

House Appropriations Hearing

Agriculture, Rural Development, Food and Drug Administration Subcommittees

1 May 2024

[Fiscal Year 2025 Request for the U.S. Department of Agriculture's Farm Production and Conservation \(FPAC\) Mission Area](#)

Congressional Witnesses:

- [Robert Bonnie](#)
[Under Secretary for Farm Production and Conservation](#), U.S. Department of Agriculture
- [Terry J. Cosby](#)
Chief, [Natural Resources Conservation Service](#), U.S. Department of Agriculture
- [Zach Ducheneaux](#)
Administrator, [Farm Service Agency](#), U.S. Department of Agriculture
- [Marcia Bunger](#)
Administrator, [Risk Management Agency](#), U.S. Department of Agriculture

Highlights:

- There were many topics covered in this hearing:
 - Program management struggles, emergency disaster relief, crop insurance, tree assistance program, conservation reserve program, dairy revenue protection program, dairy risk management, urban agriculture programs, avian influenza, and the commodity credit corporation.
- [Rep. Barbara Lee \(D-CA\)](#) raised concerns about disparities in direct loan approval rates between black and white farmers and inquired about legislative proposals to address these disparities and support young and beginning farmers, particularly those who are socially and economically disadvantaged.
 - Farm Service Agency Administrator Ducheneaux also brought to light that Native Americans are also discriminated against in the loan process, and then highlighted legislative proposals aimed at removing barriers for young, beginning, and underserved producers and emphasized the importance of transparent and accessible processes.

General notes about discussion, points raised, etc.

- [Natural Resource Conservation Service \(NRCS\)](#) hiring struggles:
 - [Rep. Sanford Bishop \(D-GA\)](#) highlighted the increase in hiring and decrease in separations at NRCS but noted struggles at the [Farm Service Agency \(FSA\)](#) and inquired about a retention initiative involving student loan repayments.
 - Robert Bonnie from NRCS discussed efforts to address rural office challenges and the success of the retention bonus program.

- Rep. Bishop expressed concern over funding issues for USDA buildings and facilities and discussed the impact on operations.
 - Bonnie and Chief Terry Cosby from NRCS discussed the importance of partnership agreements in expanding access to NRCS services for underserved communities, highlighting successful outreach efforts and increased participation in conservation programs.
- [Emergency Livestock Assistance Program](#):
 - [Rep. Julia Letlow \(R-LA\)](#) discussed the drought disaster in Louisiana from the previous year and asked Administrator Ducheneaux about including drought as adverse weather for farm-raised fish in the Emergency Livestock Assistance Program.
 - Ducheneaux expressed gratitude for the collaboration and mentioned the challenge of rationalizing drought with aquatic creatures like crawfish.
 - He mentioned the possibility of qualifying drought impacts through excessive heat and expressed willingness to continue the conversation with Rep. Letlow's staff.
 - Letlow sought a specific timeline for a decision, and Ducheneaux committed to providing an answer by the next week.
- Risk management and drought:
 - Rep. Julia Letlow (R-LA) raised concerns about quality loss issues affecting farmers in her district during the 2022 harvest season due to excessive rain.
 - Marcia Bunger from the [Risk Management Agency \(RMA\)](#) acknowledged ongoing efforts to address quality loss issues since 2018, involving a study group and feedback from growers. Bunger mentioned challenges faced by soybean growers, including inconsistencies at elevators during crop sales, which may not be fully addressed by RMA.
 - Rep. Letlow inquired about the implementation of a tropical storm index policy by RMA and its adoption. Bunger described it as successful overall but noted challenges and ongoing efforts to improve communication with producers and agents.
 - Despite successful payouts after events like Hurricane Dalilah, there are still concerns and feedback, particularly regarding rain gauge accuracy, which RMA is addressing in collaboration with the [National Oceanic and Atmospheric Administration \(NOAA\)](#).
 - [Rep. Jerry Carl \(R-AL\)](#) also addressed the issues of droughts to Chief Terry Crosby.
 - Chief Crosby highlighted the increasing frequency of crises like droughts and fires across the country, with over 80 crises responded to last year and 30 already addressed this year. Emphasis was placed on the importance of conservation planning and technical assistance in addressing these challenges, likening it to a doctor prescribing a treatment plan for the land. Various strategies such as cover crops, small grains, and pasture were mentioned as potential solutions, tailored to the specific needs of each producer.
- Disparities in Direct Loan Approval:
 - Rep. Barbara Lee (D-CA) thanked the panel for their presence and efforts in improving equity in farming, especially for black farmers who have historically faced discrimination in accessing USDA resources. Rep. Lee raised concerns about disparities in direct loan approval rates between black and white farmers and

