale and spatial location of this threat provided the impetus for AFT's *Farms Under Threat* initiative.

Mapping the quality of agricultural land and tracking its loss is a critical step to better understanding the impacts of conversion that has already occurred. However, this is not easy to do because the various databases and maps available at the national level differ in purpose, scope, and how various land categories and uses are defined (Nickerson, *et al.*, 2015). The collected data also differs in scale, including their extent and spatial resolution, as well as in duration, accuracy, update frequency, and timing. As a result, estimates from different Federal agencies do not agree on how much agricultural land the United States has—let alone how much the nation is losing.

“Each day, each year—individually and on a national scale—the conversions of cropland to non-agricultural uses may not have been large in proportion to the total national landscape. However, collectively and cumulatively, these land use shifts are seriously reducing the world’s supply of important farmlands. Moreover, while these continued losses are ‘significant’ or ‘rather serious’ on a global scale, they may already be critical for individual, local, or regional areas.”

NORM BERG, 1979.

To meet the need for more accuracy, AFT and CSP applied advanced geospatial and remote sensing analysis to fill in the data gaps and create the most comprehensive and most accurate national analysis ever undertaken of agricultural land and conversion patterns from urban and low-density residential development. ***Farms Under Threat: The State of America’s Farmland adds value to the national inventory of agricultural land in multiple ways:*** (1) It includes a new class of agricultural land that estimates woodlands associated with farm enterprise; (2) It maps grazing on Federal land; (3) It identifies agricultural land based on its productivity, versatility and resiliency to support intensive food and crop production (PVR values); (4) It maps and analyzes the extent of low-density residential development on agricultural land; (5) It shows the spatial patterns of agricultural land uses and

conversion to development in a consistent way over time so that people can see the patterns of change.

“Productive land is neither limitless nor inexhaustible.”

HUGH HAMMOND BENNETT, 1959.

Federal Farmland Protection: Agricultural Conservation Easement Program (ACEP)

USDA’s NRCS is a key partner for state and local governments, private land trusts, and recognized Tribes working to protect farmland and rangeland from development. The agency’s Agricultural Conservation Easement Program (ACEP), authorized in the farm bill, protects agricultural land and conserves wetlands. The Agricultural Land Easements (ALE) enrollment option provides matching funds to buy conservation easements on farmland and rangeland. ***An agricultural conservation easement is a deed restriction that landowners voluntarily place on their property to restrict development and keep the land available for farming.*** The funds from selling agricultural conservation easements allow farmers to free up capital without having to sell their land outright and are most often used to improve or expand the farm operation (Esseks and Schilling 2013). Since 1996, NRCS has invested about \$1.5 billion in agricultural conservation easements through ACEP–ALE and its forerunners, leveraging state, local, and private funds to contribute to the long-term protection of more than 1.2 million acres of agricultural land nationwide. The program has protected agricultural land for agriculture, improved agricultural viability, encouraged on-farm conservation, and helped farmers gain access to land (Esseks and Schilling 2013). Although the demands for the Federal, state, and local programs remains very high, the limitations in funding at all levels constrains each partner’s ability to protect this critical land. For more information about the impact of the Federal farmland protection program, see www.farmlandinfo.org/impacts-federal-farm-and-ranch-lands-protection-program-assessment-based-interviews-participating-1.

Methods



Dickie Brothers Orchard in Roseland, Virginia. **Pat & Chuck Blackley/Alamy Stock Photo.**

CSP analyzed the location, quantity, type, and quality of the agricultural land converted to development in the continental United States to a 30 meter resolution with mapping units of about 5 to 10 acres. To achieve this level of precision and inform future forecasting, CSP focused on the 20 year time period⁸ between 1992 and 2012 when there were sufficient databases with the national coverage necessary to complete the more detailed spatial mapping. The most recent releases of databases with the coverage needed for a national assessment are 2011 and 2012.

To show the extent of land in agricultural uses, the analysis identifies and maps woodland, a new class of agricultural land, and also maps grazing on Federal land. To provide greater clarity on the extent of agricultural land conversion, it improves on previous efforts to spatially map low-density residential development, which extends beyond the suburbs into rural parts of counties. The conversion of working land to very large lot developments not only diminishes the agricultural land base, it also threatens the vitality of rural economies. Finally, to more fully understand the quality of the agricultural land being converted, it identifies and spatially maps agricultural land based on values that denote their productivity, versatility, and resiliency (PVR) for cultivation. This complex approach significantly advances the understanding of farmland conversion.

Developing the base map.

CSP started the assessment with the 2011 U.S. Geological Survey (USGS) National Land Cover Dataset (NLCD)—a 30 meter resolution national database that provides spatial reference and descriptive data of land surface characteristics. It adds in critical data from the NRI and Soil Survey Geographic Database SSURGO datasets (soil suitability and capability classes), the NASS Cropland Data Layer (CDL) and Census of Agriculture data (median farm size), the USGS NLCD accuracy assessments, National Elevation Dataset (at 10 m) and Protected Areas Dataset (PAD-US), and housing data from the U.S. Census Bureau at Census block level. It directly incorporates NRI data to generate a suitability model that produces maps of land cover/use at 1992 and 2012 and then applies additional geospatial analyses to quantify change.



Farmland in the Mohawk Valley, New York. **Philip Scalia/Alamy Stock Photo.**

Farms Under Threat adds a new class of agricultural land: woodland associated with farms. This is a subset of forestland that CSP mapped by approximating the

⁸CSP initially applied this approach to map conversion over a 30 year period based on 1982 data from the NRI. However, because many of the datasets used to model land cover/use represented conditions in the early 1990s, the results were too inconsistent and had too much variability.

area of woodland reported by operators in the 2012 Census of Agriculture. To show the total extent of land in agricultural uses, it includes Federal land that is grazed based on grazing permits issued by the U.S. Forest Service and the U.S. Bureau of Land Management in 2014 and 2015, respectively. It also identifies low-density residential development as another land cover/use class.⁹ Depending on location, once this intensity of residential development occurs on agricultural land, the analysis assumes it is no longer primarily used for agricultural purposes.

The assessment focuses on the continental United States (the contiguous 48 states) because of data availability and spatial data processing efficiencies. A number of datasets used in the analyses were either not available or had limited (less than 25 percent) spatial coverage in Alaska and/or Hawaii. For Alaska, the NRCS NRI and SSURGO soils databases were very limited; for both Alaska and Hawaii, data are not available for the CDL or grazing allotments, and the earliest availability of the NLCD is 2001 (not 1992).

Mapping and assessing irreversible losses due to *both* urbanization and low-density residential development.

Previous work by the technical mapping team, access to unique national data, and a geospatial model enabled CSP to map urbanization and the low-density residential development that extends beyond the suburbs. CSP started with the NLCD urban land cover/use class. The satellite imagery used to create the NLCD dataset detects the high-density urbanized or built-up areas but misses urban development hidden under forested canopies, as well as low-density residential areas. This shortcoming became apparent when CSP compared the detailed land use observations from the NRI to the NLCD 2011. Roughly 30 percent of the area represented by the NRI as urbanized did not fall on urban/built-up classes in the NLCD.

The next step was to figure out how to spatially map low-density residential development, especially large-lot development occurring in exurban areas. AFT interviewed farmland protection practitioners, county planners, and other key stakeholders at the start of the *Farms Under Threat* initiative. In some parts of the country, these stakeholders identified exurban development as the principal threat, and they urged AFT to investigate the lower-density residential development missed by the NRI.



