



**Written Statement on FY 2018 Requests  
Submitted to Subcommittee on Agriculture, Rural Development, FDA, & Related Agencies  
United States House of Representatives – April 5, 2017**

**Contact:** Alyssa Charney ([acharney@sustainableagriculture.net](mailto:acharney@sustainableagriculture.net))

Thank you for the opportunity to present our FY 2018 funding requests. On behalf of our 46 member organizations from around the country, we submit the following USDA requests, in the order they appear in the appropriations bill:

**DEPARTMENTAL ADMINISTRATION**

**Office of Advocacy and Outreach.** The Office of Advocacy and Outreach coordinates policy and outreach in four vital areas – small farms and beginning, socially disadvantaged, and veteran farmers. We urge that **level funding of \$1.2 million** be provided for the OA&O.

**Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers.** We strongly urge you to provide **\$10 million in discretionary funding**. Combined with **no limitation in mandatory spending**, this appropriation would restore the historical program funding level to meet increased demand for technical assistance by military veteran farmers, and other underserved producers.

**NATIONAL INSTITUTE OF FOOD AND AGRICULTURE**

**Sustainable Agriculture Research and Education Program.** We strongly urge you to provide **\$30 million** for this competitive grants research program. SARE has helped turn farmer-driven research, education, and extension into profitable practices for over 25 years, consistently yielding practical farm innovations. At \$30 million, SARE would be at half its authorized level and half the level recommended by the National Academy of Sciences. Due to high demand and inadequate funding, USDA has been able to fund only 7 percent of SARE pre-proposals for

research and education grants. \$30 million in funding would enable SARE to expand its work on soil health, cover cropping, and rotational grazing, and on-farm research for beginning farmers.

**Organic Transitions Integrated Research Program.** We request **\$5 million** to invest in innovative organic research with strong farmer delivery mechanisms built in. This funding will keep organics from falling further behind in its fair share of the research budget.

**Food Safety Outreach Program.** We strongly urge you to provide **\$10 million** to help small and mid-size farms and processors come into compliance with new food safety requirements under the Food Safety Modernization Act (FSMA). The major FSMA rules are now final; and FY 2018 is when the first farms will be required to comply. As smaller operations prepare to comply, now is the time to provide critical training and technical assistance. Over a hundred thousand producers will be impacted by FSMA, and with \$10 million in FY 2018, FSOP could expand its reach to meet the needs of approximately 16,600 farmers across the country. Without adequate training and technical assistance, FSMA regulations will hurt small and mid-sized farmers, and fail to improve food safety.

#### **FARM SERVICE AGENCY**

**Direct Farm Ownership Loans, Direct Operating Loans, and Individual Development Accounts.** Direct farm loans provide crucial capital for beginning farmers and others not adequately served by commercial credit. This is especially important in light of the low commodity prices we are now experiencing. Over the last year, many private lending institutions have pulled back on their lending, increasing the use of FSA guaranteed loans, which led to the exhaustion of FSA's lending authority in June 2016, well before the end of the fiscal year. This problem persists into FY 2017 and is expected to become even more severe without an increased appropriation in FY 2018. We urge you to work with USDA to identify the funding

needed for Direct and Guaranteed Farm Operating loans and fully fund that need. If the identified needs are not fully funded, many farmers will be unable obtain the operating capital they need to make it through the growing season. Similarly, the Beginning Farmer and Rancher Individual Development Account (IDA) program, if funded, will enable limited-resource beginning farmers and ranchers to jump-start their operations. **We support fully funding Direct Farm Ownership loans, Direct Operating Loans, and providing \$1.5 million for the IDA program. We also support full funding for guaranteed ownership and operating loans.**

