

**Statement by
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Secretary of Agriculture
Before the Subcommittee Agriculture, Rural Development, Food and Drug Administration, and
Related Agencies
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Thank you, Chair Heinrich, Ranking Member Hoeven, and distinguished members of this Subcommittee, for the opportunity to come before you today to discuss the Administration's priorities for the Department of Agriculture (USDA) and to provide you an overview of the 2024 President's Budget.

We are at a pivotal moment for American agriculture and rural communities with a decision to make about if, and how, agriculture will meet the challenges of our time. One option is to maintain the status quo. This path leads towards even more producers struggling to cover their costs and often turning to off-farm income to support their families; it leads to far too many rural communities languishing and demonstrates the outdatedness of agricultural policies designed to address challenges of the 1930s and 1970s, ones that reinforce systemic inequities. This path works for a few who have done what American agricultural economics has required of them: get big or get out. But there is another path, one that prompts us to recognize the undeniable challenges of climate change, the need for greater equity in our food system, and that there are opportunities to seize as we seek to adapt to a new course. This path draws on lessons from the COVID-19 pandemic, which exposed vulnerabilities at every point in our food supply chain – from the field to the factory to the grocery store – and compels us to take transformative action so that this vital system is more resilient, secure, and accessible to all. This path also draws strength from the Interim Recommendations of the USDA Equity Commission¹, because they are a roadmap for ensuring USDA lives up to its name as the People's Department for everyone. There is nothing more foundational to a country's security and stability than its food supply; an inclusive agriculture and rural life must be part of a shift to a bottom-up, middle-out system if we want to create more opportunity in this country.

Through the FY 2024 Budget, the Biden-Harris Administration and USDA have embraced a path where the future of American agriculture is secure and where there is greater equity and economic opportunity for agricultural and rural communities.

The 2024 USDA President's Budget also recognizes the historic investments that Congress has made through the American Rescue Plan, the Infrastructure Investment and Jobs Act, and the Inflation Reduction Act. USDA is delivering on these investments, and the 2024 Budget continues to confront challenges, rebuild the rural economy, and support a new, innovative approach to the future of agriculture. Agriculture is the foundation for fuel, fiber, and food; the agricultural economy is more than just growing crops and selling them, or raising livestock and selling them, or the products from them. The food and agriculture industry contributes nearly \$8 trillion to the global economy, about a fifth of the economic activity of our country. A strong agriculture sector is key to strong rural communities, supporting over 21 million people and 11 percent of jobs in the

¹ USDA Equity Commission. (2023). *Interim Report 2023: Recommendations made to the U.S. Department of Agriculture to Advance equity for all*. <https://www.usda.gov/equity-commission/reports>

economy, providing access to essential services like housing, health facilities, and fast reliable internet; it's how we ensure there's safe, nutritious, affordable food on the table for everyone, supporting the more than 10.2 percent of Americans that experience food insecurity²; it's how we support and protect forests, grasslands, and farms – nearly 50 percent of this nation's total land mass; and it's how we provide for the communities that depend on them. The proposals in this budget will address these challenges and spur new job creation and opportunities in rural America; build resilience in the food supply chain and restore America's advantage in agriculture; leverage USDA's expertise to address climate change; and support a stronger nutrition safety net. To make demonstrable progress toward addressing these real issues, the 2024 President's Budget proposes \$213.2 billion for USDA programs, of which approximately \$180.6 billion is mandatory funding and \$32.6 billion is discretionary funding.

Research and Innovation

This pivotal moment calls for additional investment in research and innovation that influence every program we implement at USDA. Agricultural research has a return on investment of \$17 for every \$1 invested. Between 1948 and 2019, total agricultural output in the United States grew by 142 percent. This rise was not due to increases in agricultural land or labor; in fact, both inputs declined over the period. The productivity stemmed from the adoption of a whole suite of innovations and technology transfer in crop and livestock breeding, nutrient use, pest management, farm practices, and farm equipment and structures. These innovations are the fruits of publicly funded agricultural R&D that often have a less-told story, but we live and reap the benefits of these investments every single day. Production agriculture requires constant innovation and adaptation as farmers and ranchers pursue climate-smart solutions to extreme weather, rural businesses seek new markets, and underserved communities seek trusted partners to tackle systemic concerns.