A crop farmer in Oyster, Virginia. **Blend Images/Alamy Stock Photo.**

⁹*Farms Under Threat* uses the NLCD definition for urbanization: areas occupied by urban development or “built-up” areas of commercial, industrial, transportation, and high-density residential (NLDC categories 21–24). Low-density residential includes residential areas with more than one housing unit per 1 to 2 acres up to homes on 10–20 acres as well as exurban homes on even larger lots that effectively remove these properties’ agricultural uses.

The NRI urban classification captures residential land areas with more than one housing unit per 1 to 2 acres up to homes on 10–20 acres. This resulted in another gap between what the NLCD captures and the NRI samples. To bridge the gap between NLCD and NRI, CSP sought to map both the NRI residential land areas and the nonagricultural development on larger lots.

To do this, CSP created an additional land cover/use category of low-density residential. The low-density residential model filled in the NRI urban projections up to one house per 10–20 acres. It also captured exurban homes on even larger lots that effectively removed even more land from agricultural uses. To identify these larger lot residences, AFT asked NASS to generate the quartiles of farm size from the 2012 Census of Agriculture for each county. The size of a viable farm or ranch varies considerably from region to region and from county to county. To distinguish between a viable agricultural operation and a rural estate (also called a “farmette” or “ranchette”), CSP identified the low-end tail (approximately the 10th percentile) of the entire distribution of farm sizes in each county by using 50 percent of the lowest (25 percent) quartile. Based on feedback from scientists involved with the NRI, CDL, and NLCD, this best represents the point below which land previously identified as agricultural land is likely too small or fragmented to support an agricultural operation. These farm-size thresholds (calculated as roughly the 10th percentile of farm size in the county) vary widely from county to county and state to state and ranged in size from 2 acres (*e.g.*, in parts of the Northeast) to 186 acres (*e.g.*, in parts of Great Plains, *etc.*). This land was then re-classified as most likely low-density residential. Then CSP harmonized this data with the housing density data from the U.S. Census and used housing density to help distinguish large lot, low-density residential from agricultural uses.

Limitations of the Data from *Farms Under Threat: State of America’s Farmland*

The *Farms Under Threat: State of America’s Farmland* datasets are produced at a resolution of 30 meters (about ¼ acre), though the minimum mapping unit is 5 to 10 acres, which is useful to inform and support sub-county decisions regarding mapped patterns at extents of roughly 1,000 acres or greater. Calculating summaries of the data at scales finer than this generally is not recommended. To characterize broader-scale patterns and trends, the minimum analytical (decision) unit should be aggregated to the sub-county level (approximately 10,000 acres or greater), the equivalent of a Hydrologic Unit Code 12 or HUC12 level. CSP and AFT recognize that there may be some utility for using these data at relatively fine-scales, but caution that the interpretation of the results be used appropriately and considered in a probabilistic perspective, particularly when using the data for site-scale planning exercises. Calculating landscape change is particularly challenging, and so we suggest that appropriate scales for calculating change or trends with data from *Farms Under Threat: State of America’s Farmland* should be done at county, state, and national scales. Fine-scale analysis should proceed under advisement of the data developers (CSP) on a case-by-case basis. As with any map, there is some level of uncertainty associated with the data, and the statistical uncertainty associated with our findings has been fully documented.



Fields of squash in Virginia. Lance Cheung/USDA.

Assigning values to agricultural land based on their productivity, versatility, and resilience for long-term cultivation.

Farmers and ranchers make decisions about how to use their land based on soil type, water resources, climate, adjoining land uses, proximity to markets and transportation, access to farm equipment, and other factors (Olson and Lyson 1999). However, the long-term sustainability of keeping the land in cultivation or in other agricultural uses depends on the productivity,¹⁰ versatility¹¹ and resiliency¹² (PVR values) of the land base. The research team looked for factors that offered reliable national coverage and could act as proxies to rank agricultural land nationally based on these key factors and chose *soil suitability*, *land cover/land use*, and *food production* to assess the land's potential to support long-term cultivation.

“Each acre not retained for use in agriculture, and each acre exceeding the tolerance value in erosion loss, removes flexibility for future decisions and reduces the nation’s options for directing our own destiny.”

NORM BERG, 1981.

¹⁰**Productivity** is output per unit of input (often measured as crop yield per acre). The highest productivity occurs in coastal areas where climate, soil, location, and irrigated conditions favor the production of perishable crops (fruits and vegetables) or where integrated livestock operations draw from an extended cropping area. Unfortunately, productivity can often mask environmental or health components of soil quality (Widbe and Gollehon 2006). The PVR analysis considers soils, their limitations, climate, type of production, and whether the land can produce commonly cultivated crops and pasture plants without deterioration over a long period of time.

¹¹**Versatility** is the ability of land to support production and management of a wide range of crops. It is mainly assessed in terms of soil and land physical characteristics (Bloomer 2011).

¹²**Resiliency** (the land's ability to maintain its potential to provide ecosystem services) depends on the same factors that determine potential productivity (topography, relatively static soil properties and climate (UNEP 2016).

National Factors Used in the Productivity, Versatility and Resiliency (PVR) Analysis

Soil suitability uses important farmland designations, which interpret soil survey information to indicate relative suitability and productivity of soils. Important farmland designations are an attribute in the NRCS SSURGO database. This factor gets at the capacity of soils to support agricultural production (productivity) and provides clues to the land's versatility and resiliency to withstand weather extremes. We consulted with state soil scientists and included the following important farmland designations: prime farmland, prime farmland with limitations, unique farmland, farmland of statewide importance, and farmland of statewide importance with limitations. We reclassified locally important soils in all states except Michigan and Ohio as not prime, because states inconsistently define their locally important soils and most states identify fewer than 1,000 acres as locally important. Working with the NRCS state soil scientist, AFT reclassified Michigan locally important soils in counties adjacent to Lake Michigan as unique (since these areas support fruit trees or vineyards) and reclassified the locally important soils in remaining counties as statewide important. For Ohio, we reclassified locally important soils as statewide important.

Broad land cover/use shows where different major types of agriculture are conducted. Land cover is the vegetation or other kind of material that covers the land surface. Land use is the purpose of human activity on the land; it is usually, but not always, related to land cover. Continuous production indicates there are relatively fewer limitations and environmental consequences. It indicates resiliency over time. We mapped land cover/use by combining data from the NRI, the USGS National Land Cover Dataset for 2011, and the SSURGO database.

Food production was included in recognition of the fact that a primary goal of agriculture is to feed people. This factor is especially important as a proxy for characteristics that support production of specialty crops that may require unique soils and microclimates. Using data from the USDA NASS Cropland Data Layer, we grouped 132 Individual cropland types into five main groups: 1. fruit and nut trees; 2. fruits and vegetables grown as row crops; 3. staple food crops (*e.g.*, wheat, rice, barley, oats, dry beans, potatoes); 4. feed grains, forages, and crops grown for livestock feed and processed foods (corn and soybean; hay and alfalfa; oilseeds and sugar beets and sugarcane); and 5. non-food crops (*i.e.*, crops used for energy production excluding corn, fiber, tobacco, and nursery/greenhouse).



Pumpkin plants in Starlight, Indiana. **Daniel Dempster Photography/Alamy Stock Photo.**

Farms Under Threat then used a structured, replicable process to elicit feedback from 33 national experts to decide the importance of each factor in determining the land's potential. The experts assigned the strongest weight to soil suitability (given the value of 1.0), followed by food production (= 0.522), and land cover/land use (= 0.398). For soil suitability, the experts ranked the soil types in the following order: prime, unique, prime with limitations,¹³ state important, and state important with limitations. For land cover/use, types, the ranked order was cropland, pastureland, rangeland, and woodland. For food production, the ranked order was fruit and vegetables, fruit and nut trees, staple food crops, feed grains, and forages and non-food crops. Because fruits, nuts, and vegetables occupy only a small percentage of total cropland acres and often depend on unique microclimates that limit their range, their ultimate weighting within the analysis was higher to reflect their disproportionate value.

