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IMPLEMENTING THE AGRICULTURE IMPROVEMENT ACT OF 2018

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

UNITED STATES SENATE

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

FEBRUARY 28, 2019

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IMPLEMENTING THE AGRICULTURE IMPROVEMENT ACT OF 2018

Thursday, February 28, 2019

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m., in room 328A, Russell Senate Office Building, Hon. Pat Roberts, Chairman of the Committee, presiding.

Present or submitting a statement: Senators Roberts, Boozman, Hoeven, Ernst, Hyde-Smith, Braun, Grassley, Thune, Fischer, Stabenow, Brown, Klobuchar, Bennet, Gillibrand, Casey, Smith, and Durbin.

STATEMENT OF HON. PAT ROBERTS, U.S. SENATOR FROM THE STATE OF KANSAS, CHAIRMAN, U.S. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairman ROBERTS. I call this hearing of the Senate Agriculture, Nutrition, and Forestry Committee to order. This is our first hearing of the 116th Congress. Hopefully more will be in attendance. We are taking names.

This morning I would like to welcome Senator Braun, who is not here but we will welcome him anyway. We are glad to add his first-hand experience managing timberland and working with the turkey operation. I would like to offer a special welcome to Senator Durbin to the Agriculture Committee this Congress. He is the Minority Whip. He has been in leadership as long as I can remember. We have had a long history going back to the House of Representatives, when he used to rustle our mandatory cows and use them for discretionary purposes.

[Laughter.]

Chairman ROBERTS. I will offer him a rebuttal any time that he seeks that.

Senator Durbin and I have worked on the SIREN bill, in the farm bill, and got that done, which passed, and it is a good thing.

So we are very pleased today to welcome our distinguished Secretary, Sonny Perdue, back to the Agriculture Committee. Welcome back, Sonny. Secretary Perdue is no stranger to the Committee. In fact, we successfully worked in a bipartisan, bicameral manner to craft the farm bill, the Agriculture Improvement Act of 2018.

I want to emphasize that the Department, led by Secretary Perdue, was an important part of the process. Over the last 2 years, the Department offered—we asked, they offered—valuable technical advice throughout the drafting and conference stages.

That was extremely helpful, Mr. Secretary, and I thank you and all of your staff.

When the 2018 farm bill was signed by the President last December it accomplished what we set out to do—provide certainty and predictability for farmers, families, and rural communities. I think those two words, certainty and predictability, were probably used by Senator Stabenow and I at least a 1,210 times.

Now we look forward to hearing about the Department's efforts to implement the new farm bill. We will work together to ensure that these programs are operating as Congress intended and that changes are implemented as promptly as possible.

I am going back two pages—first hearing of the 116th Congress and I would like to welcome, since he is now in the room and seated to my immediate left, Senator Braun, to the Committee. We are glad to have his firsthand experience. He is managing timberland and working with the turkey operation and has great experience in that regard. Thank you for joining the Committee.

Throughout the farm bill process we consistently heard about the challenges producers have been facing in farm country, and right now producers in Kansas and across the country continue to face this rough patch. Over the past 5 years, prices for many of our major commodities have dropped significantly. As a result, net farm income is expected to decline by approximately 50 percent. I do not know of any other part of the economy that is going through this kind of a problem, and that has been going on now for four to 5 years.

The ongoing pressure of low commodity prices continues the need for high-volume sales. Now, more than ever, our producers need certainty and predictability on the trade front, on the policy front, and on the regulatory front.

The 2018 farm bill provides much-needed certainty and predictability to farmers and ranchers across all regions, all crops, as promised. The bill provides additional resources and risk management tools for producers. It makes improvements to the Price Loss Coverage and Agriculture Risk Coverage program while providing a new election, a new opportunity for farmers, and future opportunities to change those decisions. Importantly, producers maintain the ability to plant for the marketplace, not the government.

This farm bill strengthens and improves the crop insurance program, something we heard loud and clear from producers throughout our listening process. Secretary Perdue, if you could whisper that to the budget folks preparing the President's budget it would be very much appreciated.

We maintain and strengthen the Environmental Quality Incentives Program, EQIP, and other core voluntary conservation programs that farmers and ranchers use to improve their productivity and address natural resource concerns.

The bill also focuses on program integrity and common-sense investments to strengthen our nutrition programs, to ensure the long-term success of those in need of assistance. With trade and market uncertainty it provides predictability and additional funding for our trade promotion and export programs.

Additionally, the bill provides investment in research, new technology, lines of credit, and proper risk management. It empowers

the government to provide tools, and then hopefully get out of the producer's way. Finally, the farm bill provides regulatory certainty and assists livestock producers facing the threat of animal disease.

In summary, in this Committee, we were successful at reaching a bipartisan, bicameral agreement on a strong farm bill in a tough yet timely manner, and we look forward to working with the Department to ensure that implementation provides much-needed certainty and predictability in farm country.

I now turn to my distinguished colleague and partner, the Ranking Member, Senator Deborah Stabenow, for her opening remarks.

STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR FROM THE STATE OF MICHIGAN

Senator STABENOW. Well, thank you, Mr. Chairman, very much, and it is great to be back in the committee room for our first hearing in the new Congress. I do want to recognize our two new members and fellow Midwesterners, Senator Braun and Senator Durbin. Mr. Chairman, I think having a senior member of the Appropriations Committee may turn out to be a good thing on the authorizing committee as well, and so we welcome both of them.

Of course, we want to thank Secretary Perdue for joining us again today. Mr. Secretary, when you were here last time we were deeply involved in working to draft the 2018 farm bill, and by the end of the year, as you know, we passed a strong and historic final bill with the support of 87 Senators and 369 House members. Mr. Chairman, I think that was a record! Of course I want to thank you for being an outstanding leader and a partner in this effort.

Now our farmers and families and rural communities are counting on the USDA to implement the farm bill quickly and effectively. This is especially true in my home State of Michigan where agriculture supports one out of four jobs. My State is the top producer of specialty crops, Mr. Secretary, as you know, from tart cherries to asparagus. We are also a major exporter of soybeans and dairy products. We have farmers who sell fresh local food to their neighbors and farmers who market their products around the world, and both are incredibly important.

We have burgeoning urban farms in cities like Detroit and thriving small towns, surrounded by multigenerational family owned operations. In Michigan, we know the strength of our agriculture economy is rooted in our diversity. The 2018 farm bill celebrates that diversity and creates new opportunities for farmers and families all across the country.

I am eager to see it implemented. Despite facing a challenging budget, we secured permanent funding for several important priorities, including historic investments in organic research, local food systems and export promotion that will help our farmers tap into emerging markets, which is so critical right now, given the trade situation.

Permanent support for veterans, socially disadvantaged and beginning farmers will ensure a bright future for agriculture for many years to come. Our long-term investment in nutrition incentives and new produce prescriptions will improve access to healthy food for children and families for generations.

We established an Office of Urban Agriculture and provided historic new tools for urban farmers that will bring jobs and fresh food into local communities. We protected and enhanced tools that will help farmers preserve our land, improve water quality, and support climate-smart agriculture.

We made strong investments in rural America including expanding high-speed internet and re-establishing the Under Secretary for Rural Development. I look forward to the quick nomination of a qualified candidate. We also expanded access to risk management tools like crop insurance, which our Chairman has been the champion of for so long. This will ensure that all farmers, no matter what they grow and where they grow it, can protect their livelihoods. We dramatically improved the dairy safety net to help dairy farmers weather the instability they have faced for too long.

I had a good conversation with Deputy Secretary Censky recently about the new dairy program and other implementation issues. Mr. Secretary, I heard your testimony yesterday in the House. I appreciate the USDA's commitment to prioritize the new dairy program's implementation.

While I had hoped for a quicker start to the sign-up, there is still plenty of outreach work that needs to be done in the interim. I encourage you to use every tool at your disposal to reach all eligible dairy producers and get payments out as soon as possible. Only about half of all dairy farms signed up in 2018, and the new program, which is much stronger, should far exceed that mark.

While there is a lot of positive work happening to implement the farm bill, I do need to raise some concerns. Mr. Secretary, the farm bill that the President signed into law Congress decided not to make harmful changes to nutrition assistance. Unfortunately, this administration has proposed a partisan rule that makes changes to SNAP that were rejected by Congress and would take food assistance away from Americans struggling to find steady work.

This proposal is an end run around the law that would leave families hungry while doing nothing to connect people to long-term employment that we focused on in the farm bill. It will face fierce opposition from lawmakers and advocates, and I would encourage you to withdraw it.

I also have questions about the USDA's capacity to implement the farm bill. Year after year the President's budget proposals have called for steep cuts to USDA staff, and rumor has it this year's budget will not be any better for agriculture. Congress has rejected these cuts in the past, supported the USDA, and instead provided the Department enough resources to fill vacant positions and support our farmers.

However, I want to know, at this point, why we have so many important positions that have remained unfilled. In Michigan, I have heard that farmers are worried about lack of staff and a growing backlog of work in field offices. Without sufficient staff in local offices, the farm bill improvements will not reach the very people they are designed to support.

So, Mr. Secretary, I know you are committed to prioritizing strong customer service at the Department and I applaud that commitment. These vacancies raise questions about the ability to implement the farm bill and provide our farmers and families with

the level of service they deserve. I look forward to hearing more about your plans to quickly and properly implement the farm bill, fill the vacancies, and allow us to support your efforts to effectively implement the new farm bill that we passed.

Thank you, Mr. Chairman.

Chairman ROBERTS. I now turn to our witness for today's hearing. Mr. Secretary, you have been no stranger to this Committee, since being confirmed to your role as the 31st Secretary of Agriculture. Hailing from the great State of Georgia, Secretary Perdue brings valuable experience as a farmer, an agribusinessman, a veterinarian, a State legislator, and former Governor of the State of Georgia.

Mr. Secretary, welcome back and we look forward to our discussion here today. You may proceed. Thank you for coming.

STATEMENT OF THE HONORABLE SONNY PERDUE, SECRETARY, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Secretary PERDUE. Well, thank you, Mr. Chairman, and Ranking Member Stabenow. It is again an honor to be with you all and your distinguished members of the Committee. Once again I hope that we are no stranger to the Committee but not necessarily here in this room, but we want to be no stranger at all times. When your constituents have questions hopefully you have noticed the accessibility that our team has struggled and strived to provide for you all as serving your constituents and our customers as well. So hopefully you noticed that.

So I thank you again for the opportunity to testify and share USDA's early efforts in implementing the farm bill. We reported to the House, as you know, yesterday, on the status of the farm economy, and you so rightly described it, Mr. Chairman, in your opening remarks, as well as describing the farm bill. I want to take this opportunity to congratulate you, the Ranking Member, and the members of your Committee for a farm bill both introduced and passed in the same year, signed on December 20th, there, and that did, I think, provide a big boost to the producers, ranchers, farmers across this country over what they could expect. I think it is also indicative that the bill was evolutionary in improving, in many of the ways that you and the Ranking Member have talked about, but nonetheless easily assimilated in the path that you took in the 1914 farm bill, and we look forward to implementing it in an expeditious way.

There is a lot to be done, as you know. There are many sections and many parts of that bill. We will not go into the data. I know that you all probably know that much better than I do, having debated it and going line by line over the last year. Nonetheless, it is a complex bill with rules to be presented.

We have got partners in the administration that oversee those rules, as you know, with OMB and others, over interagencies that we have to coordinate with as well. I may have the opportunity to share with you today the flow chart on the Administrative Procedures Act that we have to conform with in getting these rules and the granularity of the farm bill introduced.

Nonetheless, you so rightly stated about the state of the farm economy, working capital, farm income. Those kinds of things we have talked about here. While there were, I think, some missed opportunities, possibly in forest management and improving other issues, I think you have given us the opportunity to go forward and move out, and we are doing that the best we can. Overall, the new farm bill provides—fulfills, I think, the primary goal, as you have stated, of farm programs to help farmers and ranchers manage risk and continue to producing the food, fiber, fuel that not only our Nation but other parts of the world need as well.

I also appreciate your recognizing that our team at USDA provided over 2,000 items of technical assistance, to both sides of the aisle in here in trying to provide the data and facts upon which you made the policy decisions. So agencies started gathering stakeholder input early on as the bill was being concluded, on how best to implement the provisions. On this past Tuesday, our farm production and conservation team held a listening session. Formal and informal listening sessions will continue going forward, as we hear the particular items of interest and how we can bring clarity. We think clarity brings compliance and that is what all of us want in the farm bill.

So as an example of our early efforts on implementation we have already allocated Fiscal Year 2019 funding to the recipients of the Market Access Program. We know trade is a huge issue, market access, foreign market development that you all were very favorable to. You mentioned, Mr. Chairman, in your comments about whispering about the budget. I would do that but my whispering sometimes is not loud enough and you have already given your—described your high regard for the President's budget anyway and how highly it is viewed in Congress sometimes. So, nonetheless, we will continue to do—be advocates, as you all are, for our farmers and our advocates and our farmers across the country that way.

We have, in NRCS, during the shutdown, utilized a mandatory funding program to keep staff working throughout the shutdown, providing significant time to begin rebuilding the framework for the new and certainly, I think, improved conservation programs that we see. So on our core conservation programs like EQIP and CSP and ACEP and RCPP, those are wonderful additions that we look forward to implementing.

Certainly we are interested in rural prosperity, and the farm bill, I think, goes some way that way. We know the issues we hear across the country repeatedly deal with trade, labor regulations, and most recently in the hurricanes, in disaster. So we hear that.

Before I conclude I want to ask respectfully for the Committee to move quickly, if at all possible, on our committee nominations before you. We are still—we have three nominees—Dr. Mindy Brashears, for Under Secretary of Food Safety; Naomi Erp, for the Assistant Secretary for Civil Rights; and Dr. Scott Hutchins, for Under Secretary of Research, Education, and Economics. So confirming these three nominees in their respective leadership roles will help us continue to make strides that we want to in serving you and your constituents.

So thank you for the opportunity. I look forward to answering your questions and having a candid discussion about our efforts to again do right and feed everyone. Thank you, sir.

[The prepared statement of Mr. Perdue can be found on page 42 in the appendix.]

Chairman ROBERTS. We thank you, Mr. Secretary. I have just about two or three issues, and again, I am going to mention those two words, certainty and predictability, that allowed us to really pass the farm bill on time, which was, you know, quite a push, but we did it in a bipartisan way, which is the way to do it. That topped every other issue. Senator Stabenow has strong issues, as do I, and so did the House conferees. That was the top issue.

So apply that to trade and that continues to be concern for our producers who are currently having conversations with their lenders and facing tough decisions on which crops they are going to plant this spring, hoping that Mother Nature will cooperate.

The 2018 farm bill protected funding for the important export programs while also increasing investment in trade promotion and facilitation programs overall. I am pleased to hear progress has been made with China. I hope that continues. That is at least the information that I get. I am sure you are getting the same thing, Mr. Secretary.

I look forward to receiving the International Trade Commission report on the U.S.-Mexico-Canada agreement, USMCA, which I fondly call the United States Marine Corps Always, but it does stand for NAFTA too. However, while tariffs are in place our producers will not be able to realize the full market potential.

My question is what would you tell producers as they make these choices in light of the current trade environment?

Secretary PERDUE. I think while farmers are thought to be farmers they are also very smart business people and they are used to looking at these markets. Last year, the President authorized a market facilitation program because their plans were uprooted by the trade disruptions we saw in 2018. I think, again, the best advice I could give these farmers is to do what they have always done. Look at market signals and look at their own production schemes about where they think they can become most profitable, or maybe in this environment lose the least, in order to be successful.

So I do not think—while we do, as well, hope that these conclusions can come to the trade disruptions, I am cautiously optimistic, but it is never over until it is over with our negotiators and our opponents in this regard, and I think the advice would be to look at the markets currently, work out your input cost, and see if there is a way to make a profit for this year and plant those crops.

Chairman ROBERTS. I appreciate that answer. I would only comment. Every headline I can see with regards to trade and the amount of trade that we are able to achieve, it is just not good news. We hope for the best. I give a lot of credit to the President for trying to reach a deal with China.

This use of tariffs results in tariff retaliation. Agriculture is first—you know that. We have had to come up with a $12 billion mitigation program, which was of some assistance, but as we have said at the White House, and you were there, we want trade, not

aid. I am not going to go into a speech on trade—I can do that very easy—but I would get wound up and we do not want to do that this morning.

My next question is the 2018 farm bill suspends our commodity program eligibility for base acres on farms that were planted entirely to grass and pasture, from 2009 to 2017. My good friend, Coop, over here, to my left, is very interested in this issue. This provision will impact producers across the country, including farmers and ranchers in Kansas, by restricting access to the improved Agriculture Risk Coverage—that is the ARC program—and the Price Loss Coverage program, the PLC program.

Ahead of producer sign-ups and elections, the Farm Service Agency needs to define grass and pasture and will need to identify base acreage that will be subject to this new restriction. These same acres will be eligible for the new grassland conservation initiative established in Title 2.

Mr. Secretary, I know your answer is yes, but will you continue to work and consult with us and this Committee ahead of the Department making eligibility decisions regarding the base acres as this development begins on the new grassland conservation initiative?

Secretary PERDUE. Mr. Chairman, your assumption is correct. We would love to have the congressional intent behind this change in the farm bill. We concur with it but we would like to know more specifically, I think, what you and the stakeholders feel of how these changes can impact them.

Chairman ROBERTS. The 2018 farm bill included Senate provisions regulating hemp cultivation. I do not think I have seen such interest in something in the farm bill ever since I can remember Hadacol, for goodness sakes. It seems like hemp has industrial use, health benefits. I see it advertised now. My wife called a number to see about this hemp cream, or something, but it was just too expensive for us to sort of gamble on that. It is rather amazing. Senator McConnell has started an absolute prairie fire with regards to hemp.

What timeframe do you envision for the rulemaking? What agencies will the USDA coordinate with to provide this market opportunity as quickly as possible?

Secretary PERDUE. Mr. Chairman, we will probably proceed very slowly and judiciously in this effort. It is a new crop, obviously. We are advising our State partners, who will be primarily responsible for administering and regulating this crop, that they need to proceed under the 2014 rules currently.

We believe, as we work through these issues, we will probably have more guidance out for the 2020 growing season for those interested in hemp. We may be able to do some of the things regarding some cross-State lines sooner than that. Certainly, for the real details of the hemp provision, we are asking States to—they can submit their applications. We probably will not judge on those until we get the regulations done. There may be an iterative conversations back and forth with the State partners.

Obviously, Kentucky has had probably the most experience. We are trying to learn from one another. We have advised our State

partners that right now they should plan on implementing the 2014 bill for those interested in hemp.

You are absolutely right, it has had more interest than probably anything I can remember. As you well know, as productive as our farmers and ranchers can be, they could easily overwhelm this market before it even gets started.

Chairman ROBERTS. I appreciate that. Senator Stabenow.

Senator STABENOW. Thank you very much, Mr. Chairman, and again, on the point of hemp, I think I have never seen our Majority Leader so excited about a provision in the farm bill, so I am sure working closely with you.

First I want to talk about dairy again, and I want to thank you for prioritizing the implementation of the dairy program, and I appreciate the Department starting to make contact with producers earlier this year. It is so important right now, getting the word out and giving them tools and having adequate staffing from the start, because even though we put a lot of flexibility in to help all sizes of dairy farms, there is a need for a major effort to reset the perceptions of the old program. It is going to be very important to really cast a wide net so we can educate all eligible producers on the risk management tools, and particularly farmers who did not participate before.

Farmers need the confidence that they can afford to stay in business until the new program payments are issued later this year. I know, in talking to farmers this week, they are very concerned as they are going to their lenders, that the lenders do not understand the new program and what is coming, so dairy farmers may not be getting the support that they need to make it through until the new program payments kick in.

So in the interim, will you work to quickly provide online payment calculators and decision tools so our dairy farmers can consider their options very specifically as they work with their lenders?

Secretary PERDUE. We will certainly commit to that, Senator Stabenow. I think, again, farmers have a great social media network that they do. It is called the coffee shop. As dairy farmers look at this bill it is sort of a no-lose deal for dairymen and hopefully they will hang on. We expect to have that calculator out probably in the middle of April, as quickly as possible, hopefully before then. We are going to allow those farmers with the retroactive insurance and MPP to participate beginning in the middle of March, March 18th, and we believe that we can have the net refunds for the previous premiums, prior premiums there, going out by April 30th. The sign-up for all the rules for the new program hopefully by June 17th.

You can tell I am being very specific and I have asked for specificity from our team. Then we believe that we can have the payments going out retroactive to January 1st, probably in the first week of July, maybe the second week of July. So that is a pretty aggressive timeline for a new program, and we are going to work certainly accomplish those commitments.

Senator STABENOW. Well I appreciate your being specific, and you know how hard many of our dairy producers, most of them, have been hit, so I appreciate that. You mentioned water quality

initiatives and the Regional Partnerships Program, RCPP, and we are very pleased that we have been able to strengthen and streamline the proposals as well as increase funding for water initiatives. In Michigan we are surrounded by water, as you know, and water quality is incredibly important to us, from the Flint water crisis to contamination in Lake Erie. Agriculture is a big part of the solution.

So as we are providing historical new tools to help producers address water quality issues. I would very much appreciate it if you would work with us on pulling together all those new tools to create a comprehensive national water quality initiative to coordinate all of the USDA's efforts on water quality to help educate producers and pinpoint the areas of highest need. Obviously, when we look at improvements made to the Regional Conservation Partnerships Program and prioritizing practices within the Environmental Quality Incentives Program, or the new buffer initiatives in CRP and so on, there are a lot of new tools available in the new farm bill. This is something that is very important, I know, to our producers and those across the country. So I am anxious to work with you in making water quality one of the top priorities moving forward, in terms of implementation of the farm bill, and I would like you to comment on that.

Secretary PERDUE. Certainly, and I think, again, you all hit the sweet spot on the conservation title of the farm bill, and I do not think I have ever seen a proposal in the farm bill that was so widely accepted by farmers, producers, ranchers, conservationists, wildlife people. I think everyone felt like they got something in that.

You mentioned RCPP, obviously a large-scale landscape type of effort that could really help. We look forward to using these new tools for water quality, certainly for other things as well, including wildlife recreation and others.

Senator STABENOW. Thank you. Finally, just one other thing, Mr. Chairman. Mr. Secretary you have your work cut out for you on implementing this bill. There is no question. Unfortunately, with the government shutdown, while it was no one at USDA's fault, as you know, you were delayed on implementation because of everything that happened. We understand that and we know that you and your team are working hard.

I have to raise this again, as I did in my opening statement. Just as the President was signing the farm bill into law, your department issued a proposed rule that would take away food assistance from 755,000 people struggling to find stable employment. This is something we debated in the process of the farm bill and did not include. My concern is that last week you indicated another rulemaking further addressing eligibility changes to SNAP would be coming soon.

We have also been told there may be work underway on other issues that were not congressionally authorized. My question is, will you be prioritizing implementation of the bipartisan farm bill policies first or rulemakings that have not been congressionally directed or is not in the farm bill?

Secretary PERDUE. The answer is we will be prioritizing implementation of the farm bill, but we can also propose those rules as

well and will receive comments, I think 90 day on the rule that you are referring to.

I would just submit to you, Senator, that while we discussed the issue—you know, the House proposed this in their initial bill. It was not accepted by the Senate. What was accepted by the Senate and passed was the same bill that has been there since the beginning of the welfare reform, recording the work requirements of 20 hours per week. What you also passed was not a prohibition. It was no change to the fact that in one section it says that the Secretary may waive the applicability, and we plan to do that for the able-bodied adults without dependents. We think, again, the purpose of these helps are to help people move to independency.

I know that we share different views on that. You feel very strongly. I feel very strongly. I think many people in America feel very strongly that we should help people when they are down, but that should not be interminably help there. In fact, when President Clinton signed this bill he said it was a—"I made my principle for real welfare reform very clear from the beginning. First and foremost it should be about moving people from welfare to work. It should impose time limits on welfare." President Clinton.

This legislation meets those principles. It gives us a chance we have not had before to break the cycle of dependency that has existed for millions and millions of our fellow citizens, exiling them from the world of work. It gives structure, meaning, and dignity to the most—to most of our lives. This is the same language that was in this bill here that you all passed in 2018.

Senator STABENOW. Mr. Secretary, let me just say, I do not think there is anyone who would disagree with what you just read from President Clinton. What we have here is a situation where Congress increased program integrity, and added more dollars on job training to create opportunities for people. The only question is whether or not, in cases where States believe there are not the opportunities for employment, that they would have the flexibility. The language you are talking about is to waive the time limit and give States the flexibility to act, and I would argue you are going the opposite direction.

I know we can have this discussion further, but no one is suggesting that people should be receiving assistance when they could be working. We want everybody to work and we want everybody to have the opportunity for that, and our farm bill has been focused very much on increasing those job opportunities. That is where I think we should be focused aggressively moving forward on job training and job opportunities for people.

Secretary PERDUE. I agree and I think that is, and really, one of the provisions of the rule that we proposed is in those particular areas where unemployment, for whatever reason, is higher than the national average by a certain point. Those are areas that justify waivers and certainly will qualify, but not statewide waivers where the statewide unemployment is 4 percent, Senator.

Senator STABENOW. Well, that is the difference and I am sure there are a lot of Governors that are coming to you about your proposals to change their capacity to be able to make their State decision.

Secretary PERDUE. They will, but——

Senator STABENOW. So thank you——
Secretary PERDUE [continuing]. if I——
Senator STABENOW. Thank you.
Chairman ROBERTS. I thank the Ranking Member and I thank the secretary——
Senator STABENOW. We agree on many, many things but this——
Chairman ROBERTS [continuing]. for this discussion.
Senator STABENOW [continuing]. is, this is one where we do not. So, with all due respect.
Chairman ROBERTS. Pardon my interruption.
Senator STABENOW. Excuse me.
Chairman ROBERTS. I have a five-point response but I am going to delay that, and Senator Boozman will be next, and I know he has something very pertinent, and I will mention these five points when we are talking on the floor.
Senator Boozman.
Senator BOOZMAN. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for being here, and we really do appreciate all of your hard work.
Like everyone else around the table, I certainly want to echo that we would like to get these things in place as soon as possible. I think the comment that you made about us providing the resources that you need and getting your people in place is really pertinent, and the Committee is pretty good about doing those things so we are going to be working really hard to do that for you.
As you know, right now, our growers are in the situation, making lots of choices, loans, and all of those kind of things. What I think would be really helpful is giving as much information out as you can, perhaps through Deputy Secretary Censky, letting the producers know as much as you can so they can start to develop a plan of action.
One of the things that is a huge issue in my State, and I think most of the people sitting around the table, is broadband. It is not uncommon for me at all to go to a small community and literally, in the evening, children are sitting on the back of a pickup or in a car, using the broadband that is inside.
So there is a lot of interest, lots of excitement about the potential of the new Reconnect Program at USDA. Can you talk a little bit about that and see how you feel like that might help us solve some of those problems?
Secretary PERDUE. I think regarding rural prosperity, Senator, the topic you suggested has, in my opinion, one of the best chances of transformative change from rural poverty bridging the urban-rural divide that we see continuing to be exacerbated across the country. We are on it. I think, again, the proposal of the money you gave us last year for $600 million, those applications are going to be ready in April. We are communicating very much to the stakeholders who have expressed interest, public-private partnership over those things and the website is up at ReConnect there, that people can find that. There has been an immense interest in that.
My goal in doing that was to administer that and deploy those resources in a way that you all trust us to do more, because we need a moonshot of broadband connectivity across this country in order to do the things that we think will bring our Nation back to-

gether from a rural-urban perspective. I appreciate you mentioning it. There is so much interest and excitement among States out here that way. We want do you proud.

Senator BOOZMAN. Well, we appreciate that, and again, I think your words would be echoed by everyone around this table as to how important it is, so thank you for your leadership in that area.

In regard to trade, and that is something else that I think we are all concerned about, we appreciate the hard work on China, all the efforts that are being made there. We seem to be moving in the right direction. One of my concerns is that as we work so hard in that area that we are forgetting about places like Japan, which is so, so very important to the beef industry, the pork industry, things like that.

Can you talk a little bit about that and how the tariffs now are making it such that we are starting to lose market shares that we have worked so hard to get? Can you talk a little bit about how that is progressing?

Secretary PERDUE. Certainly. The threat is real. Obviously TPP will begin to be implemented this spring, and Ambassador Lighthizer and I had several conversations about the disadvantage that puts our American producers and experts regarding Japan. I think the good news is he is very much aware of that. His strategy is to really do an FTA with Japan, dealing with agricultural issues, the goal being certainly to be equivalent or plus TPP provisions in agriculture that would put us in even stead with any other nation in the world.

Japan is a huge market, typically in the top five. I will be going there late spring, I think in May, for the G20 Agricultural Ministerial. We plan to make that a sales trip as well. So while most of the attention and press has been on China, Japan is right underneath the surface as far as a necessary sales destination.

Senator BOOZMAN. We appreciate that so much. I know in Arkansas probably over 40 percent of the crop grown is exported, as you know better than anybody.

So thank you, Mr. Chairman.

Chairman ROBERTS. Senator Klobuchar. I was watching television some time back and I saw somebody that really resembles you in the middle of a blizzard.

Senator KLOBUCHAR. That would be me. I just left my snow globe behind, Mr. Chairman.

Chairman ROBERTS. I see. I see. Well, I think it would be a little early for me to call you Madam President.

Senator KLOBUCHAR. Yes, Okay. That sounds good, though. Okay.

[Laughter.]

Chairman ROBERTS. You knew that was coming.

Senator KLOBUCHAR. All right. Secretary Perdue, welcome. Thank you for your good work, and I thank the Chairman and the Ranking Member for their leadership on the farm bill.

I want to start with a non-farm bill issue. This is something that Senator Smith and I have been working on, which is the problems with the website with the reservation system for the Boundary Waters Canoe Area, which is under your jurisdiction. What is being done to ensure that the reservation system will be operational and

functioning in a more reliable manner by the deadline of March 4th, which is the new deadline?

Secretary PERDUE. We are—I am told, and we have to rely on, obviously, our technological professionals to give us those dates, but I am told that we will meet that deadline. Unfortunately, we did not meet the deadline for Recreation.gov that is so important in your part of the world, and many others, from a reservation over our beautiful public lands and all those things that people can enjoy. They are telling me that they will be able to—it was literally an IT crash. There was code that was not done well, in the initial, and so we hope to have that done.

Senator KLOBUCHAR. Okay. Another topic more related to ag, the threat of foreign animal disease. Senator Cornyn and I worked on a $300 million for permanent mandatory funding to create a vaccine bank, and then we also have a new Animal Disease Preparedness and Response Program. How is the USDA coming along on these? Is there any kind of plans to deploy them on a timeline?

Secretary PERDUE. Well, there really are. Under Secretary Ibach has been on top of this even before the appropriations there in developing this strategy called the three-legged stool. It deals with working our early discovery and detection with network labs all across there, working with our partners in the State and both Mexico and Canada and our borders there for early detection, and then to create the vaccine bank.

I think, again, the industry is waiting on us to sort of help them with the technology and which way we are going to go in developing the bank. Probably when we make that decision there may be more funds needed for the bank itself, but I think the industry did a great job in raising awareness. I think you all responded well in that regard.

Senator KLOBUCHAR. Very good. Dairy farms, and more and more of them facing closure, and the shutdown did not help there. Can you commit to ensuring that the sign-up for the new Dairy Margin Coverage program is prioritized?

Secretary PERDUE. I absolutely can. I gave some specific dates earlier and we are going to just break our necks to get those done.

Senator KLOBUCHAR. Very good. Well, do not do that literally, but, okay.

So are refund or credit options for the premiums they paid into the old program, is that also going to be a priority?

Secretary PERDUE. It will. I think that is one of the earlier things we will be able to get done. That is probably the refunds, I think on April 30th. Part of the challenge there, Senator, in the first, in trying to get the 1914 farm bill dairy program done quickly, the first 2 years of those sign-ups were done by paper results, and you know that does not easily recover. We have to go through all those, the changes, the reconstitution of farms, who has it now, and the things we do there. So that slowed that, but I think we can have those refunds out by the end of April.

Senator KLOBUCHAR. Thank you. Senator Thune and I have a bill that, a provision that got in the farm bill, the Agricultural Data Act, and that is studying and ensuring that we figure out conservation practices, because we think it will be helpful for farm and ranch profitability as well as our lands. Can you commit to pro-

ceeding with the study quickly and to ensuring that it is delegated to the farm production and conservation mission area?

Secretary PERDUE. Certainly. We pride ourselves on being data-driven, facts-based decisionmakers, and data is good and we want to proceed to get as much as we can as quickly as we can.

Senator KLOBUCHAR. Thank you. Then, last, it has been almost 5 months since the President instructed the EPA to begin the rule-making process to allow the sale of E15 year-round, which would provide a much-needed boost to our rural economy. As you know, there have been issues with prices for our commodities and other things and this is something that will be helpful.

It is my understanding that a proposed rule still has not been published by EPA and that you told the House Ag Committee yesterday that the rule will not be completed before the summer driving season. Right now it looks like—some reports say it is going to be done by June 1st. Do you think it will be finalized by June 1st, and what can you do to help us?

Secretary PERDUE. I was speaking on the latest information I had. I was overruled by the Acting Administrator yesterday, who, based on his confirmation hearings and his vote today I think has committed once again to drive his troops in order to get that done by June 1st——

Senator KLOBUCHAR. Okay. Well that——

Secretary PERDUE [continuing]. and we would encourage that.

Senator KLOBUCHAR [continuing]. that is good news——

Secretary PERDUE. That is the——

Senator KLOBUCHAR [continuing]. and I bet your words were helpful to get it done. So thank you very much.

Secretary PERDUE. Thank you.

Senator KLOBUCHAR. I appreciate it. I welcome Senator Durbin in his new freshman capacity to the Committee, and I like because it means my colleague, Senator Smith, is more senior than someone on our Committee. So very good. Thank you.

Chairman ROBERTS. Thank you, Senator. I note the presence of another candidate. We had four candidates on this Committee for the highest office in this land. Maybe we could have a hearing with just you four.

Senator KLOBUCHAR. Like an ag debate of some kind? Okay. You could moderate it.

Chairman ROBERTS. I am just saying.

Senator KLOBUCHAR. That would be very good. All right.

Chairman ROBERTS. I would be very happy to do it. Senator Braun.

Senator BRAUN. Thank you, Chairman Roberts, and welcome, Secretary Perdue. It is a pleasure to be on this Committee. The legacy of our State is shown up in the corner there in Senator Lugar's portrait. There has been somebody from the Hoosier State on this Committee for a long time.

For me, particularly, I have lived farming. I have lived conservation. I got lucky that early on, back in the late 1980's, I got involved with managing my own ground. I started with 100 acres and fell in love with forestry, later ag, and have really lived it. So it is good to be on a committee where I do not need to be briefed on a bunch of the issues that are important.

I want to start with one. When I was back home about 3 weekends ago I had three different farmers in a very small restaurant come up and ask me the same question, and it would have been, we are now having trouble actually maintaining ditches on farms that we have done for years. It would be the impact of WOTUS, Waters of the U.S.

I am a conservationist and I appreciate every part of what that was about. They are interested in knowing what we might be doing, your position, and I know the jurisdiction is through the EPA, if that looks like it is going to get easier for them to do the simple things that they need to do keep their farm in shape. Then after you answer that I have got a broader question on about farm markets in general. So can you weigh in on that a bit?

Secretary PERDUE. Well, Senator, we are delighted that you bring your experience to the Ag Committee and we look forward to engaging you on many of the forestry issues. I would really like to know more about the farmers and their concerns about what they need to do with their ditches. Obviously, waterways and ditches are very important for water quality, soil health, and many other types of things. NRCS works with them on an ongoing basis about that. So I am not sure what the impediments they were facing, and maybe you can help us, and we will deal directly with that.

Senator BRAUN. I think it is probably on the cusp of being addressed, because there is a new ruling out there that is going to have public airing, I think, in April. It basically has gotten to where through that original ruling they are uncertain as to what they can do on their own properties, and it is involving basic farm maintenance that until the last year or so they did not know they had an issue.

So I would just appreciate it if you would look more into it. It would be the single biggest thing that I have heard in terms of their day-to-day life and keeping their farm in shape.

The big issue, though, for most farmers would be that—I have been involved in it for so long. I remember back in the days of LDPs and corn prices struggling to get to three bucks, you know, soybeans having their own problems. Inputs—I think to put out an acre of corn it would have been 140 bucks an acre, soybeans maybe 70, and now that has been 20 years or so ago.

We have now got prices that are not a whole lot better than what it was then, when you were using a lot of government help to get you through. Is there the possibility that we can find our way out of this by finding new markets, or does the industry that has evolved in farming, which looks so different to me from what it was 15 to 20 years ago, where it is more concentrated. You have got a lot of large companies. I do not see them ailing in the same way I do the farmers that make that whole industry tick.

So should we look to government, like we did 15 to 20 years ago, through direct payments, LDPs, and all the stuff that we have weaned ourselves from, or should the industry itself, especially larger corporations, weigh into this with inputs being so much higher? They have gone up. They do not seem to have come down. I would just be interested in hearing your opinion.

Secretary PERDUE. I am just glad to have someone here that knows about LDPs from history.

Senator BRAUN. Yes.

Secretary PERDUE. To answer your question, I think really that is farming, and you know it, I know it. I think the farm bill that we have now, in my opinion, is much more balanced to market base, to allow farmers to make those decisions over inputs versus revenue. I guess I go back to the mantra we used to talk about in the grain business—the cure for low prices are low prices and the cure for high prices are high prices. The market will settle out. We are seeing this down revenue because of relatively good growing seasons, worldwide, not just in our area but worldwide, for the last four or 5 years since they peaked in 1913. I think we are going to see an upturn.

The potential for trade and the potential for selling more products is always necessary, and I think farmers—I think—my opinion is we have seen the low. That does not mean we are going to bounce back up, but I think we have seen the low in the spread, the delta between the input cost and the revenue and the commodity prices.

Senator BRAUN. Good to hear that and I would just make one more note. I think the only thing I see that can give in that equation, I would ask the industry itself to be attentive to the farmers' concerns because I think there is a little bit of room for help there from the people that benefit from what farmers produce, as opposed to, you know, reflexing back to where government does more.

Thank you so much.

Secretary PERDUE. One of my most fun things is to jawbone them all the time about that.

Senator BRAUN. Okay. Good.

Chairman ROBERTS. Senator Smith.

Senator SMITH. Thank you, Chair Roberts, and, Secretary Perdue, it is wonderful to have you here and I appreciate very much the chance to talk with you about the farm bill. I want to just start by echoing my colleague's, Senator Klobuchar's comments about the reservation system up in the Boundary Waters. As you know, this—we talked about this briefly—this is an issue that is a core economic issue for Northern Minnesota, and people are a little bent out of shape right now.

So I am hoping—and it sounds like you are confident that we will be able to make that March 4th deadline?

Secretary PERDUE. I am confident of what I was told and therefore I have confidence in the people that told me that. So we are going to do our best to make that effort. I am just excited there is so much interest in that Recreation.gov.

Senator SMITH. Yes. That is right. Technology has a way of attracting attention when it does not work. March 4th is my birthday, Secretary Perdue, so I would love to have it be live on my birthday.