inquired about legislative proposals to address these disparities and support young and beginning farmers, particularly those who are socially and economically disadvantaged.

- FSA Administrator Ducheneaux also brought to light that Native Americans are also discriminated against in the loan process, and then highlighted legislative proposals aimed at removing barriers for young, beginning, and underserved producers and emphasized the importance of transparent and accessible processes.
- Lee expressed frustration over the slow progress in addressing systemic barriers and urged the adoption of new approaches to address longstanding issues.
- Ducheneaux acknowledged the challenges and emphasized ongoing efforts to improve access and discretion in decision-making processes, but also recognized the need for innovative solutions to address systemic barriers effectively.
- FSA Guaranteed Loan Limits
 - [Rep. Ben Cline \(R-VA\)](#) expressed concerns about the loss of farmland in the Shenandoah Valley and highlighted the discrepancy between the increase in crop land prices and the limited growth in FSA guaranteed loan limits. He specifically mentioned requests for an increase in FSA guaranteed ownership loan limits to better serve farmers and ranchers.
 - Administrator Ducheneaux discussed the need for tools to help with guaranteed loans, particularly considering changing economic realities and the disparity between loan limits and land prices.
 - Rep. Cline also inquired about the expiration of a pilot program for rural development financing through Farm Credit and its potential benefits, to which Ducheneaux indicated he would provide further information.
- Issues with the FSA:
 - [Rep. Scott Franklin \(R-FL\)](#) raised concerns about the struggles faced by ranchers, growers, and producers in Central Florida with the FSA, citing understaffing and overwork as major issues. He also highlighted the lack of response from FSA regarding an optimal productive office study conducted in 2018 to determine staffing requirements, particularly in response to natural disasters.
 - Administrator Ducheneaux acknowledged the workload challenges faced by FSA staff and emphasized the dedication of the employees in delivering programs despite resource constraints.
 - Rep. Franklin expressed frustration over the stagnant budget for FSA personnel over the past few years and questioned the agency's priorities in addressing staffing shortages.
 - Ducheneaux mentioned a \$37 million increase requested in the 2025 proposal but acknowledged that it may not be sufficient to address all staffing needs.
 - Rep. Franklin emphasized the bipartisan effort to address FSA issues and expressed willingness to work with Ducheneaux's office on legislative solutions.