Factoring in critical limitations to production and versatility.

To strengthen the soil suitability analysis, the analysis included a secondary factor based on production limitations documented within NRCS Land Capability Classes (LCC) (USDA SCS 1961). USDA developed this classification to group soils primarily on the basis of their capability to produce commonly cultivated crops and pasture plants without deteriorating over a long period. The LCC considers management hazards (*e.g.*, erosion and runoff, excess water, root zone limitations, and climatic limitations). It also helps identify production versatility, identifying whether soils can be used for cultivated crops, pasture, range, woodland, and/or wildlife food and cover. The LCC identifies eight categories with increasing limitations. Land in Classes I through IV is suited to cultivation, although Classes II through IV have increasing limitations that reduce the choice of plants and require the use of progressively more conservation practices. Classes V through VIII are not suited to cultivation, and their use is limited largely to pastureland, rangeland, woodland, or wildlife food and cover. To improve the food production factor, the analysis also incorporated information about growing season length that limits production in parts of the country but allows almost year-around production in some of the southern states and in some coastal regions. After completing these refinements, CSP as-

¹³ *Farms Under Threat* uses the NRI definitions for the various soil types. In this case, limitations denote the conditions that must be addressed before the soil qualifies as prime (*e.g.*, prime if irrigated, prime if drained, prime if drained and either protected from flooding or not frequently flooded, *etc.*) or statewide important.

signed each agricultural land mapping unit (5–10 acres) a combined PVR value based on the PVR factors and weighting (see *Figure 4*).



Cherry Bomb peppers growing in northern Illinois. **Jess Merrill/Alamy.**

Identifying the best land for intensive food and crop production.

After assigning combined PVR values, CSP then applied a scenario model to identify the best land for intensive food and crop production (includes the production of fruits, vegetables, staple foods, grains, and animal feed). The scenario model included soils that are prime, unique, or prime with limitations; cropland and pasture; and the relevant cropland types. The land with values at or above the resulting PVR threshold value has the highest potential for food and crop production with the fewest limitations and environmental impacts. This subset of agricultural land is the best land for intensive food and crop production in terms of its ability to support cultivation.

Checking the PVR continuum against other classification schemes.

To help put the PVR value continuum into context with other classification schemes, CSP examined the PVR values generated for the NRI points. For the NRI points designated as prime, the mean PVR value was 0.45. For Land Capability Class designations, the mean PVR value for LCC Class I points was 0.53, Class II was 0.49, Class III was 0.40, Classes IV and V were 0.29, Class VI was 0.20 and Classes VII and VIII were 0.15. *Farms Under Threat: State of America's Farmland* identifies land with a PVR value above 0.43 as best suited for intensive food and crop production. In other words, the threshold the scenario model uses to identify the best land for intensive food and crop production picked up all the prime farmland identified by the NRI points, all the agricultural land in LCC Classes I and II, and some of the agricultural land in LCC Class III.



The sun sets over an Iowa cornfield. Larry Lindell/Istockphoto.

Findings¹⁴

- **Between non-Federal and Federal lands, America's farmers and ranchers make use of a diverse agricultural landscape that covers 55 percent of the land area in the continental United States.**

Farms Under Threat land cover/use categories include cropland, pastureland, rangeland, and woodland (*Table 1*)¹⁵ in the context of other major land uses (*e.g.*, urban, low-density residential, forest, water, Federal, Federal land used for grazing, other rural land, *etc.*) (*Figure 1*). The broad extent to which land in the continental United States is used by farmers and ranchers becomes apparent when non-Federal agricultural land and Federal land used for grazing are mapped together (*Figure 2*). Farmers and ranchers use over 1 billion acres in the continental United States (*Table 2*), roughly 55 percent of the land area, providing a wide range of benefits and amenities that are valued by the public.

A Note About Land Cover/Use Categories Used in *Farms Under Threat*

Farms Under Threat defines agricultural land as cropland, pastureland, rangeland and woodland associated with farms in the continental United States (48 states), excluding federally owned grazing land. This non-Federal agricultural land is commonly referred to as farmland and ranchland by the public.

¹⁴ AFT is solely responsible for the conclusions and recommendations in this report. Although information from NRCS data comprises a major component of this analysis, the conclusions and recommendations are AFT's alone.

¹⁵ Direct comparison of *Farms Under Threat* with the NRI and other agricultural datasets is difficult because of different classifications, sources, time periods, and spatial resolution. The accuracy of the revised cover types in our resulting map, compared to the ~800,000 NRI validation data points, is roughly 83 percent overall.

Farms Under Threat uses the NRI definitions for rangeland, forestland, cropland and pastureland. “Woodlands” is a new class of forested cover that is part of a functioning farm. “Federal (grazed)” is a new class compiled from USFS and BLM allotment data. “Urban” is mapped from the USGS NLCD urban/built-up categories. “Low-density residential” is a new class calculated from Census block level housing statistics. “Other” includes locations not classed in other cover/use classes (*e.g.*, along rural roads or scattered in areas with little vegetation cover such as barren or steeper slopes). “Water” includes freshwater and some near-shore ocean. Compared to NRI, FUT slightly under estimates the total land area of the contiguous United States (CONUS). All percentages reported are based on the total CONUS land area reported by NRI and will not sum to 100 percent due to rounding and other factors described in more detail in the FUT technical report.

Figure 1: The extent and distribution of agricultural land in 2012.



Agricultural land in the continental United States, shown here in shades of yellow and green, encompass roughly 912 million acres of non-Federal land, including cropland, pastureland, rangeland and woodland associated with farms. This agricultural land provides a rich and varied landscape that is part of a larger mosaic of land cover/uses, including forestland, Federal land, Federal land grazed by livestock, and other rural land, as well as urban and low-density residential development.

Table 2. Farms Under Threat agricultural land and Federal land used for livestock grazing in 2012.*

Land Cover/Use		Thousands of Acres	Percent of Total Land Area
Agricultural Land	Cropland	313,845	16.2%
	Pastureland	108,410	5.6%
	Rangeland	409,275	21.1%
	Woodland	80,136	4.1%
	Total Agricultural Land	911,666	
Federal grazed		158,418	8.2%
Federal		217,934	11.2%
Forestland		328,572	17.0%
Other		87,889	4.5%
Urban		71,464	3.7%
Low Density Residential		69,536	3.6%
Water		43,469	2.2%
No data (unknown)		48,765	2.5%
Total		1,937,713	100%

See box [A Note About Land Cover/Use Categories Used in *Farms Under Threat*] for an explanation of land use categories.

Figure 2: The widespread landscape used by farmers and ranchers in 2012.



Farmers and ranchers use over 1 billion acres, or 55 percent of the land in the continental United States, which includes agricultural land and Federal land used to graze livestock. This map depicts only these land uses to show the broad extent of land used for agricultural production.