Secretary PERDUE. We will do that——

Senator SMITH. That would be great.

Secretary PERDUE [continuing]. as a birthday present.

Senator SMITH. Thank you. Thank you very much for that.

I also want to touch on something that Senator Stabenow was talking about which is dairy. You know, farm bankruptcies are on the rise in Minnesota and across the Upper Midwest, and it is in-

teresting. The Minneapolis Fed just released some data that shows that between 1917 and 1918-–2017 and 2018, farm bankruptcies are about double what they were in 1913-'14. I think that a lot of that—we think a lot of that is driven by dairy, though it is a little early to say.

I was just talking with Minnesota Milk a little earlier today, who are just so eager to see how the improvements to the dairy program can get implemented as soon as possible, because, of course, a lot of those dairy folks are heading to the banks right now trying to figure out how to cobble together the funding after a couple of rough years. So you feel good about moving that forward, it sounds like, early on.

Secretary PERDUE. I think this Committee and Congress have done a wonderful job with a very supportive dairy program. It is like when you have been down so long—and I think Senator Stabenow mentioned about kind of the branding issue over the Margin Protection Program—we have got to kind of rebrand and sell it——

Senator SMITH. Exactly.

Secretary PERDUE [continuing]. because this is a great program.

Senator SMITH. Get people enrolled, and they need to——

Secretary PERDUE. If they can just hold on it is going to be really good for dairies, particularly the under five million pounds.

Senator SMITH. Yes. Well, I appreciate that and I am happy to hear about the online payment, the calculator being up soon, and we will look forward to spreading the word on that. That is great.

One other thing I wanted to touch on, Secretary Perdue, is the question of health care in rural communities. You know, it is interesting. When I am out visiting with Minnesota farmers, of course, there is a lot of talk about prices and a lot of talk about the overall state of the ag economy. Often the second thing that people talk to me about is rural health care and mental health care, you know, that one thing together.

In the farm bill, which we passed last year, I worked with Senator Jones and Senator Rounds on this Committee to get a rural health liaison position in to help coordinate much better rural health. So could you talk a little bit about that position and where you are in terms of getting that position filled and worked on?

Secretary PERDUE. Certainly. Obviously this has been one of the focuses of rural development. Health is one of the life qualities that we judge how well we are doing by in rural prosperity. Not only are farmers typically in the individual, I think, health premiums have also increased the stress. You did not used to see health premiums on their line sheet about cost of living, but now, at $25,000 to $30,000 they have to account for it, per couple.

Senator SMITH. Yep.

Secretary PERDUE. That hurts. Obviously we have got an opioid epidemic that Rural Development's Anne Hazlett has been extremely involved in nationally, and we hope to continue that. Rural health is part of rural prosperity, it is a form of well-being, and we will look forward to continuing that.

Senator SMITH. Well, great. Well, I will look forward to staying in touch with you and the agency on this rural health liaison effort which I think could be a big help.

Secretary PERDUE. Sure.

Senator SMITH. It would be a big help.

Just in the few seconds that I have left, Senator Boozman raised the question of rural broadband, which is, of course, so important. I know how much you appreciate this. You and I have talked about this before. One issue related to rural broadband, which is a core economic issue, of course, all over the country and in rural Minnesota, is the basic data about where we have coverage and where we do not have coverage. I hear from a lot of people in Minnesota that the maps—often they look at the maps that show "Oh, I am covered" but I do not have coverage.

So can you tell me what the USDA is going to—can do to help make sure that people are not overlooked because of inaccuracies in these maps?

Secretary PERDUE. Yes. I do not want to be political but we believe that FCC coverage maps are fake news, and we are——

Senator SMITH. Because there are a lot of people in Minnesota that would agree with you.

Secretary PERDUE. Everywhere, really. They were primarily generated from carriers who do not want to see more competition, and what we are doing right now is polling individual States, and many States are engaged in this issue. We are developing partnerships with the State departments of rural broadband, many of them creating offices there of actually finding out. That is the first thing. If you are going to deploy these—and you all told us to deploy them in unserved areas—we have got to know where those are, and you have got to rely on data, which is not reliable currently under the FCC maps now.

Senator SMITH. All right, well, thank you. Mr. Chair, I know my time is up but I would love to work with you on the idea of some sort of a challenge process for consumers, so we can get good information quickly.

Secretary PERDUE. Okay.

Senator SMITH. Thank you.

Chairman ROBERTS. Senator Hoeven.

Senator HOEVEN. Thank you, Mr. Chairman. Thanks for being here, Mr. Secretary. Already you really are demonstrating that, you know, you are an advocate for the farmer. The work on the farm bill, which I think is a good farm bill, and I, of course, commend our Chairman and Ranking Member, but your help and support to get that good farm bill. Your work during the shutdown to help our farmers and keep FSA offices going. Just a whole variety of these issues when we have asked you to help our producers during challenging times, which is what it is for them right now. You have been a tremendous advocate, and so I just want to say thank you for that.

I know you have a lot of things that you have to balance and make work, but your advocacy for the farmers is always first, and that is really important, and it shows, and we thank you for that.

As you know, we need some help on those section line issues, and I believe DOJ and some of your folks are meeting this week or next week—next week on it. So I want to thank you for that. That is important for us and your continued help there is appreciated.

You know, as we talk to farmer groups, both when they come in to see here in D.C. and when we go back home, really there are

not any commodities right now where they can price out and make a profit. You know, for the established producers, you know, they can get by, that are operating on pretty much all equity. For the ones that we really have to keep in the business of farming, the ones that have some leverage, that is a huge problem.

The average age of our farmers right now is 60 years old, and I know you and I do not think that is particularly old, but, you know, when you think that is the average age in farming and we have all the capital constraints and everything else for young people to get into farming, and then stay in farming, you know, continue to farm and ranch, this is a real issue.

So I guess just touch on—and I know we tried—we worked very hard in the farm bill to address that with improvements to ARC and PLC, crop insurance and everything else—but your thoughts as our farmers now are trying to, you know, get those credit lines. We, of course, increased the FSA guarantee and direct loan, but what are your thoughts right now as our farmers are talking to their banker and they are putting those operating lines in place and trying to—you know, last year they could actually hedge maybe 40 percent of that crop and lock in some revenue or some margin, but they cannot do that this year.

Secretary PERDUE. Well, you have correctly identified—I think they probably ought to be included in the ESA laws. They are the most endangered species out there right now regarding young farmers and beginning farmers that have not had a career of building up equity. Many of them are renting land, and from a cash-flow perspective it is tough. I think what you all have provided certainly in the FSA loan enhancements there will help, but you cannot borrow yourself into profitability either, and that is lenders, including us, and guarantee. You have to look at cash-flow of being able to repay those loans.

It is challenging, Senator. I wish there were a magic wand we could wave. It is pretty tough. I guess we used to laugh, in the business, it is a pretty sorry farmer that cannot even make a profit on paper these days, you know, and that is kind of where we are these days.

Senator HOEVEN. Well, the market facilitation payment was very important. It is very important on crop insurance that you do not reduce any of the current support on crop insurance. That is critically important this year.

Then the other is on the trade piece, and I visited with Larry Cudlow earlier this week. So the Market Facilitation Payment helped, and you were a champion there, and again, I thank you for that. Depending on how long the trade negotiations go on, we really need to have some help for our producers in the interim. So in those negotiations, to the extent you can continue—and I know you are doing it and I am doing it and others are trying to do it—convince the administration that we have to have purchase, as well, that goes on.

You know, we have got product, commodities stacking up all over the place, and so it is not just from a pricing standpoint but just physically selling product. We have got to try to get some purchases while that negotiation is getting on. Obviously, the sooner we can get a resolution, the better. So just some thoughts in terms

of trying to get some product moving for our producers while those trade negotiations are ongoing.

Secretary PERDUE. Well, certainly. Obviously, your part of the world was most hard hit because it flows to the PNW, and that market was essentially cutoff. In fact, even down in the Gulf was—the liquidity issues that Senator Boozman knows was, with no trade moving it is very difficult. The elevators get stopped up very quickly because it is used to flow, and if you do not have an outlet for it it is like the Dead Sea, and that is sort of what happened this year.

Hopefully the Chinese, with their commitment, just last Friday, almost a week ago, with 10 million more metric tons of soybeans, hopefully we can see more of that. That implies that we have to have an agreement, and while we are cautiously optimistic, I think if we get an agreement in principle we can see purchases on various commodities move fairly quickly and recover markets. That still—I do not want to raise expectations that that is going to be done in the near term. Hopefully the President and President Xi of China can meet in March, and I would love to see a resolution there. Right now it is difficult to predict.

Senator HOEVEN. Right. I mean, obviously that is the—I think the No. 1 thing that would help right now is getting an agreement. It the meantime, anything you can do on, you know, keeping those purchases going.

Then the other thing is on as far as getting approval of USMCA, addressing the steel and aluminum tariffs, because both Canada and Mexico, as you know, are holding product on the basis of that. That would be helpful.

Secretary PERDUE. Great point. Obviously a very important point that we have been advocating for, really, since the signing of the USMCA agreement. The expectation was once the agreement was signed the tariffs would come off. That has not happened but I think it is in the best interest of all three countries to do that. The President, we are working hard to persuade him that the steel industry here, of which he is concerned, can be protected through a TRQ program here rather than tariffs, and release the retaliatory tariffs against our farmers.

Senator HOEVEN. I know you are doing all these things and I really appreciate it. Thank you.

Chairman ROBERTS. Senator Durbin.

Senator DURBIN. Thank you, Mr. Chairman.

Chairman ROBERTS. I have been waiting 30 years to recognize you, sir.

[Laughter.]

Senator DURBIN. Mr. Chairman, I am honored to be on the Senate Agricultural Committee and part of this cultural exchange with the Senate Appropriations Committee. I recall, when I was a member of the House Agricultural Committee and went on Appropriations that the Chairman, Jamie Whitten, asked me a little bit about my background, and I told him, and he said, "Congressman Durbin, understand that authorizing committees deal in hallucinations and appropriations committees deal in fact."

Chairman ROBERTS. Senator if you would mind——

[Laughter.]

Chairman ROBERTS. I remember those days. Those hallucinations were very real and they have stuck with me more likely as nightmares, as I would point out.

Senator DURBIN. Thank you very much. It is——

Chairman ROBERTS. I am amazed that you were able to understand anything that Jamie Whitten——

Senator DURBIN. That is right.

Chairman ROBERTS [continuing]. said. I made the mistake of asking him a question on the floor of the House. Bill Emerson, who you remember very well, was sitting next to me, and Jamie explained, in his usual fashion, the response to my question. I sat down and Bill said, "Are you satisfied with that?" I said, "I have no idea what the hell he said."

[Laughter.]

Chairman ROBERTS. He was a great man and you replaced him and did outstanding work, and thank you for that.

Senator DURBIN. Thanks, Mr. Chairman.

I have a statement I would like to place in the record but I would like to take——

Chairman ROBERTS. Without objection.

[The prepared statement of Senator Durbin can be found on page 48 in the appendix.]

Senator DURBIN. I would like to take this opportunity to ask the Secretary about the SNAP program. I heard your explanation about the administration's position on changing and reforming SNAP. So I would like to ask you about a specific situation. This relates to a convent in Evanston, Illinois, for Benedictine nuns. These nuns have worked their entire lives as nurses in hospitals and as teachers in schools. The only retirement they have is barebones Social Security, and they live in community, approximately 20 of them. What they do is to gather their food stamps, SNAP coupons, and make purchases for food to be cooked in their community kitchen. They are clearly needy, they are clearly eligible for SNAP payments, and there is no evidence whatsoever of any abuse.

Despite that fact, there was an effort made in this last farm bill to take away their ability, their legal ability to pool their SNAP benefits to make purchases of food in bulk, to save some money so that they can continue to live under these modest circumstances. We were able to include in the farm bill an 18-month delay before there would be a disqualification of the waiver that allows them to make these community purchases.

They are not alone. In our State we have 150 senior support living facilities and 8,000 seniors in the same boat. These are not people who are welfare cheats. They are not people who are ready to go to work if they are prodded a little bit. Their working years are behind them. I would dare say in every State represented here—Nebraska, Iowa, Arkansas, Kansas—they have similar facilities.

Senator Duckworth and I are very concerned about this. Can you give us an assurance that at the end of 18 months you will not cut-off this community benefit for these elderly people?

Secretary PERDUE. What I can assure you, Senator, is I would like to learn more about that. Obviously, the anecdote you recalled regarding the nuns certainly sounds reasonable. They are eligible. What I have understood, and have been told regarding this, is that

there are for-profit areas—home in the support living—of which they charge a fee for people to live there, and then they collect those who are eligible on SNAP benefits and then put that to their revenue in the home for the benefit of everyone.

So I am certainly willing to look into considering those types of things, as the example you gave, to make sure that we can parse that out for those that we think are deserving in that way, rather than a for-profit enterprise taking SNAP benefits from the taxpayer and applying it to their overall revenue.

Senator DURBIN. In the year 2016, the Department of Agriculture did a survey of all of these facilities, so they certainly are not hiding anything. If there are people who abuse it, put an end to it. When it comes to seniors in support living facilities, many of whom are facing illness, disability, mental illness, and the like, I hope that we will not be treating them as if they are somehow cheating their government.

Secretary PERDUE. Certainly, as we learn more about that, as I indicated, my information was that these were the providers of which—I think the State law in Illinois requires that food be provided in that fee that they are being charged to live there. So unless they are giving them credit for the SNAP benefits, we think, again, the issue is on the purveyors of that service, if the fee, by Illinois law has to do with food being included in that fee, then I am happy to talk with you further about that and make sure that those who are worthy achieve that.

Senator DURBIN. Let us do that. Illinois is proud to be the largest agricultural producer of soybeans in the United States. Since President Trump took office the price of a bushel of soybeans has gone down $1. We believe that the trade policy of the administration could threaten the progress we have made in establishing customers around the world. I hear that from my soybean growers all the time. What would you tell them?

Secretary PERDUE. Tell them that they are in the long-term game. They obviously understand the volatility of prices. Many people like to attribute a cause and effect over trade. Certainly the Market Facilitation Program supported what we were able to determine and calculate to be the trade disruption damage for those soybean producers. We hope that the purchases that China just announced can be more and hopefully we can have a resolution of the trade where we think their prices will be better.

Senator DURBIN. My last question—and I see my time is up here and I want to be careful since I am a newcomer here. We talked about immigration. Workers, migrant workers and undocumented workers are critical to the survival of American agriculture. If we are declaring war on immigrants, war on undocumented immigrants, we have got some questions that need to be answered when it comes to dairy operations and fruits and vegetables.

We produced a bill 6 years ago that was approved by both the Farm Bureau and the farm workers' union, the United Farm Workers, to deal with this issue. Are you willing to suggest to our President that we need an immigration reform bill to deal with this issue?

Secretary PERDUE. Absolutely, and the President understands we need a legal agricultural work force. It is probably the No. 2 issue

I hear behind trade everywhere I go and I look forward to working with both sides and the administration to achieve a comprehensive immigration bill that satisfies the need for agricultural workers. We know that the majority of our agricultural workers are foreign-born now, and some legal, some illegal, from an immigration perspective, and we need to help.

Senator DURBIN. Thank you.

Chairman ROBERTS. Thank you, Senator.

Senator Ernst, Senator Fisher, prior to the opening of this session I was asked by the distinguished pro tempore of the Senate that when he arrived I would recognize him. He is in earnest conversation with Senator Durbin now so he is not aware of my remarks, but I am now going to recognize the President Pro Tempore, knowing that his schedule is tremendously important and that he is probably gassing up the three cars that he uses to now to get over to the Capitol.

Senator GRASSLEY. You have a way of quietly irritating people. [Laughter.]

Chairman ROBERTS. I just want to let you know I practice that each and every day.

Senator STABENOW. I think we put that on his tombstone, the ability to quietly irritate people.

Senator GRASSLEY. First of all, thank you—whoever I am offending by going ahead of other people, thank you for letting me offend you. This is a very important hearing. With the new farm bill and one that is going to be around for 5 years, we have got to make sure that it gets started right away. Thank you, Secretary Perdue, for coming.

I want to bring up an issue I often talk about that I once again, after three farm bills, failed to get in the farm bill conference report, even though every year I get it through the U.S. Senate, and 1 year I was able to get it through the House of Representatives, and it was taken out in conference, even though it was the same in both houses, as an example. This is the payment limitation issue that I am talking about, because the 2018 farm bill we passed last year created these goofy new loopholes for large farmers to extort taxpayers for more subsidies.

Everyone who really farms has no problem with his or her eligibility for farm subsidies, so no farmer would—if you are actually farming, you are not going to have any problems. I have never tried to eliminate legitimate farmers from being eligible for the farm safety net. However, I have tried to crack down on abuses in the system that allows large farmers to extort taxpayers for every additional actively engaged person they qualify. Just so everyone here is clear on how much money one non-farmer, who still qualifies, can receive each year from the taxpayers—an individual, $125,000; married couple, $250,000.

Now this is what is worse in this farm bill. The new farm bill, even enlarged that existing loophole to expand the definition of family to include first cousins, nieces, nephews. Imagine the outcry, probably by some of the members who support loopholes for farmers, if a food stamp recipient could claim an extra $1,000 a year for extended family members who do not, themselves, need food stamps. Plain and simple, this new loophole will allow large farm-

ers to milk taxpayers for even more by claiming their niece or nephew, who may live on the opposite side of the country and have nothing to do with the farm, is a farmer who deserves $125,000 a year of free money. That is a slap in the face to the real farmers who sweat and manage their farms honestly, and to taxpayers who are on the hook for these payments.

A young person fresh out of college or military has no chance of competing on cash rent for land with a larger farmer who has 5,000 to 10,000 acres of land in operation and access to unlimited subsidies. Just in case the Chairman is not paying any attention, please pay attention to this.

Earlier this week this Chairman of this Committee called me a liberal at the Finance Committee hearing, and this is a hearing I held on prescription drugs. Well, I have to say to you, Mr. Chairman, I wish you would not be so very liberal with farm subsidies to non-farmers. It is all right with me if Kansas State beats Kansas, because they have never been there before, you know.

Now can I ask a question? Can I ask a question?

Chairman ROBERTS. We just had an athletic contest in Lawrence. My visa into that county has expired so I could not see the game. We were not successful against the Jayhawks. We were at home, but we still lead the conference. As to this——

Senator GRASSLEY. And you——

Chairman ROBERTS [continuing]. any member of the Senate, I would deign to say anything——

Senator GRASSLEY [continuing]. and you beat Iowa State.

Chairman ROBERTS [continuing]. to try and arouse the interest and ire of the distinguished gentleman from Kansas—pardon me—Iowa.

Senator GRASSLEY. Can I ask——

Chairman ROBERTS. I would just say that—I am not going to go there. Duly noted.

Senator GRASSLEY. Can I ask a question?

Chairman ROBERTS. Certainly.

Senator GRASSLEY. Okay. Mr. Secretary——

Chairman ROBERTS. You have 55 seconds. Go ahead.

Senator GRASSLEY [continuing]. a common concern I hear at my town hall meetings from farmers is the disparity of payments in ARC program from adjacent counties. The farm bill instructs USDA to start using RMA data instead of NASS data for determining county yields, the belief being that RMA data is more accurate than survey based on NASS data. Will that change be in effect for the upcoming crop year and its potential ARC payments?

Secretary PERDUE. By the way, Senator, I appreciate your comments were directed to the Chairman and not at me initially on that.

Senator GRASSLEY. Well, you and I had that conversation in my office before you were confirmed and you told me you agreed with me.

Secretary PERDUE. Let me go to your question here. I think that, yes, the RMA data should be used in this calculation here, going forward.

Senator GRASSLEY. Would you repeat that please?

Secretary PERDUE. Yes. I think that the RMA data will be used as you asked.

Senator GRASSLEY. For this year's——

Secretary PERDUE. Yes, for crops—for the 2019 crop season.

Senator GRASSLEY. Yes. Then I want your view on China's slow-walking biotechnology approvals having caused many problems for our farmers and biotech companies. Can you tell us if the U.S. is prioritizing improving China's approval times for biotech products in the ongoing negotiations between our two countries?

Secretary PERDUE. Not just prioritizing but pounding it in every conversation. This one of the non-tariff barrier issues we have been laser-focused on regarding that. China, as you know, has used this slow-walking of biotech traits as a protectionist measure and it is one of the issues that we are working on, from a resolution.

Senator GRASSLEY. Thank you, Mr. Chairman. You were more cooperative than I thought you would be. Thank you.

Chairman ROBERTS. Well, thank you, Senator, and given your immense and important duties you are now free to leave any time that you would like to absence yourself from the Committee.

Let us hear from Senator Casey, please.

Senator CASEY. Thank you, Mr. Chairman. This has been an interesting hearing so far.

[Laughter.]

Senator CASEY. I speak from this side, the Sea of Tranquility.

[Laughter.]

Senator CASEY. Mr. Chairman——

Chairman ROBERTS. Senator, are you considering running for President?

Senator CASEY. No.

[Laughter.]

Senator CASEY. Like I said, it is a Sea of Tranquility.

Mr. Secretary, thank you for being here. I want to thank you for doing the job that you do. It is a tough job under any circumstances but maybe particularly so in these times.

I wanted to try to cover three issues. One I will just do by way of a statement. The three would be conservation, dairy, and organic agriculture. I wanted to reiterate something that the Ranking Member, Senator Stabenow, referred to earlier in the conservation discussion.

As you might know, in our State of Pennsylvania we are in the process of developing the Phase 3 Watershed Implementation Plan that will outlines how our State intends to meet the requirements of the Chesapeake Bay cleanup. The cost for agriculture will be significant, as you know. The strong conservation title in the farm bill should lessen the burden for farmers.

I do want to echo what the Ranking Member said, her call for a coordinated, targeted, national initiative aimed at addressing water quality concerns throughout the numerous conservation programs administered by USDA. So I appreciate your continued attention to that.

Let me start, though, with my question on organic. The national—included in the enforcement provisions that will expand USDA's organic program authority and also the capacity to provide oversight for both domestic and imported organic products. The

question I had was, the farm bill requires your department to issue a final rule to strengthen organic enforcement by December of this year. Can you provide an update on how the Department plans to met the deadline and provide a timeframe with regard to your plans to publish the proposed rule?

Secretary PERDUE. Well, we are striving to meet the deadlines. As you know, there were some statutory deadlines in the bill that assumed passage by September. So we signed in on December 20th. We had the shutdown that have delayed some. We are working to implement those as hard as possible, as certainly the enforcement of some of the issues we have heard over imported organic violating some of the standards and the competition with our growers here who are abiding by those rules is a very serious issue and we will continue to work to meet those deadlines. I cannot tell you right now if we will be successful.

Senator CASEY. Well, I appreciate that. I appreciate your attention to that.

My second question also pertaining to organic, again, is the farm bill's legislative principles states that it was your department's priority to, quote, "Protect the integrity of the USDA organic certified seal and to deliver efficient, effective oversight of organic production practices to ensure that organic products meet consistent standards for all producers," unquote. That is the statement. We know that inconsistent enforcement in the organic dairy standards is further exacerbating the economic challenges these, in this case, dairy farmers are facing.

The question I have is, can you provide clarity with regard to whether the department will be taking regulatory action on this issue, and if not, why not?

Secretary PERDUE. I expect that we will. Certainly, enforcement means consequences, and it does not do much good to enforce if you do not have consequences to do that. Certainly I expect that we would.

Senator CASEY. Well I hope that is the case and maybe we can followup and talk more about that.

The last question I have is on dairy itself. We know that prior to the farm bill the Bipartisan Budget Act added significant improvements to the dairy safety net. We are told that some 20,000 farms, about half of those eligible, have signed up for the program. The farm bill made additional changes, and I guess the basic question I have for you, because this is so important to risk management, is what steps will the Department take to inform the eligible farmer of the improvements made to the dairy program and thereby increase enrollment significantly?

Secretary PERDUE. As we prepare to get the rules in place then I think, again, we communicate certainly by any medium we have, including postcards to our producers, if we have email addresses we do that. We actually have joint meetings and calling within the regions of dairy producers and they are usually well attended. Frankly, we rely on the members and the producers themselves to spread the word. As I said, the great social media, the coffee shop, is still alive and well.

Senator CASEY. Thank you, Mr. Secretary.

Chairman ROBERTS. Senator Ernst.

Senator ERNST. Thank you, Mr. Chair, and thank you, Mr. Secretary, for being here today.

Secretary PERDUE. Another Iowan.

Senator ERNST. That is right. I was greatly offended that the senior Senator from Iowa was allowed to go first, even though I outrank him on the Ag Committee. I will speak to you later, Mr. Chair.

Chairman ROBERTS. I would recommend you take that up with Senator Grassley.

Senator ERNST. Well, and certainly, Secretary Perdue, thank you so much for being here. I want to start out by touching on the importance of the EPA's work, of course, to get the President's promise fulfilled on completing the rule to allow for the sales of E15 year-round. After speaking with you and Acting Administrator Wheeler yesterday I do feel confident that the EPA is on target. They are doing everything in their power to write and finalize the rule as fast as possible. So thank you for having that conversation with me.

Secretary PERDUE. Well, thank you for your encouragement for Administrator Wheeler.

Senator ERNST. Yes. Thank you. We will keep pushing. Believe me, we will keep pushing.

I want to talk a little bit about some of the epidemics that we are seeing worldwide, and near and dear to Iowans' hearts, of course, is hog production, No. 1 in the United States. North Carolina, very distant—distant second. Our Iowa hog producers are really staring down the threat of African swine fever. This has been sweeping through Eastern Europe. It is affecting herds in China. If it were to come to Iowa or anywhere in the United States this could be absolutely devastating to the hog industry.

So what additional steps or precautions is the USDA—what are they taking to ensure that this horrible disease does not hit the United States and hurt our industries?

Secretary PERDUE. Obviously, Under Secretary Ibach can tell you more specifically but I can tell you that it has been on our radar since it first showed up in China. We track it on a daily basis. We communicate with our industry over biosecurity measures. We are communicating with our partners to the north and south on the North American continent about trying to have protocols that make sense that way, since those are the most porous borders that we have, and then, certainly, from Customs and Border Patrol over incoming travel from the affected areas. We are in daily contact with them regarding the threats that I have to do. You may have read the little anecdote story about our little USDA beagle that detected the hog head coming from elsewhere.

Those are the things. Obviously, transmissible diseases have the potential to be extremely threatening, and I do not know that there is anything else we can do in that way but we are always looking and seeking, because in emergency preparedness or in trying to prevent these kind of things, we are not leaving a stone unturned, but if someone sees that from the industry, we want to know about it.

Senator ERNST. Mm-hmm. I appreciate that, Mr. Secretary.

Then in the farm bill there were a number of provisions included, focusing on conservation that I focused on, and including those in CRP that benefit our beginning farmers while also protecting land and ag production with practices that benefit our water quality. That is very important in Iowa. That is done especially through the new Clean Lakes, Estuaries, and Rivers Initiative. I also want to stress the importance of working lands conservation programs, like EQIP and CSP—those have been really important to us as well—and protecting natural resources through voluntary conservation.

So the farm bill did make changes to support those goals, and what I would like to know from you, can you speak to how USDA is moving forward to implement the changes that were in this recent farm bill and your commitment to ensuring farmers have access to the support they need, especially for those that are just getting started.

Secretary PERDUE. Surely. As we said, it was fortunate the NRCS continued to work through the shutdown, because they are working on mandatory money, and implementing these new provisions and educating both first and training our both employees and staff around the country on the new provisions. We think they are going to be very beneficial and helpful, and we will do all that we can to educate our producers and farmers about the new provisions, how they can help them on their working lands of agriculture but also working lands for wildlife and conservation.

Senator ERNST. Thank you. Thanks to those employees too, that man those offices. That was really helpful in Iowa. So thank you, Mr. Secretary.

Chairman ROBERTS. Senator Brown.

Senator BROWN. Thank you, Mr. Chairman. Mr. Secretary, nice to see you. Thank you. I do not think I have ever talked to you without talking about Lake Erie and algae blooms and the conservation title. During the farm bill I worked with Senator Ernst and Senator Grassley and Senator Casey—to write the CLEAR Act. That was included in the farm bill, standing for the Clean Lakes, Estuaries and Rivers Program. The farm bill made certain that CLEAR enrollment should receive priority among the categories of CRP. As you will remember, 40 percent of the acres enrolled through continuous CRP will go to CLEAR.

My first question is will you commit to fully enrolling the acres that Congress set for CLEAR in the farm bill?

Secretary PERDUE. Yes, sir.

Senator BROWN. Okay. Thank you.

The Western Lake Erie Basin, Lake Erie near Toledo, is only 30 feet deep. Lake Superior is 600 feet deep. Lake Erie, in the Western Basin, is the most vulnerable part of the Great Lakes. It also has the largest drainage area, 4 million acres, called the Maumee River Basin. So it will always be at risk. It will always be vulnerable, for a whole lot of reasons—humans, industrial, commercial, agricultural, all that. So it is particularly important that we support all of these programs, and we will continue to talk about that.

I want to followup on Ranking Member Stabenow's back-and-forth with you on food stamps. As she says to me privately and as she has said publicly, we debated and rejected some of the things that you are planning to do, it sounds like. The same day the Presi-

dent signed the most bipartisan farm bill in history you announced your intent to make changes to SNAP. We went back and forth on these issues during the farm bill. You know, Democrats gave, Republicans gave. Senator Roberts and Senator Stabenow showed about as good a bipartisan leadership that I have ever seen here to get 87 votes and to insist on that bipartisanship. The same day that bill was signed, you all announced, that USDA would propose a rule that would result in potentially hundreds of thousands of SNAP recipients losing access.

I understand you want to put people to work. So do I. I want to move people from food stamps to work. I know that is good politics in Washington and good politics at home, and I want to do that because that is the right thing. I also know that so often these are individuals in our States, in Colorado, in Nebraska and South Dakota and Kansas and Michigan and Ohio, who fall through the cracks. They are sometimes people undiagnosed with mental illness. They are disabled people that have not gotten on the disability rolls, if you were.

So my question is, are there enough—what exactly you are going to do to make sure these people who were receiving SNAP benefits, and we just—I am not sure you have the available data, county and State data, to make this decision. What are you doing to get that data and how can you ensure, to us, that people who are disabled, people who are mentally ill but not yet diagnosed can eat and can have at least some sort of life that we all think is part of human dignity?

Secretary PERDUE. With all due respect, Senator, one of the conversations that occurred during the farm bill, when the House came out with their version of much further than we have gone with our rule, was that, well, we do not need to do that, that Sonny can take care of that through a rule in the program. Based on the law that you passed, just in this past year, that is exactly what it gives the Secretary the discretion to do and that is the discretion I am exercising in that regard.

Senator BROWN. Well, one moment. I apologize, Mr. Secretary. With all due respect—back at you, all due respect—because some House members said that does not mean that that is what the Senate was voting on. The Senate was 87 votes with language that we wrote without that intent that Senator Roberts and Senator Stabenow and the rest of us came to agreement on.

Secretary PERDUE. Senator, those were not House members, but I do not think it is appropriate to identify those members right now.

Senator BROWN. They were wayward Senate members. They were among the 13.

Secretary PERDUE. Well, they are sitting close to me.

Senator BROWN. Even our Lord, in choosing 12, chose one who erred. If I can explain that to all of you, okay, go ahead.

Secretary PERDUE. I think to answer your question, though, for those who are undiagnosed—and that is the challenge we have in mental health in this country. We want those people to be diagnosed, and then obviously ABAWD stands for able-bodied working adults without dependents. That is what this is. There are provi-

sions in local regions of high unemployment where these waivers are appropriate and they will be utilized.

You all also gave a 12 percent exemption Statewide that States can use in populations they feel like are being directly affected.

Senator BROWN. Well, I thank you for that. I am not convinced, from talking to people at food banks and talking to people in communities and local governments that they have the wherewithal to do the job training programs that you need, that we need, and would like to do for those we can do it for, to move them into work. I just ask that you be sensitive to understanding that in many communities they just, for whatever reason, they do not have the dollars to pull off to accomplish those programs to do that.

Secretary PERDUE. We will be sensitive to that. I also believe that the Senate rejected the education and training that might have been proposed from the other side as well.

Chairman ROBERTS. Well, Coop, you are back. It is almost high noon. I think that, you know, Grace is going to show up with her wagon and ask you to go with her, and you are just going to tell her a man has got to do what he has got to do.

Senator THUNE. Does anybody under 70 in this room know what he is talking about?

[Laughter.]

Chairman ROBERTS. We just went through that with Hadacol.

Senator THUNE. Thank you, Mr. Chairman, and thank you to you and the Ranking Member and your staff for such a great job getting this farm bill across the finish line. It is hard to believe it is almost 2 years ago now that we started hearings on this. It seems like yesterday. It is a great accomplishment. Secretary Perdue, thank you to you and your staff for your expert technical assistance and guidance that USDA provided to me, to my staff, and to the members of this Committee as we were writing that bill.

Mr. Secretary, I would say that the producers in South Dakota are primarily concerned about two things. One is implementation of ARC and PLC and the other is CRP sign-up. Most producers were enrolled in ARC under the 2014 farm bill. That is likely to change. Most are probably going to be likely to be in PLC for most crops. You testified yesterday that you expect to have the regulations, procedures, and software ready for farmers to enroll in ARC and PLC by September the 1st.

Really important for producers is this question, and that is do you expect to have worksheets and calculation models in place before September 1st, so they, and their lenders, can have some certainty going into the 2019 crop year?

Secretary PERDUE. I would hope so, Senator. I am looking for my notes here about the timeline on that. If we are expecting that sign-up period, I am hoping that we can get them information upon which to make a decision. Obviously, that is iterative and it is, you know, like building the airplane while you are flying it, to get that out there. So I know, in the previous 1914 farm bill there was a lot of discussion over ARC and PLC and how to make choices. I think you are absolutely right that we will see probably more PLC this time, based on where prices are. I think the flexibility you all gave them on the annual choices will also be helpful.

Senator THUNE. Good. I would just say, particularly as they are trying to get their lenders to work with them, if, you know, the worksheets and the calculation models that are used, they take them to the banks, the borrowers, to get those operating loans, it is really critical. So I would just encourage you and really emphasize the importance of getting that part of the—you know, the regulation procedure process out there as early as possible.

Yesterday, during the House Ag Committee hearing, Chairman Peterson asked you questions about the CRP sign-up and you mentioned later this summer and December 1 as possible dates for CRP sign-ups. My concern is that as of last October—and CRP enrollment was at about 22.5 million acres, about 1.5 million below the acreage cap, with another 1.6 million additional acres expiring September 30 of this year.

Because acres accepted into CRP usually are not actually enrolled until the following October 1, I am very concerned that unless general CRP and continuous CRP sign-ups are held no later than summer of this year, we are going to lose potential to have more than 2 million acres that if not enrolled in CRP and taken out of production cropped in 2020, and adding to the surplus burdensome—or I should say the existing burdensome grain surplus.

So the question is, could you expedite CRP sign-ups to ensure that acres are enrolled and dedicated to CRPs so that they are not cropped in 2020? In other words, if CRP sign-ups cannot be held prior to December 1, what can USDA do to ensure that acres enrolled in CRP after December 1 can actually be placed under contract and the vegetative cover established in 2020?

Secretary PERDUE. Senator, we are going to do the very best we can in that. There are several changes in CRP. I am a sooner-rather-than-later guy and I pushed our people as hard as I can. I would rather give what we expect not from a sandbag kind of perspective but what we think is realistic. That is what I have tried to do with all of these dates. I understand your concern.

The answer to the second part of your question is yes, I think we can do that, after the December 1st sign-up. These are pretty complex kind of changes and issues there, and we are going to expedite as much as possible.

Senator THUNE. Thank you, and this is personally relevant to you because we want to make sure you have plenty of CRP acres to hunt pheasants on in South Dakota. So that is another reason to get it done.

Secretary PERDUE. That is why we are going to expedite it.

Senator THUNE. Could you share with us your plans for ensuring that there are adequate staffing levels in USDA headquarters, IT operations in State and county offices, to ensure timely delivery of farm bill and all other programs this year?

Secretary PERDUE. Several months ago we authorized staffing and hiring plans throughout USDA. You probably know the Federal Government is not the best, easiest place to onboard people regarding all the checks that we have to do. I asked the other day how we were coming and I did not get a favorable answer. It was a C-grade, and I reminded them that that was not acceptable in our household and it really was not going to be acceptable in USDA. So we will continue to make a specific effort to get the ap-

propriate staffing, and if you or any of your members here, or throughout Congress, hear of specific gaps in your offices around there I hope you will let me know specifically where we can address those.

Senator THUNE. All right. Thank you. My time has expired. Thank you, Mr. Chairman.

Chairman ROBERTS. Thank you, Senator.

Senator Bennet.

Senator BENNET. Thank you. Thank you, Mr. Chairman, and thanks for holding this hearing and for your leadership, and the Ranking Member's as well, and this excellent farm bill.

Mr. Secretary, thank you also for—I have said this to you before but I want to say it again—for ending fire borrowing at the Forest Service. Many secretaries have tried to do it before and you did it, and it was excellent, and I want to thank you for that.

Secretary PERDUE. You all did it, but thank you.

Senator BENNET. Well, we have got more to do, but I am grateful for it and I look forward to working with you on implementation of the hemp provisions in the farm bill as well as the drought provisions that are in that bill.

I wanted to ask you a couple of questions about trade, if I could, today. Mr. Secretary, last week the USDA projected agricultural imports will increase while exports will decline in 2019. The USDA's chief economist noted that China reduced American soybean imports by 90 percent. Now Brazil is rushing to fill that void, as you know, and I have heard from Colorado wheat growers who stand to lose precious market share in Japan.

I am worried that once lost these markets will be hard to recover. I wonder whether you could summarize the USDA data that quantifies the cost of lost market opportunities overseas for American farmers and whether you have communicated that data to the President. I would like to know what your conversations have been about that.

Secretary PERDUE. Certainly. I want to thank you again for your mentioning of the forest issues and I want to remind certainly members here, as I did yesterday, that one of the things not only in the disaster that fell out of the recent appropriations bill but also the backfill from our fire suppression efforts of where we borrowed $720 million from operating there. That did not get filled back either. That has been typically done. You know the fire borrowing does not kick in until Fiscal Year 2020, so we really need that, as well, to do what we need to do, in your State and others.

Regarding trade, obviously we are continuing to describe to the administration the impact of trade. I think—I do not know when those economist numbers came out, but I think it has improved since that time, based on the 20 million metric tons of soybeans that had been committed since these latest discussions happened with China. Nonetheless, they have been impactful, and not only there but certainly the trade disruptions last year from Canada, Mexico, and other places.

So we hope to get those restored. We are all cautiously optimistic we can get a resolution. I believe, honestly, the President, if we can get the structural reforms on intellectual property that kind of began this issue, I believe the President wants to. The concern

about getting the markets back, based on some of the numbers that China has proposed, I think they can come back quickly and more abundantly than we have seen before.

Senator BENNET. I know, Mr. Secretary, you know this as well as anybody around this table, that our producers are well aware of what the cost to them has been. In other words, they are not going to accept as a success some modest purchase by China of soybeans that they already would have sold to China had we not been in the middle of this trade war. You know, you mentioned 20 million metric tons. I had heard 10 million metric tons.