The budget proposes a \$4.2 billion investment in our research, education, and economics programs. The budget includes discretionary funding of \$1.9 billion for the National Institute of Food and Agriculture (NIFA) of which \$550 million is for the Agriculture and Food Research Initiative (AFRI). Demand for AFRI's competitive funds grows annually and the awards focus on promoting enhanced profitability and productivity in U.S. agriculture, food and nutrition security, and boosting rural prosperity through a circular economy with support for clean energy technologies, climate-smart agriculture and forestry, and education and workforce development. An additional \$2 billion for the Agricultural Research Service (ARS) includes increases of \$20 million in support of the Cancer Moonshot, \$13 million for the operations and maintenance of the new National Bio and Agro-Defense Facility, \$83 million for clean energy, \$88.5 million for climate science, \$10 million for Climate Hubs and Climate Hub Fellows, and \$14 million for additional high priority investments. These funds enable ARS to find solutions to agricultural problems that affect Americans every day from field to table. This is done through the delivery of cutting-edge, scientific tools and innovative solutions for American farmers, producers, industry, and communities to support the nourishment and well-being of all people; sustain our nation's agroecosystems and natural resources; and ensure the economic competitiveness and excellence of our agriculture.

² USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census, 2021 Current Population Survey Food Security Supplement. <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/key-statistics-graphics/>

Science and research are the best defenses we have to protect our resources against the climate crisis. The changes in our environment have allowed invasive plants, pests, and diseases to move around the world more easily and become established in new areas. Without the tools and sufficient resources to protect ourselves against invasive species and safeguard the health, welfare, and value of American agriculture and natural resources, our farmers and our economy will suffer. The budget calls for an investment of \$6 million for the Civilian Climate Corps within our Animal Plant Health Inspection Service (APHIS) to identifying emerging invasive species threats and expand efforts to develop and implement new surveillance methods to detect incursions of invasive pests more quickly as well as develop new mitigation methods to address those already present causing economic and environmental damages.

Tackling the Climate Crisis

Producers and land managers across the country are experiencing real and increasing threats from climate change that have serious implications—not just for farmers, ranchers, and forest landowners—but also for surrounding communities and all Americans. In 2022, nearly 80 percent of the western region experienced extreme drought, wildfires burned over 7.6 million acres of our forestland, and communities across the country are dealing with the impacts of severe flooding and record snow fall exacerbated by climate change. Agriculture has a critical role in delivering climate change solutions and our nations farmers, ranchers, and foresters are already leading the way through the adoption of voluntary and farmer friendly incentive-based climate-smart agricultural and forestry practices. The budget proposes over \$7 billion across the department in finding solutions to the climate crisis through science, clean energy innovation, minimizing emissions and greenhouse gases, building resilience, and supporting farmers and producers as they adapt to the changing environment. Farmers, ranchers, and forest landowners are ready, but they need USDA resources to help mitigate their risk as they adopt these solutions.

The budget includes \$904 million for Conservation Operations to work with landowners and managers to develop conservation plans that outline the specific practices needed to improve farm operations and enhance farm environmental sustainability. The request includes an increase of \$23 million for Climate Smart Agriculture Implementation to improve greenhouse gas monitoring, establish a soil health monitoring network, and better understand the interrelationship between conservation planning, practice implementation, and adaptation and resilience to climate change. The budget proposes to enhance the Conservation Technical Assistance Equity Conservation Cooperative Agreements, begun in 2021, with an additional \$50 million, bringing total funding for this initiative to \$100 million. The agreements are two-year projects that expand the delivery of conservation assistance for climate-smart agriculture and forestry to farmers and ranchers who are beginning, limited resource, historically underserved and/or veterans. The budget also proposes \$20 million for the Healthy Forests Reserve Program to enroll private lands and acreage owned by Indian Tribes for the purpose of restoring, enhancing, and protecting forestland to enhance carbon sequestration, improve plant and animal biodiversity, and promote recovery of endangered and threatened species under the Endangered Species Act. These efforts will allow for important outreach and promotion of inclusive outcomes in farming practices, addressing some of the historical inequities and working to build new levels of trust with the People's Department.

The budget supports climate resiliency in a myriad of other ways because the approach to the addressing the climate crisis must be taken on multiple fronts. For example, USDA proposes to permanently authorize the pandemic Cover Crop Incentive Program and apply the successful model

implemented with supplemental funding that provides a \$5 per acre premium subsidy for acres planted with cover crop. Cover cropping systems benefit the environment by reducing soil erosion and compaction, increase soil organic matter, and limit nutrient runoff. Given the demand for this program in 2021 and 2022, USDA estimates a 15-million-acre enrollment in 2024 and that the program will grow 5 percent annually.

