



September 21, 2017

The Honorable Rodeny Frelinghuysen, Chairman
House Appropriations Committee

The Honorable Nita Lowey, Ranking Member
House Appropriations Committee

The Honorable Thad Cochran, Chairman
Senate Appropriations Committee

The Honorable Patrick Leahy, Ranking Member
Senate Appropriations Committee

The Honorable Robert Aderholt, Chairman
House Agriculture Appropriations Subcommittee

The Honorable Sanford Bishop, Ranking Member
House Agriculture Appropriations Subcommittee

The Honorable John Hoeven, Chairman
Senate Agriculture Appropriations Subcommittee

The Honorable Jeff Merkley, Ranking Member
Senate Agriculture Appropriations Subcommittee

Dear Chairs and Ranking Members:

As you prepare to finalize appropriations legislation for FY 2018, we write on behalf of our 47 farm, conservation, and rural member organizations to highlight a number of issues that are critically important to agriculture, and for which we urge your support.

1. VALUE-ADDED PRODUCER GRANTS (VAPG) – \$15 MILLION DISCRETIONARY

House FY18 Agriculture Appropriations bill:	\$10 million
Senate FY18 Agriculture Appropriations bill:	\$15 million
NSAC Request:	\$15 million

VAPG offers grants to farmers and ranchers developing farm- and food-related businesses that boost farm income and create jobs in rural America. Grants are used to fund business and marketing plans and feasibility studies or to acquire working capital to operate a value-added business venture or alliance.

Recent data demonstrates that when USDA invests in rural businesses through VAPG, those businesses thrive. USDA economists reviewed the status and business survival rate of nearly all of the 1,200 award recipients between 2001 and 2010 and found that, in comparison with small businesses in general, VAPG recipients have much higher survival rates.

According to the Small Business Administration, only 34 percent of small firms in general survive after 10 years. Among VAPG recipients, 56 percent of the producers who received grants in 2001 were still operating in 2014. Of the producers who received grants in 2002, 2003, and 2004, survival rates are even higher – 61 percent, 68 percent, and 73 percent, respectively.

We strongly urge you to adopt the Senate level of \$15 million for VAPG in final FY 2018 funding legislation.

2. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP) AND CONSERVATION STEWARDSHIP PROGRAM (CSP) – NO CUTS TO MANDATORY SPENDING

House FY18 Agriculture Appropriations bill:	No cuts
Senate FY18 Agriculture Appropriations bill:	Cuts mandatory funding for EQIP by \$178.5 million
NSAC Request:	No cuts

Repeated annual cuts to CSP, EQIP, and other farm bill conservation programs have created enormous backlogs of applications among highly qualified producers and made it difficult for farmers to maintain healthy soil, protect water, and mitigate and adapt to the impacts of drought and flooding. Fortunately, neither the House bill nor the Senate bill propose cutting funding for CSP in FY 2018. As such, **reductions in CSP funding should remain off the table.**

While the House did not propose a cut to EQIP, the FY 2018 Senate bill proposes to cut \$178.5 million from the program, which is nearly 20 percent of the funding that was authorized to be available for the FY 2018 enrollment. This cut to EQIP would also impact funding for the Regional Conservation Partnership Program (RCPP), which draws its funding from EQIP, CSP, and other conservation programs. We strongly oppose re-opening the farm bill via changes in mandatory program spending to these critical conservation programs, and **therefore urge you to reject the proposed cut to EQIP included in the Senate bill.**

3. SUSTAINABLE AGRICULTURE RESEARCH AND EDUCATION (SARE) COMPETITIVE GRANTS PROGRAM – \$30 MILLION

House FY18 Agriculture Appropriations bill:	\$24.7 million
Senate FY18 Agriculture Appropriations bill:	\$30.0 million
NSAC Request:	\$30.0 million

Investment in agricultural research is vital to continued productivity and innovation in American agriculture. The Sustainable Agriculture Research and Education (SARE) program, one of NIFA’s longest-standing and most successful competitive grants programs, has helped turn farmer-driven research, education, and extension into profitable and environmentally sound practices for nearly 30 years. Despite SARE’s popularity, technological breakthroughs, and demonstrated administrative efficiency, the program is currently funded at less than half of its authorized amount. As a result, USDA can fund only *7 percent* of all research and education pre-proposals. We are pleased that the Senate bill continues to address this shortfall by increasing SARE funding from \$27 million to \$30 million. This second incremental increase, following the FY 2017 increase to \$27 million, is critical to a sustainable future for agriculture, and **we urge you to accept the Senate level in final funding legislation.**

4. OUTREACH AND TECHNICAL ASSISTANCE TO SOCIALLY DISADVANTAGED AND VETERAN FARMERS AND RANCHERS (2501 PROGRAM) – \$3 MILLION DISCRETIONARY

House FY18 Agriculture Appropriations bill:	\$0
Senate FY18 Agriculture Appropriations bill:	\$3 million
NSAC Request:	\$3 million

Farming is a risky business and has become increasingly difficult to enter over the past few decades. For farmers of color and military veteran farmers, building a successful farming operation is fraught with even

greater challenges. The 2501 program aims to reverse the disadvantage and disparity that has existed for these groups by arming them with the tools they need to thrive and compete in the agricultural economy. The 2014 Farm Bill expanded the 2501 program to also serve veteran farmers and ranchers, yet cut mandatory funding for the program in half. This reduction in funding has had real impacts on the ground for underserved farmers and has meant fewer groups have been able to launch new or expand existing successful programs that provide critical assistance to our country's most vulnerable farming communities. Ultimately, this means that fewer farmers are able to get the support they need to build successful, profitable farming operations.