Secretary PERDUE. Well, it was 10 recently, plus the 5, plus the 5, so it is 20 most recently. That only gets us back to two-thirds of the 75.

Senator BENNET. Yes, that is right. I mean, it is 32 metric tons or something that they would have bought anyway. So to have people suggest that somehow that is a win for our farmers or our ranchers—I am not saying you are. I am not saying at all that you are—it just—between that and the payments that have not covered the damage that has been done, you layer on commodity prices, drought, and trade, there is just so much uncertainty and it is why bankruptcies are up all over farm country as a result of all this.

So I just hope you are communicating this with the President. This has not been a costless exercise that he has been engaged in, and in the end maybe he will succeed. In the meantime there are a lot of farmers that are going out of business as a result.

Secretary PERDUE. If we see anywhere near the numbers that we are looking at with the potential success, I think the farmers will be rewarded handsomely.

Senator BENNET. The trade representative said to me once that our farmers and ranchers have his sympathy because he knows they are the first ones that are going to be attacked in the trade war. I said, "Well, I do not think we need your sympathy. I think what we need is for you to act rationally and reasonably." I think you are a rational and reasonable person so I hope that you have got a seat at the table here.

Secretary PERDUE. Oh, I have had that conversation with Ambassador Lighthizer as well and, honestly, I do believe initially he might have thought that farmers were complainers. I will tell you, at the end of the USMCA and in East China negotiations, he has been a legitimate advocate for American agriculture, at EU, Japan, and China, and the USMCA. So I have been proud of the conversion there that I witnessed and I think we are on the right track.

Senator BENNET. Well, keep working on it. Our farmers are not complainers ever.

Chairman ROBERTS. Thank you, Senator. You made your mind up?

Senator BENNET. I will keep you posted.

Chairman ROBERTS. All right. Thank you.

Senator BENNET. I do not know where these other people left.

[Laughter.]

Chairman ROBERTS. I think when you came in they left. I am not quite sure what happened.

Senator BENNET. That very well could be.

Chairman ROBERTS. But it is the Fab Four, and we welcome you any time. Thank you.

Senator Fischer.

Senator FISCHER. No comments? Thank you, Mr. Chairman.

[Laughter.]

Senator FISCHER. That is a good thing. Thank you, Mr. Chairman. Mr. Secretary, nice to see you. It was great to have you out at Sunny Slope Ranch, our family ranch, where a couple of years ago I woke up to snow on a late May morning and had a great discussion in our barn with 70 neighbors. The first thing I asked the Secretary to do was pull out his cell phone and see how his reception was. There was not any. So I appreciate your comments on the broadband and the importance of rural broadband.

I wanted to followup on some of my colleagues' comments on that, specifically looking at precision agriculture and the importance of precision agriculture and the technology, all the cool things that our producers will be able to do, how that affects many States including mine, where ag is the economic engine, and how that affects the economy of this country. It is extremely important.

We had a report that was required with regards to that. Is your agency on track to get that published?

Secretary PERDUE. I think it is. In fact, I am not sure—I am surprised it has not already out there, but I have seen it probably in a couple of weeks and it should be there. I appreciate your interest in that. Obviously, those of us who thought we lived in rural America have not been to the Sandhills, where your nearest neighbor sometimes are——

Senator FISCHER. A long ways away.

Secretary PERDUE [continuing]. 50 or 60 miles away. So, nonetheless, it is important. You mentioned certainly one of the key components. Precision agriculture sounds neat, but what it does is less inputs and more productivity, more outputs, and that is really what it matters. It lowers the footprint. It is better for all of our environment and other things. So that is why it is so important, along with the e-commerce and health and education, all those kind of things. That is why we need that moonshot in the Sandhills as well as all across the country.

Senator FISCHER. Definitely. You know, when we look at trade policies, a lot of discussion on that as well today. Part of what we had in the farm bill was a consolidation of trade programs that are out there, and hopefully to have a more efficient trade program going forward with some flexibility. Where are we on that, on the development of looking at a more efficient trade program so that we can really target some areas?

Secretary PERDUE. Maybe I am not quite sure what you mean by more efficient trade programs. We are obviously putting money in our market access programs to develop more markets, efficiency in trade programs, working with collaborators and exporters all across the sectors of specialty crops and our primary crops, and working on China on their traceability and age of that Nebraska beef, and MRLs regarding residue limits and those kind of things we continue to work on. I am not exactly certain of what you are talking about with efficiency of trade.

Senator FISCHER. Well, I viewed it as, I guess, a better use of taxpayer money when we consolidated some of those trade programs in the farm bill, so that we can, I think, target areas so that we do not have the duplication.

Secretary PERDUE. Well, I think in the Market Facilitation Program, or, really, the Market Access Program, and the $200 million of that Market Facilitation Program we are doing, working with 57 collaborators, these are the industry sectors that know where they can go to find other markets. I think that is increasing the efficiency of it.

We are holding our partners accountable, not just for outputs but outcomes. I had a pretty stern discussion with one of our regional organizations from our part of the world. It did not look like they were meeting the criteria for productivity.

Senator FISCHER. Good. Then I wanted to ask you about the vaccine bank. As you know, from your training and profession, what an outbreak of foot-and-mouth disease would do to States around this country, but the country as a whole. What measures are being taken by the agency to stand up the program of that vaccine bank, and are you in any kind of coordination with individual States on being able to involve industry stakeholders?

Secretary PERDUE. Both the industry and our State ag partners, those are the networks when we talk about the three legs of the labs and then the network, the early detectors and biosecurity measures. This is the way it works. It works from the industry to our State regulators to USDA, in that way. Your own former Secretary of Agriculture, Greg Ibach, is very familiar with these issues and has done a marvelous job in working with, ahead of time, as we saw these things coming. I think the industry did a good job in identifying the threats and you all responded with resources in order to get that done.

Senator FISCHER. Would you say that is a top priority that we need to get that funded?

Secretary PERDUE. I think, again, the funding is sufficient currently until we identify probably what the level of the vaccine bank should be, and that may require more funds.

Senator FISCHER. Thank you, Mr. Secretary.

Chairman ROBERTS. Thank you, Senator Fischer. Senator Gillibrand. You are up.

Senator GILLIBRAND. Thank you, Mr. Chairman. I would like to ask a little bit about the women and infants nutrition program, WIC. It has been widely reported that the President's budget will contain a 5 percent cut to discretionary programs, and you have said that the cuts to USDA programs will likely be even higher.

The administration has made a lot of noise about how much they care about the health and well-being of babies, so I want to know if this includes the WIC program. Do you except proposed budget cuts to affect the amount of money available to provide healthy food for our low-income pregnant women and new mothers caring for their babies and young children?

Secretary PERDUE. The WIC program, as you know, Senator, is a utilization program. There will be ample funding for all of those. The economy has increased and helped and we see a lower utilization of the WIC program. Many have alleged that is because of

some of the immigration discussions. We have not been able to validate those anecdotes about that. Every pregnant woman and child will be able to use the WIC program as you desire.

Senator GILLIBRAND. Yes. Will this proposed cut make it harder for women to get prenatal care, increase the likelihood of premature births, or reduce the number of babies born healthy?

Secretary PERDUE. The WIC program will be completely funded for all those who use it. The money will be going down based on the expectation of lower utilization.

Senator GILLIBRAND. The amount that the President puts in the budget, will it be based on what you recommend to him? Do you recommend a lower amount?

Secretary PERDUE. We recommend an amount that we estimate will be utilized.

Senator GILLIBRAND. Mm-hmm.

Secretary PERDUE. The usage, if there is a cushion and a reserve there—if, for instance, we have a higher utilization than is estimated, that reserve money in WIC will be utilized to serve the people who come and apply for WIC.

Senator GILLIBRAND. Okay. I want to build on what Senator Brown covered on the SNAP proposed rule on waivers. From the questions you have received over the past 2 days it should be obvious that the recent proposed rule to limit the State's ability to apply for ABAWD waivers is a non-starter, having been rejected in both the House and the Senate. I want to know why you chose to pursue the rulemaking process anyway.

I know that when Senator Sanders asked you on what did you base your decision to propose this rule you said you were acting on the work of the House. Obviously that is not what the law says. So I am very disturbed about that answer.

Second, did anyone with the USDA conduct an analysis of how this would actually affect the food security for low-income people?

Secretary PERDUE. What the law says, that you voted for and passed—I assume you voted for it; it passed fairly overwhelmingly there—it says that requires 20 hours of work there. Then it says the Secretary may waive those requirements there, and we are waiving some of those, those not those for able-bodied adults without dependents. We are complying with the law with the proposed rule as passed.

Senator GILLIBRAND. Have you done any analysis about how this affects people who are disabled or mentally ill or are veterans, people who are in foster care, our foster youth, anyone who has mental health issues?

Secretary PERDUE. Senator, the rule we have proposed, that you are commonly to as the ABAWD——

Senator GILLIBRAND. Mm-hmm.

Secretary PERDUE [continuing]. ABAWD is an acronym for able-bodied working adults without dependents, adults able to work, not disabled, not in any way with children or dependents. These are people who are able to work and have no dependents, and that is who we are addressing the rule, giving States a certain——

Senator GILLIBRAND. Mm-hmm. Well, one of the problems is that——

Secretary PERDUE. I was waiting for you——

Senator GILLIBRAND. Oh, keep going. Yes.

Secretary PERDUE [continuing]. to hear from your staff before finishing my answer.

Senator GILLIBRAND. Go ahead. Finish.

Secretary PERDUE. The provisions we are proposing in the rule give States some waivers for areas where high unemployment may occur for loss of a company or different things like that.

Senator GILLIBRAND. Right.

Secretary PERDUE. You all also provided for a 12 percent cushion for States they could use for any purposes. We do not believe that in States where unemployment is 4 percent that people should—able-bodied adults should be able to stay on work, on food assistance interminably. That was the—when you talk about the integrity of the law, that was the proposal that was signed, the law that you still have passed, by amendment, this past year.

Senator GILLIBRAND. Yes, and I think the purpose of the law was for you to use your discretion. So what I am asking you is what discretion did you use and whether you had an analysis done to inform your discretion. For example, we have places all across rural upstate New York where there is so little work available, they do not have the jobs. You also have young adults who are in much more precarious situations. So, for example, a foster youth who might be 19 or 20 years old, he or she may not have the full capacity or the training he needs to get a job in the area.

So I am just asking, you know, what kind of pushback have you done, from an analytical perspective, about where you should use your discretion, because we do not want hungry people in America. We do not want people who are starving. We want to use the wealth and resources we have in this country. I just am asking, how did you use your discretion and what facts did you look at, and did you actually have the opportunity to understand perhaps why someone who might be considered able-bodied is not actually working, what the actual impediment for them is?

Secretary PERDUE. The law that you passed still allows for 120 days for those people that you are talking about to be on food assistance. For the people you talk about where jobs are not available, that is the unemployment delta that would allow for a waiver in those areas where they exist.

Senator GILLIBRAND. So let us just say it is a persistent problem and there is underemployment and unemployment, and you are only allowed 30 days of assistance for—or 3 months of assistance, excuse me—in a 3-year period. So if that person cannot get a job, giving them access to 3 months of food assistance is not necessarily enough if they cannot get a job. People want to be working.

Secretary PERDUE. Senator, as I understand the labor statistics right now, I believe we have about 7.5 million jobs available and 6.5 million people unemployed, almost a delta of 1 million jobs going lacking. So that would be one of the basis.

Senator GILLIBRAND. Okay. Well, thank you, Mr. Secretary. I did not realize I was over time. I was very excited about my questions. Sorry, Mr. Chairman.

Chairman ROBERTS. That is fine. Thank you.

This is going to conclude our hearing today. Secretary Perdue, thank you for your efforts to ensure this farm bill is implemented

promptly in the way the Congress intended. Farmers and ranchers across the country are depending on you. You know that. I know that. They are also depending on Senator Stabenow and myself and every member on this Committee.

To my fellow members, we would ask that any additional questions you may have for the record be submitted to the Committee clerk five business days from today, or by 5 p.m. next Thursday, March 7th.

The committee is adjourned.

[Whereupon, at 11:46 a.m., the Committee was adjourned.]

A P P E N D I X

FEBRUARY 28, 2019

Testimony of Secretary Sonny Perdue

U.S. Department of Agriculture
before the
U.S. Senate Committee on Agriculture, Nutrition, and Forestry

Implementing the Agriculture Improvement Act of 2018
February 28, 2019

Chairman Roberts, Ranking Member Stabenow, and distinguished members of the Committee, I am honored to be with you this morning. Today's hearing marks my second occasion to appear before this Committee since my confirmation as the 31st Secretary of Agriculture. I thank you once again for the opportunity to testify and share USDA's early efforts for implementation of the Farm Bill.

Over the past year, USDA responded to conditions that tested the resilience of American farmers with initiatives to create economic conditions in which they can prosper. With the help of crop insurance, natural disaster assistance programs, and short-term trade mitigation programs, many producers are managing the stresses of these difficult times and are indicating increased optimism, particularly with expectations that trade partnerships will strengthen in the near future.

The hearing today is entitled "Implementing the Agriculture Improvement Act of 2018," but before I turn to our process for implementing the Farm Bill, it is relevant to survey the state of the rural economy at the time it was written.

The State of the U.S. Rural Economy

The U.S. farm sector has faced declining prices and farm incomes ever since the record and near record levels reached in 2013, leaving producers increasingly vulnerable to production disruptions posed by natural disasters and market disruptions. Net farm income has fallen nearly 50 percent from its peak in 2013, as most commodity prices have fallen over the past 5 years while global stock levels have rebounded with several years of record production. We saw the largest U.S. soybean crop ever in 2017 and again in 2018, and U.S. corn production was the second highest ever in 2017 and third highest ever in 2018. However, other countries have also seen high production numbers. In 2019, global production will continue to expand, trade challenges will persist, and these factors will continue to impact commodity prices.

As a result, many farmers will continue to face tight bottom lines with fewer resources. Producers have reduced spending on inputs and tapped a combination of savings, loans, and off-farm income and assets to remain in business in the face of continuing stresses in the farm economy. After five years, however, those resources are dwindling for many. Farm debt has been rising more rapidly over the last five years, increasing by 30 percent since 2013 — up from $315 billion to $409 billion according to USDA data, and up from $385 billion in just the last year — to levels last seen in the 1980s. Relatively firm land values have kept farmer debt-to-asset levels low by historical standards at 13.5 percent, and continued low interest rates have kept the cost of borrowing relatively affordable. Overall, however, the number of crop farms in a highly

leveraged financial situation sits at about 1-in-10, and the number of livestock or dairy farms in a highly leveraged financial situation sits at about 1-in-15. Highly leveraged operations are more vulnerable to low prices or market disruptions and less able to recover from natural disasters.

In many ways, 2018 underscored the financial risks farmers take to produce food, fiber and fuel for their fellow citizens. In addition to market disruptions from illegal retaliatory tariffs, U.S. farmers faced a number of natural disasters, including wildfires, hurricanes, droughts, severe freezes, and even a volcanic eruption. Regardless of the challenges 2018 brought to rural America, farmers and ranchers are resilient and remain optimistic about the future.

Looking forward, USDA projects 2019 net farm income at $77.6 billion, a $14 billion increase from the projections made last year. The upward swing comes as USDA projects an increase in 2019 cash receipts — $375.8 billion in this year's report, rising $11 billion from last year — and a drop in cash expenses — $322.3 billion, a $3 billion drop from last year's projections. Direct government payment projections for 2019 rose $1.2 billion to $10.2 billion. The majority of farm households are at or above the median income for all U.S. households; and farms of all sizes face lower effective income tax rates due to the Tax Cuts and Jobs Act (TCJA)

It is in this context that USDA is undertaking the important work of implementing the 2018 Farm Bill.

Implementing the 2018 Farm Bill

The 2018 Farm Bill provides a strong safety net for farmers and ranchers, who need the long-term decision-making tool it affords. This Farm Bill also invests in important agricultural research and supports trade programs to bolster exports. While I feel there were some missed opportunities in forest management and in improving work requirements for certain SNAP recipients, this bill does include a number of helpful provisions, and USDA will continue to build upon these through our authorities. Overall, the new law fulfills the primary goal of farm programs: to help farmers and ranchers manage risks and continue producing food, fiber, and fuel in good years and as well as bad.

I applaud the many of you who worked to complete the 2018 Farm Bill just a couple of months ago. Having a Farm Bill in place gives our farmers, ranchers, foresters and producers peace of mind to make decisions for the future. At USDA, we committed to provide counsel to Congress at the outset of the legislative process and were pleased to complete over 2,000 pieces of technical assistance to the Congress as you wrote the bill. Now, we are eager to implement it.

I want to assure you that USDA is implementing the Farm Bill as quickly as possible. Deputy Secretary Stephen Censky is leading implementation efforts within the Department, following a process similar to one put in place by USDA to implement the 2014 Farm Bill. The implementation working group met initially on December 20th before the recent shutdown began. The entire team is working aggressively on implementation, and has catalogued the provisions requiring action, assigned them to responsible agencies and staff, and is finalizing timelines.

Agencies have also started gathering stakeholder input on how best to implement the provisions, in line with Congress' direction laid out in the law. On Tuesday, our Farm Production and Conservation mission area held a public listening session. Formal and informal listening sessions will continue in the weeks ahead.

As example of our early efforts, USDA already allocated Fiscal Year 2019 funding to recipients for the Market Access Program (MAP) and the Foreign Market Development (FMD) Program, which were both reauthorized in the Farm Bill. The allocations mark a significant investment in creating new export opportunities for our farmers and ranchers.

Other examples include USDA's work on core conservation programs – Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP), and the Regional Conservation Partnership Program (RCPP) – which are on-track for FY2020 implementation as required by the Farm Bill. Natural Resources Conservation Service (NRCS) utilized mandatory program funding to keep staff working throughout the recent shutdown, providing significant time to begin building the framework for the new and revised conservation programs they are responsible for implementing.

In addition, the FSA dairy task force has begun to identify policy, software, training and other implementation issues and gather recommendations for leadership decisions. We understand the dairy industry's critical financial situation and we will make sure we prioritize the quick yet sound implementation of the industry's safety net.

My commitment is that USDA will plow ahead with implementation, working diligently to deliver quality programs that serve the urgent needs of our customers.

Among the provisions of the new Farm Bill are significant investments in USDA research. Congress' continued support for these programs is a reflection on our world-class research scientists and their track record of providing solutions to problems that affect farmers and the American consumer. I want our research programs to be on the cutting edge, and I believe that the research our scientists are conducting at USDA will be even more effective if the team is closer to the farmers they serve.

In August, USDA announced we would realign the Economic Research Service (ERS) under the Office of the Chief Economist and would relocate both ERS and the National Institute for Food and Agriculture (NIFA) outside of the National Capitol Region. Those changes are intended to improve customer service, strengthen offices and programs, and save taxpayer dollars. USDA received 136 expressions of interest submissions from 35 states. The firm Ernst & Young was retained to evaluate and conduct the site selection process. We recognize there are outstanding questions regarding this decision and are committed to an open process as we move forward together to address concerns.

Creating Conditions for Rural Prosperity

Before I conclude my testimony, I would like to address three topics that lie outside of the direct jurisdiction of this Committee but are among the top legislative priorities that farmers raise with me as I travel the country – I know these are important to the members of this Committee as well. As we implement the 2018 Farm Bill, we must also focus attention on favorably resolving these issues if we expect the full potential of our farm communities to be realized.

The first is that our farmers - the backbone of America - need access to a legal and stable workforce so American-grown products will continue to feed our nation and the world. In today's booming economy, many farmers are having trouble recruiting workers during peak seasons of need in rural parts of America. Estimates show currently over half of the experienced agricultural labor force is working without proper documentation on our farms, and the H-2A program is in need of improvement and modernization. Despite being a program used as a last resort, we have seen exponential growth in the H-2A program, suggesting that local workers are not available to do farm work. Farmers need long-term solutions that guarantee access to a legal and stable workforce. USDA is working closely with the Departments of Labor, Homeland Security, and State on revisions to the H-2A program; however, farmers need legislative reform that ensure access to a legal workforce.

The second is the importance of rebalancing our trading relationships with key agricultural trading partners, and we can start with Mexico and Canada. President Trump negotiated a better deal for U.S. farmers in the United States-Mexico-Canada Agreement (USMCA), as he promised. The USMCA represents greater export opportunities in these vital markets and will maintain and improve the highly productive integrated agricultural relationship we have as nations. Notably, as one of the President's top goals, this deal eliminates Canada's unfair 'Class 7' milk pricing scheme, cracks open additional access for U.S. dairy into Canada, and imposes new disciplines on Canada's milk pricing system. The agreement also preserves and expands critical access for U.S. poultry and egg producers and addresses Canada's wheat grading process, so it doesn't discriminate against U.S. wheat growers, including those along the border. We also hope for rapid progress in negotiating agreements with Japan, the EU, and the UK, resolution of China negotiations, and potential new agreements with other Asian markets that will expand opportunities for agriculture.

Finally, farmers and ranchers were battered last year by a series of monumental storms, robbing them of their livelihoods and inflicting damage well beyond the financial risks they normally assume in their operations. These are the men and women who dedicate their lives to feeding, fueling, and clothing this nation, and we cannot turn our backs on them when they need assistance. Just as important, another devastating wildfire season left our Forest Service badly in need of replenished funds to fight fires, remove excess fuels, and conduct necessary forest management. Without these resources, we risk falling behind in forest maintenance and inviting even more severe wildfire seasons in the future. In 2017, Congress provided supplemental assistance for producers who experienced losses not covered by existing forms of relief. USDA stands ready to quickly implement assistance, bolstered by lessons learned, for similar losses in 2018 should Congress decide once again to act.

The distinguished members of this Committee represent the size, scale and reach of American agriculture, and rural America is counting on your leadership as these issues come before

Congress for consideration. I look forward to continuing to work with President Trump and the members of this Committee to address these critical issues on behalf of those living in rural America.

Conclusion

Over the past two years, my team and I have traveled across the country to hear directly from the people we serve: farmers, ranchers, consumers, foresters, school children and others touched by the work of USDA each day. I am proud of the strides the good men and women at USDA are making towards becoming the most effective, most efficient, and most customer-focused department in the federal government. As we work to implement the 2018 Farm Bill, we will always keep in mind our motto to "Do Right and Feed Everyone."

Thank you for the opportunity to testify this morning. I would be happy to answer any questions at this time.

DOCUMENTS SUBMITTED FOR THE RECORD

FEBRUARY 28, 2019

Senate Committee on Agriculture, Nutrition & Forestry
Implementing the Agriculture Improvement Act of 2018
February 28, 2019
Statement for the Record

Senator Richard J. Durbin

Thank you Mr. Chairman. I'd like to thank the Chairman and Ranking Member for holding this hearing and for their bipartisan work to craft the 2018 Farm Bill. Thank you to the Secretary for coming before the hearing today.

We do need farm bill programs to be up and running as smoothly and as quickly as possible, because I think it comes as no surprise that net farm income has not been strong as we'd like it to be. Farm debt isn't trending in the right direction, debt servicing costs are a problem, production costs are facing increasing pressures, and who knows what the prospects for 2019 will bring. So we need to be vigilant.

Soybean growers in my state of Illinois have ensured financial hits from the drop in soybean exports to China, and that continues to concern me. Our trade policy seems to be creating what amounts to self-inflicted wounds, which is worrisome, since 90 percent of future commodity market growth is overseas. I do not want to see these markets going to our foreign agricultural competitors, but with each month that passes without final resolution, that risk is kept alive.

I appreciate that USDA has made public assistance available to farmers and livestock producers, I think that's been a big help. Farm groups have always told me that they prefer to get their revenues based on the market, not from government relief. I understand this can be an uncomfortable position to be in, from their perspective, because they also support open and fair foreign trade policy.

Then we had the shutdown, so those payments were interrupted, then resumed, statistical reports to prepare for the spring were delayed, but now coming back. FSA offices were closed with staff unpaid, but now they've returned, with a workload that piled up due to circumstances unrelated to their professional dedication to their jobs. I'll say this: Illinois farmers have been frustrated with continually shouldering the economic headwinds of decisions made in recent months by the Administration. They may not say it publically, and I understand that. But they <u>are</u> saying it privately.

Now we have the nominee for EPA Administrator, Andrew Wheeler, sending mixed signals on whether the E15 rule will be completed in time for sales this summer. I'd like to learn more about what USDA Deputy Secretary Stephen Censky meant a few weeks ago when he said "discretionary enforcement" was the contingency plan.

Finally, I'm remembering the words of the American Farm Bureau Federation a few years ago, which said that the Obama Administration's implementation of the Farm Bill was the best they'd ever seen, compared to the previous seven farm bills.

So you're team has got a high standard to meet, Mr. Secretary. I appreciate your coming here today – I know you are committed to agriculture and the farm community, that there are issues outside of USDA that are not within your power to fix, that you are working in good faith – but it's important to highlight these issues that I'm hearing. I want you to know that I stand ready to work with you as you move forward with Farm Bill implementation

QUESTIONS AND ANSWERS

FEBRUARY 28, 2019

Senate Committee on Agriculture, Nutrition, & Forestry
Implementing the Agriculture Improvement Act of 2018
February 28, 2019
Questions for the Record
Secretary Sonny Perdue

Chairman Pat Roberts

1. The Agriculture Improvement Act of 2018 established a new animal disease prevention and management program that will allow farmers and ranchers, universities, animal health professionals and the government to better prevent, diagnose, and respond to animal disease threats. Due to the numerous animal disease outbreaks that are occurring around the world that have the potential to devastate the U.S. livestock and poultry sectors, there is much interest in establishing this new program quickly. Can you describe the processes that the department will go through to implement this new program and the expected timeframe for doing so?

Response: USDA is committed to getting these important programs up and running as quickly as possible. On March 21, USDA held a listening session on these provisions to hear from industry and other stakeholders. We are in the process of reviewing and considering all comments from that session. Additionally, the National Animal Disease Preparedness and Response Program requires us to develop a consultation process with states, universities and industry partners to develop program priorities. USDA is organizing that process, after which we will begin soliciting project suggestions to assist with the advancement of animal health.

2. Included in the Agriculture Improvement Act is a new research program entitled, "Agriculture Advanced Research and Development Authority," or AGARDA. This authority provides the Department with a new set of tools to promote and pursue innovation by allowing USDA partnerships with private entities for research and development of solutions. This authority has been patterned on the successful advanced research, development, and manufacturing authorities found in the Departments of Defense, Energy, and Health and Human Services. Please describe the plan to establish and initiate this new authority at the Department of Agriculture.

Response: The 2018 Farm Bill did not provide funding for AGARDA. USDA looks forward to evaluating options and fully implementing this provision should funding be provided.

3. The Agriculture Improvement Act established the International Agricultural Education Fellowship to support young agriculturalists in eligible developing countries. What is expected for the implementation of this new program? Will there be a notice of funding availability or will a rulemaking, available for comment, be required?

Response: The 2018 Farm Bill did not provide funding for the International Agricultural Education Fellowship in Fiscal Year 2019. USDA will be prepared to begin implementation should funding be granted.

4. To promote rural economic development, our Committee expanded the Farm Bill Broadband Loan and Loan Guarantee Program and added a grant component. How is USDA working to implement these Farm Bill changes through rulemaking, and what is the timeframe for this rulemaking? How will USDA ensure that the new requirements regarding duplication of services with the Federal Communications Commission and other federal agencies are addressed?

Response: The 2018 Farm Bill made significant changes to our broadband program including creating new opportunities for Rural Development to extend broadband infrastructure to the most unserved areas across the country. We plan to issue an interim rule in the winter of 2019 and modify our information technology systems with enhancements that will allow us to implement these provisions as quickly as possible. USDA will work with our partners at the FCC and NTIA on information sharing and data transparency to ensure these new requirements do not overbuild or duplicate funding.

5. The agreement between USDA and FDA on the joint regulation of cell-cultured food products derived from livestock and poultry described FDA leading the phase where cells are extracted from animals, also known as the "cell collection" phase. Given the expertise USDA and the Food Safety Inspection Service has with regard to evaluating animals ante-mortem to ensure animals presented for slaughter, or in this case cell-collection, are healthy, safe from harmful drug residues, and capable of producing foods that are acceptable for use as human food, is it possible for USDA to jointly perform these regulatory responsibilities with FDA in the cell collection phase?

Response: FDA has authority over the production of livestock and poultry raised for food, including authority over the use of veterinary drugs, until animals are presented for slaughter in a USDA-inspected establishment. Although cells might be extracted from livestock and poultry that have passed ante-mortem slaughter inspection by USDA, that would not be legally required, nor would it be necessary to ensure that the cells are extracted from healthy animals and under conditions that will result in the production of safe food. It's also quite possible that firms will want to extract cells from animals not destined for slaughter, so they can make certain labeling claims on final product labels or for other business reasons. As USDA and FDA develop detailed procedures for the inspection of cell-cultured products, they will address these issues.

6. Gene editing in animals is an exciting new technology that can assist farmers and ranchers in meeting the demands of a growing global population for animal protein. This technology may allow for development of livestock and poultry that are resistant to certain diseases or have enhanced welfare, for example, improving economics for farmers and ranchers and in

some cases eliminating risks associated with raising livestock and poultry. While it is expected that FDA will lead federal regulatory efforts pertaining to gene editing of animals under the Coordinated Framework for Regulation of Biotechnology, do you see any areas where USDA's expertise could be applied to the regulatory framework of gene-editing technologies for animals to ensure a science-based regulatory structure exists that will foster development of new technologies?

Response: USDA understands biotechnology can help solve some of the most pressing challenges facing animal health, animal welfare, and agricultural productivity. USDA wants a clear, predictable, science-based, and transparent regulatory system that regulates risk while facilitating innovation. These principles are not mutually exclusive, but they do require a cohesive federal approach. USDA will continue to work with our federal partners to administer a science-based regulatory framework that works for developers, producers, and consumers.

7. The 2018 Farm Bill augmented and upgraded the Department's "Office of Homeland Security" by directing improved internal coordination across the Department on matters related to homeland security, as well as proactively representing the Department to external departments and agencies. The Office of Homeland Security is designed to assist and support the Secretary's office in managing and coordinating the various components of USDA in homeland security and emergency management. One specific duty of the improved mission of the Office of Homeland Security is an increase in information sharing and collaboration with the intelligence community. This is to protect agriculture and the food supply by awareness and early warning by increased understanding and consideration of potential threats. Would you describe the process and activities the Department is planning to achieve this goal of improved interaction with the intelligence community?

Response: USDA has reached several milestones in its relationship with the Intelligence Community over the past year. For the first time, USDA is influencing the intelligence process to enhance collection, collaboration, outreach, and education of food and agriculture defense. In 2018, the Office of Homeland Security (OHS) began a now standing relationship with the Intelligence Community by establishing a regular dialogue with those collecting intelligence, collaborating with Intelligence Community analysts, and enhancing our educational outreach. OHS now provides USDA's information gaps on threats to food defense and food safety to the Intelligence Community to be included in the development of their requirements, marking the first time USDA's input was reflected in these documents. In mid-2018, USDA began outreach to analysts in the Intelligence Community to collaborate on intelligence assessments. Further, OHS routinely connects Intelligence Community analysts to USDA experts in the Animal and Plant Health Inspection Service, Agricultural Research Service, and Food Safety and Inspection Service to share information on threats to food defense from chemical and biological warfare, terrorism, pests and diseases, and cyber security.

The passage of the 2018 Farm Bill has presented USDA with an opportunity to better integrate its Intelligence program into daily decision making. OHS has commenced a series of outreach events to educate the Intelligence Community on threats to agriculture. This includes regular participation in Intelligence Community working groups and the development of the Defense Against Agroterrorism Working Group in partnership with the Intelligence Community, and Departments of Health and Human Services, Justice and Energy. This group provides a classified quarterly forum for the discussion of threats from agroterrorism to the food and agriculture sector and will create a stronger link between USDA and the Intelligence Community. In 2019, USDA will build upon its partnerships with the Intelligence Community to focus intelligence community collection resources on emerging threats to food and agriculture, such as the recent outbreak of African Swine Fever in Asia, and analytic resources on finding solutions to detect and counter threats to our food supply. Finally, we are focused on providing the classified products of these intelligence partnerships to our senior leaders on a regular schedule, creating synergy and helping to guide discussions and decisions on trade, food defense and research.

8. The Agriculture Improvement Act includes new authority regarding Agriculture and Food Defense. One component involves improving upon the Department's response to animal and plant disease outbreaks using specific response planning with a State, or an area of several States, to diseases and pests of concern. Could you provide the Committee with the plan to initiate this ongoing response planning, performance evaluation, and ongoing improvement actions with the States?

Response: The Agriculture and Food Defense provisions require several activities that build on USDA's current plant and animal disease response planning activities. One section requires USDA to develop a list of diseases or pests of concern that are likely to pose a significant risk to the food and agriculture critical infrastructure and to solicit expert feedback on that list. Another section requires USDA to provide information to a state or region to assist with the development of their response plans. USDA is evaluating how best to develop a list of significant pests and diseases and how that would interact with USDA's longstanding emergency response activities. The Department is also developing the process through which we would work with states or regions that request additional information beyond the extensive amount of publicly available pest and disease response planning we have already developed.

9. The Food and Nutrition Service (FNS) final rule, titled "Enhancing Retailer Standards in the Supplemental Nutrition Assistance Program (SNAP)," was published on December 15, 2016. However, appropriations bills have continued to delay the implementation of the "variety" requirements of this rule, due to concerns regarding the ability of retailers to meet staple foods stocking requirements under the USDA definition of variety and acceptable varieties. Can you provide an update on the status of the variety requirements of the rule? How does USDA intend to address retailers' and appropriators' concerns related to variety?

Response: The requirement that retailers carry seven varieties of each of the four staple foods is mandated by statute. This fiscal year, FNS intends to publish a revised regulatory proposal that would enhance the definition of variety so that retailers are better able to meet this requirement, in light of concerns raised by Congress and others about the prior version of the rule. Notice and comment rulemaking will ensure that the concerns of all interested parties are fully considered.

10. The Agriculture Improvement Act of 2018 included a provision (Sec. 4008) requiring USDA to establish a process allowing retailers to voluntarily offer incentives, without federal government funding or grants, for purchases by SNAP customers of fruits, vegetables, whole grains and dairy staple foods with SNAP benefits. What steps is USDA taking to inform food retailers and other stakeholders of the availability to offer such incentives to SNAP customers?

Response: FNS plans to issue guidance clarifying the process by which retail food stores can request a waiver to offer point of sale incentives to SNAP households for the purchase of eligible incentive foods (i.e., a staple food identified for increased consumption consistent with the most recent dietary recommendations and that is a fruit, vegetable, dairy, whole grain, or product thereof). As noted, there is no funding for such incentives. FNS will submit the required annual report to Congress describing the types of approved incentives.

11. The Agriculture Improvement Act of 2018 included two provisions related to the National Organic Standards Board, in order to provide more certainty and predictability to current and potential growers and stakeholders in the organic community. What is the plan for the Agricultural Marketing Service and National Organic Program to implement these provisions? How does the NOP see these updates affecting the balance of authority with the NOSB?

Response: The Agriculture Improvement Act of 2018's provisions related to the National Organic Standards Board (NOSB) are already being implemented. The Call for Nominations for the NOSB, published this March, includes the revised descriptions of the Board's open seats, to indicate that employees of farming, handling, and retail organizations are eligible to apply. In terms of balance, we believe that this change will lead to a more diverse representative candidate pool for the NOSB that best represents the growing nature of the organic industry. The provision related to Board voting formalizes practices that were first implemented by USDA through a Federal Register Notice in 2013. As such, the provision continues procedures that are working well and that provide greater protection for organic farmers making long-term decisions about farming systems.

12. Section10104(k) of The Agriculture Improvement Act of 2018 includes a trade savings provision to ensure certain amendments to organic certification are carried out in a manner consistent with United States obligations under international agreements. Can you outline

the process that USDA is undertaking or plans to undertake to ensure these amendments take into account this trade savings provision?

Response: The Agriculture Improvement Act of 2018 contains several provisions designed to protect the integrity of organic imports, including the establishing of an interagency workgroup with Customs and Border Protection. The Agricultural Marketing Service will work closely with CBP, the U.S. Trade Representative, and the Foreign Agricultural Service to assess the impact of any proposed future actions on the trade landscape.

13. Following input from employers and non-profit organizations offering employment and training services outside of SNAP employment and training, the Agriculture Improvement Act of 2018 included new Workforce Partnerships. Some stakeholders indicated that they chose not to participate in SNAP E&T due to lack of awareness or paperwork and regulatory burdens. There is interest in initiating the Workforce Partnerships to allow employers and non-profits to offer employment and training for more acute skills/barriers to employment. Please describe the plan to establish and initiate this new authority at the Department of Agriculture.

Response: FNS recognizes the important role that employers play in helping SNAP recipients move towards self-sufficiency. By establishing Workforce Partnerships, employers and SNAP State agencies have the opportunity to work together on this effort. Because this is a new provision, FNS intends to gather information from the public about how these partnerships could be implemented prior to drafting a notice of proposed rulemaking. On March 19, 2019, FNS held a Farm Bill listening session that covered all SNAP provisions. In addition, FNS intends to reach out to other stakeholders such as State agencies, Federal partners, or business associations to get their input. Finally, through the rulemaking process, FNS will collect comments and consider that input as a part of the final rule to the extent practicable.

14. The Agriculture Improvement Act of 2018 included a provision (Sec. 4005(d)) to prioritize the reallocation of available SNAP Employment and Training funds towards proven, effective, state initiatives, particularly those that began from the work innovation pilot programs authorized and funded by Section 4022 of the Agricultural Act of 2014. For example, the Kansas Department of Children and Families GOALS program, which is voluntary, has successfully matched unemployed SNAP participants—including those in remote areas—with sustainable, living-wage jobs. USDA "pilot" funding is ending while evaluations of the program are being finalized. What is USDA doing to help states continue these valuable employment and training activities in the interim?

Response: USDA is prepared to provide technical assistance to any pilot State wishing to continue their efforts, using what they learned in their pilot to move activities into their mainstream program. For example, in May 2018, FNS hosted a close out meeting for all the States that operated the Farm Bill pilots. During the meeting, FNS worked with the States to develop a transition plan. States discussed issues such as: what elements of the pilots they

would like to retain and the challenges and opportunities to maintaining them; what aspects of the data collection, reporting, and analysis they would like to maintain; what existing and new sources of funding could they use and how to identify opportunities to leverage funding from partners; and what are their priorities and timelines. As States began winding down, FNS and the evaluation contractor continued to engage the States on their transition plans during regular check in calls.

Recently, three of the pilot States, Kentucky, Kansas, and Vermont, participated in FNS's first of two E&T Institutes to learn how to strengthen their SNAP E&T programs by utilizing employer-driven strategies. The E&T Institute, Taking SNAP E&T to Scale, was geared towards States that were entering or already in a growth phase of their SNAP E&T programs, and covered topics such as how to streamline processes and policies, ensure appropriate placements for SNAP E&T participants, and explore best practices in fiscal management.

Going forward, FNS will continue to provide individual technical assistance to the pilot States, and encourage them to use the materials that FNS has created through its SNAP to Skills project, such as the SNAP E&T Operations Handbook: A Step-by-Step Guide to Developing, Implementing, and Growing a SNAP E&T Program, the policy briefs on building effective employer-driven SNAP E&T programs, and the examples of State and individual success stories.

