## IMPLEMENTING THE 2018 FARM BILL

## **HEARING**

BEFORE THE

# COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

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#### IMPLEMENTING THE 2018 FARM BILL

#### THURSDAY, OCTOBER 17, 2019

U.S. Senate,
Committee on Agriculture, Nutrition, and Forestry,
Washington, DC.

The committee met, pursuant to notice, at 10:06 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, Grassley, Thune, Stabenow, Brown, Bennet, Gillibrand, Casey, and Smith.

Chairman ROBERTS. I have a special announcement, if you will just hold on. Joey, do you want to come up here with me? I tell you what. Stand by me. Stand by my left. That is appropriate.

I have a note here of something that happened a while back. I would just say, in making my comments with Joe, who is the top gun for this dear lady to my right, and does a splendid job, I have always thought, at an earlier time in my life that a bachelor—the definition of a bachelor was somebody who made the same mistake—never made the same mistake once. I held out until I was 34. This November, Frankie and I will celebrate our 50th wedding anniversary.

[Applause.]

Chairman ROBERTS. That was not why I am up here talking.

Do you realize how long you are going to have to live before you get to your 50th wedding anniversary?

[Laughter.]

Chairman ROBERTS. This man stayed single, a bachelor, working hard on behalf of agriculture for 40 years—and then he got very close and dating a wonderful lady. When is the wedding going to be?

Mr. Shultz. It just happened.

Senator STABENOW. It just happened.

Chairman ROBERTS. Oh, it just happened. That is right. Well, too late for any advice!

[Laughter.]

Chairman ROBERTS. Except for best wishes. I want to thank you,

Joe, and we are very happy for you.

I also understand that last Saturday in central Ohio, on the Shultz family sheep farm, you married your lovely bride, Virginia. Congratulations to you on that. Is it true that you can shear a sheep in 13 seconds?

Mr. Shultz. I can shear a sheep.

[Laughter.]

Chairman ROBERTS. I understand that was even part of the wedding.

[Laughter.]

Mr. Shultz. No comment.

Chairman ROBERTS. No comment. All right. Okay.

Mr. Shultz. Thank you, Mr. Chairman.

Chairman ROBERTS. Thank you. Mr. Shultz. Thank you so much.

[Applause.]

Senator STABENOW. Mr. Chairman, if I might, thank you so much for that. It was a beautiful wedding outside, facing the pasture, and the sheep even came up to the fence and quietly participated in the ceremony. The reception was in the barn afterwards and I am not going to say any more about that, except that it was a lot of fun.

Chairman ROBERTS. Okay. Coop, we are ready to do this thing.

#### STATEMENT OF HON. PAT ROBERTS, U.S. SENATOR FROM THE STATE OF KANSAS, CHAIRMAN, U.S. COMMITTEE ON AGRI-**CULTURE, NUTRITION, AND FORESTRY**

Chairman Roberts. Good morning. I call this meeting of the Senate Committee on Agriculture, Nutrition, and Forestry to order. Today, I am pleased to welcome back Deputy Secretary Stephen Censky to the Agriculture Committee, as he provides updates on the Department's implementation of the 2018 Farm Bill.

Steve, thank you, for the efforts at the Department to implement what we know is a significant and important task: omnibus legislation that affects farmers, ranchers, businesses, rural communities,

all across our great country.

This hearing continues our bipartisan work together. Yes—yes, make a note of it—Republicans and Democrats working together, still, on this Committee. Never mind that we are mired in something up to our necks and other committees, but we are still getting things done.

So we are working with the Administration to ensure that these programs operate as we intended and that changes are implemented in a timely and most farmer-friendly manner possible. Steve and I have talked about that often, either on the phone or

just a while back, where we had a good chat.

This year, the Committee held several Farm Bill hearings, including an initial overall review eight months ago with Secretary Perdue. The Department continues to roll out changes to the Farm Bill programs. As of this month, our producers are able to visit their local FSA office to sign up and choose between the Agriculture Risk Coverage program, which I doubt, Coop. I just think they are going to go with the Price Loss Coverage program for crop years 2019 and 2020, given the circumstances.

Important voluntary conservation programs were reauthorized and strengthened in the 2018 Farm Bill. I understand that regulations to implement many of these programs, such as EQIP, CSP, and CRP, are expected to be published in the very near future.

Our producers are also monitoring animal disease prevention and management. The 2018 Farm Bill made a great commitment to bolstering our animal health infrastructure by directing mandatory funds for preparedness efforts against outbreaks of animal diseases and tools to combat animal diseases should they impact the

U.S. anywhere.

The bipartisan hemp cultivation provisions have also garnered great interest in the countryside, from producers and processors alike. I just met a young man from Oregon, who is in the audience, representing the hemp industry in that State. A new crop can provide long-term economic opportunities for farmers when regulations are implemented in a farmer-friendly manner, and will come to be important pillars of their risk management tools, such as good farming practices that are in place.

The 2018 Farm Bill also included several measures to improve the integrity of our nutrition programs, such as the Supplemental Nutrition Assistance Program and the Emergency Food Assistance program. SNAP improvements from the bill result in better oversight of payment error rates, modernization of the verification process, and focusing employment and training on the skills needed in

the work force.

We all worked together with regards to this mission, in a historic fashion, to get the Farm Bill through Congress, signed by the President, and for the Department to implement less than a year

ago.

Members of this Committee know firsthand that producers, lenders, and rural Americans are facing another difficult year of low commodity prices, high input costs, and uncertainty in the market-place. For many producers, this growing season has been far from easy. During the planting season, growers experienced a historic wet spring, which delayed planting in many parts of the country. I am always being made aware of the cherry crop in Michigan, which again had a freeze. Others have acres that were completely prevented from being planted and are still recovering from floods.

This fall, as producers are trying to harvest their crops, challenges have continued. Just this past week, Winter Storm Aubrey and cold temperatures threatened crops and livestock from Kansas

to North Dakota.

The 2018 Farm Bill does provide important risk management tools such as crop insurance to mitigate the risk and losses from these unpredictable weather-related events. These challenges again highlight the need for certainty and predictability on domestic farm policy, provided by timely and farmer-friendly implementation of the Agriculture Improvement Act of 2018. That is what today's hearing is all about.

I now recognize the distinguished Ranking Member, Senator Stabenow, for her remarks.

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

Senator Stabenow. Well, thank you very much, Mr. Chairman, for holding a very important hearing. Deputy Secretary Censky, it is always good to see you. I have enjoyed working with you over the years. Welcome back to the Committee.

It has been ten months, as we know, since Congress passed the bipartisan 2018 Farm Bill. We passed it with the support of 87 Senators, no small thing. Now, farmers and families in rural com-

munities across the country are seeing the Farm Bill take shape in their daily lives. This is true in my home State of Michigan,

where agriculture supports one out of four jobs.

The changes we made to the farm safety net programs are helping farmers protect their crops from increasing uncertainty caused by weather, markets, and trade disruptions. I am especially pleased that the USDA has prioritized implementing the Dairy Margin Coverage program, which has provided more than 22,000 dairy farms with assistance so far.

The Farm Bill also recognizes the diversity of American agriculture, which is critical in Michigan where we grow a wider variety of crops than anywhere but one State. New kinds of crops and types of production, like hops and greenhouse operations, now have access to crop insurance. More than 600 farmers in my State are getting involved in hemp production for the very first time, and urban farms in places like Detroit and Grand Rapids will have new opportunities to grow and expand their operations. They are very excited about doing that.

The Farm Bill also improved tools to help farmers preserve our land, water and great lakes. I am glad that the USDA has held signups for all conservation programs this year, including those that Congress prioritized to address water quality and promote cli-

mate-smart agriculture.

I am looking forward to seeing the Department continue to implement the Farm Bill's conservation title, including the changes we made to expand regional partnerships and increase locally led conservation.

The Farm Bill also expanded rural internet service, prioritizing the most underserved areas, which is so important. I am pleased that the USDA is following Congress' lead by forging ahead on new rules that make it easier for small towns and rural communities to access high-speed internet.

There are many positive developments to celebrate, but I also have strong concerns in several areas. I am concerned that the USDA is rewriting critical parts of the Farm Bill that we passed by the largest bipartisan vote ever. Prioritizing, in the efforts to mitigate trade, some regions and farmers over others in a way that does not make sense to me when we look at who has been impacted the most and pursuing rules that directly contradict the will of Congress. Congress prioritized local food systems and organic production and beginning and minority farmer programs. Many of these provisions have yet to be implemented.

Key components of local food investments are awaiting action. The USDA has still not set up the Office of Urban Agriculture. The Department has repeatedly made harmful changes to nutrition assistance that were outright rejected by Congress in the Farm Bill,

because they increased food insecurity for hungry families.

There continues to be concerns that the Administration has not done enough to share important research and other information with farmers about how to mitigate and deal with the effects of the climate crisis. Just two days ago, the Forest Service went against the forestry title of the Farm Bill by proposing to open Alaska's Tongass National Forest to destructive logging. This moves us in

the wrong direction as we look at carbon capture and the climate

Additionally, the Farm Bill reinstates the Under Secretary for Rural Development position, strongly supported on a bipartisan basis. Yet, the President has yet to nominate a qualified candidate, and we are anxious to see that happen.

It is also clear that lack of capacity at the Department is affecting Farm Bill implementation. The Administration has hamstrung agricultural research and Farm Bill grant awards by what I believe to be a senseless decision to relocate the Economic Research Service and the National Institute of Food and Agriculture.

Deputy Secretary Censky, I know you play an important role in managing Farm Bill implementation. I know it is a big job, and I appreciate all the positive steps that have been taken. I also look forward today to talking about some of these areas where I have concerns

I appreciate the progress you have made. There is still a lot to do, and I look forward to working with you to ensure that each provision is implemented correctly, according to the congressional Farm Bill passed by 87 votes in the U.S. Senate.

Thank you, Mr. Chairman.

Chairman ROBERTS. We thank the Senator from Michigan.

It is my pleasure to introduce and welcome the Deputy Secretary of Agriculture, Stephen Censky. He is certainly no stranger to the Senate Agriculture Committee. Prior to his current role at the Department of Agriculture he was the CEO of the American Soybean Association. The smile on his face is because it looks like China will buy more soybeans, which we encourage.

will buy more soybeans, which we encourage.

Previously, he served both in the Reagan and George H. W. Bush Administrations at the Department. Steve is leading the Department efforts to implement the 2018 Farm Bill. Steve, I want to thank you for shouldering such an important task. It could not be undertaken by a person with more experience. We look forward to your testimony. Please.

# STATEMENT OF THE HONORABLE STEPHEN CENSKY, DEPUTY SECRETARY, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Mr. CENSKY. Thank you, Mr. Chairman, Ranking Member Stabenow, Senator Smith and other members of the Committee. Thank you very much for this opportunity to appear before you to provide an overview of the Department's implementation of the Agriculture Improvement Act of 2018.

At the Secretary's direction, our implementation cadence has been aggressive. This includes opening up sign-up for the Dairy Margin Coverage program on June 17th. The 2019 sign-up, which went through September 27th, enrolled nearly 23,000 dairy producers, and those dairy operations will be provided around \$300 million in assistance in 2019 alone, and we look forward to sign-up as we go forward as well.

For our crop producers, crop insurance has been a vital part of the farm safety net, and RMA has implemented key crop insurance provisions such as the Multi-County Enterprise Units. In addition, key provisions related to veteran farmers and ranchers have been implemented that make crop insurance more affordable and with

more robust coverage

The 2018 Farm Bill also enhanced the Agriculture Risk Coverage and Price Loss Coverage programs. The Farm Service Agency readily implemented these provisions to, and these changes to ARC and PLC, with sign-up for the 2019 beginning on September 3rd.

Implementation of the conservation programs has been on track as well. Sign-up for the Continuous Conservation Reserve program and Conservation Reserve Enhancement program were held June to August. FSA will hold a CRP general sign-up beginning in early December, with CRP Grasslands to follow.

Rural Development has also been working hard to implement the various provisions of the Farm Bill so that we can continue to help improve the rural economy and the quality of life in rural America. Most recently, RD has expanded access to credit for rural communities by increasing the population limits for community facilities and water and waste disposal programs to 50,000, as directed in the 2018 Farm Bill.

The Forest Service is also using the Farm Bill and the new authorities that have been provided to it to do the work at the right place and on the right scale. Additionally, on September 25th, the agency published the proposed rule implementing the Farm Bill provisions regarding communicationsites management, which will expedite the application process for individuals and companies that want to build communicationsites on our national forests and grasslands, thereby expediting the broadband service improvements in rural communities.

The Food and Nutrition Service plays an important role to provide access to healthy, nutritious foods, including placing emphasis on increasing fruit and vegetable purchases for SNAP recipients. We are also renewing our focus on creating clear pathways for selfsufficiency for SNAP sufficiency through effective employment and training programs, with a proposed rule set to come out this fall that will implement meaningful improvements in the administration of employment and training programs, and will provide instructions reflecting the new self-enacting Farm Bill provisions.

The Agriculture Marketing Service has also been working aggressively to stand up the hemp production program in advance of the 2020 planting season. The rule should be cleared for publication in the very near future, and we look forward to having this program available to interested States, Tribes, and producers for the 2020

production season.

The 2018 Farm Bill also included provisions that directly support animal disease prevention and preparedness, including creation of a National Animal Vaccine and Veterinary Countermeasures Bank, along with National Animal Disease Preparedness and Response Program, and support for our National Animal Health Laboratory Network.

As the first step toward implementation of these provisions, the Animal and Plant Health Inspection Service has issued a sources sought notice on September 10th, to gather information from interested food-and-mouth disease vaccine manufacturers, and we have requested proposals for animal disease preparedness programs and for support of our laboratory networks.

The 2018 Farm Bill continues to help farmers and ranchers identify and access new export markets, and in February, the Foreign Agriculture Service allocated more than \$204 million in MAP and

FMD resources and program funding.

We continue to implement other provisions, including the National Institute of Food and Agriculture to implement the important research provisions. We also are working overall to implement over 400 discrete provisions of the Farm Bill, and working hard to deliver the programs that serve the urgent needs of our customers.

Before I close, I also want to recognize our dedicated career staff at the Department of Agriculture that have been working along with us to implement these programs. It is a privilege to serve alongside them, as we say at USDA, to do right and feed everyone.

Thank you very much.

[The prepared statement of Mr. Censky can be found on page 32 in the appendix.]

Chairman ROBERTS. We thank you for your opening testimony. My first question is farm owners and operators impacted by the grass and pasture base acres provisions should have received a letter, and we talked about that just prior to the hearing, in June and/or September, regarding their farm's eligibility for the commodity programs and the new Grassland Conservation Initiative. This is a new policy on base acres and a new conservation program. Compared to other programs, the sign-up time limits have been relatively tight, right when producers are busy in their fields, and with the floods and all of the weather problems and then the situation with trade tariffs and the whole—virtually everything that they have to consider.

So the enrollment seems to be a little low. The producers with impacted numbers, the deadline of Friday, October 25th, to enroll in the Grassland Conservation Initiative. Can you describe the outreach the Department has conducted with these producers to make them sufficiently aware of their eligibility status ahead of the sign-up periods for the Agriculture Risk Coverage, Price Loss Coverage programs and the Conservation Grassland Initiative? We talked about the possibility of maybe even extending that deadline.

Mr. CENSKY. Thank you very much for your question, Mr. Chairman, and I know this is an important provision in the Farm Bill and it has been our pleasure to work with you as we move forward

to implement that.

In terms of our outreach to producers, we did send a letter in early June to around the 40,000 producers that, from our own records, that we thought might be eligible to participate. Then in late August, early September, we sent another letter to those same people, as well as an additional 40,000 that we thought might be eligible as well, to inform them about the program, asking them to come in to our offices to sign up for the program.

There will be—you know, we will be happy to take a look at a potential extension of the sign-up, if that would help some of the producers. We know that this has been a very unusual year, in terms of production and late planting. So we can take—certainly

we will take a look at that and work with you on that.

I will note that producers will have the chance to sign up for this program in the future, as well, so even if they decide not to sign

up this year, and then next year decide that, oh, actually, we think that this is a good program, that works for me and my operation, and we do want to sign up, they still will be able to sign up, and still be able to get the five-years of payments.

Chairman ROBERTS. I thank you for that response.

As the Department rolls out changes to the major commodity and conservation programs required by the 2018 Farm Bill, how is the farm production and conservation mission ensuring that producers receive consistent information and service across the thousands of county and state offices of the FSA and the NRCS? Forgive my acronyms.

Given the limited resources, what steps has the Department taken to improve software updates, employee training and other factors to implement changes? You have already touched on this to

some degree.

Mr. Censky. Well, thank you for that as well. We have done a lot of training to make sure that our staff and our offices are informed, know about the provisions, and know how to implement the provisions. We have held three major national trainings of all of our staff from across the country already on the Farm Bill provisions.

We have a fourth one that is going to be coming up specifically on the CRP and some of the other conservation programs. That is joint between our Farm Service Agency and our Natural Resources Conservation Service. We do take that training very seriously so that producers are receiving consistent information and the provisions are being implemented consistently across all of the States.

We also have been doing the software updates. It has been very important to have modernized systems, and that has been one of the key focuses that we have had at the Department. Under Secretary Perdue and my leadership we have been very focused on how can we modernize our computer systems so that it works better for farmers and better for our own staff. I think some of the sign-up that we had this last year, just a few months ago for the Dairy Margin Coverage program is probably symbolic of that, where it was a lot easier for our staff and the producers to be able to sign up into that program.

Chairman ROBERTS. I appreciate that.

Steve, as you know, animal disease outbreaks are an increasing threat to producers across the board in the United States. Ongoing outbreaks around the world of disease such as foot-and-mouth disease and African swine fever have our producers on high alert.

Could you describe the timeline for implementation of the National Animal Vaccine and Veterinary Countermeasures Bank that was something that was highly recommended by various groups? Can you also provide an estimate for when the Department would be prepared to begin securing animal vaccines under this program?

Mr. Censky. I appreciate that question, and I do say, let me just observe at the outset. I think that the animal disease prevention and preparedness provisions in the Farm Bill are one of the most provisions that was included in the Farm Bill, so it is our pleasure to move forward on implementing that.

Specifically, with regard to the vaccine, the Department issued a sources sought notice on September 10th. To the vaccine manufac-

turers, to get information about the types—the various vaccines that they have available, for what serotypes, the amounts that they have available, and that information just closed on October 10th, and we have that information. We are in the process of analyzing that, and we will be putting together a plan on what types of procurements we want to do, for what serotypes, the quantities, based on this information, as well as surveilling what else is available through some of the other banks that are around the world. What are the best investments?

We look forward to going out and starting that request for proposals for the acquisition of those serotypes toward the end of the year or the beginning of the next calendar year.

Chairman ROBERTS. I appreciate that. Senator Stabenow.

Senator STABENOW. Thank you, Mr. Chairman. First, Deputy Secretary Censky, I want to thank you again for the positive efforts moving forward and the work done on the Dairy Margin Program. This is an example of really moving forward in a positive way for our dairy farmers.

My concern, overall, is that we fought very hard, and we negotiated very hard—different regions of the country, the House and Senate, in putting together the Farm Bill, to make sure that it was a balanced approach. We fought hard to ensure that every region, type of commodity, and issue, such as risk management would be covered.

Now however, because of what is happening on trade, I feel like the market facilitation program is throwing that all away. This is deeply concerning to me, in the context of what we wrote in the Farm Bill. The Market Facilitator Program is certainly not using the Farm Bill structures on payment limits and is not focusing in a balanced way.

We know that farmers are being hurt by chaotic trade policies. I support making sure that we do everything we can to provide assistance. In general, does the USDA believe that the Market Facilitation payments are equitable and line up with the actual harm

being felt by farmers?

Mr. Censky. Yes, thank you for that question, Senator. We do believe that we went through a very careful process to try to assess what is the damage that has been done by China's retaliatory tariffs and the other retaliatory tariffs that we are facing in some of the countries around the world. The modeling of what was that damage and how could that best be mitigated. For some of the crops, of course, that includes market facilitation payments, where it is easier to go ahead and make those payments, again, based on the damages that have been done. For other crops, where it is not as easy to make a market facilitation payment, we have done commodity purchases.

So, again, we have used a consistent format to try to estimate the damages that have been done to the different commodities, from the retaliation that has taken place, and wanted to provide

that support.

Additionally, as you know, the third leg of that stool, in addition to the market facilitation payments and the commodity purchases and distribution, has been the Agriculture Trade Promotion program, to try to support the further market development for those

commodities, and that has been generally made available to all commodities.

Senator Stabenow. Well, I can tell you that I appreciate your response. But I can tell you in Michigan it is certainly not being felt that way. We have diversity of crops, have been hit in many different ways, and I do not see how the payments are lining up with the damage. Let me just step back. Ninety-five percent of the counties with the top rate, with a payment rate of \$100 or more, are in the South. Seventy-seven percent of the counties that have minimum payments of \$15 are in the North and West.

I am not trying to start a new war between the North and the South, but we work really hard to make sure the Midwest and the

North are viewed equally in terms of agriculture.

But we are seeing the high payment rates clearly going to Southern counties and commodities, despite the fact that the North and Midwest have been hit the hardest. Here is an example. Cotton received significant payments last year, in 2018, even though cotton prices increased—increased—for the 2018 crop. Cotton certainly has not been directly involved in the trade war.

Meanwhile, farmers in the North and the Midwest who would normally ship to China are facing significantly lower prices. On top of that, they are also facing the higher transportation costs of having to reach alternative markets. Do you think that is fair and eq-

uitable?

Mr. CENSKY. Senator, as we looked at and used our modeling—our chief economists used the modeling to take a look at the actual retaliation and the effects of how that is affecting our exports of the various commodities, and that has been done on a consistent basis without any kind of consideration of North, South, East, West to take a look at what are those actual effects.

In terms of the retaliation and the differences in between counties, we worked hard to try to make sure that we were being—using a consistent approach, and generally, to the degree to which a county had more of a crop that was more—that had a higher impact. That higher portion of that, crops being grown in that county were a highly impacted crop, which means that the payment rate would be higher.

As we saw there are—we certainly know that there are corn, soybeans, wheat, other commodities that have been impacted, and so has cotton as well—

Senator Stabenow. Cherries——

Mr. Censky [continuing]. Impacted—and cherries.

Senator STABENOW [continuing]. Cherries and other crops as well, have also been impacted.

Mr. Censky. Yes.

Senator Stabenow. What I would say is, you, with all due respect, I do not see the evidence of that. I hope you will work with me and with others to lay this out. I would like to see this evidence, because that certainly does not line up with what we are seeing on the trade impacts as it relates to others across the Midwest.

One other question Mr. Chairman. The 2018 Farm Bill rejected all of the harmful changes to SNAP that were proposed in the House-passed bill. We had votes and we did not move forward on it. Yet, the USDA has continued to ignore what we did in the Farm Bill, ignore the votes that we had, rejecting these, and proposed rules that make major changes to the SNAP that are going to take away food from families.

Has the USDA done analysis of the combined impact of all the different proposals that you have and the impact they will have on

families when they are finalized?

Mr. CENSKY. Well, thank you, Senator, and just as a followup on the last question, I would be happy to work with you and to lay out some of our methodology, and work with you on that, with regard to the market facilitation payments and the trade mitigation.

With regard to the SNAP program, I do want to say that we very much believe in the SNAP program. We know how important that is in providing nutrition assistance to over 36 million Americans. We also fully support those that meet the eligibility requirements

that are set by Congress, that they receive those benefits.

The changes that we have proposed, that the Department has proposed in the SNAP program, are really to make sure that those eligibility requirements are being enforced and being met. What we have seen, developed through some of the years—and we have been criticized by both the GAO as well as the OIG—that have said that we need to do a better job of making sure those eligibility requirements are being enforced. We do not have States that are either using any kind of administrative loopholes or gerrymandering labor markets in order to try to make more people eligible.

Again, we very much believe in the program, and are working to make sure that those that meet the eligibility requirements are able to receive those benefits.

Senator Stabenow. I have two comments. One, I find that in the big picture on both of these topics—Market Facilitation Program payments and SNAP program changes—that somehow the Department is okay with large inequities and inequality between farmers and regions. This has loosened up the Farm Bill as we look at commodities. But yet the Department is wanting to restrict what is happening for nutrition for families, regardless of local circumstances, and seeking more and more restrictive rules.

I would note that on Tuesday the USDA finally acknowledged that the categorical eligibility rule would impact school meals. I would point out, however, that I believe the analysis is still flawed

and ignores many of the rule's consequences.

The fact of the matter is that we are looking at nearly one million children that would lose access to meals, as well as other impacts. And so, I would strongly urge you to reconsider the direction that you are going with this rule.

Thank you, Mr. Chairman.

Chairman ROBERTS. Senator Hoeven, are you ready, willing, and able?

Senator Hoeven. Yes, sir. Reporting for duty.

Chairman ROBERTS. I want to thank you for your tremendous job as the Chairman of the Agriculture Subcommittee on Appropriations. We are always aware of those people who serve on the Appropriations Committee. You defended CCC funding and did an excellent job. So you are recognized, sir.

Senator HOEVEN. Thanks, Mr. Chairman. Thanks to—and the Ranking Member for calling this hearing today, and of course, to Deputy Secretary Censky. Thanks for all your work and your diligence and your commitment to agriculture and our farmers. It is

real, it is noticed, and it is appreciated.

Let's talk about The Wildfire and Hurricane Indemnity Program Plus (WHIP+) for just a minute. As you know, we have had just terrible weather throughout the Midwest, and now in the Upper Midwest, and our farmers are really up against it, with flooding, due to, you know, early freak blizzards and rain. We continue to get rain and flooded fields.

So talk about how we can help those farmers with WHIP+. Do you have enough money to do it, and how you are going to handle these requests for secretarial disaster declarations that are coming

your way.

Mr. Censky. Well, thank you very much, Senator, and I appreciate you raising this, and that is something that we think is very important and moving forward to implement the WHIP+ program and the disaster assistance that is available for producers that were either prevented from planting, that have been affected by flooding, by snowstorms, by hurricanes, wildfires, and volcanic eruptions.

So we are moving forward. As you know, that program is available. In terms of how does a producer, how does a county qualify, those determinations, it either has to be the producer needs to be in a county that has been declared a disaster area by the Secretary or the President. What that takes is at least a 30 percent loss of a crop. It just has to be one crop in a county, and that qualifies that county as being eligible for a declaration, and thus, that makes those producers in that county eligible.

I know that our Farm Service Agency in North Dakota is working right now, assessing the damage that has been caused by this most recent, the heavy snowstorm, that early snowstorm that hit, and real has impacted producers in your State, and we look for-

ward to receiving that information in the coming days.

Senator HOEVEN. It is also for producers in non-disaster counties

too, on a case-by-case basis. Talk about that.

Mr. CENSKY. Yes. Producers, even if they are—let's say that they are adjoining, if they are in a contiguous county that is not declared, but they also have been impacted by that same event, they can go in and go to their county FSA office and make that application, and the county committee will consider that. If they are in a contiguous county that is next to one that has been declared, and they have been impacted by that same eligible loss of a flooding or a snowstorm, they can be determined eligible, yes.

Senator HOEVEN. Okay. So that combined with the MFP—so implementing the Farm Bill on a farmer-friendly basis, implementing the MFP, providing this disaster assistance at a time when our producers really are up against it, as we have talked about commodity prices and the other challenges with trade and everything else. By the way, we appreciate the progress with China. We need to keep pressing forward and getting sales, and, of course, getting

agreement.

Are the FSA offices staffed up and ready to go, the way they need to be, because they have got a lot going on to help these farmers right now. Through the good work of our Chairman here and Ranking Member, this Committee, our Agriculture Committee, you, USDA, we have got the programs now to provide some help, but those FSA offices have to be staffed and able to deliver it. How are we doing there?

Mr. CENSKY. Yes. We have a very aggressive hiring plan that is in place. We have been really trying to address that, because we know that some of our county offices are understaffed, and at some of our State offices. We think that is a high priority for us, to make

sure that we are recruiting.

We have had some bottlenecks, I will say, in the human resources area, and we have really amped up and increased our human resources staff so that we can hire more people. We have implemented a tool, an optimally productive office tool to assess what is the workload in each office, so that we can make sure that we are putting the right people in, so that we know what the needs are. We have also sent, you know, others—shifted tiger teams to try to help those offices that are under water. We have a very aggressive hiring plan.

One of the things that we have requested from the Office of Personnel Management, which will allow us to hire quicker, is direct hire authority, and that is something that is somewhat unique in the government system, of where we have to advertise on USAJobs in order to hire someone in a local office. Of course, folks in my home county and your home county have probably never heard of USAJobs before, and it would be a lot easier if we could hire di-

rectly.

Senator HOEVEN. Well, if there is something we can do to help there let us know, because we have made sure that you have the funding in our personnel line to hire people, and you need some people now to deliver that service. So we want to make sure we are helping you get them in place, and that you are following the directives that we have built into not only the Farm Bill but the agriculture appropriation bill, to make sure that staffing is in place.

Mr. CENSKY. Thank you, Senator.

Senator HOEVEN. Thank you. Again, thank you, Mr. Chairman. Chairman ROBERTS. Thank you, Senator. Senator Smith.

Senator SMITH. Thank you, Mr. Chair, and thank you, Ranking Member Stabenow, and Deputy Secretary Censky, thanks so much for being here and thank you for your service. I am happy to—my

fellow Minnesotan from Jackson, Minnesota.

So before—as I was preparing for this Committee I made a bunch of calls around Minnesota, and then yesterday I was on the Ag Radio in the morning, talking about implementation of the Farm Bill and how things are going. I have to tell you, the No. 1 thing that people wanted to talk about was not implementation of the Farm Bill but this ethanol situation. You know, people were kind of feeling hopeful when the President talked about this 15-billion-gallon blend assurance, after what has been a really cruddy year for corn producers and ethanol facilities, I mean, some of whom are literally going out of business.

So just earlier this week, this new proposal came out. People really felt like it was a bait-and-switch. I know you have worked a lot on this, so I have got to ask you, what is going on here and how can we get to 15 billion gallons being not only what we are supposed to be doing but what we are doing, so that these secret waivers stop really damaging agriculture in Minnesota and around the country?

Mr. CENSKY. Thank you, Senator, and I agree with you and your overall statement and premise about how important the renewable fuel standard is to rural American, rural jobs, to producers in sup-

porting commodity prices, and how important that is.