- Administrator Ducheneaux mentioned temporary solutions, such as deploying additional staff to Florida in response to hurricanes, but Franklin expressed concerns about the effectiveness of such measures in addressing long-term staffing issues.
- USDA support for agriculture programs:
 - [Rep. Marcy Kaptur \(D-OH\)](#) expressed interest in supporting the controlled environmental agriculture industry in the Great Lakes region, particularly regarding energy and material science to enhance production efficiency and environmental sustainability. She also raised concerns about harmful algal blooms in Lake Erie due to dissolved reactive phosphorus, highlighting the need for soil testing and conservation practices to address the issue.
 - Robert Bonnie discussed USDA initiatives to support controlled environmental agriculture, including a new crop insurance pilot and research investments in energy efficiency.
 - Bonnie also mentioned efforts to promote urban agriculture and small-scale production through programs like the Marsh Program and Whole Farm Revenue, emphasizing the importance of engaging with producers.
 - Terry Cosby emphasized the importance of soil testing and conservation practices to mitigate the impact of legacy phosphorus and harmful algal blooms. He highlighted the need for conservation plans tailored to each farm's unique characteristics to effectively address soil health and nutrient management.
- Crop Insurance and Disaster Relief
 - [Rep. Ashley Hinson \(R-IA\)](#) highlighted the importance of crop insurance for states like Iowa, emphasizing the need for reauthorization and funding due to weather-related challenges such as droughts and storms. She expressed concern about the bundling requirement in the revised greening model for [sustainable aviation fuel \(SAF\)](#) tax credits, questioning its potential disadvantage to farmers who cannot implement multiple conservation practices.
 - Undersecretary Robert Bonnie addressed the administration's decision on bundling, highlighting progress made in indirect land use modeling and climate-smart agriculture integration. He emphasized the need for flexibility and further collaboration to enhance the greening model's effectiveness.
 - Rep. Hinson sought clarification on whether the bundling requirement would apply to the upcoming SAF tax credit. Bonnie indicated that USDA is engaged in discussions to provide more flexibility and opportunities in collaboration with other agencies.
 - Transitioning to modernization efforts, Rep. Hinson inquired about progress in modernizing technology at FSA offices to simplify application processes.
 - Administrator Zach Ducheneaux discussed improvements in farm loan programs, online applications, and digital resources to streamline operations and enhance efficiency.
 - Rep. Hinson expressed interest in cybersecurity aspects and indicated her intent to submit follow-up questions for the record.
 - [Rep. Jerry Carl \(R-AL\)](#) inquired about the treatment of oyster farmers under the Risk Management Agency (RMA) and their eligibility for crop insurance coverage. Undersecretary Robert Bonnie deferred the question to Marcia Bungler, who explained that RMA introduced a shellfish policy to insure specialty crops like

shellfish. This policy, still in its pilot phase, aims to support fishermen as well, with ongoing efforts to gather feedback and engage in further discussions about its implementation.

- Rep. Sanford Bishop (D-GA) raised concerns about pecan growers in his district not being able to exclude bad revenue years, specifically 2018 and 2019, due to Hurricane Michael, from their crop revenue insurance policies. He asked if it was possible to address this issue and provide pecan growers with similar options as other rural producers, such as yield exclusion from actual revenue.
 - Marcia Bunger acknowledged the question and expressed the need for further research to provide a comprehensive answer. She explained that yield exclusion typically operates on a county basis and requires understanding how it applies to pecans. She offered to collaborate with Rep. Bishop's staff to explore potential solutions.
- Disaster Assistance and the [Farm Service Agency \(FSA\)](#)
 - [Rep. David Valadao \(R-CA\)](#) raised concerns about the lack of disaster assistance for dairy farmers affected by flooding in California, noting that some farmers who took preventive measures are still facing financial burdens. He referenced a past instance in Puerto Rico where disaster assistance was provided under a statutory authorization.
 - Zach Ducheneaux explained that livestock disaster programs are still developing and mentioned the lack of statutory authorization for similar assistance in other areas.
 - Robert Bonnie mentioned that the Puerto Rico authorization was specific to that region and offered to provide more information on its creation and application.
 - Rep. Valadao also highlighted the need for risk management options for dairy farmers, particularly regarding cattle sent for slaughter, and expressed interest in finding solutions.
- Emergency Relief Program Funds
 - [Rep. Andy Harris \(R-MD\)](#) questioned Robert Bonnie about the remaining unspent funds in the distressed borrower's program, highlighting concerns about the allocation of taxpayer dollars amid the deficit.
 - He also raised questions about the [Emergency Relief Program \(ERP\)](#) and the monitoring of fraud and abuse in claims for socially disadvantaged farmers.
 - Zach Ducheneaux responded, emphasizing the safeguards in place to monitor self-certified claims and address any instances of fraud or abuse.
 - Rep. Harris expressed dissatisfaction with the administration's approach to fiscal responsibility, particularly regarding the allocation of funds considering the national debt and ongoing deficits.
- [Tree Assistance Program \(TAP\)](#) and [Conservation Reserve Program \(CRP\)](#)