15. During the recent lapse in appropriations, the Food and Nutrition Service developed several contingency plans to continue to operate nutrition programs normally, as long as funding permitted. However, some of the program functions were disrupted, with early benefit issuances in SNAP and a hold on approving SNAP retailer authorizations. How is FNS working to restore normal operations for the nutrition programs and what is that timeline? How has the lapse in appropriations impacted the number of SNAP authorized retailers and the authorization process for SNAP retailers?

Response: FNS worked with States to mitigate the interval between the early issuance of the February benefit and the March benefit issuance. States adjusted their March household benefit issuance dates, and as necessary will continue to adjust their schedules, to bring the issuance interval as close to 40 days as possible.

Just prior to the lapse in appropriations approximately 2,500 SNAP authorized retailers (1 percent of all authorized retailers) were withdrawn for failure to respond to SNAP reauthorization, despite letters, email and telephone call reminders of the deadline to reply. Since January 25, FNS worked closely with those retailers that had been withdrawn but wished to continue to participate to ensure they had the opportunity to update their status.

16. GAO reports over the last several years have documented the "Improper Payments" at several USDA nutrition programs and have provided recommendations to bring some of its assistance programs into compliance with the Improper Payments Elimination and Recovery

Act (IPERA). Per the December 2018 GAO report, four nutrition programs – Child and Adult Care Food Program; National School Lunch Program; School Breakfast Program; and Special Supplemental Nutrition Program for Women, Infants, and Children – have been noncompliant with IPERA for six consecutive years, but Congressional notification of this noncompliance had not occurred since FY2016. The average improper payment rate for the National School Lunch Program and School Breakfast Program has hovered around 15% and 24%, respectively, for several years. And, recently, the Committee became aware of a change to the definition of "improper payment," which would exclude "counting and claiming errors." Where is USDA in its efforts to strengthen the integrity of these programs? In addition, please describe the process and justification for modifying the definition of "improper payments" to exclude "counting and claiming errors."

Response: USDA is committed to strengthening the integrity of the school meal programs, which include the National School Lunch Program and the School Breakfast Program, the Child and Adult Care Food Program (CACFP), and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). We are confident that FNS' ongoing investments in efforts such as technology and regulatory relief will deliver long term efficiencies in program operations, a reduction in program error, and improved program integrity.

To maximize effective integrity efforts, USDA maintains ongoing vigilance using a multipronged strategy. Our FNS efforts emphasize robust and up-to-date approaches to identify emerging problems and threats through implementation of:

- **training to increase State agency and partner skills and knowledge in the administration of nutrition assistance programs, and recently updated training programs for FNS staff;**
- **technical assistance to clarify, expand, explain, or provide support to program operators in the school meals programs, CACFP, and WIC; and,**
- **annual Management Evaluations of State agencies administering the school meal programs and WIC.**

In June 2018, USDA fulfilled its IPERA notification responsibility, as identified by the GAO report. USDA provided letters of notification to the four Congressional oversight committees. In addition, USDA provided a detailed overview of the FNS strategy aimed at addressing IPERA noncompliances including each of the programs you have identified. Finally, as a result of recent Office of Management and Budget guidance, WIC is in compliance with annual error rate reductions.

Finally, USDA reviewed its improper payment reporting for the school meal programs in fiscal year 2018, consistent with IPERA requirements. It is important to note that there are two types of errors. One, called targeting and counting errors, means that children received a meal that they should not have. That might be a free meal, when they should be paying a

reduced price, or reduced price when they should be receiving a free meal. The other kind of error, called meal claiming errors, have to do with whether the school properly served all of the components on the lunch tray. For example, if a school fails to put an apple on the tray, that qualifies as a meal claiming error, even if all other program requirements have been met and the meal was served to an eligible child.

After careful analysis, USDA concluded our mission to feed income-eligible children is not advanced by denying payment to States or school districts for what is essentially a standard of service issue. Removing meal claiming error from our improper payments total also helps refocus our IPERA compliance on the certification and counting errors, which we continue to report. FNS provided Congress notice in a letter sent on June 20, 2018 to the Committee on Oversight and Government Reform. In November 2018, the USDA Annual Financial Report was published and posted on performance.gov. The removal of the meal claiming error from the School Meals improper payments calculations was discussed on pages 173, 181, 194, and 210 of the report.

17. Section 1222 of the Food Security Act of 1985 provides authority that requires the Secretary to promulgate minimal effect exemptions with regard to wetland conservation. Congress provided USDA this authority in 1996 and to date it has not been fully implemented. It requires the Secretary to identify, by regulation, categorical minimal effect exemptions on a regional basis. Why has this regulation not been implemented to date and are there any administrative plans to fulfill this statutory requirement?

Response: USDA strives to fully offer every exemption to the wetland conservation provisions afforded to producers. NRCS is working to improve the wetland minimal effect process nationwide. The Agency intends to address categorical minimal effects in rulemaking after publication of the 2018 Farm Bill rulemakings.

18. The 2018 Farm Bill included provisions designed to ensure more timely and efficient coordination between USDA, EPA, and the Departments of Commerce and Interior in implementing the Endangered Species Act (ESA) regarding pesticides approved, or pending approval, under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). Can you provide the Committee with specific milestones that have been achieved to date, and expected actions towards meeting these goals over the next twelve months? Interagency coordination will be required to fully implement these provisions. Who will have responsibility at USDA for overseeing compliance with this Farm Bill provision? What role will growers and other agricultural stakeholders have as part of a public process to evaluate the current situation, as well as to offer suggestions for improvements to the current process?

Response: The Farm Bill provisions regarding ESA consultation for pesticides are in the form of an amendment to FIFRA, a statute administered by EPA. Under the Farm Bill provisions, the EPA Administrator is required to establish an interagency task force and is required to submit certain reports to Congress. The agencies with an official role in the ESA consultation

process for pesticides are the EPA and the Departments of Interior and Commerce. Therefore, USDA defers questions about specific milestones and the role of growers and agricultural stakeholders in any efforts to improve the current process to EPA (as the chair of the interagency working group) and to EPA and the Departments of Interior and Commerce (as the consulting parties). However, as a member of the working group, USDA will continue to ensure that the most accurate agricultural data is made available to EPA and the Departments of Interior and Commerce, and to advocate for common-sense improvements to the pesticide consultation process, including opportunity for public input. As for all FIFRA-related issues, the Office of Pest Management Policy is responsible for representing USDA in this process.

19. The 2018 Farm Bill establishes a new Grassland Conservation Initiative within the Conservation Stewardship Program (CSP). While embedded within CSP, the Grassland Conservation Initiative is not intended to be administered or delivered identically to CSP because it has its own distinct set of eligibility and contract requirements. There is also extensive report language which provides further indication of Congressional intent for how this program shall be administered and delivered. How will NRCS work with FSA to implement and deliver this new program to eligible producers? With regard to the resource concern requirement, how does NRCS envision implementing this requirement?

Response: NRCS, FSA, and the Farm Production and Conservation Business Center (FPAC-BC) are coordinating on the roll-out of the new Conservation Stewardship Program, Grassland Conservation Initiative. To date, FSA and NRCS have identified the applicable States and acres and are working together on other implementation efforts. Additional coordination will occur at the State- and field-office level to specifically target and enroll eligible producers.

With regards to the resource concern(s) requirement, NRCS is evaluating how best to align with the statutory provisions to ensure that agency implementation is accomplished consistent with the statutory requirements.

20. The 2018 Farm Bill suspends commodity program eligibility for base acres on farms that were planted entirely to grass and pasture from 2009 to 2017. Ahead of producer sign ups and elections, the Farm Service Agency (FSA) needs to define "grass and pasture", and will need to identify base acres that will be subject to this new restriction. These acres will be eligible for the new Grassland Conservation Initiative established in Title 2 of the Farm Bill. Do FSA and NRCS have plans to coordinate communication and outreach to landowners and producers impacted by the provisions? What is the timeline for outreach from FSA and NRCS?

Response: Yes, FSA and NRCS are coordinating on communications and outreach to landowners and producers impacted by this provision. We are currently working on regulations and modified program policies and procedures in support of the 2018 Farm Bill.

The goal of both agencies is to implement the Conservation Stewardship Program, Grassland Conservation Initiative in FY 2019. This is an excellent opportunity to utilize the skills and resources consolidated within Farm Production and Conservation Business Center (FPAC-BC) to develop and implement a robust outreach plan. In addition, FSA and NRCS intend to contact each producer through direct mail with eligible base acres to ensure each producer receives direct notification about their status and enrollment opportunities.

21. Is the Farm Production and Conservation (FPAC) business center fully operational and able to assist the mission area and agencies in implementing the 2018 Farm Bill? Are USDA employees that currently work in the business center classified as employees of their home agency or the FPAC business center?

Response: The FPAC-BC became operational on October 14, 2018, when about 1,500 employees performing mission support services were transitioned from FSA, NRCS, and RMA. FPAC-BC employees actively support FSA, NRCS, and RMA in implementing the 2018 Farm Bill across several functions, including hiring, information technology, financial management, budget formulation, and other business and administrative processes

22. What are the hurdles that may have slowed or that are currently impacting the hiring process for FSA employees? Have there been changes in the procedures for hiring state and county FSA employees?

Response: FPAC has developed and implemented an Optimally Productive Office tool to help inform where new hiring actions may be directed. This ensures FSA is not simply backfilling positions "in place," but strategically directing hires where customer needs are greatest.

The Optimally Productive Office tool analyzes customer needs and locations relative to FSA's geographic footprint, workload, and productivity. The tool aggregates and analyzes a vast array of data.

In addition, FPAC-BC's Human Resources Division is currently executing a business process improvement effort for Federal and county hiring practices to improve hiring timeliness. It has also implemented the first phase of an automated hiring tracker for Federal hiring to increase transparency and accountability. The tracker digitizes manual procedures, provides hiring managers real-time insight into status, and reduces duplicative data entry. This will be expanded to county hiring as well. Concurrent with the business process improvement effort for hiring, FPAC will be continuously optimizing its digitized workflows to further streamline, automate, and track workflow to improve hiring timeliness.

23. Has there been a change in full time staffing levels at FSA county offices? If so, please provide a breakdown of these offices and their locations. Has there been an increase in the number of FSA county offices that have shared management or staff? If so, please provide a breakdown of these offices and their locations.

Response: FSA's FY 2019 full-time staffing level goals are consistent with its approved FY 2018 staffing levels and within the funding appropriated by Congress. FSA is not simply backfilling positions in place, but is using the Optimally Productive Office staffing tool to determine which offices have the greatest need for additional staff based on customer needs and current staffing levels.

FSA has 2,124 county offices across the country and has increased the number of county offices that have shared management to improve its organizational efficiency and effectiveness. The following table reflects the number of shared management offices from FY 2017 to FY 2019.

Year	Number of FSA Shared Management Offices
2017	336
2018	353
2019	368

24. What are the customer service metrics for FSA county offices? Were there improvements in these metrics over 2018 during implementation of the Bipartisan Budget Act?

Response: There are not readily available customer service metrics for FSA county offices, however, the Optimally Productive Office staffing tool will be fully online in FY2019 to help capture customer service metrics more accurately moving forward. FSA looks forward to providing regular status updates to the Committee on our progress improving processes to deliver these programs more effectively and efficiently.

25. How will FSA prioritize technology and software improvements that are necessary to implement Farm Bill programs? Will additional program activities be available for producers via farmers.gov?

Response: Since the Farm Bill was signed in December 2018, FSA has met regularly with information technology leaders and staff to determine how to best move forward to meet statutory and Secretarial-directed deadlines given implementation resources were reduced 85% compared to the last Farm Bill. FPAC agencies are focused on the current priorities on system changes to provide online customer access to programs:

- **Farmers.Gov, through the Informational Portal (a customer-centric FPAC web site) and Transactional Portal (with employee- and customer-facing capabilities), will continue to add online self-service capabilities for USDA customers.**
- **Technology Modernization Fund (TMF) is being leveraged by FPAC to reengineer conservation financial assistance and payment operations to better serve customers and integrate financial operations with a focus on NRCS and FSA Common Conservation Services (CCS) and programs. Phases 1 and 2 of this project, using business process analysis, mapped more than 10 programs, which includes 3 of the 4 largest programs across the mission area, and are developing the overall design ("to-be") for a joint-agency solution over the next 6 months. A software platform evaluation is currently under review. This effort will enable the decommissioning of NRCS' ProTracts system and resolve legacy issues with FSA's systems.**
- **Acreage Crop Reporting Streamlining Initiative (ACRSI) continues to improve coordination and information sharing and reduce administrative work among the agencies by taking advantage of new technologies to enhance the efficiency and effectiveness of the delivery of USDA programs to producers and reduce their administrative burdens. The ACRSI foundation for producer self-service reporting channels is being integrated with precision agriculture, flexible options for customer service, and geospatially-integrated acreage reporting.**

For FY 2020, IT and program staff have prioritized plans to further enhance Farmers.gov, ACRSI and the Conservation Delivery Streamlining Initiative (CDSI).

- **Farmers.Gov:**
  - **Develop an initial version of common conservation financial assistance tools supporting NRCS and FSA needs;**
  - **Deliver farm loan-servicing capability for direct loans; and**
  - **Develop an initial version of common conservation to support data and workflow management between FSA and NRCS programs.**
- **ACRSI:**
  - **Enhance online acreage reporting for producers; and**
  - **Automate third-party acreage report submissions, which may include users of precision agriculture.**
- **Conservation Delivery Streamlining Initiative (CDSI):**
  - **Future releases in 2019 of NRCS' Conservation Desktop (CD) will enable the deprecation of the legacy Customer Service ToolKit.**
  - **The Conservation Client Gateway (CCG) will be migrated to Farmers.Gov, along with FSA's Farm+.**

26. Does FSA have plans to provide field level training for the revised farm bill programs? If so, what is the timeline for training and coordination activities?

Response: FSA is currently developing training plans for all FSA programs impacted by the 2018 Farm Bill. There will be three in-person trainings. The first national training is scheduled for May, which will cover the dairy and livestock disaster programs. The second training is scheduled for late summer, which will cover the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, farm records, general eligibility, and the Noninsured Crop Disaster Assistance Program (NAP). There will be a third training on the conservation programs, including the Conservation Reserve Program (CRP) this fall. In addition to the in-person trainings, FSA will be conducting web-based training for programs with very minor and no changes.

27. The 2018 Farm Bill provided $15.5 million for the Farm Service Agency to carry out the commodity title. What types of implementation activities does FSA plan to use the funding for (decision tools, technology, temporary staffing, etc.)? Please provide a breakdown of the activities to be conducted once the implementation funding decisions are made.

Response: Funding of $15.5 million provided by the 2018 Farm Bill will be used to staff field task force teams, information technology development (including dairy and Agriculture Risk Coverage and Price Loss Coverage) decision tools, hire temporary employees, and conduct national training. The Optimally Productive Office staffing tool will be utilized to forecast the number of temporary employees needed.

28. While the nationwide yield update under the Price Loss Coverage (PLC) will not take effect until the 2020 crop year, will FSA provide producers details of the yield update, including through decision tools, ahead of the 2019 program election?

Response: FSA will publish rules pertaining to the Price Loss Coverage (PLC) yield update, provide an online tool for producers and allow producers to update their PLC yields prior to them electing either Agriculture Risk Coverage (ARC) or PLC on a commodity-by-commodity basis for crop year 2019.

29. In December 2018, RMA began offering the Multi-County Enterprise Unit endorsement. To qualify for the endorsement, one county must qualify independently for an enterprise unit and the other county must not qualify for an enterprise unit. The 2018 Farm Bill includes additional language that the Federal Crop Insurance Corporation may allow a producer to establish a single enterprise unit by combining an enterprise unit with one or more other enterprise units in one or more other counties. Does RMA plan to consider further changes or endorsements for enterprise units? If so, what is the timeline for the future changes?

Response: RMA plans to allow the current version of the Multi-County Enterprise Unit endorsement to operate in order to gather data and feedback. RMA will analyze that data and consider improvements to the endorsement as needed.

30. Which reinsurance year would be the earliest to include revenue from hemp under Whole-Farm Revenue Protection (WFRP) policies?

Response: USDA is working to implement the hemp provisions of the 2018 Farm Bill as expeditiously and prudently as possible. USDA hopes to issue regulations regarding the cultivation of hemp in the fall of 2019, subsequently allowing coverage under the the Whole Farm Revenue Protection program for the 2020 reinsurance year, which would potentially provide coverage for hemp once these regulations have been published.

31. In February, RMA posted an FAQ regarding 2019 STAX and Agriculture Risk Coverage and Price Loss Coverage. Will RMA publish a similar FAQ regarding the Supplemental Coverage Option (SCO) and Agriculture Risk Coverage and Price Loss Coverage?

Response: RMA published such a FAQ in March 2019 at: https://www.rma.usda.gov/en/News-Room/Frequently-Asked-Questions/Agriculture-Risk-Coverage---Price-Loss-Coverage-SCO.

32. Beginning with the 2021 crop year, producers will have an annual election between ARC and PLC. How will FSA and RMA coordinate internally regarding annual commodity program elections and related crop insurance prohibitions (e.g. SCO and STAX)? How do the agencies intend to communicate the elections and prohibitions with producers and Approved Insurance Providers (AIPS)?

Response: FSA and RMA already have a process to share data on elections since Agricultural Risk Coverage/Price Loss Coverage and Supplemental Coverage Options (SCO) prohibitions were introduced in the 2014 Farm Bill, which are integrated into crop insurance processing systems. This process will continue; however, program rules will need to be revisited so that SCO and STAX can remain actuarially sound under the annual election/enrollment regime introduced in the 2018 Farm Bill. Those discussions are taking place now and will need to reach a resolution prior to the 2020 crop year Stacked Income Protection Plan policy contract change date of November 30, 2019.

Senator John Boozman

1. In the Farm Bill, Congress included report language to provide direction to USDA to work with the cotton industry to update Cotton Storage Agreements between USDA and cotton warehouses. This update would help improve the timely flow and shipment of cotton from warehouses to end users, both domestically and abroad. This update would benefit cotton producers, along with the rest of the supply chain, by increasing efficiencies at a time when are margins are already so thin. Quick and proper implementation of this report language is

important for the US to maintain our reputation as a timely, reliable supplier of cotton in the world market, so I would encourage you and your team to work to complete this in time for the 2019 harvest. Would you share your plan for updating these Cotton Storage Agreements?

Response: AMS is working on a rulemaking to revise the regulation of Commodity Credit Corporation-approved warehouses that store and handle cotton. It is our intention to have it completed in time for this year's harvest.

2. Secretary Perdue, I had an amendment included in the farm bill to increase the county cap on Wetland Reserve Easements from 10 percent to 15 percent. As I read the language, it is a self-executing provision. Do you agree, and could you describe how this will be implemented? Specifically, how long do you expect it to take for USDA to put this in place?

Response: FSA is responsible for tracking county acreage enrollment caps by tracking total county cropland acres, cropland acres enrolled in CRP, and coordinating with the NRCS to track cropland acres enrolled in the WRE component of ACEP. NRCS and FSA are accustomed to coordinating and tracking the county acreage caps and have begun coordinating to implement this revised provision. NRCS will coordinate with FSA to notify those counties currently at or near the 10 percent cap where there are additional acres available for enrollment beginning in FY 2019. NRCS will also coordinate with FSA on counties that remain limited under the 25 percent combined cap that wish to pursue an exception, beginning in FY 2020.

3. Since its inception in the 2014 Farm Bill, the Regional Conservation Partnership Program (RCPP) has been of great benefit to my home state. Specifically, Arkansas rice producers have benefited from the Rice Stewardship Partnership efforts of Ducks Unlimited, USA Rice, Arkansas Rice and NRCS through RCPP. It has been significant and meaningful to our working lands agriculture producers. The 2018 Farm Bill takes positive steps toward improving this program by increasing funding while maintaining the voluntary, incentive-based conservation model. Do you plan to issue a rule for RCPP, and will there be a signup in FY19?

Response: USDA is working diligently to develop the new RCPP program, which saw substantive changes from the first iteration. We plan to release a RCPP funding announcement in FY 2019 pursuant to the authority provided in the 2018 Farm Bill. Additionally, we are developing an interim rule for implementation in FY 2020 and expect to publish the rule later this year.

4. In Arkansas, feral hogs cause damage to forests and crops that cost producers and landowners millions of dollars each year. They also pollute our fresh water streams and carry up to 45 bacteria, diseases and parasites, including particularly harmful ones like Trichinellosis and Brucellosis. I was pleased that the Farm Bill included a pilot program that the Natural Resources Conservation Service and Animal and Plant Health Inspection

Service would coordinate to eradicate and control these invasive pests. How do you envision implementation of this pilot program, and would you share a timeline for it?

Response: USDA understands how important this provision is and the substantial damage feral swine cause to the environment and property and the risk they can pose to human health. We held a listening session on April 5 to hear from stakeholders about their ideas for this program. We will take what we learn from there and build on the existing conversations APHIS and NRCS have had to develop a comprehensive implementation plan. Since the activities envisioned by this pilot program build upon activities each agency already performs, we are hopeful we can easily begin programmatic activities once the plan is developed.

Senator John Thune

1. On February 26, USDA conducted a listening and information gathering session on the new 3-5 year Soil Health and Income Protection Program (SHIPP), which is authorized for 50 thousand acres in the six Prairie Pothole Region states.

    a. There appears to be a great deal of interest in this program. Can you provide me with a timeline for SHIPP signup? Will it be this year?

Response: The Farm Service Agency (FSA) is evaluating the Soil Health and Income Protection Program, part of the Conservation Reserve Program (CRP), language created by the Agriculture Improvement Act of 2018 and FSA will work to implement those changes in the winter of 2019.

2. One of the initiatives I championed in the farm bill would have USDA better integrate the data they already have to give farmers more information about the impact of different conservation practices, like cover crops or no-till, on their risks and profitability. The final bill includes a directive to USDA to generate a report on the available USDA data sets and the effect of conservation practices on farm and ranch profitability.

    As you make plans for preparing this report as directed by the farm bill suggest that this report be managed through Under Secretary Northey's Farm Production and Conservation mission area. Could you please share with me your plans for not only compiling this report but using the data from this report to assist production agriculture?

    What opportunities do you see for USDA to incorporate this report into the Acreage Crop Reporting Streamlining Initiative (ACRSI) and other applicable USDA initiatives to assist producers?

Response: NRCS is the lead agency for coordinating the development of the report authorized by Section 1247 of the Food Security Act of 1985. NRCS is assembling an inter-

agency team of experts, including economists within FPAC and from economic and policy analysis agencies, such as the Economic Research Service. The report will identify relevant datasets and analyses and make recommendations on how to provide access to such data sets by university researchers while protecting producers' confidentiality. This will help USDA and university researchers provide the best available information and data to pursue the interrelated goals of production agriculture and conservation of the natural resources needed to meet present and future production goals.

3. Section 4207 of the Farm Bill addresses the Buy American Provision in the National Summer Learning Association. Schools are complying with the provision yet with the costs of foods increasing is there a way to increase supports and assistance through USDA foods or other means?

Response: All States participating in the National School Lunch Program also have access to USDA Foods, which are 100 percent domestically produced, nutritious foods purchased by USDA. Many States choose to obtain products such as fruits and vegetables through USDA Foods, which can be a cost effective way for schools to purchase these products while ensuring they are produced domestically. USDA Foods make up about 15-20% of the items served in the school meal programs.

USDA farm to school efforts also support the Buy American provision, as local foods are by default American goods. On an annual basis, USDA awards competitive Farm to School grants to be used for training, supporting operations, planning, purchasing equipment, developing school gardens, developing partnerships, and implementing farm to school programs. Since the grant program's inception in FY 2013, USDA has invested over $30 million in farm to school grant funds in all 50 states as well as the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. In FY 2019, USDA expects to award approximately $7.5 million in grant funds to schools, school districts, state and local agencies, non-profit organizations, Indian tribal organizations, and agricultural producers to plan, train, or implement Farm to School programs.

Additionally, FNS and the Department of Defense (DoD) work together to enable school districts to obtain fresh produce. Under this joint venture, schools can use their USDA Foods entitlement to order fresh produce through DoD's contracting and distribution network. DoD uses its large-scale buying power to help meet the demand for consistent, weekly deliveries of a wide variety of fresh produce to school cafeterias, central kitchens, SFSP sponsors and State and Tribal organizations. This project has grown steadily since its beginning in SY 1994-1995. Forty-eight States, Puerto Rico, the District of Columbia, Guam and the Virgin Islands spent a combined total of over $271 million on produce through this program in SY 2017-2018.

4. Section 4203 (Service of traditional foods in public facilities) looks at the extension of liability protections to local education agencies and other public entities, which would include school nutrition programs, and provides support for these programs to service their communities. What other supports might USDA look at for programs?

Response: FNS has published guidance regarding traditional foods in schools, including memoranda to discuss liability and use of traditional foods in reimbursable meals, such as dried meats. In addition, FNS continues to provide technical assistance to schools incorporating traditional foods into their menus. FNS recently reviewed and revised the system for crediting foods towards reimbursable meals, which provided additional flexibilities for traditional foods such as dried meat, poultry, and seafood.

Further, USDA supports the procurement of traditional foods in food distribution programs, most notably in the Food Distribution Program on Indian Reservations (FDPIR). FDPIR provides benefits and services to approximately 276 Federally recognized tribes across the United States and works closely with Tribal members for traditional food selection. Currently, the monthly food benefit package includes a selection of bison meat and blue cornmeal every month. In addition, selections of wild salmon, catfish, and traditionally-harvested wild rice are made throughout the year.

Senator Debbie Stabenow

1. In 2016, the Department contracted with the Urban Institute to conduct an analysis of the impact of the expiration of time-limit waivers on ABAWD participation. This report sought to evaluate whether ABAWDs subject to the time limit leave SNAP due to employment, leave SNAP due to the time limit, or remain on SNAP while working or participating in an employment or training activity. This report was delayed and is now estimated to be completed in March 2020.

    a. Why did the Department move forward with the proposed rule without waiting for the analysis – which USDA itself requested—on whether the reinstating the time limit helps move ABAWDs to self-sufficiency?

Response: As stated in the proposed rule, the Department is committed to enforcing the work requirements established by the law and is concerned about the current level of waiver use despite a strong economy. The current regulations afford States broad flexibility to develop approvable waiver requests. The Department's operational experience has shown that some States have used this flexibility to waive areas in such a way that was likely not foreseen by the Department when it developed the current regulations. Given the widespread use of ABAWD waivers during a period of historically low unemployment, the Department believes that the current regulatory standards should be reevaluated. The

Department looks forward to reviewing comments and will consider all comments received in drafting the final rule.

2. A September 2016 OIG Report "FNS Controls Over SNAP Benefits for Able-Bodied Adults Without Dependents" found that ABAWD time limits are very administratively burdensome for states to implement. State officials said utilizing time limit waivers helps to reduce the burden of tracking ABAWDs' compliance, and several indicated that they specifically requested waivers in as many parts of the State as possible to minimize this administrative burden. Contrary to this finding, the Department estimated that the proposed rule limiting states' ability to request and receive waivers would instead reduce burden hours and costs for states.

    a. How do you account for this discrepancy?

Response: The Food and Nutrition Act of 2008 gives the Department the authority, on the request of a State SNAP agency, to temporarily waive the 3 in 36-month time limit for ABAWDs who are not meeting the work requirement based on high unemployment or a lack of sufficient jobs. Even while under a waiver, however, a State must continue tracking ABAWD participation, so that it will be ready to transition off of the waiver when it expires and accurately reintroduce the time limit. For example, a State may have a waiver one year but not the next, or the waived areas within the State may change. In other words, while ABAWD waivers waive the time limit for ABAWDs for a 12-month period, they do not remove the States' responsibility to identify ABAWDs and track their participation over the full 36-month period. Further, the statute does not allow for waivers based on a State request to remove or lessen the need to track ABAWDs' participation in SNAP.

    b. The federal government shares the costs of administrating SNAP with the states. If restricting time limit waivers increases states' administrative costs for personnel, technology improvements, etc. to track compliance with the time limit, would that not also increase federal expenditures for administrative costs?

Response: Consistent with the policy described above and as explained in the Regulatory Impact Analysis for the proposed rule, States are already expected to have a mechanism in place for tracking ABAWD employment status, even in waived areas. Therefore, this proposed regulation is not expected to result in any additional administrative costs relative to current rules. The complete Regulatory Impact Analysis is available at the following link: https://www.regulations.gov/document?D=FNS-2018-0004-6000.

3. During the hearing, you testified that the percentage exemptions could address concerns about the time limit increasing hunger for individuals with undiagnosed mental health

challenges or disabilities. However, in the 2016 OIG Report "FNS Controls Over SNAP Benefits for Able-Bodied Adults Without Dependents," OIG found that utilizing these exemptions is very challenging for states. For example, the report notes that "Officials from several States told us that they do not use 15 percent exemptions because the provisions are complicated and difficult to implement."

a. Given this reality, what is USDA doing to make percentage exemptions a more viable option for states that may be facing a dramatic increase in the population subject to time limits in their state?

Response: The law gives States discretion whether to use these exemptions, and, as a result, some States use the exemptions that are available to them and others do not. Therefore, USDA's guidance on the usage of these exemptions generally reiterates States' discretion on when and how to use these exemptions and provides examples of best practices on how to accurately track and report usage, consistent with the statute. The proposed rule does not change the discretion that States have regarding exemption usage, and USDA will continue to provide technical assistance on exemption usage at the request of any State agency.

b. If states are already struggling from increased administrative burdens from tracking compliance with the time limit for an expanded population, how do you propose that they simultaneously meet the additional administrative challenge of utilizing percentage exemptions effectively?

Response: States are already expected to have a mechanism in place for tracking ABAWDs, even in waived areas. Therefore, this proposed regulation is not expected to result in any additional administrative burden.

4. In the proposed rule, USDA cites the OIG Report "FNS Controls Over SNAP Benefits for Able-Bodied Adults Without Dependents" as the motivation for your proposal to end the unlimited carryover of percentage exemptions. While OIG did raise concerns with FNS's practice of carrying over unused exemptions indefinitely, OIG agreed that FNS had the discretion to interpret and implement carryover in this manner and specifically declined to recommend that FNS change it. The proposed rule also cites Congressional intent "to limit exemptions in a given year" as a motivation for the change. During the 2018 Farm Bill process, Congress considered and ultimately rejected changes to the carryover process for percentage exemptions. While other changes to exemptions were included in the Farm Bill, we explicitly clarified in the Explanatory Statement that we did *not* intend for the Department to change the current practice regarding carryover of exemptions.

a. Please explain why the Department has proposed this change contrary to direction from Congress.

Response: The proposed rule includes administrative actions within the purview and authority of the Secretary. As stated in the proposed rule, the Department views the carryover of significant numbers of unused exemptions to be an unintended outcome of the current regulations. The Department looks forward to reviewing comments and will consider all comments received in drafting the final rule.

5. In the proposed rule, USDA proposes that a waiver request must have the Governor's "endorsement." While the 2018 Farm Bill requires that the waiver request have the support of the chief executive officer of the state, the Explanatory Statement makes it clear that Congress's intent was merely to encourage communication between Governors and state agencies, and that "it is not the Manager's intent that USDA undertake any new rulemaking in order to facilitate support for request from State agencies, nor should the language result in any additional paperwork or administrative steps under the waiver process."

    a. Please explain why the Department has proposed this change contrary to direction from Congress.

Response: The proposed rule includes administrative actions within the purview and authority of the Secretary. The Department's proposal clarifies that any State agency's waiver request must have the Governor's endorsement to ensure that such a critical request is supported at the highest levels of State government. The Department looks forward to reviewing comments and will consider all comments received in drafting the final rule.

6. The Regulatory Impact Analysis accompanying the proposed rule indicated that the proposal would likely result in increased demand for services from food banks and other organizations that provide emergency food assistance.

    a. Has the Department conducted an analysis to quantify what this impact on food banks and other community-based organizations would be? If so, what were the findings? If not, why not?

Response: USDA has not conducted an analysis to quantify the impact on food banks and other community-based organizations. As stated in the Regulatory Impact Analysis (RIA), predicting the magnitude of the demand would be difficult to measure. When we researched this issue, we found only anecdotal data, rather than quantitative data. We are not aware of a methodology to quantify the impacts of the ABAWD rule on food banks or community-based organizations.

7. The Regulatory Impact Analysis accompanying the proposed rule indicated that "there may be increases in poverty and food insecurity" for ABAWDS subject to the time limit who are unable to find work.

    a. Has the Department conducted an analysis to quantify what this impact on poverty and food insecurity would be? If so, what were the findings? If not, why not?

Response: USDA has not conducted an analysis to quantify the impact on poverty or food insecurity for ABAWDs that are unable to find work. Though data on food security and poverty is collected regularly by the Census Bureau and other agencies through national surveys, we are not aware of a methodology that would allow us to use this data to quantify how reinstatement of ABAWD time limits impact food security specifically for those impacted. However, those ABAWDs who become employed will likely see an overall improvement in their economic well-being.

8. In the proposed rule, USDA indicated that it conducted a Civil Rights Impact Analysis and found that the proposal has "the potential for disparately impacting certain protected groups due to factors affecting rates of employment of members of these groups." USDA indicated that "implementation of mitigation strategies and monitoring by the Civil Rights Division of FNS will lessen these impacts."

    a. Please provide the Committee with the full Civil Rights Impact Analysis.

    b. What mitigation strategies will FNS undertake to lessen the disparate impact of the proposal on protected groups?

    c. What degree of mitigation of this disparate impact will USDA find acceptable?

    d. How will monitoring by FNS lessen this disparate impact?

Response: A copy of the analysis is enclosed. The critical mitigation strategies listed are to make sure that changes in participant requirements implemented by the rule are communicated proactively to affected participants, in order to minimize any disruption in participation that could result from a lack of clear information on the changes. Monitoring of available data will help to ensure that FNS identifies any unexpected impacts promptly and consider further mitigation strategies if needed.

9. During the hearing, you testified that there is a 90-day comment period for the proposed rule on ABAWD time limit waivers. Currently, the comment period is only 60 days. Will you commit to extending the comment period, consistent with your remarks?

Response: I support robust public comment on the proposed regulations, and believe that a 60-day comment period is adequate to receive meaningful and robust comments. Additionally, before the rule was published in the Federal Register and before the 60-day comment period began, the proposed rule was available on our website beginning December 20, 2018, thereby providing interested stakeholders additional time to review the proposal and begin formulating their comments.

10. During the hearing, you testified that "particular areas where unemployment, for whatever reason, is higher than the national average by a certain point, those are the areas that justify waivers and certainly will qualify." The proposed rule would eliminate having an unemployment rate a certain percentage above the national average as a criteria for a waiver, and instead only allow waivers in areas that exceed a hard 6, 7, or 10 percent unemployment floor. If an area with an above-average unemployment rate would be justified in receiving a waiver, why was this criteria eliminated in the proposed rule?

Response: Current regulations provide for waiver approvals for requested areas with an average unemployment rate at least 20 percent above the national average for a recent 24-month period, beginning no earlier than the same 24-month period that DOL uses to determine Labor Surplus Areas (LSAs) for the current fiscal year (otherwise known as the "20 percent standard"). The 20 percent standard is the same as the standard for LSAs, except that it allows for a flexible 24-month data reference period (no earlier than that which is used for LSAs) and it does not include any unemployment rate floor. Based upon operational experience, the Department has observed that, without an unemployment rate floor, local areas will continue to qualify for waivers under the Department's 20 percent standard even as local unemployment rates fall to levels as low as 5 to 6 percent (depending upon the national rate). We believe that amending the waiver regulations to include an unemployment floor is a critical step in achieving more targeted criteria.

11. During the hearing, you testified that there are 7.5 million jobs available and 6.5 million people unemployed across the country right now. Please provide any evidence or analysis that the Department may have indicating that the ABAWD population:

12. Is located in the areas where these 7.5 million jobs are available?

Response: The Department does not have this specific information available but looks forward to reviewing comments and will consider all comments received in drafting the final rule.

13. Has the skills or training needed to be suitable candidates for these jobs?

Response: The Department does not have this specific information available but looks forward to reviewing comments and will consider all comments received in drafting the final rule.

14. Does not have other barriers (e.g. lack of transportation) that would make these positions unsuitable?

Response: The Department does not have this specific information available but looks forward to reviewing comments and will consider all comments received in drafting the final rule.

15. The 2018 Farm Bill made a change to the International Food Assistance Report (IFAR) to allow the Administrator of USAID and the Secretary of Agriculture to separately report on the programs under their respective agencies, with the goal of expediting this often long-delayed report. The FY2017 IFAR was due April 1, 2018. USAID published data tables summarizing their programming for FY2017 in June 2018, but USDA has yet to report this data. When can Congress expect USDA's data for FY2017? Will USDA meet the upcoming April 1 deadline for their FY2018 IFAR?

Response: The FY 2017 USDA food assistance data tables are published and available on the USDA/Foreign Agricultural Service web site at: https://www.fas.usda.gov/us-international-food-assistance-report-fy-2017-data-tables. USDA is targeting delivery of the FY 2018 IFAR by August 15, 2019.

16. To address ongoing trade-related challenges, Michigan's cherry industry has requested a Section 32 purchase of 62 million pounds of tart cherries. The timing of this purchase in early March is critical to ensure that the bid is fulfilled from inventory, and not from the new crop. When can our producers expect an answer on this purchase request?

Response: On March 20, 2019, USDA announced a Section 32 purchase of up to $15 million for tart cherries for distribution to various food nutrition assistance programs.

17. I've heard from Michigan tomato growers that continued dumping of tomatoes from Mexico is threatening their livelihoods. Due to Michigan's growing season, the higher floor price for winter months established in previous suspension agreements has failed to address their concerns. Now that the Department of Commerce has announced its intent to withdraw from the 2013 suspension agreement and resume the antidumping investigation, what role can USDA play in advocating for a resolution that will level the playing field for U.S. tomato growers in all regions of the country, including Michigan?

Response: While the Department of Commerce has jurisdiction of anti-dumping and counter-vailing duty actions, including suspension agreements, USDA stands ready to help with technical assistance and policy guidance as needed.

18. You recently made comments indicating that an agreement with China "will involve doubling and tripling our farm exports to China." Do you anticipate that agricultural exports to China will double or triple compared to the baseline before the imposition of retaliatory tariffs, or compared to current levels? Will this be a sustained increase due to a permanent reduction in tariff and non-tariff barriers, or a temporary increase due to negotiated purchases of agricultural commodities?

Response: China is currently one of our largest markets. In fact, China was our top market for agricultural products 6 out of 7 years prior to the imposition of tariffs in 2018. As important a market as it is now, it could be much better if China implemented policy reforms to remove barriers to trade. With unfettered access to China we could double or triple our agricultural exports, using the baseline prior to the imposition of retaliatory tariffs, on a sustained basis.

19. Please provide an update on how USDA will be implementing the new $3.5 million per year Priority Trade Fund. How does USDA anticipate this funding will be prioritized and allocated during FY19?