We are pleased, you know, that it was two weeks ago that the President brokered an agreement with the—with both us at the Department of Agriculture as well as the EPA, to make sure that 15 billion is 15 billion gallons. EPA came out, as you know, with a supplemental rule as to move forward to implement part of that agreement. I can just assure you, from the—directly, from the conversations with the President, and the President is insistent that EPA administer this to make sure we achieve 15 billion gallons. On just as recently as last Friday, the Secretary had a conversation with Administrator Wheeler, where, again, the EPA very much plans to administer to make sure that we achieve that 15-billion-gallon target, and that whatever projections they are doing for those small refinery exemptions, moving forward, that those are redistributed and that we achieve that 15 billion gallons.

Senator SMITH. Well, I think it is really so important, and, you know, right now Minnesota—I know a lot of people are riding around on their combines about two to three weeks behind in the harvest because of the terrible weather we have been having, and they are wondering about this, and they are worried about it.

So if you will commit to work with me on this, I think it is—I know that Senator Grassley and others of us from the Midwest are very worried about it. Can we work together on this to make sure that we can get to where we need to be on making these—making the renewable fuel standard whole, really?

Mr. Censky. Absolutely, and I look forward to working with you on that, Senator.

Senator SMITH. Thank you very much.

When I talk to farmers in Minnesota, after we are done talking about the bad weather and tariffs and all the worries that they have, they are, of course, happy that we are moving forward with implementation of the Farm Bill, which they think is a good thing. A lot of times they will raise to me their issues around health and health care costs. You know, for most farmers that is one of the biggest economic factors that they are dealing with.

So I was really in the bill that we passed last year, a good bipartisan bill, it included work that Senator Rounds and Senator Jones had done, that I worked on as well, around a rural health liaison in the Department of Agriculture, to try to coordinate the work we need to do around maintaining access to health care in rural areas.

Could you just update us on how you are doing with fulfilling

that position?

Mr. Censky. Yes. We have been moving forward. We have been having discussions with the Department of Health and Human

Services about detailing someone from the Department of Health and Human Services over to USDA to work with us and to serve on at least a detail opportunity as that rural health liaison as we set that up, because we think that is very important to make sure that we have that inroad into the Department of Health and Human Services, because know that is where the bulk of the resources to try to help rural hospitals and producers in rural areas really are, and folks in small town.

We look forward to working with that. I am going to be having a conversation actually later this week—

Senator SMITH. Good.

Mr. CENSKY [continuing]. With the deputy there about how we can make that happen just as quickly as possible.

Senator SMITH. Well, thank you. I appreciate you keeping us up to date on that, and I look forward to working with you on that as well. I do think it is a good idea and will be really useful.

Mr. Chair, I am going to—I have a few questions that were submitted to me by our Commissioner of Agriculture, Tom Peterson, which I would like to send along to you, Deputy Secretary Censky, if that is acceptable, around industrial hemp and around the National Animal Disease Preparedness and Response Program. I will just submit those for you to followup with me later on.

Mr. Censky. Great.

Chairman Roberts. Without objection.

Senator Boozman?

Senator BOOZMAN. Thank you, Mr. Chairman, and it is great to have you, Secretary Censky, with us today. As you know, we had great success in the last Congress passing a Farm Bill, in large part due to the hard work of the Committee and its leaders. The Chairman and Ranking Member did a tremendous job with this.

We have had significant disasters in the last couple of years and because of that it really has put our farmers and ranchers, in many

regions of the country, in a very difficult position.

I know USDA has worked hard to implement the programs as expeditiously as possible, while also delivering much-needed support like WHIP+, and the Market Facilitation program payments. We appreciate all that USDA is doing, on a number of different fronts, to help the very difficult times that our farmers face right now.

Additionally, I was pleased to see, that this week, ARC and PLC payments have started to be paid out to farmers. That is a very good thing. These are going out at a critical time, and although some crops will be paid later due to how the program works, I really encourage USDA to pay out those as quickly as possible.

I would like to talk a little bit about crop insurance. As you know, crop insurance is certainly a cornerstone of our farm policy. It provides crucial risk management tools for producers and covers well over 100 crops. In the Farm Bill, I championed language that directed the Department to carry out research and development for insurable irrigation practices like alternate wetting and drying and furrow irrigation to be offered under the current rice policy. These irrigation practices allow farmers to use less water and be more efficient with their resources.

Could you give us an update on the implementation of this provi-

sion and if it will be available for the 2020 crop year?

Mr. CENSKY. Yes, thank you very much, Senator, for your comments and that question. Thanks also for being a champion for those provisions. The Risk Management Agency has done the research on those provisions, both of those irrigation practices. We hope to have coverage available for both of those, for the 2020 year, to give producers that kind of coverage and that kind of flexibility. We plan to be announcing some of those regulatory changes later this year, so in the very near future we will be announcing that. Senator BOOZMAN. Very good. Thank you.

Another issue that I hear more and more about as it seems to be spreading dramatically throughout the country, is the feral swine problem that we face. It is no secret that this is one of the biggest challenges facing producers across the South and it is growing daily. The animals are extremely destructive, responsible for an estimated \$1.5 billion in damages nationwide annually. The population has exploded in much of my State, and throughout the coun-

Arkansas Game and Fish Commission insists that they are unable to get an accurate count because there are simply too many of them out there to be counted. I was pleased to see that, as you noted in your testimony, NRCS accepted project proposals earlier

this year to help control these nuisance animals.

Could you provide a broader update as to what is going on and the response that NRCS received to the program, and the projected

timeline for project awards?

Mr. CENSKY. Yes. Thank you, Senator, for that, and we think, too, this is a very important area. We have announced projects in 10 States that have been most impacted, that have the highest density and the highest impact of damage from feral swine. This is a project and a program that is being jointly administered, both by our Animal and Plant Health Inspection Service as well as our Natural Resources Conservation Service. We have gone forward and asked for proposals from those States. We have received those proposals, and we will be awarding those and moving forward with those projects in the very near future.

Senator BOOZMAN. Good. Thank you very much. Thank you, Mr.

Chairman.

Chairman Roberts. Well, Bob, thank you for your patience. I think that under the circumstances we will recognize you for six minutes instead of five.

Senator Casey. Wow.

Chairman Roberts. That is my gift to you.

[Laughter.]

Chairman ROBERTS. You can ask for an extension. Senator CASEY. Mr. Chairman, I am honored by that additional time. It has never happened before in any hearing.

Chairman ROBERTS. I think it is a first.

Senator Casey. I am grateful. I will send you Pennsylvania

candy, free of charge, of course.

Thank you, Mr. Chairman. Mr. Deputy Secretary, thank you for being here. Thanks for your continuing service. I know at one point in your career you served in the Senate, on the Senate staff, and

we are grateful that you are willing to serve in the Executive

branch again. I know it is not your first time.

First I will start with the good news. One of the areas of implementation that others have pointed to is in the area of dairy policy, and my home State of Pennsylvania, our largest industry, depending on how you measure it, is agriculture, and the largest sector within that is dairy. So to hear that Pennsylvania dairy farmers are expected to receive more than \$23 million under the first dairy margin coverage enrollment numbers, that is good news.

I know we need to do more. There is obviously more to do to support dairy farmers, including lining up—I should say, including lifting up dairy operations of all sizes through innovative investments and support. But I am grateful for your work and the Department's

work.

An area of great opposition and concern, of course, is this Supplemental Nutritional Assistance rule. This is going to lead to a loss of vital nutritional assistance for people across my home State. I was a signatory to two letters. One is a letter from a number of Senators, September 23d, in opposition to the rule, but then a letter the day after from the Pennsylvania delegation, or I should say part of the delegation.

We note in there, in terms of a Pennsylvania-specific numberand I am quoting from the third paragraph—to Secretary Perdue, we say, and I quote, "The proposed rule will jeopardize SNAP benefits for 200,000 Pennsylvanians in more than 120,000 households," unquote. Then later in the letter we talk about of those 120,000 households, about 84,000, roughly 70 percent of them, have a sen-

ior in the household or someone with a disability.

I do not have to repeat what is in headlines today. There is a headline today that I just saw. It was on Business Insider. The headline was, "A New Trump Administration Rule Would Deprive Nearly 1 Million School Kids of Automatic Free Lunches, Official

Figures Say."

So lots of reason to be very concerned about this. Lots of reasons to be opposed. I hope—I hope that the Administration and the Department will be not just aware of that opposition but will take that into account as you move forward. I do not expect an answer today on that, because we have letters that we are awaiting answers to.

But I wanted to move to, in the time that I have, the Chesapeake Bay. The water quality of the bay is, of course, of great consequence to several States and the people who live within those States, including Pennsylvania. We know that the improvements to benefit water quality made through changes in the Conservation Reserve Program are important. I just have a couple of questions about that, about CRP.

The new statutory provision that goes with the acronym CLEAR, Clean Lakes, Estuaries, and Rivers Initiative, which directs USDA to ensure that at least 40 percent of acres are enrolled in continuous CRP go to practices to benefit water quality. Can you give us an update of FSA's plans to move forward with the initiative and how you will ensure that eligible farmers and landowners are

aware of the opportunity to enroll?

Mr. CENSKY. Thank you very much, Senator, for that question, and I agree with you that the Chesapeake Bay has been a real great example of how our voluntary conservation programs have worked to really make an impact, of working with farmers to make an impact there. I believe Pennsylvania has the highest number of CRP acres that have been enrolled in the Chesapeake Bay region.

We look forward to implementing the CLEAR 30 provisions, that pilot program that is in the Farm Bill. Our priority has been to first work on the general signup, which we plan on holding in early December, followed by the grasslands signup shortly after the first of the year, and then move on to the pilot of the CLEAR 30 in the spring. We plan on really reaching out to producers, making sure that they are aware of them through our communications from our Farm Service Agency, so that they are aware of the opportunities to enroll in this program.

I would also note that a lot of the practices that, again, are I think going to be targeted under the CLEAR 30 are also eligible under the continuous signup as well. We did have some of those acres that probably are able to come up under continuous signup, which we continue to run, but we really look forward to also implementing this CLEAR 30 project, which again, I would expect to be in the spring.

Senator CASEY. Great. Just one additional question. Will FSA ensure that all relevant water quality practices are offered through

CLEAR?

Mr. CENSKY. We will be happy to work with you on that. I would imagine that it was—I do not know the details of what water quality practices are or are not in that, but I would be happy to work with you, Senator.

Senator Casey. We will get together with you on that.

Also, within CRP, the Farm Bill also established, by statute, the Conservation Reserve Enhancement Program, which Pennsylvania has used to enroll thousands of acres of riparian buffers and agricultural land. Any update you can provide on FSA's plans to support States and partners in implementing those CREP provisions in the 2018 bill?

Mr. CENSKY. Sure, and we continue to move forward with Conservation Reserve Enhancement Program for 2019, and continuing to hold signup for those provisions that were available under the old law and that matched up with the new law. We are in the process right now of updating our regulations for some of the new provisions that apply to the Conservation Reserve Enhancement Program, and look to have that regulation published sometime yet this fall.

Senator Casey. Great.

Mr. Chairman, in the interest of comity I will reserve the rest of my time for another day. Thank you.

Chairman ROBERTS. Let me say to our three distinguished members that we are waiting on Senator Thune and the distinguished Senator from Iowa, Joni Ernst, to come through that door, almost at any moment. So if you want another six minutes—

You know, Bob, quite a few dairy farmers are trying to pick on your State of Pennsylvania, but they have moved to Kansas, where their operations are about 20 miles from anywhere. We welcome them. That just could be an opportunity. I am just suggesting.

All right. Saved by the bell. The Chair is most happy to recognize

the distinguished Senator from Iowa.

Senator ERNST. Just in the nick of time. Thank you, Mr. Chair and Ranking Member, and thank you, Deputy Secretary Censky, for being here today. I would like to start with a question on something that is very, very important to me, and I believe to the USDA as well.

I want to thank you for all the work that you have done recently on our biofuels initiatives. This has been very, very important to our farmers and producers. A lot of the ongoing discussions, you have been involved with those with the White House, and let me tell you, your support has not gone unnoticed. So thank you so much for that. I appreciate it.

As you know, one aspect of this deal announced on the fourth of October is that USDA will seek opportunities to consider infrastructure projects to facilitate higher biofuel blends. Building demand for biofuels is key. This is key to the industry's future survival.

Can you elaborate for us today on what the USDA's plans and

potential timeline might be?

Mr. CENSKY. Well, thank you very much, Senator, for that question, and thank you for all of the support that you have given and being such a champion as well, on the biofuel issue. It has been very, very useful and it has been very much appreciated. So I appreciate all of the good work that you and other members of this Committee have done on that front.

With regard to the aspect of incentivizing and helping build out the infrastructure for biofuels, that is a program that we do have some history at USDA. We implemented a biofuels infrastructure program previously. But as we move forward, we want to take a look, and we are really standing up a new program. We want to make it different. We want to talk to independent retailers. We want to talk to folks in the industry about what is needed both to incentivize the higher blends of ethanol as well as what infrastructure might be needed.

You know, ideally it would be great that if we can incentivize and have folks switch out, and retailers switch out, go from E10 to offering E15 on a large basis would really help with demand. That is what we want to hear from folks, of what is needed, how can we utilize our resources at the Department. We plan on holding some—having some roundtables in the very near future on that, and then look forward to trying to implement a program and have it up and running by early next year.

Senator ERNST. Okay. Thank you. I appreciate that very much. Obviously, again, a very important issue to not only the folks in the Midwest, producing the fuels, but consumer choice at the pump as well.

The next question, I would like to visit a bit about hemp. Since the Farm Bill will passed, we have seen a big rise in interest from farmers that want to grow hemp, and I have had many folks at my farmer roundtables or at the 99-county tour, they will come forward and ask, "Where are we with that?" States are currently working their way through the rulemaking process but they do need guidance. It is my understanding that OMB is finishing their review of the National Hemp Program. Do you know when we can expect USDA to release the plans for public comment?

Mr. CENSKY. We would expect to be issuing the interim final rule here within the next couple of weeks. We have been in the interagency clearance process now for over 90 days, working with some of our Federal colleagues through the OMB process to get input from there, and I think we are nearing, just about at the end of that process.

Senator ERNST. That is excellent, and those farmers will thank you for that. They are looking for ways to diversify their crops, so thank you very much.

With that, Mr. Chair, I yield back.

Chairman ROBERTS. Thank you, Senator. Senator Brown.

Senator Brown. Thank you, Mr. Chairman. Secretary Censky, nice to see you again. Thanks for your service prior to here and

thanks for your service here.

One of the things I am proudest of on this Committee, working with Senator Roberts, is I have had the honor—I came to the Senate after him but I had the honor of serving on the Ethics Committee with him and then serving with him on this Committee, and now that he is Chairman I am particularly proud of what this Committee did on the Farm Bill last year—bipartisan basis, Republican-led House.

What I am especially proud of is we rejected the proposed deep cuts to SNAP. That was a resounding victory for moderate-income and low-income people, understanding while much of America does not necessarily see this but all of us know that most people that get SNAP benefits are working really hard, whether they are swiping a badge or whether they are working for tips or whether they are raising children or whether they are caring for aging parents. We are a rich country that—I think that is why someone as conservative as Chairman Roberts and as progressive as Senator Stabenow or me all rushed to that position.

Now USDA comes out with an administrative rule that implements some of the same policies, the very same policies that Democrats—you know, Senator Grassley and Senator Roberts and others, Republicans and Democrats alike, roundly rejected, as well as other ideas that would cut benefits. It is simply not what Congress wants, that we restrict SNAP benefits. Overwhelming vote, almost 90 votes in the Senate on that whole issue.

We learned yesterday that USDA's own analysis found that your—your part of the Administration, I cannot imagine as decent as you seem you would want to do this, but it ordered by the White House, apparently—found that the proposed SNAP cuts would make it harder for 1 million children to access school meals. This is shameful

Why is the Administration so intent on doing this?

Mr. CENSKY. Thank you for that question, Senator, and we do want to ensure that all those who meet the eligibility requirements of SNAP are able to receive it, and we know—we agree with you that this—and recognize how important it is to provide nutrition

assistance. We have over 36 million Americans that are receiving that kind of assistance.

With regard to the analysis that we released—and we want to—we opened up the comment period so that we can get additional comment on that—one of the questions that was asked, as we looked at and released the categorical eligibility rule, of how many school children might be indirectly impacted. That would not be a direct impact but it would be an indirect impact. That analysis did find that potentially 1 million children could be impacted.

Senator Brown. Are you going to withdraw the rule then?

Mr. CENSKY. Of that million, 96 percent will continue to be—will be eligible for either free or reduced-price meals. The only reason the other 4 percent would not be eligible is because their incomes of their parents are above the eligibility requirements for the SNAP program. You know, we will be happy to work with this Committee. I know one of the things—

Senator Brown. But why can't you—why can't you just withdraw the rule?

Mr. CENSKY. Well, because one of the things that we have been criticized for by both the Government Accountability Office as well as the nonpartisan Office of Inspector General is that we need to make sure that we are enforcing the eligibility thresholds that have been set by Congress for these programs. They criticized, specifically, with regard to the categorical eligibility rule or standards, of just something as easy as someone receiving a brochure made them eligible, categorically eligible for the SNAP program. We have followed the advice to make sure that those are meeting those requirements, and that—

Senator ÉROWN. Okay. I get that. Okay.

Mr. Censky [continuing]. Assistance is ongoing and—

Senator Brown. I get it. But, I mean, the hard-heartedness of people—that the hard-heartedness opposing the minimum wage increase that has not been increased since the Bush years, the hard-heartedness of taking 100,000 Ohioans, taking their overtime, which they earned, away, the hard-heartedness on issue after issue, and then there is this. I mean, I personally like you. I do not know you intimately but I know you well enough to know that you know better and you are carrying out orders.

Let me switch to another issue, and I am not going to put you in the unenviable place of choosing between your current and prior employer and ask your thoughts on the Administration misguided biofuels. But let me just say a couple of words, Mr. Chairman, and then I will be done.

It is troubling to see the gulf that has emerged between the Administration's rhetoric and reality in rural America. I have particularly listened to Senator Grassley's words about this. Farm revenues are down. Farm foreclosures are up.

Then the Administration does its inexplicable actions on RFS, and Senator Grassley has particularly led the charge on this. You know, I understand that farmers are saying that the Trump tariffs—and understanding that tariffs are a tool to enact a policy, not the policy per se, as the President seems to think. But I understand that hurts rural agriculture, rural America.

Particularly when he chose these 31 oil refineries over corn and soybean farmers, former soybean executive director or president—I am not sure of your term—I just do not get it. It is shuttering biofuel plants. It is sweetheart deals for the oil industry. It is a President that has chosen oil companies over family farmers.

Regrettably, we know suicides are up for farmers. We have a Secretary, based on his recent comments in Wisconsin, does not believe that small farms, particularly dairy—I grew up milking Guernseys on a 250-acre farm in southern Richland County. I know people do not milk Guernseys anymore much, but still, none the less. We know that consolidation across the ag sector has made it harder for small farmers to compete with larger farmers and larger

operations.

When USDA had a chance to focus on market facilitation fee payments, the trade bailout, which, I might add, we spent more dollars on that trade bailout to farmers than we did on the auto rescue—imagine that—and the auto rescue paid it back—payments to small beginning producers—you choose to target the largest, most complicated farm operations for the highest levels of assistance. Again, forgetting and betraying—the word "betrayal," betrayal of auto workers in Cleveland, the betrayal in the Midwest, betrayal of our allies in the Mideast right now. These higher levels of assistance go to big farms instead of small.

I would just say, instead of promoting policies that help the smallest farms I would hope the Administration would begin to promote policies that actually help them instead of adding to farm

consolidation.

Thank you, Mr. Chairman.

Chairman ROBERTS. Earlier I granted Senator Casey one additional minute. The Senator owes me a minute because you went two over, but it is all right. It is okay. I think you pretty well covered the waterfront on a lot of subjects.

Senator Brown. You say you want to talk about Lake Erie and algae blooms? You said the waterfront.

Chairman ROBERTS. I have never been to Lake Erie and I do not really plan on going.

[Laughter.]

Senator Brown. You are just jealous that we have all that water in Ohio, Mr. Chairman.

Chairman ROBERTS. We have more lakes in Kansas than your State. You would call them ponds. I understand.

Senator Grassley, can you help us out here? Senator Grassley. Thank you very much.

At least a couple of times during my town meetings this summer, but also not just this summer but over a period of time, there is a lot of distrust among farmers when these crop reports come out that just feel very unrealistic, and the extent to which you probably feel they are very accurate, you understand farmers feel that they are not, considering crop conditions this year—wet spring, late getting the crops in, dry during July and August, et cetera.

Give us an update on how you think that the crop reports are accurate, or the extent to which they are not. You are going to take some steps to do that. Regardless of what you say to me, if you say that they are accurate or the best you can do, I think you ought

to do more to let the farmers have a feeling that it is a good-faith,

intellectually honest approach to it.

Mr. CENSKY. Yes. Thank you, Senator, and I agree with you about how important they are. We know that they are relied on by not only producers but the markets and the trade. They really set the standard of how, you know, other private forecasts are judged, versus the USDA forecast. So we know how important that is.

You know, we have a long history of making sure, trying to make those just as accurate as possible, but we are taking a look at given how we can utilize some of the new technologies to further improve

that as well.

This spring we had, you know, the situation where after the survey was done of producers, it just continued to rain. We want to take a look, and we are going to be implementing a pilot this year of using and buying even more satellite data, so that when we have a very unusual year where things—conditions change from the survey time, of farmers' intentions, to the time that the survey release comes out, if it has continued to rain we will be able to utilize rather than just the survey information, satellite information and other information to give the best forecasts.

So I agree with you that there is always something that we can

do better, and we very much want to do that.

Senator Grassley. I probably would not hear these complaints except usually when you do hear the complaint as a result of the crop report prices drop dramatically, like the one-day in June. I think it was 20 cents, if I recall right, as an example.

My next and last question is in regard to trade and the impact of disease on our ability to trade. Trade is very important, and foreign animal disease outbreaks would cutoff markets and be very devastating. By the way, I hear about this from my constituents as well.

So in the recent Farm Bill we put in a new program, the Animal Disease Prevention and Management, to address preparedness and a vaccine bank. I am also a co-sponsor with Chairman Roberts, Ranking Member Stabenow on a bill to authorize more Customs and border protection inspectors.

Can you talk about the Department's efforts to improve and protect the U.S. from diseases, particularly what we are hearing about now, African swine fever, but another one that really people fear

is foot-and-mouth disease. But either one, or both.

Mr. Censky. Yes. I appreciate those questions and agree with you. That is one of our most important roles that we have at the Department of Agriculture is to protect American agriculture, plant and animals, from foreign diseases, and making sure that we have

robust programs to try to do that.

We agree that that was a very key provision within the Farm Bill, to work on the animal disease preparedness and response. We are moving forward with implementing those provisions, to strengthen our animal disease preparedness programs as well as our laboratory networks. We have asked for proposals and are going to be making available up to \$10 million this year, just the first year, under that program.

We also are moving forward with the vaccine bank. We have issued a sources sought notice so that we can receive from vaccine manufacturers information about what kinds of vaccines, what serotypes that they have available. We are studying that right now and we will be moving forward with a request for proposals to actually acquire various serotypes, either late this year or very early into the new year.

Senator Grassley. Thank you very much, Mr. Chairman and

Mr. Secretary.

Chairman ROBERTS. Well, Coop, you came back. Senator THUNE. I did. Just for you, Mr. Chairman.

Chairman ROBERTS. I think next time we will play that song that was dedicated to you by Tex Ritter for High Noon.

Senator Grassley. He is too young to even know who Tex Ritter

Chairman Roberts. I know that.

Senator Thune. Or Gary Cooper, for that matter, I have now figured that out, and I am flattered by the comparison. Thank you.

Chairman Roberts. I think both of us realized some time back that we are probably the only two that remember who the heck Gary Cooper was, in the audience. But I am happy to recognize you.

Senator Thune. Thank you, Mr. Chairman. Deputy Secretary Censky, thank you for being here and for all your work implementing the Farm Bill. This is an important subject for farmers across the country. Obviously, with depressed commodity prices and, of course, we have had weather complications, not only incredibly wet spring and summer but already a snowstorm last week. We are in a tough spot. The ag economy is in a tough spot.

Very quickly, I just wanted to ask you a couple of questions, and one has to do with a conversation that we had not that long ago, shortly after the fire in the slaughterhouse in Kansas, and I called to talk to you about the—you know, what is happening with cattle prices, generally, and the volatility out there.

That has—you had, I think, the Department of Agriculture, asked Packers and Stockyards Division to look into that investigation, and I am wondering what the status of that investigation is and when it might be available, if they are going to file any kind

of a report.

Mr. CENSKY. Yes. Thank you very much, Senator, for that, and I appreciate your interest in that. That investigation is moving forward. They are taking a look at whether there was any kind of price manipulation, any unfair practices that took place at that time. That investigation is still ongoing right now, and so I do not have a timeframe of when that will be completed. But we do want to complete that and follow the evidence to where it may be. But, unfortunately, I do not have a timeframe of when that is going to be wrapped up.

Senator Thune. Okay. Well, stay in touch with us on that. It is something that is of great interest to ranchers in South Dakota.

In the Farm Bill there were several provisions in the conservation title that we were interested in and involved with. One was the new SHIP program. I am interested about the implementation of that. It is a 50,000-acre program, sort of pilot program, shorter term in duration than CRP, three-to-five-year voluntary program that allows farmers to set aside acres.

So that, and then, second, the Farm Bill also raised the CRP cap to 27 million acres, from the 24 million in current law. My understanding is that this 2019 year so far we have only rolled about 700,000 new acres, and we are already 1.6 million acres below the 24 million cap, which is going up to 25 million in 2021. We are going to lose eight million acres over the next two years, when these contracts expire. So there is going to be a lot of ground to make up, and so I would like to know sort of the status of what is happening in terms of getting more acres enrolled in CRP, to get up to where the law now allows for, and also any thoughts about implementation of the SHIP program.

Mr. CENSKY. Yes. Thank you very much for those questions, and I recognize how important the CRP is. We plan on, with regard to the new CRP signup, we will be opening sign up, we anticipate, in early December, and we believe that that will be the largest signup ever. We anticipate that we are going to be having a lot of acres that are going to be bid and that we expect to enroll a large num-

ber of acres under that signup.

After the general signup that is rolled out in December, we plan, early in the new year also opening up the CRP grassland signup, and then move on, into the spring, into the SHIP program, the short-term Soil Health and Income Protection program as well. We anticipate that that signup, that pilot, would open up in the spring.

Senator Thune. Okay. Good. Let me just echo what has already—I know the question has been raised a couple of different times by a couple of my colleagues on biofuels, but let me just reiterate my interest in making sure that that rule at EPA gets done right, that the 15 billion gallons that has been committed to by the President, by the White House, is something that we actually see translated into regulation when that time comes. It is among many other things that we are dealing with in farm country today an issue that has generated a lot of interest and a lot of concern, because of all the small refinery exemptions, and the gallonage has been lost as a result of that.

So it is important that we follow the law. The law calls for 15 billion gallons, and we want to make sure that the new rule incorporates that.

So I think, Mr. Chairman, I have got a couple other questions that I could submit for the record. I do appreciate your point about PLC and ARC. Oh, Mr. Chairman, you changed.

Senator BOOZMAN.

[Presiding.] I made the point also.

Senator Thune. Okay. But I am glad we have the flexibility in the law today that allows the option. You know, when we get to some of the out years in the Farm Bill for farmers if they want to opt in or out, depending on what the market conditions are at the time.

But just a quick question, I guess, to close this out, an update on how ARC and PLC signups are going so far.

Mr. CENSKY. Yes. So far, I mean, obviously the CRP—or for the PLC and ARC signup for 2019 just opened up in early September, and that is proceeding, as well as, of course, signup for the 2020 is open as well. I do not have the exact numbers. I would be happy

to get back to you on that, of where we are. Signup, as you know, extends into next spring, and so we still have a lot of time.

I agree with you 100 percent about that flexibility of producers to, under the new Farm Bill, to enroll on a farm-by-farm and crop-by-crop basis, and choose either PLC or ARC is very, very important.

Senator Thune. Good. Mr. Chairman, I just think as we—with all the hardships we have all acknowledged that farmers are facing, it is more important now than ever that the policies passed in the 2018 Farm Bill get implemented on time and in a way consistent with the intent of Congress. We appreciate your followup on that and we will look forward to working with you to see that that is the case. Now more than ever, our farmers need certainty, and if nothing else the things that we can control we want to provide that, and the Farm Bill is one of those.

Thank you. Thank you, Mr. Chairman. Thank you, Deputy Secretary.

Mr. Censky. Thank you, Senator.

Senator BOOZMAN. Senator Hyde-Smith.

Senator Hyde-Smith. Thank you, Senator Boozman. I too, appreciate you being here today and are so willing to answer our questions. I appreciate your service for what you do every day to help us.

I also am interested in the packers and stockyards investigation, price manipulations, when that comes about. I hear that daily in Mississippi, almost, that, you know, we are just real concerned about that investigation.

Also the things that I am hearing concerning the Farm Service Agency offices—and you may have been asked this before. I have been presiding and I apologize that I am just getting here. But as you well know, current law prohibits the closure of any Farm Service Agency county offices, and it also prohibits the permanent relocation of any FSA county employees if it would result in an office with two or fewer employees. The Department is transferring FSA county office employees to other counties based on the agency's workload analysis, which is resulting in the offices that are not technically closed but their office is open for appointment-only status. We are just very concerned about that and the status of that.

My question is, how many FSA county offices do you anticipate shifting from being open to by appointment only?

Mr. Censky. Thank you for that question, Senator, and I am going to have to get back to you on some of the details on that. I will tell you that we very much area interested and we plan on having aggressive hiring strategy to beef up our Farm Service Agency staff.

We are using an optimally productive office tool to measure what is the workload in the county offices, and we are trying to shift and make sure we are placing the resources in the offices that have the greatest demand, the greatest number of farm loans, the greatest number of PLC contracts, CRP contracts, things like that. It is very much being trying to objectively measure what is the workload in that office.

But we do have an aggressive hiring strategy. We know that we have been short-handed in some of those offices, and we do plan on ramping up our staff.

Senator Hyde-Smith. Great, because my next question was are there any provisions of law that limits the FSA's ability to hire staff. So you are telling me you are going in the direction of you

will be hiring more people.