#### **NATURAL RESOURCES CONSERVATION SERVICE**

**Conservation Technical Assistance.** CTA, a subset of Conservation Operations, is the backbone of USDA's conservation programs. Through CTA, NRCS field staff work with farmers to develop and implement conservation plans to conserve resources on their farms and fulfill conservation compliance requirements. NRCS also uses CTA funds to assess conservation practices and systems, and to collect, analyze, and disseminate data on the nation's natural resources. We support increasing CTA funding by 2.5 percent from \$735.3 million in FY 2016 to **\$760.7 million**. This increase will help more producers develop site-specific plans to address resource concerns. We are deeply concerned by the President's FY 2018 proposal to "reduce staffing in USDA's Service Center Agencies to [...] encourage private sector conservation planning." NRCS works collaboratively with the private sector; however, despite years of recruitment by NRCS, nongovernmental organizations and others, private sector planning remains quite small and could not possibly fill the planning gap left by NRCS field staff.

#### **RURAL BUSINESS - COOPERATIVE SERVICE**

**Overall Statement on Proposed Cuts to RB-CS Programs.** In his FY 2018 "skinny budget," the President calls for the elimination of funding for Rural Business and Cooperative

Service programs, including those listed below. The Administration's proposal is the equivalent of eliminating the screwdriver, hammer, measuring tape, and wrench from USDA's economic development toolbox. These rural business programs have a proven track record of success – both in terms of business survivability rates and in terms of job creation – and the Administration's proposed cuts reflect a lack of understanding of their function and impact.

**Appropriate Technology Transfer for Rural Areas.** For nearly 30 years, the ATTRA program has provided practical, cutting edge information to farmers, extension agents, and others. In 2016, over 590,000 users accessed information from the ATTRA website. ATTRA helped clients 57,797 times with technical assistance materials, and reached over 47,000 attendees at workshops or presentations. For FY 2018, we urge you to provide **\$2.75 million**, as was included in the FY 2017 House Agriculture Appropriations bill, to support the continued expansion of ATTRA's *Armed to Farm* program. To date, military veterans from 31 states have attended these trainings. A recent survey found that 80 percent of participants have continued to farm, started farming, or are in the process of starting a farm.

**Value-Added Producer Grants.** VAPG offers competitive grants to farmers and ranchers developing farm- and food-related businesses that boost farm income and create jobs in rural America. These grants may be used to fund business and marketing plans, feasibility studies or working capital to operate a value-added business venture. VAPG recipients have high survivability rates in comparison with small businesses in general. According to the SBA, only 34 percent of small firms survive after 10 years. In contrast, 68 percent of the 2003 class and 73 percent of the 2004 class of VAPG-funded businesses were still in operation after 10 years.<sup>1</sup> The FY 2017 House Agriculture Appropriations bill included **\$15 million for VAPG**,

---

<sup>1</sup> Preliminary findings of RBS study on the survivability of VAPG grant recipients.

and **no changes in mandatory program spending**. We urge you to **include these levels** again in FY 2018.

**Rural Microentrepreneur Assistance Program.** RMAP provides business training and microloans to owner-operated businesses with up to ten employees. It targets very small business development, and is the only federal program that finances the capitalization of revolving microloan funds for rural areas. We request **no changes in mandatory program spending**.

### GENERAL PROVISIONS

**No Changes in Mandatory Spending for Conservation Programs:** A suite of distinct but interrelated farm bill programs, including the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP), work together to give farmers the tools they need to protect and rebuild soil, provide clean water, and enhance wildlife habitat.

Appropriators should not re-open the 2014 Farm Bill, as that bill already cut \$6 billion from conservation programs, including over \$2 billion from CSP. Cuts to CSP and EQIP in previous funding bills forced USDA to turn away 75 percent of eligible applicants. Any cuts in FY 2018 would mean less program participation, leading to more pollution and regulation, and less productive and profitable farmlands. The elimination of CHIMPS is especially important in FY18, as any cuts will carry over into baseline assumptions for the next farm bill. **We strongly oppose changes in mandatory program spending to critical conservation programs.**

Finally, we oppose the inclusion of any policy riders that limit implementation and enforcement of the **Packers & Stockyards Act including any riders that prevent the implementation in a timely manner of the Farmer Fair Practices Rules.** Limiting USDA's ability to protect market transparency has no rightful place in the appropriations bill or any other legislation.