Table 2. Farms Under Threat agricultural land and Federal land used for livestock grazing in 2012.*

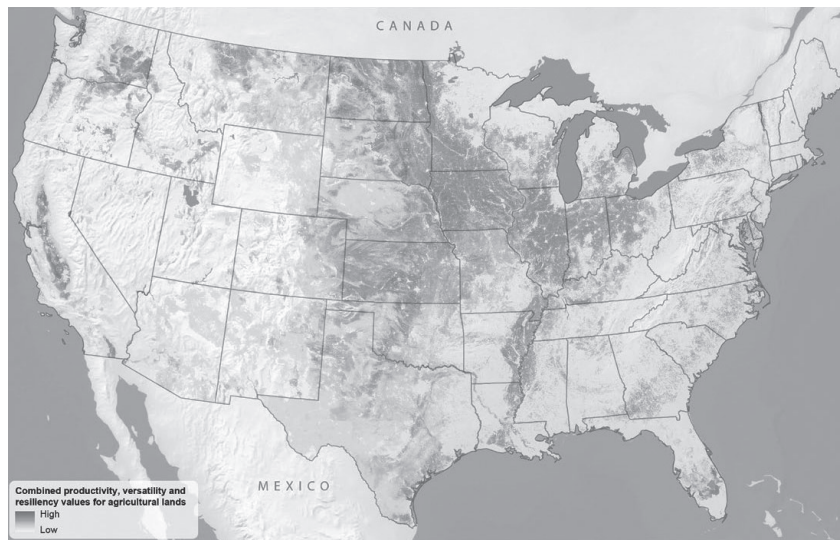
Land Cover/Use		Thousands of Acres	Percent of Total Agricultural Land	Percent of Land in Agricultural Use
Agricultural Land	Cropland	313,845	34.4%	29.3%
	Pastureland	108,410	11.9%	10.1%
	Rangeland	409,275	44.9%	38.2%
	Woodland	80,136	8.8%	7.5%
	Total Agricultural Land	911,666	100%	
Federal Land Used for Grazing		158,418		14.9%
Total Land in Agricultural Use		1,070,084		100%

See box [A Note About Land Cover/Use Categories Used in Farms Under Threat] for an explanation of land use categories.

- **Agricultural land varies in its potential to be used for food and crop production.**

The PVR land potential model calculates the productivity, versatility and resiliency value at each location on the map (Figure 3). As PVR values decrease, the land has progressively greater limitations and usually requires greater inputs to cultivate. Farmers may also need to adapt crops and practices and increase their level of management to use this land for cultivation. As PVR values increase, fewer and fewer acres of land qualify. Land that has high enough PVR values has the right soil characteristics and growing conditions to support intensive food and crop production with the fewest environmental limitations (Figure 5).

Figure 3: Combined productivity, versatility, and resiliency values for agricultural land.



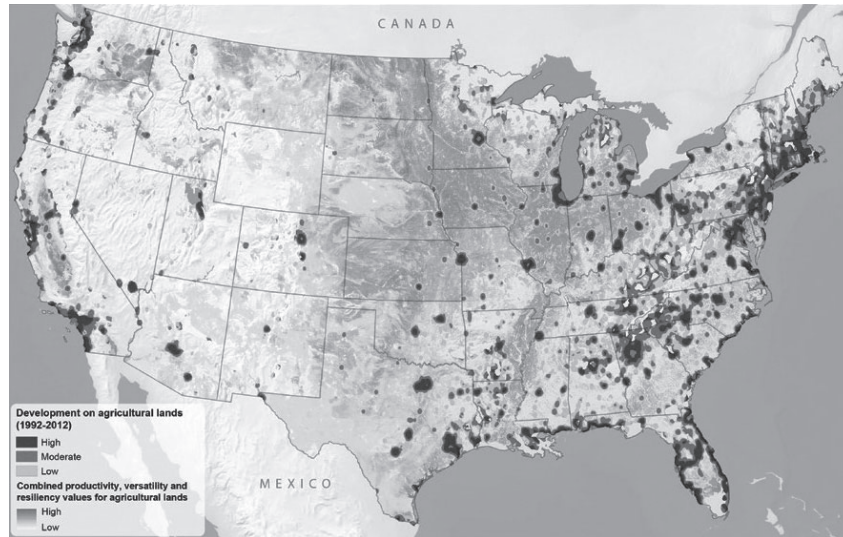
The productivity, versatility, and resiliency of agricultural land for long-term cultivation largely depend on the quality of the soils, the farming infrastructure that exists, and climatic conditions, such as the length of the growing season. PVR values are calculated using data of the PVR factors and expert-based weights. Lower PVR values are shown by lighter tones, indicating land that has progressively greater limitations, may be more prone to off-farm environmental impacts, and that offers less potential for food and crop production and narrower choices for agricultural production in general.

- **Development converted almost 31 million acres of agricultural land in the United States between 1992 and 2012, nearly double the amount previously documented by national datasets.**

Agricultural land use in the United States continually changes—and these changes mask the irreversible losses that are taking place. *Farms Under Threat* was able to spatially map the patterns of conversion since 1992 that the NLCD was unable to distinguish through remote sensing (*Figure 4*). Overall, more than 62 percent of the development that occurred was on agricultural land.

Urban development converted roughly 18 million acres of agricultural land (59 percent of conversion), reinforcing the findings by the NRI. *Farms Under Threat* also captures and, for the first time, spatially allocates the emerging threat of low-density residential development associated with exurban development. Low-density residential development converted nearly 13 million acres of additional agricultural land (41 percent of conversion). Taken together, the loss of agricultural land to development is far more widespread than previously documented—nearly double previous estimates.

Figure 4: Conversion of agricultural land to urban and low-density residential development between 1992 and 2012.



The development of agricultural land is shown in relationship to the low-to-high continuum of productive, versatile, and resilient values for agricultural land. The conversion of agricultural land to urban and low-density residential uses between 1992 and 2012 is shown as high (dark brown-red, >25% conversion within a 10 kilometer (6.2 miles) radius), moderate (light brown-red, 10–25% conversion) and low (tan, 5–10% conversion). Urban areas are shown in gray.

Table 3. Conversion by land cover/use in thousands of acres between 1992 and 2012.

Land cover/use	Urban Development			Low Density Residential			Total Developed			
	% of ag land	Acres lost	% by land type	% of ag land type converted	Acres lost	% by land type	% of ag land type converted	Acres lost	% by land type	% of ag land type converted
Cropland	34.3%	7,408	28.9%	41%	4,385	18.5%	34.5%	11,793	23.9%	38.4%
Pastureland	11.9%	4,662	18.2%	25.9%	4,379	18.5%	34.5%	9,041	18.3%	29.4%
Rangeland	44.9%	4,285	16.7%	23.8%	1,408	5.9%	11.1%	5,693	11.5%	18.5%
Woodland	8.8%	1,674	6.5%	9.3%	2,527	10.6%	19.9%	4,201	8.5%	13.7%
Total on ag land		18,029	70.4%		12,698	53.5%		30,727	62.3%	
Forestland		5,107	19.9%		9,739	41%		14,846	30.1%	
Other		2,463	9.6%		1,297	5.5%		3,761	7.6%	
Total		25,600			23,735			49,335		

- **Over 70 percent of urban development and about 54 percent of low-density residential development occurred on agricultural land.**

As shown in *Table 3*, in the context of all land uses, urban development occurred more frequently on cropland (28.9 percent) than on any other land use type, while low-density residential development was more likely occur on forestland (41 percent).

When urban development occurred on agricultural land, it most frequently converted cropland (41 percent) while converting much lower percentages of pastureland (25.9 percent), rangeland (23.8 percent) and woodland (9.3 percent). In contrast, low-density residential development posed an equal threat to cropland and pastureland (34.5 percent each) and favored woodland (19.9 percent) over rangeland (11.1 percent).