Mr. Censky. Yes. We definitely are. I think one of the provisions that may be useful is if we had the opportunity for direct hire authority. That means that we would be able to hire directly, you know, in a local area by advertising in the paper or LinkedIn or other measures like that. Right now, under the current rules and procedures that govern all government hiring, applicants, if they want to be hired, have to apply through the USAJobs website and portal. You know, in our counties where you and I are from, folks back home probably have never heard of USAJobs, and it slows us down in the hiring.

That might be something we would be very much interested in working with you on, to see how we might be able to have that

kind of direct hire authority.

Senator Hyde-Smith. Thank you very much. My next question has to do with a project that I am very interested in, the Okhissa Lake land transfer. In section 8631 of the 2018 Farm Bill, it authorize the transfer of approximately 150 acres on the Homochitto National Forest in Southwest Mississippi, where I live, to a local economic development organization. My constituents in the area were very excited about the rural economic development aspects of this transfer and what it can do for the local economy there. The U.S. Forest Service has worked well with the local sponsors and things have been moving smoothly to this point.

However, various studies, such as an environmental assessment, must take place before the transfer can even occur, and my constituents are concerned about any potential unnecessary delays. Can you elaborate on the approximate timeframe for transfers such

as this to play out?

Mr. Censky. Senator, I am going to have to get back to you on the exact timeframe of where that is and check, and I would be happy to get back to you on that. I will say that one of the things that we have been doing within the Forest Service is look to see how we can speed up our environmental assessments. We know that they can take far too long. We want to make sure that we are doing things correctly, that we are correctly looking at the environmental impacts.

But many times, in the past, those kinds of assessments could take two to three years, and that means people back in the local communities are waiting, two, three, four years before they get an answer. Our goal is to try to make sure we are providing that environmental assessment within a year, to complete, which is fast for the Federal Government to go through the due diligence. But that is something we are very much interested in doing.

Senator Hyde-Smith. Of course, we are also very concerned about the additional cost for that. You know, we are worried about how swift we can do it. But when you get into the environmental studies on a local level, also, that increases our cost.

Thank you for allowing me to bring that to your attention.

Mr. CENSKY. Great. Thank you, Senator.

Senator Hyde-Smith. Thank you, Mr. Chairman.

Chairman Roberts.

[Presiding.] Senator Gillibrand.

Senator GILLIBRAND. Thank you, Mr. Chairman. I appreciate how quickly USDA worked to stand up the new Dairy Margin Coverage program and to begin making refunds available to farmers who participated in the old MPP program. However, I am concerned that all the producers get the refund that we owe them, especially the farmers who have quit dairying over the past five years.

Can you tell me how much of the MPP premiums have been returned to farmers and how farmers have elected to receive their re-

fund as either cash or credit for a DMC policy?

Mr. CENSKY. Thank you for that question, Senator. I am going to have to get back to you with the specifics about exactly how much has gone, been paid back, and what percentage receive, you know, cash back versus applying it as credit or as a payment for the DMC enrollment. I would be happy to do that.

Senator GILLIBRAND. Okay. Do you know how USDA is working to contact farmers that may not have received the money that they

are owed, particularly those who may have quit dairying?

Mr. Censky. We have had a very aggressive outreach program, I can tell you that, by both sending letters, by trying to followup to make sure that we are reaching out by telephone as well, to those producers that have participated in the past. But if you are aware of others that we are missing in that process we definitely want to know about that, so that those producers can get the refund, or the opportunity for the refund that they deserve.

Senator GILLIBRAND. Okay. Well, I would love to work with you specifically on some New York dairies that may not have been able

to get their refund yet.

Mr. CENSKY. I am happy to do that.

Senator GILLIBRAND. On the nutrition program, your team has put a great deal of work into enacting Farm Bill provisions, but I am concerned because of the issue with regard to the SNAP benefits. The proposal to end broad-based categorical eligibility, a tool that makes it easier for States to extend SNAP benefits to households that we already know are low-income, that change would block 3.1 million people from receiving SNAP and jeopardize nearly 982,000 children from free school meals—likely an underestimate because USDA's analysis ignores the impact this rule would have on schools that rely on community eligibility to feed all their students.

Just this month we hear about a rule change on how utilities are accounted for in the determination of SNAP benefits, a change that really punishes families in States with high utility costs, such as New York, because we have very cold winters, and cuts \$4.5 billion in SNAP benefits over five years.

Now the Senate passed an overwhelmingly bipartisan Farm Bill and it did not require the USDA to do any of these things. The Senate rejected these proposals outright. How can you justify spending so much time and effort on policies that flout congressions.

sional intent and do the exact opposite of the FNS mission, which is to increase food security and reduce hunger by providing children and low-income people with access to food, a healthy diet, and

nutrition education?

Mr. Censky. Thank you, Senator, and thank you for that question. I want to emphasize that we at USDA, we believe in the SNAP program and know how important it is to providing nutrition assistance. As you know, it provides assistance to over 36 million Americans. We want to make sure that all those that are eligible to receive the benefits that meet the congressionally established eligibility requirements do receive that kind of food assistance.

On some of those proposed rules, such as the standard utility allowance, that is a proposed rule, as you know, that we have issued. It was something that came to us from our career staff that noticed that similarly situated individuals across State lines were receiving vastly different benefit levels, sometimes up to two and a half times the level of someone that is just right across the State line,

in a similar situation.

So under the proposal, what we are proposing is to set a standard methodology for calculating the utility allowance, to set it at the 80th percentile of what people in that State pay, and then also include internet service as part of that, because we think that has to be part of that standard utility allowance. That is a proposal. We are receiving comments on that now and are welcoming comments.

Senator GILLIBRAND. So as we work together to craft a bipartisan child nutrition bill, I want your assurance that you will make sure

that you intend to implement what we bring to USDA.

Mr. CENSKY. Sure. We look forward to working with you and we will be happy to provide both any kind of technical assistance as you craft that, and work with you on that. Senator.

you craft that, and work with you on that, Senator.

Senator GILLIBRAND. Thank you. I have additional questions on market facilitation payments that I will submit to you for the record, because my time has nearly expired.

Mr. CENSKY. Okay. Thank you.

Senator GILLIBRAND. Thank you. Thank you, Mr. Chairman.

Chairman ROBERTS. Okay. We thank the Senator.

This is going to conclude our hearing today. I want to thank you, Deputy Secretary Censky, Steve, for joining us this morning. We do appreciate the timely updates on the Department's progress implementing the 2018 Farm Bill.

To my fellow members, any additional questions you may have for the record may be submitted to the Committee Clerk five business days from today, or by 5 p.m. next Thursday, October 24th.

The Committee stands adjourned.

[Whereupon, at 11:41 a.m., the Committee was adjourned.]

## APPENDIX

OCTOBER 17, 2019

#### **Testimony of Deputy Secretary Stephen Censky**

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

#### Implementing the Agriculture Improvement Act of 2018 October 17, 2019

Chairman Roberts, Ranking Member Stabenow, and distinguished members of the Committee, it is a privilege to appear before you today to provide an overview of the Department's implementation of the Agriculture Improvement Act of 2018.

In November 2018, as Congress approached conclusion of its work on the 2018 Farm Bill, I established a Farm Bill Working Group to begin laying the groundwork for prompt and efficient implementation of the legislation. In recognition of the multi-level effort required, the working group was comprised of Mission Area representatives and senior officials from USDA's staff offices. Our tasks would include identifying priority issues, delegating responsibilities, establishing timelines, tracking progress and reporting to the Secretary for input and decision.

With our framework in place, we immediately rolled up our sleeves to fulfill the Farm Bill's potential once Congress completed its work. The inaugural meeting of the Farm Bill Working Group was held on December 20, 2018, as the bill was prepared for Presidential signature later that afternoon.

USDA assumed responsibility for implementation in a period of enduring uncertainty for many producers. Weather and market disruptions added financial risks well in excess of that which farmers typically assume in their operations.

At the Secretary's direction, our implementation cadence and priorities corresponded to the conditions testing the resilience of the American farmer. Among the priorities were tools that

help farmers and ranchers manage risks, take care of the land, and continue producing food, fiber, and fuel in good years as well as bad.

On June 17<sup>th</sup>, as the Secretary committed when he appeared before this Committee in February, the Farm Service Agency (FSA) began signup for the Dairy Margin Coverage (DMC) Program.

The 2018 Farm Bill reinvented the Margin Protection Program for Dairy (MPP-Dairy) as the Dairy Margin Coverage (DMC) Program, providing a boost to coverage levels and a reduction in premiums. It is a voluntary program that offers protection to dairy producers when the difference between the national all-milk price and average feed cost (the margin) falls below a certain dollar amount selected by the producer. The program requires producers to contribute to coverage of their financial risk through a premium schedule scaled by production levels and coverage levels.

To help producers understand the important risk management tool that DMC could become to their operation, we partnered with the University of Wisconsin, one of our land-grant universities, to develop an online Dairy Decision Tool. Throughout the 2019 sign-up period, FSA conducted collaborative outreach with producer associations and cooperatives. In addition, FSA offices spread word of the new program through radio, personalized phone calls, postcards, and emails.

The 2019 sign-up, which ran through September 27<sup>th</sup>, enrolled 22,682 dairy operations. Based on the 2019 data, dairy producers who purchased coverage will receive more than \$300 million in much-needed program financial support.

For our crop producers, crop insurance is a vital part of the farm safety net. The Farm Bill recognized the importance of crop insurance by further enhancing products and available

options. RMA has implemented key crop insurance provisions such as Multi-County Enterprise

Units. In addition, key provisions related to veteran farmers and ranchers have been implemented
that make crop insurance more affordable with more robust coverage.

The 2018 Farm Bill also enhanced a set of critical risk management tools: the FSA-administered Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. ARC and PLC are income support programs that provide payments on historical base acres. ARC has two variants – County and Individual. For ARC-County, the more popular variant, payments are made when actual crop revenue at the county-level declines below a specified guarantee level. PLC provides payments when the effective price for a covered commodity falls below its effective reference price, set by Congress. FSA readily implemented 2018 Farm Bill changes to ARC/PLC, opening sign-up for 2019 on September 3, 2019,nd for 2020 in the second or third week of October 2019.

Implementation of conservation programs has been on track as well. Signups for continuous Conservation Reserve Program (CRP) and Conservation Reserve Enhancement Program were held June 3 to August 23, 2019. As the Secretary also committed during his appearance before this Committee in February, FSA will hold a CRP general signup in December 2019, with a CRP Grasslands signup to follow.

NRCS' Environmental Quality Incentives Program, Conservation Stewardship Program and Agricultural Conservation Easement Program have continued operating under current regulations consistent with new Farm Bill provisions.

There are new additions under the 2018 Farm Bill to NRCS' suite of conservation opportunities as well, including CSP Grassland Conservation Initiative (CSP-CGI), on behalf of which the Chairman's effort warrants special acknowledgement. The new initiative will assist

producers in protecting grazing land uses; conserving and improving soil, water and wildlife resources; and achieving related conservation values by conserving eligible land through 5-year grassland conservation contracts. Signup 2019 CSP-CGI began on June 10 and to date NRCS has received nearly 12,000 applications totaling 826,628 acres.

Finally, NRCS recently announced that it is accepting proposals for the Regional Conservation Partnership Program. Currently, we have 375 active RCPP projects with close to 2,000 partners. Partners are leveraging nearly \$1 billion in NRCS investment with close to \$2 billion in non-NRCS dollars. The 2018 Farm Bill made several improvements to this program – increasing flexibility, simplifying the application processes, and emphasizing conservation outcomes and reporting by partners – while remaining true to the core principles of leveraging partner contributions to deliver innovative solutions for natural resource challenges.

While we make deliberate strides to provide tools for producers managing the stresses of these difficult times, agencies are simultaneously at work delivering implementation of provisions that are no less important to producers and the communities in which they live.

Rural Development has been working hard to implement provisions included in the 2018 Farm Bill so we can continue to help improve the economy and quality of life in rural America. Most recently, RD has expanded access to credit for rural communities by increasing the population limits for the Community Facilities and Water and Waste Disposal programs to 50,000. The Farm Bill also reauthorized the Rural Broadband Program which included establishing a new loan/grant program and we are on-track to have the regulation completed by December 2019.

Rural Development kicked off the Council on Rural Community Innovation and Economic Development, in April 2019. The Council will coordinate rural community

innovation and economic development across the federal government. The Rural Water Task Force has also been working hard and the three working groups within the task force have been meeting on a biweekly basis since August. USDA and the Department of Energy have entered into a Memorandum of Understanding, which will enhance collaboration and coordination between the two agencies and help facilitate energy-related investments in America's rural communities.

The Forest Service is also using the new Farm Bill and 2018 Omnibus authorities to do work in the right place at the right scale. We will improve forest conditions across all forests by setting aggressive targets for treating acres and producing timber volume. At the same time, we will maintain our commitment to reducing hazardous fuels and restoring forest health. On September 25, 2019, the agency also published the proposed rule implementing the Farm Bill provision regarding Communication Sites Management, which aims to expedite application processes for individuals and companies that want to build communication sites on national forests and grasslands. These changes will help expedite broadband service improvements in rural communities and improve customer service to those applying for, and operating under, special use permits for communication sites.

The Food, Nutrition, and Consumer Services (FNCS) also plays an important role in ensuring producers, their communities, and the nation as a whole has access to healthy, nutritious foods. Recent strides have been made to improve that access in both rural and urban areas through the launch of the SNAP Online Purchasing Pilot in 2019, including plans to expand the pilot to 7 more States. FNCS is also renewing focus on creating clear pathways to self-sufficiency for SNAP participants through effective Employment and Training (E&T) programs. A proposed rule is set to come out this fall that will implement meaningful improvements in the

administration of E&T programs and will provide instructions reflecting the new self-enacting Farm Bill requirements for State E&T plans.

We have also launched a new phase in the summer EBT demonstration projects to test innovative new strategies for operating the program efficiently and effectively. We have awarded new multi-year projects to both existing and new summer EBT operations and teamed up with Baylor's Texas Hunger Initiative to test a Summer Meals-to-You project, serving about 4,300 children in 2019. We have also moved forward with preparing for the self-determination demonstration project in the Food Distribution Program on Indian Reservations by engaging in outreach and formal consultation with Tribal leaders.

We are also moving forward with the National Accuracy Clearinghouse (NAC) as described in the 2018 Farm Bill. This fall we announced that State agencies will have the opportunity to join an ongoing NAC pilot while we develop a nationwide NAC solution. This will expand our current roster of 5 States enrolled in the pilot, which has already identified and prevented dual program participants resulting in significant cost savings.

FNCS is also working hard to ensure that its mission of ensuring Americans' access to healthy, nutritious foods is also a key part of the overall mission of USDA, including ensuring compliance with the Buy American provision. We partner with States to provide support while also allowing some discretion to School Food Authorities who best understand their local markets for domestic foods and procurement. FNS issued a report to Congress on this topic and provided additional guidance to the States in Summer 2019.

We have also worked closely with NIFA to provide important technical assistance for the GusNIP/Prescription Vegetables program, which is designed to increase purchase of fruits and vegetables among SNAP participants. Finally, we are also working to prepare for funding and

implementation of the Healthy Fluid Milk Incentives Projects, which will test methods of increasing purchase of fluid milk by SNAP participants, as well.

In May 2019, FNS attended the American Commodity Distribution Association

Conference in Niagara Falls and provided updates on the Farm Bill's Commodity Supplemental

Food Program (CSFP) including changes that reduce administrative burdens for program

participants and implementers as well as changes in The Emergency Food Assistance Program

(TEFAP) that support State efforts to channel food from commercial sources into food donations and minimizing food waste. A final rule with request for comments was published on October 4, 2019 that outlined the need for State plans to include how States will work with emergency feeding organizations within the State for input on commodity preferences and needs. Additionally, an informational memorandum to direct States regarding the CSFP change in certification periods and the exception for temporary monthly certification periods was published in March 2019; the final rule is expected to be published in the summer of 2020. FNS issued guidance in August 2019 outlining best practices to minimize food waste of commodities donated to State agencies and emergency feeding organization.

The Agricultural Marketing Service (AMS) has been working aggressively to stand up the Hemp Production Program in advance of the 2020 planting season. This work has involved soliciting stakeholder feedback, including, but not limited to, an open webinar listening session in March 2019. Many voices were represented during this listening session and the insights offered during this and other stakeholder input were used by AMS to craft an interim final rule. Over the last few months, USDA has been working with our Federal partners to ensure the Hemp Production Program does not conflict with existing programs and to ensure the burden on producers and other stakeholders is minimized. These discussions have included the

opportunities for Tribes to participle in hemp production and the effects the regulation will have on the agricultural lending industry. These conversations have been productive and provided an overall improvement to the design of the Hemp Production Program. Based on the most recent discussions, many of the initial concerns have been addressed and it has been indicated the rule should be cleared for publication soon. We look forward to having this program available to interested States, Tribes, and producers.

In addition, AMS combined existing enforcement tools with new authorities provided in the 2018 Farm Bill to prepare their Strengthening Organic Enforcement rule. Although the agency expects to publish the rule later than initially estimated, the work product has become a much more comprehensive regulation that will help protect the integrity of the organic label including ensuring that organic imports are compliant with USDA regulations.

Finally, in the coming weeks, AMS will publish its highly anticipated Livestock Dealers Trust study. Public comment on the study was solicited between April and June of this year, resulting in over 1,500 comments received. The study will determine the feasibility of establishing a livestock dealer statutory trust, as directed, for this Committee's review and future consideration.

For the first time, the 2018 Farm Bill included funding that directly supports animal disease prevention and preparedness, including creation of the U.S.-only National Animal Vaccine and Veterinary Countermeasures Bank. The new stockpile of animal vaccine is an insurance policy against the spread of the most damaging animal disease. This includes the extremely rare chance of a foot-and-mouth disease (FMD) outbreak. This Vaccine and Veterinary Countermeasures Bank represents the third leg of the stool for U.S. pest and disease prevention, along with the National Animal Disease Preparedness and Response Program and the

National Animal Health Laboratory Network. As the first step toward implementation of this important provision, the Animal and Plant Health Inspection Service (APHIS) issued a source sought notice on September 10<sup>th</sup> to gather information from interested foot-and-mouth disease vaccine manufacturers. The notice closed on October 11<sup>th</sup> and APHIS is analyzing the market research received, developing a roadmap for a forward-looking FMD vaccine procurement strategy, and issuing one or more requests for proposals for vaccine.

In partnership with APHIS, NRCS is well underway with their joint implementation of the Feral Swine Eradication and Control Pilot Program. NRCS accepted project proposals June 20 to August 19 for first tranche of the \$75 million to help control the runaway feral swine population plaguing much of the country.

The 2018 Farm Bill continues to help U.S. farmers and ranchers identify and access new export markets, while enabling assistance for developing countries to improve their agricultural systems, build their trade capacity, and support food security. Included under the umbrella of the newly authorized Agricultural Trade Promotion and Facilitation Program, administered by the Foreign Agriculture Service (FAS), are the Market Access Program (MAP), Foreign Market and Development Program (FMD), Technical Assistance for Specialty Crops (TASC), and the Emerging Markets Program (EMP). In February, FAS allocated more than \$204 million in MAP and FMD program funding. TASC and EMP awards continue on a rolling basis. For example, 2019 TASC funds were awarded to the U.S. Highbush Blueberry Council to research pest mitigation methods to support exports to Australia. A U.S. beef genetics cooperative received 2019 EMP funds for activities aimed at increasing exports to the Black Sea Region.

On the agricultural development and capacity building-side, FAS announced FY 2019 funding allocations for McGovern-Dole valued at approximately \$191 million to provide school

meals and nutrition programs for children in countries with high food insecurity. FAS also announced FY 2019 allocations for Food for Progress projects totaling nearly \$140 million to improve agricultural productivity in developing countries and expand trade in agricultural products, adding eligibility for U.S. public and non-profit colleges and universities as directed by the Farm bill.

The FAS Food for Progress report was sent to Congress on September 20, 2019, and is currently posted on the FAS website. Following closely behind will be the 2018 U.S. International Food Assistance Report, and the 2017 Global Effort to Reduce Child Hunger and Increase School Attendance report (also known as the McGovern-Dole report).

The National Institute of Food and Agriculture (NIFA) continues to implement research, education, and extension provisions of the 2018 Farm Bill. A few highlights include the Scholarships for Students at 1890 Institutions (Section 7117) Request For Applications (RFA) being released September 10, 2019, with a deadline for applications of November 8, 2019. NIFA held two webinars on this section: one on May 29, 2019, to collect stakeholder feedback and another informational webinar on September 26, 2019. An additional highlight is the Specialty Crop Research Initiative (SCRI) (Section 7305). NIFA announced eighteen new (FY 2019) awards on October 2, 2019, to develop high-tech solutions to meet the needs of U.S. specialty crop farmers and processors. The FY 2020 SCRI pre-applications RFA was released on August 12, 2019, with applications due October 15, 2019. Additionally, NIFA has implemented the programmatic changes to many of its programs including changes matching funds. In programs where there were significant challenges created by changing this requirement, specifically the SCRI program, Congress recently acted to temporarily waived matching requirements in the FY2020 Continuing Resolution through November 21, 2019.

All told, the 2018 Farm Bill contains over 400 discrete provisions touching every facet of American agriculture and rural communities. Acknowledging the long way still ahead, I am pleased to report – now almost 10 months since the Farm Bill Working Group first convened – that our pace implementing the 2018 Farm Bill tracks closely with that of the 2014 Farm Bill, in terms of regulations, notices of funding availability, administrative actions, reports, and studies delivered. My commitment is that USDA will continue to sprint, working hard to deliver quality programs that serve the urgent needs of our customers.

Before I close, I want to recognize our dedicated employees, whose work often goes unseen, but make a difference in the lives and communities of farmers, ranchers, consumers and school children each day. It is a privilege to serve alongside the USDA family as we try to "Do Right and Feed Everyone" each and every day.

# QUESTIONS AND ANSWERS

OCTOBER 17, 2019

#### Senate Committee on Agriculture, Nutrition & Forestry

Hearing on Implementing the 2018 Farm Bill
October 17, 2019
Questions for the Record
Deputy Secretary Stephen Censky

#### **Chairman Pat Roberts**

1) FPAC: As the Department rolls out changes to the major commodity and conservation programs required by the 2018 Farm Bill, how does the Farm Bill Working Group and the Department address producer concerns and implementation issues as they arise?

Response: USDA has interacted with producers throughout Farm Bill implementation. USDA's Farm Production and Conservation Farm Bill listening session, held on February 26, 2019, resulted in many farmers, ranchers, interest groups, and others providing verbal comments to Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Risk Management Agency (RMA) officials regarding their ideas and concerns regarding implementation. These comments—along with the 183 listening session comments provided on regulations.gov—provided a solid foundation for USDA implementation. In addition, commodity and conservation program officials have met on an on-going basis with individual producers, interest groups, Indian tribes, and many others to best understand needs and ensure that concerns are addressed—whether through rule language that appears in the Federal Register, instituting additional outreach and education, or developing new and/or more robust partnerships.

2) FPAC: Your written testimony references the upcoming CRP general signup in December. Kansas has approximately 1 million CRP acres with contracts expiring in the next 4 years. In light of this, I know there is significant interest in participation, especially for highly erodible acres. In the upcoming CRP signup, how will the Department prioritize among the various types of acceptable acres, be they reenrollments, general acres or continuous acres?

# Response:

CRP enrollment is mainly driven by producer interest. Under the General Signup, producers' CRP offers will compete and be ranked according to an Environmental Benefits Index (EBI) which applies only to General Signup and weighs the costs and benefits of those offers, including the benefits to wildlife habitat, water quality, and air quality. A fact sheet summarizing the General Signup 54 EBI factors is available at

https://www.fsa.usda.gov/Assets/USDA-FSA-

 $\underline{Public/usdafiles/FactSheets/2019/crp\_environmental\_benefits\_index-fact\_sheet.pdf}$ 

. Producers may also continue to enroll on a continuous basis for high priority practices. A fact sheet for Continuous Signup is available at <a href="https://www.fsa.usda.gov/Assets/USDA-FSA-">https://www.fsa.usda.gov/Assets/USDA-FSA-</a>

Public/usdafiles/FactSheets/2019/crp\_continuous\_enrollment\_period-fact\_sheet.pdf.

3) FNCS: To address serious problems with the SNAP Quality Control process reported by the Department's Inspector General, the 2018 Farm Bill increased oversight of states' monitoring and reporting of SNAP error rates, eliminated state "performance bonuses" which had incentivized biased reporting, and modernized states' SNAP verification processes. It appears that the Department has started to get things back on track at least in terms of accurate reporting of the SNAP payment errors. What other measures is the Department taking to increase SNAP payment accuracy, improve Quality Control, and reduce error rates?

Response: FNS continues to prioritize payment accuracy in working with State partners. FNS completed guidance for FNS regional offices on identifying and working more effectively with States that require targeted payment accuracy support. We provided States with updated guidance on best practices in reducing payment errors through focus on areas such as staff training, data analysis, State modernization efforts, and policy options.

In addition to the focus on payment accuracy, FNS is also striving to maintain momentum from the substantial QC integrity improvements made in recent years by States and FNS to ensure the accuracy of what data is collected and reported. FNS continues to work on QC integrity initiatives, including proposed rulemaking to strengthen further the SNAP quality control process and to implement reforms enacted by Congress in the 2018 Farm Bill.

FNS has made improvements to internal QC policies at the Federal level, including updating the FNS Handbook 315, the standard operating process manual used by Federal QC reviewers, and instituting quarterly calls between the FNS national office and all regional offices to improve the consistency and accuracy of Federal reviews. Additionally, FNS is responding to customer needs through the development of resources for both Federal and State QC reviewers that will be available to relevant stakeholders in online "toolboxes." FNS has also begun efforts to institute an internal review process that will target Federal reviews in our continual efforts to improve accountability and consistency in QC and will host a national training event towards the end of FY 2020 that will provide in-depth training to all Federal reviewers.

4) FNCS: The 2018 Farm Bill included several measures to improve the integrity of our nutrition programs, such as Supplemental Nutrition Assistance Program and The Emergency Food Assistance Program. SNAP improvements from the bill result in better oversight of payment error rates, modernization of the verification process, and focusing employment and training on the skills needed in the workforce. The enacted 2018 Farm Bill did not alter the flexibility for the U.S. Department of Agriculture to review and update SNAP requirements for states' requests for waivers from the Able-Bodied Adults Without Dependents ("ABAWD") time-limits or the qualifications for "Broad-Based Categorical"

Eligibility" for SNAP. Can you provide (or cite) the statutory authority for USDA to enforce (or implement) the law by updating these SNAP regulations?

Response: Section 4(c) of the Food and Nutrition Act of 2008 (the Act) gives USDA the authority promulgate regulations, consistent with the Act, that "the Secretary deems necessary or appropriate for the effective and efficient administration of the Supplemental Nutrition Assistance Program."

Section 5(a) of the Act and current regulations, allow households in which all members receive benefits under a State program funded by the Temporary Assistance to for Needy Families (TANF) program to be categorically eligible. Currently, in some cases, the TANF-funded benefit is as minimal as a brochure or application, which has allowed households to be categorically eligible simply because they receive minimal benefits without a robust eligibility determination. The Department believes the proposed BBCE rulemaking will maintain categorical eligibility's dual purpose of streamlining program administration while ensuring that SNAP benefits are targeted to the appropriate households.

With regard to waivers from the Able-Bodied Adult Without Dependents (ABAWD) timelimit, section 6(o)(4) of the Act gives the Secretary the discretion waive the time limit, on the request of a State agency, for any group of individuals if the Secretary makes a determination that the area in which the individuals reside has an unemployment rate of over 10 percent or does not have a sufficient number of jobs to provide employment for the individuals. The final rule on ABAWD waivers amends the regulatory standards by which USDA evaluates State agency requests to waive the time limit.

5) NRE: Are you encountering concerns regarding the limitation of spending Good Neighbor Authority revenues only on Federal lands? What, if any, challenges have you observed this limitation creating in carrying out the Good Neighbor Authority, whose purpose is to conduct restoration activities on all lands.

Response: The agency is committed to working across boundaries to achieve restoration outcomes on all lands. The Good Neighbor Authority is bringing State agencies and Forest Service land managers together to target areas of mutual interest for forest improvement and risk reduction. Forest Service funding is being amplified with non-federal funding to conduct treatments on National Forest System lands and in combination with efforts on state and private lands. Work continues to ensure training and documentation is made available to the field.

The current limitation inhibits our ability to target Good Neighbor Authority lands across boundaries to where they are needed most. The United States Department of Agriculture would like to work with the committee to remove this limitation to provide the Forest Service greater flexibility to target Good Neighbor Authority funds to where they will do the most good, regardless of who owns the land.

6) NRE: Do any Good Neighbor Master Agreements or Supplemental Project Agreements allow the direction of timber revenues to purposes unrelated to the Good Neighbor Authority?

Response: No, timber revenues generated under the Good Neighbor Authority cannot be used outside the authority provided under the legislation.

7) NRE: While timber revenue is not the objective of Good Neighbor Authority, it has shown tremendous potential to expand needed work on Federal and non-Federal lands alike. As you know, the program has attracted a substantial amount of investment from several states and the private sector. Can you describe some of the programs greatest successes so far? How does the restriction on revenue impact those successful state programs?

Response: As of July 30, 2019, the Forest Service has entered into 216 Good Neighbor Supplemental Project Agreements across 38 states. Twenty-seven of those agreements were signed in 2019. We are actively using the Good Neighbor Authority throughout the nation in a variety of ways to accomplish the Agency's forest management, wildfire risk, and hazardous fuels reduction goals. One example of the success of Good Neighbor Authority is in Wisconsin, where the State expanded their forestry program to include work on the National Forests, which has led to additional increases in restoration activities.

The use of Good Neighbor Authority has expanded in other states as well, including Idaho and Montana. Forest Service Region 1, which includes Idaho and Montana, has more than doubled the volume of timber sold under Good Neighbor Authority from FY18 to FY19. Nationally, we are seeing the same trend. It is too early to tell whether new authorities allowing States to retain revenue have made it easier for States to expand their use of Good Neighbor Authority. Indications are there is increasing interest from additional states in using the Good Neighbor Authority.

8) FPAC: Recently, the Department announced that "...the producer must have a contract with a buyer" for hemp coverage through a Whole Farm Revenue Protection plan. However, regardless of the form of crop insurance, it is my understanding that growers have not always received timely payments from their processors, and that this year will be no exception. How does a contract with a buyer make a crop insurance product more actuarially sound if the buyer is not always solvent or does not pay within a crop year?