The budget provides \$255 million in new funding to support clean energy innovation, which includes an additional \$155 million for emissions mitigation deployment to help meet the Administration's goal of zero carbon electricity by 2035. Specifically, grants and loans will be used to expand rural clean energy, transform rural power production, and create jobs. The budget requests an additional \$30 million in annual grant funding for the Rural Energy for America Program (REAP) and will assist agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements. These increases will build tens of thousands of new renewable energy systems and support small business owners in every State.

Creating More and Better Markets

While our policies and programs have ensured an increasingly abundant food supply, growth in farm size and consolidation has put extreme economic pressure on small and medium sized farms and our rural communities. Most recently, the COVID-19 pandemic and the Russian invasion of Ukraine, have roiled the supply chain, and exacerbated the impacts of climate change, droughts, wildfires, other natural disasters, and an especially widespread highly pathogenic avian influenza (HPAI) outbreak. American agriculture has proven itself to be extraordinarily efficient, but these crises have further revealed hidden weaknesses in our production-optimized system. The challenges presented today to our farms and rural communities requires a whole systems approach to stay competitive and innovate the food and agricultural system so that it works for everyone. In recent history, there have been record setting farm income levels, but noting approximately 80% of the value of agricultural production is produced on farms that are midsized or larger. But nearly 50 percent of our farmers have had negative farm income. Our data shows that 40% of farms are small and midsize farms where the primary occupation of the household is farming, but most of their income that was supporting their families came from off-farm sources. It's obvious that the system needs to be revisited to find a way that the system benefits the small and medium farms, expands opportunity, and values their products. USDA currently has 141 Partnerships for Climate Smart Commodities projects that are helping to make it less risky for farmers to embrace climate-smart practices and link them to new markets that value and reward them for their commitment to sustainability. These opportunities for our farmers need Congress' support to build the markets and show value to their customers.

The budget requests \$80 million to support new supply chains and markets that uplift small and mid-sized farmers through programs such as the Local Agriculture Market Program, Dairy Business Innovation, Farmers Market and Local Food Production, and Transportation and Market Development. USDA is also expanding local food systems through urban agriculture, supporting communities' capacity to gather, process, move and store food in different geographic areas of the country. Urban agriculture provides more options for producers to create value-added products and sell locally to create new economic opportunities and job creation in underserved communities. In 2024, USDA will invest over \$157 million in urban agriculture and innovation production initiatives across the department, of which \$13.5 million will go towards the Urban Agriculture and

Innovative Production Program, creating more grant opportunities with a priority on supporting historically underserved communities.

Rebuilding Rural America

It has been said that Rural Development can build a town from the ground up. The essence of that statement is that USDA Rural Development, when well-resourced and well-staffed, provides support that is critical to improving quality of life in rural America – whether it is through more affordable housing in underserved communities, increased access to broadband service, or resilient wastewater infrastructure. These are problems we can and must solve, and USDA is committed to ensuring rural America has equitable access to essential resources. To do so, we must have sufficient Rural Development staff to deliver these vital programs. Over the last decade, RD’s portfolio has increased 85 percent, but its staffing levels decreased by 30 percent. Increased staffing resources are desperately needed to ensure that we meet the growing priorities in critical areas that have a direct effect on our ability to be sustainable, relevant, and results-oriented in delivering much-needed programs and services across rural America. The budget proposal increases funding for Rural Development by \$801 million and includes critical increases for combatting climate change, and improvements to rural communities’ quality of life; these investments attract new businesses, create greater sense of pride in communities, and allow rural America to prosper.

In 2022 alone, USDA provided \$548 million to the ReConnect program and expanded access for 109,000 households, 14,520 farms, 5,900 businesses, 435 essential community facilities, 396 educational facilities, and 51 health care facilities. The FY 2024 Budget requests \$400 million to reach even more communities, homes, and businesses with reliable internet access which builds upon the \$2 billion of funding provided by Congress in the Bipartisan Infrastructure Law so that every community in America has access to affordable, high-speed Internet.

It’s estimated that 2.2 million people in America still lack indoor plumbing and around 10 million homes still have poisonous lead pipes. The President’s Budget proposes \$2.38 billion in the Water and Wastewater program to provide additional grants and loans that will improve water and waste disposal systems in rural areas and provide for lead pipe replacement. This is an increase of \$324 million over the 2023 enacted level and is a key investment in safe drinking water and sanitary waste disposal systems, which are vital to achieving a high quality of life for rural residents. Specifically, the budget provides \$1.6 billion in direct loans and \$872 million in BA for water and wastewater grants and loan subsidy. Within this funding, the Budget targets \$100M in grants for lead pipe replacement. In addition, the Budget includes an increased loan level of \$110 million for the 1% loan risk category, that targets the most rural and poor communities.