After mapping the patterns of development on agricultural land, the analysis determined whether the United States was disproportionately losing agricultural land with higher PVR values. This was done by comparing the PVR values of the agricultural land that was converted by urban and low-density residential development between 1992 and 2012 with the PVR values of the agricultural land that was not developed.

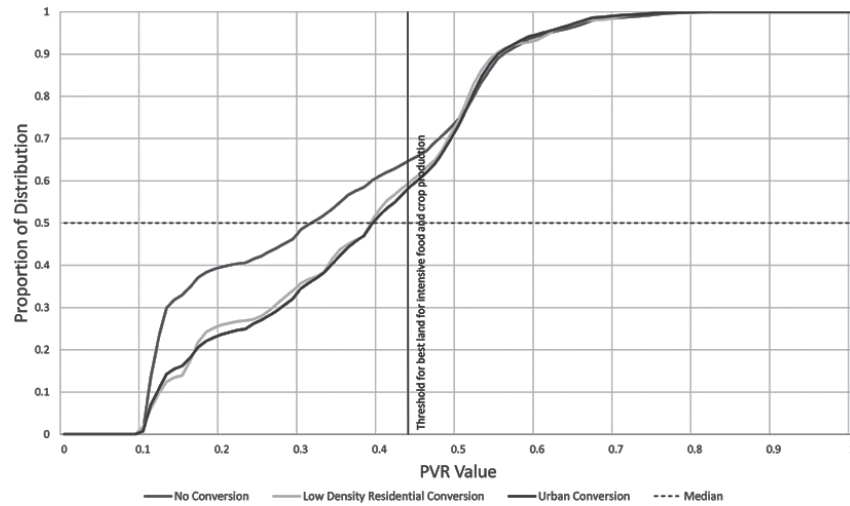
- **Development patterns put higher quality agricultural lands at greater risk.**

The analysis found that land with higher PVR values was more at risk of being developed. *Figure 5* shows the cumulative distribution curve of the PVR values of agricultural land in 1992 (335 million acres) that remained in agriculture in 2012 contrasted with similar cumulative distribution curves of the PVR values of land converted by low-density residential (13 million acres) and urban development (18 million acres). These distribution curves show that urban development and, to a lesser extent, low-density residential development occurred on land with higher PVR values.

The median PVR value of agricultural land lost to development (0.39) was 1.3 times higher than the median PVR value of land that stayed in production (0.31). The contrasting distribution curves also show the nation's best land for intensive food and crop production (land with PVR values of 0.431 or higher) is disproportionately converted by urban and low-density residential development up to a PVR value of about 0.51.

It is interesting to note that above a PVR value of 0.51, the distribution curves converge, indicating that conversion is now proportional to the amount of agricultural land with these higher PVR values (less than 25 percent of agricultural land in 1992). Although the losses are no longer disproportional, the land with the highest PVR values continues to be converted. All of these cumulative losses could have serious implications for agricultural productivity and domestic food security in future decades.

Figure 5: Distribution of PVR values for converted agricultural land and land remaining in agriculture.



Cumulative distribution curves are shown for the PVR values of agricultural land in 1992 that remained in agriculture (no conversion) in 2012 (335 million acres) and for the agricultural land lost through urban conversion (18 million acres) and low-density residential conversion (13 million acres). Development disproportionately occurred on land with PVR values between 0.1 and 0.51. The distribution curves then converge above a PVR value of 0.51, indicating that conversion is now proportional to the amount of agricultural land with higher values (>0.51). The dotted horizontal line shows the median PVR value of the agricultural land that remained in production was 0.31, whereas agricultural land lost to development had a higher median PVR value of 0.39. A solid vertical line shows the PVR threshold value (0.43) used to identify the best land for intensive food and crop production and represents slightly more than $\frac{1}{3}$ of agricultural land.

- **By 2012, the best land to support intensive food and crop production comprised less than 17 percent of the total land area.**

Only 324.1 million acres of agricultural land had PVR values >0.43 that indicated that the right soil characteristics and growing conditions were present and the land could be farmed with the fewest environmental limitations (*Figure 6*). This is slightly more than $\frac{1}{3}$ of agricultural land.

Figure 6: Best agricultural land for intensive food and crop production in 2012.



Agricultural land with PVR values between 0.43 and 1.0 is the land most suited for the intensive production of fruit and nut trees, vegetables, staple foods, grains, and animal feed with the fewest environmental limitations. This land represented about 36 percent of U.S. agricultural land, or only 16.7 percent of the total land area in the continental United States in 2012.



Harvesting lettuce in New York State. Cavan Social/Alamy Stock Photo.

- In less than one generation, the United States irreversibly lost nearly 11 million acres of the best land for food and crop production.

From 1992 to 2012, the United States converted 10.928 million acres of land where soils, climate, growing seasons, and access to water combine to allow intensive food and crop production with the fewest environmental impacts. *To put this into perspective, this is equivalent to losing 95 percent of California's Central Valley or 47 percent of the state of Indiana.* This is the land that can help ensure food security for future generations, but only if the nation protects it from any further conversion, soil erosion, and declines in soil health. At this rate of loss (slightly over three percent), the nation would lose over 15 percent of its best agricultural land by the end of the century just to development—without factoring in any other threats. But housing a growing population while losing land to a changing climate will likely accelerate this rate of loss and farmers and ranchers will have to produce more food, fiber and energy on the agricultural lands that remain.



Harvesting wheat in the Palouse region of Washington State. **Rick Dalton—Ag/Alamy Stock Photo.**

Discussion



CSA farmer in Iowa. Preston Keres/USDA.

U.S. agricultural land supports a regionally diverse food and farming system and provides a secure food supply—for now. This land also plays a significant role in the U.S. landscape and economy. However, it faces unprecedented challenges as the world's population continues to expand and the climate continues to change. By 2050, the demands on agriculture to provide sufficient food, fiber, and energy are expected to be 50 to 70 percent higher than they are now. Given a fixed land mass in the United States and the need to feed an increasing number of people, it is extremely important to consider land quality, land availability, and the maximization of nutrient production per unit of total land in the future (White and Hall 2017).

U.S. agricultural land also provides a wide range of benefits and amenities that are valued by the public. Along with producing food and crops, agricultural land is highly valued for providing wildlife habitat and environmental benefits such as flood water storage, *etc.* Well-managed agricultural land delivers a wide range of amenities that motivate communities and land trusts to pay \$88 to \$124,000 per acre on average to preserve this land (Brinkley 2012). These amenities include ecosystem services that improve the quality of water, air and soil, support wildlife and biodiversity, contribute to viewsheds and quality of life, provide recreational opportunities, shape land use, help the local economy, provide fresh healthy food, support community health and cohesion, and sequester carbon. The more marginal agricultural land where food production is rarely an option provide wildlife with the food, water, shelter, and space they need (AFT 2017). This includes wetlands, woodland, rangeland and pastureland with low-intensity management. The permanent habitat interspersed throughout the agricultural landscape (in areas like field margins, hedgerows, buffer strips, riparian corridors, and wood lots) allow wildlife to travel between larger areas of suitable habitat. Although quantifying the wide range of benefits offered by agricultural land is still in its infancy (Wainger and Ervin 2017), the market value of farmland services extends far beyond the local community and should be viewed in a regional context (Brinkley 2012). Because agricultural land varies so widely in its potential, maintaining this diversity with the philosophy that *every acre counts* provides the nation with options to optimize the nation's limited land and agricultural resources to sustain future generations.