Response: Given the current availability of price data along with the need to ensure that producers have a market to sell hemp, RMA determined that requiring a contract was the most effective way to both establish a price and to ensure producers have a market to sell hemp at this time. While there is always a risk that either party may not be able to fulfill their legal obligations in a contract, the upfront commitment to a price and production level mitigates risk to the Federal crop insurance program as opposed to no contract requirement.

9) MRP: The new Animal Disease Prevention and Management Program allows USDA to enter into cooperative agreements with States, Universities, industry organizations, government agencies and others to carry out activities to protect the health of the animal agriculture. As you have been working to implement this program, can you describe any foreign animal disease research needs the Department has identified that could be considered under this program?

Response: While USDA has announced initial plans for 2019 funding for the National Animal Disease Prevention and Response Program (NADPRP) and the National Animal Health Laboratory Network (NAHLN), we are continuing to finalize plans for full implementation of these programs in 2020. A listing of priorities is not available at this time. As part of our implementation work in 2020, we will be consulting with states, industry and the other partners identified in the bill to develop funding priorities, including research, which we expect to be a key component of NADPRP.

10) Homeland Security: The 2018 Farm Bill renewed and updated the USDA's Office of Homeland Security reinforcing the importance of USDA to the homeland security mission. What changes have been made in Office of Homeland Security as a result of the Agriculture Improvement Act of 2018? What is the progress of establishing partnerships and cooperative agreements outlined in the Agriculture and Food Threat Awareness Partnership Program? Please include an update on the Interagency Exchange Program between USDA and components of the intelligence community.

Response: USDA has reached several milestones in its relationship with the Intelligence Community over the past year. USDA continues to strengthen relationships within the intelligence community to enable our ability to influence the intelligence process to enhance collection, collaboration, outreach, and education of food and agriculture defense. In 2019, the Office of Homeland Security (OHS) continued to build our 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 for inclusion in the development of their requirements. These efforts have resulted in more than 50 visits to USDA by IC personnel and at least 10 intelligence assessments that were tailored specifically to USDA needs. USDA continues 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 agriculture and food defense from chemical and biological warfare, terrorism, pests and diseases, and cyber security.

USDA now consistently provides to the Intelligence Community information needs on threats, marking the first time USDA has influenced the scope of the national intelligence process to enhance collection, collaboration, outreach, and education of trade, food

defense and safety, and threats from dual use technology. This effort includes input into 24 national collection directives, marking the first time our requirements were reflected in these authoritative documents and resulting in senior leaders receiving relevant information in a timely manner.

USDA has been reaching out to intelligence community partners in an effort to set up a partnership to allow for a liaison/analyst to come to USDA on a Joint Duty Assignment. Discussions are ongoing with a few agencies to determine the logistics of getting that position in place.

11) MRP: The Department is working to establish the National Animal Disease Prevention and Response Program. While the Secretary is required to establish an advisory committee to assist in setting goals to carry out this new program, ongoing animal health outbreaks that individual states and industries have faced could provide valuable insight to the Department as you establish the initial framework of this program. Can you describe any engagement the Department is conducting with state animal health officials as the Department works to establish the National Animal Disease Prevention and Response Program?

Response: USDA has always had strong partnerships with states on animal disease programs and those partnerships will be strengthened under NADPRP. For the initial round of NADPRP funding in 2019, the Department is targeting funds towards training and exercise projects that will enhance the capabilities and capacities of animal agriculture responders. This is an issue that State animal health officials have repeatedly underscored as a high priority to help them prepare for animal health outbreaks. The Department has invited State experts in veterinary training and exercises to review and recommend a portfolio of training and exercise proposals that will best meet State and national needs in this area. As we finalize plans for full implementation in 2020 and beyond, states will be key partners in setting programmatic funding priorities, providing subject matter experts to review and recommend proposals, and also in suggesting and carrying out projects under that program. States will be fully represented in the consultation process and will be an essential part of the program's success.

- 12) RD: Section 12502 of the Farm Bill, commonly known as the PAWS Act, was established to provide emergency and transitional shelter and housing assistance or short-term shelter and housing assistance for domestic violence victims with pets.
  - a. Can you provide a timeline on when the USDA plans to have the grant program established and available for shelters to apply to receive funding?

Response: Section 12502 was delegated to Rural Development's Rural Housing Service for implementation. This provision establishes a grant program for emergency and transitional shelter and housing assistance for domestic violence victims and their pets. The PAWS act is an important component of the 2018 Farm bill and implementation is subject to congressional appropriations. The Rural Housing Service

will work to quickly implement the provision once appropriated funds for this activity become available.

b. Can you provide a timeline for when grants would be announced and awards made?

Response: Please see agency response above.

c. Noting that there are many structures that shelters can consider to accommodate pets, what model or models is USDA considering?

Response: Please see agency response above.

d. How has USDA been working with the Departments of Justice, Housing and Urban Development and Health and Human Services to announce and award the grants, and who are the lead offices within those Departments?

Response: USDA has been in communication with our counterparts at DOJ and once funding is appropriated, we will work with HUD and HHS to ensure that the requirements of the provision are being implemented in accordance with the terms of the 2018 Farm Bill.

13) REE: The 2018 Farm Bill provided \$80 million in mandatory funding for the Specialty Crop Research Initiative (SCRI) for each of fiscal years 2019 through 2023. Some concern was expressed that the Department may not be equipped to obligate the entire \$80 million for this program in fiscal year 2019. Please provide a detailed breakdown of the purposes and projects for which the fiscal year 2019 SCRI funds were obligated, including any amounts that were not obligated (unspent).

Response: All Fiscal Year 2019 Specialty Crop Research Initiative (SCRI) funds have been obligated. Please see attached list of Fiscal Year 2019 SCRI projects.

14) OBPA: On June 26, 2019, the USDA publicly released a Farm Bill Implementation Progress Update. Please provide any relevant updates to that implementation document.

Response: Farm Bill Delegation of Authorities: On July 1, 2019, USDA released Secretary Memorandum 1076-030 which implemented provisions of the *Agriculture Improvement Act of 2018*, Pub. L. 115-334, through the delegation of authorities and the establishment of the Office of Urban Agriculture and Innovative Production and the following positions: National Beginning Farmer and Rancher Coordinator; Agricultural Youth Organization Coordinator; Rural Health Liaison; Food Loss and Waste Reduction Liaison; and Food Access Liaison.

#### TITLE I - Commodity Programs

Margin Protection Program for Dairy (MPP-Dairy):

- Farm Service Agency began offering reimbursements to eligible producers for MPP-Dairy premiums paid between 2014-2017 on May 8, 2019.
- Signup for MPP Premium Cash Repayment cash option as of September 30,
   2019, stands at 3,720 repayments as certified/signed totaling \$21,036,436.

#### • Dairy Margin Coverage (DMC):

- A press release announcing that USDA is now making Payments for new Dairy Margin Coverage Program was published on July 11, 2019.
- The 2019 sign-up, which ran through September 27<sup>th</sup>, enrolled 22,682 dairy operations. Based on the 2019 data, dairy producers who purchased coverage will receive more than \$300 million in much-needed program financial support.
- o DMC signup for 2020 stands at 671 contracts enrolled as of October 28, 2019.

## • Milk Donation Program:

- o The final rulemaking was published on September 5, 2019.
- $_{\odot}\,$  On November 4, 2019, USDA extended the application deadline for the Milk Donation

Reimbursement Program through December 6, 2019.

# • Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC):

- o The final rulemaking was published on September 3, 2019.
- $_{\odot}\,$  The press release announcing 2020 enrollment for ARCPLC was issued October 15, 2019.

## TITLE II - Conservation

# • Conservation Reserve Program (CRP):

- The interim final rulemaking began OMB review on October 8, 2019, and concluded on November 22, 2019.
- FSA began accepting applications on June 3, 2019 through August 23, 2019, for certain practices under the continuous CRP and Conservation Reserve Enhancement Program agreements.
- FSA opened general CRP sign-up on December 9, 2019. CRP Grassland signup to follow in 2020.

## Regional Conservation Partnership Program (RCPP):

- o The interim final rulemaking began OMB review on October 28, 2019.
- Announcement of Program Funding was released on September 3, 2019.
   Applications are due by December 3, 2019.
- Currently, we have 375 active RCPP projects with close to 2,000 partners.
   Partners are leveraging nearly \$1 billion in NRCS investment with close to \$2 billion in non-NRCS dollars.

## • Conservation Stewardship Program (CSP):

- o The interim final rulemaking was published on November 12, 2019.
- Signup 2019 CSP-GCI began on June 10 and to-date NRCS has received nearly 12,000 applications totaling 826,628 acres.

## • Environmental Quality Incentives Program

- The interim final rulemaking began OMB review on August 30, 2019, and concluded on December 6, 2019.
- $_{\odot}~$  The interim final rule was published in the Federal Register and became effective on December 17, 2019.

## • Agricultural Conservation Easement Program

 $\circ\quad$  The interim final rule making began OMB review on August 16, 2019.

## • Technical Changes to NRCS Conservation Programs:

- On May 6, 2019, NRCS published an interim final rule to make existing regulations consistent with the 2018 Farm Bill.
- o USDA is developing the final rulemaking.

# • Conservation Innovation Grants (CIG):

 On May 15, 2019, NRCS announced that it is investing \$25 million per year over the next five years to help support On-Farm Conservation Innovation Trials, part of the CIG and available to farmers eligible to participate in the Environmental Quality Incentives Program. NRCS accepted proposals through July 15, 2019 for the new On-Farm Trials.

- On May 30, 2019, NRCS announced the availability of \$12.5 million to support CIG on agricultural lands. NRCS accepted proposals through July 30, 2019.
- The application periods have closed. NRCS anticipates announcing this year's On-Farm Trials awards in November 2019 and CIG Classic awards in December 2019.

## • Reports to Congress:

- o NRCS submitted the Small Wetlands report to Congress on July 17, 2019.
- NRCS submitted the Conservation Innovation Grants Status of Activities report on October 11, 2019.

## • Emergency Conservation Program (ECP):

o The final rulemaking was published on July 10, 2019.

# • Feral Swine Eradication and Control Pilot Program (FSCP):

- On June 20, 2019, USDA announced \$75 million in funding for the eradication and control of feral swine through the FSCP in a joint effort between NRCS and APHIS. Applications were accepted through August 19, 2019, for partners to carry out activities as part of these pilot projects in select areas of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina and Texas.
- The Notice of Availability (NOA) to recirculate APHIS' Final Environmental Impact Statement was posted to the Federal Register on July 5, 2019. NRCS's Feral Swine Notice of Intent to adopt APHIS's FEIS published in the Federal Register on July 17, 2019.

# TITLE III – Trade

# • Food for Progress:

- o The final rulemaking was published on August 28, 2019.
- The report was provided to Congress on September 20, 2019 and is currently posted on FAS' website.
- FAS announced FY 2019 funding allocations for projects totaling nearly \$140 million to improve agricultural productivity in developing countries and expand

trade in agricultural products, adding eligibility for U.S. public and non-profit colleges and universities.

#### McGovern-Dole Program:

- FAS announced FY 2019 funding allocations for McGovern-Dole valued at approximately \$170 million to provide school meals and nutrition programs for children in countries with high food insecurity.
- o The final rulemaking was published on November 26, 2019.
- USDA International Food Assistance Report FY 2018: The report was provided to Congress on November 4, 2019.
- Agriculture Trade Specialty Crops Report: The report was provided to Congress on July 23, 2019.

#### **TITLE IV - Nutrition Programs**

- Supplemental Nutrition Assistance Program (SNAP): On April 12, 2019, Food and Nutrition Service (FNS) published the solicitation for the FY 2019 SNAP Process and Technology Improvement Grants required by Section 4010 of the Farm Bill. Responses were due by June 10, 2019. FNS announced the awards on September 25, 2019.
- SNAP Quality Control Improvements: The interim final rulemaking began OMB review on September 18, 2019.
- The Emergency Food Assistance Program (TEFAP): The final rulemaking published on October 4, 2019.
- The Gus Schumacher Nutrition Incentive Program: On April 23, 2019, the Gus Schumacher Nutrition Incentive Program RFA was issued. Responses were due by June 10, 2019. Awards were announced on October 9, 2019.
- Food Distribution Program on Indian Reservations (FDPIR): On September 3, 2019, FNS
  published a final rule entitled Food Distribution Program on Indian Reservations:
  Revisions to the Administrative Match Requirement.
- Buy American Requirements (4207): On August 15, 2019, FNS issued a policy memorandum to the States on the Buy American requirements.
- Service of Traditional Foods in Public Facilities: On July 17, 2019, FNS issued a memorandum revising existing policy guidance expanding liability protections related to the donation, storage, preparation and service of traditional foods in public facilities to States, counties, LEAs, and others.

- Guidance on Minimizing Food Waste: On August 16, 2019, FNS issued guidance outlining best practices to minimize food waste of commodities donated to State agencies and emergency feeding organizations.
- National Accuracy Clearinghouse (NAC): This fall FNS announced that State agencies
  will have the opportunity to join an ongoing NAC pilot while USDA develops a
  nationwide NAC solution. This will expand the current roster of 5 States enrolled in the
  pilot, which has already identified and prevented dual program participants resulting in
  significant cost savings.

# TITLE VI - Rural Development

- Expanding Access: Most recently, RD has expanded access to credit for rural communities by increasing population limits for the Community Facilities and water and Waste Disposal programs to 50,000.
- Rural Broadband Access: The interim final rulemaking began OMB review on September 16, 2019.
- Repeal of Programs: On November 7, 2019, RD published a final rulemaking to repeal regulations concerning the Rural Telephone Bank, the Public Television Station Digital Transition Grant Program, and the Local Television Loan Guarantee Program.
- Interagency Task Force on Rural Water Quality: The three working groups within the Rural Water Task Force have been meeting on a biweekly basis since August 2019.
- Memorandum of Understanding: On October 24, 2019, USDA and the Department of Energy entered into a Memorandum of Understanding, which will enhance collaboration and coordination between the two agencies and help facilitate energyrelated investments in America's rural communities.

## TITLE VII - Research and Related Matters

- Updated Report to Congress: In August 2019, ERS submitted an update of the report to Congress entitled "Changes in the Size and Location of US Dairy Farms" contained in "Profits, Costs, and the Changing Structure of Dairy Farming" (ERR-47, September 2007).
- Scholarships for Students at 1890 Institutions: On September 10, 2019, NIFA announced applications for FY 2020 funding. The deadline for applications was November 8, 2019.

- Specialty Crop Research Initiative (SCRI): NIFA announced eighteen new awards for FY 2019 on October 2, 2019, to develop high-tech solutions to meet the needs of U.S. specialty crop farmers and processors.
- Informational Webinar: NIFA held a webinar to collect stakeholder feedback o September 26, 2019.

## TITLE VIII - Forestry

- Report to Congress: On August 30, 2019, FS provided an updated report to Congress
  that summarizes conditions on Federal lands and actions taken to reduce wildfire,
  insect, and disease hazards as well as timber production.
- Communication Sites Management: On September 25, 2019, Forest Service published a proposed rule for the Communication Sites Management provision, which aims to expedite application processes for individuals and companies that want to build communication sites on notation forest and grasslands. These changes will help connect rural communities as well as improved customer service to those applying for, and operating under, special use permits for communication sites.

#### • Good Neighbor Authority:

- On July 12, 2019, Forest Service hosted a webinar, "Empowering Local Forest Service Officials to Successfully Implement the Good Neighbor Authority." The training was for line officers, timber staff officers, interdisciplinary team leaders, and others providing leadership for Good Neighbor Authority partnership agreements. A second webinar for Agency employees was held on July 24, 2019.
- On August 20, 2019, Forest Service held the first of three externally-focused webinars on Good Neighbor Authority. The second webinar was help on August 22, 2019. The third webinar was held on August 27, 2019. Total attendance was approximately 428 representatives of States, Tribes, counties and other partners.
- Tennessee Wilderness: In August 2019, the Cherokee National Forest shares the new
  Upper Bald River Wilderness (9,038 acres) publicly, having completed a Forest Plan
  amendment, posted portal signs and held a dedication ceremony that marked the onthe-ground designation.
- Collaborative Forest Landscape Restoration Program: On October 15, 2019, the Forest Service issued a Federal Register notice calling for nominations to serve on the Collaborative Forest Landscape Restoration Program (CFLRP) Advisory Panel. The

Advisory Panel reviews CFLRP proposals and issues recommendations to the Secretary on which projects to fund. Nominations were due November 14, 2019.

 Secure Rural Schools Resource Advisory Committee: On October 7, 2019, the Forest Service published a notice of intent to establish the Secure Rural Schools Resource Advisory Committee.

## TITLE X - Horticulture

- Hemp Production Program: AMS has been working aggressively to stand up the Hemp Production Program in advance of the 2020 planting season.
  - On February 27, 2019, AMS issued a Notice to Trade stating that USDA had begun the process of gathering information to initiate a rulemaking to implement a program for the commercial production of hemp. AMS also stated that under the 2018 Farm Bill tribes and institutions of higher education could continue operating under the authorities of the 2014 Farm Bill until 12 months after USDA established the plan and regulations required under the 2018 Farm Bill.
  - On April 18, 2019, AMS issued a Notice to Trade regarding importation of hemp seeds.
  - On May 28, 2019, AMS issued two Notices to Trade regarding hemp production. The
    first of these speaks to questions raised concerning provisions pertaining to the
    interstate transportation of hemp and who may obtain a license to produce hemp.
    The second clarifies avenues for Tribal participation under authorities in the 2014
    Farm Bill to grow industrial hemp for research purposes during the 2019 growing
    season.
  - Over the summer, USDA worked with our Federal partners to ensure the Hemp Production Program does not conflict with existing programs and to ensure the burden on producers and other stakeholders is minimized.
  - $\circ$  On October 31, 2019, AMS published an interim final rulemaking implementing the Hemp Production Program.
  - On December 18, 2019, AMS extended the public comment period on the interim final rule through January 29, 2020.
- Plant Variety Protection Office: AMS published the proposed rulemaking in the Federal Register on July 12, 2019.
- Specialty Crop Block Grant Program:

- On July 23, 2019, AMS signed a cooperative agreement with the NASDA
   Foundation to facilitate the engagement of and meetings with stakeholders to
   gather feedback on existing Specialty Crop Block Grant Program performance
   measures, as well as recommendations for new standardized measures and
   program improvements.
- March 7, 2019, AMS announced the availability of funding for the Specialty Crop Block Grant Program. Awards were announced on September 18, 2019.
- Organic Agricultural Product Imports Interagency Working Group: On May 14, 2019, AMS established the Organic Agricultural Product Imports Interagency Working Group with U.S. Customs and Border Protection and the Animal and Plant Health Inspection Service. The first meeting took place on June 27, 2019.

#### TITLE XI - Crop Insurance

Catastrophic Risk Protection Endorsement; Area Risk Protection Insurance
Regulations; and Common Crop Insurance Policy Basic Provisions: RMA published a
final rulemaking in the Federal Register on June 28, 2019. The rule raises fee to \$655 for
CAT policies, put yield cups (APH declines of more than 10% can be 'cupped' at 10%)
within the policy, updates native sod to 2018 rules, and puts Veteran Farmer or Rancher
in the policy.

## TITLE XII - Miscellaneous

- National Animal Vaccine and Veterinary Countermeasures Bank: As the first step
  toward implementation of this important provision, APHIS issued a source sought notice
  on September 10, 2019, to gather information from interested food-and-mouth disease
  vaccine manufacturers. The notice closed on October 11, 2019, and APHIS is analyzing
  the market research received, developing a roadmap for a forward looking FMD vaccine
  procurement strategy, and issuing one or more requests for proposals for vaccine.
- Animal Disease Prevention and Management: On August 26, APHIS announced the
  2019 open periods for Farm Bill funding opportunities supporting animal health
  activities in the National Animal Health Laboratory Network (NAHLN) and National
  Animal Disease Preparedness and Response Program (NADPRP) programs. On October
  25, APHIS concluded the open period when applicants could submit proposals for the
  2019 funding opportunities in the NAHLN and NADPRP programs. APHIS received over
  125 proposals with total requests of about \$35 million. APHIS has selected over 30
  subject matter experts to review proposals. APHIS anticipates completing the review
  process and announcing the spending plan by the end of calendar year 2019.

- Dairy Business Innovation Initiatives: On April 16, 2019, AMS announced the availability
  of funding for the Dairy Business Innovation Initiatives. Awards were announced on
  September 18, 2019.
- Sheep Production and Marketing Grant Program: On April 23, 2019, AMS announced the availability of funding for the Sheep Production and Marketing Grant Program.
   Awards were announced on September 18, 2019.
- Acer Access and Development Program: On March 12, 2019, AMS announced the availability of funding for the Acer Access and Development Program. Awards were announced on September 18, 2019.
- Feasibility Study on Livestock Dealer Statutory Trust: On April 26, 2019, AMS published
  in the Federal Register a notice soliciting input for the study on a Livestock Dealers
  Trust. Over 1,500 comments were received. In the coming weeks, AMS will publish its
  highly anticipated Livestock Dealers Trust study to help Congress determine the
  feasibility of establishing a livestock dealer trust.
- Veteran Farmer or Rancher (12306): On June 28, 2019, RMA published a final rulemaking to codify the new definition for Veteran Farmer or Rancher that gives the same benefit for Veterans as beginning farmers or ranchers. These benefits include:
  - Exemption from paying the administrative fee for catastrophic and additional coverage policies;
  - Additional 10 percentage points of premium subsidy for additional coverage policies that have premium subsidy;
  - Use of another person's production history for the specific acreage transferred to you that you were previously involved in the decision making or physical activities to produce the crop; and
  - An increase in the substitute Yield Adjustment, which allows you to replace a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield).

# • Reports to Congress:

- On July 1, 2019, the inclusion of natural stone products report in the Commodity Promotion, Research, and Information Act of 1996 was sent to Congress.
- $\circ\quad$  On August 23, 2019, the importation of live dogs' report was sent to Congress.
- On September 26, 2019, the report on the Authorization of Protection
   Operations for the Secretary of Agriculture and Others was sent to Congress.

15) FPAC: On September 26, 2019, the Department announced that producers currently participating in federal crop insurance who had a payable prevented planting indemnity related to flooding, excess moisture or causes other than drought will automatically receive a "top-up" payment. A subsequent Frequently Asked Question document from the Risk Management Agency states that "a crop that was prevented from being planted in 2018 that had a final planting date in the 2018 calendar year is not eligible for prevented planting disaster payments." However, the legislation authorizing disaster payments is specific to losses of crops, including crops prevented from being planted in 2019. Winter wheat producers have raised concerns that the implementation of this disaster supplemental provision will treat producers differently, despite having crops raised for the same crop year. Why did the Department interpret the legislative provision narrowly to calendar year instead of crop year? In addition, has the Department further limited the payments to crop year 2019? If so, why?

Response: Throughout the legislation, "crop year" is used to clearly demonstrate where crop year should be used as opposed to calendar year. In the case of prevented planting, the language did not use "crop year," rather specifying, "...occurring in calendar years 2018 and 2019," which was further narrowed in a parenthetical of the same sentence as, "crops prevented from planting in 2019." Given the sentence is using calendar year and limits prevented planting to 2019, the USDA did not provide top-up payments for producers who were prevented from planting winter wheat in 2018.

16) FPAC: The 2018 Bipartisan Budget Act (PL 115–123) required the Secretary to submit a report to Congress regarding plans for further expenditures including improvements that can be made to Federal Crop Insurance policies, either administratively or legislatively, to increase participation, particularly among underserved producers, in higher levels of coverage in future years for crops qualifying for assistance. What is the status of the report? Once completed, please provide a copy to the Senate Committee Agriculture on Agriculture, Nutrition, and Forestry.

Response: FSA and RMA have been working together to provide this report, and will submit it to you by the end of calendar year 2019.

## **Ranking Member Debbie Stabenow**

1) NRE: The information gathered by the Forest Service during the Environmental Analysis and Decision Making (EADM) roundtables, and from internal agency review, suggests that delays in project decision-making is tied to internal/business model issues including training, staffing, and funding, and that National Environmental Policy Act (NEPA) procedures are not the primary – or even secondary – causes for project delays. How do these findings square with the agency's recently proposed rulemaking, which instead focuses on significant changes to NEPA procedures?

Response: The Forest Service's proposed revisions to its NEPA procedures have the goal of increasing efficiency of environmental analysis while meeting NEPA's requirements. The Agency spends considerable financial and personnel resources on NEPA analyses and documentation. The Agency proposed these revisions to make more efficient use of those resources. The Agency will continue to hold true to its commitment to deliver to decision makers scientifically based, high-quality analysis that fulfills its environmental stewardship responsibilities while maintaining robust public participation. These values are at the core of the Forest Service mission and are compatible with gaining efficiency in NEPA analysis and documentation.

The Forest Service's Environmental Analysis and Decision Making change effort includes three primary focus areas: reforming regulation and policy, improving business practices, and investing in people. The Agency is working to improve fish, wildlife and cultural resource consultation processes as an opportunity for improved efficiency under the business practices focus area. Likewise, the Agency has invested in new training courses to increase the capacity of subject matter experts as they perform work under NEPA.

2) NRE: The agency proposes to shift a substantial amount of its decision-making (93%) to categorical exclusions (CEs). I have heard from stakeholders that this is not the way to build trust in the agency when making complex land management decisions involving multiple users of USFS lands. Does the Forest Service plan to move forward with eliminating public comment on CEs, and why do you think this decrease in transparency will increase agency efficiency?

Response: In its proposed rule, the Forest Service assumed that each proposed CE eventually may be used an average of 1 to 30 times per year. These numbers are rough estimates and the upper bound estimate may not be realized. In practice, these figures will vary CE to CE, and year to year, dependent upon the project and nature of the CE being used. The agency also anticipates use of the new CEs to slowly increase over time, taking into account time for adoption across the agency. This pattern has been observed during implementation of other new CEs over the course of the past several years. These estimates do not amount to shifting 93% of the agency's decision making to CEs.

The proposed rule emphasized the decision-maker's discretion to conduct public engagement in a manner commensurate with the nature of the decision to be made. The proposed rule would continue to require public notice of all proposed actions documented with a decision memo, EA, or EIS, and also maintains requirements for scoping on EISs. The Forest Service is currently analyzing public comments submitted on the proposed rule. These comments are informing development of the final rule. The Forest Service is, first and foremost, a public service agency. We work with the people and communities we serve because it is the right thing to do, and the final rule will reflect our values of conservation and service.

3) NRE: The Forest Service has to comply with various requirements in the travel management rule when designating roads or trails for motor vehicle use – requirements designed to protect resources, address public safety concerns, and avoid recreational use conflicts. How will the Forest Service ensure compliance with the travel management rule when implementing the proposed categorical exclusions for road-building and conversion of unauthorized roads and trails to system roads and trails?

Response: Reliance on any CE must be consistent with all applicable laws, regulations, and policies, including the Travel Management Rule. Relying on a CE for building a road or converting an unauthorized road or trail to a National Forest System road or trail would not obviate the requirement to comply with the Travel Management Rule if the road or trail is to be designated for motor vehicle use, including any environmental analysis that is required for that designation. In designating these routes, responsible officials would use the travel analysis process and would consider the local unit's existing travel management decisions, and overall goals and objectives for the forest transportation program.

Likewise, the Forest Service would continue to use the travel analysis process and consult maps displaying the minimum road system when using a CE for building a road or converting an unauthorized route to a National Forest System route. Local units update travel analysis reports with addenda as informed by environmental analyses on an as needed basis.

4) NRE: The recently proposed NEPA rule would allow the use of multiple CEs to cover different elements of a single proposed action. Can you please explain how this would not violate long-standing prohibitions against segmenting one action into several smaller actions, thereby avoiding full consideration of the suite of direct, indirect, and cumulative impacts? Are you aware of CEQ's November 2010 guidance that proposed CEs must capture the entire proposed action to avoid this very issue?

Response: The Forest Service coordinated with CEQ in developing its proposed rule and is following CEQ's November 2010 guidance. The Forest Service is not proposing to allow improper segmentation of proposed actions. The Forest Service's proposed rule stated that where a proposed action consists of multiple activities, and all of the activities that comprise the proposed action fall within one or more CEs, the responsible official may rely on multiple categories for a single proposed action. This approach shall not be used to avoid any express constraints or limiting factors that apply to a particular CE. This clarification is consistent with CEQ's definition of CEs as categories of actions that do not individually or cumulatively have a significant effect on the environment. The Forest Service is taking public comment on this and other provisions of the proposed rule into account as it develops a final rule.

5) FPAC: According to your testimony, the Farm Service Agency (FSA) will hold a CRP General signup in December, 2019, with a CRP Grasslands signup to follow. When will FSA reopen Continuous and Conservation Reserve Enhancement Program enrollments? Response: FSA intends to reopen Continuous CRP signup as soon as possible which is likely to coincide with the scheduled December 2019 General Signup. FSA will also be working with Conservation Reserve Enhancement Program (CREP) partners to relaunch CREP continuous options in each state under new statutory provisions.

6) FPAC: Thanks to you and Under Secretary Northey for your commitment to ensuring FY2019 funds for the Regional Conservation Partnership Program (RCPP) fall under 2018 Farm Bill program rules. Given the timing of the FY2019 RCPP application open enrollment ahead of the new rules being issued, how will NRCS work to educate, accommodate modifications, and ensure flexibilities to applicants whose proposals have been drafted in the void of a regulation, following its release?

Response: The 2018 Farm Bill authorized USDA to administer RCPP in FY2019 using a funding announcement, ahead of publication of a regulation. NRCS used this authority to meet our partners' expectations for timely implementation of the Farm Bill.

The FY2019 RCPP funding announcement was developed in parallel, and at the time of release was consistent with, the draft RCPP interim final rule. If any substantive discrepancies arise from changes in the latter stages of rulemaking, NRCS may need to consider adjustments as it moves through the award announcement and partnership agreement negotiations. NRCS intends to make award announcements after publication of the RCPP interim final rule.

- FPAC: Section 2304(e) of the 2018 Farm Bill, Water Conservation or Irrigation Efficiency Practice, expands the eligibility of EQIP funds to carry out irrigation efficiency projects.
  - a. Will implementation of Section 2305(e) be addressed in the EQIP Interim Final Rule?

