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Memo: “Fiscal Year 2022 Budget Request for the U.S. Department of Agriculture”

The Senate Committee on Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Date: 6/15/2021

On Tuesday, June 15, the Senate Committee on Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies held a hearing to discuss the USDA budget for FY22. The questions asked by each Senator often related to particular state-specific areas of concern, but multiple members spoke on the broader topics of COVID-19 relief funds, climate change funding, and issues in the cattle market.

Witnesses

- *The Honorable Tom Vilsack* – Secretary, U.S. Department of Agriculture
- *Mr. John Rapp* – Acting Director, Office of Budget and Program Analysis, U.S. Department of Agriculture

Members in Attendance

Subcommittee Chairwoman Tammy Baldwin (D-WI), Full Committee Chairman Patrick Leahy (D-VT), Sen. Jeff Merkley (D-OR), Sen. Jon Tester (D-MT), Sen. Martin Heinrich (D-NM), Subcommittee Ranking Member John Hoeven (R-ND), Sen. Susan Collins (R-ME), Sen. Jerry Moran (R-KS), Sen. Cindy Hyde-Smith (R-MS), Sen. Mike Braun (R-IN)

Key Themes

COVID-19 Relief Funds

Secretary Vilsack responded to questions about pandemic relief funds and the USDA’s June 15 announcement related to these funds from Sen. Collins, the full Committee Chairman, and the Ranking Member about loggers, dairy, and general funds, respectively. He also mentioned 41 different groups that each deserve aid and that many more announcements will be coming in the upcoming months.

Cattle Market Issue

Sens. Moran, Hyde-Smith, Tester, and the Ranking Member expressed concern about the lack of transparency and processing power within the cattle market. Sen. Tester mentioned his Package and Stockyards Act that would create a special investigator while adding price discovery and transparency to the market. Sen. Moran talked about the common inability to sell across state lines and the lack of aid for small processing plants. The Secretary said he is following the prescription of a letter Sen. Moran sent about a percentage reduction of fees for small establishments in this industry, and USDA has help coming for inter-state cattle commerce.

Climate

The Subcommittee Chair asked about the benefits of USDA Climate Hubs and the new Civilian Climate Corps. Secretary Vilsack spoke on the Corps' ability to assist local conservation districts with education and the hubs' use in collecting data to assess how farmers can best adapt to climate change. The Ranking Member received reassurance that CO2 markets will be farmer-friendly without a one-size-fits-all approach.

Additional Issues

The Subcommittee Chairwoman brought up her belief that the Dairy Business Initiative should not be expanded past dairy, even if the Secretary said the broader scope included additional funding. She also requested a Thrifty Food Plan update on the mandated 2022 basis for calculating SNAP benefits and learned that information should be available this summer, while states will be aware of specific adjustments by October 1. The Chairwoman and Ranking Member mentioned the difficulty of making a business case to include the private sector for rural broadband endeavors and the Hon. Vilsack said it would take at least four years to complete with the current funding level. Sen. Collins spoke on a potato breeding program and PFAS contamination assistance through the Dairy Indemnity Programs. The Hon. Vilsack said USDA is looking beyond milk indemnity to the possibility of cow indemnity. Sen. Tester mentioned the issue of food industry consolidation. Sen. Merkley asked about drought mitigation funds and watershed and flood prevention operations, both of which he learned have funding in the budget.

Sen. Braun, the Full Committee Chair, and the Subcommittee Chair asked why the budget request was so ambitious and learned that USDA is simply trying to return to appropriate funding after years of minimal increases. NRCS and FSA need staff to reach their peak capabilities, research demands require additional funding, and broadband efforts need significantly more money as well, among other issues. Sen. Hyde-Smith talked about Mississippi flooding and asked for assistance from USDA programs and grants, which the witness said had minimal unobligated funds to help. Sen. Heinrich asked about wasting disease prevention and mentioned his Agriculture Resilience Act to help farms reach net-zero emissions and become resilient to extreme weather events. Sen. Braun asked for a look into increasing input costs in farming.