Affordable housing has been a long-standing problem for low-income residents in rural communities, one that is exacerbated by low energy efficiency of the aging housing stock which means higher costs to families. To help address this, the Budget includes a new proposal to eliminate the existing low-income borrower penalty that requires individuals to repay subsidy costs for Single-Family Direct loans—a requirement that only exists for rural housing. Ending the “recapture” penalty promotes equity in rural communities, with particular attention to those suffering from systemic racism and other forms of discrimination. In addition, the budget includes the authority to decouple rental assistance from USDA financed properties to help ensure low-income rural tenants in USDA financed properties continue to have access to affordable rents when

projects reach loan maturity and leave the portfolio. This proposal would allow vouchers when we lose rental assisted properties, but these would be processed by HUD to ensure that USDA is not funding vouchers that can leave rural areas. The Budget also continues the 2023 Budget proposal to require climate smart construction in USDA's rural housing programs. There are also several new legislative changes designed to improve the disposal of Real Estate Owned (REO) properties in shorter time frames and reduce the costs associated with maintaining REO for longer periods; and provide authority to standardize multifamily housing foreclosures across states. The funding in the budget for these housing programs is \$2.2 billion, an increase of \$459 million over 2023 Enacted.

To ensure that all rural communities are made aware of and are encouraged to participate in USDA programs, this budget proposes \$32 million to sustain and expand the Rural Partners Network (RPN) authority. RPN provides targeted training, technical assistance, and outreach to distressed communities in rural America through an all-of-government approach to help rural and Tribal communities access federal funding and resources. This support is allowing for more strategic community engagement, facilitating regional coordination among federal agencies to share best practices, braid federal resources, and foster collaboration with local and State partners. This work follows through a commitment the President made when he came to office – we must invest in America's heartland in a meaningful way. It is critical that we ensure that our rural and Tribal communities can benefit from federal investments as the Biden-Harris Administration delivers unprecedented resources through the American Rescue Plan, Bipartisan Infrastructure Law, and Inflation Reduction Act. We can only expand this innovative work of RPN into more rural communities and additional states if Congress builds on the progress made over the last year and provides additional funding for RPN.

Supporting Nutrition for the Nation

USDA's core nutrition programs are the most far-reaching, powerful tools available that ensure all Americans, regardless of race, ethnicity, or background, have access to healthy, affordable food. Across America, one in four individuals is served by one of USDA's 16 nutrition assistance programs over the course of the year. The budget makes strategic investments to advance nutrition security through education and evidence-based interventions, and to support the purchase of nutritious and local foods.

We know that the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) drives better health for infants and more nutritious diets for children, and it is a key tool for addressing disparities in maternal and child health outcomes. WIC serves about half of all babies in the United States. After many years of decreasing participation, WIC participation is now rising across all eligible categories – women, children and infants. Continuing the bipartisan commitment to full funding, the Budget requests \$6.3 billion for WIC to serve an estimated 6.5 million moms, infants, and young children per month in 2024. It also proposes to continue the enhanced Cash Value Benefits through 2024 to provide participants with increased benefits to buy fresh fruits and vegetables which ensures that participating women and children have access to scientific-based recommended levels of fruits and vegetables.

The Supplemental Nutrition Assistance Program (SNAP) stretches the food budget for many low-income people and research shows that participation in SNAP reduces food insecurity and allows families to have healthier diets. The budget request \$122.1 billion for SNAP, a \$32 billion decrease from 2023 primarily due to the expiration of emergency allotment payments that were provided

during fiscal years 2020 through 2022 and the 1.3 million participant decrease projected in enrollment because of a recovering economy. As SNAP monthly benefits decline, USDA anticipates that more eligible Tribal members will choose to participate in the Food Distribution Program on Indian Reservations (FDPIR) over SNAP, as it provides food packages to Indian Tribal Organizations to improve nutrition and provide culturally appropriate sustenance. The budget requests \$165 million in 2024 to fund FDPIR food and administrative costs, which supports participation at pre-pandemic levels.