Response: NRCS will address implementation of Section 2304(e), Water Conservation or Irrigation Efficiency Practice, in the EQIP Interim Final Rule. Additionally, NRCS will be requesting comments and feedback on the implementation of this expanded eligibility during the interim rule comment period.

b. What steps has the Natural Resources Conservation Service taken to thoughtfully implement this provision and properly ensure the "Effect" language in Section 2304(e)(5) is upheld?

Response: NRCS has identified several aspects of the new provision related to the expanded eligibility of irrigation projects. NRCS has obtained input from State and local NRCS staff about the type of projects that may be proposed for EQIP funding under this new provision, and how such projects may relate for other enrollment opportunities under other NRCS conservation programs. As required by subsection (e)(5), NRCS will not adjust its allocation formula used to determine State funding

levels, nor will NRCS create holdouts at the national level for water conservation and irrigation efficiency projects under this new provision.

c. Given the already high demand for limited EQIP funding amongst producers, what limitations will be placed on the annual amount of funding allowed under Section 2304(e) to non-producer eligible entities? What data is NRCS using to calculate the individual award funding cap or state allocation cap?

Response: NRCS is considering the criteria it will use to determine whether to waive the Adjusted Gross Income limitation and program payment limitations, and whether a separate payment limitation should be imposed. These considerations will be discussed in the EQIP Interim Final Rule, including any decisions made, and NRCS will request public comment accordingly.

d. How will the NRCS ensure the land eligibility requirements of this provision are upheld?

Response: Water conservation or irrigation practices subject to a contract enrolled under this provision will be implemented on eligible land of a producer and may also include land adjacent to eligible land. Practices implemented must reduce water use in the operation on that land. NRCS will define "adjacent land" in the EQIP Interim Final Regulation and request feedback accordingly, including how to ensure that the land eligibility requirements of this provision will be upheld.

8) FNCS: The 2018 Farm Bill rejected all harmful changes to SNAP proposed in the House passed bill, including changes to work requirements, categorical eligibility, and the standard utility allowance. And yet USDA has continued to ignore Congressional intent and propose rules that make major changes to SNAP that will take food away from families. What is the combined impact on SNAP families if all of its proposed SNAP rules were to be finalized?

Response: Each of the Department's three major SNAP reform rules impacts different aspects of SNAP policy. On the proposed rule, Supplemental Nutrition Assistance Program: Standardization of State Heating and Cooling Standard Utility Allowances, the proposal provides an estimated impact on households broken down by state. However, the impact analysis shows that if finalized, the rule would reduce benefits for some SNAP households and increase them for others.

The proposed rule on waiver criteria for ABAWDs would tend to limit the extent to which States can waive away statutory program requirements for work or employment and training in order for this population to receive benefits. Currently, over 40 states have such waivers, despite record-low unemployment.

The rule on waiver criteria for ABAWDs, finalized December 5, 2019, limits the extent to which States can waive away statutory program requirements for work or employment

and training in order for this population to receive benefits. Currently, over 40 states have such waivers, despite record-low unemployment.

9) FNCS: USDA's proposed rule to eliminate SNAP's broad-based categorical eligibility (BBCE) is expected to result in at least 3.6 million SNAP participants losing SNAP benefits. USDA's initial regulatory impact analysis did not consider the indirect benefits and risks of this rule and the additional regulatory impact analysis (RIA) that was published to examine the indirect impacts of the rule did not consider the full scope of impacts.

The Informational Analysis of the Revision of Categorical Eligibility in the SNAP Proposed rule published on October 15, 2019, stated that 982,000 children would no longer be directly certified for school meals.

What is the impact of the BBCE rule on schools participating in community eligibility? How many schools currently participating in CEP will lose eligibility as a result of this change? Which states will be most affected?

Response: CEP eligibility is based on the percentage of enrolled children directly certified through another means-tested assistance program [this figure is called the identified student percentage (ISP)].

This proposed rule would impact 982,000, or 7 percent, of the more than 14 million children directly certified for free school meals. This 7 percent would be spread over the nearly 100,000 schools that participate in the National School Lunch Program, of which around 28,500 participate in CEP.

CEP is a Federal-local cost sharing model, and individual school districts decide whether it is financially viable to participate. Though all students are offered school meals at no cost, USDA continues to reimburse CEP schools according to the student population's eligibility for free meals. School districts must contribute non-Federal funds to cover costs beyond the Federal reimbursement.

10) FNCS: What is the anticipated administrative burden for schools who previously utilized direct certification and must now process individual applications for these students?

Response: Schools are already processing more than 6 million applications for students applying for free or reduced price school meals that are not directly certified. In addition, to the extent the impacted students are enrolled in CEP schools and the school continues to participate in CEP, there will be no additional administrative burden.

11) FNCS: USDA's Access, Participation, Eligibility and Certification II (APEC II) study published in 2015, notes that both direct certification and community eligibility improve program integrity and reduce improper payments. Has USDA conducted an analysis of the impact of its BBCE rule on improper payments? Response: Most of the program error found in APEC II was certification error resulting in overpayments (students receiving higher benefits than what eligible for). The vast majority (96%) of students that would be impacted by the BBCE rule are still eligible for free and reduced price meals and would need to fill out an income application. There have been a number of efforts to address household reporting issues including an integrity-focused web-based school meal application model to facilitate the application process for both households and school districts.

12) FNCS: The Informational Analysis states that of the almost one million children who will lose automatic enrollment in school meals, 45 percent of those students would still be eligible for free meals and 55 percent would be eligible for reduced meals. However, not all students who are eligible and would receive meals as a result of direct certification will enroll as a result of new paperwork burdens. Of the 982,000 children who USDA indicates will no longer be directly certified but are still eligible for free or reduced meals, what percentage does USDA predict will complete new paperwork required to continue receiving meals for which they are eligible?

Response: USDA anticipates school districts will work with all impacted households to ensure eligible students apply and receive school meal benefits. Over 6 million income applications were submitted and processed last school year to provide eligible school children safe, nutritious foods. In addition, to the extent the impacted students are enrolled in CEP schools and the school continues to participate in CEP, there will be no additional burden.

13) FNCS: According to USDA's APEC II study, 75 percent of underpayments in the National School Lunch and Breakfast program result from households reporting their income or household size in ways that reduce their benefits.

Given that the BBCE rule will harm participation in CEP and direct certification which help to better reflect poverty levels and reduce errors, how does USDA intend to ensure that eligible students are not missing out on participating in school lunch and breakfast due to factors like unreturned paperwork, paperwork errors, or confusion over eligibility?

Response: To the extent the impacted students are enrolled in CEP schools and the school continues to participate in CEP, students will continue to receive free school meals without additional burden on households. The remaining households with children who are no longer directly certified for free meals can establish eligibility for free or reduced price meals by submitting a household application for meal benefits. This makes connecting potentially eligible children with an application at the start of the school year very important. USDA works with the States and School Food Authorities to: (1) make the application easy for households to complete accurately, and (2) ensure that all interested and eligible households have access to the application.

USDA strongly encourages schools to use USDA's Prototype Application for Free and Reduced Price School Meals (available in both paper and a web-based format) to support access to school breakfast and lunch. The web-based prototype incorporates research-backed design features intended to reduce applicant error that may lead to mistaken denial of program benefits.

Many school districts offer parents the option to apply for benefits online. Online applications generally, and mobile-friendly applications in particular, can reduce the barriers to application through well-designed help features and support for multiple languages. But many school districts, particularly small districts, are unable to support their own online application systems. This leaves many families without the convenience of an online option. USDA is working to remedy that by encouraging States to develop centrally-maintained online applications accessible to all families. USDA awarded grants to three States this year to build or explore building such application systems.

At the beginning of each school year, schools are required to distribute a school meals application to families with information on how to apply for benefits. The same information must also be shared with local media, the local unemployment office, and any major employers contemplating large layoffs in the area from which the school draws its attendance.

Beyond those required activities, schools have developed a variety of strategies to ensure families are aware of the school meal application and the benefits of completing it. USDA promotes the following best practices to reach all eligible children:

- Summer Outreach: encouraging households to submit applications as early as possible
  in the school year, so children are certified for benefits the first time they walk
  through the lunch line. Schools that operate the Summer Food Service Program or the
  Seamless Summer Option are also encouraged to distribute school meal applications
  to participating children.
- School Year Outreach: encouraging schools to incorporate application outreach into
  fall registration or encouraging families to apply during open house events or school
  conferences. USDA also encourages schools to offer application assistance at school
  events, which helps to ensure families complete the application correctly. Schools can
  host a "School Meals Booth" during back-to-school night and other school events, or
  choose to provide assistance during student conferences.
- Community Outreach: encouraging schools to incorporate application outreach into
  other efforts to reach low-income families (such as outreach for SNAP or Medicaid)
  can help schools identify eligible families and ensure those families submit an
  application for school meal benefits. Some schools post fliers and distribute
  applications in job offices, WIC clinics, public libraries, and food pantries to encourage
  eligible families to apply.

14) FNCS: USDA's proposed rule to revise the methodology for calculating the standard utility allowance (SUAs) set the heating and cooling standard utility allowance at the 80 percentile of low-income household's utility costs. This results in more SNAP recipients seeing a reduction in benefits than an increase in benefits nationwide. Why did USDA select the 80 percentile?

Response: The rule would replace outdated, varied state calculations for SUAs and sets the HCSUA at the 80th percentile of low-income households' utility costs in each state. This rule would balance equity among the states with fairness to SNAP recipients by covering utility costs for 80% of SNAP households while still allowing states to accept actual costs in lieu of using a SUA.

At the 80th percentile, HCSUAs will exceed or cover the utility costs of four out of every five low-income households in each state. Under both current regulations and the proposed rule each state has the option to make use of the standard allowances optional and allow households with higher utility expenses to claim their actual costs. Only five states currently make the use of SUAs optional.

15) FNCS: The proposed rule's RIA notes that seniors and individuals with disabilities will be disproportionately negatively impacted. What is the average anticipated impact on seniors in each state? Did USDA consider alternatives that would not result in significant loses to seniors and disabled individuals that are likely to be on fixed income?

Response: Under the proposed rule, SNAP households with elderly and/or disabled members will be disproportionally positively and negatively impacted. There is additional information in the RIA on the specific impact of the proposed rule on elderly and disabled households and on the alternatives considered.

- 16) OCE: The Secretary and others at USDA have spoken about climate change as a reality and an issue that the agriculture and forestry sectors can play a meaningful role in addressing. And yet we've seen evidence that USDA has downplayed important climate studies, relocated and demoralized the very agencies that do some of the Department's most important climate research, and failed to staff positions at NRCS that help farmers improve their sustainability. Recently, the Administration made a biofuels announcement that was immediately panned for continuing to favor oil refiners over farmers and renewable fuel producers. Later that same day, USDA proposed new logging in the carbon-rich Tongass National Forest. These types of policy decisions run directly counter to what scientists say we need to do to stop the climate crisis.
  - a. If, as the Secretary has said, the climate is warming and agriculture and forestry can be part of the solution, why is the Department taking actions that make the problem worse?

Response: USDA maintains a robust integrated program to address the risks and vulnerabilities facing farmers, ranchers, and forestlands, and rural residents from climate variability and change. USDA conducts research and applied assessments to evaluate how agriculture and forests are influenced by climate change. USDA provides tools and technical assistance to help farmers, ranchers, and forestland owners understand their effect on climate change. USDA pursues voluntary, incentive-based conservation, forestry, and energy programs that help to reduce emissions, increase carbon sequestration, and expand renewable energy production in the agricultural and forestry sectors.

Considerations of climate change are integrated into the work of the Department (https://www.usda.gov/topics/climate-solutions).

Several agencies and offices maintain resources to provide information to farmers, ranchers, forest land owners and rural residents, including NRCS (https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/climatechange/), Forest Service (https://www.fs.usda.gov/ccrc/), (https://www.nrs.fs.fed.us/niacs/#), and (https://www.fs.fed.us/climatechange/advisor/), OCE (https://www.usda.gov/oce/climate\_change/), ERS (https://www.ers.usda.gov/topics/natural-resources-environment/climate-change/), ARS (https://www.ars.usda.gov/trending-topics/?topic=Climate%20Change), and the National Agriculture Library (https://www.nal.usda.gov/topics/climate-change)

b. Logging carbon-rich forests and reducing the market for low-carbon biofuels is actually hurting rural America's ability to be part of the climate change solution – how does the Department reconcile your stated ambition for climate smart agriculture while taking actions that put more carbon pollution in the air?

Response: Actively managing forests can be a climate solution. Forest management is a key tool for restoring our forests and helping them to adapt to a changing climate, so they can continue to provide the benefits we depend on like clean drinking water and forest products. Active forest management contributes to long-term carbon storage through storage in wood products, protection of residual trees, and improved growing conditions. This includes activities such as prescribed fire, weeding, and other mechanical or manual activities, which are crucial to establishing seedlings and ensuring their long-term success.

By supporting more active management, the Forest Service creates climate resilient forests. Growing forest product markets is one important example of this. Wood products store carbon long-term and using wood as a building material requires less energy than steel or concrete. The Forest Service demonstrates this through its investment in wood innovations, like cross-laminated timber. The Forest Service supports projects that significantly stimulate or expand wood energy and wood product markets. These projects support the long-term management of National

Forest System and other lands. This work also promotes economic and environmental health of local communities.

The Timber Innovation Act in the 2018 Farm Bill authorizes performance-driven research and development, education, and technical assistance for the purpose of facilitating the use of innovative wood products, such as cross-laminated timber and other mass timber products, in wood building construction in the United States. It codifies the Wood Innovations Grants and reauthorizes and amends the Community Wood Energy and Wood Innovation Program.

c. How are you implementing the new Farm Bill with an eye toward avoiding the climate crisis' impacts on farms and ranches?

Response: The scientific community has acknowledged that cover crops can play an important part in addressing climate change. The 2018 Farm Bill mandated changes to the treatment of cover crops for U.S. Department of Agriculture (USDA) programs, which adds more flexibility to when cover crops must be terminated while remaining eligible for crop insurance. USDA's Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA) developed new guidelines and policy provisions to enact these changes, which will be available beginning with the 2020 crop year. The new guidelines provide more flexibility for producers who want to plant cover crops to meet their production and conservation goals for their farms. Producers now know up front that insurance will attach at time of planting the insured crop. With the new changes cover crop management practices are covered by Good Farming Practice provisions, and the guidelines are no longer a requirement for insurance to attach. Cover crop management practices will be treated like all other farming decisions such as fertilizer application, seeding rates, and tillage practices.

RMA introduced insurance coverage for "limited irrigation" in western Kansas for corn and soybeans in 2013 for farmers who are conserving water pumped from crucial aquifers. The intent of the program is to provide farmers that would otherwise not be able to meet the standards of a fully "irrigated" practice. RMA has commissioned a study, as directed by the 2018 Farm Bill, to review this program and look for opportunities to improve it.

RMA has commissioned a number of studies to develop new crop insurance policies for underserved crops as directed by the 2018 Farm Bill.

Overall, the intent of the crop insurance program is to provide and improve the financial stability of farmers. Greater financial stability generally enhances the ability of farmers to make the long-term investments needed to adapt to changing trends in climate (e.g. improved irrigation systems, new cultivation techniques, new technology, new crops), and reduce the potential for future losses.

The USDA Climate Hubs (https://www.climatehubs.usda.gov/) work across the Department and have published a series of regional vulnerability assessments to provide agricultural producers and other stakeholders with a baseline "snapshot" of current climate vulnerabilities, along with specific adaptive management strategies to increase the resilience of working lands in each region. They also include regional greenhouse gas profiles, which identify opportunities to reduce emissions and increase carbon sequestration. Each document also gives an overview of how partner USDA agencies are being affected by and addressing changing climate conditions. That site page can be viewed here - https://www.climatehubs.oce.usda.gov/assessments.

The Climate Hubs are also working closely with their regional partners including the National Oceanic and Atmospheric Administration's (NOAA) National Integrated Drought Information System (NIDIS) teams and their Drought Early Warning Program, the National Drought Mitigation Center, the NOAA Climate Predictions Center, and National Weather Service through their Community Collaborative Rain Hail and Snow network. That site page, as well as the latest drought information and resources that USDA offers can be viewed here -

https://www.climatehubs.oce.usda.gov/index.php/dealing-drought.

The Hubs also conduct trainings, workshops, and field days to demonstrate adaptation strategies and practices so that working land managers can see how different practices perform on lands similar to theirs (see:

https://www.climatehubs.usda.gov/actions-and-resources/demonstrations). Finally the Hubs work with extension, tribes, and private sector partners to produce or customize tools to better meet the needs of working land managers (see: https://www.climatehubs.usda.gov/tools/all).

17) TFAA: The 2018 Farm Bill established a Food for Progress pilot program to directly fund activities rather than utilizing monetization. While funds have not been appropriated for this pilot, how is USDA working to make this program operate more effectively?

Response: Implementation of Food for Progress pilot agreements is subject to the availability of authorized appropriations. The Administration's FY 2020 budget request does not seek funds for pilot agreements. If funded, the Administration will implement this provision as provided for by Congress.

18) TFAA: 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. What is the status of the FY 2018 IFAR report?

Response: USDA delivered a separate IFAR report to Congress in early November. USDA appreciates the flexibility provided in the 2018 Farm Bill allowing the Secretary to provide this report either separately or jointly with USAID.

19) TFAA: The 2018 Farm Bill established an International Agricultural Education Fellowship Program. What is the status of implementation of this program?

Response: Implementation of the International Agricultural Education Fellowship Program is subject to the availability of authorized appropriations. The Administration's FY 2020 budget request does not seek funds for this program. If funded, the Administration will implement this program as provided for by Congress.

20) REE: ERS and NIFA have suffered from massive attrition because of the relocation. Numerous press reports have shown that the work of both agencies is being delayed, including Farm Bill implementation. Even before the relocation ERS and NIFA had extremely high vacancy rates. Yet in managing the relocation USDA only offered incentives for employees to separate from the agency and did not provide any retention bonuses to encourage employees to move to Kansas City. Why did USDA offer financial incentives for employees to leave the agency but not provide any retention bonuses to relocate?

Response: The decision to offer relocation and retention incentives is an Agency, not Departmental, decision. VSIPs were offered to eligible employees to offset hardships to employees who were not able to relocate, not as an incentive to leave the Agency. Relocation incentives are the subject of a current negotiation between both Agencies and their respective Union and therefore the Agencies cannot comment about relocation incentives at this time.

- 21) REE: USDA has indicated that all NIFA grants will be awarded and received by recipients by March 2020. However, it has come to my attention that sub-grantees of these NIFA awards could wait an additional 6 months before receiving money to do their critical research.
  - a. When do you expect all grantees, including sub-grantees will receive funding?

Response: NIFA's target is to have all FY2019 annual funding released by March 2020. It is not within NIFA's purview to control, dictate or administer funds to sub-grantees.

b. How will this delay in funding impact multi-institutional research?

Response: NIFA has been in communication with our partners and grant recipients about the expectations for when Fiscal Year 2019 funds should be expected in 2020.

<sup>&</sup>lt;sup>1</sup> USDA Departmental Manual (DM) 4050-575-001 https://www.ocio.usda.gov/sites/default/files/docs/2012/DM4050-575-001%5B1%5D 0.pdf

The Agency has and continues to encourage them to plan accordingly with the intention that impacts to multi-institutional research will be nominal.

c. How many universities and researchers are impacted by this additional delay in receiving funding?

Response: NIFA's target is to have all FY2019 annual funding released by March 2020. The Agency expects the impact to multi-institutional research to be nominal.

22) OTR: USDA has not yet established the Tribal Advisory Committee required by Section 12303 of the Farm Bill. Please explain why and provide a timeline for implementation of this provision.

Response: The Agriculture Improvement Act of 2018 (H.R. 2) (P.L. 115-334), requires the Secretary of Agriculture to establish the Tribal Advisory Committee. The Committee is established in accordance with the provisions of the Federal Advisory Committee Act (FACA) as amended, 5 U.S.C. App.2, except for Section 14, which shall not apply to the Committee. The Committee membership is comprised of 11 members as follows; three appointed by Secretary of Agriculture, with the remaining nine members appointed by congressional committee leadership.

On December 20, 2018 when the legislation was signed into law by the President, the President raised an important concern. He stated, "My Administration supports the policy aims of this Committee. Because it includes legislative branch appointees, however, the Committee cannot be located in the executive branch, consistent with the separation of powers. I will therefore instruct the Secretary not to establish this Committee. I will, however, instruct the Secretary to work with the Congress to revise section 12303 to permit a properly constituted committee to be established within the Department of Agriculture to perform similar functions. My Administration will also take additional steps to further develop and advance its important relationships with tribal leaders."

On behalf of the Secretary, the USDA's Office of Tribal Relations is working with both the White House and Senate Committee on Indian Affairs to satisfy our statutory obligation while honoring the President's concerns. Additionally, all administrative requirements have been completed internally. It is important to note, however, that based on the anticipated costs to administer the Committee – equivalent to almost fifty percent of the appropriated budget for the Office of Tribal Relations – additional funding was requested for the FY2021 budget.

We hope to have a compromise solution to move forward by the first quarter of the new year and will communicate with you and this Committee.

23) OBPA: Of the funds appropriated to USDA in FY 2018 and 2019, how much funding appropriated for Salaries and Expenses was unspent and returned to the Treasury? Please provide this breakdown by each agency and office.

Response: USDA did not have any unspent appropriated Salaries and Expenses funds returned to the Treasury. The FY 2018 funds were used for the Non-recurring Expense Fund, and the FY 2019 for the Working Capital Fund.

24) OBPA: Of the funds appropriated to USDA in FY 2018 and 2019, how much funding appropriated for Salaries and Expenses was unspent and directed to the working capital fund?

Response: In FY 2018, USDA agencies transferred \$11.3 million to the Working Capital Fund, and in FY 2019, they transferred \$10.8 million. This is the total amount of funds transferred to WCF not just from Salaries and Expense accounts.

25) OBPA: How much funding appropriated for Salaries and Expenses was committed in September 2019 to Information Technology or other contracts, prepaid leases or other actions that pay for services, software or expenses used in FY2020 (in full or in-part)?

Response: The table below reflects the amounts appropriated for Salaries and Expenses that were committed in September 2019 in the stated areas. The information is provided for the record.

USDA Salaries and Expenses (Amounts in Dollars)

Agency	IT or Other	Prepaid Leases or	Software	Expenses
	Contracts	Other Paid		
		Services		
FNS	\$54,782,415	\$37,171,805	\$51,617	\$45,984
RHS	12,142,176	32,858	634,328	3,529,955
RUS	1,583,819	0	0	88,841
RBCS	435,525	0	0	26,548
ARS	0	0	266,640	225,816
ERS	1,041,633	0	19,300	426
NASS	0	0	0	0
NIFA	3,076,106	0	23,906	1,307
FAS	1,079,328	0	0	0
FPAC-BC*	21,233,692	0	0	23,711,475
FSA*	44,188,093	0	0	6,357,181
RMA*	213,436	0	0	656,703
NRCS**	N.A.	N.A.	N.A.	N.A.
FSIS	1,663,970	0	10,097	9,523
AMS	0	0	22,500	0

APHIS	19,084	5,459	0	-187,934***
Staff Offices	2,767,108	0	1,392,618	34,764

Note: Due to the uncertainty of the availability of appropriations and quarterly apportionments, agencies may not have access to funds needed to make large contract awards until the fourth quarter. Negative entries are the result of deobligations in September 2019.

26) OBPA: Of the funds appropriated to USDA in FY 2019, how much funding appropriated for Salaries and Expenses was used to purchase items such as furniture, vehicles or equipment in September 2019?

Response: The table below reflects the amounts appropriated for Salaries and Expenses that were used to purchase the listed items in September 2019. The information is provided for the record.

USDA Salaries and Expenses (Amounts in Dollars)

Agency	Furniture	Vehicles	Equipment
FNS	0	0	\$1,054,290
RHS	\$1,436	0	40,655
RUS	0	0	3,706
RBCS	0	0	0
ARS	23,777	\$4,624,240	20,921,369
ERS	0	0	81,207
NASS	0	0	190,179
NIFA	0	0	150,957
FAS	81,056	0	0
FPAC-BC*	*	*	*
FSA*	*	*	*
RMA*	*	*	*
NRCS**	N.A.	N.A.	N.A.
FSIS	0	0	866,131
AMS	0	0	370,806
APHIS	142,228	1,460,740	1,791,758
Staff Offices	91,891	0	1,012,488

Note: Due to the uncertainty of the availability of appropriations and quarterly apportionments, agencies may not have access to funds needed to make large contract awards until the fourth quarter.

<sup>\*</sup>FPAC-BC, FSA and RMA data to provide a breakdown for prepaid leases and other paid services, and software is not available. Total non-IT expenses are shown under the expenses column.

<sup>\*\*</sup>Not available. NRCS does not have a Salaries and Expense account.

<sup>\*\*\*</sup>The negative amount in APHIS' equipment column represents a deobligation of funds that occurred in September 2019.

<sup>\*</sup>Totals across all categories for FPAC-BC, FSA, and RMA are, respectively, \$25,128; \$17,786,744; and \$28,479

and \$28,479.

\*\*Not available. NRCS does not have a Salaries and Expense account.

27) OBPA: How much funding appropriated for salaries and expenses was carried forward into FY2020 through authorities such as FSA's ability to carry-over for Information technology costs?

Response: The table below reflects the amounts appropriated for Salaries and Expenses that were carried forward into FY 2020. The information is provided for the record.

USDA
Salaries and Expenses
Funds Carried Forward to FY 2020
(Amounts in Dollars)

Agency	Estimated Carryover Funds
RHS	\$22,408,518
RUS	5,300,000
NIFA	2,312,132
FSA	45,216,690*
FSIS	225,471
APHIS	79,421,168**

<sup>\*</sup>FSA IT-related carryover funds were \$17,804,701. Other carryover funds were \$27,411,989.

28) OBPA: The President recently issued an Executive Order concerning agency guidance documents which clarify regulations. The Executive Order will require agencies to solicit public feedback on significant guidance documents and get OMB review. Please provide a list of all guidances USDA has submitted or plans to submit to OMB for review and the status of review of such guidances.

Response: Although E.O. 13497, which among other things clarified OMB's authority to have advance notice of, and to review, agency guidance documents, was revoked on January 30, 2009, OMB's "Final Bulletin for Agency Good Guidance Practices," has remained in effect. Consistent with this guidance, USDA has worked cooperatively and successfully with OMB to ensure that the appropriate degree of oversight is applied to agency-issued guidance documents. Moreover, OMB's April 11, 2019, memorandum "Guidance on Compliance with the Congressional Review Act" requires OMB to review non-legislative rules, including agency guidance documents, for the purpose of making a designation under the Congressional Review Act. Finally, we note that USDA is prepared to meet its obligations for full implementation spelled out under section 4 of the Executive Order 13891, at which time USDA will make the list of guidance available.

29) DA: The Department has recently embarked on the One Neighborhood Initiative.

<sup>\*\*</sup>APHIS carryover authority is provided to address emerging pest and disease issues without additional appropriation.

a. Please provide a list of the offices that are being proposed for moves under the One Neighborhood Initiative, when those moves would occur, where they would be moved, and whether the space is slated for renovation before or after the move.

Response: The OneNeighborhood initiative in the South Building is intended to align all offices and workstations from the USDA agencies and offices into the same areas or "neighborhoods". Every agency and staff offices will be affected to some degree as a result of the initiative, however, the exact impact is dependent upon the current configuration and location of agency and office locations and space utilization. In total, about half of all office space in the South Building will remain within its current Mission Area footprint. The move plans, including a proposed schedule, are being finalized currently but the latest estimates include a start date of March 2020 with all moves being completed by Fall 2020. The areas of the South Building that are expected to be initially affected by modernization include Wings 6 and 7 and sections of the Headhouse (Independence Avenue) and Tailhouse (C Street). Subsequent to the hearing Congress appropriated approximately \$68 million to begin modernization of the South Building. This is a portion of what was requested in the FY 2020 budget. The Department is adjusting the scope and timing of the modernization effort based on the appropriated funding. The Department is committed to continuing to keep Congress informed of the modernization plan and will provide the specific list of affected offices as it is further refined.

b. How is the One Neighborhood Initiative to consolidate the Department's workforce into government-owned office space and terminate all National Capital Region leases being timed with the proposed renovations of the South Building and the Carver Center? Will offices that are moved into those buildings prior to renovation need to temporarily move again when renovations are underway?

Response: Although there is the potential for employees needing to be moved twice as a result of OneNeighborhood and the proposed and planned modernization activities in the South Building and George Washington Carver Center (GWCC), the Department is attempting to minimize such possibilities.

The renovation of the GWCC has been planned so that employees currently residing in buildings 1 and 2 at GWCC would be moved out of the facility to other USDA-controlled locations in Maryland during the first phase of renovation. When that phase is complete, employees currently located in buildings 3 and 4 would be moved into the recently renovated buildings 1 and 2. Once the renovation of buildings 3 and 4 are completed in approximately 2 years, then the employees originally moved out of buildings 1 and 2 and other leased locations would move into the renovated buildings 3 and 4.

At the South Building, the Department is developing a plan to align agency and office employees into common neighborhoods. In the event that Congress appropriates

modernization funding, the Department will revise its OneNeighborhood move schedule to account for renovation activities in order to minimize the disruption to USDA employees.

- 30) OCE: Documents uploaded to the Renewable Fuel Standard Program 2020 standards regulatory docket, EPA-HQ-OAR-2019-0136, report USDA's initial disagreement to the EPA's proposed supplemental rule published on October 15, 2019 to address volumes waived through Small Refinery Exemptions to follow through on the October 1, 2019 White House deal. The following bullets were shared from the docket file, "OMB to EPA 10.9.19."
  - We do not agree with the inclusion of the alternative as drafted. We believe there is no rationale for using older data and the alternative is inconsistent with the WH decision last week to ensure that more than 15 billion gallons of conventional ethanol be blended into the nation's fuel supply beginning in 2020;
  - We recommend requesting comment on an alternative that is based on the actual SRE issued during the period 2016-2018. This alternative is consistent with the decision to ensure more than 15 billion gallons of conventional ethanol. It is also grounded with actual historic data and gives greater consideration and weight to past practices.
    - a. Please confirm that USDA was a part of the interagency review process.

Response: Yes, USDA participated in the interagency review process.

b. Do the above bullets correctly summarize USDA's comments from this process?