Response: USDA funding will be prioritized as directed in the 2018 Farm Bill to provide a greater allocation to one or more of the Agricultural Trade and Promotion Facilitation programs "for which the amounts requested under applications exceed available funding for the one or more programs." As applications for some of the programs continue to be received during the course of the year, decisions on allocating the funds will take place later in the year when we have more complete information on demand for each program

20. You've made comments indicating that the China talks could result in new access for U.S. poultry, beef, distillers grains, ethanol, and other commodities. However, I have also heard from specialty crop growers in Michigan who are seeking additional opportunities in China for the fruits and vegetables they grow. For example, opening up access to China's fresh potato market is a top priority for Michigan potato growers. What gains are you and other members of the Administration pushing for in regard to specialty crops?

Response: Currently our biggest obstacle to exporting agricultural products, including specialty crops, to China are the retaliatory tariffs imposed on U.S. products and systemic sanitary and phytosanitary barriers. My hope is that China will remove those tariffs as soon as possible and that is one of the objectives in the current talks with China. In addition, we are pressing China to make policy reforms to remove other unjustified barriers to U.S. exports. We don't have agreement yet with China, but improving access for agricultural products, including specialty crops, is an Administration priority.

21. The government shutdown has already slowed the Farm Bill implementation. Despite the urgency, you have said that the President's budget will seek to cut the USDA budget. This is not surprising, since the President's past two budget proposals have called for significant

cuts, which Congress has repeatedly rejected. How will you ensure the Department has the staff it needs to quickly and effectively implement the Farm Bill? Are you hiring to levels provided for by appropriations bills or to levels called for in the President's budget?

Response: USDA is committed to having the staffing resources to implement the 2018 Farm Bill provisions as quickly as possible. Indeed, since the standup of the FPAC mission area on October 14, 2018, almost 1,400 vacancies have been filled consistent with funding levels provided in the appropriations bills. For example, the FPAC mission area has developed and implemented an Optimally Productive Office staffing tool to inform where new hiring actions are to be directed for the FPAC Agencies – Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and the Risk Management Agency (RMA). This ensures FPAC is not simply backfilling positions "in place," but strategically directing hires where customer needs are greatest. The increased workload due to the 2018 Farm Bill requires that FPAC target their staffing resources where the need is greatest. Additionally, priority has been set for the Department to implement enterprise-wide solutions to improve customer engagement, maximize efficiency and improve agency collaboration. As a part of these efforts, the mission areas are creating Business Centers to serve as a hub for all administrative, operational, risk, technology, and financial management in support of mission-critical functions. The FPAC Business Center is currently executing a business process improvement effort for Federal and county hiring practices to improve hiring timeliness. The first phase of an automated hiring tracker for Federal hiring to increase transparency and accountability has been implemented. This will be expanded to county hiring as well. Concurrent with the business process improvement effort for hiring, FPAC will be continuously optimizing its digitized workflows to further streamline, automate, and track workflow to improve hiring timeliness.

22. A recent survey of federal employees showed that USDA had the largest drop among large federal agencies in workplace satisfaction, dropping USDA from seventh in the rankings of large federal agencies to second to last. What do you think caused this drop? How are you and other agency leaders addressing the drop in employee morale?

Response: Our employees are at the heart of USDA's mission delivery and every day they are on the front lines making a difference for our customers by serving them well. Over the last year, USDA has faced and met a number of changes and challenges as we work together to make USDA the most efficient, most effective, most customer-focused, and best managed Department in the Federal government.

While the decline in the ranking is disappointing, it is understandable because USDA has made some significant changes to our policies to ensure that we are OneUSDA, with all employees pulling in the same direction. In any organization, large or small, adjustments can take time to permeate the culture. USDA appreciates the insight from the employees who

chose to respond to the survey. Their voices are important to us, and I expect USDA leadership to pay attention to these results.

USDA is currently looking at ways to improve employee engagement. For example, the performance plans of all Senior Executives must consider employee feedback, including from employee surveys like the Federal Employee Viewpoint survey. Senior Executives are also required to respond to the survey results. Supervisors are also encouraged to conduct focus groups, develop plans to improve employee engagement, and to get regular feedback on workplace improvements from employees.

23. Thank you for committing to making implementation of Dairy Margin Coverage a priority. Given the significant improvements in the program, what is USDA's target for number of dairy operations enrolled in the program? Will you provide regular updates on the progress of the sign-up and consult the Committee before closing sign-up?

Response: Under the Margin Protection Program for Dairy, USDA registered 21,422 dairy operations in 2018. With the increases to margin coverage thresholds and other program incentives under the 2018 Farm Bill, the program is attractive for more dairy operations. USDA will provide updates to the Committee on sign-up as requested.

24. The 2018 Farm Bill created a program to address a disincentive for milk donation. The new program provides flexibility to pre-approve applications to either encourage pre-planned donations or unforeseen surpluses associated with the spring flush or temporary dips in demand. Unlike the direct purchase of fluid milk through Section 32 or as part of the Trade Mitigation Program, USDA is not responsible for matching the purchased products with a recipient organization. What is the timeline for making the milk donation program available and how will USDA make sure that dairy processors and food banks are aware of this new tool?

Response: USDA is working efficiently to implement the program. Upon publication of the regulations in the Federal Register, USDA will issue a Notice to Trade, notify dairy stakeholders directly through targeted emails, and post all relevant information on the USDA website.

25. The 2018 Farm Bill made Noninsured Crop Disaster Assistance Program (NAP) buy-up coverage part of permanent law. When will the buy-up coverage be available again? Will USDA allow producers of crops that selected catastrophic coverage before buy-up was reauthorized an opportunity to upgrade they coverage similar to the procedures used under the 2014 Farm Bill? The Farm Bill also directs the FCIC and FSA to coordinate to use NAP data to help transition crops and areas from NAP coverage to Federal Crop Insurance. What is the timeline for sharing this data and implementing the annual requirement for FCIC to look at adding crops, increasing geographic coverage and improving coverage options (e.g. adding a revenue plan for crops that now only have a dollar plan)?

Response: FSA announced on April 8, 2019 that retroactive buy-up coverage through NAP would be available through May 24, 2019. FSA acreage information is publicly available, and FSA will continue to provide RMA with NAP participation information for any crops for which the data is requested as the Federal Crop Insurance Corporation (FCIC) board considers changing or expanding crop insurance availability.

26. The 2018 Farm Bill directs USDA to apply a trend adjustment factor under the ARC-County program that is capped at the factor used under and endorsement available through Federal Crop Insurance for certain crops and counties. What procedures will USDA use to set a trend adjustment factor for crops and counties that do not have an FCIC factor available? Will USDA have a default national or state factor? Will these factors be available prior to farmers being asked to choose between ARC and PLC?

Response: FSA is still considering the policy for trend adjusted yields and will have that policy established prior to producers being required to make a program election.

27. In order for farmers to be able to make an informed decision between ARC-County, ARC-Individual and PLC, several steps have to be completed or information published. In what order and under what timeline will USDA make available the following: crop-specific yield update factors; opportunity to update yields; notification of grass-only farms and payment ineligibility; opportunity to split up to 25 large counties for purposes of ARC-county; ARC trend yield factors by crop and county; publication of revised ARC yields used in the guarantee to reflect the preference for RMA data; and any other significant step not listed.

Response: FSA plans to notify owners and the farm operator about grass, idle, or fallow; provide county benchmarks and guarantee using the cascade, which requires RMA data to be used prior to a program election being made for 2019; establish trend adjusted yield factors when the policy has been established; allow updates of the Price Loss Coverage yield in conjunction with producers electing and enrolling farms in crop year 2019; and establish the policy for the 25 large counties.

28. An independent audit of the Commodity Credit Corporation has found material weaknesses in each of the past two years. What steps are being pursued to correct the deficiencies and what is the expected completion timeline? While the Office of the Inspector General is coordinating the audit itself, who is responsible at the agency, mission area and Department level for correcting these issues?

Response: For FY 2018, an independent auditor completed the first full-scope audit since FY 2015 and issued an unmodified (or clean) opinion. There were material weaknesses in the FY 2017 Commodity Credit Corporation (CCC) audit regarding accounting for budgetary transactions and accounting estimates which have been remediated.

For the FY 2018 audit, there was also a material weakness for accounting for budget transactions and we are taking a number of actions. The estimated completion date for remediation actions is September 30, 2019.

We have also undertaken a modernization of CCC's financial systems, which will address audit findings, more efficiently serve our customers, and preserve our position as a trusted steward of taxpayer dollars. Due to the scope and complexity of CCC operations, the expected completion timeframe is calendar year 2020.

29. In May 2018 GAO released information related to Farm Program payments as they related to the changes contained in the 2015 regulation that applied limits on the number of payment limits a farming entity could qualify for using active personal management or a combination of management and labor (GAO-18-384R). The information contains tables that examine the 19 of the 20 joint ventures or general partnerships that received the highest level of payments in 2015 and tracks the operations to 2016. From the data it is clear that some of these operations may have split into multiple farms.

    a. Please provide an updated version of table 6 that shows how these operations may have split in reaction to the change in the regulations.

Response: FSA has been advised by GAO that a follow-up audit and report is being conducted that will provide analysis of these same operations for 2017.

    b. Additionally, several of the operations that are identified as "non-family" that should have a maximum limit of 3 management or combination-related payment limits appear to have more than is allowed. Please provide an explanation for this discrepancy.

Response: The new provisions for limiting the number of managers actively engaged in farming based on the contribution of management alone were applicable in 2016 if the farming operation had planted a crop after February 1, 2016. If the farming operation had a crop that was reported as planted before February 1, 2016, the new provisions were then effective for the 2017 program year. Beginning in 2017, the new provisions were effective for all farming operations with either spring or fall-planted crops.

    c. Please provide a new table in the same format as table 6 showing the structures of the operations for the 2017 year.

Response: FSA understands that GAO will be conducting a follow-up audit and report of these same operations for 2017. It is anticipated that GAO will have a similar table illustrating the effects of full implementation of the rule.

d. How many operations became "non-family" due to the death or retirement of a family member in 2017 or 2018? Would all of these farms have been considered "solely-family" operations under the revised family definition in the 2018 Farm Bill?

Response: FSA does not maintain statistical data to provide analysis on how many operations became non-family due to death or retirement of a family member in the operation. FSA requires the farming operation to file a revised farm operating plan in a subsequent year following the death of a member. Information is collected about the deceased member's interest and contributions in the farming operation. A new determination of eligibility is required, including a determination of whether the farming operation is considered a non-family joint operation that meets the requirements, which limit the number of farm managers. Eligibility determinations for 2019 will take into consideration the expanded definition of family members as provided in the 2018 Farm Bill.

30. Last year, you and Forest Service Chief Christensen announced a new initiative "Toward Shared Stewardship Across Landscapes: An Outcome Based Investment Strategy." How will the Forest Service convene all of the relevant stakeholders at the national level to guide the implementation of this shared stewardship initiative?

Response: We are communicating the Shared Stewardship initiative internally and with our stakeholders and making progress on-the-ground. The Chief of the Forest Service has convened agency leaders to provide direction, and holds regular forums that explore opportunities and exchange feedback as implementation unfolds. The first agreement for Shared Stewardship was signed with the Western Governors Association, followed closely by an agreement with the State of Idaho, which contain specific focus areas for management action. Progress is being made in Montana, Washington, Oregon, California, Utah, and other States to convene the Forest Service, States and other partners to determine shared priorities, opportunities, and potential management actions. We have participated in meetings to discuss Shared Stewardship and opportunities to work together to improve forest conditions with the National Association of State Foresters, the Western Governors Association, the National Association of Counties, as well as conservation groups from around the country.

31. Has the Forest Service conducted a damage assessment and report on the total costs to National Forest System (e.g. damage to visitor centers, buildings, restrooms, equipment, roads, forests, trails, signs, petroglyphs, entry fees lost, etc.) due to the federal government shutdown, covering December 22, 2018 until January 25, 2019? If not, can you provide to the Committee a complete accounting and report on the cost to the Forest Service as a result of the shutdown?

Response: The Forest Service continues to assess impacts resulting from the lapse in Federal funding. Our preparations and work completed so far this year have positioned us to maintain the progress we made in 2018 to improve the condition of America's forests and grasslands. We expect to build upon our work in 2018, efforts that resulted in the most timber harvested in the last two decades. In addition, we remain on course to match progress we made in treating hazardous fuels to reduce wildfire risks in 2019. Despite the lapse in Federal funding, we continued the hiring process to employ seasonal firefighters and we anticipate reaching full capacity in time for wildfires this year. We will also move forward with fire preparedness efforts and intend to implement crucial prescribed fire and hazardous fuel reduction work during the spring months.

32. Please detail the exact changes that will go into effect for FY19 (as opposed to waiting for the regulations in FY20) for the following conservation programs: Conservation Reserve Program, Agricultural Conservation Easement Program, Regional Conservation Partnership Program, Conservation Stewardship Program and the Environmental Quality Incentives Program, and the reason those changes were able to be implemented in FY19.

Response: Although the new Farm Bill made significant alterations to the Conservation Reserve Program, which require substantial regulatory changes, FSA is currently evaluating which components of the program it can administer in FY 2019 under existing regulations through the interim authority provided by Congress. In addition, FSA expects to implement all changes to CRP by December 1, 2019.

NRCS is implementing many of the new Farm Bill provisions through the interim authority to administer programs under existing regulations for the Agricultural Conservation Easement Program (ACEP), Conservation Stewardship Program (CSP), and the Environmental Quality Incentives Program in FY 2019 to the extent those regulations are consistent with the 2018 Farm Bill changes. Additionally, NRCS plans to publish an Availability of Program Funding (APF) to implement the Regional Conservation Partnership Program (RCPP) in FY 2019.

The following changes are being implemented in FY 2019. Other changes will be implemented pursuant to interim rules that will govern implementation of the programs in FY 2020.

ACEP:

- **The 2018 Farm Bill modifies the purpose of agricultural land easements to limiting nonagricultural uses of that land that negatively affect the agricultural uses and conservation values. NRCS is incorporating this revised purpose in its ACEP-Agricultural Land Easements (ALE) implementation in FY 2019.**
- **The 2018 Farm Bill removes the requirement for the development of an ALE plan and associated component plans except for Highly Erodible Land (HEL). NRCS will continue to provide planning services on all FY 2019 enrollments**

with HEL and will provide planning services on other FY 2019 enrollments at the request of eligible entity.

- The 2018 Farm Bill identified various permitted and prohibited activities and uses under an ALE, such as the ability to inspect the easement under only limited conditions. NRCS has incorporated these activities and uses in its FY 2019 implementation.

CSP:

- The 2018 Farm Bill prohibited contract renewals under the 2014 CSP but allowed an extension of certain existing CSP contracts to facilitate renewal under the new CSP provisions. NRCS will enter into extensions in FY 2019 and develop a future renewal process through interim rulemaking in preparation for FY 2020 implementation.
- The 2018 Farm Bill converted CSP from an acreage-based program to a funding-based program. NRCS will be obligating all the funds necessary to enroll a new CSP 5-year contract at the time of enrollment.
- The 2018 Farm Bill identified that cover crop activities will be paid at not less than 125 percent of the annual payment amount and supplemental payments for resource conserving crop rotations (RCCR) and advanced grazing management systems will be not less than 150 percent of the annual payment amount. NRCS will provide flat 125 percent for cover crops and 150 percent for RCCR in FY 2019 as these activities are currently available. NRCS will address the availability of greater payment rates for cover crops and RCCR as part of the interim rule publication and FY 2020 implementation. Additionally, NRCS will identify criteria for advanced grazing management systems and range-of-payment rates as part of interim rule publication and FY 2020 implementation.
- The 2018 Farm Bill establishes a $200,000 payment limitation for individuals and legal entities for all contracts entered into during FY 2019 through 2023. NRCS will implement the payment limitation in FY 2019 and beyond.
- The 2018 Farm Bill identified a new enrollment option under CSP, Grassland Conservation Initiative (GCI). NRCS will implement GCI in FY 2019 based upon the statutory language and will incorporate as necessary as part of the interim rule publication and FY 2020 implementation.

EQIP:

- The 2018 Farm Bill changes the advance payment amount from "not more than" to "at least" 50 percent and adds a notification requirement for producers to be notified at the time of enrollment of the advance payment option, and that the producer's election be documented. In FY 2019, NRCS is making available advance payments at 50 percent in coordination with the notification and election requirements. NRCS will address the availability of

greater than 50 percent as part of interim rule publication and FY 2020 implementation.

- The 2018 Farm Bill decreased the livestock funding target from 60 to 50 percent and increased the wildlife funding target from 5 to 10 percent. NRCS will track the livestock and wildlife habitat allocation targets in FY 2019 and beyond.
- The 2018 Farm Bill removes the organic initiative yearly payment limitation and increases payment limit to $140,000 for payments under contracts entered into during the period of FY 2019 through 2023. NRCS is implementing this new payment limitation in FY 2019 and beyond.
- The 2018 Farm Bill establishes the payment limitation for contracts entered into between FY 2019 and FY 2023 at $450,000. NRCS is implementing this payment limitation in FY 2019 and beyond.
- The 2018 Farm Bill retains existing partners and explicitly adds community colleges as a potential beneficiary of Conservation Innovation Grant (CIG) projects and identifies focus areas for the program, including innovative conservation practices for urban, indoor, or other emerging agricultural practices and edge-of-field water quality monitoring. NRCS will implement these changes through standard CIG Availability of Program Funding announcement in FY 2019.
- The 2018 Farm Bill requires the Secretary to use at least $25 million of EQIP funding each year for on-farm conservation trials pursuing new or innovative conservation approaches. NRCS will implement this new provision through an APF announcement in FY 2019 in coordination with the CIG APF.

RCPP:

- The 2018 Farm Bill reauthorizes and funds the program at $300 million for each fiscal year from 2019 through 2023 in mandatory funding and repeals the 7 percent donor program funding. NRCS will publish an APF in FY 2019 as authorized by the 2018 Farm Bill and consistent with current program practice. NRCS will administer RCPP in FY 2020 and thereafter pursuant to an RCPP interim rule.
- The 2018 Farm Bill reduces the number of funding pools by eliminating the national competitive process. State and multistate pools will be allocated 50 percent of the funds and critical conservation areas will be allocated 50 percent of the funds. NRCS will implement this change in FY 2019 as part of its APF.
- The 2018 Farm Bill expands the purpose of the program to include protection of natural resources, including sources of drinking water and groundwater, on eligible land and updates the definition of eligible partners to include conservation districts and acequias. NRCS will incorporate changes in the APF in FY 2019.

- **The 2018 Farm Bill simplifies the terms "eligible activity" and "eligible land" and adds definitions for "critical conservation areas" and "priority resource concerns." NRCS will include these new terms and definitions in the FY 2019 APF.**
- **The 2018 Farm Bill requires guidance for partners on how to quantify and report on outcomes of the projects. NRCS will develop guidance and incorporate requirements in partnership agreements awarded pursuant to FY 2019 APF.**
- **The 2018 Farm Bill requires several USDA responsibilities with respect to the reporting of the technical assistance needed to implement projects, allowing for certain partner activities to contribute towards their match, the establishment of a timeline, and implementation of a simplified application process. These improvements will be incorporated into the FY 2019 APF.**
- **The 2018 Farm Bill adds authority to enter into alternative funding arrangement or grant agreements with eligible partners depending on the specific requirement of the project. Funding is limited to 15 total projects annually. NRCS will identify availability of alternative funding arrangements in FY 2019 APF as it has done since FY 2014. NRCS will enter into APFs subject to interim rulemaking. The AGI exemption will apply.**

33. The Farm Bill made significant changes to RCPP to simplify the application process and increase flexibility in implementation for partners and producers. Do you intend to implement all of the reforms included in the bill – including the opportunity for partnership renewals, application bundles, and the new grant/alternative funding agreement authority?

Response: NRCS intends to implement all the reforms statutorily required by the 2018 Farm Bill.

34. Congress recognizes that farmland is diminishing at an alarming rate as development expands into rural communities. This results in a host of issues, including driving the price of cropland up and limiting access to land for producers, especially beginning, veteran, or underserved farmers. In the Agriculture Improvement Act of 2018 Congress recognized that land trusts and other eligible entities under the Agricultural Conservation Easement Program play an important transitional role in buying and protecting land that may be at risk of development and selling the protected land to a farmer or rancher. Congress specifically authorized these types of Buy-Protect-Sell transactions through ACEP, and noted that these transactions might take several forms. In implementing this new authorization, will the agency provide sufficient flexibility so that an eligible entity that has purchased eligible land might work with a second entity on the transaction, so that the landowner entity owns the land but the second entity holds the easement that has been acquired on that land through ACEP?

Response: NRCS has potentially identified parameters that would allow for these kinds of arrangements while still complying with the statute.

35. Congress understood that it would take some time for FSA and NRCS to update regulations for CRP, EQIP, ACEP, CSP, and RCPP. Because of that, Congress provided interim authority in section 2504 of the Farm Bill to allow FSA and NRCS to continue to run under current rules for FY19 only. While we understand that NRCS is working to quickly get FY19 money out under this authority, FSA has not yet moved forward with FY19 enrollment in the Conservation Reserve Program. Congress clearly intended all agencies to operate Farm Bill programs in FY19. When will USDA reopen enrollment in continuous CRP and the Conservation Reserve Enhancement Program? Will USDA hold an FY2019 CRP general signup?

Response: FSA is evaluating changes made to the Conservation Reserve Program (CRP) by the Agriculture Improvement Act of 2018 and will work to reopen Continuous and Conservation Reserve Enhancement Program (CREP) as quickly as possible. A General Signup is planned for the winter of 2019, likely beyond the end of FY 2019.

36. The 2018 Farm bill made signing incentive payments, practice incentive payments and practice specific (e.g. higher rate for buffers) and wellhead protection incentives mandatory instead of discretionary such that the Office of Management and Budget's Administrative PAYG-GO rules would no longer apply. The state acreage allocations was used as a method to control for the Administrative PAYGO requirements. With this now being unnecessary, will FSA remove the limits on state allocations for initiatives such as the State Acres For wildlife Enhancement (SAFE) and allow demand for the program determine enrollment?

Response: FSA is evaluating the language created by the Agriculture Improvement Act of 2018 and will work to implement those changes as quickly as possible.

37. In the Agriculture Improvement Act of 2018, Congress transitioned the Conservation Stewardship Program from an acre-based to a dollar-based program. We also gave interim authority, as noted in the question above, for the agencies to conduct FY19 enrollment under current rules. The Farm Bill also authorized Section 2309, a Grassland Conservation Initiative within the Conservation Stewardship Program. I understand that NRCS is waiting until enrollment in the Grassland Conservation Initiative is complete before opening up general CSP enrollment. Please explain why enrollment in general CSP and the Grassland Initiative cannot happen simultaneously? When will you plan to open signup for general CSP and will you be doing a national announcement that signup is open? When will you be opening enrollment for the Grassland Initiative and how long will you keep that enrollment open?

a. The Farm Bill also gave authority for USDA to provide a one-year extension of current CSP contracts. When will producers be given the opportunity to extend their contracts and how will they be notified?

Response: NRCS intends to roll-out each aspect of the Conservation Stewardship Program, including the General Sign-up, Grassland Conservation Initiative, and CSP contract extensions in FY2019. While the roll-out will not be simultaneous, NRCS has no intent to wait until the conclusion of the GCI enrollment to announce a general CSP sign-up since doing so would result in several months of lost implementation time. However, NRCS will have to ensure that funding is available to fully support all GCI contracts. Any funding not used in the fiscal year for GCI will immediately be made available for the General Sign-Up.

38. Now that CSP has been transitioned from an acre-based program to a dollar-based program, does this program hold the same eligibility as other conservation programs to roll over unused funds from one fiscal year to the next?

Response: USDA believes that the dollar-based CSP has the same eligibility as other conservation programs to roll over unused funds from one fiscal year to the next.

39. I understand that addressing drought on a watershed scale is of critical importance. That is why I supported increased funding and flexibility in RCPP, as well as flexibility and mandatory funding for the PL-566 program – both of which can support large scale drought mitigation efforts. While authority was also provided under EQIP for irrigation entities to be eligible for direct funding, I have questions about the impact this authority can have on producers' ability to access and utilize EQIP funding. In a time when public funding is tight and taxpayers are critical of any large federal investment, RCPP is an innovative method for USDA to stretch the federal investment further while addressing critical resource concerns at the regional or local level – and should be the appropriate program for large-scale drought projects. Administratively, the agency has capped projects under RCPP to $10 million – without regard to the scale of any given project. Given the strong competition for EQIP funding across the country, I believe that funding for irrigation projects under the new authority should also be capped, similar to RCPP. How will the agency ensure that taxpayer funds under the expansion of the EQIP water conservation or irrigation efficiency practice are used responsibly and widely for the benefit of all regions and types of agricultural production, similar to the administrative cap on RCPP projects? How will USDA ensure that this new EQIP authority does not result in a shift of funding to western states at the expense of individual producers across the country?

Response: NRCS, with input from both State and national leaders, is currently evaluating the pros and cons of establishing a payment limit unique to this opportunity. However, a final decision has not yet been made and NRCS looks forward to utilizing fully the regulatory

development process to arrive at a fair and equitable solution. In addition, NRCS looks forward to reviewing and considering all public comments with respect to this issue.

40. New in the Agriculture Improvement Act of 2018 was the creation of On-Farm Conservation Innovation Trials under the Conservation Innovation Grants (CIG) program. One of these trials shall be a soil health demonstration trial in which the Secretary will work with eligible entities and producers to develop protocols for measuring carbon levels in the soil. When awarding funds for the soil health demonstration trial, will you ensure that projects have the capability to do baseline soil health testing to demonstrate progress over the course of the pilot? How will the Secretary implement the tracking of the reporting requirements and creation of a public database for measuring the outcomes for the soil health demonstration trial, in addition to other on-farm conservation innovation trials?

Response: NRCS has begun development of the On-Farm Conservation Innovation Trials provision, which includes the Soil Health Demonstration Trial. NRCS intends for these trials to incorporate robust scientific approaches, including baseline data collection when appropriate. NRCS is working on the Conservation Innovation Grants public database provision but has not yet decided on an implementation approach.

41. The Agriculture Improvement Act of 2018 authorized explicitly defined soil testing and soil remediation practices to be available within the Environmental Quality Incentives Program, as well as technical assistance to producers utilizing those practices. What is your timeline for making these practices available to producers, in addition to the corresponding technical assistance?

Response: NRCS, through some of its existing conservation practice standards, already provides financial assistance to support testing soils for agronomic properties to assist with nutrient management. However, the expanded opportunities authorized through the 2018 Farm Bill, especially with regards to soil contaminates, will be implemented upon interim rule publication as part of FY 2020 implementation.

42. The recently passed Farm Bill makes adjustments to the Farm Bill broadband loan program to make it a combination loan and grant program, authorized at an increased amount of $350 million. The changes also put many program integrity and technical assistance measures in place, and the result reflects a compromise among parties, House and Senate, and industry groups. Please share with the committee your plans for standing up the newly adjusted Farm Bill broadband loan and grant program.

Response: The changes in the 2018 Farm Bill require significant integrity, mapping, and technical assistance modifications to our IT systems. We have begun this process so that we will be able to implement these provisions as quickly as possible. We plan to issue an interim final rule before the December 2019 deadline. Additionally, USDA will soon be

setting up working meetings with our federal partners at the FCC and NTIA on information sharing and data transparency to ensure the requirements on overbuild or duplication are met.

43. The rules for the new USDA ReConnect program that now has over $1 billion dollars in it for rural broadband will exclude dollars from going to certain areas that are served by satellite providers who won the FCC's Connect America Fund Phase II reverse auction bids. And while satellite service has a role, I am concerned, without access to USDA funding, these areas may be relegated to second class connectivity in a world where high speed broadband is no longer a luxury. Can you explain to us what you're doing to ensure that these rural Americans won't be left behind?

Response: The FCC's Connect America Fund Phase II reverse auction accepted bids at 4 performance tiers: equal to or greater than 10/1 Mbps, equal to or greater than 25/3 Mbps, equal to or greater than 100/20 Mbps, and equal to or greater than 1 Gbps/500 Mbps. The winning bidders must offer the service associated with their winning bid, but in most cases, the winning bidders have not yet begun construction of the proposed broadband facilities. If the winning bidders provide the 10/1 Mbps broadband service proposed in their service areas, USDA would consider those areas as receiving sufficient access to broadband service under the ReConnect program. After construction is complete, if the winning bidders' service areas do not receive the proposed 10/1 Mbps broadband service, then under current ReConnect program requirements, those areas would become eligible for ReConnect funding. USDA will continue to monitor broadband speed requirements needed for sufficient access in rural communities and may modify ReConnect Program speed requirements, as appropriate.

44. There has been much debate about what speed constitutes a served community in regards to broadband. For the first year of the ReConnect program communities with 10/1 were considered served by statute and thus ineligible for funding. It is increasingly clear that higher speeds are needed to meet the needs of today and of the future. As the law creating the ReConnect program nears its first anniversary, is USDA looking at modifying the minimum speed definition of a served area? Maybe to at least match the federal minimum definition of broadband at 25/3?

Response: USDA received a significant number of responses to the Notice of Inquiry published in the Federal Register in July 2018, which requested input from rural citizens and broadband service providers on what constitutes sufficient broadband service. USDA is also monitoring the speed requirements necessary for farms, ranches, educational and medical facilities, and businesses in rural communities on an annual basis. After the first round of funding, USDA will be evaluating the minimum level of sufficient access, as stipulated in the 2018 Consolidated Appropriations.

45. There are concerns on both sides of the aisle about the availability of data to accurately indicate where high speed broadband service is and is not available. USDA administers various programs aimed at closing the digital divide that require a large percentage and sometimes all of an area be unserved to qualify for the programs. How does USDA go above and beyond to make sure rural Americans aren't suffering because of proven inaccuracies in the form 477 broadband data the FCC collects?

Response: USDA uses all available information, along with our own independent assessment, to ensure our funding goes to the most rural unserved communities. We use information submitted by the applicants themselves within their market studies, information from existing service providers, as well as information from the FCC and NTIA to independently validate whether broadband service is available at the household level. This validation often involves sending our General Field Representatives (GFRs) or contractors out to assess the area and talk with local residents, government agencies, and businesses to confirm whether sufficient access to broadband service is available.

46. You now have Acting positions in Rural Development for the Assistant to the Secretary, and the RUS and RHS Administrators. When do you plan to have those crucial positions filled permanently and how do you see this affecting the ability of RD to efficiently operate and provide timely implementation of the 2018 Farm Bill?

Response: USDA is actively working to fill these critical roles for both the RUS and RHS Administrator positions. In addition, I am working to fulfill the role of Under Secretary for Rural Development, as required by the 2018 Farm Bill. In the interim, those serving in these acting capacities have my full confidence to carry out the mission of Rural Development, including implementation of the 2018 Farm Bill.

47. Are there any changes that Congress should expect in the upcoming budget request, particularly in Rural Development, as a result of USDA's efforts to reorganize the Department?

Response: The President's 2020 Budget proposal requested $647 million in administrative funding, which includes approximately $27 million in additional IT funding and supports a staff level of 3,776.

48. What steps is USDA taking to consult with rural stakeholders on how the proposed reorganization would impact the delivery of existing programs? How is USDA keeping constituents, elected officials and stakeholders informed about changes in funding or program administration as a result of USDA's efforts to reorganize the Department?

Response: As Secretary of USDA, I have set the goal for the Department to become the most effective, efficient, and customer focused Department in the Federal Government. As we embark on this effort, we are consulting with our customers, constituents, and stakeholders, including the elected officials who govern our programs, through in-person meetings and listening sessions. In addition, we also utilize the Federal Register and stakeholder announcements.

49. State directors in Rural Development offices all across the nation have recently undertaken assessments in their respective state offices to identify opportunities to increase efficiencies, reduce costs, etc. through potential staff restructuring.
    a. What is the timeline that USDA has put into place for these staffing assessments to be completed? What criteria is USDA utilizing to make decisions on retaining the current staffing infrastructure vs. moving forward with a new staffing structure (e.g. cost-benefit analyses, Congressional and union equities, access to communities served, etc.)? Could staff restructuring result in the closure of existing offices and/or opening of new offices and what data or analysis will the USDA use to make these specific determinations? To date, have any state directors completed an assessment that justified staff restructuring and/or physical office location changes and moved forward with implementation? If so, in which states?

Response: In early 2018, Rural Development conducted an initial survey of our state office operations, including potential opportunities that would reduce their administrative costs and burdens. From this analysis, Rural Development initiated a formal assessment to collect data on an enterprise level to allow us to make a data driven decision as it relates to our office structure and locations. This analysis will also help our state offices address the challenges they face within their own state. This assessment will consider an array of relevant factors associated with delivering and managing the most effective, efficient, and customer-focused services. The anticipated completion date for this assessment is FY 2020.

If these findings demonstrate a need for office closures, Rural Development will follow Departmental Regulation 1010-001 for Congressional Notification.

50. Please provide the committee with a copy of all organizations realignments within Rural Development since January 2017. Please provide the Committee with any statistical trends in staffing levels and staffing ratios for the National Office and field/state offices.

Response: As Secretary of USDA, a priority that I have set for the Department is to implement enterprise-wide solutions in order to improve customer engagement, maximize efficiency and improve agency collaboration. As a part of these efforts, I asked the mission areas to create Business Centers to serve as a hub for all administrative, operational, risk, technology, and financial management in support of mission-critical functions. Rural Development also

established the Innovation Center to support the transformation of rural communities through strategic partnerships, data analytics and evaluation, and regulations support.

As of September 30, 2018, the Rural Development Business Center offices and Innovation Center divisions were as follows:
Business Center:

- **Chief Operations Office;**
- **Finance Office;**
- **Technology Office;**
- **Enterprise Office;**
- **Human Resources Office; and**
- **Procurement Management Office.**

Innovation Center:

- **Partnership Division;**
- **Regulations Division; and**
- **Data and Analytics Division.**

51. Please provide the committee with an updated list of Senior Executive positions that have shifted from the programs to the Business Center and Innovation Center. How many additional GS-15 positions have been created in these new organizations?

Response: As of March 19, 2019, there were three Senior Executive positions that shifted from the programs to the Business Center and Innovation Center. The Business Center created eight additional GS-15 positions, and the Innovation Center created zero additional GS-15 positions.

52. In October 2017, USDA launched the creation of the Rural Innovation Center within USDA Rural Development. How many employees are now working within the Rural Innovation Center? Please provide the Committee with an update on the function and policy goals of the Rural Innovation Center.

Response: The Innovation Center was created to improve program delivery at an enterprise level through consolidated regulation drafting, policy decision-making, trend and data analysis, and program outcome measurements. The goal of the Innovation Center is to equip rural communities with economic development tools to drive prosperity by identifying best practices, promoting multi-sector partnerships at the local level, and driving synergy between resources. A key priority for the Innovation Center is supporting implementation of the 2018 Farm Bill for Rural Development. The Rural Development Innovation Center currently employs 44 staff.

53. The Farm Bill made modest program improvements to help communities facing PFAS contamination in their drinking water. The Farm Bill also instructs USDA to co-lead a Task Force with EPA on studying PFAS-related impacts on rural communities across the country. As you may know, we're seeing this issue across several Michigan communities. What are your plans on implementing these key provisions?

Response: Rural Development is working diligently to implement the new Farm Bill provisions. Rural Development is committed to providing the financial and technical assistance to rural communities facing PFAS-related impacts on their drinking water and water sources. The Rural Development Technical Assistance and Training Grant Program regulation will be modified to include an additional program objective that addresses the contamination of drinking water and surface water supplies by emerging contaminants, including PFAS. We are also in the process of implementing the Interagency Task Force on Rural Water Quality, which will include staff from the Environmental Protection Agency and Health and Human Services, as well as representatives from rural drinking and wastewater entities, state and community regulators, and appropriate scientific experts.

54. With the large influx of water infrastructure applications and reduced state field staff at RD, would it be beneficial for additional funding to be provided for a national technical assistance organization to provide assistance to communities in their applications and processing those applications?

Response: Rural Development has a knowledgeable and proactive field staff that assists communities with developing applications, administering agreements, and servicing our loans and grants. It is a priority for USDA that rural communities receive excellent customer service as well as the technical expertise needed for modernizing rural infrastructure. Rural Development has increased our collaboration with technical assistance providers to enhance the expertise available to rural communities. Rural Development staff and all our technical assistance providers are trained in and utilizing RDApply, our electronic application system, to assist applicants.

55. Cooperative businesses have played an important role in our nation's economy, particularly in rural communities, to help their businesses innovate and weather challenging economic climates. In recognizing that role in the economy, the Committee again reauthorized the Rural Cooperative Development Grant program through 2023 to provide funds to development centers that provide technical assistance to businesses seeking to start or expand member-owned businesses.

    a. Does USDA support the cooperative business model?

Response: Yes, USDA supports the cooperative business model and I appreciate what these models have done to serve rural America. The cooperative business model can be a particularly effective option in rural communities and for programs within USDA. These models are an ideal alternative in rural areas by allowing communities to work together to advance economic growth and prosperity. Rural Development's Business and Industry Guaranteed Loan program has expanded opportunities for cooperatives to participate in the program.

b. The funding levels for the Rural Cooperative Development Grant program has remained relatively stagnant over the last decade, and demand exceeds supply for this competitive program each year.

i. Despite the fact that that the RCDG program has created or saved more than 10,000 jobs, established thousands of small business owners, and created hundreds of businesses that serve as a lifeline for rural communities, the Administration's budget requests have proposed eliminating funding for this critical program in the past. Why has USDA suggested defunding a program that create stronger economic outcomes for businesses and workers in rural America?

Response: The Administration has proposed fiscally responsible budgets that deal with some of the realistic issues dealing with national debt. The President's budgets have shown support for the development and implementation of the cooperative business model in rural communities by requesting the resources necessary to support $1 billion for the Business and Industry Loan Guarantee Program. I commit to you that whatever resources are provided, we will do our very best to provide the kind of customer service that constituents want and deserve each and every day.

ii. We know that people in rural communities have used the cooperative business model to access markets and critical services so that they could more fully participate in the economy. Examples include the agricultural cooperatives that are essential in our food system and the rural electric co-ops that power 75% of the geography of the U.S. These co-ops have gone to scale because people have come together to form these businesses AND because of robust technical assistance provided by USDA and others in the federal government. As you have reorganized and realigned the agencies, please describe how you have continued the mission of supporting the development and success of rural cooperatives and what you plan to do in the near future?

Response: USDA has continued to deliver support to the cooperative community via the extensive catalog of information, education and research publications. We are also pursuing collaboration through the Interagency Working Group on Cooperatives. The cooperative business model can be a particularly effective option in rural communities and USDA, through Rural Development, will continue to support it through existing programs and resources.

56. The 2018 Farm Bill energy title included a great number of program improvements to make the title's programs work better for rural communities. Some of these revisions involve a great degree of interagency coordination, such as expediting the consideration for Biorefinery applications by OMB, or improving collaboration between the BioPreferred program and EPA's Safer Choice program. What increased consideration has USDA given to program implementation that would require greater interagency coordination to ensure reforms will be implemented in a timely fashion?

Response: USDA has collaborated with the Environmental Protection Agency's Safer Choice program, Department of Energy and the Office of Management and Budget on biorefinery applications. We will continue along this path to implement greater interagency coordination and collaboration for program improvements. The current realignment of the BioPreferred Program from Departmental Administration to Rural Development (RD) enables the program to leverage RD's state office field structure to work better and more efficiently for rural communities.