Decades of urban and low-density residential development have converted almost twice as much agricultural land as previously thought. Urbanization and associated land-use dynamics beyond the urban fringe encroach on both agricultural land and on natural land that supports wildlife habitat (Theobald

2001). *Farms Under Threat* shows the past spatial patterns of agricultural land conversion by exurban development for the first time.¹⁶ This low-density residential development was responsible for 41 percent of the conversion of agricultural land by development between 1992 and 2012. The pattern of low-density residential development expanding well beyond the suburbs represents an additional, insidious threat to the nation's agricultural land. These scattered single-family houses on large lots remove proportionately more land from agricultural production and are not accounted for in most national assessments. This pattern of development emerged in the 1970s, and by 1997, nearly 80 percent of the acreage used for housing in the previous 3 years was land outside of urban areas, with 57 percent on lots of 10 acres or more (Heimlich and Anderson 2001). While urban development has become more efficient and compact since then, it appears that better land use planning (*i.e.*, "smart growth") has not yet reached the nation's exurban and rural areas.

Since 1997, large-lot properties have continued to increase in number and are often too small for traditional farming, ranching, and forestry uses. They no longer contribute to rural economies and lead to a loss of open space, a decline in wildlife habitat, water quality problems, and a higher demand for public services (Wilkins, *et al.*, 2003). The added roads, parking lots, and highly compacted lawns also increase the risk of flooding and degrade water quality compared to concentrating the same number of houses into compact neighborhoods and village centers (Flinker 2010). The scattered development is subsidized by those living in adjoining municipalities, and for many living in these far-flung houses and subdivisions, the emergency response times for police, ambulance, and fire fighters exceed national standards (Esseks, *et al.*, 1999). The development footprint grew from 10.1 percent to 13.3 percent from 1980 to 2000, outpacing the population growth by 25 percent. By 2020, urban and suburban development is forecast to expand by 2.2 percent and exurban development by 14.3 percent (Theobald 2001; 2005). Based on the past conversion patterns shown by this present analysis, much of this forecasted expansion will be on land with higher PVR values.

Smart Growth: Balancing Economy, Community, and Environment

The antidote to development that needlessly paves over agricultural land is not to halt development but to develop more thoughtfully. Smart growth is a system of urban planning that seeks to balance the economic benefits of growth with distinctive, attractive communities and the protection of natural resources. Principles of smart growth that relate to farmland protection include taking advantage of compact building design and strengthening and directing development toward existing communities. Compact development, and the transportation opportunities that this encourages, can also provide greenhouse gas reduction benefits. To learn more about smart growth principles, visit www.smartgrowth.org.

Source: www.farmlandinfo.org/sites/default/files/EPA_what_is_smart_growth_1.pdf www.epa.gov/smartgrowth/smart-growth-and-climate-change.

¹⁶In this case, suburbs form the ring around the urban core, and exurbs (with larger-lot homes) extend beyond the suburbs into rural areas.



Farmland along the Connecticut River in South Deerfield, Massachusetts.
Norman Eggert/Alamy Stock Photo.

As agricultural land with higher PVR values is lost, cultivation shifts to land with lower PVR values, which problematically can put more pressure on water, soils, and biodiversity. Market demands (*e.g.*, corn to produce ethanol as a biofuel), rising prices, and water availability can accelerate this process, bringing even more of the remaining land into cultivation. Land with lower PVR values is much more limited in the crops it can support, and cultivation may lead to more significant environmental impacts. More inputs (like pesticides and fertilizers) and/or acres are required to maintain the same production levels, putting even more pressure on water, soil, and biodiversity (Verzandvoort, *et al.*, 2009). For example, from 2001 to 2011, the Midwest lost cropland to urban expansion in the eastern part of the region and gained cropland at the expense of rangeland in the western part (Wright and Wimberly 2013; Emili and Greene 2014). Keeping this new, more marginal cropland in cultivation is dependent on the use of irrigation and the High Plains aquifer. Long-term, this trend could be detrimental to the economy, the environment, and food security.

Unfortunately, development is just one of the many threats to the nation's agricultural land base. Because development leads to the irreversible loss of agricultural land, it commands AFT's immediate attention in this analysis. However, several other interrelated factors pose additional—and significant—risks that can take agricultural land out of production and may result in its permanent loss. *The cumulative effects of these multiple threats to U.S. agricultural land significantly increase the need to recognize the strategic values of this land and step up efforts to protect it.*

For example, the changing climate already has caused shifts in food and fiber production and is intensifying competition for land with available water. Since the late 1970s, climatologists have documented weather-related changes that make it riskier to produce crops. These include rising temperatures that can reduce crop yields, increases in the length of the frost-free period (and corresponding growing season) that affect what can be grown where, increases in precipitation and heavy downpours, and more frequent extreme weather events: droughts, floods, fires, and heat waves (Walsh, *et al.*, 2014). Researchers also have documented decreases in accumulated winter-chill units needed to grow fruit in some of the nation's fruit growing regions (Baldocchi and Wong 2007). A sampling of some of the crop damage in 2017 attributed to a changing climate includes the loss of nearly 80 to 90 percent of the peach crops in Georgia and South Carolina due to an overly warm winter and hard freeze in the early spring. Other effects included damaged peaches, blueberries, strawberries, and apples in parts of the

Southeast; extensive damage to wheat, hay, livestock, and other crops in the Northern Plains due to extreme drought; and significant damage to Florida's citrus, sugarcane, and vegetable crops due to Hurricane Irma. The U.S. Office of Management and Budget and Council of Economic Advisors (2016) expects increased extreme heat and drought, more intense precipitation and soil erosion, growing stress from disease and pests, shifting soil moisture and water availability for irrigation, and higher concentrations of ozone, which will continue to reduce crop yields and increase uncertainty for producers.



Hurricane Harvey severely damaged the Bayside-Richardson Cotton Gin facility in Woodsboro, Texas, in 2017. *Lance Cheung/USDA.*



U.S. solar panels. **Istockphoto.**

The production of energy for domestic use and export introduces a new threat that competes for agricultural land. Energy production includes nuclear, natural gas, coal, renewables (wind, geothermal, solar, hydropower, biomass), oil and biofuels (corn, sugarcane, soybean, and cellulose). Researchers predict that, by 2040, the domestic production from all energy sources will rise by 27 percent and impact more than 197 million additional acres of land, an area greater than the state of Texas (Trainor, *et al.*, 2016). Most of this production will happen on agricultural land.¹⁷ This pace of development is more than double the historic rate of urban, commercial, and residential development, which has been the greatest driver of land conversion in the United States since 1970. To further reduce GHG emissions, states have also set ambitious goals for increasing the generation of renewable energy, which include dramatic increases in solar and wind energy. These efforts create opportunities for farmers and landowners to reduce their energy expenses and earn new income, but also pose threats to farmland and local food systems. For example, flat and open farm fields, often the most productive agricultural land, are also highly desirable for solar siting due to their ease of access and lower costs to clear vegetation and construct facilities.

The agricultural land base is also vulnerable to demographic and land ownership changes. Forty percent of U.S. agricultural land is owned by people over the age of 65. According to the 2012 Census of Agriculture, there are twice as many principal operators who are 75 and older as those under 35. Based on the 2014 TOTAL survey (Bigelow, *et al.*, 2016) and data from the 2012 Census of Agriculture, AFT calculates that about 370 million acres could change hands nationwide over the next 20 years. At the same time, beginning farmers and ranchers face major barriers like high start-up costs and difficulty accessing capital and affordable land. As a result, the numbers of beginning farmers and ranchers have declined steadily since 1982. Between 2007 and 2012, the number of beginning farmers declined by 20 percent (Freedgood and Dempsey 2014). In coming years, how millions of acres of agricultural land transfer and to whom—along with the agricultural infrastructure and assets associated with them—will fundamentally impact the structure of agriculture and rural America for generations to come.