Response: The comments above were released by the Office of Management and Budget and reflect input received during the interagency review process.

c. If USDA signed off on these comments during interagency review, why did USDA ultimately support a supplemental rule that undermines farmers and the biofuel industry?

Response: EPA released the supplemental notice of proposed rulemaking to seek comment from the public. The rule is designed to ensure that more than 15 billion gallons of conventional ethanol be blended into the nation's fuel supply beginning in 2020, and that the volume obligation for biomass-based diesel is met. This will include accounting for relief expected to be provided for small refineries.

31) MRP: The Farm Bill emphasized the importance of organic industry is integrity, providing additional enforcement tools to ensure that domestic and imported products sold in U.S.

are organic. In addition to this provision, the organic industry is very interested in finalizing the origin of livestock rule to ensure there is consensus among certifiers about the requirements for transitioning organic dairies. Can you tell me when the Department plans to finalize the origin of livestock rule? The Farm Bill provided new tools to improve organic trade enforcement to ensure the integrity of organic products sold in the U.S. What is the timeline for proposing new rules on the organic trade enforcement provisions in the Farm Bill?

Response: USDA reopened the comment period on the 2015 proposed rule on October 1, 2019. The comment deadline is December 2, 2019. USDA will review the comments received, as well as the comments from 2015, and work expeditiously as possible to write the final rule.

AMS combined the new authorities provided in the Farm Bill with several other enforcement tools that AMS was working on prior to passage of the Farm Bill. The Strengthening Organic Enforcement rule is now a much more comprehensive regulation that will help protect the integrity of the organic label including ensuring that organic imports are compliant with USDA regulations. The rule is nearing Department clearance and will then be subject to OMB review.

32) MRP: The 2018 Farm Bill recognized the economic potential of local and regional food systems by creating the Local Agriculture Market Program, which provides grants to support local foods, value-added agriculture, farmers markets, and regional food system partnerships. We are almost at the close of 2019 and USDA has not announced funding availability for the 2019 value added producer grants. When do you expect to announce availability of this grant program? When do you anticipate awarding all 2019 local agriculture market program grants?

Response: The Value Added Producer Grant program continues to be a popular program with agricultural producers and Rural Development has been actively working to implement this program in its new home under the Local Agriculture Market Program. Rural Business-Cooperative Service has developed the notice of funding available which will include mandatory Farm Bill funds and appropriated funds. The notice is in its final stage of clearance and we anticipate publication prior to the end of this calendar year. We expect to announce awards in the Spring of 2020. I would also like to commend Rural Development for their active engagement and coordination with Agriculture Marketing Service to ensure that all programs under the Local Agriculture Markets Program are being communicated and administered as outlined in the 2018 Farm Bill.

For AMS' Farmers Market Promotion Program and Local Food Promotion Program, the application period closed on June 18, 2019, and the agency anticipates making awards by the end of the calendar year. In FY19, AMS thoroughly researched local and regional food systems and extensively communicated with stakeholders to plan the Regional Food

Systems Partnerships grants. AMS expects to issue a request for applications in calendar year 2020.

33) MRP: The Farm Bill also requires better collaboration between the USDA agencies that support local food systems. What are the agencies doing to improve coordination and collaboration to better administer these local food programs?

Response: AMS and Rural Development (RD) meet regularly to coordinate implementation of the Farm Bill's Local Agriculture Market Program (LAMP) provisions. In addition, AMS has a staff advisor in the Administrator's Office whose role is to coordinate across the Department to improve collaboration and effectiveness of programs that support local and regional food systems. The advisor also coordinates an interagency Local and Regional Food working group bringing together staff from across the Department. The working group meetings, held at least once a month, are a forum for sharing announcements and updates between USDA agencies and provide staff timely information to guide their customer service and program decisions.

34) MRP: When do you anticipate USDA will announce the new partnership program created in the Local Agriculture Market Program?

Response: AMS anticipates announcing the Request for Applications in the new partnership program, which AMS named Regional Food Systems Partnerships (RFSP), in line with funding announcements for its other LAMP grants, the Farmers Market Promotion Program and Local Food Promotion Program in FY20. In recent years, this has been in February or March. AMS anticipates similar timing in FY20.

35) REE: In the past, the National Institute for Food and Agriculture (NIFA) has been able to distribute funding to grantees within a month or two of the new fiscal year. Several NIFA programs within 2019 funding still have not been made available to grant recipients. When does USDA anticipate making funding available to all grantees?

Response: NIFA's target is to have all FY2019 annual funding released by March 2020.

36) FPAC: USDA has a temporary National Beginning Farmer coordinator in place and is in the process of designating the State Beginning Farmer coordinators. Have State coordinators been identified? If so, in which states? What has been the process for identifying these coordinators? When will you have a permanent National Beginning Farmer Coordinator in place?

Response: USDA has identified state coordinators in each of the 51 states who represent the following USDA agencies: FSA, NRCS, RMA and RD.

Of the 51 states, 15 coordinators are from the Farm Service Agency (FSA), 15 from Natural Resources Conservation Service (NRCS), 6 from Rural Development (RD) and 5 from the Risk Management Agency (RMA).

Unlike most appointed positions, employees were given the opportunity to apply for the collateral-duty position by providing summaries of their passion for helping BFRs along with state leadership recommendation. The submission process was issued through an employee notice in July that was distributed to all FSA, NRCS, RMA and RD employees. The opportunity was also publicized in the employee portal of Farmers.gov and featured in the Under Secretary's weekly employee publication- Fridays on the Farm. Almost 90 applications were submitted for consideration from 95% of the states.

The acting National Beginning Farmer and Rancher (BFR) Coordinator made the coordinator selections in consultation with each state's Food and Agriculture Council (FAC). Each remaining agency in the state identified agency BFR champions that will collaborate with the state BFR coordinators on implementing the state's plan. Therefore, each state now has a BFR "team".

The permanent position for the National BFR Coordinator was advertised department wide on USA Jobs. The announcement closed Friday, November 15, 2019. Once hired, the National BFR Coordinator will implement the Department's FY 2020 strategy and plan whose goals will be adopted by each state, with the requirement of developing state specific objectives that support the Secretary's goals for beginning farmers and ranchers.

37) REE: The Farm Bill created the Farming Opportunities Training Outreach program to support beginning farmers and minority farmers. What is the status of this program? When will the grant awards for the minority outreach program be made?

Response: The Agricultural Improvement Act of 2018 created the Farming Opportunities Training Outreach Program to support beginning, minority and veteran farmers. In Fiscal Year 2019, the program operated under both the Office of Partnerships and Public Engagement (OPPE) and the National Institute of Food and Agriculture (NIFA) jointly. The OPPE administered the 2501 Program to serve minority and veteran farmers and ranchers by awarding grants to higher education institutions and nonprofit/community-based organizations which support these populations through education and technical assistance. The NIFA administers the Beginning Farmers and Ranchers Development Program (BFRDP) to serve those farmers and ranchers who have been farming for less than 10 years. The BFRD Program awards grants to organizations supporting the beginning farmers population through training, workshops, etc.

In Fiscal Year 2019, the 2501 program awarded \$16.2 million in grants to organizations supporting minority and veteran farmers and ranchers. The FY2020 Funding Opportunity Announcement for the 2501 program will be released upon receipt of the annual

appropriation. Regarding Beginning Farmers, on Oct. 16, 2019 NIFA announced the FY19 awards for the BFRDP. NIFA made grants to 32 institutions totaling \$14.3 million dollars.

38) FPAC: The 2018 Farm Bill required RMA and FSA to continue efforts to share data between agencies, particularly with a focus on acreage reporting streamlining and sharing information from the FSA's Noninsured Crop Disaster Assistance Program and RMA to help develop or expand crop insurance availability. Please provide an update on these efforts and a timeline of future work.

Response: FSA and RMA are exploring the technical requirements for system integration, but cannot provide a workplan at this time. We have increased the data sharing capabilities by adding additional crops which are shared between FSA and RMA. Additionally, a cross-agency team coordinated through the FPAC mission area is actively moving forward with an improved acreage reporting system.

39) FPAC: The 2019 Market Facilitation Program capped the non-specialty crop payment rates at \$150 and set a minimum payment of \$15. Please provide a list of what the county payment rates would have been without the cap or the minimum. MFP also set the payment rate for an eligible cover crop following prevented planting at \$15 per acre. Please provide a table that breaks out the number of acres per county that are potentially eligible (e.g. had a history of growing an eligible crop), the number that were paid at the county rate, the number that planted a cover crop and were paid at the \$15 rate and the number that were ineligible due to prevented planting of both the commodity and cover crop.

Response: There would be a large range of county payment rates available without the \$15 minimum "cup" and the \$150 maximum "cap," which are used in other USDA programs, such as crop insurance. Cups and caps help minizine the difference between rates. Data on payment rates by states, crops and years can be found in the recently submitted report in accordance with Section 119 of the "Continuing Appropriations Act, 2020, and Health Extenders Act of 2019" (P.L. 116-59) entitled, "Trade Damage Estimation for the 2019 Market Facilitation Program and Food Purchase and Distribution Program". Once all of the payments are made and acres notified, we will be able to determine what the effective payment rates were.

40) FPAC: The 2018 Farm Bill includes a provision for RMA to develop an insurance product that covers quality losses, which can be important for both row crops and specialty crops. What crops does USDA intend to examine for this coverage and has USDA used its specialty crop liaisons to solicit suggestions for specialty crops to be considered?

Response: RMA is currently working on a report to that will outline RMA's plans to implement a quality loss option.

41) FPAC: Congress has been clear that foreclosure should be the last resort and has given USDA broad authority (7 USC 1981a) to avoid foreclosure on farm properties. The 2018

Farm Bill recognized the complicated nature of loan making and built on the existing authority and provided equitable relief authority to cover instances when a farmer made a good faith effort, but still violated the terms of their loan or missed a deadline. Despite these steps, USDA still appears hesitant to use this flexibility and instead defends arbitrary deadlines even if they result in unfair impacts on borrowers. Please provide updates on the implementation of the equitable relief authority, the emergency loan provisions in the Farm Bill, and what steps USDA takes to make borrowers aware of the opportunity to seek deferral of principal and interest under 7 USC 1981(a).

Response: Over the past 10 years, FSA has initiated foreclosure on approximately 60 borrowers annually out of a portfolio of about 84,000 active Direct Loan borrowers. On an annualized basis, this is 0.07 percent or 1.2 borrowers per State. FSA actively uses the tools given within Congressionally-mandated statutes to work with financially-distressed and delinquent borrowers to maintain their farming operations. Depending on the circumstances, these tools include rescheduling/amortization, payment deferral, write down/debt forgiveness, interest rate reduction, and disaster set-aside. Separately, there are about 50 third-party foreclosures annually, which are initiated and held by third-party creditors.

FSA Direct Loan servicing regulations, including application timeframes and deadlines, are statutorily established (CONACT Section 331 D and Section 353). It is critical that Agency personnel carry out the mission of the program in accordance with the statute so that all borrowers are treated equally. Failure to treat loan applicants and borrowers equitably can lead to the inconsistent application of statute and regulations which can be very costly as evidenced by the legal actions and settlements that prompted Congress to place specific requirements and timeframes in statute.

Equitable relief regulations are being developed. Our intent is a regulation that is written in conformance with the 2018 Farm Bill whereby the Secretary may provide equitable relief if the Agency made an error in implementing Direct Loans and a borrower, who has acted in good faith, relied on the Agency's instruction to their detriment.

The Emergency Loan Eligibility provision was implemented administratively in FSA Notice FLP-798 on March 7, 2019. A copy of the notice is at https://www.fsa.usda.gov/Internet/FSA\_Notice/flp\_798.pdf. The Code of Federal Regulations is being revised to match.

Concerning the steps FSA takes to ensure borrowers are aware of the option to defer interest and principal, FSA uses a number of methods to ensure borrowers are informed including forms, fact sheets, brochures, online information, and regulations that describe the availability of loan deferral as well as other loan servicing options. The most important of these being the Notification of Primary Loan Servicing (FSA Form 2510) that is required by statute to be provided to every borrower when they become 90 days delinquent. A borrower can also request the package at any time prior to becoming 90

days delinquent. The earlier a borrower discusses their financial situation with their loan officer, the more options that may be available.

## Senator John Thune

1) FPAC: When does USDA plan to hold the next continuous CRP sign-up?

Will the next continuous CRP sign-up be open on a truly continuous basis?

Response: Following CRP rule publication, in December 2019, the target is to open Continuous CRP through the remainder of the Farm Bill within the acreage limitations.

2) FPAC: The last two continuous sign-ups did not include enrollment for the State Acres for Wildlife Enhancement (SAFE) initiative.

Why wasn't SAFE included?

Are there plans to include SAFE in the next continuous sign-up? If not, why not?

Response: Acres were limited in the previous signups due to approaching the 24-millionacre cap. USDA continues to be dedicated to the SAFE initiative and is working to include portions of that initiative under the continuous signup.

3) FPAC: As you know, USDA currently manages and stores valuable producer data, but the data could be better utilized to inform producers' understanding about which conservation practices reduce risk and improve profitability. The 2018 farm bill included a provision based on legislation I introduced with Sen. Klobuchar that directed USDA to "generate a report identifying available Departmental data sets on conservation practices and the effect of such practices on farm and ranch profitability, including effects relating to crop yields and soil health."

Does USDA have the ability to integrate farmer yield and conservation data and link it to profitability and resiliency?

When do you expect this report to be released?

Response: USDA supports researchers using conservation practices data to provide greater insights into the impact of its programs and conservation practices on farm profitability. However, it must be done in a manner that protects producer privacy and does not inhibit producers from adopting voluntary conservation activities.

USDA has conducted an initial assessment of the data sets within the Department of Agriculture regarding the use of conservation practices data that have the potential to provide insights on the effect of such practices on farm and ranch profitability. As required in Farm Bill Section 1247, the report will provide a summary of the data sets, a summary of

the steps the Secretary would have to take to provide access to such data sets by university researchers, and a summary of safeguards the Secretary employs when providing access to data to university researchers.

USDA is completing an analysis regarding recommendations for any necessary authorizations or clarifications of Federal law to allow access to such data sets to maximize the potential for research benefits while maintaining confidentiality as required by law.

USDA has developed the technical data analytics platform and capabilities to internally integrate data from across USDA. Partnering with researchers to analyze USDA's data could provide additional capacity to create insights into questions related to conservation practices and farm profitability. USDA is exploring pilot opportunities to leverage such partnerships.

USDA has also worked with research stakeholders to identify challenges researchers currently face in accessing and analyzing relevant USDA data sets currently available through the existing infrastructure and processes, and steps recommended to lessen or overcome these challenges, including process and technology changes. Our analysis must also consider the input from producer stakeholders.

USDA is establishing an enterprise data governance board and data officers to lead data analytics strategy and to implement data sharing policies in each USDA mission area, including our Farm Production and Conservation Practices mission area.

4) FPAC: As you know, wheat farmers in the Dakotas, Montana, and Minnesota were hit with devastating rains right in the middle of harvest. Wheat and other small grains are particularly susceptible to quality problems when rain hits at the wrong time, which has indeed been the case for many of our growers. Crop insurance has been an effective tool to help farmers experiencing losses, particularly given several improvements in the 2018 farm bill.

For instances where an indemnity doesn't trigger, but a farmer's only option for selling their grain is into feed channels and getting less than half the market price because of low quality, does USDA have any options available to help those growers?

Response: The Federal crop insurance program recognizes quality losses and has established policy and procedure based on industry standards to take quality losses into account when determining a producer's crop insurance indemnity. The Risk Management Agency (RMA) is always willing to work with stakeholders if quality discounts need to be adjusted going forward to better reflect losses.

RMA is developing a report that will outline RMA's plans to implement a quality loss option.

### Senator Patrick Leahy

- 1) MRP: The organic sector has been a bright spot for farmers in my state and across the country but it requires a distinct label that is trusted, verified, and enforced. I continue to be trouble by reports that organic livestock regulations are being inconsistently interpreted and enforced. Small-scale farmers like those in Vermont are at a significant disadvantage when the playing field is not level. In 2015, USDA proposed a rule to close one of these loopholes, clarifying the manner in which dairy animals are transitioned to organic. In 2018, however, USDA removed that rule from the Unified Regulatory Agenda without explanation, despite overwhelming support across the organic industry. I am pleased that USDA has now reopened the proposed rule on the origin of livestock and hope that you move swiftly to finalize a rule that provides certainty to certifiers and fairness for producers.
  - a. Following the close of the 60-day comment period, what is USDA's anticipated timeline for moving to a final rule?

Response: USDA reopened the comment period on the 2015 proposed rule on October 1, 2019. The comment deadline is December 2, 2019. USDA will review the comments received, as well as the comments from 2015, and work expeditiously as possible to write the final rule. The final rule will be subject to OMB review.

- 2) FNCS: USDA has implemented a new policy for maintaining Supplemental Nutrition Assistance Program (SNAP) certification, which will remove certification after three months of inactivity unless the retailer responds to a warning letter from USDA within 10 days. This policy is problematic for farmer's markets, which are often seasonal and which do not always have staff in the off-season, to respond to USDA in a timely manner.
  - a. Why did USDA implement this policy?
  - b. How does USDA intend to ensure that seasonal farmer's markets are not affected by this policy, particularly as the summer market season begins next year?

Response: It is part of SNAP's normal procedures to remove non-redeeming retailers from the program after notifying them of the impending action. Most often non-redeeming retailers are no longer operating or have changed ownership/management and failed to inform the Agency. Farmers markets that wish to remain in the program were asked to contact FNS via a phone call to the SNAP Retailer Service Center and a number of them did. Their authorization will be maintained regardless of the length of non-redemption.

FNS recognizes that the seasonal nature of farmers and farmers markets warrant a different non-redemption review timeframe. SNAP has reviewed the policy and made adjustments to ensure that there is no negative impact on seasonal markets. Any farmer or market with SNAP transactions in the 12 months prior to their recent withdrawal was reinstated. Going forward, FNS will reach out to non-redeemers regarding continued participation only if they have no redemptions for a full 12-month season. This should ensure that active seasonal markets that were inadvertently withdrawn can continue participation.

- 3) FNCS: I have serious concerns that USDA's recently proposed rule to revise the standardization of State Heating and Cooling Standard Utility Allowance for SNAP will have a severe negative impact on Vermonters who benefit from the program.
  - a. How will USDA develop a formula that accurately reflects high utility cost states like Vermont?

Response: Under the proposed rule, USDA-FNS would use modern, State-level data to calculate each State's heating-and-cooling SUA (HCSUA) annually at the 80th percentile of low-income households' utility costs in that State, meaning it covers four out of five low-income households. Other types of SUAs would be capped at a percentage of the HCSUA. The updated methodology we propose would reflect State-by-State differences in utility costs, and States would retain their option to allow applicants to prove their actual utility expenses for those households whose expenses exceed the SUA.

b. How will basing the formula on national data, rather than the state data currently used in determining allowances, more accurately reflect the burden of local utility costs?

Response: The proposed rule's proposed methodology would use best-available state-level utility cost information from national Federal sources, such as the American Community Survey (ACS) and the Residential Energy Consumption Survey (RECS), to calculate HCSUAs annually. A combination of these two sources was recommended in FNS' 2017 SUA Study. Under the proposed rule, base year HCSUAs would be calculated using ACS and RECS, and interim years (RECs is not conducted annually) would be updated using a 3-year CPI average for fuel and utilities to make annual adjustments. All calculations would be conducted by FNS, alleviating State administrative burden associated with determining HCSUA values and reporting to FNS. The comment period for this proposed rule closed on December 2. FNS encouraged comments on the development of the SUA values as well as any suggestions for alternative datasets or formulas and is currently reviewing all submitted comments.

c. How will removing state's flexibility in implementing the utility deduction better serve SNAP recipients?

Response: The Department believes that modernizing SUAs will return integrity and equity for SNAP recipients across State lines. When a State has a higher SUA that is used to as part of their shelter deduction, their overall deductions are higher and income used for calculating their SNAP benefits is lower, which then leads to artificially increased SNAP benefits. Evidence shows that some States set utility allowances well above the average utility costs for low-income households in the state, while others set an allowance that is closer to or below the average. This in turn results in similar households receiving different monthly SNAP benefits solely based on which State they live in. Our proposed rule addresses these discrepancies.

4) MRP: The 2018 Farm Bill made substantial changes to the law affecting hemp production, moving the crop from a controlled substance to a legally cultivated one. More than 1,200 farmers in Vermont have registered to grow hemp this year on more than 8,000 acres. Other states have also moved quickly to make the most of this new opportunity. Many of Vermont's producers, however, have expressed frustration by a lack of regulatory certainty across the sector, from seed to harvest to the end user.

Although I understand the need for USDA to take a deliberate approach with a new crop, further delay could now risk the 2020 growing season. In your testimony on October 17, you stated that rules for hemp production under the 2018 Farm Bill will be issued within the next couple of weeks.

a. Can you please provide me with an updated timeline for USDA's hemp program and, if further delayed, tell me what point in the approval process is causing the delay?

Response: The Interim Final Rule was published, and became effective, on October 31, 2019. USDA intends to finalize the rule by November 1, 2021. Comments received by December 30, 2019 will be considered prior to issuance of a final rule.

5) FPAC: I cannot overstate the importance of the NRCS conservation programs to Vermont producers and our landscape, particularly for our state's important dairy sector. As Under Secretary Northey and NRCS Chief Lohr saw first-hand on their visit to the state earlier this month, Vermont farmers are eager to implement conservation practices. In 2018, USDA's NRCS team in Vermont worked with 555 contracts to deliver more than \$18 million in financial assistance through EQIP, ACEP and other programs in our small state, and final numbers for fiscal year 2019 are likely to be higher. As you noted in your testimony, delivery of these programs continued in FY19 under current regulations. It is my understanding, however, that further enrollments are now frozen pending release of the

2018 Farm Bill rules. This needs to be done as soon as possible in order to avoid a sign-up backlog and to allow farmers to plan for their 2020 crop year.

- a. When do you expect rules for implementation of all conservation programs to be published?
- b. Will this timing allow for farmers to complete program enrollment in time to plan and prepare for the 2020 production season?

Response: USDA is moving quickly to get its conservation program rules published. The CSP rule was published on November 12, 2019, and we anticipate the EQIP rule will be published as soon as possible. The CRP rule is scheduled to be published before the December sign up announced by the Secretary. The ACEP and RCPP rules are scheduled to be published before the end of the calendar year. All of these rules will be published as interim final regulations and the provisions will be effective upon publication. Farmers will be able to complete enrollment in time to plan for the 2020 crop year.

- 6) FPAC: In Vermont and across the country, significant amounts of farmland are expected to change hands in the coming years and decades as our nation's aging farmer population begins to retire. At the same time, young and beginning farmers cite access to farmland as a top barrier to starting and growing their farm businesses. The 2018 Farm Bill includes many provisions intended to address this urgent national challenge. One such provision, Section 12609, establishes the Commission on Farm Transitions--Needs for 2050, and directs the Secretary to appoint three members to the Commission within 60 days of the law's enactment.
  - a. What steps have you or the Secretary taken to fulfill this requirement?

Response: We concur that the issue of transitioning agricultural operations to the next generation of farmers and ranchers is an important issue facing agriculture. Given that no funding was authorized nor appropriated to fund the operations of the Commission, including compensation of non-Federal members, we have held implementation of this provision in abeyance. However, through its cooperative agreements with policy research centers, the Office of the Chief Economist has requested background analyses that would be available to support the work of the Commission.

### Senator Sherrod Brown

 RD: The Value Added Producer Grants Program was created to help producers mitigate risk through diversification. With continued uncertainty in the commodity markets and longterm down-turn in the agriculture economy, the need for this kind of program is needed now more than ever. I am pleased that my Local FARMS Act was included in the 2018 Farm Bill and established the new umbrella program, the Local Agriculture Market Program, which provides mandatory baseline funding. However, I am concerned that here we are now over a month into FY20 and the first round of funding for this farm bill program hasn't even been announced yet. When can we expect to see the VAPG funding notice published?

Response: The Value-Added Producer Grant program continues to be a popular program with agricultural producers and Rural Development has been actively working to implement this program in its new home under the Local Agriculture Market Program. Rural Business-Cooperative Service has developed the notice of funding available which will include mandatory Farm Bill funds and appropriated dollars. We anticipate publication of the final rule prior to the end of this calendar year. I would also like to commend Rural Development for their active engagement and coordination with Agriculture Marketing Service to ensure that all programs under the Local Agriculture Markets Program are being communicated and administered as outlined in the 2018 Farm Bill.

2) FPAC: As you know, the water quality challenges across Ohio are severe. The 2018 Farm Bill made a renewed commitment to the types of programs that will reduce runoff, encourage the best conservation practices, and improve soil health. Yet, without the men and women of NRCS and FSA to help implement these programs on the ground, we do a disservice to farmers, our environment, and the American taxpayer. Please provide annual FSA and NRCS staffing numbers for the past ten years.

Response: Since the question centers around FSA and NRCS program delivery, the table below sets out staffing numbers for each fiscal year less the mission support function series that correspond with positions transferred to the FPAC Business Center on October 14, 2018. These numbers reflect on-board staff as of September 30 each year.

Agency	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Farm Service Agency	12,706	12,148	11,189	10,330	9,798	10,166	10,530	10,132	9,516	9,596
Natural Resources Conservation Service	11,004	10,642	10,323	9,808	9,860	9,590	9,682	9,541	9,469	8,694
Mission Support Staff (moved to Business Center in Oct. 2018)	1,469	1,483	1,343	2,091	1,883	1,794	1,364	1,384	1,520	1,390

3) FPAC: In order to address its severe water quality challenges, the State of Ohio has agreed to a 40% reduction in nutrient runoff into Lake Erie by 2025. USDA conservation agencies will play a key role in meeting that target. What steps will USDA take to ensure that the best management practices are implemented on farmland, and that the most environmentally important acres are targeted for conservation efforts?

Response: NRCS will – within limits of funding and resources – work with other federal, state, and local agricultural groups to help farmers implement practices to achieve Bi-Nationally adopted goals in both Total Phosphorus (TP) and Dissolved Reactive Phosphorus (DRP) loadings to Lake Erie, as supported in each state. Dissolved Reactive Phosphorus is particularly important as it is the driving nutrient in the algae bloom. Nitrogen and sediment loadings are also important water quality considerations and will also be addressed. The NRCS land treatment strategy includes the following elements: science-based approach; key conservation elements; priority practices; a targeted approach; adaptive management; continued research; and partnerships with others.

NRCS will deliver a science-based approach to treating the Western Basin for phosphorus loading reductions. This treatment will require multiple nutrient management and water management practices over large number acres and a high percentage of the fields in the watershed. NRCS will deliver the treatment using the best available science to target the appropriate practice to all the needed acres, wherever they are in the Western Basin Watershed. The modeling and science show that in large enough numbers these practices can have a significant impact in reducing P losses, but because of legacy P, reductions in loading will take time.

The individual conservation practices below are priority practices to implement the Avoid Control Trap strategy in the Western Lake Erie Basin. (Key practices can provide benefits under more than one conservation principle as part of a total conservation system):

Key WLEB Agricultural Management and Conservation Practices					
Nutrient					
Management	Erosion Control	Water Management			
Practices	Practices	Practices	Soil Health Practices		
NRCS 590 Standard	No-Till & Crop	Grass Filter Strips	Cover Crops		
Nutrient Mgt.	Residue				
Planning	Management				
Comprehensive	Cover Crops	Drainage Water	Continuous No-Till		
Nutrient		Management			
Management Plans					
Subsurface	Grass Waterways	Blind Inlets	Conservation Crop		
Placement	&/or WASCOBS		Rotation		
Waste Storage	Conservation Crop	Gypsum	Grasses/legumes in		
Structures/Waste	Rotation		Rotation		
Mgt. Systems					
Bio-Reactors	Crop Residue	Wetlands	Crop Residue		
	Management		Management		
Phosphorus Filter	Erosion Control	Two Stage Ditches			
Beds	Structures				
		Saturated Buffers			

Each of the above practices may be needed or may fit an individual field, part of a field, or an individual soil map unit. NRCS will work with farmers through the conservation planning process to identify the unique prescription needed to treat each acre.

Agricultural producers and landowners have a toolkit of USDA programs to help address the water quality challenges in Lake Erie basin from on-farm programs like the Environmental Quality Incentives Program (EQIP) to the Conservation Reserve Program, including partnerships like the Lake Erie Conservation Reserve Enhancement Program (CREP).

# Senator Amy Klobuchar

1) OCE: The 85 small refinery waivers that have been granted are hitting the rural economy at a time when farmers are already struggling. As a result of these improperly granted waivers, nearly 900 million gallons of biofuel capacity has been shuttered or idled in the last year, and USDA has cut its estimate of corn use for ethanol by 225 million bushels. At least 15 plants have been shut down or idled since the Environmental Protection Agency (EPA) began improperly granting waivers and roughly 2,500 jobs have been affected.

What information do you have on the impact that the 85 small refinery waivers issued by the EPA for 2016, 2017, and 2018 have had on farm income, commodity prices, and renewable fuel usage?

Response: The U.S. Department of Agriculture has played an active role in providing technical information and data to EPA as they develop future actions under the RFS and address small refinery waivers. We will continue this work, including analysis of the implications of biofuel volumes on key indicators such as farm income and commodity prices.

MRP: Minnesota is first in the country in turkey production and second for hog production.
 The threat of animal diseases like African swine fever have caused significant anxiety among livestock producers in my state.

How are investments in the National Animal Disease Preparedness and Response Program helping to advance emergency preparedness and response efforts for producers?

Response: In our initial round of funding this fall, USDA is providing up to \$10 million in funds to the NADPRP and National Animal Health Laboratory Network (NAHLN) programs. Projects in this initial round will focus on training and exercises that will enhance the capabilities and capacities of animal agriculture responders and on increasing laboratory capacity for rapidly diagnosing diseases to help quickly limit disease spread. We have received over 100 proposals, and are currently working with panels of internal and external subject matter experts to review these and identify the most promising projects.

At the same time, we are finalizing the plans for full implementation of NADPRP in 2020. The new NADPRP program, in coordination with the NAHLN and new vaccine bank, will go a long way to strengthening our animal disease prevention and response programs for foot-and-mouth disease and other foreign animal diseases. The NADPRP program enables USDA to partner with states, universities, industry organizations, and other groups to identify and fund high priority targeted projects that will advance our animal health mission. We have had great successes with a similar plant health program, and I am confident that these new projects will prove equally as effective.