57. Due in part to Farm Bill energy title programs and the leadership of the U.S. Department of Agriculture (USDA), the U.S. biobased economy is rapidly growing and strengthening America's rural economy. USDA has done a remarkable job tracking and calculating the growth of this industry through indicators reports on the biobased economy. To better inform the industry, policy makers, trade partners, and stakeholders in the biobased sector, the Farm Bill requests the Secretary of Agriculture works with the Secretary of the Department of Commerce to develop North American Industry Classification System (NAICS) codes for renewable chemical manufacturers and producers of biobased products. Has USDA started its collaboration with the Department of Commerce in developing NAICS codes for renewable chemical manufacturers and producers of biobased products? What is the estimated timeframe to complete NAICS codes for these technologies?

Response: USDA has started research and communication with the Department of Commerce in developing NAICS codes for renewable chemicals and biobased products manufacturers as requested in the 2018 Farm Bill. NAICS are reviewed every 5 years for potential revisions, so that the classification system can keep pace with the changing economy. In August 2016, the Office of Management and Budget (OMB) issued the 2017 NAICS revision, with the next revision scheduled as the 2022 NAICS. The revision process is led by OMB's Economic Classification Policy Committee (ECPC), and is an effort undertaken over several years. The

process is planned to begin with an OMB-issued Federal Register notice soliciting proposals for changes in late 2019. Then, OMB's ECPC will review the proposals and develop recommendations for changes. Those recommendations will be published in an OMB-issued Federal Register notice for public comment. OMB will review the public comments and ECPC recommendations, and is planned to issue a final decision on 2022 NAICS revisions in 2021. USDA will coordinate with the ECPC throughout the 2022 NAICS revision process.

58. Congress intends USDA to recognize feedstock inputs produced using a biobased mass balance methods through the creation of a BioPreferred process label specifying the percentage of biobased feedstock used. How does USDA intend to develop this label? What is the time frame for completing this label?

Response: USDA is currently assessing the requirements of the 2018 Farm Bill and discussing with our stakeholders, including meeting with international standard setting organizations to explore options for this matter as part of our consideration for streamlining the approval process. This involves critical technical issues and program participants and stakeholder members of the supply chain have various perspectives of the possible strategic steps needed for maintaining the program's credibility. The Agency intends to meet the 1-year timeline for streamlining the approval process.

59. Congress intends USDA to establish a biobased content methodology for products produced using biologically recycled carbon that provides full credit for carbon content from biological processing of carbon captured from an industrial source that would otherwise be released into the atmosphere within one-year of the Farm Bill's passage. Is USDA on track to meet this time frame? What resources is USDA using to develop this methodology?

Response: USDA has initiated work on a biobased content methodology for estimating biologic carbon. We are reviewing potential approaches, and we are on track to establish the methodology within the timeline required.

60. Section 12609 of the Agriculture Improvement Act of 2018, establishes a Commission on Farm Transitions and requires appointments to this commission to be made within 60 days of enactment of the Farm Bill. Since these appointments have not yet been made, can you provide a revised estimate of USDA's timetable for making its appointments and requesting Congress' appointments?

Response: We are developing a plan of how to implement this provision with existing resources and will request Congress' appointments once that plan is established.

61. The Farm Bill directs USDA to establish State and National beginning farmer coordinators.

a. When will you have a list of State and national points of contact for beginning farmers?

b. What kind of outreach do you plan to conduct to ensure that new and beginning farmers know about the newly appointed State coordinators?

Response: USDA is evaluating the requirements of the 2018 Farm Bill and will work to implement these new resources as quickly as possible. Once a strategy is implemented, USDA will conduct robust outreach to ensure that customers are aware of all the resources available to them.

62. The Farm Bill combined the Beginning Farmer and Rancher Development Program and the Outreach Program for Socially Disadvantaged Farmers and Veteran Farmers into the Farming Opportunity Training Outreach program.

63. What is the estimated timeline for announcing available funding for each of these grant programs?

Response: USDA plans to publicly announce Outreach Program for Socially Disadvantaged Farmers and Veteran Farmers (Section 2501) funding in April 2019 and Beginning Farmer and Rancher Development Program funding in early May 2019.

64. When do you anticipate funds will be awarded?

Response: We expect funds to be awarded by the end of fiscal year 2019.

65. How will you notify stakeholders about the opportunity to sit on the new peer review panel that will be used for awarding grants to support outreach and technical assistance for socially disadvantaged and veteran farmers?

Response: USDA will send the solicitation through our stakeholder databases; through our internal outreach representatives at USDA, as well as our external 2501 outreach partners, both current and former; and our Minority Farm Register of over 4,500 registrants.

66. There were a historic number of the tribal provisions included in every title of the Farm Bill.

67. How will you engage with Tribes regarding implementation of these provisions?

Response: USDA's Office of Tribal Relations (OTR) reviews all regulations of tribal significance to determine impacts. Each USDA Mission Area/Agency is hosting both in-person and web-based listening sessions and our local, state, and national tribal program staff are included in

these sessions. Additionally, while tribes may request a formal consultation at any time, USDA is planning two Department-wide consultations to review every title of the Farm Bill.

OTR staff facilitates the relationship between all USDA agencies and tribes, tribal organizations, and American Indian/Alaska Native citizens and more importantly, OTR facilitates USDA's commitment to the legal government – to – government relationship between USDA and Federally recognized tribes through constant communication and coordination.

OTR serves as the primary point of contact for consultation on matters relevant to Indian Country, working to ensure that applicable programs and policies are efficient, easy to understand, accessible, and developed in consultation with the American Indian/Alaska Native stakeholders they impact. Since April 2017, multiple members of USDA leadership have held informal meetings and formal consultations, and USDA is committed to continue this practice through the rulemaking process.

68. In addition to formal consultation, what other outreach will you do to seek tribal input?

Response: The framework for USDA's work with tribes is consultation, coordination, and collaboration throughout USDA's intergovernmental efforts with tribes. There are listening sessions, webinars, participation at conferences, meetings with tribal leaders, working with partner organizations, newsletters/marketing tools, and coordination across the Department. On the ground, USDA has an extensive footprint of offices in every state.

Furthermore, OTR has a long-standing cooperative agreement with the Intertribal Agriculture Council (IAC) to maintain the Intertribal Technical Assistance Network which provides technical assistance to farmers and ranchers across Indian Country.

69. What is your action for outreach to tribes regarding Farm Bill implementation?

Response: There are various listening sessions that are occurring both in Washington DC, online, and in-person throughout the country. USDA's Office of Tribal Relations (OTR), housed in the Office of the Secretary, will ensure that these meetings are communicated through traditional and electronic methods (website, bi-weekly newsletter, etc.) to our customers, partner organizations, and stakeholders.

70. As the labor crisis continues to worsen, fruit and vegetable farmers are placing their money and hopes in mechanization and automation to mitigate impacts of the shortage and make job tasks appealing to potential workers. The 2018 Farm Bill provides new support for research and development of mechanization and technologies for specialty crops under the Agriculture Advanced Research and Development Authority (AGARDA) pilot program and also requires a report that will identify a plan to find additional funding for further mechanization research projects.

a. What is your estimated timeline for completing the report on mechanization funding?

Response: The 2018 Farm Bill did not provide funding for AGARDA. USDA looks forward to evaluating options and fully implementing this provision should funding be provided.

b. What are your goals for implementing AGARDA?

Response: The 2018 Farm Bill did not provide funding for AGARDA. USDA looks forward to evaluating options and fully implementing this provision should funding be provided.

c. What conversations with stakeholders and other government agencies have you had regarding AGARDA implementation?

Response: USDA has heard from a number of stakeholders regarding their support for AGARDA; however, the 2018 Farm Bill did not provide funding to implement the provision. USDA will continue to engage with stakeholders on how best to implement this provision, but until funding is appropriated for this activity USDA will not be implementing AGARDA.

d. How will you ensure specialty crop technology research and development is a key priority of the new research authority?

Response: The 2018 Farm Bill did not provide funding for AGARDA. USDA looks forward to evaluating options and fully implementing this provision should funding be provided.

71. The Agriculture Improvement Act of 2018 removed the universal matching requirements imposed by the 2014 Farm Bill. This change also removed general waiver authority used by the Department to waive matching requirements under certain circumstances within other research programs, like the Specialty Crop Research Initiative (SCRI). Last fall, USDA began awarding SCRI grants before the 2018 Farm Bill was passed into law, therefore there is confusion about how some of the grants will be award in FY2019. I encourage USDA to be consistent in how awards are made within the same grant cycle.

72. Will you finish awarding all of the FY2019 Specialty Crop Research Initiative grants using the same criteria, waivers and exceptions that were used for grants already administered in FY2019?

Response: No. The 2018 Farm Bill requires that matching funds be required for SCRI grants awarded after the date of enactment. Grants made prior to this date will not be subject to the matching requirement. NIFA has updated a table detail the matching funds for all programs on its website (https://nifa.usda.gov/matching-requirement).

73. When you will post updated information about matching requirements on the USDA website?

Response: NIFA posted a comprehensive chart detailing updated matching requirements to its programs on March 20, 2019.

74. The 2018 Farm Bill included new tools that will expand the National Organic Program's authority and capacity to provide oversight and enforcement of domestic and imported organic products. These changes will provide a level playing field for organic farmers and help maintain consumer confidence in the integrity of the USDA organic seal. The Farm Bill includes a statutory deadline of publishing a final rule on these new organic enforcement provisions by December 2019. How does USDA plan to meet this deadline and when do you expect to publish a proposed rule?

Response: The National Organic Program is finalizing a draft of a proposed rule titled "Strengthening Organic Enforcement," that would modify the USDA organic regulations to address the new provisions in the 2018 Farm Bill. USDA plans to publish a proposed rule in Fall 2019. A final rule would follow once public comments to the proposed rule are considered.

75. Producers from all over the country and across the State of Michigan have expressed interested in growing and producing hemp. USDA is expeditiously creating a new regulatory system to monitor and enforce hemp production through State and Tribal plans and with direct licensing through USDA.

    a. Where is the Department in the rule making process for a new hemp regulatory system?

    b. Has a proposed rule gone to OMB for review?

    c. When do you expect a proposed rule will be published for public comment?

Response: USDA has made implementation of this provision a priority and is meeting with stakeholders in Tribal nations, state and local governments as well as the private sector to learn as much as possible and has already began drafting a proposed rule. USDA anticipates issuing final regulations in the Fall of 2019 to accommodate the 2020 planting season.

76. Pollinators and honey bees continue to see population declines at an alarming rate. The 2018 Farm Bill included provisions to strengthen and better coordinate research for pollinators and honeybees. The bill creates a new coordinator position with-in the Office of

the Chief Scientist to better manage research on pollinators and honeybees. When will this new position be filled?

Response: USDA is currently evaluating options regarding the implementation of this provision. In the interim, USDA will continue to coordinate and manage pollinator and honeybee health and research through both the Office of the Chief Economist and the Office of the Chief Scientist.

77. The struggling agriculture economy, low commodity prices, and trade uncertainty have added a lot of stress for farmers and rural families. The Farm Bill provides support to these farmers and families through a Farm Stress Assistance Network that can be used to provide education, resources, and tools to mitigate stress and address mental health. When will USDA have a network in place to address farm stress and when will new grants to support this work be made available?

Response: NIFA helps enhance rural health and safety through research, education, and extension, in collaboration with Land-Grant Universities, the Cooperative Extension System (CES), and their many partners in communities across the country. In 2010, there were over 13,000 full-time equivalent extension professionals nationwide. With thousands of extension personnel located across the country, key front-line responders can be trained to help serve farmers in distress. A NIFA team will be charged with developing a Request for Applications (RFA) that solicits research-based training, resources, outreach, and collaborative models that will benefit farmers and ranchers under stress. New grants to support this network will be made available to eligible entities (the CES, along with State Departments of Agriculture, and nonprofit organizations) by September 2019.

78. Moving ERS and NIFA outside of the capital region will erode the national significance of agricultural research and hinder collaboration with other agencies. In addition to the relocation, these research agencies have seen steady decreases in employment since FY 2017 as important positions go unfilled. Vacancy rates are currently high for NIFA and ERS and one USDA assumption is that as many as half of all existing employees would quit rather than be relocated. The Farm Bill provides millions of dollars of new research funding and I am concerned that without sufficient staff, USDA will be unable to implement these new Farm Bill programs and spend these new dollars effectively. Given the already high vacancies and further disruption that would be caused by any relocation how will you ensure that the important research mission of USDA will not be hindered by the proposed relocation? Please explain.

Response: Maintaining all Agency operations is and will be a priority during this transition. We are prioritizing staffing to build in redundancy to ensure that critical programs and products continue to be administered without interruption. We plan for a rolling transition of staff to the new location along with focused hiring to fill any vacated essential positions at

the new location(s) to ensure as little disruption as possible. Currently, agencies are filling some positions based on their strategic hiring plans. Until we know our current employee decisions and the new location(s), it is impossible to provide an exact timeline, but we expect a focused hiring effort from June through December 2019. We are consistently evaluating hiring practices to provide the best customer service to our stakeholders.

79. Urban Agriculture is very important to Michigan - all across the State there are numerous examples of new farmers learning how to farm in urban areas, getting experience, and building their farm operations. Many of my constituents have asked where they can get more information from USDA about the new urban agriculture office and how they can provide input on implementation.

    a. What is your timeline for establishing the new office and updating the USDA website with contact information?

Response: The 2018 Farm Bill did not provide funding for the Office of Urban Agriculture. USDA looks forward to fully implementing this provision and establishing this Office should funding for this activity be appropriated.

    b. Where with-in the Department will the new office be located?

Response: USDA is still determining where within the organization that the Office of Urban Agriculture would be housed if funding is provided.

80. The Farm Bill provides $10 million in mandatory funding provided for urban agriculture research, education, and extension activities that can be spent during any of the fiscal years 2019-2023. The Farm Bill requires the Secretary to consult with the Urban Agriculture and Innovative Production Advisory Committee before awarding these competitive grants.

    a. What is USDA's anticipated timeline for establishing the advisory committee?

Response: Because funding was not provided for the implementation of this provision, USDA will not be establishing the advisory committee at this time.

    b. How will USDA alert stakeholders about the opportunity to serve on the advisory committee?

Response: When funding is appropriated for this activity, a determination will be made on how to implement this committee, including an evaluation of its options to ensure that stakeholders are aware and have an opportunity to serve on this committee.

c. What is your anticipated timeline for awarding the first year of urban agriculture research grants?

Response: Since this is a new program, USDA will need to promulgate regulations. With that in mind, we hope to post the FY 2019 Urban, Indoor, and Other Emerging Agricultural Production Research, Education, and Extension Initiative Request for Applications by spring 2020.

81. The threat of foreign animal diseases and its potential economic impact we know all too well in Michigan, and something many producers are concerned about as USDA is working hard to control the spread of virulent Newcastle Disease, which has now been found in two states (CA and UT) and poses a grave threat to our poultry and egg industry, and I am also concerned with the rapidly spreading outbreak of African Swine Fever (ASF) in many parts of the world. That's why I was so pleased the Farm Bill invested $300 million in permanent, mandatory funding to create a new Animal Disease Preparedness and Response program to foster coordination among states, states, universities, and industry groups to improve our ability to prevent and respond to animal disease outbreaks, as well as new National Animal Vaccine Bank, with a priority on Foot-and-Mouth Disease to help respond to outbreaks.

    a. What is the expected timeline and rulemaking process expected for these two new programs?

Response: USDA is committed to getting these important programs up and running as quickly as possible. On March 21, USDA held a listening session on these provisions to hear from industry and other stakeholders. We are in the process of reviewing and considering all comments from that session. Additionally, the National Animal Disease Preparedness and Response Program (NADPRP) requires us to develop a consultation process with states, universities and industry partners to develop program priorities. USDA is organizing that process, after which we will begin soliciting project suggestions to assist with the advancement of animal health.

    b. Congress provided some discretion to USDA in terms of how the funding was utilized, particularly in the first several years of the program, and it will be important to see how the two new programs are operating prior to the next Farm Bill reauthorization, while also remaining flexible with the ability to respond to disease outbreaks. How does USDA intend to use this discretion and allocate funds in a responsible manner between the National Animal Health Laboratory Network, National Animal Disease Preparedness and Response Program, and National Animal Vaccine Bank?

Response: USDA is evaluating the process of implementation, and the decision on how best to allocate funding among these three areas is an important one for us to get right. We understand the importance of a robust vaccine bank to our livestock industry. Vaccines are

an effective insurance policy should disease strike. It is also USDA's priority to keep diseases out of the United States, and if disease incidents do occur, to mitigate the impact of those events as quickly as possible. The NADPRP will allow us to identify and target gaps in our animal health preparedness.

c. Do you believe a broad-based disease prevention strategy and stopping the spread of animal diseases into and within the U.S. is preferable to response programs? Has APHIS conducted any analysis on the long-term cost implications of further investing in disease surveillance and prevention efforts, as compared to response, indemnification, and trade implications of an outbreak that has already occurred?

Response: Although APHIS has not recently conducted any direct analyses studies on the effectiveness of prevention, experience shows us that it is essential. The 2014-2015 outbreak of highly pathogenic avian influenza (HPAI), for example, cost the taxpayers just under $1 billion, and it cost affected producers untold tens or even hundreds of millions in uncompensated losses due to the necessary quarantines and production downtime during the virus elimination process. Additionally, U.S. producers lost several foreign markets, some of which remain closed.

82. Many producers are concerned about the virulent Newcastle Disease that has been detected in California and Utah and is a threat to the broader industry.

a. How much funding has APHIS and state partners dedicated to control the spread of this disease, and do you anticipate needing additional funding or facing a shortfall this year? Will this be reflected in the President's budget proposal?

Response: As of March 2019, USDA has spent about $17 million on response activities related to the virulent Newcastle disease outbreak. Under the Animal Health Protection Act, USDA has the ability to transfer funds to support foreign animal disease outbreaks, typically from the Commodity Credit Corporation. USDA is in the process of allocating an additional $45 million to control and eradicate this outbreak.

b. Reports indicate that this disease may have spread to the regions it has through cockfighting roosters that became infected with Newcastle. Has USDA taken steps to increase enforcement of the ban on cockfighting in response to this outbreak?

Response: This outbreak began and spread in "backyard" flocks, some of which may have contained fighting birds. The USDA Office of the Inspector General enforces the Animal Welfare Act's ban on cockfighting in coordination with Federal and local law enforcement agencies, and we are working to have all parties vigorously enforce the law. Our main concern in disease control and prevention is the movement of potentially sick birds, regardless of their use. To that end, USDA and the California Department of Food and

Agriculture have taken steps to limit the movement of poultry throughout the affected region, and quarantine measures are currently in place. In the case where it appears a bird may have traveled from the quarantine region to Utah, USDA is investigating the potential violation of those movement restrictions.

83. The 2018 Farm Bill makes several changes to the federal criminal code to prohibit threats or acts of violence against a person's pet, as well as authorizing a new emergency transitional pet shelter and housing assistance grant program (Section 12502). What actions are necessary to implement this new grant program?

Response: USDA is still determining the necessary actions to implement this provision. We are working closely with the Department of Justice to ensure that this program is implemented as intended and to safeguard access to animal friendly housing for victims of domestic violence and their pets.

84. At your recent listening session, numerous stakeholders raised the importance of the provisions in the Agriculture Improvement Act of 2018 provisions that operators on "heirs property" are eligible to obtain farm numbers (section 12615) and the new relending program to resolve ownership and succession on farmland (section 5104). When will guidance be provided to FSA and NRCS field offices regarding farm numbers, and do you anticipate any issues arising through implementation? Could you provide an anticipated timeline for implementation of the relending program and any necessary rulemaking?

Response: We are revising existing policy to add the additional documentation that is mentioned in the 2018 Farm Bill (section 12615), and this policy will be released to FSA and NRCS field offices as soon as possible. We do not yet have a timeline for implementation of the relending program.

Senator Patrick Leahy

1. The dairy sector continues to face significant challenges. A fourth year of slumping milk prices has pushed dairy farmers to the brink, and many past the point of survival. In Vermont, where dairy is at the foundation of our agricultural economy and working landscape, we continue to see attrition. There are now fewer than 700 working dairy farms in Vermont, compared to roughly 1,100 just a decade ago. This downward cycle, over which farmers themselves have very little control, has sent shockwaves throughout Vermont's rural economy.

   The Agriculture Improvement Act of 2018 makes significant improvements to the dairy safety net that, once implemented, will provide immediate relief and support for farmers. Putting these changes into the field must be an urgent priority of the USDA. That is why I

am concerned by your estimates that payments through the new Dairy Margin Coverage (DMC) will not be issued until July at the earliest.

a. When and how do you plan to communicate to producers, including those that did not enroll in the Margin Protection Program (MPP), about the new safety net opportunities provided in the 2018 Farm bill, and do you plan to do so prior to the initial enrollment period for DMC?

Response: FSA plans to communicate all provisions of the dairy title in the 2018 Farm Bill as soon as possible. Communications by way of postcards and news releases went out in March to those 2018 Livestock Gross Margin participants eligible for retroactive Margin Protection Program coverage for 2018. In addition, county FSA offices will be completing local outreach to their dairy producers while partnering with cooperative extension associations and dairy industry representatives with the intention to promote and educate about the merits of the Dairy Margin Coverage (DMC) program. In addition, USDA is working with the University of Wisconsin to develop an online calculator for dairy producers to assist in making an informed decision on selecting coverage levels under the DMC program.

b. The 2018 Farm Bill provides partial refunds to producers who were enrolled in the Margin Protection Program, either in the form of a cash refund or through discounted DMC premiums. What is your plan for providing this information to producers, including those who may no longer be actively farming? When will eligible producers receive these funds?

Response: The repayment of 2014 to 2017 Margin Protection Program (MPP) for Dairy premiums will be well publicized through press releases and informational notices, with sign-up beginning April 29, 2019. County FSA offices have gone through a reconciliation process to identify all eligible 2014 to 2017 MPP-Dairy producers and will be sending letters and making individual phone calls to producers beginning April 22, 2019. Outreach efforts will match the potential for the number of affected producers in each county.

c. The 2018 Farm Bill directs USDA and the National Agriculture Statistics Service (NASS) to begin calculating the price of high-quality alfalfa hay for dairy farmers in the top five milk states by volume in order to better reflect the true cost of production for producers. Has NASS begun collecting this data? When will it begin being incorporated into DMC calculations?

Response: NASS began collecting price information for high-quality alfalfa late last year, and has begun publishing that data starting with the March 28th Agricultural Prices report.

d. I continue to have concerns about reports of understaffing at the Farm Service Agency (FSA). What is the current number of open positions at FSA, and where are

those vacancies located? What steps have you taken to ensure that FSA has adequate staffing to implement the 2018 Farm Bill?

Response: 'Understaffed' is a mischaracterization of FSA's current workforce. Hiring to historical levels does not mean that the Agency is fully staffed and hiring to budgetary caps does not mean that the Agency is more or less effective. We are utilizing the Optimally Productive Office staffing tool to help guide managers in hiring decisions where the workload is needed. FSA has more than 10,430 on-board employees. The permanent workforce is supplemented by nearly 825 temporary employees, who primarily support county level operations.

FSA has over 1,100 'vacancies' in its permanent workforce. These vacancies are primarily located in county offices and the Optimally Productive Office staffing tool will inform FSA where hiring will be directed. A vacancy does not constitute a lack of customer service, but a position where personnel have retired/left or were promoted within and not subsequently filled.

FSA is in the process of filling over 400 positions within the next 45-80 days. The timeframe for onboarding is dependent on where the action is in the hiring process. It is also leveraging the temporary workforce to handle surge activities associated with implementation of the 2018 Farm Bill.

FSA will also be filling vacancies throughout 2019. The FPAC Business Center's human resources (HR) division has a multi-pronged plan to address this workload that includes, but is not limited to:

- **Obtain temporary surge support within HR to aggressively address the remaining hiring actions and reduce the number of vacancies;**
- **Implement business process improvements to streamline federal and county hiring procedures, improving overall efficiency and effectiveness; and**
- **Digitize manual hiring processes, which greatly improves FPAC's efficiency and effectiveness. Streamlined processes are built into the system, with clear roles and responsibilities, and system integration to minimize duplicative data entry.**

e. To implement the Margin Protection Program, USDA created a calculator tool to help producers make important risk management decisions. What is the timeline for updating this tool to reflect the changes in the new Farm Bill? Will it integrate dairy safety net programs within both FSA and the Risk Management Agency (RMA) to allow producers to compare different programs or combine them? Is the implementation of and enrollment for Dairy Margin Coverage conditional upon the completion of this calculator tool and is there a contingency plan in the event there are technological delays?

Response: The Farm Service Agency (FSA) worked with the University of Wisconsin to update the existing online calculator for dairy producers to assist in making an informed decision on selecting coverage levels under the Dairy Margin Coverage (DMC) program. The Margin Protection Program Decision Tool was released on April 30, 2019.

f. The 2018 Farm Bill authorized a new Milk Donation Program to incentivize the donation rather than dumping of excess milk. Will implementation of this program be prioritized along with other dairy improvements, and what is your plan for communicating this new program to producers?

Response: USDA is working to implement the program within the 180-day timeframe provided in the legislation. Upon publication of the regulations in the *Federal Register*, USDA will issue a Notice to Trade, notify dairy stakeholders directly through targeted emails, and post all relevant information on the USDA website.

2. On October 11, 2018, the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) issued a memo that rescinded six nationwide waivers related to the Summer Food Service Program (SFSP) meal sites operations. These waivers have been in effect for multiple years and have become standard operating practice for most SFSP sponsors in Vermont, where there are 290 summer meal sites. In the memo, FNS also invited State Agencies to submit requests to waive the recessions for all sponsors in their state, if they could "demonstrate how the requested waiver will further Program priorities and meet the needs of the SFSP."

   a. Please describe the potential impacts of these rescissions on child access to summer meals, should SFSP sponsors be required to implement them.

Response: USDA is committed to maintaining access to summer meals for children in need. The rescinded nationwide waivers focused on administrative practices meant to simplify the program and should have minimal impacts on access to summer meals. In addition, USDA is working closely with State agencies to ensure that States have the flexibility through individual State waiver requests to meet the needs of their communities and limit the impact on access.

   b. Please describe in detail the standard for which USDA-FNS will be reviewing requested waivers that are submitted by States, as well as the likelihood that a requested waiver will be approved or rejected.

Response: USDA evaluates each waiver request individually, using the requirements outlined in Section 12(l) of the Richard B. Russell National School Lunch Act (NSLA), 42 U.S.C. 1760(l), which grants the Secretary the authority to waive certain provisions of the Child Nutrition Programs. Each request is further evaluated on whether it falls within the scope of the

nationwide waivers that were rescinded and clearly outlines how the waiver would benefit the State and eligible service providers.

USDA has the authority to approve waiver requests if it is determined that the waivers would carry out the purpose of the program and would not increase the overall cost to the Federal Government. Under Section 12(l) of the NSLA, USDA is not able to waive certain requirements of the program, such as the nutritional content of meals served and the Federal reimbursement rates.

c. Please describe whether or not there is a plan for USDA to permanently implement these waivers through the proper regulatory process.

Response: USDA intends to include a rulemaking to address these issues in an upcoming regulatory agenda.

3. The USDA Office of Community Food Systems (OCFS) has recently had a number of staffing transitions - both in its national and regional offices - impacting the ability of the office to advance its three-fold mission to (1) administer the USDA Farm to School Grant program, (2) provide technical assistance, and (3) conduct research, such as the USDA Farm to School Census. The Food and Nutrition Service (FNS) hiring freeze is impacting the ability of these vacancies to be filled.

   a. What is being done to ensure the vacant positions are filled?

Response: To clarify, FNS is not operating under a hiring freeze. As is customary with the transition between administrations, there was a temporary hiring freeze at the beginning of this administration that ended on April 12, 2017. Staffing decisions are prioritized at the Food and Nutrition Service to use taxpayer funds wisely while also ensuring that key functions are properly staffed. The Director of the Office of Community Food Systems position, for example, recently became vacant and is a priority hire.

4. The Farm to School Program is an unfortunate example of the impacts of the FNS hiring freeze and OCFS staffing vacancies. Due to staffing constraints, OCFS has not been able to release all of the Farm to School grant funding it has received, despite the allocation of $5 million in additional funding for Farm to School grants in Fiscal Years 2018 and 2019. Citing capacity concerns, OCFS plans to only release a portion of the additional Farm to School funds in the next grant cycle. When Congress appropriates funds, it expects agencies to release them.
   a. What are your plans to ensure these available funds are spent in a timely fashion, in order to achieve the intended goals of the program?

Response: Since FY 2013, USDA has awarded over $30 million through the Farm to School Grant Program, funding 437 projects across the 50 States, District of Columbia, Virgin Islands,

Guam and Puerto Rico, reaching almost 16 million students in 35,000 schools. The additional Farm to School Grant funding provided by Congress in 2018 and 2019 essentially doubles the size of the annual program.

The Consolidated Appropriations Act, 2018 (P.L. 115-141) was enacted on March 23, 2018, providing the additional funds too late into the grant cycle to be awarded in FY 2018. As indicated in the FY 2019 Request for Applications, USDA expects to award at least $7.5 million in Farm to School Grants in FY 2019 and is working to further streamline the grant award and oversight processes in the future to support the increased program size.

In addition, the President's FY 2020 Budget includes a proposal to permanently change the maximum amount a Farm to School grant recipient may receive from $100,000 to $500,000. Raising the grant cap would allow States to integrate Farm to School into their structures as well as increase their reach, scope, and impact, and would enable grantees to conduct higher impact work that is more likely to last beyond the end of the grant term. Raising the cap would also allow USDA to streamline grant programming and provide better customer service to each grantee.

5. Small hospitals across America are struggling to remain in operation and continue providing essential services to rural communities. Hospital closures often lead to a devastating loss of medical services, jobs and economic momentum for rural communities. Operation of rural hospitals can literally mean the difference between life and death for the people who live in these communities. The 2018 Farm Bill included an important provision to allow hospitals to refinance debt through the USDA's Community Facilities program. This will be an important tool as hospitals work to adapt to a changing health business models and to respond to new needs in their communities such as the opioid epidemic.

    a. What is the USDA doing to implement this new regulation in a timely manner?

Response: USDA is working diligently to incorporate this new provision into its new Direct Loan and Grant Consolidated Regulation 3570-A and the OneRD Guaranteed Regulation. The OneRD Guaranteed Regulation's anticipated publication date is in the spring of 2020 and the Direct Loan and Grant Consolidated Regulation's anticipated publication date is the summer of 2020.

    b. How will the USDA balance the obligation to serve the health of rural communities by investing in hospitals in need with the obligation to prudently invest public funds when establishing the credit eligibility requirements for the refinance of hospital debt?

Response: The 2018 Farm Bill states that an obligation for refinancing of hospital debt will have to meet the financial feasibility and adequacy of security requirements of USDA's

Community Facilities Program. The Community Facilities program is currently examining how to best balance the need to serve the financial health of rural hospitals with the need to prudently steward public funds.

6. Colleges and universities are economic drivers in rural communities. Declining student populations and rising costs are threatening these institutions and leading to closures that result in significant job losses and decline in economic activity.

    a. How will USDA support rural institutions of higher education as they work to adapt to a changing environment?

Response: USDA remains committed to advancing higher educational opportunities in rural America through the creation of public private partnerships. This includes facilitating their connection to high-speed high-capacity internet to maximize the use of digital learning especially the deployment of STEM curricula. USDA will continue to support colleges and universities through all available funding programs and resources.

In addition, USDA will collaborate with 1994 Institutions on a memorandum of agreement, as required by the 2018 Farm Bill, to ensure these schools have equitable access to USDA's programs. USDA plans to develop a Departmental Regulation to provide guidance for planning and reporting progress to meet Congress' mandate.

    b. What debt refinancing products are available to institutions of high education to help them financially adapt?

Response: RD has two programs that will refinance rural community debt: B&I Loan Guarantees and Community Facilities Direct and Guaranteed Loans. Under these programs, refinancing of debts can be incurred by, or on behalf of, a community under three conditions. First, the debts being refinanced must be no more than 50% of the new loan amount. Second, the remaining amount of the total project financing must support the rehabilitation of existing facilities, the construction of additional facilities, or the extension of services provided by the ownership entity. Lastly, arrangements cannot be made with creditors to extend or modify the terms of the debts so that a sound basis will exist for making a loan.

7. On February 1, 2019, the Department of Agriculture published a Proposed Rule to modify rules for the Supplemental Nutrition Assistance Program (SNAP) for Able-Bodied Adults Without Dependents (ABAWD). The proposed rule aims to limit the use by states of waivers allowing them to exempt certain ABAWDs from meeting work requirements to receive benefits under SNAP. The proposed rule would eliminate state-wide waivers unless the state qualifies for extended unemployment benefits and the state's request for a waiver has the full endorsement by the state government.

These changes directly conflict with the Agriculture Improvement Act of 2018, which President Trump signed into law on December 20, 2019, and would eliminate assistance for at least 755,000 individuals over a three year period. Additionally, the Agriculture Improvement Act of 2018 Conference Report (H. Rept. 115-1072) specifically states that it was the intent of Congress that states will "continue to accrue exemptions and retain carryover exemptions from previous years, consistent with current law." The proposed rule would end the unlimited carry-over of ABAWD percentage exemptions.

a. Please describe the statutory authority which allows USDA to circumvent the Congressional intent of Title IV of the Agriculture Improvement Act of 2018 (Public Law No. 115-334).

b. Please describe USDA's plan to lessen the potential impacts of the proposed rule on vulnerable low-income populations that depend on nutrition assistance programs such as SNAP.

c. Please describe how the proposed rule will help increase stable, long-term employment or move individuals to self-sufficiency.

Response: As stated in the proposed rule, the Department is committed to enforcing the work requirements established by the law and is concerned about the current level of waiver use despite a strong economy. The current regulations afford States broad flexibility to develop approvable waiver requests. The Department's operational experience has shown that some States have used this flexibility to waive areas in such a way that was likely not foreseen by the Department when it developed the current regulations. Given the widespread use of ABAWD waivers during a period of historically low unemployment, the Department believes that the current regulatory standards should be reevaluated.

Additionally, the President's Executive Order on Reducing Poverty in America by Promoting Opportunity and Economic Mobility (April 10, 2018) directed Federal agencies to review regulations to determine whether they are consistent with the principles of increasing self-sufficiency, well-being, and economic mobility, and to strengthen existing work requirements for work-capable individuals where possible in order to improve employment outcomes and economic independence. Consistent with the authority provided by the Food and Nutrition Act, Executive Order and the Administration's focus on fostering self-sufficiency, as well as the Department's extensive operational experience with ABAWD waivers, we have determined that the standards for these waivers must be strengthened so that the ABAWD work requirement is applied to ABAWDs more broadly. The Department is confident that these changes would encourage more ABAWDs to engage in work or work activities if they wish to continue to receive SNAP benefits. The Department looks forward to reviewing comments and will consider all comments received in drafting the final rule.

8. SNAP beneficiaries have access to nutritious foods when they can utilize their benefits at farmers' markets. Additionally, small farmers benefit from increased sales. The electronic benefit transfer (EBT) equipment is a critical part of the infrastructure that allows these transactions to take place. However, it comes at a significant cost to farmers and farmers' markets. Last summer, a major provider of mobile EBT technology for farmers markets and farm stands announced that it would discontinue service. FNS published a statement stating that: "USDA has been exploring all available options in an attempt to avoid a service disruption. Our number one goal is to mitigate the impact on our program participants as well as farmers and producers."

    a. What is FNS doing to prevent similar disruptions in farmers' markets EBT processing capacity throughout this upcoming summer?

Response: Fortunately, the major provider of mobile EBT technology will not be discontinuing service and markets and farmers that use this service may continue to do so uninterrupted. FNS continues to pursue additional options to best serve both the farmers and markets who wish to participate in SNAP, and SNAP participants.

    b. How will FNS ensure that EBT Equipment Program is available to markets who need to update their EBT machines due to technological changes?

Response: Markets and farmers who received no cost equipment and service as a means of exploring the benefits of SNAP participation continue to have multiple options available for continued service. As is required, States continue to offer no-cost SNAP-only equipment and service. Markets and farmers who wish to include commercial debit and credit options alongside SNAP acceptance may contract for such services directly with equipment providers.

9. Congress has recently given significant funding to RUS to close the digital divide in rural areas. However, I am concerned that RUS policies are hindering the ability of unserved communities in Vermont to receive the funding necessary to build-out broadband service. RUS declines to provide broadband funding in areas that have previously received awards, even in cases where the providers that previously received awards have ultimately failed to offer broadband service to the entire service area. While I appreciate the desire to limit the duplication of awards in areas that already have service, communities where a previous borrower has not in fact provided service should not be punished by being deemed ineligible for future broadband funding. In Vermont, an award from nearly a decade ago prevents unserved and seriously underserved areas in the state from being eligible to access critical broadband funding resources.

    Section 779 of Division B of the Consolidated Appropriations Act of 2019 made important changes to the RUS ReConnect Program to address these concerns. The intent of this language is to ensure that areas within a previous borrower's service territory that have not

received the service promised by the borrower are eligible to access the funding provided by this program. I also worked to add language in the Farm Bill that will reset eligibility for other RUS broadband programs in areas or any portions thereof where a previous borrower has failed to offer speeds of at least 10/1 Mbps by October 1, 2020.

a. Will you commit to reevaluating eligibility within Vermont for the ReConnect Program in light of the changes made in the Consolidated Appropriations Act of 2019?

Response: USDA has already revised the ReConnect program by offering the challenge process mandated in the 2019 Appropriations. The notice should be released imminently, if not already. Further changes will be made in the second round, given the inability to make other changes to our mapping tool without delaying the program. USDA has also already taken off defaulted borrowers' territory from the map as required by the 2019 Appropriations. These actions should ensure that all eligible service areas, including those in Vermont, receive fair consideration, for funding under the ReConnect Program.

b. Will you commit to ensuring that resources for other RUS broadband programs will be available to areas like those in Vermont that fall under the 10/1 threshold set by the new provisions of the Farm Bill?

Response: As USDA implements additional rounds of ReConnect funding and makes further changes to the challenge process, RUS will assess the ability to expand the challenge process and implement it for all RUS broadband programs. We believe that this is essential to ensure that areas that previously received RUS broadband funding, but that do not presently have service, will be able to receive future RUS funding.

10. As you know, the average age of farmers in the United States is over 58 years and continues to rise. In addition, farmland in the U.S. is overwhelmingly concentrated in the hands of older producers and landowners, with nearly two-thirds of farmland currently being managed by someone over the age of 55. Vermont faces its own challenges with farmland transition as more than a quarter of our principal farm operators are over 65, and very few are farming with identified successors. I am pleased that the 2018 Farm Bill includes provisions to strengthen and streamline existing farmland protection programs and directs USDA to study and address this intergenerational challenge in a more comprehensive way.

a. The 2018 Farm Bill authorizes USDA to prioritize applications for the purchase of agricultural land easements through the Agricultural Conservation Easement Program (ACEP) that maintain the agricultural viability of that farmland. How do you plan to implement this authority and will you take steps to define "agricultural viability" for ACEP?