Since the 2014 Farm Bill slashed funding for the program, USDA has been forced to reduce both the size and duration of grant awards, in order to spread limited program dollars across the country and support as many organizations as possible. Smaller and shorter grants are less impactful and serve fewer farmers than a more robust and stable program. In order to restore this long-standing program's capacity to provide technical assistance to our nations' minority and veteran farming communities, **we urge you to, at the very least, adopt the Senate funding level of \$3 million in discretionary funding for the 2501 program.**

5. FOOD SAFETY OUTREACH PROGRAM – \$10 MILLION

House FY18 Agriculture Appropriations bill:	\$5 million
Senate FY18 Agriculture Appropriations bill:	\$7 million
NSAC Request:	\$10 million

Training farmers and processors in food safety practices is a critical piece of ensuring a safe food supply. In 2010, Congress passed the Food Safety Modernization Act (FSMA) – the first major overhaul to our nation's food safety laws since the 1930s. Recognizing the importance of training as a part of a food safety system focused on prevention, Congress concurrently created a competitive grants program – the Food Safety Outreach Program (FSOP) – to be administered by USDA's National Institute for Food and Agriculture, to fund farmer and food processor training efforts.

Congress appropriated \$5 million for FSOP in FY 2017; however, additional funding is urgently needed, as the first farms will be required to comply with FSMA in 2018. As farmers prepare for their compliance dates, now is the time to provide critical training and technical assistance to help them get ready and ensure their farms are able to stay in business. Over 100,000 producers will be impacted by FSMA, and FSOP needs to be able to expand its reach to meet the needs of these farmers. Without adequate training and technical assistance, the FSMA regulations will hurt small and mid-sized producers, and fall far short of the goal of improving food safety. **We therefore urge you to provide additional resources for farmer food safety training by, at the very least, adopting the Senate funding level of \$7 million for FSOP.**

6. FSA FARM LOAN PROGRAMS – CONTINUE FY 2017 PROGRAM LEVELS

House FY18 Agriculture Appropriations bill:	Cuts Guaranteed Farm Ownership loans by \$250 million; cuts Direct Operating Loans by \$225 million; cuts Guaranteed Operating Loans by \$377 million
Senate FY18 Agriculture Appropriations bill:	Continues FY 2017 Program Levels
NSAC Request:	Continue FY 2017 Program Levels

Demand for Direct and Guaranteed operating loans has increased in recent years due to the uncertainty around lower than usual commodity prices. In fact, in 2016 FSA ran out of loan funding before the end of the fiscal year. The higher levels provided in the final FY 2017 omnibus were critical to meet the increased level of demand. FSA Direct and Guaranteed loans provide critical access to credit for beginning farmers and those who cannot be serviced by commercial credit under current price conditions.

If enacted, the cuts included in the House bill will prevent thousands of farmers, including beginning farmers, from securing the credit that they need to purchase and operate farms and equipment in FY 2018. To ensure the next generation of farmers are able to secure the financing they need to make it through another growing season, we **urge you to adopt the Senate’s funding levels for FSA direct and guaranteed operating and farm ownership loans.**

7. UNDER SECRETARY FOR RURAL DEVELOPMENT – ADOPT SEC. 755 OF SENATE BILL; ADOPT SENATE LEVEL OF \$896,000 FOR THE OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

In May 2017, USDA announced that it intended to eliminate its Rural Development Mission Area and Under Secretary. USDA’s decision to downgrade rural development and undermine its leadership structure is shortsighted and dangerous. Fortunately, the FY 2018 Senate bill includes language (SEC. 755) directing USDA to retain the Rural Development Mission Area and appoint an Under Secretary for Rural Development. The Senate bill also includes funding for the long-standing position.

Rural Development is an organization of 5000 people, 400 offices, and 40 programs, with a loan portfolio of \$216 billion dollars. In FY 2015 alone, USDA’s Rural Business-Cooperative Service helped rural business owners and entrepreneurs create or save over 52,000 rural jobs; the Rural Utilities Service helped 5.5 million people receive new or improved electric facilities and 2.4 million people receive new or improved water facilities; and the Rural Housing Service provided over 140,000 new home ownership opportunities in FY 2015. Given its size and complexity, USDA Rural Development requires bandwidth at helm to ensure that the work of the agencies is coordinated and accountable to tax payers.

Without the political leadership of an Under Secretary, agencies will tend to drift to separate agendas and difficult issues will go unresolved. Moreover, Rural Development deserves a seat at the table when high-level decisions are being made. As part of the USDA subcabinet, a Senate-confirmed Under Secretary can offer that leadership and political legitimacy. **We therefore urge you to adopt the Senate language that retains funding for the Office of the Under Secretary for Rural Development and directs the Secretary to appoint someone to that position.**

8. CONSERVATION TECHNICAL ASSISTANCE (CTA) – 769.0 MILLION

House FY18 Agriculture Appropriations bill:	\$760.2 million
Senate FY18 Agriculture Appropriations bill:	\$769.0 million
NSAC Request:	\$769.0 million

Conservation Technical Assistance (CTA) funds the frontline work that the Natural Resources Conservation Services does with landowners to help them implement conservation plans and programs on their farms. The Senate included an increase of \$10 million for CTA, while the House included a smaller \$1 million increase. On-the-ground technical assistance is absolutely essential for the successful

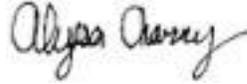
implementation of NRCS conservation programs. **We therefore urge you to adopt the Senate funding level of \$769 million for CTA.**

Thank you for considering our views.

Sincerely,



Paul Wolfe
Senior Policy Specialist
National Sustainable Agriculture Coalition



Alyssa Charney
Policy Specialist
National Sustainable Agriculture Coalition