3) FPAC: The 2018 Farm Bill included a provision based on the Agricultural Data Act, which I introduced with Senator Thune to improve the use of advanced data analysis to help farmers by identifying the most effective conservation techniques to improve farm and ranch productivity.

Does USDA currently have the ability to integrate farmer conservation data and support researchers in analyzing and connecting the dots between conservation practices, crop yields, and soil health to promote better on-farm profitability and resiliency? Could additional actions help more farmers to take advantage of this technology?

Response: USDA has developed the technical data analytics platform and capabilities to internally integrate data from across USDA. Partnering with researchers, while adhering to producer confidentiality provisions, to analyze USDA's data could provide additional capacity regarding insights into questions related to conservation practices and farm profitability. USDA is exploring pilot opportunities to leverage such partnerships while being mindful not to inhibit participation in voluntary conservation programs.

USDA has also worked with research stakeholders to identify challenges researchers currently face in accessing and analyzing relevant USDA data sets currently available through the existing infrastructure and processes, and steps recommended to lessen or overcome these challenges, including process and technology changes. USDA will confer with producer stakeholder groups to ensure any concerns they have are considered and addressed.

USDA is also establishing an enterprise data governance board and data officers to lead data analytics strategy and to implement data sharing policies in each USDA mission area, including our Farm Production and Conservation Practices mission area.

### **Senator Michael Bennet**

 NRE: Colorado's poor forest health has real consequences for our economy. We took big steps to revitalize the Forest Service by ending fire borrowing and passing the 2018 Farm Bill. These changes provide the Forest Service a unique opportunity to improve forest and watershed health in my state. a. How many acres in Colorado and Region 2 have been treated using the new or expanded authorities provided during the 115<sup>th</sup> Congress (e.g., the 2018 Fire Fix and 2018 Farm Bill)?

### Response:

Another important shift in our approach to forest restoration and management is undertaking large landscape-scale analyses using an all lands approach in support of vegetation treatment projects. For example, the San Juan National Forest completed three landscape level prescribed fire Environmental Assessments in 2018 analyzing over half a million acres. Landscape scale analyses provide significant shelf-stock and reduces NEPA workload over time.

b. How many projects in Colorado and Region 2 have been initiated, or are planned, using the new or expanded authorities provided during the 115<sup>th</sup> Congress (e.g., 2018 Fire Fix and 2018 Farm Bill)?

Response: In the Region, 23 Categorical Exclusions for the insect and disease category were initiated; of these 21 have final decisions. Seven projects using the Wildfire Resilience Categorical Exclusion were initiated for the hazardous fuels category of which three have a final decision. The Region has completed 60 percent more forest health Categorical Exclusions in fiscal year 2018 compared to previous years.

- 2) NRE: Over the last few years, as result of fire borrowing, local governments in Colorado have had to spend millions of dollars out of their own budgets to fund fire mitigation, trail maintenance, and seasonal rangers. However, the fire fix will be in effect for FY20 and recent FY20 spending proposals propose increases for non-fire programs.
  - a. How is the agency planning to spend the additional non-fire funds in FY20?

Response: In FY 2020, the Agency prioritizes investments to reduce wildland fire risk, improve forest and grassland conditions at a large landscape scale through a model of shared stewardship. Our FY2020 President's budget proposal increases investments for forest products and hazardous fuel mitigation to achieve these goals. These investments will use active management tools to treat more acres and increase the pace and efficiency to improve forest conditions.

b. Will you work with my staff to identify key priorities in Colorado, such as recreation?

Response: Yes, the agency supports a collaborative approach to management priorities resulting in shared stewardship of our forests and grasslands.

- 3) NRE: I worked with Senator Boozman to draft and include the Flexible Partnerships Act in the 2018 Farm Bill (Sec. 8623). This new authority allows the agency to partner with local governments to lease out unused space to address local housing and infrastructure needs. Colorado is now waiting on guidance from the Forest Service to move forward with projects.
  - a. When do you expect guidance or directives to implement Sec. 8623 of the 2018 Farm Bill to be released?

Response: The Forest Service appreciates this new authority, which will serve a critical role in meeting the needs of our field units and local community partners. The agency is currently preparing a directive on leasing Forest Service administrative sites, a standard lease and an in-kind consideration agreement to implement Section 8623 of the 2018 Farm Bill. The Forest Service expects to publish the final directive in the summer 2020.

b. Will interested stakeholders and the public have an opportunity to comment on the draft guidance or directives?

Response: Yes, Forest Service will publish the proposed directive and associated documents for public comment. In addition, the Forest Service has already initiated Tribal consultation on implementation of Section 8623 and intends to align completion of consultation with the end of the public comment period for the directives and forms.

- 4) MRP: Colorado is excited about hemp legalization, but the lack of USDA rules still leaves uncertainty. In July, Secretary Ibach told us that hemp regulations were in the final stages of interagency review and that you were aiming for a fall 2019 deadline.
  - a. What is the status of the hemp rules? Did USDA submit the draft hemp rules to OMB for review? When did this happen?

Response: The Interim Final Rule was published, and became effective, on October 31, 2019. USDA intends to finalize the rule by November 1, 2021. Comments received by December 30, 2019 will be considered prior to issuance of a final rule. The rule was submitted to OMB for review on June 27, 2019.

b. How has USDA engaged with banking regulators to ensure hemp growers can access financial services?

Response: USDA has met with banking regulators and the banking industry on several occasions to discuss issues of concern about the hemp regulations and banking opportunities for this new crop.

- 5) FPAC: For producers in the West, an easement can be the difference between passing a farm or ranch down to their kids, and having to sell the land outright. Section 2603 of the 2018 Farm Bill eliminated the non-federal cash match requirement in ACEP to ensure that the most high-value lands can be conserved, regardless of location.
  - a. Can you confirm that the USDA will follow congressional intent to eliminate the non-federal cash match requirement in the upcoming ACEP rule?

Response: USDA will follow congressional intent to remove the requirement for the eligible entity to provide a minimum contribution of their own cash toward the purchase of the agricultural land easement. USDA recognizes that this statutory provision potentially results in the only payment being provided to an agricultural landowner for the sale of the easement to be the funds provided by USDA. USDA is sensitive to the impacts this may have on limited resource, historically underserved, and other landowners and also recognizes the benefits accrued to the program by broadening options available to entities. Therefore, consistent with the statement in the managers' report, that 'the managers do not intend for USDA not to reject cash match entirely but to broaden the options available to eligible entities', USDA will not require a cash contribution from the eligible entity, but may take the provision of such contribution into consideration as a positive attribute in the ranking of an individual project.

- 6) FPAC: In the 2018 Farm Bill, Congress reduced the percentage of EQIP funds allocated to livestock production practices from 60 percent to 50 percent and specified that the allocation includes grazing management practices.
  - a. Of the EQIP funding allocated to livestock production practices, in the 2018 Farm Bill, how much is currently provided for grazing management practices?

Response: Preliminary estimates indicate NRCS invested some 63 percent of \$1.12 billion, or just over \$705 million for livestock production practices. NRCS tracks 25 of its 170 conservation practices for this purpose. Virtually any one of these practices is used alone, or in conjunction with other conservation practices, to support grazing management systems.

b. How is NRCS working with states or other stakeholders to promote the use of the livestock funds for grazing practices?

Response: Nationally, NRCS work with several groups to that advocate for cattle production like the National Cattlemen's Beef Association. In fact, we jointly

recognize top producers who are also conservation leaders in their industry to promote the value of conservation for cattle producers.

Beyond that, State Conservationists work with their State-level partnerships to do the same. Further, Local Work Groups and State Technical Committees help promote resource concerns and conservation practices of preeminent importance in their local areas and at the State level.

Finally, States often promote success stories related to grazing operations. Below are links to examples of such success stories:

#### Texas -

https://www.nrcs.usda.gov/wps/portal/nrcs/detail/tx/newsroom/stories/?cid=nrcseprd1448822

## Colorado -

https://www.nrcs.usda.gov/wps/portal/nrcs/detail/co/programs/easements/?cid=nrcseprd1465271

# Illinois -

https://www.nrcs.usda.gov/wps/portal/nrcs/il/newsroom/stories/STELPRDB1251013

Oregon - https://www.nrcs.usda.gov/wps/portal/nrcs/main/or/newsroom/stories/

- 7) FPAC: Prior to 2018, EQIP did not fund off-farm conservation funding measures, limiting opportunities for significant water savings. Section 2403(e) of the 2018 Farm Bill expanded eligibility for irrigation efficiency practices for a narrow class of watershed-wide projects. Report language further clarified that funding should go to "watershed-wide projects that will effectively conserve water, provide fish and wildlife habitat, or mitigate the environmental impact of drought."
  - a. What steps has the NRCS taken to implement this provision?

Response: NRCS has identified several aspects of the new provision related to the expanded eligibility of irrigation projects. NRCS has obtained input from State and local NRCS staff about the type of projects that may be proposed for EQIP funding under this new provision, and how such projects may relate to enrollment opportunities under other NRCS conservation programs. NRCS will seek public comment on these aspects of the EQIP interim final regulation.

b. Has NRCS developed guidance to help the agency prioritize eligible projects? If so, what is that guidance?

Response: NRCS is considering the criteria it will use to prioritize these projects, including any decisions made as part of the development of the EQIP interim final rule, and will seek public comment accordingly.

- 8) FPAC: Drought is a defining challenge for farmers and producers in the West, and climate change threatens to make things worse. The 2018 Farm Bill established new voluntary water conservation tools, so that the USDA can partner with farmers, ranchers, and water interests to improve drought resilience. In early August, I led a bipartisan group of western senators in asking the agency to implement these new tools in a coordinated manner to establish a "Western Drought Initiative."
  - a. Will you work with my staff and stakeholders in Colorado to make this Western Drought Initiative a reality?

Response: Yes, our Colorado State Conservationist will work with your staff on this initiative.

- 9) FPAC: Section 2202(e) of the 2018 Farm Bill specifically authorizes the Department of Agriculture to allow for dryland agriculture use on lands enrolled in a drought CREP agreement if doing so furthers the agreement's purpose. This section authorizes the Department of Agriculture to evaluate enrollment eligibility on a per-agreement basis.
  - a. Can you confirm that the USDA will follow congressional intent and fully implement the newly-authorized CREP drought provisions?

Response: The statutory authority provides the Secretary with discretion and we do not intend to allow dryland production on land enrolled in CRP.

b. Will you work with my staff, and the Republican River CREP, to ensure they are able to take advantage of these new provisions as soon as possible?

Response: See above.

## Senator Robert P. Casey, Jr.

- 1) REE: I am concerned about the loss of staff at ERS and NIFA following the agencies' relocation to Kansas City. USDA is delaying grants and ERS reports as a result of the relocation. While I appreciate that NIFA has announced ORG and OREI awards for FY19, I am still concerned about NIFA's ability to get funding to recipients in time, as well as move forward with the FY20 funding process for all NIFA grant programs.
  - a. Can you provide an update on expected dates for funding announcements and awards for all NIFA grant programs – for outstanding FY19 award cycles and for all of FY20?

Response: NIFA is projecting similar timeframes for RFAs and awards to previous Fiscal Years. Should delays occur, NIFA will inform stakeholders. NIFA would be happy to provide your staff with updates for specific programs in the event future delays are identified.

b. Do you anticipate a delay to when grantees will actually receive their funding and be able to begin their projects?

Response: NIFA's target is to have all FY2019 annual funding released by March 2020. Funds will be distributed by March 2020. The grantee determines when and how their projects will be managed.

c. Is there a plan in place for filling staff vacancies – both short term and long term to ensure funding can be provided on time and research completed?

Response: NIFA has a robust approach to and focus on hiring for vacancies. As of the pay period ending October 26, 2019, the Agency has hired nine new employees in Kansas City and plans to bring new employees on board every pay period. As of November 6, 2019, the Agency currently has 106 total recruitments in place including those in the pre-announcement phase, post-announcement phase and posted on USAJobs.gov. The Agency, along with ERS, recently collaborated with the University of Missouri and Kansas State University to host a KC Career Expo to recruit talent (https://workforusdakc.com/). This Expo hosted over 400 attendees interested in positions with NIFA and ERS, and both Agencies are moving eligible candidates through the recruitment process.

d. Can you provide assurance that the National Program Leader who will be leading OREI and ORG in the future will be someone whose work has focused primarily on the research needs of organic agriculture?

Response: NIFA is committed to hiring qualified individuals for all vacant positions.

e. When will those positions be filled?

Response: Vacant positions will be filled expeditiously when qualified candidates are identified.

f. Does USDA intend to rehire at ERS and NIFA to restore the staff capacity at both agencies prior to the announced relocation?

Response: Yes.

 FNCS: The farm bill increases funding for commodity purchases for food banks and pantries under The Emergency Food Assistance Program (TEFAP) and increases input from local food banks. I thank USDA for allocating an addition \$50 million in CCC funding in 2018 to support TEFAP operational expenses associated with the additional USDA foods that were purchased through the Trade Mitigation Food Purchase and Distribution Program. The \$50 million, in addition TEFAP administrative funds that FNS provides to State agencies, helped with the receipt, storage and distribution of the first round of trade mitigation purchases. This support is essential for foodbanks to process and distribute the additional food purchases through the trade mitigation program.

a. Does USDA plan to once again help ensure that food banks have the funding they need to receive, store and distribute the second round of trade mitigation assistance through TEFAP?

Response: We recognize the need for additional funding to support operational expenses associated with the additional USDA Foods provided to TEFAP as a result of the Trade Mitigation Food Purchase and Distribution Program. In FY2019, we provided an additional \$50 million in Commodity Credit Corporation (CCC) funding...

- 3) FSIS: Sec. 12107 of the Farm Bill directed UDSA to enter into a cooperative agreement with a university to review and produce a report on the effectiveness of existing Food Safety and Inspection Service (FSIS) guidance materials and other tools used by small and very small meat processors. This information is critically important to Pennsylvania and I look forward to reviewing the report.
  - a. Can you provide an update on the status of the cooperative agreement and report?

Response: FSIS has signed a cooperative agreement with a land grant university, Oregon State University. The contract includes a complete research plan and the anticipated date of completion of the review and report is July 2020; however, the completion date may be later if Oregon State University conducts a survey. The survey would likely involve stakeholder input and evaluation from small and very small inspected establishments and may use a combination of phone/in-person interviews and email/online surveys.

b. Will USDA include policy recommendations in the final report?

Response: At the conclusion of the cooperative agreement, Oregon State University will submit a final report to USDA reflecting the information and feedback gathered from a variety of sources. The report may include recommendations made by Oregon State University regarding the effectiveness of FSIS guidance and recommendations on suggested improvements to the guidance (e.g., concerning topics, delivery methods, and timeliness).

- 4) FPAC: The farm bill retains the Conservation Stewardship Program (CSP) as a standalone program. There was nearly \$700 million in carryover funding available from the program, but I understand this funding was not used for the FY 2019 enrollment period.
  - a. What is the status of how the CSP carryover funding was, or will be, obligated?

Response: In FY2019, NRCS used the CSP carryover funding to extend expiring 2014 CSP contracts an additional year and to support the remaining acres originally committed to CSP enrollment under the Regional Conservation Partnership Program (RCPP-CSP). In FY2020, the remaining carryover funds will be used to extend expiring 2015 contracts an additional year.

b. For FY 2109, how did CSP funding breakdown between 1) new contracts, 2) renewal extensions, and 3) CSP Grasslands?

Response: As of October 30, 2019, in FY2019 the breakdown of CSP funding between new contracts, renewal extensions, and CSP Grasslands was as follows:

- 1. New contracts: \$384 million obligated
- Renewal extensions: No renewal signup was offered due the new rules not being available until FY2020. Instead, 2014 CSP contract participants were offered the option to extend their contracts for one year and receive another payment. The 2014 CSP contract participants who opted to extend their CSP contracts will be eligible to apply for renewal in FY2020.
- 3. CSP Grasslands: \$74 million obligated
- c. How much funding will be available in total for FY20 including funding for new contracts, renewals, existing contracts, and CSP grasslands?

Response: The following CSP funding for FY2020 has been made available as follows:

- 1. New contracts: \$257 million available
- 2. Renewal extensions: \$170 million available
- 3. CSP Grasslands: \$123 million available
- FPAC: The farm bill directs NRCS establish a new Grassland Conservation Initiative (GCI) within CSP.
  - a. Can you provide an update on the status of the first year of enrollment in GCI?

Response: As of October 30, 2019, the status of the first year of enrollment in the Grassland Conservation Initiative (GCI) was as follows:

Applications received: 11,876 Contracts obligated: 9,507 Funds obligated: \$ 74 million Acres obligated: 826,628 b. Of the total number of enrolled applicants/ acres, how many do not plan to be maintained as grass during the life of a 5-year contract?

Response: The total enrolled applicants/acres that is not planned to be maintained as grass for the life of the contract is unknown, as producers may alter the disposition of acres over the term of the contract with an approved conservation plan. Please note, enrolled applicants must maintain the same level of conservation throughout the life of the 5-year CSP-GCI contract.

- 6) FPAC: The farm bill directs USDA to ensure that at least 8,600,000 million acres of CRP are enrolled in continuous practices by 2023. I am concerned that the recent trend of opening and closing the enrollment window for continuous CRP (CCRP) creates confusion for farmers and landowners. Further, it is counter to the program's intent of providing continuous enrollment opportunities for eligible farmers and landowners.
  - a. When CRP is opened for general enrollment later this year, will that enrollment coincide with a reopening of CCRP and CREP as well?

## Response: Yes.

b. Will CCRP return to being continuously open for enrollment for eligible farmers and landowners?

Response: Following CRP rule publication, the target is to open Continuous CRP through the remainder of the Farm Bill within the acreage limitations.

- 7) FPAC: The farm bill established in statute the Clean Lakes, Estuaries and Rivers (CLEAR) initiative, directing USDA to ensure that at least 40 person of acres enrolled in continuous CRP go to practices that benefit water quality. This is distinct from the CLEAR30 pilot.
  - a. Can you provide an update on FSA's plans to move forward with this initiative, including promotion to ensure that farmers and landowners are aware of the opportunity to enroll?

Response: FSA is targeting implementation of the CLEAR initiative following publication of the CRP regulation this fall. FSA will ensure that the initiative is promoted and farmers and ranchers are aware of the opportunity to enroll.

b. How many acres (and what percentage of total CCRP acres) are currently enrolled in CLEAR practices?

Response: Roughly 3.5 million acres are currently enrolled in CRP water quality practices.

c. Will this data be made publically available and will it be broken down by practice and by state?

Response: Yes, once the CRP regulation is published, we will provide regular updates on the acreage enrolled under the initiative. FSA makes available summary level data monthly at https://www.fsa.usda.gov/programs-and-services/conservation-programs/reports-and-statistics/conservation-reserve-program-statistics/index

d. How many acres are set to expire from CLEAR practices in the next two years?

Response: Over half a million acres of CRP water quality practices expired at the end of FY2019 or will expire at the end of FY2020.

 Will USDA ensure that all relevant water quality CCRP practices are offered through CLEAR?

Response: Following publication of the CRP regulation, FSA will make every effort to ensure that all relevant water quality CCRP practices are offered through CLEAR. Yes.

- 8) FPAC: Section 2202 of the farm bill statutorily established the Conservation Reserve Enhancement Program (CREP), which has been used in Pennsylvania to enroll thousands of acres of riparian buffers on agricultural land.
  - a. Can you provide an update on CREP enrollment under the most recent continuous sign-up (signup 52)?

Response: Over 50,000 acres nationally were enrolled in CREP during CRP signup 52.

b. When and how will FSA provide information to partners, states, and FSA staff regarding changes made in the 2018 Farm Bill?

Response: FSA is currently working internally to ensure that we are prepared to implement changes to CREP under the 2018 Farm Bill. After the CRP regulation is published, FSA will work directly with our external partners to implement the CREP changes as quickly as possible.

c. Can you commit to ensuring that there is strong outreach and education about FSA's ability to provide maintenance payments for riparian forested buffers throughout the length of the CREP agreement?

Response: After the CRP regulation is published, FSA will work directly with our external partners to implement the CREP changes as quickly as possible and provide outreach and education about those changes.

- 9) FPAC: Section 1268 of the farm bill directs NRCS to collect available data regarding the use of conservation practices and the effect of such practices on farm and ranch profitability, including soil health.
  - a. Can you provide an update on the implementation of this provision?

Response: NRCS is collaborating with other USDA agencies through leadership from the Office of the Chief Information Officer. We are collectively developing the requested information for the report required in the 2018 Farm Bill. Integrating conservation data with farm and ranch profitability requires that NRCS work across USDA to include a variety of relevant authoritative data and analyses.

In addition, to collect the currently sparsely available data on profitability effects of soil health promoting conservation practices, we are developing a national soil health database that allows for the compilation of such dynamically changing data on soil health status, practices, and outcomes. The initial use of this database will be for compiling data from the Conservation Innovation Grants (CIG) Soil Health Demo Trials, mandated in the 2018 Farm Bill, as well as other CIGs and agency agreements collecting soil health economic data and making this information available to the public.

b. How is USDA currently tracking these objectives as they relate to NRCS conservation program practices?

Response: NRCS currently tracks conservation practices implemented via financial and technical assistance and models environmental outcomes through the Conservation Effects Assessment Program (CEAP). Integrating conservation data with other USDA agency data (see above) may start to address this need.

NRCS has developed a number of Case Studies that address farm and ranch profitability of conservation practices on a local case by case basis. These studies are limited in geographic scope and targeted for key practices or systems of practices. NRCS provides producers and field staff with economic tools and methodologies (such as via technical notes on economic case study development and partial budget analysis) to complete financial analyses.

- Soil Health Economics Case Studies funded by the CIG program are available here:

  https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/soils/health/?cid=NRCS
  EPRD1470394
- Additional economic case studies related to implementation of conservation practices are available here:

https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/econ/data/?cid=nrcseprd1298423

NRCS currently tracks conservation practice data in the National Planning and Agreements Database (NPAD) and extract data for analyses of benefits upon request (e.g. CEAP and others). NPAD has been expanded to include more critical data from on-farm conservation assessments to improve and expand the analyses. In addition, the existing reporting mechanisms for conservation practices are being evaluated for modernization and integration, with the objective of providing easy access to authoritative data on conservation practices and a variety of benefits.

- 10) FPAC: The farm bill directs NRCS to ensure that all beginning, limited resource, and socially disadvantaged farmers applying to EQIP are notified of their eligibility and offered to receive at least 50 percent of their cost share payment in advance of practice implementation.
  - a. How has NRCS updated the way that the advance payment option is implemented to ensure all eligible EQIP participants are offered the payment option?

Response: For FY2019, NRCS incorporated language into the application pre-approval letter to inform historically-underserved (HU) EQIP applicants of their opportunity to request an advance payment. Additionally, for FY2020, NRCS plans to update the agency's business tools to record, on a contract item basis, an HU participant's decision to receive advance payments. HU participants will request the advance payment when they are ready to order supplies or contract services needed to implement the practice.

Publications and other materials are being developed to inform HU producers about the availability of advance payments. NRCS provided two trainings to State-level program staff about advance payments and the 2018 Farm Bill requirements. NRCS plans to provide additional training during a 2018 Farm Bill rollout meeting later this year.

b. Of all eligible FY 2019 EQIP participants who were beginning, socially disadvantaged, or limited resource participants, what percentage selected to receive the advance payment option?

Response: Of the total EQIP contracts with historically underserved participants enrolled under the 2018 Farm Bill in FY2019, 3.36% received an advance payment. Please see the table below for the totals.

No	Advance		Percent of
Advance	Payment (AP)	Total	Total with AP

	Payment (AP)			
2014 FB - 2018 Contracts	16400	557	16957	3.28%
2018 FB - 2019 Contracts	14436	502	14938	3.36%

c. How does this differ from the FY 2018 utilization rate?

Response: The utilization rate was slightly higher in FY2019 than in FY2018.

- 11) FPAC: Section 11123 of the farm bill provides \$8,000,000 per fiscal year for RMA's R&D authority and risk management education partnerships, with a focus on Targeted States, which include Pennsylvania and the entire Northeast. However, no education partnerships were funded in 2019 and no request has been made in FY 2020 requesting proposals. I believe these partnerships have been a critical tool to get information about crop insurance and other risk management tools to farmers, particularly farmers who have historically unreserved by RMA. In Pennsylvania this includes specialty crop growers, organic producers, and young and beginning farmers.
  - a. What are USDA's plans to spend a portion of the \$8,000,000 in annual funding on these partnerships?

Response: Section 11123 of the farm bill reduced funding by \$4,500,000 per year, which is the approximate amount that USDA spent on Risk Management Partnerships yearly. As a result, USDA will not be funding these partnerships going forward unless funds are restored. Section 522(e)(2)(A) of the Federal Crop Insurance Act (FCIA), the section amended by Section 11123 of the farm bill, funds both research and development as well as information technology and program integrity activities. As a result, partial funding was not feasible because RMA needed to ensure funding was available for research and development projects and to ensure information technology needs were adequately funded. Prioritization of research and development activities is also aligned with directives contained within the 2018 Farm Bill conference report (H. Rept. 115-1072), in which the Manger's set an expectation for RMA to prioritize funding available under Section 552 of the FCIA for research and development.

b. When does USDA plan to release an RFA?

Response: Section 11125 of the 2018 Farm Bill reauthorized the Extension Risk Management Education Program (ERME) and merged it with the Risk Management Agency's (RMA) Crop Insurance Education in Targeted States Program. Previously, \$5 million was provided for NIFA's ERME program; however, the 2018 Farm Bill provisions designated a total of \$10 million in mandatory funds to the new merged program, with \$5 million of that total dedicated to educating producers previously underserved by the RMA Crop Insurance program. At NIFA, the merit award competition for those federal funds is run every three years. The last round was in

Fiscal Year (FY) 2018, with the next round to be competed in FY 2021. Continuation awards are used for each fiscal year until the next round (2021, in this case) to ensure continuity of work during the intervening fiscal years. In Fiscal Years 2019 and 2020, current ERME grantees will complete their funded projects and will hold open, merit-based sub-award competitions in their regions to address the new, previously underserved audience per the 2018 Farm Bill language. Any eligible entity is welcome to apply. NIFA will compete the full \$10 million for the ERME program at the next regular competition in FY 2021.

- 12) FPAC: The farm bill made important improvements to Whole Farm Revenue Protection (WFRP), which offers a risk management policy for diversified farms of all types. This coverage option is especially important for specialty crop growers in Pennsylvania. I understand that some growers are still struggling.
  - a. How is USDA moving forward to implement that changes made to WFRP in the farm bill?

Response: The Federal Crop Insurance Corporation Board of Directors (Board) approved modifications to the WFRP program for the 2020 policy year. These changes provide significantly improved coverage for specialty crop growers.

Regarding the limit to nursery and livestock revenue, the Board approved revisions to allow farmers and ranchers to insure revenue from nursery and livestock up to \$2 million while allowing operations with over \$2 million in nursery and livestock revenue to choose WFRP as a risk management option. This will allow RMA to collect more data and gauge interest from nursery and livestock producers and could aid in further enhancements to WFRP.

With regard to revenue-to-count and historical revenue, the Board approved implementation of revisions for calculating revenue-to-count for disaster programs and additional options for determination of historical revenue in loss years. State and Federal disaster and program payments will no longer be included in calculating revenue-to-count and will continue to be excluded from historic revenue. While crop insurance indemnities will continue to be included as revenue-to-count, the Board has instructed RMA to implement procedures to reduce the impact of loss years on producer's historical revenue. These procedures are similar to options available under Approved Production History (APH) policies, and analysis of these options indicate they will provide similar benefits to including crop insurance indemnities as historical revenue.

b. What kind of outreach are you doing to ensure that growers are aware of these improvements?

Response: RMA has provided training to the Approved Insurance Providers and RMA's Regional Offices have worked with stakeholders to make sure producers are aware of these changes. In addition, RMA has published a press release and added frequently asked questions on the RMA website.

c. What options are available for growers who were previously incorrectly denied coverage for post-production costs?

Response: If a producer disagrees with the determination of their Approved Insurance Provider, they should pursue mediation or arbitration as outlined in section 33 of their Whole Farm Revenue Protection policy.

- 13) FNCS: USDA continues to propose changes to the Supplemental Nutrition Assistance Program (SNAP) that were directly rejected by Congress in the 2018 Farm Bill because they increase food security for vulnerable families. I am especially concerned about USDA's recent analysis that found nearly 1 million children could lose their eligibility for free school meals. USDA's additional informational analysis to the categorical eligibility proposed rule states that some of these children are enrolled in school participating in the Community Eligibility Provision.
  - a. Did USDA consider how eligibility determinations for CEP would be impacted by the proposed rule?

Response: The provisions of the proposed rule directly affect the Supplemental Nutrition Assistance Program (SNAP), which is reflected in the Regulatory Impact Analysis (RIA) released with the proposed rule and does not directly impact eligibility for the National School Lunch Program or School Breakfast Program.

b. Isn't it possible that more students would actually lose eligibility if the categorical eligibility change results in some schools no longer being eligible to participate in CEP?

Response: To be eligible to participate in CEP, at least 40 percent of the student population must be identified as eligible for free school meals through means other than an application (e.g., directly certified based on SNAP participation or included on a list of homeless students provided by the district homeless liaison). The proportion of students eligible for free meals without an application is the Identified Student Percentage (ISP).

CEP is a Federal-local cost sharing model, and individual school districts decide whether it is financially viable to participate. Though all students are offered school meals at no cost, USDA continues to reimburse CEP schools according to the student population's eligibility for free meals. School districts must contribute non-Federal funds to cover costs beyond the Federal reimbursement.

## **Senator Tina Smith**

- MRP: I am submitting these questions on behalf of the Minnesota Department of Agriculture.
  - a. What is the status of the guidance that the United States Department of Agriculture is releasing regarding industrial hemp state plans?

Response: The Interim Final Rule was published, and became effective, on October 31, 2019. USDA intends to finalize the rule by November 1, 2021. Comments received by the recently extended deadline of January 29, 2020, will be considered prior to issuance of a final rule.

b. Minnesota is now Number two in the United States in hog production. The threat of African Swine Fever is creating a lot of anxiety amongst producers in my state. Emergency preparedness and response programs within state departments of agriculture and Boards of Animal Health are vastly understaffed and underfunded. How will the National Animal Disease Preparedness and Response Program (NADPRP) investments advance emergency preparedness and response efforts?