Child nutrition programs, such as the National School Lunch Program, School Breakfast Program, Summer Food Service Program, and Fresh Fruit and Vegetable Program, play a crucial role in ensuring that children receive nutritious meals and snacks that promote health and educational readiness. The meals children receive prepare them for learning, foster healthy eating habits, and safeguard their health with a goal of reducing the number of overweight and obese children. Thanks to the 2023 Omnibus Appropriations Bill, a series of landmark expansions for Child Nutrition Programs are now permanent. This includes establishing a permanent Summer Electronic Benefit Transfer Program for Children (Summer EBT) and adding a rural non-congregate option in the Summer Food Service Program. Thanks to these changes by Congress we know that we will see a permanent and positive impact on how we meet the nutritional needs of children during the summer, greatly improving equitable access to safe, healthy, and nutritious food. The 2024 budget request expands on those important expansions of child nutrition with a legislative proposal that would advance a pathway to free school meals for an additional 9 million school children through increased take up of the Community Eligibility Provision among schools and States. This proposal is expected to cost \$234 million in 2024 and \$15 billion over 10 years. During the COVID-19 pandemic, children had access to free meals resulting from temporary flexibilities provided in the Families First Coronavirus Response Act, and now many States are seeking ways to continue offering free school meals for all students. Offering free meals to all children reduces administrative burden, increases equitable access, reduces the stigma associated with school meal participation, and allows schools to focus on providing the highest quality meals.

The budget funds the child nutrition programs at a level that will allow for the anticipated increases in participation, food cost inflation, and implementation of new legislation. The budget projects serving 5 billion lunches and snacks and 2.6 billion breakfasts in schools, 1.9 billion meals in child and adult care programs, and 182 million meals through the Summer Food Service Program. The increases will strengthen integrity controls, modernize food ordering and inventory management systems, and provide critical staffing to enhance FNS's ability to provide technical assistance and oversight of child nutrition programs.

Rebuilding USDA through Diversity, Equity, and Inclusion

Building a better USDA means bringing people of all backgrounds and lived experiences to be a part of a healthy, safe, and inclusive workplace. This includes ensuring we are recruiting the best and the brightest across our great country, and investing in our employees through recognition, wellness programs, and support to our employees. Building a better America is about ensuring all have equal access to USDA opportunities, which demands that we design and implement our policies and programs with our diverse customers at the center. The 2024 budget focuses on building a USDA that is a model employer and great place to work, proposes investments that remove barriers to accessing USDA programs, and addresses historic gaps with respect to who benefits from USDA programming.

It's an honor and a privilege to have the dedicated and talented staff of over 100,000 employees supporting USDA. However, the historic lack of investment throughout the Department over the years has resulted in a decline in staffing that we still struggle to recover from and has meant that we have not had the necessary resources to modernize critical IT systems or make other improvements to the way we do business here in USDA in support of rural Americans. Rebuilding our workplace and workforce right will take time and focus over the course of multiple years, but it couldn't be more important. In addition to the programs that the public relies on and Subcommittee and Congress generously fund, I implore you to also concentrate on the critical needs of organizational abilities and operations management that ensure our staff are properly supported and our programs are delivered efficiently, effectively, and with integrity.

There is currently 13 percent of the USDA workforce that is eligible for retirement and in the next 4 years, another 13 percent will become eligible for retirement. We need to focus on the future of agriculture when rebuilding our workplace. Our workplace needs to remain competitive, and the future of agriculture needs to reflect the diversity across America and fight against historic inequities. USDA is fostering collaboration between State, federal, and tribal partners, land-grant universities, Hispanic-serving institutions, tribal colleges, historically black colleges and universities, and other strategic partners, to connect USDA programs and opportunities with the communities they are intended to serve. Within this budget request, over \$370 million is dedicated to 1890 historically black land-grant colleges and universities, 1994 tribal land grant colleges and universities, and Hispanic-serving institutions. These partnerships with minority serving institutions support capacity building initiatives that bolster education and pathways to employment for students and faculty and help develop a strong pipeline of talented individuals for USDA and USDA partner jobs. These investments in future agricultural leaders will help USDA attract the best and brightest to face the growing challenges of the agricultural economy.

Conclusion

This budget is not a wish list; rather, it is a to do list to fulfill the items that Congress and USDA have been talking about fixing for decades. Moreover, this budget seeks to build the foundation for innovation during this pivotal moment. It gives USDA the set of tools to add to existing capabilities and develop new ways to address the urgent challenges of our time—rebuild from the pandemic, respond to the nutrition insecurity crisis, address the impacts of climate change, invest in research and innovation, strengthen and build new markets and opportunities for farmers and producers, rebuild the rural economy that benefits all Americans, and ensure our services and programs are accessible to everyone. It is a plan for what we need to do to continue to get USDA back on track and to help the U.S. outcompete the rest of the world. USDA needs the support of this Subcommittee and of Congress to make the much-needed investments called for in the President's FY 2024 Budget. I look forward to working with this Subcommittee and to answering any questions you may have about our budget proposals.