And, if agricultural activities damage, erode, compact, or salinize the soil, the long term or permanent damage can also take land out of production. The 2011 RCA appraisal reported that about 27 percent of cropland acres were losing soil carbon (USDA 2011). Saline soils occupied about 5.4 million acres of cropland, and another 76.2 million acres were at risk, mostly in the southwestern United States. And roughly 20 percent of non-Federal rangeland acres (82 million acres) needed additional practices or management to restore rangeland health. Even the most productive, versatile, and resilient acres require the use of sound management practices to maintain or improve soil quality and minimize environmental impacts. However, much higher levels of management are necessary to prevent deterioration when soils are cultivated on less productive acres (USDA SCS 1961). Some of the most environmentally sensitive land (like wetlands and grasslands of environmental significance) should not be cultivated at all. About 27 percent of cropland is highly erodible (USDA 2011) but can be carefully cultivated if restrictions and regulations are followed.

Over the last 2 decades, improved management practices have made it possible for producers to reduce soil erosion on cropland by 44 percent (USDA 2015), but nutrient losses and greenhouse emissions for agriculture still must drop dramatically to restore and maintain clean water and stabilize the climate by 2050 (Hunter, *et al.*, 2017). This may require a significant increase in the use of conservation practices on about 20 percent of U.S. cropland and additional conservation practices on about 46 percent to prevent the continuing losses of soil and nutrients.¹⁸ Compounding this challenge, more frequent extreme weather events will likely increase both soil erosion and runoff, particularly on less productive acres (SWCS 2003; Segura, *et al.*, 2014).

The best land for intensive food and crop production is critical for food security and the long-term sustainability of the nation. Securing this land may also help stabilize and reduce future GHG emissions.

¹⁷Between 2000 and 2012, about 7 million acres were lost to oil and gas drilling in 11 central U.S. states and three Canadian provinces. About half the acreage was rangeland, 40 percent was cropland, ten percent was forestland and a very small amount was wetland (Allred, *et al.*, 2015).

¹⁸The USDA NRCS Conservation Effects Assessment Project (CEAP) quantifies the environmental effects of conservation practices: <https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/technical/nra/ceap/>.

Balancing the growing demands for housing, food, energy, and water to ensure our best agricultural land remains available for food and crop production is critical. Since land with higher PVR values is most at risk from development, planners, policy makers, and concerned citizens should prioritize its protection before too late. *Farms Under Threat* shows that conversion has already resulted in a disproportionate loss of land with PVR values between 0.1 and 0.51. For the higher range of PVR values between 0.51 and 1.0, the losses are proportional to the shrinking amount of agricultural land existing at those higher PVR values but continue to occur. The high productivity and economic returns from land with the highest PVR values, along with effective farmland protection policies, may be slowing the disproportional losses at this point, and AFT will examine this in future analyses. *But any loss of land with these high PVR values is of great concern, even more so if we factor in the cumulative effects of the multiple threats to U.S. agricultural land mentioned above.* The best land for intensive food and crop production is critical for food security and the long-term sustainability of the nation. Securing this land may also help stabilize and reduce future GHG emissions. The detailed mapping undertaken by Farms Under Threat, combined with AFT's upcoming predictive analyses of the impacts of development and a changing climate, can provide the solid foundation that the nation needs to protect and conserve these irreplaceable natural resources.



Spinach pre-harvest in the Coachella Valley of California. **Inga Spence/Alamy Stock Photo.**

Now is the time for the United States to recognize the strategic value of its agricultural land and step up efforts to protect it. It is worth repeating that beyond food security and economic prosperity, well-managed agricultural land provides open space, resources for hunting and fishing, and critical ecological services such as wildlife habitat, carbon sequestration, groundwater recharge, and flood control. This incredible diversity provides the nation with options going forward that may help optimize the use of agricultural resources to sustain future generations. The nation has already lost a significant amount of its best land for intensive food and crop production and faces the risk of losing even more in the future. However, through thoughtful and carefully implemented agricultural, conservation, and land use policies, the nation can strategically protect this land from further development, nourish it with conservation practices, and help the farmers and ranchers who manage this bountiful landscape thrive.

Recommended Actions¹⁹

“From every conceivable angle—economic, social, cultural, public health, national defense—conservation of natural resources is an objective on which all should agree.”

HUGH HAMMOND BENNET, 1959

“As a nation, we will conserve our productive land and use it prudently only if there is sustained public demand for such a course of action”

HUGH HAMMOND BENNET, 1959

The strategic value of U.S. agricultural land is now more important than ever, and any further loss of the best land for intensive food and crop production is short-sighted at best. When the issue of farmland and rangeland loss came to the fore in the 1980s, several Federal programs were implemented that we must continue to support and improve. But, given the increasing number of threats to farmland and rangeland and the even higher than previously known land loss of the last decades, we also need a bold, comprehensive, 21st century Federal commitment to saving the land that sustains us.

Additionally, concerted policy efforts at the state and local level will be necessary in order to fully address the scope of farmland loss. Future *Farms Under Threat* reports will detail these proposals.

Take Immediate Steps to Strengthen Existing Federal Farmland Protection Policies

- **Double funding for the Federal Agricultural Conservation Easement Program (ACEP) in the 2018 Farm Bill.** Congress has an immediate opportunity to strengthen existing Federal farmland protection efforts. Priorities for improving ACEP in the 2018 Farm Bill include:



A young farmer harvests fresh vegetables in New York State. **Mint Images/Tim Pannell.**

- *Increase Agricultural Conservation Easement Program funding to at least \$500 million annually.* Without additional funding, less than seven percent of farmers and ranchers seeking to put agricultural conservation easements on their properties would be able to protect their land.
- *Provide entities that have the demonstrated experience and financial stability to achieve certification with greater certainty in using their own deed terms.* Improving the current ACEP certification process will allow for faster protec-

¹⁹ AFT is solely responsible for the conclusions and recommendations in this report. Although data and information from NRCS comprises a major component of this analysis, the conclusions and recommendations come from AFT alone.

tion of farmland and ranchland when applicants craft deed terms to fit the broad variety of farmland and ranchland in need of protection. Every acre counts.

- **Support and fully fund the critical programs that help monitor threats to U.S. land resources.** Just as important as funding for on-the-ground farmland protection is the funding for agencies and projects that help monitor farmland loss and threats to farmland—and help measure successes in reversing these trends.
 - *Maintain and strengthen the NRCS National Resources Inventory by restoring staff capacity and continuing to support private-public partnerships.* The NRI is the only national land use data collected by Federal agencies and is key to the strategic protection of agricultural land resources.
 - *Continue critical funding for the USDA National Agricultural Statistics Service and Economic Research Service to deliver objective, timely, and accurate national research and analysis, including sufficient funding for a new 50 state Tenure, Ownership and Transfer of Agricultural Land (TOTAL) survey.* This unbiased information provides critical information for the nation's policymakers and industry leaders to make decisions that can ensure future food security and revitalize rural economies.
 - *Reauthorize and fully fund the 1977 Soil and Water Resources Conservation Act (RCA) and broaden its focus to fully assess the interrelated factors affecting the long-term sustainability of the nation's agricultural land as a natural resource.*

Enact a Bold and Comprehensive 21st Century Agricultural Land Policy Platform

As evidenced by these initial findings, current Federal policies are inadequate to safeguard America's farmland and ranchland for future food security, economic opportunity, and community well-being. In particular, since land with higher PVR values is most at risk from development, we must prioritize their protection before it is too late.