Response: Under the existing regulation for the Agricultural Conservation Easement Program (ACEP), NRCS defines "future viability" as "the legal, physical, and financial conditions under which the land itself will remain capable and available for continued sustained productive agricultural or grassland uses while protecting related conservation values." NRCS also included under the ACEP regulation several national ranking factors designed to prioritize those applications where the long-term agricultural viability of the land was the highest. With the additional emphasis in the new statute, NRCS will expand the national ranking criteria and add to the State ranking criteria an additional section on agricultural viability.

b. The 2018 Farm Bill creates a new 'Commission on Farm Transitions—Needs for 2050' and directs you to appoint three members to the Commission within 60 days of the bill's enactment. Have you taken steps to appoint these members? If not, when can the Committee expect to be notified of their appointment?

Response: We are developing a plan of how to implement this provision with existing resources and have not yet sought appointments to the Commission. We will request Congress' appointments once that plan is established.

c. The 2018 Farm Bill directs you to conduct a report on challenges to land access for historically underserved producers and assess current federal initiatives to reduce those challenges within one year of enactment, as well as collect data on farmland ownership and transition on a three year basis. What steps have you taken to begin conducting that report?

Response: USDA's Economic Research Service has an ongoing program of research and analysis relating to Beginning and Socially Disadvantaged farmers and ranchers. Existing USDA surveys provide extensive data on these farmers and ranchers. Already published research provides insight into barriers they face in obtaining resources, particularly land. Currently initiated research and data collection efforts aim to provide further insight on the characteristics of Beginning and Socially Disadvantaged farmers and ranchers, how they obtain land and finance land acquisition, and their participation in government programs. USDA has begun to draw on these resources to prepare the report.

11. As the downturn in the U.S. farm economy continues, with net farm income down 50 percent over the past five years, farmers across the country face increased mental, financial, and emotional stress, including an increased risk of suicide. I continue to hear from farmers and service providers, including Vermonters, who have seen an increase in demand for mental health services in recent years. The 2018 Farm Bill authorizes the Farm and Ranch Stress Assistance Network to improve our national capacity to address farmer mental health issues and the Fiscal Year 2019 appropriations bill for USDA, which I negotiated, included $2 million for the initiative.

a. Prior to enactment of the 2018 Farm Bill, what steps have you taken to address the urgent need for mental health services for farmers and ranchers?

Response: NIFA helps enhance rural health and safety through research, education, and extension, in collaboration with Land-Grant Universities, the Cooperative Extension System (CES), and their many partners in communities across the country. In 2010, there were over 13,000 full-time equivalent extension professionals nationwide. USDA recognized that with thousands of extension personnel located across the country, key front-line responders could be trained to help serve farmers in distress. NIFA and the Farm Service Agency (FSA) entered into an Interagency Agreement in September 2018 to develop training, resources, and outreach materials that will support FSA field employees as they serve farmers and ranchers under stress. The cooperative agreement engages the North Central Regional Center for Rural Development and Michigan State University to meet the following objectives:

- **Improve FSA field employees' readiness to serve farmers and ranchers through training on office and staff physical safety, mental and emotional health**
- **Increase the skill of field employees (particularly farm loan officials) in communicating with producers who may be experiencing farm/ranch financial stress, and in de-escalating tense or aggressive interaction**
- **Develop stronger connectivity between FSA field offices and local resource partners to improve the accessibility of mental health and farm assistance resources for producers under stress.**

In addition, the NIFA-administered National AgrAbility Project has been involved with Mental Health First Aid (MHFA) for several years and has a trained instructor involved in conducting programs. The MHFA training has been offered at the National AgrAbility Training Workshops in both 2018 and 2019. Cooperative Extension faculty and agents in Michigan and Ohio have also received MHFA training.

b. Have USDA field staff, particularly those at FSA and RMA, been specifically trained to identify signs of stress or emotional hardship among producers and to implement best practices for dealing with these situations?

Response: FSA is currently in partnership with NIFA, through a cooperative agreement with Michigan State University, to train FSA field staff on how to identify and address customers exhibiting producer stress.

12. The 2018 Farm Bill reauthorizes appropriations for Agricultural Innovation Centers, first established in 2002, to assist producers in the development, processing, and marketing of value-added products to improve farm viability.

a. To date, funds appropriated for this program in Fiscal Year 2018 have not been disbursed. How will the USDA ensure timely delivery of Agricultural Innovation Centers funding in Fiscal Year 2019?

Response: Rural Development is working to incorporate changes to the Agriculture Innovation Center (AIC) authorized in the 2018 Farm Bill. The agency intends to combine the FY 2018 and FY 2019 funds appropriated for the AIC into a single notice and run the program in FY2019.

13. The preservation of rural affordable housing frequently requires developers to leverage federal, state, local and private sources of financing. Vermont's affordable housing providers have expressed to me the importance of a clear and accurate timeline for when they can receive each financing component.

    a. Understanding that the obligation of MPR loans are based on the availability of funds, what steps can the USDA take to limit the time between the issuance of the conditional commitment and the loan obligation in the MPR program?

Response: USDA obligates funds on a delayed cycle due to a limited appropriation. To help our customers secure third-party funds, including but not limited to tax credits, we have made conditional commitments subject to future appropriations. Based on our current projections for deferral subsidy costs, we expect the FY 2019 appropriations to enable USDA to fund all the transactions approved through November 2017. Transactions approved after November 2017 will be funded through future appropriations cycles, and the timing will depend on the amount of the funding appropriated and the assigned deferral subsidy cost.

    b. How can the USDA better communicate an accurate funding timeline with MPR applicants?

Response: As we have in previous years, USDA will continue to share funding timelines with our internal and external customers as soon as they are available. As noted above, the agency cannot make determinations regarding funding availability until appropriations are provided. At that time, the agency will clarify the funding status for our customers and will continue to provide updates should conditions change.

    c. What is the number and value of the MPR projects with conditional commitments that are currently awaiting the obligation of funds from the USDA?

Response: Currently, there are 177 projects, valued at $203 million, waiting for MPR funding for which conditional commitments have been issued subject to availability of funds.

    d. How are these projects prioritized for funding?

Response: The waiting list is prioritized by the date of the application's approval by the Loan Review Committee.

    e. How much MRP debt deferral have Vermont projects received each year in the past five fiscal years?

Response: During the last five fiscal years, MPR debt deferral has been obligated for Vermont projects in the amount of $4,219,882 for 8 loans, involving 7 properties. Details of the amounts received each year are as follows:

Vermont Debt Deferral by Fiscal Year			
	$ Amount Obligated	Loans	Properties
FY 2014	1,158,001	2	2
FY 2015	816,357	1	1
FY 2016	1,273,247	4	3
FY 2017	0	0	0
FY 2018	972,276	1	1

f. Where does Vermont's received debt deferral for Fiscal Year 2018 fall among all 50 states?

Response: In 2018, Vermont received $972,276.36 in debt deferral for one loan, involving one project. In relation to the nation, Vermont received .96% of the over $100 million obligated for 172 loans, involving 134 projects.

14. Absent dynamic economic engines, many communities in rural America will continue to struggle with low incomes and outmigration. Rural Business Development Grants are designed to support and promote activities leading to economic development and job creation in rural areas.

a. Is this program oversubscribed?

Response: The Rural Business Development Grant program is a popular program and is chronically oversubscribed.

b. Per year for the last five years, how many applications did the Department receive for how much funding?

Response:

Rural Business Development Grants FY2014-FY2018				
	Applications Received	Funds Requested	Applications Funded	Total Dollars Obligated
FY2014	742	$55,054,813	472	$30,423,439
FY2015	746	$61,878,342	467	$30,673,156
FY2016	665	$47,165,618	501	$31,122,946
FY2017	704	$52,522,413	502	$30,469,181
FY2018	799	$63,525,545	571	$40,042,429

15. The Section 504 Home Repair program provides loans to very-low-income homeowners to repair their homes and grants to remove health and safety hazards for elderly very-low-income homeowners. As Vermont's population ages, very-low-income homeowners will rely increasingly on this vital funding to ensure families can age safely at home. Under this program, loans over $7,500 require full title service. Title service can include title fees and costly appraisals, among other requirements which my constituents tell me are not reimbursable under the loan creating barriers for Vermonters hoping to access loans above $7,500.

    a. In FY18, how many 504 loan and grant applications did USDA receive and how many were funded?

Response: There were 9,862 Section 504 loan and grant applications received in 2018. A total of 6,197 Section 504 loan and grant applications were funded (2,972 grant assistance only, 1,612 loan assistance only, and 1,613 combination loan and grant assistance). Applicants that did not receive assistance were either not eligible or withdrew their request.

    b. Is the program oversubscribed?

Response: No, the program is not oversubscribed. Staff can fund applications throughout the entire fiscal year.

    c. How long has USDA required loans above $7,500 to receive full title service?

Response: Loans of $7,500 or more have required security since The American Homeownership Economic Opportunity Act of 2000. This Act raised the limit from $2,500 to $7,500.

    d. Could USDA achieve programmatic cost savings while protecting its investment by securing the loan with a promissory note in house? If so, how?

Response: Yes, cost savings could be achieved by securing loans with a promissory note while still protecting our investments with loan amounts up to $15,000.

e. If a promissory note is deemed too risky, would USDA consider raising the threshold to $15,000 or calculating for an increase in inflation from the first use of the $7,500 threshold?

Response: Legislation would need to be enacted to increase the threshold above $7,500.

f. If not, why not?

Response: This requires a legislative change.

16. Manufactured Housing remains one of the most reliable sources of low-cost homeownership and rental options in the state of Vermont, and across the United States. In Vermont alone there are 241 manufactured home parks, with over 7,100 lots. Vermont's manufactured home communities face three key challenges: aging infrastructure (especially water/wastewater systems), inefficient homes that increase utility cost burdens on residents, and lack of technical support and permanent finance for conversions should park residents seek transition to resident owned communities.

a. What rural development programs are working effectively to address these three challenges, and how?

Response: The Water and Environmental Programs of the Rural Utilities Service (RUS) has loan and grant assistance programs for the replacement of water and wastewater systems. Manufactured home communities may be eligible for this assistance if they are a special taxing district, a non-profit, or a Tribal Government Entity. There are "circuit riders" that provide technical assistance to rural communities on a statewide and regional basis. For example, the National Rural Water Association and Rural Community Assistance Corporation work in partnership with USDA Rural Development to provide initial technical assistance to communities.

As far as utility costs, Rural Housing Service has the Section 504 Loan and Grant program to assist very-low income rural homeowners in making health, safety, and/or energy efficient improvements to their homes. Additionally, a program administered by Rural Utilities Service, the Rural Energy Savings Program, would help establish a low-interest relending program for rural customers.

b. What are some of the Department's barriers to improving aging infrastructure, promoting energy efficiency and technical assistance, and permanent financing for conversions from owner to resident owned communities?

Response: Section 504(a) of the Housing Act of 1949 requires security for Section 504 loans that are $7,500 or greater. In order to perfect security, regulations require the use of title insurance and closing agent services. This adds significant costs to the borrower that could be better utilized in their energy efficiency upgrades, repairs, and improvements.

New infrastructure development is complex and even though USDA provides outreach and technical assistance, it can be difficult for rural communities to finalize applications. Rural Development has worked to address this by having staff coordinate with applicants' contracted engineers, architects, and contractors to help ensure they are meeting development requirements.

c. What can Congress do to support and improve these programs to ensure Vermonters and all Americans living in aging energy inefficient manufactured homes have low-cost sustainable options for improving their homes?

Response: Rural Housing Service is following existing law, the Housing Act of 1949, and will continue to do so unless Congress makes statutory changes.

17. On February 25, 2019, USDA solicited applications for the Rural Economic Development Innovation (REDI) initiative. Through this program, rural communities and regions may apply for technical assistance to implement economic development planning projects. The USDA has cooperative agreements with four entities to provide the technical assistance to selected communities. The 2018 Farm Bill reauthorized the State Rural Development Councils who are well positioned to provide economic development technical assistance to rural communities because of their local partnerships and depth of experience.

a. How were the technical assistance providers (cooperators) selected?

Response: USDA issued a Federal Register Notice on August 17, 2018, seeking applications to support regional economic development planning efforts in rural communities. The Notice specified application review information with evaluation criteria based on soundness of approach, existing and proposed new partnerships, innovative methods and practices, organizational capacity, work plan, and performance outcomes. In February 2019, USDA selected four cooperators who are currently accepting applications from rural communities for technical assistance to implement economic development planning projects.

b. Will the USDA select new or additional cooperators in the future?

Response: At this time, USDA has not planned to select new or additional cooperators for the Rural Economic Development Innovation (REDI) initiative.

c. Would the USDA consider the State Rural Development Councils as eligible technical assistance providers for REDI?

Response: State Rural Development Councils were not included in the eligible technical assistance providers under the REDI initiative at this time because for this initial effort, USDA required national capacity and structure to support multiple planning efforts nationwide. We may consider utilizing them as technical assistance providers for REDI in the future.

18. The 2018 Farm Bill authorized the Rural Innovation for a Stronger Economy program, which would award grants of $500,000 to $2 million to locally driven partnerships to promote job creation and economic opportunity in rural communities through the development of training centers, co-working spaces, job training, and infrastructure upgrades to support new businesses and employees.

    a. Does the Department plan to request funding for this newly authorized program in its FY2021 budget request?

Response: The 2021 budget has not been developed at this time.

    b. Do you believe USDA RD has a role to play in supporting innovation and job creation in rural communities?

Response: Rural Development has a large role in supporting innovation and job creation across the country. Our programs can promote economic development by providing communities access to the tools necessary to address challenges and create opportunities unique to rural America.

19. At the end of 2018, USDA issued a final rule on school meal nutrition standards. In it, schools are allowed to offer flavored, low-fat milk rather than flavored, fat-free milk. Milk offers nutritional value to children and when given the choice of higher fat and flavored milk, children will have the additional benefits of staying full longer and developing healthy habits. When milk tastes better, children won't be hungry at school, will not fill up on unhealthy, processed foods, and will benefit from the nutrients in milk. I consistently hear from dairy farmers that being allowed to sell higher fat milk to schools is one of their top priorities.

    a. How many states are taking advantage of the low-fat, flavored milk waiver?

Response: In October 2017, FNS collected information from State agencies regarding waivers provided for low-fat, flavored waivers for SY 2017-2018. At that time, 18 States had provided waivers allowing school food authorities to serve low-fat flavored milk.

    b. How will USDA monitor and track the effects of these changes on overall milk consumption in schools?

Response: Approximately every five years, USDA conducts a comprehensive evaluation of the National School Lunch Program operations. The most recent School Nutrition and Meal Cost Study-I (SNMCS-I) will be released in April 2019. The evaluation was conducted during School Year 2014-2015. The next iteration of this study, SNMCS-II, will provide a nationally-representative picture of the school meal programs in School Year 2019-2020 and will provide critical information about the nutritional quality, cost, and acceptability of school meals. This would include information on types of milk offered in schools as well as percent of milk

wasted in the plate waste component. In addition, from the dietary intake data, one can observe the percentage of students (participants and nonparticipants) consuming various types of milk at breakfast and at lunch and whether participants were consuming more milk than nonparticipants. Pending OMB approval, USDA plans to start data collection for SNMCS-II in January 2020 and release a final report by 2023.

20. Farmers and service providers alike rely on sound science and objective research to inform their decisions and improve agricultural viability. Both the Economic Research Service (ERS) and the National Institute for Food and Agriculture (NIFA) play critical roles in advancing agricultural research and independent analysis that has a direct impact on our nation's agricultural economy. I continue to have serious reservations about your proposal, announced in August 2018, to move ERS and NIFA outside of the National Capital Region (NRC) and place ERS into the Office of the Chief Economist.

    a. In your announcement of the plan to move and reorganize ERS and NIFA, you cited the high cost of living and long commutes within the NRC as a primary justification to move the agencies. In what ways did you survey the agencies' existing staff prior to making this determination? Have you made any efforts to solicit feedback from employees both prior to and since your announcement?

Response: The high cost of living and long commutes of Washington D.C. are well documented and empirically understood, and a new location with more affordable housing will allow employees to live closer to their workplace, lower commute times, and improve their quality of life. We made a management decision based on this and the desire to move out of leased space within the NCR.

Our goal throughout this process has been to ensure transparency, both for our employees as well as our stakeholders. We understand this change is significant and are committed to continue the conversations we have been having as this process progresses. Both NIFA and ERS have established small teams to provide feedback on the relocation. My staff meet with those groups regularly to provide information and obtain feedback on the process. In addition, all hands meetings with all employees have been held regularly since the announcement.

    b. How many employees of ERS and NIFA have left those agencies since the August 2018 relocation announcement?

Response: ERS had attrition of 22 permanent employees from August 2018 through March 1, 2019 compared to attrition of 11 permanent employees during the same timeframe a year ago. NIFA had attrition of 19 employees between August 2018 through March 1, 2019 compared to 12 employees departing USDA during the same timeframe a year ago. In addition, 6 employees from ERS and 4 from NIFA transferred to a different agency within

USDA between August 2018 and March 2019. The continued uncertainty is challenging for our employees, which is why we are proceeding expeditiously with the site selection process.

c. Do you plan to rehire and replace all employee vacancies that have occurred since the August 2018 announcement and that will occur prior to the agencies' relocation? If not, how many of those vacancies do you plan to fill? What is your hiring plan once these agencies are relocated?

Response: Maintaining all Agency operations is and will be a priority during this transition. We are prioritizing staffing to build in redundancy to ensure that critical programs and products continue to be administered without interruption. We plan for a rolling transition of staff to the new location along with focused hiring to fill any vacated essential positions at the new location(s) to ensure as little disruption as possible. Currently, agencies are filling some positions based on their strategic hiring plans. Until we know our current employee decisions and the new location(s), it is impossible to provide an exact timeline, but we expect a focused hiring effort from June through December 2019. In general, we are consistently evaluating hiring practices to provide the best customer service to our stakeholders.

d. What cost-benefit analysis has been conducted for relocating ERS and NIFA outside of the NRC? What steps have been taken to analyze the cost of employee attrition caused by the relocation? What steps have been taken to analyze the impact on research conducted by ERS and NIFA since your August 2018 announcement?

Response: During the decision-making process, USDA conducted a preliminary cost benefit analysis estimating savings based on facility costs, locality pay adjustments and assumptions on employee behaviors. We believe our main monetary savings from a relocation will be realized due to lower facility and locality pay cost savings in areas outside of the National Capital Region as compared to D.C. Ernst & Young, the consulting firm hired by USDA to help with the site selection, will perform a detailed cost benefit analysis on the finalists, which will be a tool we use in the final decision-making process. The analysis will be made available as soon as feasible.

Maintaining all Agency operations is and will be a priority during this transition. We are prioritizing staffing to build in redundancy to ensure that critical programs and products continue to be administered without interruption.

e. Since the August 2018 announcement, employees at ERS have begun the process of forming a labor union. If they are successful, how will you consult with the union on the planned relocation and reorganization of ERS?

Response: ERS employees are currently exploring options to establish a Fair Labor Relations Authority. If they are successful, we will interact and negotiate with the union like we do other unions in USDA by following established protocols outlined in the union contract. For situations where a union exists at an impacted location, union feedback may change the impact and implementation of the change; however, union negotiations will not have the authority to change the management decision.

f. What is USDA's estimated cost for the relocation?

Response: Locating the majority of ERS functions outside the National Capital Region includes a significant opportunity to improve USDA's ability to attract and retain highly qualified staff with training and interests in agriculture, many of whom come from land-grant universities; and to benefit the American taxpayers through significant savings on employment costs and rent, which will allow more employees to be retained in the long run, even in the face of tightening budgets. USDA has retained a consulting firm to evaluate expressions of interest (EOIs) and the consultant will provide a benefit-cost analysis during the site selection process. That analysis will be made available as soon as feasible.

21. The 2018 Farm Bill fully legalized the cultivation of hemp as an agricultural product. However, farmers seeking to benefit from this crop face obstacles as the Farm Service Agency (FSA) is telling them that hemp cultivation may violate the terms of existing FSA financing. As USDA moves through the rulemaking process for hemp cultivation, farmers who entered into USDA loans in good faith may miss an entire season of possible revenues while USDA produces new guidance, or risk violating the terms of their loans.

    a. Will you instruct the FSA to allow farmers with pre-existing FSA loans to cultivate hemp in states where a hemp oversight program is in effect?

Response: Until USDA has a regulation implementing the 2018 Farm Bill provisions on hemp, FSA will defer to compliance with the 2014 Farm Bill regarding hemp production.

22. In 2018, USDA announced the bioengineered food disclosure standard. Unfortunately, much of it goes against the spirit of the National Bioengineered Food Disclosure law passed in 2016 (P.L.114-216). I am concerned that these rules will contribute to confusion and complications for consumers.

    a. Why did you decide to use the less-well-known term of "bioengineered" as opposed to the more commonly identified terms of "GMO" or "genetically modified"? Why are these more well understood terms prohibited from being used?

Response: USDA used the term "bioengineered" because that is the term used in the statute requiring the establishment of a national bioengineered food disclosure standard. Using

other terms such as "genetic engineering" or "genetically modified organisms" may create inconsistencies with the preemption provisions of the law. In addition, USDA determined the language in the statute clearly and accurately describes the technology and provides consumers with the information they desire. Nothing in the final rule prohibits regulated entities from providing additional statements or other claims regarding bioengineered foods and bioengineered food ingredients, so long as such statements are consistent with all other applicable laws and regulations.

b. How will USDA generate the list of foods that determine whether or not a product is labeled as bioengineered? How will ingredients be added to this list?

Response: Foods included on the USDA List of Bioengineered Foods must meet the following criteria: (1) They are authorized for commercial production somewhere in the word, and (2) they are reported to be in legal commercial production for human food somewhere in the world. If a food is on the list and the regulated entity does not have records that show the food or ingredient produced from that food is not a bioengineered food, then a bioengineered food disclosure is required.

AMS will review and consider updates to the List on an annual basis and will solicit recommendations regarding updates to the List through notification in the Federal Register and on the AMS website. Because the List is included in the regulations, updates must take place through rulemaking.

In addition to the List of Bioengineered Foods, disclosure is required when a regulated entity has actual knowledge a food or ingredient they are using is a bioengineered food, even if that food or ingredient does not appear on the list.

c. How will you ensure that the wide variety of disclosure options provide a reasonable level of consumer confidence and information? What kinds of detailed guidelines will you provide for how large disclosures must be and where they are located?

Response: USDA intends to provide additional outreach specifically for consumers closer to the mandatory compliance date of January 1, 2022. This outreach will include information about the different disclosure options and how, if necessary, consumers can use an electronic or digital device to access the disclosure.

As required by the statute, the disclosure must be placed in one of two locations: (1) the information panel directly adjacent to the statement identifying the name and location of the handler, distributor, packer, manufacturer, importer, or any statement disclosing similar information or (2) on the principal display panel. If there is insufficient space on the information panel or the principal display panel, the regulated entity may place the disclosure on an alternate panel likely to be seen by a consumer under ordinary shopping conditions.

The Standard requires the disclosure to be of sufficient size and clarity to appear prominently and conspicuously on the label, making it likely to be read and understood by the consumer under ordinary shopping conditions. Given the wide variety of package sizes and configurations and multiple disclosure options, USDA does not intend to provide specific, prescriptive requirements about how large a disclosure must be.

d. If products are allowed to just have a QR code or number to text, how will you ensure that individuals without smartphones or who live in rural locations where cell phone service is unreliable are able to get the necessary information, at the time the information is required?

Response: The relevant statute sets forth that the food manufacturer is responsible for selecting which disclosure option they use. When they select the electronic or digital disclosure option, an accompanying statement that says "Call [1-000-000-0000] for more food information" is required. Consumers without access to a cell phone may be able to use the phone of the retail establishment in which they are shopping. In addition, a number of retailers have begun offering in-store internet access as well as electronic scanning devices that help consumer's access additional information about their food.

As required by section 293(c) of P.L. 114-216, the Secretary completed a study to determine whether consumers would have sufficient access to the bioengineering disclosure through electronic or digital disclosure methods. Based on the results of the study, the Secretary determined that consumers would not have sufficient access to digital or electronic disclosures. The proposed rule sought comment on a text message disclosure option, which would not rely on internet access like the electronic or digital disclosure. Based on public comments, AMS adopted the text message disclosure option.

Senator Sherrod Brown

1. I want to thank the USDA staff for its assistance on a technical provision that will correct an oversight that harmed Central State University (CSU), an 1890s institution in Wilberforce, Ohio. Mr. Secretary, I appreciate that you made a point to visit CSU last year.

   The recent FY 19 funding bill passed into law will result in increased formula funding for Central State that was authorized in Section 7115 of the 2018 Farm Bill (PL 115-134). Can you confirm that Central State University will receive at least $3m in FY 19 appropriations for extension (Sec. 1444) and research (Sec. 1445) activities? I would appreciate a commitment from you that USDA will continue its good work on this issue.

Response: We are currently working on implementation of the 2018 Farm Bill and evaluating the impact of FY 2019 appropriations on those provisions. I commit to continue to work on this issue.

2. It is my understanding that job vacancy rates at NIFA are 38% and 22% at ERS compared to FY 2017. I am worried that these positions are going unfilled and that, due to the uncertainty of a possible move, that USDA is losing well-qualified staff. This is a serious threat to our nation's agricultural sector.

   What steps are you taking to ensure that these jobs are filled?

Response: I too want to ensure that USDA has well-qualified staff and provide certainty to our employees. This is also why we have instituted what some believe to be an aggressive timeline—to ensure more certainty for our employees.

Our current vacancy rate is 25% at NIFA and 18% at ERS. Maintaining all Agency operations is and will be a priority during this transition. We are prioritizing staffing to build in redundancy to ensure that critical programs and products continue to be administered without interruption. We plan for a rolling transition of staff to the new location along with focused hiring to fill any vacated essential positions at the new location(s) to ensure as little disruption as possible. Currently, agencies are filling some positions based on their strategic hiring plans. Until we know our current employee decisions and the new location(s), it is impossible to provide an exact timeline, but we expect a focused hiring effort from June through December 2019.

3. As you know, the Economic Research Service employees have filed the necessary paperwork to hold a union election. Under 5 USC 7116(a), federal agencies must remain neutral during any effort by employees to organize and elect union representation. Will you commit that the USDA will refrain from interfering in the union election process? Specifically, will you commit that the USDA will not discourage employee membership in any labor organization in any fashion during the union election process?

Response: Yes.

4. Providing producers food safety practice and certification financial assistance is a concept that originated in a bill I introduced, the Local FARMS Act (S. 1947), in 2017. The Local FARMS Act is also where the concept for the new Local Agriculture Marketing Program included in the 2018 Farm Bill originated. The standalone food safety assistance program, as included in the Local FARMS Act, sought to make financial assistance for food safety practices and certification broadly available and accessible, but targeted to those most in need of assistance – small-farm operations, beginning farmers, and socially disadvantaged producers.

   How does USDA plan to implement the new authority within the Value Added Producer Grant program "to provide financial assistance for expenses relating to costs incurred in obtaining food safety certification and making changes and upgrades to practices and

equipment to improve food safety" in a manner that makes it broadly available and accessible to producers?

Response: USDA plans to administer the funds provided by 2018 Farm Bill for the Value-Added Producer Grant Program in the most effective and efficient manner possible. Rural Development will coordinate with the Agricultural Marketing Service to implement the new Farm Bill program and food safety provision to ensure resources are available to the targeted producers.

5. One provision I worked hard to have included in the 2018 Farm Bill to reduce nutrient pollution from entering sources of drinking water allows States to provide up to 90 percent payment rates for 10 high-priority practices through EQIP. I hope this extra incentive will increase the adoption of beneficial practices like cover crops and more efficient use of nutrients. It will be critical for States to prioritize management and vegetative practices with high NRCS evaluations when they are choosing their top 10 practices. Will you commit to providing guidance to States to ensure that we are making the best use of taxpayer investments in reducing nutrient pollution in drinking water?

Response: Yes, NRCS will be implementing this new provision when it publishes an interim rule incorporating the 2018 Farm Bill improvements, and such guidance will available for FY 2020 implementation. Once published, NRCS fully intends to provide guidance to States that is consistent with the statutory requirement that the high-priority practices be targeted towards meeting the resource concerns identified in statute. These criteria will be assessed, and decisions made at the State level with input from the State technical committee.

6. The farm bill authorizes NRCS to provide increased payment rates for cover crops, resource conserving crop rotations, and advanced grazing management within CSP. These increases are based on a multiplier - 125% for all enhancements that include cover crops, and 150% for resource conserving crop rotations and advanced grazing. Given that this change does not require any additional policy updates, is NRCS able to ensure that the increased payment rates are offered for FY19? What steps will the Department take to promote these increased payment rates?

Response: Yes, NRCS has already updated the applicable payment rates for cover crop practices and enhancements, as well as supplemental payments provided for resource conserving crop rotations. This is an excellent opportunity to utilize the skills consolidated within FPAC to ensure that a robust outreach plan is developed and implemented. In addition to the opportunities available through FPAC, NRCS will post the payment rates on the web and work through our local field offices to ensure that we can reach as many producers as possible.

7. I am pleased that the farm bill establishes the Clean Lakes Estuaries and Rivers (CLEAR) Initiative within CRP. What are the department's plans for ensuring that 40% of all

continuous acres are part of this initiative, and when will you begin outreach of this opportunity?

Response: Farm Service Agency (FSA) is evaluating changes made to the Conservation Reserve Program by the Agriculture Improvement Act of 2018 and will work to implement those changes as quickly as possible.

Senator Michael Bennet

1. As farmers across Colorado make their planting decisions, they would like to be sure that they can access their water, set up a bank account, and enroll in conservation programs if they grow hemp.

    a. How are you working with other agencies, such as the Bureau of Reclamation, to ensure farmers have the clarity they need from the federal government to move forward with planting hemp this year?

Response: Until USDA has a regulation implementing the 2018 Farm Bill provisions on hemp, FSA will defer to compliance with the 2014 Farm Bill regarding hemp production.

    b. In states where the cultivation of hemp is already taking place following the 2014 Farm Bill, will the USDA deem the cultivation of hemp a legal activity?

Response: Until USDA has a regulation implementing the 2018 Farm Bill provisions on hemp, FSA will defer to compliance with the 2014 Farm Bill regarding hemp production.

    c. In states where it is now legal, will hemp cultivation jeopardize the enrollment of producers in USDA programs, such as farm safety net or conservation programs?

Response: Currently, any person who is convicted under federal or state law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance in any crop year is ineligible during the crop year of conviction and the four succeeding crop years for certain farm safety net and conservation programs.

2. We are in our 19th year of drought on the Colorado River. Last year, I worked with a bipartisan group of Western Senators to include new drought-related conservation authorities in the Farm Bill. These new provisions allow you to target funding to watershed scale projects that conserve water, protect fish and wildlife habitat, and mitigate drought in the West. Farmers and ranchers on Colorado's West Slope have projects ready to go under these new authorities.

    a. Will you work with my office to implement these new tools?

Response: NRCS is working with a diverse group of stakeholders to implement the changes in the Farm Bill. We look forward to working with your office to effectively implement these provisions.

b. Will you work to limit barriers that reduce the effectiveness of these new tools for Colorado's farmers and ranchers?

Response: We understand that the new drought-related conservation authorities emphasize the need to streamline program delivery. We also recognize that barriers to and opportunities for delivering conservation programs may vary significantly from State to State, particularly related to drought in the West. NRCS will rely on our long tradition of locally-led conservation delivery to ensure that these new provisions are effectively delivered in Colorado and elsewhere across the country.

3. The Rio Grande Conservation Reserve Enhancement Program (CREP) supports local efforts to reduce water use and improve wildlife habitat. In the past month, producers who are interested in enrolling their land have been turned down, despite Congress providing interim authority for FSA and NRCS to continue to run programs under current rules for FY19.

    a. When will USDA reopen enrollment in CREP?

Response: The Farm Service Agency (FSA) is evaluating changes made to the Conservation Reserve Program (CRP) by the Agriculture Improvement Act of 2018, and will reopen enrollment in the Grasslands as quickly as possible.

b. Will you continue to work with my office to reopen enrollment, so that interested producers in Colorado can enroll as soon as possible?

Response: FSA is evaluating changes made to the Conservation Reserve Program, including the CREP, by the Agriculture Improvement Act of 2018 and will work to implement those changes as quickly as possible.

4. The farm bill increases the number of acres going to the Conservation Reserve Program (CRP) Grassland Initiative to 2 million by 2023, and prioritizes enrollment of land of ecological significance or at risk of conversion or development.

    a. How do you plan to move forward with enrolling additional grassland acres in CRP?

Response: FSA is evaluating changes made to the Conservation Reserve Program by the Agriculture Improvement Act of 2018 and will work to implement those changes as quickly as possible.

b. What steps will the agency take to do outreach to producers in western states who will benefit from these new priorities?

Response: FSA is evaluating changes made to the Conservation Reserve Program by the Agriculture Improvement Act of 2018 and will work to implement those changes as quickly as possible.

5. The farm bill authorizes a supplemental payment for advanced grazing management within CSP to reward grazing practices that improve soil health, drought resilience, and wildlife habitat. It's a critical step forward to provide increased payments for grazing activities, parallel with the payments for beneficial cropland conservation activities that already existed.

    a. What outreach will the Department do to ensure potential CSP applicants are aware of this new option in CSP?

Response: NRCS is working with Farm Production and Conservation-Business Center to ensure that a robust outreach plan is developed and implemented. In addition to the opportunities available through the Business Center, NRCS will post the opportunity for advanced grazing management and the corresponding payment rates on the web and work through our local field offices to ensure that we can reach as many producers as possible.

6. Agricultural producers in Colorado are struggling to remain competitive in an environment of extreme volatility and uncertainty. Labor costs are a significant contributor to that uncertainty and many producers use the H-2A visa program. Colorado recently saw the highest H2A wage rate increases in the entire nation (22.8 percent) in the 2019 Adverse Effect Wage Rates (AEWR's). Producers in Colorado have told me this could lead to hundreds of thousands of dollars in added cost to their operations.

    The system for establishing H-2A wages, including the USDA data collection process that goes helps to set AEWR's, must be as fair, transparent, and consistent as possible. The Senate's comprehensive immigration reform bill that passed in 2013 would have provided an alternative mechanism to establish fair and appropriate wage floors for agricultural workers.

    a. What steps, if any, have you taken to address the significant increases in H2A labor wage rates in certain regions like Colorado?

Response: Ag labor instability is one of the top three issues facing farmers across the country. It is a priority for the Administration to provide labor stability to farmers and we are taking steps to make administrative reforms to the H-2A program as announced by myself, Secretary Acosta, Secretary Nielsen, and Secretary Pompeo in May 2018.

The adverse effect wage rate is a primary cost within the program and USDA is committed to prioritize collection of data in the Farm Labor Survey to gather more specific data with finer granularity. This commitment is demonstrated by the $5 million funding request for the Farm Labor Survey in both the 2019 and 2020 President's Budget.

b. Do you intend to redesign the USDA's data collection process to ensure it more accurately reflects conditions?

Response: Despite not receiving the additional funds requested from Congress, NASS is evaluating appropriations to invest additional resources to expand the sample size to provide additional information at the regional level by standard occupational classification codes. The survey will continue to collect gross wages but will now include a base rate of pay and incentive (piece rate) collection. The data collection process will remain unchanged, and continue to include mail, web, telephone and personal interviewing twice annually (April and October) for the four quarters (January, April, July and October).

Senator Robert P. Casey, Jr

1. Pennsylvania is in the process of developing its Phase 3 Watershed Implementation Plan, which will outline how the Commonwealth intends to meet the requirements of the Chesapeake Bay cleanup. The costs for agriculture will be significant. The strong conservation title in the 2018 Farm Bill should lessen the burden on farmers. I want to echo Ranking Member Stabenow's call for a coordinated, targeted national initiative aimed at addressing water quality concerns through the numerous conservation programs administered by USDA. As you know, the Conservation Reserve Enhancement Program (CREP) has been utilized across the country to help farmers improve water quality.

   a. Is USDA currently enrolling acres in CREP?

Response: FSA is evaluating changes made to the Conservation Reserve Program by the Agriculture Improvement Act of 2018 and will work to reopen enrollment for the Conservation Reserve Enhancement Program (CREP) as quickly as possible.

   b. If not, when will the Department resume doing so?

Response: FSA is evaluating changes made to the Conservation Reserve Program, including CREP, by the Agriculture Improvement Act of 2018 and will work to implement those changes as quickly as possible.

2. In the case of forested riparian buffers implemented under the Conservation Reserve Enhancement Program, for what period of time are program participants eligible to receive annual maintenance payments under current FSA practices?

Response: FSA is evaluating changes made to the Conservation Reserve Program by the Agriculture Improvement Act of 2018 and will work to implement those changes as quickly as possible.

3. USDA's 2018 Farm Bill legislative principles states that it was the Department's priority to "Protect the integrity of the USDA Organic certified seal and deliver efficient, effective oversight of organic production practices to ensure organic products meet consistent standards for all producers." Inconsistent enforcement in the organic dairy standards is further exacerbating the economic challenges dairy farmers are facing.

   The organic industry has been waiting for over 15 years for this issue to be addressed and yet the Department removed the Origin of Organic Livestock rulemaking from the Unified Regulatory Agenda in 2017 after issuing a proposed rule. Can you provide clarity on if the Department will be taking regulatory action on this issue and if not, why?

Response: Protecting the integrity of the organic seal is a top priority for USDA. USDA is developing a Strengthening Organic Enforcement rule, which is needed to implement the Farm Bill 2018 provisions and address broad compliance and enforcement across the full organic industry. USDA has taken several actions to enhance its oversight of the organic livestock industry. For example, the National Organic Program has initiated a dairy oversight program focused on assessing compliance with the established organic pasture standards. We are committed to protecting the integrity of the organic seal and will continue to pursue enforcement actions when the existing regulations are being violated. In addition to these activities to protect the organic market, USDA has received and will continue to review stakeholder feedback on the need for Origin of Livestock rulemaking in the coming months.

4. The 2018 farm bill provided permanent baseline funding for the Organic Research and Extension Initiative (OREI), USDA's flagship program that funds research and extension activities to help organic farmers meet the unique challenges they face.

5. There are important research projects that waiting in the pipeline to be funded that will be delayed if USDA does not act soon. Can you provide a timeframe for when the Fiscal Year 2019 request for applications will be posted by the Department? How do you intend to engage with the organic sector to develop research priorities?

Response: We anticipate announcing the FY 2019 Organic Research and Extension Initiative (OREI) Request for Applications within the next 60 days. USDA intends to engage directly with in-person meetings with the organic sector to develop research priorities.

6. The Commodity Supplemental Food Program, or the senior food box program, provides nearly 700,000 low-income adults age 60 and up each year with monthly shelf-stable, nutrient rich foods. The senior food box program is a critical component in supporting the nutrition of at risk seniors. I was pleased that as part of the Agriculture Improvement Act of 2018 Congress agreed, on a bipartisan basis, to extend the certification time for eligible

seniors. This change minimizes the administrative burden for states, local administering agencies and seniors. On March 1, 2019, Senator Collins and I sent you a letter seeking an update on implementation of this provision. Can you please provide information on the steps being taken to implement this provision?