Response: In our initial round of funding this fall, USDA is providing up to \$10 million in funds to the NADPRP and National Animal Health Laboratory Network (NAHLN) programs. Projects in this initial round will focus on training and exercises that will enhance the capabilities and capacities of animal agriculture responders and on increasing laboratory capacity for rapidly diagnosing diseases to help quickly limit disease spread. We have received over 100 proposals, and are currently working with panels of internal and external subject matter experts to review these and identify the most promising projects. At the same time, we are finalizing the plans for full implementation of NADPRP in 2020. The new NADPRP program, in coordination with the NAHLN and new vaccine bank, will go a long way to strengthening our animal disease prevention and response programs for foot-and-mouth disease and other foreign animal diseases. The NADPRP program enables USDA to partner with states, universities, industry organizations, and other groups to identify and fund high priority targeted projects that will advance our animal health mission. We have had great successes with a similar plant health program, and I am confident that these new projects will prove equally as effective.

c. How is USDA engaging state departments of agriculture and Boards of Animal Health on input for the NADPRP process and establishing its funding priorities? Response: [Same Answer as Roberts 11] USDA has always had strong partnerships with states on animal disease programs and those partnerships will be strengthened under NADPRP. For the initial round of NADPRP funding in 2019, the Department is targeting funds towards training and exercise projects that will enhance the capabilities and capacities of animal agriculture responders. This is an issue that State animal health officials have repeatedly underscored as a high priority to help them prepare for animal health outbreaks. The Department has invited State experts in veterinary training and exercises to review and recommend a portfolio of training and exercise proposals that will best meet State and national needs in this area. As we finalize plans for full implementation in 2020 and beyond, states will be key partners in setting programmatic funding priorities, providing subject matter experts to review and recommend proposals, and also in suggesting and carrying out projects under that program. States will be fully represented in the consultation process and will be an essential part of the program's success.

2) RD: 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. How is implementation of the Energy Title progressing?

Response: I am happy to report that Rural Development is advancing implementation of all programs delegated to the agency under Title IX. Actions completed by Rural Business-Cooperative Service to date include: posting an Administrative Notice implementing the Farm Bill provisions for Section 9003 administratively. The Administrative Notice applies to all existing active 9003 program applications; publishing a notice in the Federal Register updating definitions for the Biorefinery Assistance Program (Section 9001 and 9003); submitting and publishing a regulatory workplan for the Bioenergy Program for advanced Biofuels (Section 9005) in the Spring Regulatory Agenda in May 2019; submitting and publishing a regulatory workplan for Farm Bill changes to the Rural Energy for America Program (REAP) grants in May 2019 and completing the transfer of the BioPreferred / BioBased Markets Program from Department Administration to Rural Business-Cooperative Service to ensure the increased development, purchase, and use of biobased products.

3) FPAC: 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. 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 access to credit and outreach to traditionally under-served farming communities, like the Hmong, Latino, and Native communities in my state. The study came out in July. If you have not read the study, you should. The study found that traditionally under-served farming communities face significant barriers to receiving private agricultural credit.

a. What are you doing to ensure these communities can break through the barriers to receive credit?

Response: FSA is familiar with the July 2019 GAO report "Agricultural Lending: Information on Credit Lending to SDA Farmers and Ranchers," and FSA and other USDA agencies provided information to GAO for the report. The report concerns all agricultural lenders and found that FSA is providing a larger share of its credit funding to socially disadvantaged (SDA) producers. Outreach efforts in Minnesota and nationwide have been instrumental to FSA reaching SDA and beginning farmers and ranchers:

- According to the 2017 Agricultural Census, SDA producers comprise 3.8% of the
  population and they are 9.5% of the Farm Loan Program direct loan portfolio.
- Over the past 10 years (FY2010-2019):
  - Direct farm ownership and operating loans to SDA producers has increased from 14,840 borrowers to 19,381 with the value of credit increasing from \$1,296,351,871 to \$2,070,109,838. This represents between 20.93% and 23.41% of total direct loans with the percentage being 22.13% in FY2019.
  - Guaranteed farm ownership and operating loans to SDA producers has increased from 2,998 to an all-time high in FY2019 of 3,820, with the value of credit increasing from \$943,090,110 to \$1,570,893,618. This represents between 8.79% and 9.89% of total guaranteed borrowers, with the percentage being 9.88% in FY2019.

Nationwide, FSA assists historically-underserved farmers and ranchers to own and operate farms through supervised credit, objective credit counseling, and the technical support that may be needed to submit an FSA loan application. FSA is dedicated to increasing participation among historically-underserved producers and is advancing access to credit directly and through partnerships and cooperative endeavors. We partner with community-based organizations to conduct workshops and training sessions for historically-underserved farmers, and ensure professional translation and interpreting services are available.

In Minnesota, FSA field staff, including our Farm Loan Managers and Farm Loan Officers, hold local meetings throughout the year for beginning farmers to talk about FSA programs, getting started with FSA, and what to expect. Our Farm Loan staff

distribute program information to partner organizations so that our partners can also help FSA get connected with underserved populations in the communities we serve.

Also in Minnesota, our staff are attending farmer's markets to speak with vendors and market managers and share information about microloans; the Noninsured Disaster Assistance Program for specialty crops; the Farm Storage Facility Loan program, with credit available for cold storage containers and used equipment. The State Outreach Coordinator is serving on the Emerging Farmer Conference Planning Committee, where she works with organizations such as Big River Farms, Latino Economic Development Center, and Hmong American Partnership to plan conference material and content suitable for historically underserved producers in the State and region. FSA has been a part of this conference since its inception and has served on the committee every year-now in its 15th year. A large part of our outreach efforts in the State has been to ensure that we are building relationships with local partners and agricultural lenders to communicate best practices, share ideas, and assist each other in supporting our current and potential customer base of underserved producers engaged and interested in agriculture. We have built strong relationships with partner organizations that also serve minorities within the state, so that we can offer referrals and more holistic support for these producers in a way that focuses on what is best for them.

b. Have you visited with Native farmers, Hmong farmers, and Latino farmers in Minnesota to hear about their experiences firsthand?

Response: FSA has played a pivotal role in supporting the Emerging Farmers Conference (previously known as the Immigrant and Minority Farmer Conference) every year over the past 15 years. Annually on average, there are over 200 attendees, representing Hmong, Latino, Native, and African American farmers. FSA presents information on programs and loans during conferences and has always had an exhibitor booth for attendees to speak with staff. As part of our outreach plan, we work to meet with every federally recognized tribe in the state of Minnesota. Our State Executive Director has also traveled the State meeting with Tribal Leaders and hearing directly from them about their interests and needs. The State Outreach Coordinator is also working with the Latino Economic Development Center to improve relationships and communications with Latino farmers. Our Dakota County office has worked closely with the State Office to have on-site interpreters and scheduled sign up with Hmong Growers in the area for FSA's Noninsured Crop Disaster Assistance Program. As a State policy, the Outreach Coordinator has established that all customers with limited English proficiency who have a scheduled appointment with FSA will have an on-site interpreter for both the customer and FSA staff. This is to ensure that we are understanding the needs of the customer and responding adequately. To date, we have done this for Somali, Hmong, and Spanishspeaking producers.

FSA has recently established an outreach contact in Duluth, for northeast Minnesota, whose role is to build relationships with tribes and relay information about FSA programs and how they may be able to support the goals of native farmers and ranchers. This effort is being supported by having the State Outreach Coordinator and regional contact attending numerous conferences throughout the year on topics such as hops, Christmas trees, wild rice, maple sap, hemp, fruits and vegetables, and organic production so that we can be better informed to support the needs of historically underserved producers throughout the state. We have made it a priority in Minnesota to do our best to reach out to Native, Hmong, Latino, and African American producers to listen and learn. We continue to reach out to communities that may not be actively participating in FSA but who are engaged in agriculture to ensure that they are provided information regarding FSA and know that we are trying to build those relationships.

4) FPAC: I am very proud of the fact that there are three chapters of the National Young Farmers Coalition in Minnesota. As I am sure you are aware, farmers over the age of 65 now outnumber farmers under the age of 35 by a margin of six to one. A massive transition of agricultural land and operations is on the horizon, and now is the time to prepare for that change. The 2018 Farm Bill establishes a Commission on Farm Transitions to better understand the issues impacting the transition of agricultural operations and the potential of federal programs to address those issues. Appointments to this Committee were to be made 60 days after the enactment of the bill; the first meeting was to be held an additional 30 days after the appointment of all members; and a report is due to the President and Senate and House Agriculture Committees one year after the 2018 Farm Bill's enactment. Can you provide an update on the progress that has been made towards setting up this Commission?

Response: We concur that the issue of transitioning agricultural operations to the next generation of farmers and ranchers is an important issue facing agriculture. Given that no funding was authorized nor appropriated to fund the operations of the Commission, including compensation of non-Federal members, we have held implementation of this provision in abeyance. However, through its cooperative agreements with policy research centers, the Office of the Chief Economist has requested background analyses that would be available to support the work of the Commission.

5) FNCS: The U.S. Department of Agriculture's proposed July 2019 rule to limit broad-based categorical eligibility in the Supplemental Nutrition Assistance Program (SNAP) will result in approximately 35,500 low-income Minnesotans being removed from the program, the majority of whom are seniors, children, and people with disabilities who are at risk of hunger. Since 2010, broad-based categorical eligibility has allowed Minnesota to provide additional access to food assistance for low-income families. Limiting the eligibility of these households to participate in SNAP not only lessens their ability to put food on the table, but also threatens their eligibility for other nutrition assistance like school meals. In addition, the use of broad-based categorical eligibility streamlines Minnesota's nutrition assistance

program and reduces administrative burdens for counties and tribal governments. Without the option to align income and asset rules, state and tribal agencies would need to absorb additional administrative costs. According to USDA estimates, administrative costs under the proposed rule would increase by \$2.3 billion over five years, half of which would need to be covered by the states. During consideration of the 2018 Farm Bill, Congress rejected provisions to limit broad-based categorical eligibility in SNAP on a bipartisan basis. Why has this Administration ignored the laws pertaining to SNAP eligibility enacted by the 2018 Farm

Response: Section 5(a) of the Food and Nutrition Act of 2008 (the Act) and current regulations, allow households in which all members receive benefits under a State program funded by the Temporary Assistance to for Needy Families (TANF) program to be categorically eligible. Currently, in some cases, the TANF-funded benefit is as minimal as a brochure or application, which has allowed households to be categorically eligible simply because they receive minimal benefits without a robust eligibility determination allowing households to exceed the statutory eligibility established by Congress. The Department believes the proposed BBCE rulemaking will maintain categorical eligibility's dual purpose of streamlining program administration while ensuring that SNAP benefits are targeted to the appropriate households, as required by the law.

USDA is tasked with regulating items that are contained within the Act. Section 4(c) of the Act gives USDA general authority to promulgate regulations, consistent with the Act that "the Secretary deems necessary or appropriate for the effective and efficient administration of the Supplemental Nutrition Assistance Program."

## **Senator Richard Durbin**

- 1. OCE: The Trump Administration has issued more than 80 "small refinery waivers" that stop oil companies from blending ethanol. Ethanol prices and blending are the lowest in history, shutting down a reported 35 biofuels plants. Marquis (in Illinois) canceled a new \$500M facility in Scott County, ADM plans to spin off its ethanol plants, and Center Ethanol shuttered its Sauget plant. On Oct 4, the Trump Administration announced an agreement to restore the lost 4 billion gallons and the 15 billion gallon floor, but shortly thereafter, EPA announced a proposed rule that falls dramatically short of that agreement, with markets dropping and biofuels stakeholders angry. You said on Tuesday "15 billion gallons means 15 billion gallons" and that "farmers would be comfortable" with the EPA rule.
  - a. How does the agreement from EPA reflect 15 billion gallons?

Response: The rule is designed to account for relief that is expected to be provided to small refineries. In doing so, the rule is designed to ensure that more than 15 billion gallons of ethanol is blended into the nation's fuel supply beginning in 2020, and that the volume obligation for biomass-based diesel is met.

b. Why should farmers be happy with the EPA proposal?

Response: We recognize the importance of the Renewable Fuel Standard for farms and farming communities. Expanding markets for biofuels, including E15 and E85 translates into higher margins for bio-refineries and higher prices for producers. President Trump delivered on his commitment for year-round use of E15 in time for the summer driving season, providing consumers with more choices when they fill up at the pump.

More recently, under President Trump's leadership, we have reached an agreement to expand opportunities for renewable fuel and provide greater certainty to refiners. That agreement is the latest in a series of steps to improve the RFS program.

Under that agreement, the following actions will be undertaken by EPA and USDA:

- EPA has proposed and requested public comment on expanding biofuel requirements beginning in 2020 to ensure that more than 15 billion gallons of conventional ethanol be blended into the nation's fuel supply beginning in 2020, and that the volume obligation for biomass-based diesel is met.
- Building on the President's earlier decision to allow year-round sales of E15, EPA will initiate a rulemaking process to streamline labeling and remove other barriers to the sale of E15.
- o EPA will continue to evaluate options for RIN market transparency and reform.
- USDA is seeking opportunities through the budget process to consider infrastructure projects to facilitate higher biofuel blends.
- The Administration will continue to work to address ethanol and biodiesel trade issues.
- c. Do you support the EPA proposal?

Response: Yes, USDA supports EPA's release of the supplemental notice of proposed rulemaking for comment from the public. The rule is designed to ensure that more than 15 billion gallons of conventional ethanol be blended into the nation's fuel supply beginning in 2020, and that the volume obligation for biomass-based diesel is met. This will include accounting for relief expected to be provided for small refineries.

d. Is this how USDA would have written the proposal?

Response: The authority for implementing the Renewable Fuel Standard lies with EPA. As specified in the statute, USDA coordinates with EPA on provisions of the rule and participates in the interagency process to review the rule.

- 2. FNCS: In Illinois, we have 150 "supportive living facilities" across rural areas and cities, in each Congressional District - that provide an independent living environment for 8,000 elderly and disabled residents. For 20 years, the State of Illinois has had a Medicaid waiver that allows these facilities to provide the care and health services for this vulnerable population in a non-institutional setting. USDA has consistently re-authorized these centers as SNAP vendors, to enable eligible residents to pool SNAP benefits to facilitate the service of meals - - in part because these individuals face physical difficulty with conventional individual grocery purchases. Last year, USDA decided to reverse course and no longer allow this arrangement—despite never finding any allegations of fraud or abuse. In a February Senate Agriculture Committee hearing, I pressed Secretary Perdue to halt these disapprovals. At an April hearing, I asked Food and Nutrition Service Administrator Brandon Lipps to commit to continuing SNAP benefits for these seniors and disabled, and he pledged to work with the Illinois Delegation before taking further action. Now I hear that USDA has stopped processing several, of these applications, despite the very clear language we put in the Farm Bill stipulating that USDA cannot deny any application for 18 months. So in this year's Senate Ag appropriations bill, I have extended this provision beyond 18 months, because USDA appears to be ignoring the law. There doesn't seem to be any deficiencies in these applications.
  - a. Is it true that USDA is not approving new applications for SNAP authorizations for these facilities, despite a requirement for USDA to grant or deny complete applications within 45 days?
  - b. How many facilities are caught in this limbo?
  - c. What is USDA's explanation or basis for ignoring the Farm Bill language and withholding approval?
  - Please state explicitly why USDA believes it has authority to refuse to grant or deny such applications.
  - e. Can you give me your commitment that USDA will continue approving the applications of these facilities within the next month? If not, please explain why not.

Response: No existing SNAP authorized facility has been removed from the program because of their status as an ineligible institution. USDA believes it is operating within the bounds of the Farm Bill language in this matter; however, USDA continues to examine all elements of this policy to ensure ongoing compliance with the law. As issues related to these questions are subject to ongoing litigation, it would be inappropriate to comment further at this time.

f. Has USDA/FNS responded to the June 28, 2017 letter sent by the Illinois Department of Human Services?

Response: On June 14, 2019, FNS provided an interim response to the State of Illinois.

- 3. FPAC: You served as the CEO of the American Soybean Association, so you know the tough position faced by Illinois soybean growers during this dispute with China. Reports are that soybean growers have lost up to 75% of their Chinese market, if not more. USDA has offered trade assistance, or Market Facilitation Payments (MFP), funded through the \$30 billion Commodity Credit Corporation. Of the \$12 billion authorized last year, about \$9.5 billion was sent to farmers based on commodities harmed by the China tariffs, with soybeans receiving 3/4ths of outlays because they were hit the hardest. In May, the President announced another \$16 billion in aid, but based on a county formula. Illinois counties received an average of \$69 per acre. But cotton growers in Georgia receive an average of \$75 per acre. Mississippi growers average \$87, while Alabamans average \$94. In fact, payments to cotton growers in more than 35 Alabama and Mississippi counties exceeded the highest Illinois payment, some collecting \$150 per acre. There are 16,000 cotton farms growing on 11 million acres that lost approximately six percent of the Chinese market in the past two years. But for the 303,000 farms that grow \$40 billion of soybeans on 90 million acres, including 36,000 Illinois farms, U.S. soybean exports have plunged from 40% of the Chinese marketplace to 19%. This former \$12 billion market for our soybeans has tanked to \$3 billion, a 75% drop in two years, with soybean prices hitting 12-year lows.
  - a. Since MFP was established to address the China trade dispute, how do you explain to soybean growers (who have been harmed in the past two years due to China) that cotton growers have been harmed more (in the past two years due to China) and therefore should receive more assistance?

Response: The Market Facilitation Program (MFP) is designed to assist producers who have been negatively impacted by market disruptions caused by tariff retaliation. The MFP payment rates for the 2018 and 2019 MFP are based on USDA's estimate of gross trade damage caused by retaliatory tariffs. For the 2019 MFP, USDA developed a single rate per acre in each county for MFP-eligible non-specialty crops, which includes commodities both directly and indirectly affected by the trade dispute, in order to minimize potential distortions. Therefore, different counties will have different MFP rates based on the historical production of eligible commodities and the relative level of trade damage caused by retaliatory tariffs. Soybean farmers, including those in Illinois are receiving assistance according to the trade damage they have faced. As of October 18, 2019, Illinois farmers have received \$667.8 million from MFP while farmers in Georgia, Mississippi and Alabama combined have received \$336.7 million. For more information on the methodology used to estimate trade damages and development MFP payment rates, please see the 2018 and 2019 reports on USDA's Office of the Chief Economist website (www.usda.gov/oce).

- 4. FPAC: This spring, historic rains battered the Midwest, causing flooding and leaving farm fields underwater or too wet to plant. Across Illinois, 1.5 million acres of farmland were not planted, which is nearly tenfold what goes unplanted in a typical year. Those who planted late and now are closely monitoring the weather and hoping cold weather doesn't kill their crops before harvest. Extreme weather events, like what farmers in experienced this spring, are becoming more common. USDA has not been active on this issue, only allocating 0.3% of its budget to helping farmers adapt to climate change. USDA has a network of climate hubs across the country to help farmers, but few farmers are aware of these resources and USDA has done little to promote them.
  - a. What steps are you taking at USDA to ensure programs that help farmers deal with extreme weather events are properly funded, promoted, and used?

Response: USDA offers a number of programs and resources to assist farmers, ranchers, and rural landowners in planning for and managing extreme weather events. The Department maintains a Disaster Resource Center to help the public prepare, recover, and build long term resilience to extreme events.

A primary USDA program for dealing with extreme weather is the crop insurance program. It compensates farmers for a portion of their unexpected losses due to natural events, which improves their overall financial stability. In general, greater financial stability improves the ability of farmers to make the long-term investments needed to adapt to changing trends in climate (e.g. improved irrigation systems, new cultivation techniques, new technology, new crops). The crop insurance program is subsidized by taxpayers and relies on an extensive network of insurance companies and their agents to make farmers aware of their crop insurance options. In addition, RMA does direct outreach to farmers through its network of regional offices. RMA continues to develop new insurance products, as well as implement insurance products privately developed by farmers and others, to reach areas that are underserved.

FSA and NRCS staff work together to ensure producers and local community members are aware of these programs and resources, especially following a disaster.

USDA Farm Service Agency offers multiple permanent disaster programs, which contain authorized funding designated as such sums as necessary, to assist producers with extreme weather events. Those programs include the Noninsured Crop Disaster Assistance Program, Livestock Indemnity Program, Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish, the Livestock Forage Disaster Program and the Tree Assistance Program. Additionally, FSA administers the Emergency Conservation Program and the Emergency Forest Restoration Program, with appropriated funding. When funding runs low, congressional action is required for additional funds to be received. This typically coincides with extreme adverse

weather events. For the 2017, 2018 and 2019 crop years, FSA is administering the Wildfires and Hurricane Indemnity Program, where producers who suffered eligible losses due to named disaster events specified in the legislation, are eligible to receive benefits if all eligibility criteria are met.

NRCS promotes our programs to farmers, ranchers, and private landowners at both a national and local level. Extensive outreach is conducted to stakeholders and partners utilizing press releases, social media, stakeholder meetings, and other engagements. Through these tools we notify farmers of the funds made available, the sign-up periods for funding availability, and encourage our stakeholders to apply and seek additional information if necessary.

USDA maintains 10 Regional Climate Hubs which contribute to USDA ability to provide extreme event and climate information. As you point out, the historic weather that effected the Midwest this winter and spring created many challenges for farmers. The Midwest Climate Hub worked closely with NOAA NWS to collect and supply information usable to agricultural producers during this disaster to help producers stay safe and recover.

The Midwest Climate Hub produces a monthly <u>Midwest Ag-Focus Climate Outlook report</u> which includes current weather, impacts, and outlooks for the region, including USDA crop progress information. These Outlooks are paired with a North Central U.S. Climate and Drought Update Webinar Series, supported by NOAA and other regional federal partners. In 2019, the Midwest Climate Hub provided the following:

- Bi-weekly webinars with NOAA, Regional Climate Centers and State Climatologists from March through June addressing current impacts and outlooks. Webinars were monthly after June (attendees are producers, agribusiness and elected officials at various levels).
- · One special ag-specific webinar.
- Five special Midwest Climate Hub-NOAA shared press releases for high profile events.
- Bi-weekly regional meetings with ag-extension staff in the Midwest/Plains (Midwest Agriculture Climate Team (MAC-T)) discussing current and potential issues and sharing resources across state lines.
- Weekly slides/information to Iowa State Extension along with meeting with educators to talk about the issue.
- Talks or webinars about climate-ag issues (~25 talks to over 1800 attendees)
- Social media sharing of pertinent (crop progress, outlook and tool) updates from USDA, NOAA and regional and state partners.

Nationally when it comes to disaster work, the Hubs are increasingly putting attention to disaster preparedness. For example, The Southeast Climate Hub put together a list of Ag specific resources for producers to prepare for Hurricane Dorian. The Caribbean Climate Hub put together an extensive list of resources for a

variety of disasters including outlooks and preparation information for Puerto Rico and the Virgin Islands. The Caribbean Climate Hub also put together centralized information for Farm and Forest Landowners affected by Hurricanes in Puerto Rico and the U.S. Virgin Islands. This information is available in both Spanish and English.

- 5. MRP: As part of Secretary Perdue's appearance before this committee on February 28<sup>th</sup>, I submitted a question seeking more information regarding the Animal Plant and Health Inspection Service's (APHIS) phytosanitary agreement with China. I also expressed concern about using phytosanitary certificates to convey a grain quality factor. My understanding is that this agreement to use foreign material as a proxy for weed seeds with China expires in December.
  - a. What is your agency's plan moving forward?

Response: In 2016, China created import requirements for grains that require imports to be free from weed seed. While USDA is working with the grain industry on medium- and long-term approaches on a systems approach to ensuring grain exports are weed seed-free, APHIS needed a way to move forward to make sure exports could continue. Since, owing to the presence of weed seeds in many shipments, APHIS could not certify that the products met China's import requirements, the agency worked with the grain industry and others on an approach that would allow the use of the already-collected foreign material (FM) designation as a proxy for weed seeds. APHIS, after consulting with the grain industry, presented this proposal to China and, after negotiations, was able to move forward in a way that would allow exports to continue. Without this negotiated FM alternative, APHIS would be left to certify that exports are free of weed seed, which it cannot do in many cases, thereby exposing shipments to possible rejection by Chinese authorities. Under the current FM approach, no grain shipments have been rejected, even though many likely do have some volume of weed seed.

Nevertheless, we understand that some in the grain industry do not like this approach. The agreement with China was set to expire in December, though it was extended to allow for bilateral discussions to occur. Although a date for the bilateral discussions is not yet confirmed, in advance of negotiations with China, we have held meetings with the industry to hear their concerns, receive their alternative proposals, and to consider how best to move forward. We will continue working with them to identify a path forward that balances their concerns with Chinese import requirements, and our overarching goal remains ensuring the continued export of grain.

Project Title	Award Number	Initial Award	Recipient Organization	Project Director	l atast Award	Latest Award
rioject rive		Fiscal Year		1 roject birector	Fiscal Year	Amount
Overcoming the Obstacles to Hazelnut Production in the Upper Midwest	2019-51181-30025	2019	SAES - UNIVERSITY OF MINNESOTA	Wyse, Donald	2019	\$3,279,925
Red Light, Green Light: Assessment of Benefits and Risks from Use of Robotic Laser Scarecrows for Bird Damage Prevention in Specialty Crops	2019-51181-30026	2019	SAES - UNIVERSITY OF RHODE ISLAND	Brown, Rebecca	2019	\$39,056
Smoke taint risk from vineyards exposed to wildfire smoke: assessment and management strategies.	2019-51181-30024	2019	SAES - OREGON STATE UNIVERSITY	Tomasino, Elizabeth	2019	\$48,460
Planning Grant: Implementation of New Technologies and Improved End-of-Life Management for Sustainable Use of Agricultural Plastics	2019-51181-30012	2019	SAES - WASHINGTON STATE UNIVERSITY	DeVetter, Lisa	2019	\$49,234
Stop the rot: Combating onion bacterial diseases with pathogenomic tools and enhanced management strategies	2019-51181-30013	2019	SAES - WASHINGTON STATE UNIVERSITY	du Toit, Lindsey	2019	\$4,044,300
Planning to Explore the Opportunities and Limits of Indoor Young-Plant Production	2019-51181-30011	2019	SAES - UNIVERSITY OF FLORIDA	Gomez, Celina	2019	\$50,000
Management of endemic and emerging bacterial diseases of Capsicum by plant resistance, novel compounds, and understanding pathogen diversity	2019-51181-30010	2019	SAES - UNIVERSITY OF FLORIDA	Roberts, Pamela	2019	\$3,002,754
Developing A Trans- Disciplinary Approach For Improving Leafy Greens Production In Arid And Semi- Arid U.S. Growing Regions	2019-51181-30023	2019	SAES - UNIVERSITY OF ARIZONA	Slinski, Stephanie	2019	\$34,297
Improving the profitability and sustainability of indoor leafy-greens production.	2019-51181-30017	2019	SAES - MICHIGAN STATE UNIVERSITY	Runkle, Erik	2019	\$2,705,371
SCRI CAP Proposal: Biology, Management, and Reducing the Impact of the Spotted Lanternfly in Specialty Crops in the Eastern USA	2019-51181-30014	2019	PENNSYLVANIA STATE UNIVERSITY, THE	Urban, Julie	2019	\$7,308,194
Integrated Management of Emerging Seedborne Bacterial Diseases of Cucurbits and Chenopods (IMDCC)	2019-51181-30019	2019	PENNSYLVANIA STATE UNIVERSITY, THE	Bull, Carolee	2019	\$3,760,000
A Multi-state Effort to Contain and Manage the Invasive Guava Root Knot Nematode (GRKN) in Vegetable Crops	2019-51181-30018	2019	SAES - CLEMSON UNIVERSITY	Agudelo, Paula	2019	\$3,418,579
Creating a new paradigm for potato breeding based on true seed	2019-51181-30021	2019	SAES - UNIVERSITY OF WISCONSIN	Endelman, Jeffrey	2019	\$3,008,623

Project Title	Award Number	Initial Award Fiscal Year	Recipient Organization	Project Director	Latest Award Fiscal Year	Latest Award Amount
Research and extension needs assessment for the U.S. blackberry industry	2019-51181-30022	2019	SAES - UNIVERSITY OF ARKANSAS	Worthington, Margaret	2019	\$50,000
A systems approach to microbial food safety in produce: Leveraging data science approaches to inform food safety decisions	2019-51181-30016	2019	SAES - CORNELL UNIVERSITY	Wiedmann, Martin	2019	\$3,672,718
VacciniumCAP: Leveraging genetic and genomic resources to enable development of blueberry and cranberry cultivars with improved fruit quality attributes	2019-51181-30015	2019	SAES - NORTH CAROLINA STATE UNIVERSITY	łorizzo, Massimo	2019	\$6,417,340
Improving Drought Tolerance and Sustainability of Turfgrasses used in Southern Landscapes through the Integration of Breeding, Genetics, Physiology, Economics, and Outreach	2019-51181-30472	2019	SAES - NORTH CAROLINA STATE UNIVERSITY	Milla-Lewis, Susana	2019	\$7,982,643
Ecobiology, Impact, and Management of Grapevine Red Blotch Virus and its Vector(s) in California and Oregon Vineyards	2019-51181-30020	2019	EXT - UNIV. OF CALIFORNIA COOPERATIVE EXTENSION	Oberholster, Anita	2019	\$3,172,836
Enhancing Soil Health in US Potato Production Systems	2018-51181-28704	2018	SAES - UNIVERSITY OF MINNESOTA	Rosen, Carl	2019	\$6,137,004
Sweet CAP: Integrated technologies to improve sweet corn production and marketability	2018-51181-28419	2018	SAES - UNIVERSITY OF FLORIDA	Settles, A.	2019	\$5,509,744
Putting phenotypic and genotypic tools to work for improving walnut rootstocks	2018-51181-28437	2018	SAES - UNIVERSITY OF CALIFORNIA AT RIVERSIDE	Westphal, Andreas	2019	\$2,004,600
Research and Extension to Address Herbicide Resistance Epidemic in Annual Bluegrass in Managed Turf Systems		2018	SAES - TEXAS A&M UNIVERSITY	Bagavathiannan, Muthukumar	2019	\$2,447,180
FRAME: Fungicide Resistance Assessment, Mitigation and Extension Network for Wine, Table, and Raisin Grapes	2018-51181-28364	2018	SAES - WASHINGTON STATE UNIVERSITY	Moyer, Michelle	2019	\$2,340,790

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