A New England farm family. **Ted Horowitz/Alamy Stock Photo.**

A new level of Federal commitment is needed to save the land that sustains America. A comprehensive 21st century agricultural land policy platform might include:

- Develop a national designation for agricultural lands with high PVR values and afford them special protections;

- Strengthen the Federal Farmland Protection Policy Act by requiring Federal agencies to avoid farmland conversion;
- Require a mitigation fee to protect an equivalent amount of farmland when projects that receive Federal funding or incentives result in farmland conversion. Use mitigation fees for Federal farmland protection projects;
- Dramatically increase ACEP–ALE funding in future farm bills to fully meet demand and to leverage state, local and private investments in farmland protection;
- Develop climate change solutions that take advantage of the greenhouse gas reduction potential of farmland protection, improved management practices, and smart growth;
- Enact Federal Tax Code changes that incentivize keeping agricultural land in production and encourage its transfer from one generation of farmers and ranchers to the next;
- Create tools that link farm business development and resource protection, and tools that enable agricultural landowners to plan for and address succession and retirement needs and transfer their land to the next generation of farmers and ranchers; and
- Fund new investments in planning to help rural communities address low density residential development and plan more proactively for agricultural economic development and conservation.

A diverse coalition of farm, conservation, rural development, and planning organizations will be needed to shape and move such a Federal agricultural land agenda, as well as to advocate for changes at the state and local level. AFT welcomes organizations that want to join in such an effort. As we face a growing global population and many new threats to our agricultural land base, it is ever more urgent that we all work together to protect farms and ranches.

Future Farms Under Threat Releases and Analyses



Blueberries ready for picking. **KC Shields/Alamy Stock Photo.**

State-level agricultural land cover/use data and conversion data: A forthcoming *Farms Under Threat: State of the States* report will use mapping and analyses to assess conversion of agricultural land at state level. It will examine both the quality and quantity of agricultural land lost to development within each state and compared with national findings. AFT will also release a *State Policy Scorecard* to demonstrate how states have used farmland protection policies to forestall agricultural land conversion. By showing solutions as well as threats, the *State of the States* report and *State Policy Scorecard* will share effective policy solutions to gal-

vanize action and encourage states to increase and improve their efforts to protect farmland.

County data and projections to 2040: Going forward, AFT will release county-level data and publish findings that include future scenarios using housing density and climate projections to forecast potential impacts to our agricultural land by 2040 if we fail to take action. The *Farms Under Threat* data and models make it possible to spatially locate the agricultural land that may be most at risk from development and a changing climate.

Future analyses: As noted previously, development is not the only threat our agricultural land faces over the next few decades. With additional time and funding, AFT will map potential conversion due to the expansion of energy and transportation infrastructures, identify areas where we need to improve our soils and minimize the environmental impacts of crop and livestock production, and analyze and map the demographic shifts that put agricultural land at risk when it transitions from older generation landowners.

In future analyses, AFT will consider how to strike a sustainable balance among land use and land management, a viable agricultural economy, and the maintenance of biodiversity to preserve the many public benefits provided by the agricultural landscape. To keep track of the future findings from *Farms Under Threat*, see the *More Information* box[.]



An Oregon vineyard. KC Shields/Alamy Stock Photo.

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Pumpkins in Connecticut. Lee Hacker/Alamy Stock Photo.

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A snowy owl on a barn roof in Polson, Montana. **Andrew Kandel Stock Photography/Alamy Stock Photo.**

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A blooming pear orchard in the Hood River Valley, Oregon. **Tomas Kaspar/Alamy Stock Photo.**

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Crop fields stretch to the horizon in Illinois. **Dmathis/Istockphoto**

For More Information

To keep track of *Farms Under Threat* and make use of reports, data, and white papers to build a constituency to protect this land for future generations, visit our website at www.farmland.org/initiatives/farms-under-threat. For technical questions concerning our analyses, contact AFT's Farmland Information Center at www.farmlandinfo.org or (800) 370-4879.



A new housing development on farmland in Loudoun County, Virginia.
Rob Crandall/Alamy Stock Photo



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ATTACHMENT 2

Editor's note: the letter dated May 24, 2021 was also submitted by Mrs. Kuster and is located on p. 79. It is not duplicated here.

ATTACHMENT 3



U.S. DEPARTMENT OF AGRICULTURE

[<https://www.usda.gov/media/press-releases/2021/11/24/usda-announces-american-rescue-plan-technical-assistance>]

USDA Announces American Rescue Plan Technical Assistance Partnerships Focused on Underserved Producers

Release & Contact Info

Press Release

Release No. 0260.21

Contact: USDA Press

Email: press@usda.gov

Washington, Nov. 24, 2021—The U.S. Department of Agriculture (USDA) is helping to ensure that underserved farmers, ranchers, and foresters have the tools, programs and support they need to succeed in agriculture. Today, Agriculture Secretary Tom Vilsack announced USDA will provide approximately \$75 million in American Rescue Plan funding to 20 organizations to provide technical assistance to connect underserved producers with USDA programs and services. Organizations were selected for their proven track records working with underserved producer communities, such as veterans, beginning farmers, limited resource producers, and producers living in high-poverty areas. These organizations will work with underserved producer communities on business and tax planning, financial assistance planning, market planning, farmer advocacy, and business curriculum development.

The cooperative agreements announced today are an initial step in deploying American Rescue Plan resources in response to demands for more immediate assistance on farm business planning, market development and access assistance, tax planning and land access assistance, to help underserved producers succeed. This announcement is the latest in a series of announcements building momentum around USDA's historic commitment to center equity in decision-making and policy-making and lower barriers to access USDA programming.

“As we build back better than we were before USDA is listening to our customers, and we are proud to offer new tools to help address inequities for underserved farmers and ranchers through the American Rescue Plan,” said Secretary Vilsack. “We are committed to making each of our programs equitable so all can benefit from the opportunities USDA investments and programs help create. Our planned work with these important cooperators will help USDA achieve these important goals.”

A full list of cooperators is available at: www.usda.gov/sites/default/files/documents/section-1006-list-of-cooperative-agreements.docx (DOCX, 13.9 KB). Cooperators will work with other cooperator organizations and USDA to address the needs of underserved producer communities. For example:

- The National Black Farmers Association will collaborate with organizations and will provide financial and business assistance and opportunities to receive USDA program technical support.
- The Intertribal Agriculture Council will lead training and technical assistance with Native American farmers, ranchers and forest landowners across the country.
- The Farmer Veteran Coalition will coordinate with other cooperators to focus on the needs of farmer and rancher veteran members.

To ensure the partnerships announced today and future partnerships funded via these American Rescue Plan funds are robust, all recipients will work with USDA in intensive training and collaboration activities.

The American Rescue Plan Section 1006 provides direction and over \$1 billion in funding for USDA to take action to ensure underserved communities have tools, programs and support they need to succeed. The Biden-Harris Administration is committed to advancing equity as a key priority. With the transformative funds provided by the American Rescue Plan, USDA will focus on creating opportunity for underserved producers through technical assistance and capacity building, access to land and credit, and access to markets and market development. Through Section 1006, USDA is also standing up an Equity Commission to advise the Secretary of Agriculture by identifying USDA programs, policies, systems, structures, and practices that contribute to barriers to inclusion or access, systemic discrimination, or exacerbate or perpetuate racial, economic, health and social disparities. *The Commission nomination period has been extended to Nov. 30, 2021.*¹

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all commu-

¹<https://www.usda.gov/equity-commission>.

nities, building new markets and streams of income for farmers and producers using climate-smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit [3www.usda.gov](https://www.usda.gov).

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