- [Rep. Dan Newhouse \(R-WA\)](#) raised concerns about the Tree Assistance Program (TAP) not adequately addressing losses from [Little Cherry Disease \(LCD\)](#) in Washington state. He highlighted that the current process, which requires physical inspection for verification, is impractical for LCD losses due to the urgency of removing infected trees and the need for laboratory tests to confirm the disease. Newhouse suggested considering certified tests as qualifiers for TAP and streamlining the verification process.
 - FSA Administrator Zach Ducheneaux acknowledged the issue and committed to working with Newhouse's staff to find solutions within existing statutory authority, emphasizing the need to demonstrate effective stewardship of taxpayer resources.
- Newhouse also discussed the challenges faced by Douglas County in eastern Washington due to the 25% county acreage cap under the [Conservation Reserve Program \(CRP\)](#). Ducheneaux explained the statutory cap and suggested exploring alternative conservation programs available through the Natural Resources Conservation Service to accelerate conservation efforts in Douglas County.
- Regarding staffing issues, Newhouse inquired about measures to accelerate the onboarding process for new hires.
 - Robert Bonnie acknowledged the staffing challenges and highlighted efforts by USDA's HR team to reduce the time to hire, including deploying new authorities for direct hire. He emphasized the importance of addressing staffing issues as a high priority for USDA.
- [Dairy Revenue Protection Program \(DRP\)](#) and Dairy Risk Management
 - Rep. David Valadao (R-CA.) raised concerns about the affordability of longer-term coverage under the Dairy Revenue Protection Program (DRP) for dairy farmers. He noted that while near-term coverage is affordable, longer-term coverage is prohibitively expensive, hindering dairy farmers' ability to manage risks during extended periods of price declines. Rep. Valadao mentioned the refusal of the Federal Crop Insurance Corporation Board of Directors to reduce premiums for longer-term coverage and expressed a desire to work with Administrator Marcia Bunger to make the program more favorable for dairy farmers.
 - Marcia Bunger explained the process involved in developing such programs and expressed openness to working with Rep. Valadao to address barriers and make improvements.
 - Valadao also highlighted the lack of a suitable risk management program for dairy farmers when it comes to the sale of cattle for beef, which constitutes a significant portion of their income. He proposed exploring potential solutions and opportunities for collaboration to address this issue, suggesting that available pricing data from the Chicago Board of Trade could be leveraged for this purpose. Bunger welcomed the opportunity to discuss these concerns further and explore potential solutions with Valadao and his staff.
- Importance of Urban Agriculture Programs
 - [Rep. Sanford Bishop \(D-GA\)](#) highlighted the importance of funding for urban agriculture programs in the FY 25 budget, which includes a \$15 million increase over the previous year. He expressed his understanding that the demand for these

programs exceeds available funding and inquired about how this increase would address the unmet need.

- Terry Cosby from the NRCS acknowledged the popularity of urban agriculture programs and emphasized their transformative impact on cities and communities. He explained that the program has faced challenges due to insufficient funding, with only 2% of applications being funded in the previous year despite high demand. Cosby outlined the diverse activities supported by the program, including urban planning, food waste reduction, and composting initiatives, all aimed at enhancing urban agriculture. He underscored the significance of urban agriculture in addressing food insecurity and promoting sustainable practices in urban areas.
- Avian Influenza:
 - [Rep. Ashley Hinson \(R-Iowa\)](#) expressed concern about the spread of high pathogen avian influenza, particularly affecting dairy cattle in her district. She inquired about the coordination efforts across USDA agencies, especially with [Animal and Plant Health Inspection Service \(APHIS\)](#), to address this issue.
 - Robert Bonnie highlighted the extensive government coordination at various levels and mentioned the use of [Commodity Credit Corporation](#) funding to address poultry issues related to avian influenza. He also mentioned exploring creative ways to utilize existing programs to respond to the crisis.
 - Zach Ducheneaux emphasized the importance of gathering feedback from producers through local offices and state leadership to address their concerns effectively. He encouraged producers to reach out to their local offices and share their stories.
- [Commodity Credit Corporation](#)
 - [Rep. Andy Harris \(R-MD\)](#) asked Robert Bonnie if there were plans to use section five of the Commodity Credit Corporation charter act for additional funding for partnerships for climate smart commodities or any other activity in the current fiscal year.
 - Bonnie responded that no, they were not planning to do so. Harris expressed gratitude for the candid response and emphasized the importance of adhering to authorized expenditures for the Commodity Credit Corporation.