Response: On March 8, 2019, FNS issued a memorandum to provide information to CSFP State agencies and Indian Tribal Organizations on how to implement the new CSFP certification requirements. As outlined, FNS is also taking steps to update regulatory requirements accordingly. To access the memorandum, visit the FNS Farm Bill website at: https://www.fns.usda.gov/farmbill.

7. I worked to pass the Global Food Security Reauthorization Act (GFSA, S. 2269) in the 115th Congress to ensure that the Feed the Future program continues to support sustainable global food security efforts for at least five years. Given that Feed the Future has been reauthorized for five years, how will you work with USAID counterparts to ensure robust GFSA implementation in the long term? Will the President's Fiscal Year 2020 budget request for USDA include funding for GFSA implementation?

Response: In October 2018, President Trump signed into law the reauthorization of the Global Food Security Act (GFSA). The bill reauthorizes annual appropriations for the Department of State and USAID to carry out a Global Food Security Strategy (GFSS). The GFSS details a government-wide strategy developed by State and USAID, as well as agency-specific plans, to address global food security. Congress funds the GFSS through the State and Foreign Operations appropriations bills. The President's 2020 Budget does not request specific GFSA funding for USDA.

USDA partners with its interagency colleagues in the implementation of the Global Food Security Act. This includes alignment of in-kind and programmatic contributions, and technical expertise where appropriate, and raising awareness among the interagency of USDA's unique and world-class technical capabilities. These capabilities can be leveraged to contribute to achieving the GFSS goals and objectives, such as the development of agricultural market information systems and rules-based regulatory systems for food and agricultural products, improved resilience and nutrition, and advancement of new technologies and innovative research. Where appropriate, USDA aligns its food assistance and technical assistance programs with GFSS.

8. The March 2018 omnibus appropriated $600 million dollars for the ReConnect Program at the Rural Utilities Service. The deadlines to apply for grants and loans are coming up this spring. Has USDA had significant interest in those grant and loan programs? Are you confident that the funding process will continue to move along and quickly get those federal funds to unserved areas that need broadband the most?

Response: We have seen a lot of interest in the new ReConnect Program since Congress appropriated the $600 million dollars in March 2018. This interest has only grown over the last year but even more so as application deadlines draw near. We have and are continuing to host a series of webinars and workshops across the country for our potential applicants, so they understand the program and how to apply. I am confident that the funding process will move ahead as planned and that we will be able to make significant broadband investments in unserved areas.

9. The FY19 funding bill appropriated another $550 million to the program. Do you anticipate that this second round of funding will be made available soon after the current round is completed?

Response: USDA is committed to administering both the FY 2018 and FY 2019 appropriations expeditiously and effectively and to connect rural America with the full suite of our broadband and telecommunications programs. After the first round of funding is finished, USDA will begin the process of the second round as soon as practicable.

10. The 2018 Farm Bill provided extensive supports for urban farmers, including the authorization of $10 million in mandatory funding for research and extension activities as well as the establishment of an Office of Urban Agriculture and Innovative Production. Pennsylvania has a robust urban farming community, and my office has heard from numerous stakeholders expressing interest in using this office as a resource. What is your anticipated timeline for the development of the Office of Urban Agriculture and Innovative Production, and when do you expect the website to be available for public information?

Response: The 2018 Farm Bill did not provide funding for the Office of Urban Agriculture. USDA looks forward to fully implementing this provision and establishing this Office should funding be appropriated for this activity.

11. Under which agency in USDA do you plan for the Office of Urban Agriculture and Innovative Production to be located?

Response: USDA has not made a determination where the organization that the Office of Urban Agriculture would be housed should funding be appropriated for this activity.

12. When do you anticipate the funding for grants under the Office of Urban Agriculture and Innovative Production will be made available?

Response: Since this is a new program, USDA will need to promulgate regulations. With that in mind, we plan to post the FY 2019 Urban, Indoor, and Other Emerging Agricultural Production Research, Education, and Extension Initiative Request for Applications by spring

2020.

13. The Farm Bill authorizes the development of an Urban Agriculture and Innovative Production Advisory Committee to develop recommendations, evaluate research and identify barriers for urban agricultural production. How do you intend to make appointments to the Committee?

Response: The 2018 Farm Bill did not provide funding for the Office of Urban Agriculture. USDA will implement this provision and establish this Office, including making appointments to the Committee, should funding be appropriated for this activity.

14. Enchanted Acres Farm, Inc. (EAF), a Pennsylvania-based corporation with an infant formula manufacturing facility in Reading, is seeking access to the Chinese market. Before EAF can sell products in China, its permit from the Certification and Accreditation Administration (CNCA) of the People's Republic of China needs to be posted on CNCA's website. I understand it has been over a year since EAF was informed that it met all CNCA requirements and the permit was issued, yet it has still not been posted on CNCA's website. Will you commit to USDA working with its Federal government partners to ensure this issue is addressed promptly?

Response: Yes. USDA continues to actively work to help Enchanted Acres Farm, Inc. gain access to China. USDA understands and agrees with EAF that China represents a significant market opportunity for U.S. dairy and infant formula exports. Market access barriers on dairy products are among the many structural obstacles for U.S. agricultural exports to China that we are joining with USTR to attempt to eliminate during negotiations with China.

Senator Tina Smith

1. USDA has stated that they will hold Farm Bill listening sessions across the country.

    a. Will USDA commit to holding listening sessions in Indian Country or with Tribal Leaders?

Response: Yes, there are various listening sessions that are occurring both in Washington DC, online, and in-person throughout the country. USDA's Office of Tribal Relations (OTR), housed in the Office of the Secretary, has ensured that these meetings are communicated through traditional and electronic methods (website, bi-weekly newsletter, etc.) to our customers, partner organizations, and stakeholders.

    b. Does USDA have a plan in place for government-to-government consultation with Native American Tribes regarding Farm Bill implementation?

Response: Yes, USDA is finalizing consultation dates and locations. USDA remains committed to timely and meaningful consultation with the tribes. OTR is working to coordinate efforts and ensure the opportunities for participation, including the receipt of any resolutions or letters from tribal leaders so that tribes that may not have the resources to participate, still have a voice in the process. There will be reporting and analysis shared within USDA and with the tribal leaders. While USDA may not be able to make all suggested changes or adapt all ideas, this information is very important to us and will be utilized in the rulemaking process.

USDA OTR staff facilitates the relationship between all USDA agencies and tribes, tribal organizations, and American Indian/Alaska Native citizens and more importantly, OTR facilitates USDA's commitment to the legal government – to – government relationship between USDA and Federally recognized tribes through constant communication and coordination.

2. As ranking member of the Rural Development and Energy Subcommittee, I worked hard to get rural health programs, broadband grant programs, and other economic development programs included in this Farm Bill. How do you plan to implement rural development programs in the Farm Bill without an undersecretary at the agency?

Response: I am currently working to fulfill the role of Under Secretary for Rural Development and look forward to working with the Committee to achieve confirmation for that position. In the interim, the acting assistant to the Secretary serving in this capacity has my full confidence to carry out the mission of Rural Development, including implementation of the 2018 Farm Bill.

3. Hmong, Latino, and Native farmers in Minnesota have an incredibly strong agricultural heritage. Hmong refugees carried on their farming traditions as soon as they began to settle in Minnesota in the 1970s. The growth of the Hmong farming community in Minnesota has contributed greatly to the growth of farmers markets in Saint Paul and Minneapolis. The Latino Community in Minnesota is an integral part of the Agriculture sector as well. The Latino Economic Development Center is focused on connecting growers to markets. Native farmers in Minnesota are also part of our state's agricultural foundation. Native grown wild rice is now being sought in overseas markets. Native farming communities rely on USDA rural development programs and a broad array of resources designated for socially disadvantaged farmers and ranchers. It is my goal to expand opportunities in agriculture for everyone, and to ensure that all farming communities in Minnesota can access USDA resources. In the Farm Bill, I pushed for the inclusion of a provision that would request a GAO study to evaluate civil rights at USDA and review farm program usage by minorities, like the Hmong, Latino, and Native communities in my state.

    a. What will you do to ensure that USDA programs are accessible to historically underserved communities in Minnesota and across the country?

Response: An additional 1994 Institution was added to the roster of land-grant institutions in the 2018 Farm Bill, Red Lake Nation College. Red Lake Nation College, Fond Du Lac Tribal and Community College, White Earth Tribal and Community College, and Leech Lake Tribal College are in Minnesota. Each of these schools could serve as sites to convene meetings about USDA programs and provide important outreach to these communities. USDA will also collaborate with 1994 Institutions on a memorandum of agreement, as required by the Farm Bill, to ensure these schools will have equitable access to USDA's programs.

b. Will you commit to visit with Native farmers, Hmong farmers, and Latino farmers in Minnesota to hear about their experiences firsthand?

Response: Yes, USDA is committed to meeting with and learning of the experiences of tribes, tribal organizations, and American Indian/Alaska Native citizens.

4. In Minnesota, the average age of a farmer is 56.6 years old. That average age has increased 7.5 years from 1982 to 2012. Fortunately, many young Americans are stepping up and launching new farm businesses to manage our farmland and support rural economies. However, federal programs are underserving their needs, and many young farmers are not accessing the programs designed to help. To support young farmers who have difficulty accessing USDA programs or may not even know they exist, the Farm Bill created new beginning farmer and rancher coordinators at the state and national level to work with USDA agencies and services – like FSA, Rural Development, and the NRCS -- to do more outreach, provide technical assistance, and train field staff.

    a. Where is USDA on filling these new positions and how do you plan for these coordinators to meet the needs of your beginning farmer customers?

Response: USDA is evaluating the requirements of the 2018 Farm Bill and will work to implement these new authorities as quickly as possible. Once a strategy is implemented, USDA will conduct robust outreach to ensure that customers are aware of all the resources available to them.

5. I am proud that the Farm Bill contains provisions I pushed that update the energy title and encourage soil stewardship. As you know, the clean energy revolution is a crucial driver of the economic growth in rural parts of Minnesota. Farmers gain steady income from wind turbines and renewable energy creates new jobs. Clean energy is a win-win, as it stimulates rural economic development while also reducing greenhouse gas emissions.

    a. Will you pledge to ensure rapid and smooth implementation of the Energy Title programs?

Response: Yes. USDA is committed to stewarding the resources provided in the Energy Title of the Farm Bill. Energy Title programs have and will continue to have a role in helping the agricultural sector to improve their competitive position, create new business opportunities and generate jobs. USDA continues to explore ways to improve program delivery to support a wide diversity across all commercially available technologies as well as all regions in the U.S. and its territories. Rural Development is committed to strengthening customer service at our field, regional, and national offices. To accomplish this goal, Rural Development is acting to improve processes and streamline applications, developing capacity for the digitization of applications, and working to unify our information technology infrastructure. With these enhancements, we can continue to deliver the programs authorized by the 2018 Farm Bill with exceptional customer service.

6. The Conservation Stewardship Program (CSP) is the only program that provides comprehensive, advanced conservation assistance. This program is essential for farmers in Minnesota, and I am pleased that the 2018 Farm Bill retained the CSP as a standalone program. The farm bill also included several important policy changes, which I worked to advance throughout the farm bill process, to further focus the program on activities that benefit soil health and water quality. I know that NRCS has not yet formally announced the sign-up period for FY 2019.

    a. A national announcement and promotion of the opportunity to enroll in CSP in FY19 is key to the program's success and I urge you to move forward with a national announcement to promote the program as quickly as possible. What are USDA's plans for a national announcement of the FY 2019 sign-up and available funding?

Response: NRCS announced on April 5, 2019, that we would close the current CSP application pool to begin ranking on May 10, 2019.

    b. Will NRCS be able to immediately offer the increased payment rates for practices like cover crops and resource conserving crop rotations, which are critical for soil health?

Response: As part of our announcement, the higher payment rates for cover crop activities and resource conserving crop rotations will be available this fiscal year.

7. I am pleased that the Farm Bill made several changes to conservation programs to increase accessibility for beginning and socially disadvantaged farmers. Can you provide an update on how USDA will be working to provide outreach and assistance for these groups of farmers to participate in programs like EQIP and CSP?

Response: NRCS is working to develop and implement an outreach plan. Specifically, NRCS will work through the Farm Production and Conservation-Business Center and our State and local field offices to ensure that we can reach as many historically underserved producers as

possible and to ensure they are made aware of the opportunities offered through the 2018 Farm Bill.

Senator Richard J. Durbin

1. Nutrient runoff has caused significant problems waterways and our drinking water. It has been an issue throughout Illinois, from cities like Danville and Decatur. Data from this pilot shows that fields with cover crops do not have lower yields, or lower profits, yet reduce nitrate runoff. The Farm Bill reduced barriers for cover crops—like bonus payments for cover crops in the Conservation Stewardship Program, and the new authority in EQIP for USDA to pay a 90 percent cost share for cover crops.

    a. Will you prioritize the implementation of these new cover crop provisions?

Response: NRCS will immediately offer the higher payment rates for cover crop activities offered through the Conservation Stewardship Program. However, the high-priority practices offered through the EQIP will not be implemented until the interim rule publication, which is expected to be published in time for implementation in FY 2020.

    b. Will you ensure conservation money going to state conservationists is prioritized for farmers who improve fertilizer practices?

Response: NRCS evaluates many factors while allocating financial assistance funds to States. Much of this information is derived from a State resource assessment that evaluates the issues within the State and the expected practices/programs necessary to address the issues. Most often, this does include soil health and water quality, both of which can be improved through sound nutrient management.

    c. How does USDA plan to work with private sector experts, as directed by the Farm Bill (i.e., farmer cooperatives, agriculture retailers and other planning specialists) to help farmers write and implement nutrient management programs?

Response: NRCS utilizes various opportunities to assist producers with writing and implementing nutrient management plans. This may include entering into contribution agreements with knowledgeable entities and providing payments through financial assistance contracts so that producers can hire technical service providers. In addition, some NRCS practice payments include costs for producers to hire certified crop advisors to ensure that nutrient management is adequately addressed.

    d. I understand there was confusing guidance from USDA Risk Management Agency and crop insurance agents that discouraged farmers who were interested in pursuing cover crops as good farming practices – are we on track to clear this up?

Response: Yes. Updates to the Cover Crop Termination Guidelines and associated outreach should improve the situation in which many producers were misinformed of the impact of cover crops on their insurability.

2. In October of last year, President Trump made a commitment to farmers across the nation saying he would work to allow 15 percent ethanol blends of gasoline to be allowed year round.

    a. Can you provide any clarification on the progress of the rule and the President's promise to our farmers to get E15 to be available year round?

Response: On March 12, 2019, EPA proposed regulatory changes to allow gasoline blended with up to 15 percent ethanol (E15) to take advantage of the 1-psi Reid Vapor Pressure (RVP) waiver that already is granted to E10. This change will allow E15 to be sold year-round without additional RVP control rather than just eight months of the year. This proposed rule is an important step toward getting more renewables in the nation's gasoline supply. The public comment period for the rule runs through April 28, 2019, which should allow a final rule to be issued in advance of the summer driving season.

3. Illinois is consistently one of the top exporting agricultural states, sending more than $8 billion of agriculture exports to other countries in 2016. But the future of my State's exports, along with the future of our farmers, and our rural economy have all been put in jeopardy by President Trump's haphazard trade policies.

    a. Farmers have lost market access in China and other countries as a result of the President's trade policies, and the Administration has exhausted trade mitigation payments for farmers. What steps is the Administration taking to help farmers that will be continue to be impacted by the Administration's trade policies?

    b. A recent analysis compiled by Purdue economists—Maksym Chepeliev, Wallace E. Tyner and Dominique van der Mensbrugghe—projected that if our trade policies are not changed, farmers will continue to suffer from lower incomes and reduced agricultural land returns. USDA economists have also indicated that it will take years for farmers to recover from current trade policies. How are you making farmers and agriculture a priority in trade negotiation? Given the markets lost due to retaliatory tariffs, are there other opportunities you're exploring to help farmers get back to trade levels they had been at prior to renegotiating our trade policies?

Response: U.S. farmers are the most resilient and efficient producers in the world. While 2018 was a difficult year for the U.S. farm economy, this year looks to be a better one, as

USDA forecasts that net farm income in 2019 will increase $6.3 billion (10 percent) to $69.4 billion, with increased projected cash receipts more than offsetting slightly higher production expenses. The USDA trade mitigation package provided timely assistance to farmers who were negatively impacted by tariff retaliation and helped them reorient their marketing and adjust to new market conditions. The Administration is also engaged in trade negotiations to improve export opportunities for U.S. farmers and ranchers.

On November 30, 2018 North American leaders signed the new U.S. Mexico Canada Agreement which will not only extend current duty-free trade with two of our biggest export markets but will also create new opportunities for agricultural exports to Canada and address long-standing non-tariff barriers for U.S. exports to that market.

We are currently involved in unprecedented negotiations with China seeking to address a wide range of unfair trade practices. President Trump has made it clear that any deal with China must address the concerns of our farmers and ranchers. U.S. negotiating objectives include eliminating a broad range of structural obstacles for U.S. agricultural exports. I am hopeful that a successful completion of these negotiations will provide meaningful additional market access so that our farmers and ranchers will be able to export more than they could before China imposed retaliatory tariffs in 2018.

We are also beginning negotiations with Japan, the European Union and the United Kingdom where we will seek the elimination of barriers that unfairly discriminate against U.S. agricultural exports and ensure that the United States is eligible for trade preferences that are at least as good as those available to our competitors.

4. This Farm Bill contains a number of provisions to advance urban agriculture programs by creating an Office of Urban Agriculture at USDA and providing grants for communities to produce food for donation.

    a. What steps are you taking to promote this office and the efforts included in this Farm Bill to expand urban agriculture?

Response: The 2018 Farm Bill did not provide funding for the Office of Urban Agriculture. USDA will implement this provision and establish this Office should funding be appropriated for this activity.

5. Secretary Perdue, you estimate that approximately one half of the agricultural workforce is undocumented.

    a. What is the Trump Administration's plan for more than one million undocumented farmworkers who toil in our fields to grow and harvest the food Americans eat every day?

Response: Ag labor instability is one of the top three issues facing farmers across the country. It is a priority for the Administration to provide labor stability to farmers and we are taking steps to make administrative reforms to the H-2A program as announced by myself, Secretary Acosta, Former Secretary Nielsen, and Secretary Pompeo in May 2018.

Due to the nature of jobs in agriculture, often being temporary and/or migratory, the exact number of hired workers is unknown. Data from various surveys by the Departments of Labor and Agriculture put the number of hired workers at approximately one million. According to the most recent data from the Department of Labor's National Agricultural Workers Survey (2016), 49% of these workers are illegally employed. It is illegal to knowingly employ a worker who is not authorized to work in the U.S.

b. Do you agree that comprehensive immigration reform legislation is needed to address the status of undocumented agricultural workers?

Response: Congress needs to act to provide longer term solutions to our labor needs and we are working with them to determine what opportunities are available to move forward significant ag labor reforms to ensure access to a legal workforce.

6. The H-2A program is the visa program that currently exists for seasonal agricultural labor. Employers have complained about excessive red tape in the program, and workers' rights groups have documented serious abuses that have hurt vulnerable workers.

a. Secretary Perdue, you released a statement last year saying you planned to reduce bureaucracy in the H-2A program and improve protections for U.S. workers. What steps have you undertaken to improve protections for U.S. and migrant workers in the H-2A program?

Response: USDA does not have ultimate jurisdiction over the H-2A program; however, we have been working with the Departments of Labor, Homeland Security and State to ensure agricultural interests are communicated during reforms of the H-2A program. USDA has been working with each of these Departments to examine how the H-2A program can better serve U.S. farmers. In November 2018, DOL published a Notice of proposed rulemaking titled "Modernizing Recruitment Requirements for the Temporary employment of H-2A Foreign Workers in the United States" and in January 2019, submitted for review a Notice of proposed rulemaking titled "Labor Certification Process for Temporary Agricultural Employment in the United States (H-2A workers)". We would defer you to DOL for specifics on this process. Any changes to the program will insure that first, any qualified U.S. worker who wants an agricultural job will be first in line to get one. Second, the worker protections enforced by the Department of Labor's Wage and Hour Division will not be diminished. This includes, but is not limited to, harassment and wage theft.

Additionally, USDA recently announced an interactive H-2A portal that will provide educational resources, access to needed forms and timeline explanations with calendar linking ability to help farmers work through the arduous application process. The tool can be found on www.farmers.gov.

7. On top of the retaliatory tariffs from China on U.S. soybeans, the USDA Animal Plant Health Inspection Service (APHIS) agreed to China's request that U.S. soybean shipments with more than one percent foreign material must be specified on the phytosanitary certificate. This is to address weed seed issues. This has created problems for U.S. exporters on whether such shipments would be allowed to be unloaded once reaching Chinese ports. Brazil doesn't face this same type of requirement from the Chinese, and if many of the weed seeds on China's list of concerns are already in China, it suggests that they should not be of phytosanitary concern to China at all.

    a. Why did APHIS agreed to this? What actions has APHIS undertaken to reduce the list of weed seeds of concern to China. Finally, as part of the ongoing trade negotiations with China, what steps are being taken by USDA to resolve this phytosanitary and other non-tariff trade barriers?

Response: In July 2016, China issued a new regulation that laid out conditions for importing grains from all countries, not just the United States. Shortly after the regulation went into effect in July 2017, China sent a delegation to the United States to verify compliance. They identified a number of problems that they considered to be in violation of their import requirements, including the presence of quarantine significant weed seeds in U.S. soybeans, which are not known to occur in China. China emphasized the need for the United States to address the issue or risk market access to China. As a result, USDA formed a Federal-State-industry workgroup to evaluate the situation and make practical, science-based recommendations to help keep U.S. soybeans moving and avoid market disruption. USDA, with industry's approval, presented a plan to China in December 2017, which included a systems approach to reduce weed seeds and the use of an additional declaration to expedite U.S. soybean shipments with limited foreign material. The systems approach includes export certification, identification and dissemination of best practices to optimize weed control at the farm level and the monitoring of weed seed contamination from farm to export. China accepted the proposal and most importantly, agreed to continue to accept imports of U.S. soybeans while the systems approach was being implemented. Since the phytosanitary agreement took effect on January 1, 2018, more than 12.9 million metric tons of U.S. soybeans have been exported to China with no rejections due to phytosanitary issues. In order to maintain market access for U.S. soybeans into China, everyone along the supply chain has to work together to make the system approach successful.

8. The 2014 Farm Bill authorized two new programs, Agriculture Risk Coverage (ARC) & Price Loss Coverage (PLC), to better assist farmers mitigate risks. Both of these programs were reauthorized in the 2018 Farm Bill.

    a. With the end of relief payments on trade, with market data reports for the shutdown, with farmers required to lock in a two-year commitment when they select an ARC-PLC option, when are you envisioning signup for ARC-PLC? Will you provide farmer with enough time to calculate the best decision for their operation?

Response: Signup for 2019 and 2020 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs will begin this fall after regulations are published to implement changes per the 2018 Farm Bill. This will allow producers enough time to make an informed election decision concerning this important 2-year election of either ARC or PLC on a commodity-by-commodity basis.

Civil Rights Impact Statement

Agency: SNAP, FNS
Contact: Arpan Dasgupta
Phone: 703-305-1623

Title of Rule: Standards for Waivers of the Time Limit for Able-Bodied Adults Without Dependents

Background

The proposed rule would revise Supplemental Nutrition Assistance Program (SNAP) regulations to set clear, robust, and quantitative standards for waivers of the able-bodied adults without dependents (ABAWD) time limit. The proposal would eliminate the ability of States to request waivers for areas that are not economically tied, limit the use of alternative economic indicators to areas that have limited or no standard data available, such as Indian Reservations and U.S. Territories, and provide clarity for States on the waiver request process.

The proposed changes are based on lessons learned by the Food and Nutrition Service (FNS) during the 17 years since the publication of the regulations related to ABAWD time limit waivers and the current administration's goal to strengthen and expand work requirements. In preparing the proposed rule, FNS considered comments received through the Advanced Notice of Public Rulemaking published on February 23, 2018, to seek public input to inform potential policy, program, and regulatory changes that could advance the goal of decreasing food insecurity by more consistently encouraging ABAWDs to obtain and maintain employment. The proposed changes would ensure that waivers are used to provide targeted relief and that the ABAWD time limit is used to encourage SNAP participants to find and keep work when jobs are sufficiently available.

Provisions in the Rule: This rule will affect State agencies operating SNAP as well as SNAP beneficiaries and applicants. The Food and Nutrition Act of 2008 (the Act) limits the amount of time an ABAWD can receive SNAP benefits to 3 months in a 36-month period, unless the individual is working at least 20 hours a week, working and/or participating in a qualifying work program at least 20 hours per week, averaged monthly to 80 hours per month, or participating in and complying with workfare. Individuals are exempt from the time limit for several reasons, including being under age 18 or 50 years or older, unfitness for work, having a dependent child, or otherwise being exempt from the general work requirements. The Act provides State agencies with flexibility to request a waiver of this time limit in a geographic area if unemployment is high in that area or the area does not have a sufficient number of jobs to provide employment.

The proposed rule would make the following changes:

1. Revising Core Standards for Approval

The proposed rule would amend current SNAP regulations by updating criteria for FNS approval of ABAWD waivers to provide more clarity and consistency with current priorities and practices. These core standards would serve as the basis of approval for the vast majority of waiver requests with the exception of waiver requests for areas with limited data or evidence, such as Indian Reservations and U.S. Territories.

The proposed rule would retain one waiver criteria from existing SNAP regulations: data from the Bureau of Labor Statistics (BLS) or a BLS-cooperating agency that shows an area has a recent 12-month average unemployment rate over 10 percent.

The proposed rule would modify the current criterion for approval that States'a waivers can be approved for an area that has a 24-month average unemployment rate 20 percent or more above the national rate for a recent 24-month period. The proposed provision would establish an unemployment rate floor at 7 percent for such a waiver to be approved.
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The proposed rule would also clarify that if a requested area qualifies for extended unemployment benefits as determined by the Department of Labor (DOL), FNS would approve a waiver request. Existing regulations include this criterion as evidence to support a claim of lack of sufficient jobs and requests based on this support are currently considered on a case-by-case basis.

The proposed core standards would not include a low and declining employment-to-population ratio, a lack of jobs in declining occupations or industries, or an academic study or other publications describing an area where there are a lack of jobs as a basis for the approval of waivers. These criteria are included in the current regulations and the proposed rule would remove them as a basis for approval for a waiver request in areas where BLS data or data from a BLS-cooperating agency is available. The proposed rule emphasizes that the basis for approval of waivers is sound data and evidence that primarily relies on data from BLS and other DOL sources. Any supporting unemployment data provided by the State must rely on standard BLS data.

2. Other Data and Evidence

The proposed core standards described above would be the primary basis for determining whether FNS will approve a waiver. The rule also proposes that FNS may approve waiver requests in exceptional circumstances that are supported by data or evidence other than those listed in the core standards, such as data from the BLS or a BLS-cooperating agency showing an area has a most recent 3-month average unemployment rate over 10 percent.

An exceptional circumstance would be one that is unforeseen or a situation or event that is expected to have an impact that extends beyond the specific event. Some examples of an exceptional circumstance may include an industry that faces a significant downturn or impacts the economic viability of the region, the economy of an area being negatively impacted for an extended period as a result of a disaster, or an overall national trend that demonstrates an economic decline. A short-term seasonal aberration would not be considered exceptional and would not be considered a basis for approval.

The rule proposes that such other data and evidence would still primarily rely on BLS data. Furthermore, these alternatives would only be considered in exceptional circumstances or applied if BLS data is unavailable or BLS develops a new method or data that may be applicable to the waiver review process.

3. Areas Covered by Waivers and Limits on Combining Data for Areas

The proposed rule would reduce the current ability of State agencies to define combined areas due to FNS concerns that these existing flexibilities have resulted in individual areas being combined in a manner that does not reflect an economically tied area lacking sufficient jobs. Under the proposed rule, States would have the option to request to waive the entire State, individual areas within the State based on the individual areas meeting criteria for approval, or an entire Labor Market Area (LMA).

An LMA is an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. LMAs include Federal statistical areas such as metropolitan statistical areas, micropolitan statistical areas, and other combined statistical areas. Under the proposed rule,

States would only be able to combine data from multiple individual areas for an entire LMA designated by DOL.

4. Duration of Waiver Approvals

Although FNS currently typically approves waivers of the ABAWD time limit for one year, existing regulations allow FNS to approve waivers shorter or longer in certain circumstances. Based on current practices, States typically request waivers to cover one year. FNS believes approving waivers for one year to be a best practice as it allows sufficient predictability for States to plan and implement the waiver and ensures that the waiver request is based on current economic conditions.

The proposed rule would limit waiver approvals for one year, or for a shorter period at the State agency's request or if the data is insufficient to support a one-year waiver. One example of such a request would be if an area is experiencing an economic decline that is in the early stages and the economic decline has not spanned 12 months or more.

Additionally, FNS proposes that waivers based on having a 24-month average unemployment rate 20 percent or more above the national rate for a recent 24-month period would not be approved beyond the fiscal year in which the waiver is implemented. Relatedly, the Department seeks to ensure that the unemployment data used for waivers based upon a 24-month average unemployment rate 20 percent or more above the national rate for a recent 24-month period is recent, consistent with DOL standards for designating Labor Surplus Areas (LSAs). These changes ensure consistency with effective dates of LSAs, which are designated on a fiscal year basis, and prevents States from using older data which may not accurately reflect current economic conditions to support a waiver.

5. Areas with Limited Data or Evidence

Current practices provide flexibility to State agencies for areas for which BLS data or BLS-cooperating agency data is limited or unavailable, such as in the case of an Indian Reservation or U.S. Territory. The proposed rule would codify these flexibilities.

Under the proposed rule, FNS would consider waiver requests for areas for which standard BLS data or a BLS-cooperating agency data is limited or unavailable, if the requests are supported by an estimated unemployment rate of a reservation

area based on available data from BLS and Census Bureau's American Community Survey (ACS), a low and declining employment-to-population ratio, a lack of jobs in declining occupations or industries, or an academic study or other publication describing the area as lacking a sufficient number of jobs to provide employment for its residents.

BLS does not produce data specific to these areas and other unemployment data is often unavailable. The State can estimate unemployment rates for tribal lands by applying data from ACS to available BLS data. In addition, some tribal governments generate their own labor force and/or unemployment data, which would continue to be acceptable to support a waiver.

6. Reducing Basis for Approvals

The proposed rule would require State agencies to request and receive FNS approval before implementing an ABAWD waiver. By requiring State agencies to apply for waivers before they are implemented, FNS will gain a more accurate understanding of the status of existing waivers. FNS believes that the current regulations allowing States to implement a waiver before approval, while rarely used, do not represent a best practice and do not provide for sufficient oversight.

Current SNAP regulations also allow for a historical seasonal unemployment rate over 10 percent to be used as support for the claim of unemployment over 10 percent; the proposed rule provision removes this is an acceptable criterion. FNS does not consider this criterion to be an appropriate basis for approval.

Analysis

The changes to SNAP regulations in this proposed rule are intended to ensure that State flexibilities related to ABAWD waivers are used to support the administration's focus on encouraging participants to move to self-sufficiency. The proposed rule would limit the broad discretion State agencies currently have to define the areas for which they request to waive the ABAWD time limit, including by significantly reducing States' flexibility to define combined areas. It would also strengthen the evidence and data requirements to support States' waiver requests. The proposed rule would allow FNS in exceptional circumstances to approve waiver requests that are supported by data or evidence other than those listed in the core standards or if BLS data or BLS-cooperating agency data is limited or unavailable for an area, such as in the case of an Indian Reservation or U.S. Territory.

Overall, because FNS would apply stricter waiver approval criteria under the proposed rule, the rule would likely reduce the number of waived areas and duration of ABAWD time limit waivers approved by FNS. State agencies that in the past have requested multi-year waiver approvals would now be required to submit more frequent requests. Because fewer areas would be waived under the proposed rule, based on current economic conditions, more individuals would be subject to the ABAWD time limit. Any of these individuals who did not meet one of the existing regulatory exemptions and who failed to work and/or participate in a qualifying work program at least 80 hours per month, or participate in and comply with workfare or another qualifying E&T activity, would not be eligible to receive SNAP for more than 3 months in a 36-month period. This impact would primarily affect ABAWDs who live in geographic areas that would no longer qualify for waivers, such as areas adjacent to areas with high unemployment that may have previously been combined in State agency waiver requests. We further note that the proposed rule codifies the flexibility currently available to Indian Reservations to show economic conditions supporting waiver request.

FNS has reviewed the race and ethnicity status of SNAP heads of household, including households with non-elderly individuals with disabilities. The data shows that of the 21,511,000 households receiving SNAP benefits, just over 1% are Native American, nearly 3% are Asian, nearly 25% are African American, nearly 12% are Hispanic, nearly 40% are White, approximately .8% are of multiple races and nearly 13% have an unknown race. The data is set forth in a chart attached as an Appendix. The new work requirements proposed in the rule will adversely affect potential SNAP program participants in all groups who are unable to meet the employment requirements. While the data indicates that the largest racial group receiving SNAP benefits are White, these adverse impacts may potentially disparately impact African Americans and Hispanic groups due to factors more strongly associated with potential program users in these minority groups. Rates of unemployment for members of minority protected groups tend to be greater than rates of unemployment for Whites, for a number of reasons including educational disparities, language barriers, limited work experience, transportation and access limitations, and other barriers to employment that disparately impact these groups such as criminal history and employment discrimination. Any such disparate impacts may be stronger based on factors specific to individual states, potentially creating risk to state agencies when complying with the requirements of the new rule.

Mitigation

SNAP is administered by State agencies that communicate program information and program rules based on Federal law and regulations, including any changes in policy, to those within their jurisdiction, including individuals from protected classes that may be affected by a change in regulation. State agencies are required to notify ABAWDs

subject to the time limit of the work requirements and will continue to do so under the proposed changes. Prior to the rule going into effect, FNS will work to ensure that State agencies understand the changes in the final rule. Efforts will include guidance and technical assistance.

FNS CRD will monitor the implementation of the proposed rule. Specifically, FNS CRD will work in collaboration with SNAP staff to review relevant data regarding households impacted by changes made by the proposed rule.

Outreach

State agencies employ a variety of communication strategies to meet requirements, including the development and dissemination of program publications, direct communication (typically via mail) with program participants, and face-to-face interactions with current and prospective participants as part of outreach activities and eligibility determinations or recertification processes.

FNS also maintains a public website that provides basic information on each program, including SNAP. Interested persons, including potential applicants, applicants, and participants can find information about SNAP base eligibility and certification requirements, including general and ABAWD work requirements, as well as State agency contact information and links to State agency websites and online applications.

Conclusion

FNS has reviewed the proposed rule, in accordance with the Department Regulation 4300-4, "Civil Rights Impact Analysis" to identify and address any major civil rights impacts the proposed rule might have on minorities, women, and persons with disabilities. While we believe that a reduction in the number of ABAWD waivers granted to State agencies will adversely affect potential SNAP program participants in all groups who are unable to meet the employment requirements, and have the potential for disparately impacting certain protected groups due to factors affecting rates of employment of members of these groups, we find that the implementation of mitigation strategies and monitoring by the Civil Rights Division will lessen these impacts and if deemed necessary, propose further rule changes to alleviate disparate or disproportionate impacts. FNS CRD further recommends additional mitigation strategies such as:

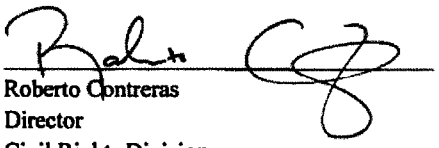
- Expansion of the employment and training program

- ❖ Strategic partnerships with private sector entities to facilitate the training and/or employment of SNAP beneficiaries affected by proposed rule
- ❖ Clear communication to all SNAP beneficiaries and households regarding any impact the proposed rule has on benefit levels. To be effective, communication efforts should be appropriately tailored to reach minority groups, and groups with Limited English Proficiency (LEP) who may be disproportionately affected.

CRIA Certification

The undersigned certifies this civil rights impact analysis was prepared in compliance with USDA departmental regulation DR-4300-4. The FNS Civil Rights Division has assessed civil rights implications and impacts of eligibility criteria, methods of administration, and other requirements associated with this proposal including strategies to eliminate, alleviate, or mitigate adverse and any disproportionate civil rights impacts identified in the CRIA.

The undersigned agrees to monitor implementation on all civil rights strategies that were instituted in connection with this proposal, evaluate their effectiveness, and take follow-up action where adverse civil rights impacts may ensue.



Roberto Contreras
Director
Civil Rights Division
Food Nutrition Service

7/24/18
Date

Race, Ethnicity and Gender Data Chart

Table 1. Race and Ethnicity Status of SNAP household head, including households with non-elderly individuals with disabilities

	SNAP Households	Percent	Households with non-elderly individuals with disabilities	Percent
Race and Hispanic Status of Household Head				
Native American*, not Hispanic	244,000	1.1%	38,000	0.9%
Asian, not Hispanic	597,000	2.8%	61,000	1.4%
African American, not Hispanic	5,349,000	24.9%	1,175,000	26.9%
Hispanic, any race	2,549,000	11.8%	301,000	6.9%
White, not Hispanic	8,375,000	38.9%	2,071,000	47.4%
Multiple Races reported, not Hispanic	166,000	0.8%	42,000	1.0%
Race Unknown	2,743,000	12.8%	627,000	14.4%
Nonparticipating Household Head	1,488,000	6.9%	51,000	1.2%
Total	21,511,000	100.0%	4,366,000	100.0%

Source: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2016, by Sarah Lauffer. Project Officer, Jenny Genser. Alexandria, VA, 2017.

https://fns-prod.azureedge.net/sites/default/files/ops/Characteristics2016.pdf

*Codes to allow reporting of multiple races were implemented beginning in April 2007. We have grouped the codes to form general race and ethnicity categories. "White, not Hispanic" includes "white, not Hispanic or Latino;" "African American, not Hispanic" includes "black or African American, not Hispanic or Latino" and "(black or African American) and white;" "Hispanic, any race" includes "Hispanic" and "(Hispanic or Latino) with any race or race combination"; "Asian, not Hispanic" includes "Asian," "Native Hawaiian or other Pacific Islander," and "Asian and white;" "Native American, not Hispanic" includes "American Indian or Alaska Native," "(American Indian or Alaska Native) and white," and "(American Indian or Alaska Native) and (black or African American);" "Multiple races reported, not Hispanic" includes individuals who reported more than one race and who do not fit into any previously mentioned value; and "Race unknown" includes "Racial/ethnic data not available" and "Racial/ethnic data not recorded." Reporting of race and ethnicity is now voluntary and was missing for 16 percent of

participants in fiscal year 2016. As a result, fiscal year 2016 race and ethnicity distributions are not comparable to distributions for years prior to fiscal year 2007.

Note: Some household heads who are not participating with the household are ineligible for SNAP or are in separate SNAP units not included in the SNAP QC sample. This category also includes some households with no adult listed on the file.

Table 2. Gender of SNAP Participants

	SNAP Participants	Percent
Male	**24,666,000**	**56.7%**
Female	**18,873,000**	**43.3%**
Total	43,539,000	**100.0%**

Source: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2016, by Sarah Lauffer. Project Officer, Jenny Genser. Alexandria, VA, 2017.

https://fns-prod.azureedge.net/sites/default/files/ops/Characteristics2016.pdf

